



SS100

Sunshine 100 China Holdings Ltd

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2608

2015 | INTERIM REPORT





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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Yi Xiaodi (*Chairman and Chief Executive Officer*)

Mr. Fan Xiaochong

Non-executive Directors

Ms. Fan Xiaohua

Mr. Wang Gongquan[△]

Independent non-executive Directors

Mr. Chen Jinsong[#]

Mr. Gu Yunchang

Mr. Ng Fook Ai, Victor

Mr. Wang Bo^{*}

AUDIT COMMITTEE

Mr. Ng Fook Ai, Victor (*Chairman*)

Mr. Chen Jinsong[#]

Mr. Gu Yunchang

Mr. Wang Bo^{*}

REMUNERATION COMMITTEE

Mr. Chen Jinsong (*Chairman*)[#]

Mr. Wang Bo (*Chairman*)^{*}

Mr. Fan Xiaochong

Mr. Gu Yunchang

NOMINATION COMMITTEE

Mr. Yi Xiaodi (*Chairman*)

Mr. Chen Jinsong[#]

Mr. Gu Yunchang

Mr. Wang Bo^{*}

JOINT COMPANY SECRETARIES

Dr. Ngai Wai Fung

Mr. Du Hongwei

COMPANY'S WEBSITE

www.ss100.com.cn

AUTHORISED REPRESENTATIVES

Mr. Yi Xiaodi

Dr. Ngai Wai Fung

REGISTERED OFFICE

190 Elgin Avenue

George Town, Grand Cayman

KY1-9005

Cayman Islands

[#] Resigned on 27 August 2015

^{*} Appointed on 27 August 2015

[△] Appointed on 1 August 2015

Corporate Information

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Beijing 100026
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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Wanchai
Hong Kong

LEGAL ADVISER

Allen & Overy

AUDITOR

KPMG
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

COMPLIANCE ADVISER

Haitong International Capital Limited

PRINCIPAL BANKERS

Agricultural Bank of China
China Everbright Bank
China Minsheng Banking Corp., Ltd
Industrial Bank Co., Ltd.

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, PO Box 1586
Grand Cayman KY1-1110
Cayman Islands

LISTING INFORMATION

Place of Listing:
The Stock Exchange of Hong Kong Limited
Stock code: 2608

Chairman's Report

On behalf of Sunshine 100 China Holdings Ltd. (the “**Company**”), I am pleased to present the unaudited interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2015 (the “**Reporting Period**”) to the shareholders of the Company (the “**Shareholders**”).

REVIEW ON THE FIRST HALF OF 2015

Operating results achieved stable and healthy growth

During the first half of 2015, in view of the changes in the economy in general and in the real estate market, on one hand, the Group stepped up its efforts in the development and sale of its core products, the “Commercial Street Complex” projects which offer high gross profit and operate based on a sale/lease combination model, and the innovative residential product “Phoenix Community”, which further optimizes our product portfolio. On the other hand, the Group coped with the existing environment and trend by implementing flexible sales and marketing strategies to enhance destocking. The overall operating results achieved substantial growth during the first half of the year. During the Reporting Period, the Group realized total contracted sales in the amount of RMB3,200.7 million and total revenue in the amount of RMB2,363.8 million, representing increases of 31.7% and 176.2% from the corresponding period last year, respectively. Contracted sales of commercial projects amounted to RMB470.5 million, representing a year-on-year growth of 6.5 percentage points. Net profit attributable to the Shareholders of the Company increased by approximately 228.4% from the corresponding period last year to RMB71.6 million, with total assets increasing to RMB36,644.4 million and the total equity attributable to equity Shareholders of the Company amounting to RMB5,687.3 million. At the same time, the Group continued to accelerate the asset turnover, and the area of newly-started construction and construction completions during the first half of the year recorded continuous growth as compared to the corresponding period last year. The newly-started total gross floor area (“**GFA**”) during the Reporting Period was 728,074 square metres, representing an increase of 4.4% over the corresponding period last year. The completed total GFA during the Reporting Period was 441,106 square metres, representing an increase of 441.7% from the corresponding period last year. In respect of land reserves, the newly-acquired projects for the first half of the year took up approximately 324,000 square meters of planned GFA, and the accumulated attributable land reserves area of the Group amounted to approximately 10.5 million square meters.

Fostering the development and sales of our core products continuously to strengthen their advantages

The Group upheld its vision of deepening development in the segment market while progressing forward through innovation and shifting its business focus from ordinary residential properties to commercial street complexes. The key focus was also expanded from development to sales and service. Starting from this year, in particular, we strengthened the development of our core products and focused on the diversified added value rendered for the projects. In respect of the commercial projects, we further strengthened the advantages of our core products "Commercial Street Complex" that offer high earnings, high turnover and low risk. The progress of each key project has been satisfactory. In particular, Liuzhou Sunshine 100 Yaobu Classic Town Project, one of our flagship projects, has continuously delivered excellent sales. Phases I and II construction of the project had been completed, and the construction of phase III has commenced. It is expected to be completed by the end of this year. The tenant recruitment exercise of the project has been extensively carried out and it is expected that phase I will commence operation in the fourth quarter this year. Moreover, the Yixing commercial street complex project which was acquired last year has progressed as scheduled. The project is located by the side of Dong Jiu Lake with prominent geographic advantages, and the planned GFA is approximately 111,000 square metres. It is positioned as a pedestrian commercial street complex which offers leisure and entertainment, and is now undergoing detailed planning and design. Another lately acquired project, the COART Village in Lijiang, adjacent to the Shuhe Ancient Town, Lijiang, enjoys excellent scenery of the snow mountain. The planned GFA of the project is approximately 204,000 square metres, and is planned to be developed into an integrated tourism commercial real estate project, integrating tourism, sightseeing, leisure and resort, experience-based business elements under the same roof. Part of Phase I has been completed and sold. The remaining part in Phase I as well as Phases II and III are under active planning and design, and they will commence construction the soonest in the second half of this year.

In respect of residential products, we have further fostered the development of the "Phoenix Community" product by organic growth as well as external cooperation. We have continuously satisfied the sophisticated living needs of the young elites by providing quality residential properties and property management services, in conjunction with our unique entrepreneurial cultural space, which customizes new office communities for young entrepreneurs in the internet era. During the first half of the year, we continuously rolled out the "Phoenix Community" in the cities where we operate, taking into account the local market conditions. The "Phoenix Community" has entered cities including Shenyang, Weifang, Wuhan, Changsha, Chengdu, Liuzhou and Qingyuan, and received extensive attention both from the young elites and our peers. The Group has extensively marketed the "Phoenix Community" projects through its own experienced sales teams, adopting flexible and incentive-oriented sales policies while leveraging on the diversified platforms of its partners and diversified activities and community. We have proactively retained the participants in our events as our potential customers and property owners. We have received good market response and enhanced our public visibility. The Company plans to selectively enter into new cities in the future based on demands from local markets, and also plans to leverage on advantageous resources offered by strategic alliance to enter into first-tier cities with an asset-light approach.

Chairman's Report

Exploring and leveraging on opportunities to prudently expand land reserves

During the first half of this year, to avoid the risks of competing through tender and auction, the Group exercised caution in selecting the project types it specialises in and acquired quality project lands by way of equity participation or merger and acquisition in projects at low costs, which provided great support to the Group's continuous development and expansion of its presence. The key projects acquired include a parcel of land located in Wing Beach, Saipan and the COART Village, Lijiang. The total site area of the Saipan project is approximately 168,000 square metres, and the total planned GFA is approximately 120,000 square metres. The Group plans to develop the project into a holiday resort and apartment product. The general construction plan is divided into three stages and we are now at the preliminary design and planning stage. We believe that the project will receive market recognition and will deliver good returns to the Group through leveraging on the advantages offered by unique natural scenery, tourism resources and convenient transportation and visa application procedures. Meanwhile, the Lijiang project benefits from the rich natural and local cultural features. The acquisition of such project is a strategic step towards our transformation to adopt "Commercial Street Complex" projects as our core product. Apart from satisfying the basic design requirements of "Commercial Street Complex" projects, the main characteristics will cover (amongst others) art center, art hostel, academy hotel and cultural exchange center, aiming at creating an architectural city landmark which is equipped with one-stop travel and leisure functions and integrates an abundance of cultural and artistic characteristics.

Developing an asset-light cooperation model and a diversified cooperation platform

In June this year, the investment financial group led by EBA Investments of China Everbright Limited conducted equity investment in the Company and became the second largest shareholder with shareholding of 9.03%, and it entered into the strategic cooperation framework agreement with the Company to materialize comprehensive in-depth cooperation and accelerate the progress of the asset-light cooperation model. The Company's core strengths in respect of its product marketing will integrate with the capital and resources strengths offered by the cooperating party through a win-win cooperation. The Company will obtain the project operation right with just a small amount of capital and will bring about increase in project value and acceleration of destocking through product marketing and chain effect of the brands, thus achieving profit sharing and strengthening the cash flow of the Company, while effectively controlling the investment risks at the same time. EBA Investments will also arrange for financing and facilitate the Company's development of such asset-light cooperation projects by way of equity/debt investments. This new asset-light operation model will enable the Company to maintain unique profitability in the PRC real estate market, which will be subject to excessive supply for a long time going forward.

Moreover, we enhanced our product operation services and further diversified and improved the operation status of properties by cooperation with multiple external parties which provide quality resources. For example, we joined hands with Mao Daqing's "UrWork", which targets start-up customers, to jointly operate Sunshine 100 UrWork situated at Guanghai Road, Beijing and have also formed a strategic cooperation for seeking more cooperation opportunities in our projects in (amongst others) Shenyang, Chengdu, Changsha and Wuhan. Moreover, we have formed strategic alliance in Wuhan with the avant garde venture capital organization "Shao Chuang Pai" and launched the largest start-up villa cluster in Wuhan, the "Phoenix Community Villa". We also joined hands with Li Yapeng's Beijing Zhongshu Investment Holdings Co., Ltd. to develop the COART Village located in Lijiang, Yunan, and proactively promoted cooperation between the parties in other projects, so as to build a commercial ecological environment with cultural and art features to enhance the project value.

We will continuously seek cooperation opportunities from different directions, so as to export our product marketing strengths by adopting the asset-light operation model, while proactively formulating a diversified and open cooperation platform. We believe that this will assist the Company to materialize optimization of influence and cross-sector win-win synergy.

Introducing quality strategic investors while optimizing financial structure

During the first half of the year, the Company conducted a top-up placement of 375 million shares of the Company (the "Shares") to no less than six investors including an investment financial group led by EBA Investments, in which the new Shares involved represented 15.79% of the enlarged share capital and raised HK\$1.275 billion of gross proceeds (net proceeds: HK\$1.262 billion). This placing exercise not only injected new capital for the business expansion of the Company, but also facilitated the optimization of our financial structure and further reduced our financial leverage. Meanwhile, the placing introduced high quality strategic investors to the Company, further diversified the shareholders portfolio of the Company, and enhanced the level of recognition and influence of the Company in the capital market, which will exert positive effect on subsequent capital financing and continuously optimize the financial structure in the future.

Chairman's Report

OUTLOOK OF SECOND HALF OF THE YEAR AND THE FUTURE

Looking into the second half of the year, it is expected that the monetary and credit policies will remain steady but become more relaxed. The central government had set the tone of stabilizing consumption while promoting demands. Local policies will adapt to changes with a more flexible and proactive approach. Under the basic principle of stabilizing consumption, efforts in relaxing the policies will be stepped up. It is expected that the decrease in market supply in the second half of the year will narrow down and demands will continue to bounce back. At the same time, destocking will gradually continue, and the property price is expected to stabilize and bounce back slightly, which will facilitate the turnaround of the market.

Looking into the future, the Group plans to further adapt to the trends and proactively develop its own core products. We will continue to increase the proportion of the "Commercial Street Complex" projects in our business and will adequately leverage on the products' competitive edges of low investment input, quick turnover and high returns to boost our earnings in the future. At the same time, the Group plans to upgrade our future residential products to serviced apartments, and build upon the platform of the completed property projects to provide interface for various vertical service providers. The Group will facilitate the roll-out of the "Phoenix Community", innovative serviced apartments equipped with social networking functions, in more cities where its existing projects are located. The Group will also capitalize on opportunities and prudently initiate promotion campaigns in new cities and first-tier cities, to further leverage on the unique advantages offered by these innovative products. The Group will avoid homogenized competition while comprehending accurately on the prevailing trend, so as to satisfy the dual demand for living functions and social platform from the urban youths.

