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Sunshine 100 China Holdings Ltd

陽光100中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2608)

CONNECTED TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

On 3 September 2020, various subsidiaries of the Company entered into three sets of Transaction Documents with Beijing Trust, each set includes a shortfall funding agreements, a share pledge agreement, a mortgage agreement, an accounts custodian agreement and a guarantee. Pursuant to the Shortfall Funding Agreements, Beijing Trust will subscribe for the Bonds through three trust schemes, and Sunshine 100 Group will assume the obligation to pay for any shortfall in Beijing Trust's agreed investment return from the Bonds. In addition, to secure the obligations of Sunshine 100 Group to pay for the shortfall, the Project Companies will mortgage land use rights (together with construction in progress) and properties (as the case may be) held by them to Beijing Trust pursuant to the Mortgage Agreements and allow Beijing Trust to manage certain bank accounts of the Project Companies pursuant to the Accounts Custodian Agreements, Sunshine 100 Group will pledge the shares of the Project Companies held by it to Beijing Trust pursuant to the Share Pledge Agreements and Mr. Yi Xiaodi will provide guarantees in favour of Beijing Trust pursuant to the Guarantees.

LISTING RULES IMPLICATIONS

As Beijing Trust is a connected person of the Company at the subsidiary level, the transactions contemplated under the Transaction Documents constitute provision of financial assistance to a connected person of the Company under Chapter 14A of the Listing Rules. In light of the fact that the Transaction Documents have been approved by the Board and the independent non-executive Directors have confirmed that the terms of the Transaction Documents are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, the Transaction Documents are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

In addition, the obligations of Sunshine 100 Group under the Shortfall Funding Agreements constitute financial assistance provided by it to Beijing Trust for the benefit of the issuer of the Bonds (being a subsidiary of the Company), as a credit enhancement measure for Beijing Trust's subscription of the Bonds. Pursuant to Rule 14.04(1) (e) (ii), the Shortfall Funding Agreements do not constitute transactions under Chapter 14 of the Listing Rules.

Similarly, the Project Companies' obligations under the Mortgage Agreements and the Accounts Custodian Agreements, and Sunshine 100 Group's obligations under the Share Pledge Agreements, constitute financial assistance provided by the Project Companies and Sunshine 100 Group to Beijing Trust for the benefit of the issuer of the Bonds (being a subsidiary of the Company) to secure its obligations under the Shortfall Funding Agreements. Pursuant to Rule 14.04(1) (e) (ii), the Mortgage Agreements, the Accounts Custodian Agreements and the Share Pledge Agreements do not constitute transactions under Chapter 14 of the Listing Rules.

The guarantees provided by Mr. Yi Xiaodi, a Director, to Beijing Trust for the benefit of the issuer of the Bonds (being a subsidiary of the Company) constitute financial assistance received by the Company, as they are conducted on normal commercial terms or better and not secured by the assets of the Group, the guarantees are fully-exempt under Chapter 14A.90 of the Listing Rules.

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A summary of the three sets of Transaction Documents in relation to Beijing Trust's subscription of the Bonds through three trust schemes is set out below in tabular format for easy reference:

	Trust scheme no. 12	Trust scheme no. 13	Trust scheme no. 14
Investment	The Bonds to be issued by a subsidiary of the Company		
Proposed approximate investment amount	RMB1.07 billion	RMB0.27 billion	RMB0.42 billion
Agreed annualized investment return	Not less than RMB218.42 million		
Entity assuming shortfall funding obligation	Sunshine 100 Group		
Mortgage	Wenzhou Zhongxin to mortgage land use rights (together with construction in progress)	Wenzhou Shengtaicheng to mortgage land use rights (together with construction in progress)	Wuxi Yitou to mortgage properties
Share pledge	Sunshine 100 Group to pledge 50.9996% equity interest in Wenzhou Zhongxin	Sunshine 100 Group to pledge 50.9996% equity interest in Wenzhou Shengtaicheng	Sunshine 100 Group to pledge 100% equity interest in Wuxi Yitou
Guarantor	Mr. Yi Xiaodi		
Bank accounts to be under the custody and management of Beijing Trust	Certain bank accounts of Wenzhou Zhongxin	Certain bank accounts of Wenzhou Shengtaicheng	Certain bank accounts of Wuxi Yitou

The principal terms of each of the Transaction Documents are set out below:

Shortfall Funding Agreements

Date: 3 September 2020

Parties: (1) Beijing Trust
(2) Sunshine 100 Group

Term: Two years from the establishment of the respective trust schemes.