Meanwhile, the Group will drive its superior real estate marketing capabilities developed over the years towards excellence. By leveraging on our advantages and introducing an asset-light operation model to quickly achieve geographical presence in core cities for the development of quality real estate projects with relatively low capital cost, we strive for rapid development of our major products and significant elevation of the scale of operation as a whole. In addition, we will fully develop innovative real estate products in the internet era, accelerate the upgrade of value-added service model and persistently enhance the quality of the projects and our brand value.

I would like to take this opportunity to express my sincere gratitude, on behalf of the management, to all staff for their dedication and to the Shareholders, customers, partners, investors and people from all sectors for their trust and support. We believe that we will deliver better returns for our customers, Shareholders and investors as we consistently provide quality and innovative products, endeavour to address the needs of our customers, provide more competitive remuneration packages to our employees and perform our social responsibilities as a corporate citizen.

Yi Xiaodi

Chairman and Executive Director

27 August 2015

Management Discussion and Analysis

BUSINESS REVIEW

Results Overview

During the Reporting Period, against the backdrop of the central government setting its tone of stabilizing property consumption, the market condition has improved through the joint efforts of various policies, which facilitated further recovery in the property market. Benefiting from the positive measures launched by the government, as well as further promotion of the sale of core and innovative products and the adoption of flexible pricing strategies by the Group, the Group recorded total contracted sales in the amount of RMB3,200.7 million and total revenue in the amount of RMB2,363.8 million, representing increases of 31.7% and 176.2% from the corresponding period last year, respectively. Profit attributable to equity shareholders of the Company amounted to approximately RMB71.6 million, representing an increase of 228.4% from the corresponding period last year. Basic and diluted earnings per share attributable to the equity shareholders of the Company was RMB0.04, representing an increase of 300.0% from that of last year.

(I) *Property Development*

Contracted sales

During the Reporting Period, the Group realized contracted sales in the amount of RMB3,200.7 million, representing an increase of 31.7% from the corresponding period of 2014, and an aggregate contracted sales area in the amount of 424,674 square metres, representing an increase of 48.6% from the corresponding period of 2014. Contracted sales generated from commercial properties amounted to RMB470.5 million, representing an increase of 6.5% from the corresponding period of 2014, and the aggregate contracted sales area amounted to 30,560 square metres, representing an increase of 25.8% from the corresponding period of 2014. The regions where contracted sales were generated from were evenly distributed, among which, contributions from Jinan, Shenyang, Wuxi and Qingyuan projects were more significant, with the contracted sales being RMB677.7 million, RMB555.0 million, RMB452.2 million and RMB419.4 million, respectively, accounting for 21.4%, 17.3%, 14.1% and 13.1% of the total contracted sales, respectively. Moreover, the Group's average unit price for contracted sales was RMB7,440/square metre, a decrease from the corresponding period of 2014, mainly due to the increase in the proportion of contracted sales of low-price products during the Reporting Period.

Management Discussion and Analysis

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

Economic area	City	Project	For the six months ended 30 June					
			Contracted sales area		Contracted sales amount		Unit selling price	
			(square metres) ⁽¹⁾		(RMB million) ⁽²⁾		(RMB/square metre) ⁽¹⁾	
		2015	2014	2015	2014	2015	2014	
Bohai Rim	Jinan	Jinan Sunshine 100 International New Town	72,935	35,669	678	387	9,240	10,644
	Shenyang	Shenyang Sunshine 100 International New Town	73,488	60,340	486	448	6,528	7,353
		Shenyang Sunshine 100 Golf Mansion	14,686	6,392	69	39	4,708	5,901
	Dongying	Dongying Sunshine 100 City Garden	19,042	16,031	114	112	5,986	6,986
	Weifang	Weifang Sunshine 100 City Plaza	10,442	8,311	59	34	5,463	4,022
	Tianjin	Tianjin Sunshine 100 International New Town	221	–	10	1	22,596	–
	Sub-total		190,814	126,743	1,416	1,021	7,331	7,945
Midwest	Wuhan	Wuhan Sunshine 100 Lakeside Residence	56,157	33,334	381	234	6,773	7,020
	Chengdu	Chengdu Sunshine 100 Mia Centre	14,436	15,986	160	171	11,085	10,614
	Changsha	Changsha Sunshine 100 International New Town	13,814	12,923	151	102	10,389	7,567
	Chongqing	Chongqing Sunshine 100 International New Town	2,579	–	47	6	16,016	–
	Liuzhou	Liuzhou Sunshine 100 Yaobu Classic Town	5,638	14,464	168	372	29,328	25,719
		Liuzhou Sunshine 100 City Plaza	217	–	7	6	15,261	–
Sub-total		92,841	76,707	914	891	9,628	11,411	
Yangtze River Delta	Wuxi	Wuxi Sunshine 100 International New Town	64,787	33,694	452	267	6,980	7,922
	Sub-total		64,787	33,694	452	267	6,980	7,922
Pearl River Delta	Qingyuan	Qingyuan Mango Town	76,232	48,620	419	252	5,442	5,183
	Sub-total		76,232	48,620	419	252	5,442	5,183
Total			424,674	285,764	3,201	2,431	7,440	8,401

Management Discussion and Analysis

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

Use	For the six months ended 30 June					
	Contracted sales area		Contracted sales amount		Unit selling price	
	(square metres) ⁽¹⁾		(RMB million) ⁽²⁾		(RMB/square metre) ⁽¹⁾	
	2015	2014	2015	2014	2015	2014
Commercial Properties	30,560	24,298	471	442	15,397	18,191
Residential and car parks	394,114	261,466	2,730	1,989	6,823	7,493
Total	424,674	285,764	3,201	2,431	7,440	8,401
Proportion						
Commercial Properties	7%	9%	15%	18%		
Residential and car parks	93%	91%	85%	82%		
Total	100%	100%	100%	100%		

Notes:

(1) Excluding car parks

(2) Including car parks

Property Construction

During the Reporting Period, the Group's newly-started total GFA was 728,074 square metres, representing an increase of 4.4% from the corresponding period of 2014. The completed GFA was 441,106 square metres, representing a significant increase of 441.7% from the corresponding period of 2014, mainly due to accelerating construction progress and asset turnover after the Company's listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), more properties were completed in the first half of 2015 as compared to the corresponding period last year.

Management Discussion and Analysis

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

Economic area	City	For the six months ended 30 June 2015		
		Newly-started total GFA (square metres)	Completed total GFA (square metres)	Total GFA under construction as at the end of the period (square metres)
Bohai Rim	Shenyang	–	156,113	372,013
	Jinan	–	42,671	262,672
	Weifang	155,867	–	155,867
	Dongying	79,095	32,369	145,011
	Sub-total	234,962	231,153	935,563
Midwest	Wuhan	120,316	–	433,155
	Chengdu	–	–	143,978
	Chongqing	–	–	141,165
	Changsha	79,540	–	99,082
	Lijiang	–	–	79,511
	Guilin	39,170	–	61,953
	Liuzhou	–	–	60,327
	Sub-total	239,026	–	1,019,171
Yangtze River Delta	Wuxi	254,086	183,506	254,086
	Sub-total	254,086	183,506	254,086
Pearl River Delta	Qingyuan	–	26,447	321,431
	Dongguan	–	–	31,106
	Sub-total	–	26,447	352,537
Total		728,074	441,106	2,561,357

Management Discussion and Analysis

Breakdown of Major Properties

Economic area	City	Project	Address	Expected completion date of properties under development ⁽¹⁾	Completion progress of the properties under development ⁽¹⁾⁽²⁾	Saleable GFA remaining unsold (square metres)	GFA under development (square metres)	Planned GFA (square metres)	Our attributable interest in the project
Bohai Rim	Jinan	Jinan Sunshine 100 International New Town	No. 19 Yangguang New Road, Huaiyin District, Jinan City, Shandong Province			106,859	262,673	175,772	49.00%
						6,045	-	-	
						20,790	-	-	
						38,673	-	-	
						23,730	-	-	
						17,621	262,673	112,866	
			-	-	62,906				
	Shenyang	Shenyang Sunshine 100 International New Town	Yuhong New Town, Yuhong District, Shenyang City, Liaoning Province			240,508	324,424	638,073	100.00%
						50,594	-	-	
						93,132	-	-	
						96,782	324,424	638,073	
						-	-	-	
					-	-	-		
Shenyang	Shenyang Sunshine 100 Golf Mansion	No. 18 Qi Hao Street, Economics and Technology Development District, Shenyang City, Liaoning Province			54,991	47,589	46,968	51.00%	
					54,991	-	-		
					-	47,589	46,968		
					-	-	-		
Tianjin	Tianjin Sunshine 100 International New Town	Hongqi South Road, Nankai District, Tianjin City			197,131	-	-	86.00%	
Dongying	Dongying Sunshine 100 City Garden	No. 248 North 1st Road, Dongying District, Dongying City, Shandong Province			58,919	145,011	8,384	100.00%	
					3,980	-	-		
					28,916	-	-		
					26,023	145,011	8,384		

Management Discussion and Analysis

Economic area	City	Project	Address	Expected completion date of properties under development ⁽¹⁾	Completion progress of the properties under development ⁽¹⁾⁽²⁾	Saleable GFA remaining unsold (square metres)	GFA under development (square metres)	Planned GFA (square metres)	Our attributable interest in the project
	Weifang	Weifang Sunshine 100 City Plaza	No. 5051 Shengli East Street, Kuiwen District, Weifang City, Shandong Province			33,032	155,867	1,364,936	100.00%
		Phase I				33,032	-	-	
		Phase II		2016	40%	-	155,867	-	
		Phase III				-	-	478,382	
		Phase IV				-	-	423,573	
		Phase V				-	-	462,981	
	Yantai	Yantai Sunshine 100 City Plaza	Nos. 25-27 Haigang Road, Zhifu District, Yantai City, Shandong Province			22,433	-	345,485	100.00%
		Phase I				22,433	-	-	
		Phase II				-	-	345,485	
	Subtotal					713,873	935,564	2,579,618	
Midwest	Wuhan	Wuhan Sunshine 100 Lakeside Residence	No. 2 Yangqiaohu Avenue, Canglong Island, Jiangxia District, Wuhan City, Hubei Province			68,331	433,154	-	100.00%
		Phase I				2,431	-	-	
		Phase II				35,615	-	-	
		Phase III				10,256	-	-	
		Phase IV				20,029	-	-	
		Phase V		2015	71%	-	106,279	-	
		Phase VI		2015	72%	-	206,559	-	
		Phase VII		2017	18%	-	120,316	-	
	Chongqing	Chongqing Sunshine 100 International New Town	Nanbin Road, Nan'an District, Chongqing City			10,857	141,165	716,880	100.00%
		Phase I				10,857	-	-	
		Phase II		2016	56%	-	141,165	716,880	
	Chengdu	Chengdu Sunshine 100 Mia Centre	No. 6 Wugui Road, Chenghua District, Chengdu City, Sichuan Province			36,433	143,977	-	100.00%
		Phase I				36,433	-	-	
		Phase II		2015	78%	-	143,977	-	
		Xin Sheng Yuan Project	Keyuan South 2nd Road, Gaoxin District, Chengdu City, Sichuan Province			-	-	20,000	100.00%

Management Discussion and Analysis

Economic area	City	Project	Address	Expected completion date of properties under development ⁽¹⁾	Completion progress of the properties under development ⁽¹⁾⁽²⁾	Saleable GFA remaining unsold (square metres)	GFA under development (square metres)	Planned GFA (square metres)	Our attributable interest in the project
	Changsha	Changsha Sunshine 100 International New Town	No. 518 Section One, 2nd South Ring Road, Yuelu District, Changsha City, Hunan Province			55,977	99,082	196,666	100.00%
		Phase I				6,204	-	-	
		Phase II				13,020	-	-	
		Phase III				36,753	-	-	
		Phase IV		2017	28%	-	99,082	196,666	
	Guilin	Guilin Lijiang Project	Pingle Town, Pingle County, Guilin City, Guangxi Zhuang Autonomous Region			-	59,618	58,003	75.00%
		Phase I, II		2016	51%	-	20,448	58,003	
		Phase III		2016	28%	-	39,170	-	
		Guilin Scape Project	Ertang Township, Xiangshan District, Guilin City, Guangxi Zhuang Autonomous Region			-	2,336	236,722	100.00%
	Liuzhou	Liuzhou Sunshine 100 City Plaza	No. 2 Guizhong Avenue, Liuzhou City, Guangxi Zhuang Autonomous Region			62,151	-	-	75.00%
		Phase I				15,138	-	-	
		Phase II				16,908	-	-	
		Phase III				11,795	-	-	
		Phase IV				18,310	-	-	
		Liuzhou Sunshine 100 Yaobu Classic Town	No. 9 Panlong Road, Liuzhou City, Guangxi Zhuang Autonomous Region			96,735	60,327	-	98.75%
		Phase I				38,304	-	-	
		Phase II				15,479	-	-	
		Phase III		2015	81%	42,952	60,327	-	
		Liuzhou Sunshine 100 Classical Era	No. 11 Haiguan Road, Liuzhou City, Guangxi Zhuang Autonomous Region			1,434	-	-	100.00%

Management Discussion and Analysis

Economic area	City	Project	Address	Expected completion date of properties under development ⁽¹⁾	Completion progress of the properties under development ⁽¹⁾⁽²⁾	Saleable GFA remaining unsold (square metres)	GFA under development (square metres)	Planned GFA (square metres)	Our attributable interest in the project
	Nanning	Nanning Sunshine 100 City Plaza	No. 63-1 Minzu Avenue, Nanning City, Guangxi Zhuang Autonomous Region			16,916	-	92,230	100.00%
		Phase I				16,916	-	-	
		Phase II				-	-	92,230	
		Nanning Sunshine 100 Upper East Side International	No. 166 Minzu Avenue, Nanning City, Guangxi Zhuang Autonomous Region			54,060	-	-	26.01%
		Vantone Air Garden	No. 80 Renmin West Road, Nanning City, Guangxi Zhuang Autonomous Region			2,751	-	-	100.00%
		Nanning Sunshine 100 Mountainside Garden	Nos. 1-2 Yinghua Road, Nanning City, Guangxi Zhuang Autonomous Region			10,603	-	-	51.00%
		Nanning Sunshine 100 Australian Garden	No. 8 Qingshan Road, Nanning City, Guangxi Zhuang Autonomous Region			800	-	-	50.00%
		Nanning Sunshine 100 European Garden	No. 63-1 Minzu Avenue, Nanning City, Guangxi Zhuang Autonomous Region			-	-	-	100.00%
	Lijiang	Lijiang COART Village	Kaiwen and Longquan Communities, Shuhe Town, Lijiang City, Yunnan Province			-	79,511	124,657	51.00%
		Subtotal				417,048	1,019,170	1,445,158	

Management Discussion and Analysis

Economic area	City	Project	Address	Expected	Completion	Saleable GFA remaining unsold (square metres)	GFA under development (square metres)	Planned GFA (square metres)	Our attributable interest in the project	
				completion date of properties under development ⁽¹⁾	progress of the properties under development ⁽¹⁾⁽²⁾					
Yangtze River Delta	Wuxi	Wuxi Sunshine 100 International New Town	No. 1 Tianyi New Street, Xizhang, Yanqiao Town, Huishan District, Wuxi City, Jiangsu Province			366,291	254,086	823,684	100.00%	
						99,762	-	-		
						65,688	-	-		
						28,462	-	-		
						132,890	-	150,907		
						39,489	-	140,010		
						2016	41%	-	254,086	532,767
	Yixing	Yixing Dongjiu Commercial Street	East Jiefang Road, Chengdong New District, Yixing City, Jiangsu Province			-	-	111,400	80.00%	
		Subtotal				366,291	254,086	935,084		
Pearl River Delta	Qingyuan	Qingyuan Mango Town	N24 Area, Po Keng Lian Tai Industry City, Long Tang Town, Qing Cheng District, Qingyuan City, Guangdong Province			92,574	321,431	3,070,108	55.00%	
						44,698	-	-		
					2016	57%	47,876	321,431	159,194	
						-	-	987,379		
						-	-	1,923,535		
	Dongguan	Dongguan Songshan Club	New Town Road, Yanfazhong Road, Songshan Lake, Hi-tech Industrial Development Zone, Dongguan City, Guangdong Province			-	31,106	227,233	49.56%	
		Subtotal				92,574	352,537	3,297,341		

Management Discussion and Analysis

Economic area	City	Project	Address	Expected	Completion	Saleable GFA remaining	GFA under development	Planned GFA	Our attributable interest in the project
				completion date of properties under development ⁽¹⁾	progress of the properties under development ⁽¹⁾⁽²⁾				
Overseas	Saipan	Saipan Wing Beach Project	Wing Beach, Saipan, Northern Mariana Islands			-	-	120,000	51.00%
		Subtotal				-	-	120,000	
		Total				1,589,786	2,561,357	8,377,201	

Notes:

- (1) Expected completion date and completion progress are applicable to projects under development, but not applicable to completed projects or projects to be built.
- (2) Completion progress reflects the overall completion progress as at 30 June 2015.
- (3) The completed investment properties with a gross total GFA of approximately 327,579 square metres were not included in this table.
- (4) The self-operated commercial areas of Weifang Sunshine 100 City Plaza, Shenyang Sunshine 100 International New Town, Shenyang Sunshine 100 Golf Mansion with a total GFA of approximately 35,973 square metres and the self-operated hotels of Jinan Sunshine 100 International New Town, Liuzhou Sunshine 100 City Plaza, Shenyang Sunshine 100 Golf Mansion and Yangshuo Sunshine 100 West Street Square with a total GFA of approximately 82,209 square metres were not included in this table.

(III) Investment properties

During the Reporting Period, the GFA of the Group's new investment properties under construction was 32,566 square metres, and the planned GFA of investment properties held for future development was 120,000 square metres. The GFA of completed investment properties decreased by 1,256 square metres. As at 30 June 2015, the GFA of investment properties completed and under construction held by the Group was 431,324 square metres and the planned GFA of investment properties held for future development was 120,000 square metres. Moreover, during the Reporting Period, the rental income was RMB50.7 million, representing an increase of 37.0% as compared to the corresponding period of 2014.

Economic area	City	Project	Properties	Use	Leasing period
Bohai Rim	Jinan	Jinan Sunshine 100 International New Town	Part of shopping mall, Phase IV	Commercial	Short, medium and long term
			Kindergarten, Phase III	Kindergarten	Long term
	Shenyang	Shenyang Sunshine 100 International New Town	Part of commercial portion, Phase I	Commercial	Medium term
			Part of commercial portion, Phase II	Commercial	Short, medium and long term
			Kindergarten, D13 Building, Phase II	Kindergarten	Long term
		Part of commercial portion under development, Phase III	Commercial	Medium and long term	

Management Discussion and Analysis

Economic area	City	Project	Properties	Use	Leasing period
	Tianjin	Tianjin Sunshine 100 International New Town	Part of community commercial portion	Commercial	Short, medium and long term
	Dongying	Dongying Sunshine 100 City Garden	A4 Kindergarten	Kindergarten	Long term
	Weifang	Weifang Sunshine 100 City Plaza	Part of commercial portion, Blocks 5-8, Phase I Part of office building, Block 8, Phase I	Commercial Office	Short, medium and long term Short and medium term
	Yantai	Yantai Sunshine 100 City Plaza	Part of office building Part of shopping mall	Office Commercial	Medium term Short, medium and long term
Midwest	Wuhan	Wuhan Sunshine 100 Lakeside Residence	Part of commercial portion, Block F53, Phase IV	Commercial	Vacant
	Chongqing	Chongqing Sunshine 100 International New Town	Part of community commercial portion Block E2, the Himalayas	Commercial Serviced apartments	Short and medium term Under development
	Chengdu	Chengdu Sunshine 100 Mia Centre	Part of underground commercial portion, Phase I	Commercial	Medium term
	Changsha	Changsha Sunshine 100 International New Town	Part of commercial portion, Blocks 52-56, Phase III	Commercial	Short, medium and long term
	Liuzhou	Liuzhou Sunshine 100 City Plaza	Part of commercial portion Level 1, Block 33	Commercial Kindergarten	Long term Long term
		Liuzhou Sunshine 100 Yaobu Classic Town	Part of Land Parcel A reserved	Commercial	Vacant
		Liuzhou Sunshine 100 Classical Era	Part of Land Parcel B reserved Kindergarten	Commercial Kindergarten	Under development Long term
	Nanning	Nanning Sunshine 100 City Plaza	Part of commercial portion	Commercial	Short, medium and long term
		Vantone Air Garden	Part of commercial portion	Commercial	Medium and long term
		Nanning Sunshine 100 Mountainside Garden	Clubhouse	Commercial	Long term
		Nanning Sunshine 100 Australian Garden Clubhouse and club		Commercial	Medium and long term
		Nanning Sunshine 100 European Garden Clubhouse		Commercial, Kindergarten	Short and medium term
Yangtze River Delta	Wuxi	Wuxi Sunshine 100 International New Town	Part of commercial portion, Tianyi Street, Phase V	Commercial	Long term
Pearl River Delta	Dongguan	Dongguan Songshan Club	The entire project	Scientific research and design	Under development
Overseas	Saipan	Saipan Wing Beach Project	The entire project	Commercial	Held for future development

Management Discussion and Analysis

(III) Land Acquisition

During the Reporting Period, the Group paid an aggregate amount of RMB283.9 million for various land acquisitions, which included the land payment for Shenyang Sunshine 100 International New Town in the amount of RMB99.7 million and the consideration of RMB118.0 million paid for the acquisition of the COART Village, Lijiang.

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

Economic area	City	Total GFA (square metres)	Proportion	Attributable	
				GFA (square metres)	Proportion
Bohai Rim	Jinan	618,156	5%	302,896	3%
	Shenyang	1,424,691	11%	1,341,551	13%
	Tianjin	212,298	2%	182,576	2%
	Dongying	214,408	2%	214,408	2%
	Weifang	1,587,551	12%	1,587,551	15%
	Yantai	426,466	3%	426,466	4%
	Subtotal	4,483,570	35%	4,055,448	39%
Midwest	Wuhan	504,820	4%	504,820	5%
	Chongqing	888,623	7%	888,623	8%
	Chengdu	208,568	2%	208,568	2%
	Changsha	360,057	3%	360,057	3%
	Guilin	369,100	3%	169,249	2%
	Liuzhou	305,518	2%	270,645	3%
	Nanning	213,231	2%	164,961	2%
	Lijiang	204,168	1%	104,126	1%
	Subtotal	3,054,085	24%	2,671,049	26%

Management Discussion and Analysis

Economic area	City	Total GFA (square metres)	Proportion	Attributable	
				GFA (square metres)	Proportion
Yangtze River Delta	Wuxi	1,462,598	11%	1,462,598	14%
	Yixing	111,400	0%	89,120	1%
	Subtotal	1,573,998	11%	1,551,718	15%
Pearl River Delta	Qingyuan	3,484,113	27%	1,916,262	18%
	Dongguan	258,339	2%	232,763	2%
	Subtotal	3,742,452	29%	2,149,025	20%
Overseas	Saipan	120,000	1%	61,200	0%
	Subtotal	120,000	1%	61,200	0%
Total		12,974,105	100%	10,488,440	100%

FINANCIAL PERFORMANCE

Revenue

During the Reporting Period, the revenue of the Group increased by 176.2% to RMB2,363.8 million from RMB855.7 million in the corresponding period of 2014, mainly attributable to the increase in revenue from our property sales.

Income from sale of properties

During the Reporting Period, revenue generated from the sale of properties increased by 205.4% to RMB2,143.3 million from RMB701.9 million in the corresponding period of 2014, mainly attributable to an increase in the total GFA delivered.

Management Discussion and Analysis

Use	For the six months ended 30 June					
	Sales areas (square metres) ⁽¹⁾		Sales amount (RMB million) ⁽²⁾		Unit selling price (RMB/square metre) ⁽¹⁾	
	2015	2014	2015	2014	2015	2014
Commercial Properties	15,318	20,764	251	281	16,388	13,548
Residential and car parks	305,063	58,935	1,892	421	6,110	6,246
Total	320,381	79,699	2,143	702	6,601	8,148
Proportion						
Commercial Properties	5%	26%	12%	40%		
Residential and car parks	95%	74%	88%	60%		
Total	100%	100%	100%	100%		

Notes:

(1) Excluding car parks

(2) Including car parks

Property management and hotel operation income

During the Reporting Period, the revenue generated from property management and hotel operation of the Group increased by 45.3% to RMB169.8 million from RMB116.9 million in the corresponding period of 2014, mainly attributable to an increase in the area under property management by the Group.