Shortfall funding obligation: Sunshine 100 Group undertakes to assume the shortfall funding obligation in relation to the recovery of the principal of the Bonds, and ensure that Beijing Trust shall realize an annualized investment return of no less than RMB218.42 million.

The specific shortfall funding amount shall be the difference between the above investment return and the investment return actually received by Beijing Trust during the calculation period. The maximum difference of the return to be paid by Sunshine 100 Group to Beijing Trust during the investment period shall be approximately RMB2.20 billion, comprising the principal of the Bonds which will be not more than RMB1.76 billion and annualized investment return of not more than RMB218.42 million.

Share Pledge Agreements

Date: 3 September 2020

Parties: (1) Beijing Trust
(2) Sunshine 100 Group

Pledge: In order to guarantee its obligations to pay for the shortfall and performance of other obligations under the Shortfall Funding Agreements, Sunshine 100 Group undertakes to pledge the following equity interests to Beijing Trust:

- (1) 50.9996% of the equity interest it holds in Wenzhou Zhongxin;
- (2) 50.9996% of the equity interest it holds in Wenzhou Shengtaicheng; and
- (3) 100% of the equity interest it holds in Wuxi Yitou.

Mortgage Agreements

Each of the Project Companies entered into a mortgage agreement with Beijing Trust on 3 September 2020 pursuant to which land use rights (together with construction in progress) and properties (as the case may be) held by the Project Companies will be mortgaged to Beijing Trust in order to guarantee the obligations of Sunshine 100 Group to pay for the shortfall and performance of other obligations under the Shortfall Funding Agreements.

Accounts Custodian Agreements

Further to the Mortgage Agreements, each of the Project Companies entered into an accounts custodian agreement with Beijing Trust on 3 September 2020 pursuant to which each of the Project Companies will allow Beijing Trust to manage some of their bank accounts.

Guarantees

Pursuant to the Guarantees entered into on 3 September 2020 between Mr. Yi Xiaodi and Beijing Trust, in order to guarantee the obligations of Sunshine 100 Group to pay for the shortfall and performance of other obligations under the Shortfall Funding Agreements, Mr. Yi Xiaodi shall provide guarantees in favor of Beijing Trust according to the Shortfall Funding Agreements.

INFORMATION ON THE PARTIES

The Company

The Company is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange. The principal business of the Company is investment holding. The Group is principally engaged in property and land development, property investment and property management and hotel operation in China.

Sunshine 100 Group

Sunshine 100 Group is a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company. Sunshine 100 Group is principally engaged in investment holding.

Wenzhou Shengtaicheng

Wenzhou Shengtaicheng is a company with limited liability established under the laws of the PRC. It is a subsidiary of Sunshine 100 Group. Its principal activity is holding the land use right of, developing and managing the real estate project located in Linli, Lucheng District of Wenzhou City, Zhejiang Province with a total planned area of approximately 3,160 mu and a construction area of approximately 3,000,000 sq.m..

Wenzhou Zhongxin

Wenzhou Zhongxin is a company with limited liability established under the laws of the PRC. It is a subsidiary of Sunshine 100 Group. Its principal activity is holding the land use right of, developing and managing the real estate project located in Qidu Island of Lucheng District, Wenzhou City, Zhejiang Province, with an aggregate gross floor area of approximately 480,000 sq.m..

Wuxi Yitou

Wuxi Yitou is a company established under the laws of the PRC with limited liability and currently a wholly-owned subsidiary of Sunshine 100 Group. Wuxi Yitou is principally engaged in property development.

Beijing Trust

Beijing Trust is a trust company established with the approval of China Banking and Insurance Regulatory Commission and validly existing under the laws of the PRC. Beijing Trust is currently a connected person of the Company at the subsidiary level.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The obligations of Sunshine 100 Group under the Shortfall Funding Agreements serve as a credit enhancement measure for Beijing Trust's subscription to the Bonds. Beijing Trust's investment broadens the channels available to investors in relation to subscription to bonds issued by members of the Group and increases the Group's efficiency in fund raising by way of bond issuance, and in turn helps to improve the Group's financial status.

The Board (including independent non-executive Directors) is of the view that the Transaction Documents are entered into on normal commercial terms and in the ordinary and usual course of the business of the Group, and the terms thereof are fair and reasonable and in the interests of the Company and the shareholders as a whole.

None of the Directors of the Company have a material interest in the above transactions. Therefore, none of them has abstained from voting on relevant board resolutions.