Rental income from investment properties

During the Reporting Period, the rental income from investment properties of the Group increased by 37.0% to RMB50.7 million from RMB37.0 million in the corresponding period of 2014, mainly attributable to an increase in the unit rental level and an increase in the GFA for rental.

Management Discussion and Analysis

Cost of sales

During the Reporting Period, the cost of sales of the Group increased by 260.0% to RMB2,040.2 million from RMB566.7 million in the corresponding period of 2014. The cost of property sales increased by 327.1% to RMB1,853.8 million from RMB434.0 million in the corresponding period of 2014, mainly attributable to an increase in GFA of properties delivered (excluding car parks). Cost of property management and hotel operation increased by 40.5% to RMB186.4 million from RMB132.7 million in the corresponding period of 2014, mainly attributable to an increase in the area under property management of the Group.

Gross profit

As a result of the above factors, during the Reporting Period, the gross profit of the Group increased by 12.0% to RMB323.6 million from RMB289.0 million in the corresponding period of 2014, and the gross profit margin decreased to 13.7% from 33.8% in the corresponding period of 2014. If the non-recurring inventory impairment loss provided for during the Reporting Period in the amount of RMB128.4 million was excluded, the adjusted gross profit margin of the Group would be 19.1%, representing a decrease of 14.7 percentage points as compared to 33.8% in the corresponding period of 2014, mainly due to an increase in the proportion of delivered properties with lower gross profit margin.

Valuation gains on investment properties

During the Reporting Period, valuation gains on investment properties of the Group increased by 128.9% to RMB264.8 million from RMB115.7 million in the corresponding period of 2014, mainly attributable to the newly added investment properties during the Reporting Period and the increase in the valuation of existing investment properties under construction as they progressed to completion.

Selling expenses

During the Reporting Period, the Group's selling expenses increased by 90.3% to RMB266.1 million from RMB139.8 million in the corresponding period of 2014, mainly attributable to an increase in advertisement expenses and incentives for the sales team due to the Group's increased efforts in promotion and the development of an internal sales agent system.

Administrative expenses

During the Reporting Period, the administrative expenses of the Group increased by 17.1% to RMB177.4 million from RMB151.5 million in the corresponding period of 2014, mainly attributable to an increase in expenses such as staff remuneration, consultancy fee and property tax.

Financial expenses

During the Reporting Period, financial expenses of the Group increased by 74.8% to RMB111.7 million from RMB63.9 million in the corresponding period of 2014, mainly attributable to an increase in the scale of interest bearing liabilities of the Group.

Management Discussion and Analysis

Income tax

During the Reporting Period, the income tax expenses of the Group increased by 16.7% to RMB91.4 million from RMB78.3 million in the corresponding period of 2014, mainly attributable to an increase in valuation gains on investment properties during the period which led to an increase in deferred income tax expenses.

Profit

During the Reporting Period, the profit of the Group increased by 345.5% to RMB54.8 million from RMB12.3 million in the corresponding period of 2014.

Profit attributable to equity shareholders of the Company

Based on the above mentioned factors, the profit attributable to equity shareholders of the Company increased by 228.4% to RMB71.6 million from RMB21.8 million in the corresponding period of 2014.

WORKING CAPITAL, FINANCE AND CAPITAL RESOURCES

Cash and cash equivalents

As at 30 June 2015, the Group had RMB1,742.3 million of cash and cash equivalents, representing a decrease of RMB815.6 million as compared to 31 December 2014, mainly due to an increase in the payments as consideration for project acquisitions during the Reporting Period.

Current ratio, gearing ratio and net gearing ratio

As at 30 June 2015, the Group's current ratio increased to 158.6% from 136.1% as at 31 December 2014. As at 30 June 2015, the Group's current assets and current liabilities amounted to RMB27,379.5 million and RMB17,266.1 million, respectively.

As at 30 June 2015, the Group's gearing ratio increased slightly to 42.8% from 42.3% as at 31 December 2014. Net gearing ratio decreased to 197.5% from 209.5% as at 31 December 2014, mainly attributable to an increase in net assets due to placing of existing Shares and subscription of new Shares, while partly being offset by an increase in interest bearing liabilities.

Loans and borrowings and pledged assets

As at 30 June 2015, the Group's total loans and borrowings amounted to RMB15,697.0 million. In particular, RMB6,204.6 million, RMB4,417.4 million, RMB4,823.0 million and RMB252.0 million were repayable within one year or on demand, after one year but within two years, after two years but within 5 years and after five years, respectively.

As at 30 June 2015, the Group's pledged properties and restricted deposits with a carrying value of RMB10,667.5 million (31 December 2014: RMB9,268.8 million) to secure banking facilities granted to the Group.

Management Discussion and Analysis

Capital commitments

As at 30 June 2015, the Group's contracted capital commitment for properties under development and investment properties under construction not provided for in the financial statements amounted to RMB2,633.6 million (31 December 2014: RMB1,566.7 million). As at 30 June 2015, the Group's capital commitment approved but not contracted for amounted to RMB5,246.4 million (31 December 2014: RMB5,301.3 million).

Foreign Exchange Exposure

The renminbi is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through the People's Bank of China (the "PBOC") or other statutory institutions. The exchange rates adopted for foreign exchange transactions are those published by the PBOC and may be subject to a managed float against an unspecified basket of currencies. Foreign currency payments, including the remittance of earnings outside the PRC, are subject to the availability of foreign currencies (depending on the foreign currency in which the Group's earnings are denominated) or must be conducted through the PBOC with government approval.

Nearly all of the Group's income and expenses are denominated in renminbi, while certain bank deposits and loans are denominated in the HK dollar and US dollar. However, the operating cash flows and working capital of the Group have not been materially impacted by fluctuations in exchange rates. The Group currently does not hedge its foreign exchange exposures but may adopt hedging measures in the future.

Contingent liabilities

During the Reporting Period, the Group entered into agreements with certain banks to provide guarantees for the mortgage loans of purchasers of its properties. As at 30 June 2015, the Group provided guarantees for mortgage loans in an amount of RMB4,604.1 million (31 December 2014: RMB5,180.1 million) to banks in respect of such agreements.

MAJOR INVESTMENTS, ACQUISITIONS AND DISPOSALS

Repurchase of 72% equity interest in Chongqing Yuneng 100 Real Estate Development Co., Ltd. ("Chongqing Yuneng 100")

On 13 January 2015, Sunshine 100 Real Estate Group Co., Ltd., a wholly-owned subsidiary of the Company ("Sunshine 100 Group"), entered into the early repayment agreement with Sunshine 100 Real Estate (Liaoning) Co., Ltd., Zhongrong International Trust Co., Ltd. ("Zhongrong International Trust") and Chongqing Yuneng 100 Real Estate Development Co., Ltd., pursuant to which (i) Sunshine 100 Group would repurchase, and Zhongrong International Trust would transfer, 72% of the equity interest in Chongqing Yuneng 100 for a consideration of approximately RMB517,900,000; and (ii) Sunshine 100 Group would repay Chongqing Yuneng 100's outstanding loan (principal of RMB300,000,000 plus the total interest of approximately RMB64,300,000) owed to Zhongrong International Trust. For further details on the repurchase, please refer to the announcement of the Company dated 13 January 2015.

Management Discussion and Analysis

Acquisition of interest in and shareholders' loan of Sunshine 100 Resort Development Company Limited ("Sunshine 100 Resort Development")

On 10 February 2015, Sunmode Limited, a wholly-owned subsidiary of the Company entered into a share purchase agreement, pursuant to which Sunmode Limited agreed to purchase 510,000 shares and the shareholders' loan of US\$4,335,000 of Sunshine 100 Resort Development from Wayfine Holdings Limited and Zhongran Investments Company Limited at an aggregate consideration of US\$5,951,821. Upon completion of the transaction, Sunshine 100 Resort Development would be held by Sunmode Limited, Tan Holdings Corporation and Zhongran Investments Company Limited as to 51%, 30% and 19%, respectively. For further details of the acquisition, please refer to the announcement of the Company dated 10 February 2015.

Transfer of 49% equity interest in Chongqing Yuneng 100 and the equity repurchase agreement

On 10 February 2015, Sunshine 100 Group entered into the equity transfer agreement with Beijing Dongfang Zhuochang Investment Management Center (北京東方卓昶投資管理中心) (limited partnership), pursuant to which 49% equity interest in Chongqing Yuneng 100 will be transferred by Sunshine 100 Group to Beijing Dongfang Zhuochang Investment Management Center (limited partnership) for a consideration of RMB49,000,000.

On 10 February 2015, Sunshine 100 Group entered into an equity repurchase agreement with Beijing Dongfang Zhuochang Investment Management Center (limited partnership), pursuant to which, Beijing Dongfang Zhuochang Investment Management Center (limited partnership) shall have the right to return the 49% equity interest in Chongqing Yuneng 100 to Sunshine 100 Group at a consideration of RMB49,000,000 according to the terms of the equity repurchase agreement. For further details on the transfer and repurchase, please refer to the announcements of the Company dated 11 February 2015 and 17 February 2015.

Acquisition of shares in Lijiang Snow Mountain Investment Co., Ltd. ("Lijiang Snow Mountain")

On 10 June 2015, Sunshine 100 Group, and Wuxi Suyuan Real Estate Co., Ltd. entered into an equity purchase agreement with Mr. Li Yapeng, Beijing Zhongshu Investment Holdings Co., Ltd. and Lijiang Snow Mountain to acquire 51% equity interest in Lijiang Snow Mountain at a total consideration of RMB193.8 million. The purpose of the acquisition is to develop the Lijiang COART Village project located in Shuhe Ancient Town, Lijiang. For further details of the acquisition, please refer to the announcement of the Company dated 10 June 2015.

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

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group employed a total of 3,979 employees (corresponding period of 2014: 3,594 employees). The staff costs of the Group were RMB195.0 million during the Reporting Period (corresponding period of 2014: RMB167.0 million). The Group has adopted a performance-based rewarding system to motivate its staff. In addition to the basic salary, year-end bonuses are offered to staff with outstanding performance. In relation to staff training, the Group also provides various training programs to improve employees' skills and develop their respective expertise. Generally, salary will be determined based on the qualifications, position and experience of each employee. We have established a regular assessment mechanism to assess the performance of our employees. The assessment results are used as the basis for determining salary increment, bonuses and promotions. As required by laws and regulations in China, we make contributions to mandatory social security funds such as pension, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and the housing provident fund for the benefit of our employees in China. For the six months ended 30 June 2015, we made contributions in an aggregate of approximately RMB16.5 million to the employee retirement scheme.

EVENTS AFTER THE REPORTING PERIOD

From 30 June 2015 to the date of this interim report, there were no events after the Reporting Period which had material effect on the Group.

Corporate Governance

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability of the Company. For the six months ended 30 June 2015, the Company has adopted and complied with all applicable code provisions (the “**Code Provisions**”) under the Corporate Governance Code (the “**CG Code**”) in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), except for the following deviation:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Yi Xiaodi is the Chairman and Chief Executive Officer of the Company. The board of directors of the Company (the “**Board**”) considers that this structure 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 operations of the Board, which comprises experienced and high calibre individuals and meets regularly to discuss issues affecting the operations of the Group. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement timely and effective decisions. The Board has full confidence in Mr. Yi and believes that his concurrent position as Chairman and Chief Executive Officer is beneficial to the business prospects of the Group.

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, reminding the Directors that they are not allowed to trade in the securities of the Company prior to the announcement of the results (the periods in which the Directors are prohibited from dealing in Shares), and that all transactions must be conducted according to the Model Code. Having made specific enquiries by the Company with all Directors, all of the Directors confirmed that they have complied with the provisions of the Model Code during the six months ended 30 June 2015.

AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”) in compliance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting and internal control of the Company. At the time when this interim report was approved by the Board, the Audit Committee comprised three independent non-executive Directors, including Mr. Ng Fook Ai, Victor, Mr. Chen Jinsong and Mr. Gu Yunchang. Mr. Ng Fook Ai, Victor was at such time the chairman of the Audit Committee.

The primary duties of the Audit Committee are: (i) to deal with the relationship with the Company’s external auditors; (ii) to review the Group’s financial information; (iii) to supervise the Group’s financial reporting system and internal control procedures; and (iv) to perform the Company’s corporate governance functions.

Corporate Governance

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed the internal control and financial reporting matters of the Group (including reviewing the interim results of the Group for the six months ended 30 June 2015).

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the “**Remuneration Committee**”) in compliance with the Listing Rules. At the time when this interim report was approved by the Board, the Remuneration Committee comprised an executive Director, Mr. Fan Xiaochong, and two independent non-executive Directors, Mr. Chen Jinsong and Mr. Gu Yunchang. Mr. Chen Jinsong was at such time the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include (but are not limited to): (i) making recommendations to the Directors in respect of the remuneration policies and structure of Directors and senior management of the Company and the formal and transparent procedures in the formulation of remuneration policies; (ii) providing recommendations to the Board in respect of the remuneration packages of the Directors and senior management; (iii) reviewing and approving the remuneration packages of the management with reference to the Group’s corporate goals and objectives; and (iv) considering and approving the grant of share options to eligible participants under the share option scheme adopted by the Company on 17 February 2014.

NOMINATION COMMITTEE

The Company has established a nomination committee (the “**Nomination Committee**”) in compliance with the Listing Rules. At the time when this interim report was approved by the Board, the Nomination Committee comprised one executive Director, Mr. Yi Xiaodi, and two independent non-executive Directors, Mr. Chen Jinsong and Mr. Gu Yunchang. Mr. Yi Xiaodi at such time was 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.

Disclosure of the Interests Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the date of this interim report, the interests or short positions of Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or (ii) which were required, pursuant to Section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interests in the Company

Name of Director	Capacities in which interests are held	Interests in Shares	Approximate percentage of issued share capital of the Company	Notes
Yi Xiaodi	Persons acting in concert Interest of a controlled corporation Founder of a discretionary trust	1,382,335,012 (L)	58.20%	1, 2, 3
Fan Xiaochong	Persons acting in concert Interest of a controlled corporation Founder of a discretionary trust	1,382,335,012 (L)	58.20%	1, 2, 4
Fan Xiaohua	Persons acting in concert Interest of a controlled corporation Founder of a discretionary trust	1,382,335,012 (L)	58.20%	1, 2, 5

Notes:

- (1) The letter “L” denotes the person’s long positions in the Shares.
- (2) 40% of the issued share capital of Joywise Holdings Limited (“**Joywise**”) is held by Ming Fai International Limited (“**Ming Fai**”) and 60% of the issued share capital of Joywise is held by Harvest Well Holdings Limited (“**Harvest Well**”). Both Ming Fai and Harvest Well are deemed under the SFO to be interested in the Shares held by Joywise. 72.4% of the issued share capital of each of Ming Fai and Harvest Well are held by Fantasy Races Limited. In light of the above, Fantasy Races Limited is deemed under the SFO to be interested in the Shares held by Joywise.
- (3) Mr. Yi Xiaodi is the founder of a discretionary family trust, the discretionary beneficiaries of which are Mr. Yi Xiaodi, his family members and other persons who may join in from time to time (the “**Yi Family Trust**”). By virtue of the SFO, he is deemed to be interested in the Shares which Fantastic Magician Limited is interested in.

Disclosure of the Interests Information

Mr. Yi Xiaodi is also one of the founders of a discretionary investment collective trust established by Mr. Yi Xiaodi, Mr. Fan Xiaochong, Ms. Fan Xiaohua, Mr. Jin Xiangfei, Ms. Liu Chaohui, Mr. Tian Feng, Mr. Li Mingqiang (the “**Individual Controlling Shareholders**”), the discretionary beneficiaries of which are the Individual Controlling Shareholders and other persons who may join in from time to time (the “**Sunshine Trust I**”). By virtue of the SFO, he is deemed to be interested in the Shares which Fantasy Races Limited is interested in.

Mr. Yi Xiaodi is one of the parties to each of the concert party agreement dated 12 August 2010 entered into between Mr. Yi Xiaodi, Mr. Fan Xiaochong, Ms. Fan Xiaohua and Mr. Liao Chimei (the “**2010 Agreement**”) and the concert party agreement dated 1 August 2013 entered into among the Individual Controlling Shareholders (the “**2013 Agreement**”). By virtue of the SFO, he is deemed to be interested in the Shares which the other parties to each of those agreements are interested in.

In light of the above and the other notes, Mr. Yi Xiaodi is deemed under the SFO to be interested in the Shares held by Joywise.

- (4) Mr. Fan Xiaochong is the founder of a discretionary family trust, the discretionary beneficiaries of which are Mr. Fan Xiaochong, his family members and other persons who may join in from time to time (the “**FXC Family Trust**”). By virtue of the SFO, he is deemed to be interested in the Shares which True Passion Limited is interested in.

Mr. Fan Xiaochong is also one of the founders of the Sunshine Trust I. By virtue of the SFO, he is deemed to be interested in the Shares which Fantasy Races Limited is interested in.

Mr. Fan Xiaochong is also one of the founders of a discretionary collective trust established by the Individual Controlling Shareholders, the discretionary beneficiaries of which are three persons and other persons who may join in from time to time (the “**Sunshine Trust II**”). By virtue of the SFO, he is deemed to be interested in the Shares which Floral Crystal Limited is interested in.

Mr. Fan Xiaochong is one of the parties to each of the 2010 Agreement and the 2013 Agreement. By virtue of the SFO, he is deemed to be interested in the Shares which the other parties to each of those agreements are interested in.

In light of the above and the other notes, Mr. Fan Xiaochong is deemed to be interested in the Shares held by Joywise under the SFO.

- (5) Ms. Fan Xiaohua is the founder of a discretionary family trust, the discretionary beneficiaries of which are Ms. Fan Xiaohua, his family members and other persons who may join in from time to time (the “**FXH Family Trust**”). By virtue of the SFO, she is deemed to be interested in the Shares which Glorious Glory Limited is interested in.

Ms. Fan Xiaohua is also one of the founders of the Sunshine Trust I. By virtue of the SFO, she is deemed to be interested in the Shares which Fantasy Races Limited is interested in.

Ms. Fan Xiaohua is one of the parties to each of the 2010 Agreement and the 2013 Agreement. By virtue of the SFO, she is deemed to be interested in the Shares which the other parties to each of those agreements are interested in.

In light of the above and the other notes, Ms. Fan Xiaohua is deemed to be interested in the Shares held by Joywise under the SFO.

Disclosure of the Interests Information

(ii) *Interests in associated corporations*

Name of Director	Capacities in which interests are held	Name of associated corporation	Interests in Shares	Percentage of shareholding	Notes
Yi Xiaodi	Persons acting in concert Founder of discretionary trusts	Harvest Well	50,000	100%	1
Fan Xiaochong	Persons acting in concert Founder of discretionary trusts	Harvest Well	50,000	100%	2
Fan Xiaohua	Persons acting in concert Founder of discretionary trusts	Harvest Well	50,000	100%	3
Yi Xiaodi	Persons acting in concert Interest of a controlled corporation Founder of discretionary trusts	Joywise	50,000	100%	4
Fan Xiaochong	Persons acting in concert Interest of a controlled corporation Founder of discretionary trusts	Joywise	50,000	100%	5
Fan Xiaohua	Persons acting in concert Interest of a controlled corporation Founder of discretionary trusts	Joywise	50,000	100%	6
Yi Xiaodi	Persons acting in concert Founder of discretionary trusts	Ming Fai	50,000	100%	1
Fan Xiaochong	Persons acting in concert Founder of discretionary trusts	Ming Fai	50,000	100%	2
Fan Xiaohua	Persons acting in concert Founder of discretionary trusts	Ming Fai	50,000	100%	3

Notes:

- (1) Please refer to Note 3 in the sub-section above headed "(i) Interest in the Company".
- (2) Please refer to Note 4 in the sub-section above headed "(i) Interest in the Company".
- (3) Please refer to Note 5 in the sub-section above headed "(i) Interest in the Company".
- (4) Please refer to Notes 2 and 3 in the sub-section above headed "(i) Interest in the Company".
- (5) Please refer to Notes 2 and 4 in the sub-section above headed "(i) Interest in the Company".
- (6) Please refer to Notes 2 and 5 in the sub-section above headed "(i) Interest in the Company".

Save as disclosed above, as at the date of this interim report, none of the Directors or chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Disclosure of the Interests Information

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this interim report, at no time during the six months ended 30 June 2015 and up to the date of this interim report, were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the date of this interim report, to the best of the knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Capacities in which interests are held	Interests in Shares	Approximate percentage of shareholding	Notes
Joywise	Beneficial owner	1,382,335,012 (L)	58.20%	1
Ming Fai	Interest of a controlled corporation	1,382,335,012 (L)	58.20%	1, 2
Harvest Well	Interest of a controlled corporation	1,382,335,012 (L)	58.20%	1, 3
Fantasy Races Limited	Interest of a controlled corporation	1,382,335,012 (L)	58.20%	1, 4
Jin Xiangfei	Persons acting in concert	1,382,335,012 (L)	58.20%	1, 5
	Interest of a controlled corporation			
	Founder of a discretionary trust			
Liu Chaohui	Persons acting in concert	1,382,335,012 (L)	58.20%	1, 6
	Interest of a controlled corporation			
	Founder of a discretionary trust			
Tian Feng	Persons acting in concert	1,382,335,012 (L)	58.20%	1, 7
	Interest of a controlled corporation			
	Founder of a discretionary trust			
Li Mingqiang	Persons acting in concert	1,382,335,012 (L)	58.20%	1, 8
	Interest of a controlled corporation			
	Founder of a discretionary trust			
Cititrust Private Trust (Cayman) Limited	Trustee Interest of a controlled corporation	1,382,335,012 (L)	58.20%	1, 9
Asia Equity Value Ltd	Beneficial owner	55,714,000 (L)	2.35%	1
	Person having a security interest in shares	128,700,000 (L)	5.42%	
Central Huijin Investment Ltd.	Interest of a controlled corporation	214,355,000 (L)	9.03%	1, 10
Central New Ventures Limited	Beneficial owner	214,355,000 (L)	9.03%	1, 10
China Everbright Group Ltd.	Interest of a controlled corporation	214,355,000 (L)	9.03%	1, 10
China Everbright Holdings Company Limited	Interest of a controlled corporation	214,355,000 (L)	9.03%	1, 10
China Everbright Limited	Interest of a controlled corporation	214,355,000 (L)	9.03%	1, 10

Disclosure of the Interests Information

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) 40% of the issued share capital of Joywise is held by Ming Fai. Ming Fai is deemed under the SFO to be interested in the Shares held by Joywise.
- (3) 60% of the issued share capital of Joywise is held by Harvest Well. Harvest Well is deemed to be interested in the Shares held by Joywise under the SFO.
- (4) 72.4% of the issued share capital of each of Ming Fai and Harvest Well are held by Fantasy Races Limited.

In light of the above and notes 2 and 3, Fantasy Races Limited is deemed to be interested in the Shares held by Joywise under the SFO.

- (5) Mr. Jin Xiangfei is the founder of a discretionary family trust, the discretionary beneficiaries of which are Mr. Jin Xiangfei, his family members and other persons who may join in from time to time (the “**Jin Family Trust**”). By virtue of the SFO, he is deemed to be interested in the Shares which Creative Goal Limited is interested in. Out of the other parties, three of them, namely, Mr. Yi Xiaodi, Mr. Fan Xiaochong and Ms. Fan Xiaohua, are deemed to be interested in the Shares which Mr. Liao Chimei is interested in by virtue of the 2010 Agreement.

Mr. Jin Xiangfei is one of the parties to the 2013 Agreement. By virtue of the SFO, he is deemed to be interested in the Shares which the other parties to that agreement are interested in.

In light of the above and the other notes, Mr. Jin Xiangfei is deemed to be interested in the Shares held by Joywise under the SFO.

- (6) Ms. Liu Chaohui is the founder of a discretionary family trust, the discretionary beneficiaries of which are Ms. Liu Chaohui, her family members and other persons who may join in from time to time (the “**Liu Family Trust**”). By virtue of the SFO, she is deemed to be interested in the Shares which Butterfly Fairy Limited is interested in. Out of the other parties, three of them, namely, Mr. Yi Xiaodi, Mr. Fan Xiaochong and Ms. Fan Xiaohua, are deemed to be interested in the Shares which Mr. Liao Chimei is interested in by virtue of the 2010 Agreement.

Ms. Liu Chaohui is one of the parties to the 2013 Agreement. By virtue of the SFO, she is deemed to be interested in the Shares which the other parties to that agreement are interested in.

In light of the above and the other notes, Ms. Liu Chaohui is deemed under the SFO to be interested in the Shares held by Joywise.