LISTING RULES IMPLICATIONS

As Beijing Trust is a connected person of the Company at the subsidiary level, the transactions contemplated under the Transaction Documents constitute provision of financial assistance to a connected person of the Company under Chapter 14A of the Listing Rules. In light of the fact that the Transaction Documents have been approved by the Board and the independent non-executive Directors have confirmed that the terms of the Transaction Documents are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, the Transaction Documents are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

In addition, the obligations of Sunshine 100 Group under the Shortfall Funding Agreements constitute financial assistance provided by it to Beijing Trust for the benefit of the issuer of the Bonds (being a subsidiary of the Company), as a credit enhancement measure for Beijing Trust's subscription of the Bonds. Pursuant to Rule 14.04(1) (e) (ii), the Shortfall Funding Agreements do not constitute transactions under Chapter 14 of the Listing Rules.

Similarly, the Project Companies' obligations under the Mortgage Agreements and the Accounts Custodian Agreements, and Sunshine 100 Group's obligations under the Share Pledge Agreements, constitute financial assistance provided by the Project Companies and Sunshine 100 Group to Beijing Trust for the benefit of the issuer of the Bonds (being a subsidiary of the Company) to secure its obligations under the Shortfall Funding Agreements. Pursuant to Rule 14.04(1) (e) (ii), the Mortgage Agreements, the Accounts Custodian Agreements and the Share Pledge Agreements do not constitute transactions under Chapter 14 of the Listing Rules.

The guarantees provided by Mr. Yi Xiaodi, a Director, to Beijing Trust for the benefit of the issuer of the Bonds (being a subsidiary of the Company) constitute financial assistance received by the Company, as they are conducted on normal commercial terms or better and not secured by the assets of the Group, the guarantees are fully-exempt under Chapter 14A.90 of the Listing Rules.

DEFINITIONS

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

“Accounts Custodian Agreements”	the three accounts custodian agreements entered into between Beijing Trust and each of the Project Companies on 3 September 2020 to secure the obligations of Sunshine 100 Group to pay for any shortfall in Beijing Trust’s agreed investment return from the Bonds
“Beijing Trust”	Beijing International Trust Co., Ltd. (北京國際信託有限公司), a trust company duly established and validly existing under the laws of PRC
“Board”	the board of directors of the Company
“Bonds”	onshore bonds to be issued by a subsidiary of the Company and which Beijing Trust will invest approximately RMB1.76 billion
“Company”	Sunshine 100 China Holdings Ltd (陽光100中國控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantees”	the three guarantees entered into between Beijing Trust and Mr. Yi Xiaodi on 3 September 2020 to secure the obligations of Sunshine 100 Group to pay for any shortfall in Beijing Trust’s agreed investment return from the Bonds

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mortgage Agreements”	the three mortgage agreements entered into between Beijing Trust and each of the Project Companies on 3 September 2020 to secure the obligations of Sunshine 100 Group to pay for any shortfall in Beijing Trust’s agreed investment return from the Bonds
“PRC” or “China”	the People’s Republic of China which, for the purposes of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Project Companies”	Wenzhou Shengtaicheng, Wenzhou Zhongxin and Wuxi Yitou
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Share Pledge Agreements”	the three share pledge agreements entered into between Beijing Trust and Sunshine 100 Group on 3 September 2020 to secure the obligations of Sunshine 100 Group to pay for any shortfall in Beijing Trust’s agreed investment return from the Bonds
“Shortfall Funding Agreements”	the three shortfall funding agreements entered into between Beijing Trust and Sunshine 100 Group on 3 September 2020 pursuant to which Sunshine 100 Group agreed to pay for any shortfall in Beijing Trust’s agreed investment return from the Bonds
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Sunshine 100 Group”	Sunshine 100 Real Estate Group Co., Ltd. (陽光壹佰置業集團有限公司) (formerly known as Beijing Sunshine 100 Real Estate Development Co., Ltd. (北京陽光壹佰房地產開發有限責任公司) and Beijing Sunshine 100 Real Estate Group Co., Ltd. (北京陽光壹佰置業集團有限公司)), a company with limited liability established under the laws of PRC on 19 April 2001 and a wholly-owned subsidiary of the Group

“Transaction Documents”	includes the Shortfall Funding Agreements, the Share Pledge Agreements, the Mortgage Agreements, the Accounts Custodian Agreements and the Guarantees
“Wenzhou Shengtaicheng”	Wenzhou Shihe Shengtaicheng Development Co., Ltd.* (溫州世和生態城開發有限公司), a company established under the laws of China
“Wenzhou Zhongxin”	Wenzhou Zhongxin Tower Construction and Development Co., Ltd.* (溫州中心大廈建設發展有限公司), a company established under the laws of China
“Wuxi Yitou”	Wu Xi Yitou Development Co., Ltd.* (無錫藝投開發有限責任公司), a company established under the laws of China

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

Beijing, the PRC
3 September 2020

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

* *For identification purpose only*