Disclosure of the Interests Information

- (7) Mr. Tian Feng is the founder of a discretionary family trust, the discretionary beneficiaries of which are Mr. Tian Feng, his family members and other persons who may join in from time to time (the **"Tian Family Trust"**). By virtue of the SFO, he is deemed to be interested in the Shares which Happy Sunshine Limited is interested in.

Mr. Tian Feng is one of the parties to the 2013 Agreement. By virtue of the SFO, he is deemed to be interested in the Shares which the other parties to that agreement are interested in. Out of the other parties, three of them, namely, Mr. Yi Xiaodi, Mr. Fan Xiaochong and Ms. Fan Xiaohua, are deemed to be interested in the Shares which Mr. Liao Chimei is interested in by virtue of the 2010 Agreement.

In light of the above and the other notes, Mr. Tian Feng is deemed to be interested in the Shares held by Joywise under the SFO.

- (8) Mr. Li Mingqiang is the founder of a discretionary family trust, the discretionary beneficiaries of which are Mr. Li Mingqiang, his family members and other persons who may join in from time to time (the **"Li Family Trust"**). By virtue of the SFO, he is deemed to be interested in the Shares which Ultimate Triumph Investments Limited is interested in.

Mr. Li Mingqiang is one of the parties to the 2013 Agreement. By virtue of the SFO, he is deemed to be interested in the Shares which the other parties to that agreement are interested in. Out of the other parties, three of them, namely, Mr. Yi Xiaodi, Mr. Fan Xiaochong and Ms. Fan Xiaohua, are deemed to be interested in the Shares which Mr. Liao Chimei is interested in by virtue of the 2010 Agreement.

In light of the above and the other notes, Mr. Li Mingqiang is deemed to be interested in the Shares held by Joywise under the SFO.

- (9) Cititrust Private Trust (Cayman) Limited (the **"Trustee"**) is the trustee under the Yi Family Trust, the FXC Family Trust, the FXH Family Trust, the Jin Family Trust, the Tian Family Trust, the Liu Family Trust, the Li Family Trust, the Sunshine Trust I and the Sunshine Trust II. For details of these trusts, see "History, Reorganization and Group Structure – Establishment of Offshore Trusts" from page 121 to page 122 of the prospectus.

In light of the above and notes 2 and 3, the Trustee is deemed to be interested in the Shares held by Joywise under the SFO.

- (10) One-third or more of the equity interests of Central New Ventures Limited are directly or indirectly held by Central Huijin Investment Ltd., China Everbright Group Ltd., China Everbright Holdings Company Limited and China Everbright Limited respectively. Therefore, Central Huijin Investment Ltd., China Everbright Group Ltd., China Everbright Holdings Company Limited and China Everbright Limited are deemed to be interested in the Shares held by Central New Ventures Limited under the SFO.

Save as disclosed above, as at the date of this interim report, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

Other Information

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

The changes to the information in respect of the Directors of the Company after the publication of the 2014 annual report are set out as follows:

Mr. Ng Fook Ai, Victor

Mr. Ng Fook Ai, Victor was appointed as an independent director and the chairman of the audit and risk committee of SB Reit Management Pte. Ltd. (a company listed on the Singapore Exchange (Stock Code: SV3U)) on 22 May 2015.

Mr. Ng resigned as the director of New Climate Assets Pte. Ltd on 29 June 2015.

Save as disclosed above, there is no other information in respect of the Directors required to be disclosed under Rule 13.51B(1) of the Listing Rules.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2015.

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

Save as the changes in share capital as mentioned below, neither the Company nor any of its subsidiaries purchased, sold or redeemed the Company's listed securities during the six months ended 30 June 2015.

CHANGES IN THE SHARE CAPITAL OF THE COMPANY

Pursuant to the placing agreement and subscription agreement entered into by the Company dated 12 June 2015, Joywise, the controlling shareholder of the Company, placed 375,000,000 existing Shares in aggregate of HK\$0.01 each to no less than six independent placees at a placing price of HK\$3.40 per placing Shares, and the Company also allotted and issued 375,000,000 new Shares in aggregate to Joywise at a subscription price of HK\$3.40 per new Share. The authorised share capital of the Company has not increased as a result of the placing and subscription.

USE OF PROCEEDS

After deducting placing commission, professional fees, stamp duties, the Stock Exchange trading fee, the Securities and Futures Commission transaction levy and other expenses related to the placing incurred by the seller (Joywise, the controlling shareholder of the Company) and subscription related expenses (as adjusted by the amount of interest earned from the net proceeds from placing during the period from completion of placing to completion of subscription), the net subscription price for the above placing was approximately HK\$3.37 per new Share. The net proceeds of the subscription was approximately HK\$1,262 million, which has been applied in accordance with the fund raising purposes for the repayment of loans, development of new real estate-related business and general corporate purpose (including property development and project acquisition).

SHARE OPTION SCHEME

The Company had adopted a Post-IPO share option scheme ("**Share Option Scheme**") on 17 February 2014. The Share Option Scheme is a share incentive scheme and is established to enable the Company to grant share options to the eligible participants as incentives or rewards for the contribution they had or may have made to the Group. The eligible participants for the Share Option Scheme includes any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; any directors (including independent non-executive directors) of the Company or any of its subsidiaries; any advisers, consultants, suppliers, customers, distributors and agents to the Company or any of its subsidiaries; and such other persons who in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of its subsidiaries. The Share Option Scheme has been effective since the date on which the Company was listed on the Stock Exchange. None share options have been granted under the Share Option Scheme since the Company adopted the Share Option Scheme.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained sufficient public float as required by the Listing Rules for the six months ended 30 June 2015.

Review Report on the Interim Financial Information



Review report to the Board of Directors of
Sunshine 100 China Holdings Ltd
(Incorporated in Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 39 to 68, which comprises the consolidated statement of financial position of Sunshine 100 China Holdings Ltd (“the Company”) as of 30 June 2015, the related consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standards on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

27 August 2015

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2015 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2015 RMB'000	2014 RMB'000
Revenue	4	2,363,792	855,748
Cost of sales		(2,040,199)	(566,742)
Gross profit		323,593	289,006
Valuation gains on investment properties	9	264,754	115,740
Other income		5,454	2,861
Selling expenses		(266,145)	(139,809)
Administrative expenses		(177,444)	(151,485)
Other operating expenses		(36,478)	(19,313)
Profit from operations		113,734	97,000
Financial income	5(a)	25,803	48,426
Financial expenses	5(a)	(111,656)	(63,944)
Share of profits less losses of associates		118,287	9,126
Profit before taxation	5	146,168	90,608
Income tax	6	(91,364)	(78,302)
Profit for the period		54,804	12,306
Other comprehensive income		–	–
Total comprehensive income for the period		54,804	12,306
Profit and total comprehensive income attributable to:			
Equity shareholders of the Company		71,604	21,781
Non-controlling interests		(16,800)	(9,475)
Total comprehensive income for the period		54,804	12,306
Basic and diluted earnings per share (RMB)	7	0.04	0.01

The notes on pages 44 to 68 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 17(a).

Consolidated Statement of Financial Position

At 30 June 2015 – unaudited
(Expressed in Renminbi)

	<i>Note</i>	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Non-current assets			
Property and equipment	8	953,892	966,940
Investment properties	9	6,698,638	5,946,189
Restricted deposits		228,123	399,453
Trade and other receivables	12	294,183	54,705
Investments in associates		465,261	118,423
Deferred tax assets		624,795	500,725
Total non-current assets		9,264,892	7,986,435
Current assets			
Properties under development and completed properties held for sale	10	20,673,911	19,795,763
Land development for sale	11	763,519	752,809
Trade and other receivables	12	3,317,323	3,249,831
Restricted deposits		882,475	728,461
Cash and cash equivalents	13	1,742,251	2,557,846
Total current assets		27,379,479	27,084,710
Current liabilities			
Loans and borrowings	14	6,204,602	8,003,546
Trade and other payables	15	5,318,795	6,736,907
Contract retention payables		127,668	159,115
Sales deposits	16	4,696,038	4,077,342
Current tax liabilities		918,964	925,787
Total current liabilities		17,266,067	19,902,697
Net current assets		10,113,412	7,182,013
Total assets less current liabilities		19,378,304	15,168,448

The notes on pages 44 to 68 form part of this interim financial report.

Consolidated Statement of Financial Position

At 30 June 2015 – unaudited
(Expressed in Renminbi)

	<i>Note</i>	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Non-current liabilities			
Loans and borrowings	14	9,492,357	6,837,472
Contract retention payables		237,900	224,009
Trade and other payables	15	1,480,384	1,281,930
Deferred tax liabilities		1,547,181	1,309,009
Total non-current liabilities		12,757,822	9,652,420
NET ASSETS		6,620,482	5,516,028
CAPITAL AND RESERVES			
	17		
Share capital		18,718	15,760
Reserves		5,668,610	4,604,115
Total equity attributable to equity shareholders of the Company		5,687,328	4,619,875
Non-controlling interests		933,154	896,153
TOTAL EQUITY		6,620,482	5,516,028

Approved and authorised for issue by the board of directors on 27 August 2015.

YI Xiaodi)	
)	
)	Directors
)	
FAN Xiaochong)	

The notes on pages 44 to 68 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015 – unaudited
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company						Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 Note 17(b)	Share premium RMB'000	General reserve fund RMB'000	Property revaluation reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000		
Balance at 1 January 2014	376	–	406,601	9,865	1,575,217	1,992,059	759,334	2,751,393
Changes in equity for the six months ended 30 June 2014:								
Profit/(loss) and total comprehensive income for the period	–	–	–	–	21,781	21,781	(9,475)	12,306
Split and repurchase of shares	(69)	–	–	–	–	(69)	–	(69)
Initial public offering	3,949	1,499,317	–	–	–	1,503,266	–	1,503,266
Conversion of Loans from Riverside	895	357,181	–	–	–	358,076	–	358,076
Capitalisation of shares	10,609	(10,609)	–	–	–	–	–	–
Balances at 30 June 2014 and 1 July 2014	15,760	1,845,889	406,601	9,865	1,596,998	3,875,113	749,859	4,624,972
Changes in equity for the six months ended 31 December 2014:								
Profit and total comprehensive income for the period	–	–	–	–	744,762	744,762	53,123	797,885
Acquisition of subsidiaries	–	–	–	–	–	–	93,171	93,171
Transfer to reserve fund	–	–	95,312	–	(95,312)	–	–	–
Balance at 31 December 2014	15,760	1,845,889	501,913	9,865	2,246,448	4,619,875	896,153	5,516,028
Balance at 1 January 2015	15,760	1,845,889	501,913	9,865	2,246,448	4,619,875	896,153	5,516,028
Changes in equity for the six months ended 30 June 2015:								
Profit/(loss) and total comprehensive income for the period	–	–	–	–	71,604	71,604	(16,800)	54,804
Acquisition of non-controlling interests	–	–	–	–	–	–	(50,400)	(50,400)
Acquisition of subsidiaries (Note 21)	–	–	–	–	–	–	104,201	104,201
Issuance of shares (Note 17(b) (i))	2,958	1,002,524	–	–	–	1,005,482	–	1,005,482
Cost of issuance of shares (Note 17(b) (i))	–	(9,633)	–	–	–	(9,633)	–	(9,633)
Balance at 30 June 2015	18,718	2,838,780	501,913	9,865	2,318,052	5,687,328	933,154	6,620,482

The notes on pages 44 to 68 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2015 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2015 RMB'000	2014 RMB'000
Operating activities			
Cash used in operations		(955,561)	(1,103,560)
Income tax paid		(185,410)	(159,750)
Net cash used in operating activities		(1,140,971)	(1,263,310)
Investing activities			
Acquisition of associates		(215,238)	–
Financial income received		20,747	48,426
Acquisition of subsidiaries and non-controlling interests		(153,633)	(428,419)
Advances to related parties		–	(204,857)
Acquisition of investment properties		(226,478)	(3,164)
Other cash flows arising from investing activities		(8,058)	(6,785)
Net cash used in investing activities		(582,660)	(594,799)
Financing activities			
Proceeds from loans and borrowings		4,830,965	2,306,714
Repayment of loans and borrowings		(4,273,920)	(2,776,390)
Interest paid		(814,411)	(594,345)
Proceeds from initial public offering, net of listing expenses		–	1,504,323
Proceeds from issue of subscription share		995,849	–
Decrease in restricted deposits		153,839	1,117,681
Other cash flows arising from financing activities		15,714	167,807
Net cash generated from financing activities		908,036	1,725,790
Net decrease in cash and cash equivalent		(815,595)	(132,319)
Cash and cash equivalents at 1 January	13	2,557,846	1,216,524
Cash and cash equivalents at 30 June	13	1,742,251	1,084,205

The notes on pages 44 to 68 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report of Sunshine 100 China Holdings Ltd (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 27 August 2015.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2014 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s independent review report to the Board of Directors is included on page 38.

The financial information relating to the financial year ended 31 December 2014 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2014 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 27 March 2015.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group and the Company:

- *Annual Improvements to IFRSs 2010-2012 Cycle*
- *Annual Improvements to IFRSs 2011-2013 Cycle*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 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, and property management and hotel 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 four 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; and
- (d) the property management and hotel operation segment that provides property management service and hotel accommodation services.

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

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3 SEGMENT REPORTING (Continued)

(a) Segment results, assets and liabilities

The basis of segmentation or measurement of segment profit or loss for the current period is not different from the last annual consolidated financial statements.

	Six months ended 30 June 2015				Total RMB'000
	Mixed-use business complexes RMB'000	Multi- functional residential communities RMB'000	Investment properties RMB'000	Property management and hotel operation RMB'000	
Reportable segment revenue	148,517	1,994,772	50,678	183,210	2,377,177
Reportable segment gross profit	3,109	240,127	50,678	(3,152)	290,762
Reportable segment (loss)/profit	(51,672)	(175,695)	219,702	(33,181)	(40,846)

	Six months ended 30 June 2014				Total RMB'000
	Mixed-use business complexes RMB'000	Multi- functional residential communities RMB'000	Investment properties RMB'000	Property management and hotel operation RMB'000	
Reportable segment revenue	183,582	518,268	36,990	133,723	872,563
Reportable segment gross profit	79,979	168,926	36,990	1,023	286,918
Reportable segment profit/(loss)	3,623	(40,235)	99,894	(8,617)	54,665

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(Expressed in Renminbi unless otherwise indicated)

3 SEGMENT REPORTING (Continued)

(a) Segment results, assets and liabilities (Continued)

	At 30 June 2015				
	Mixed-use business complexes RMB'000	Multi- functional residential communities RMB'000	Investment properties RMB'000	Property management and hotel operation RMB'000	Total RMB'000
Loans and borrowings	4,198,051	8,058,033	19,799	–	12,275,883
Reportable segment assets	10,529,783	17,542,933	6,913,716	913,699	35,900,131
Reportable segment liabilities	11,744,814	15,375,920	279,133	253,582	27,653,449

	At 31 December 2014				
	Mixed-use business complexes RMB'000	Multi- functional residential communities RMB'000	Investment properties RMB'000	Property management and hotel operation RMB'000	Total RMB'000
Loans and borrowings	3,480,634	7,768,099	19,799	–	11,268,532
Reportable segment assets	10,198,705	18,450,544	6,063,823	854,093	35,567,165
Reportable segment liabilities	11,021,238	16,116,164	372,632	497,062	28,007,096

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3 SEGMENT REPORTING (Continued)

(b) Reconciliations of reportable segment revenue and profit

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Revenue		
Reportable segment revenue	2,377,177	872,563
Elimination of intra-group revenue	(13,385)	(16,815)
Consolidated revenue	2,363,792	855,748
Profit		
Reportable segment (loss)/profit	(40,846)	54,665
Elimination of intra-group profit	(11,072)	(9,077)
Unallocated head office and corporate income/(expenses)	106,722	(33,282)
Consolidated profit for the period	54,804	12,306

4 REVENUE

The principal activities of the Group are property and land development, property investment and property management and hotel operation. Revenue represents sale of properties, rental income from investment properties and property management and hotel operation income, net of business tax, analyzed as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Sale of properties	2,143,289	701,850
Rental income from investment properties	50,678	36,990
Property management and hotel operation income	169,825	116,908
	2,363,792	855,748

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Financial income and financial expenses

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Financial income		
Interest income on financial assets not at fair value through profit or loss	(20,747)	(43,822)
Net foreign exchange gain	(5,056)	(4,604)
	(25,803)	(48,426)
Financial expenses		
Interest on loans and borrowings measured not at fair value through profit or loss	847,823	606,764
Less: Interest expense capitalized into land development for sale, properties under development and investment properties under construction	(741,216)	(576,176)
	106,607	30,588
Net change in fair value of Loans from Riverside	–	30,086
Net change in fair value of the loans from Hangzhou Industrial and Commerce Trust	1,429	126
Bank charges and others	3,620	3,144
	111,656	63,944

(b) Other items

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Depreciation	28,253	22,516
Write-down of properties under development and completed properties held for sale	128,404	–

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

6 INCOME TAX

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Provision for the period		
– PRC Corporate Income Tax	53,231	16,276
– Land Appreciation Tax	37,735	32,908
Under-provision of PRC Corporate Income Tax in respect of prior years	10,445	–
Deferred tax	(10,047)	29,118
	91,364	78,302

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 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB71,604,000 for the six months ended 30 June 2015 (six months ended 30 June 2014: RMB21,781,000) and the weighted average of 2,014,583,333 ordinary shares (six months ended 30 June 2014: 1,744,464,588 shares) in issue during the interim period.

There was no difference between basic and diluted earnings per share as there were no dilutive potential shares outstanding during the periods ended 30 June 2015 and 2014.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

8 PROPERTY AND EQUIPMENT

During the six months ended 30 June 2015, the Group incurred capital expenditure of property and equipment with a cost of RMB15,012,000 (2014: RMB16,755,000). Items of property and equipment with a net book value of RMB1,343,000 were disposed of during the six months ended 30 June 2015 (2014: RMB1,572,000), resulting in a loss on disposal of RMB358,000 (2014: RMB55,000).

9 INVESTMENT PROPERTIES

The valuations of investment properties carried at fair value were updated at 30 June 2015 by Crowe Horwath (HK) Consulting & Valuation Limited ("Crowe Horwath"), the Group's independent valuer, using the same valuation techniques as were used by this valuer when carrying out the 31 December 2014 valuations. As a result of the update, a net gain of RMB264,754,000 (2014: RMB115,740,000), and deferred tax thereon of RMB66,621,000 (2014: RMB28,935,000), has been recognised in profit or loss for the period in respect of investment properties.

10 PROPERTIES UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD FOR SALE

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
Properties under development	14,492,135	12,789,665
Completed properties held for sale	6,181,776	7,006,098
	20,673,911	19,795,763

During the six months ended 30 June 2015, RMB128,404,000 (2014: RMB nil) has been recognised as a reduction in the amount of properties under development and completed properties held for sale recognised as an expense in profit or loss during the period, being the amount of a write-down of properties under development and completed properties held for sale to estimated net realisable value.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

11 LAND DEVELOPMENT FOR SALE

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
Land development for sale	763,519	752,809

Land development for sale mainly represents the cost of land development for the Group's land development projects. Though the Group does not have ownership title or land use rights to the land, the Group is given the right to carry out preparation works in respect of land infrastructure in those projects. When the land plots are sold by the local governments, the Group is entitled to receive from the local authorities a proportion of the proceeds from land sales.

Land development for sale is expected to be realized in the normal operating cycle, which is longer than twelve months.

In accordance with the accounting policy of the Group, revenue in relation to land development for sale is recognized depending on the timing of sales of related land plots by the government to third parties.

12 TRADE AND OTHER RECEIVABLES

As of the end of the reporting date, the ageing analysis of trade receivables based on due date and net of allowance for doubtful debts, is as follows:

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
Current	236,831	352,936
1 to 6 months past due	89,188	196,525
6 months to 1 year past due	80,270	12,793
More than 1 year past due	611,775	605,656
Amounts past due	781,233	814,974

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

12 TRADE AND OTHER RECEIVABLES (Continued)

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Trade receivables, net of allowance for doubtful debts of RMB nil	1,018,064	1,167,910
Advances provided to third parties	1,293,726	903,869
Other receivables	183,988	157,729
	2,495,778	2,229,508
Less: allowance for doubtful debts	45,000	45,000
Loans and receivables	2,450,778	2,184,508
Deposits and prepayments	1,160,728	1,120,028
	3,611,506	3,304,536
Less: non-current portion of trade receivables	45,794	54,705
non-current portion of other receivables	248,389	–
Sub-total	294,183	54,705
	3,317,323	3,249,831

Note (i): Receivables that were past due but not impaired mainly included revenue from land development for sale of RMB581,089,000 as at 30 June 2015 and 31 December 2014 from the government of Chenghua District, Chengdu. Based on a series of agreements entered into by the Group and the government of Chenghua District, Chengdu, the Group is entitled to receive RMB581,089,000 and the government issued a notice to confirm this amount on 2 July 2013. Considering the long ageing of the receivables, in February 2015, the Group sued and asked for the repayment of RMB581,089,000 as well as a penalty of RMB15,000,000. The first trial was called in court on 17 June 2015. During the first trial, the judge asked the Group and the government of Chenghua District, Chengdu to further negotiate about the settlement of the receivables.

As at 30 June 2015 and 31 December 2014, the directors of the Group were of the opinion that no provision on the receivables of RMB581,089,000 due from the government of Chenghua District, Chengdu was required, as supported by a legal opinion on the result of the lawsuit received by the Group, and there is no indication that the government of Chenghua District, Chengdu will not, or will have financial difficulties to fulfill its obligation to settle the balance.

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

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(Expressed in Renminbi unless otherwise indicated)

12 TRADE AND OTHER RECEIVABLES (Continued)

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group generally would not release the property ownership certificates to the buyers before the buyers finally settle the selling price.

13 CASH AND CASH EQUIVALENTS

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
Cash on hand	774	808
Cash at bank	1,741,477	2,557,038
	1,742,251	2,557,846

14 LOANS AND BORROWINGS

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
Loans and borrowings at amortized cost		
– Long-term	13,847,781	12,329,792
– Short-term	525,468	1,193,468
– Senior notes	1,284,036	1,279,513
	15,657,285	14,802,773
Loans at fair value through profit or loss:		
– Loans from Hangzhou Industrial and Commerce Trust	39,674	38,245
	15,696,959	14,841,018

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(Expressed in Renminbi unless otherwise indicated)

14 LOANS AND BORROWINGS (Continued)

(a) The Group's long-term loans and borrowings comprise:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Loans at fair value through profit or loss:		
Loans from Hangzhou Industrial and Commerce Trust	39,674	38,245
Loans and borrowings at amortized cost:		
Bank loans		
– secured	5,192,510	4,738,305
Loans from other financial institutions		
– secured	8,143,328	7,079,544
Loans from third parties		
– unsecured	511,943	511,943
Senior notes	1,284,036	1,279,513
Sub-total	15,131,817	13,609,305
Less: Current portion of long-term loans and borrowings:		
Loans from Hangzhou Industrial and Commerce Trust	39,674	–
Bank loans	1,523,340	2,645,050
Loans from other financial institutions	4,046,120	4,095,028
Loans from third parties	70,000	70,000
Sub-total	5,679,134	6,810,078
	9,492,357	6,837,472

(b) The Group's short-term loans and borrowings comprise:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Loans and borrowings at amortized cost:		
Bank loans		
– secured	227,250	562,650
Loans from other financial institutions		
– secured	69,400	13,000
Loans from related parties		
– unsecured	20,817	20,817
Loans from third parties		
– secured	196,001	585,001
– unsecured	12,000	12,000
Sub-total	525,468	1,193,468
Current portion of long-term loans and borrowings	5,679,134	6,810,078
	6,204,602	8,003,546

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15 TRADE AND OTHER PAYABLES

As of the end of reporting period, the ageing analysis of trade payables based on due date, is as follows:

	<i>Note</i>	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Due within 1 year or on demand		3,374,865	3,964,661
Due after 1 year but within 2 years		1,135,154	1,011,783
Due after 2 years but within 5 years		240,406	165,323
Trade payables		4,750,425	5,141,767
Advances received from third parties		1,072,947	912,714
Consideration payables for acquisition of subsidiaries and non-controlling interests		379,091	306,870
Amounts due to related parties	20(b)	44,481	58
Other payables		450,076	434,811
Financial liabilities measured at amortized cost		6,697,020	6,796,220
Receipts in advance		50,308	1,144,739
Other taxes payable		51,851	77,878
		6,799,179	8,018,837
Less: non-current portion of trade payables		1,375,560	1,177,106
non-current portion of other payables		104,824	104,824
Sub-total		1,480,384	1,281,930
		5,318,795	6,736,907

16 SALES DEPOSITS

Sales deposits represented proceeds received on property unit sales that have not been recognized as revenue in accordance with the Group's revenue recognition policy.

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17 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The Company did not declare any dividends for the six months ended 30 June 2015 and 2014.

(b) Share capital

	Six months ended 30 June 2015		Year ended 31 December 2014	
	No. of shares	HKD'000	No. of shares	HKD'000
Authorised:				
Ordinary shares	3,000,000,000	30,000	3,000,000,000	30,000

	Note	Six months ended 30 June 2015		Year ended 31 December 2014	
		No. of shares	RMB'000	No. of shares	RMB'000
Issued and fully paid					
At 1 January		2,000,000,000	15,760	50,000	376
Issue of subscription shares	(i)	375,000,000	2,958	–	–
Split and repurchase of shares		–	–	38,950,000	(69)
Initial public offering		–	–	500,000,000	3,949
Conversion of Loans from Riverside		–	–	113,284,988	895
Capitalisation of shares		–	–	1,347,715,012	10,609
At 30 June/31 December		2,375,000,000	18,718	2,000,000,000	15,760

(i) Issuance of shares

During the six months ended 30 June 2015, the Company issued 375,000,000 shares at Hong Kong Dollar ("HKD") 3.40 per share, and received a net proceeds of HKD1,262 million (equivalent to approximately RMB996 million).

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18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of financial instruments measured at the end of reporting period on a recurring loans, categorised into the three level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available;
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The Group has a team headed by the finance manager who is responsible for engaging external valuers to perform valuations for loans at fair value through profit or loss which are categorised into Level 3 of the fair value hierarchy. The team is responsible for performing valuations when the financial instruments categorised into Level 3 of the fair value hierarchy are not expected material to the consolidated financial statements of the Group. The team reports directly to the chief financial officer. A valuation report with analysis of changes in fair value measurement is prepared by the external valuers at each annual reporting date and by the team at each interim reporting date, and is reviewed and approved by the chief financial officer. Discussion of the valuation process and results with the chief financial officer is held twice a year, to coincide with the reporting dates.

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18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

(i) Fair value hierarchy (Continued)

	Fair value at	Fair value measurements as at		
	30 June	30 June 2015 categorised into		
	2015	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement				
Financial liabilities:				
Loans at fair value through profit or loss:				
– Loans from Hangzhou				
Industrial and Commerce Trust	39,674	–	–	39,674

	Fair value at	Fair value measurements as at		
	31 December	31 December 2014 categorised into		
	2014	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement				
Financial liabilities:				
Loans at fair value through				
profit or loss:				
– Loans from Hangzhou				
Industrial and Commerce Trust	38,245	–	–	38,245

During the six months ended 30 June 2015, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

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18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

(ii) Information about Level 3 fair value measurements

	Six months ended 30 June 2015			Weighted average
	Valuation techniques	Significant unobservable inputs	Range	
Loans at fair value through profit or loss:				
- Loans from Hangzhou Industrial and Commerce Trust	Binomial Tree model	Expected volatility	31.21% – 57.56%	42.00%

The fair value of loans from Hangzhou Industrial and Commerce Trust is determined using binomial tree model and the significant unobservable input used in the fair value measurement is expected volatility. The fair value measurement is positively correlated to the expected volatility. As at 30 June 2015 and 2014, it is estimated that with all other variables held constant, an increase/decrease in the expected volatility by 1% would have no material impact on the Group's net profit for the six months ended 30 June 2015 and 2014.

The movement during the period in the balance of loans at fair value through profit or loss categorized into Level 3 fair value measurements is as follows:

Loans at fair value through profit or loss:

	At 30 June 2015 RMB'000	At 30 June 2014 RMB'000
At 1 January	38,245	624,481
Proceeds	-	-
Change in fair value recognized in profit or loss during the period	1,429	30,212
Conversion of Loans from Riverside	-	(358,076)
Repayment	-	(259,206)
At 30 June	39,674	37,411

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18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortized cost are not materially different from their fair values as at 30 June 2015 and 31 December 2014.

19 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

As at 30 June 2015 and 31 December 2014, the Group has the following commitments in respect of properties under development, land development for sale and investment properties under construction not provided for in the financial statements:

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
Contracted for	2,633,595	1,566,697
Approved but not contracted for	5,246,432	5,301,290
	7,880,027	6,867,987

(b) Investment commitments

Commitments in respect of equity investments outstanding at 30 June 2015 not provided for in the financial statements were as follows:

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
Contracted for	9,000	160,888

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(Expressed in Renminbi unless otherwise indicated)

19 COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

(c) Operating lease commitments

As at 30 June 2015, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
Within 1 year	14,768	12,556
After 1 year but within 5 years	31,623	22,746
After 5 years	8,357	12,330
	54,748	47,632

(d) Guarantees

The Group has entered into agreements with certain banks with respect to mortgage loans provided to buyers of property units. The Group has given guarantees on mortgage loans provided to the buyers by these banks. The guarantees will be released when the property title deeds are pledged to banks as security for the respective mortgage loans, which generally take place within two years after the property units are delivered to the buyers. The total amounts of mortgages outstanding which are guaranteed by the Group, were RMB4,604,127,000 as at 30 June 2015 (2014: RMB5,180,068,000).

(e) Warranty against defects of properties

Properties purchased by buyers are provided with various warranties of term between one to five years against certain defects as stipulated in the relevant PRC laws and regulations, and these warranties are covered by back-to-back warranties provided by the relevant contractors of the projects.

(f) Legal contingencies

The Group is a defendant in certain lawsuits as well as the named party in other proceedings arising in the normal course of business. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, the directors believe that any resulting liabilities will not have a material adverse impact on the financial position, liquidity, or operating results of the Group.

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20 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The principal transactions which were carried out in the ordinary course of business are as follows:

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Advances provided to/(received from)		
– Associates	–	9,204
– Joywise Holdings Limited (“Joywise”), the immediate holding company of the Company	(15,772)	–
Repayment of advances (from)/to		
– Entities under control of Ms. Fan Xiaohua, a non-executive director (“Ms. Fan”)	58	(32,154)
– Entities under significant influence of the 8 individual founders of the Group (the “8 individuals”)	–	12,835
Interest expense charged by		
– An associate	1,047	1,361
Consideration paid on acquisition of an associate		
– Entities under significant influence of the 8 individuals	110,488	–
Consideration on acquisition of a subsidiary		
– Entities under control of Ms. Fan	7,755	–
Loans acquired on acquisition of a subsidiary		
– Entities under control of Ms. Fan	20,954	–
Rental charged by		
– Entities under significant influence of the 8 individuals	2,835	2,835
Rental charged to		
– Entities under control of Ms. Fan	6,103	6,100
– Entity under significant influence of the 8 individuals	–	1,201

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

20 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties

	<i>Note</i>	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Amounts due to			
– Entities under control of Ms. Fan		28,709	58
– Joywise		15,772	–
	15/(i)	44,481	58
Loans payable to			
– An associate	14(b)/(ii)	20,817	20,817

Notes:

- (i) The balance as at 31 December 2014 and the balance amounting to RMB15,772,000 as at 30 June 2015 represented the advances received from related parties, which were interest-free, unsecured and had no fixed terms of repayment.

The balance amounting to RMB28,709,000 as at 30 June 2015 represented the consideration payable to Guangxi Wantong Pharmaceutical Co., Ltd, an entity under control of Ms. Fan in related to acquisition of Sunshine 100 Resort Development Company Limited (“Sunshine100 Resort”), a subsidiary acquired by the Group from Ms. Fan in February 2015, bearing an interest rate at 14% per annum, unsecured and had no fixed terms of repayment.

- (ii) The loan was borrowed by Chongqing Yuneng 100 Real Estate Development Co., Ltd. from Chongqing Yuneng Wanyi Real Estate Co., Ltd., bearing an interest rate at 10% per annum and was matured on 15 December 2014.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

21 ACQUISITION OF SUBSIDIARIES

The Group acquired certain subsidiaries during the six months ended 30 June 2015, the following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition dates:

	Lijiang Snow Mountain <i>RMB'000</i> <i>Note (i)</i>	Sunshine 100 Resort <i>RMB'000</i>	Total <i>RMB'000</i>
Property and equipment	1,536	–	1,536
Properties under development and completed properties held for sale	826,050	–	826,050
Investment properties	–	69,603	69,603
Deferred tax assets	22,154	–	22,154
Trade and other receivables	12,262	4	12,266
Cash and cash equivalents	18,626	1,854	20,480
Trade and other payables	(74,477)	(52,072)	(126,549)
Sales deposits	(76,348)	–	(76,348)
Loans and borrowings	(203,500)	–	(203,500)
Deferred tax liabilities	(146,303)	–	(146,303)
Total identifiable net assets acquired	380,000	19,389	399,389
Non-controlling interests acquired	94,700	9,501	104,201
Cash acquired during the period	18,626	1,854	20,480
Cash paid during the period	(77,980)	(2,133)	(80,113)
Net cash outflow included in the condensed consolidated cash flow statements	(59,354)	(279)	(59,633)

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

21 ACQUISITION OF SUBSIDIARIES (Continued)

Note (i):

Lijiang Snow Mountain

On 10 June 2015, the Group entered into a share purchase agreement (the “Share Purchase Agreement”) with independent third parties, including Mr. Li Yapeng, Beijing Zhong Shu Investment Holdings Co., Ltd. (“Beijing Zhong Shu”) and China Industrial Asset Management Limited (“China Industrial”) to acquire 14.02% and 36.98% entity interest in Lijiang Snow Mountain Investment Co., Ltd. (“Lijiang Snow Mountain”) from Mr. Li Yapeng and Beijing Zhong Shu, respectively, at a total consideration of RMB193,800,000. Lijiang Snow Mountain is engaged in the development of Yilianfang Project in Lijiang City, Yunnan Province. After the acquisition, the Group holds 51% equity interests in Lijiang Snow Mountain.

Pursuant to the revised articles of associations of Lijiang Snow Mountain, passing certain resolutions at shareholders meeting and the board of directors meeting, which are related to the financial and operational decisions of Lijiang Snow Mountain, require the approval by China Industrial. However, the Group has obtained a letter of commitment from China Industrial confirming that China Industrial would vote in line with the decisions of the Group and, therefore, obtained the unilateral ability to direct the policies and management that guide the ongoing activities, obtain decision-making powers, receive majority benefits and bear substantive operation risks of Lijiang Snow Mountain. Lijiang Snow Mountain has become a subsidiary of the Group during the period.

Taking control of Lijiang Snow Mountain will enable the Group to have exposure to this market through local expertise.

For the period from 10 June 2015 to 30 June 2015, Lijiang Snow Mountain did not have any revenue and had a loss of RMB385,000 for the six months ended 30 June 2015. If the acquisition had occurred on 1 January 2015, Lijiang Snow Mountain would not have contributed any revenue to the Group and management estimates that there would have been a loss for RMB34,595,000 for the six months ended 30 June 2015 incurred by this subsidiary. In determine these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on 1 January 2015.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

21 ACQUISITION OF SUBSIDIARIES (Continued)

(i) Measurement of fair value

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	<i>Market comparison technique:</i> The valuation model considers quoted market prices for similar items when available, and depreciated replacement cost when appropriate.
Property under development and completed properties	<i>Market comparison technique:</i> The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Investment properties	<i>Market comparison technique:</i> The valuation model considers quoted market prices for similar items when available, and depreciated replacement cost when appropriate.

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(Expressed in Renminbi unless otherwise indicated)

21 ACQUISITION OF SUBSIDIARIES (Continued)

(ii) Goodwill on acquisition of Lijiang Snow Mountain

No goodwill has been recognized and included in other income from the acquisition, as presented follows:

	<i>RMB'000</i>
Consideration transferred	193,800
Non-controlling interests, based on their proportionate interest in the recognized amounts of the assets and liabilities (<i>Note (i)</i>)	186,200
Fair value of identifiable net assets	(380,000)
Goodwill on acquisition of Lijiang Snow Mountain	–

Note (i): It included an amount of RMB91,500,000 in relation to the consideration for the Group's obligation to repurchase of 34.99% equity interest in Lijiang Snow Mountain held by China Industrial, in case Mr Li Yapeng is default to do so in May 2017, which was recognised as a financial liability in the consolidated financial statements.