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SUN CENTURY GROUP LIMITED

太陽世紀集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

POSSIBLE LITIGATION

This announcement is made by Sun Century Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that the Shenzhen Branch of China Construction Bank (the “**Bank**”) has filed a writ of civil proceedings (the “**Writ**”) with Guangdong Higher People’s Court against 深圳市鴻隆商業管理有限公司 (Shenzhen Hong Long Commercial Management Company Limited[#]) (“**Hong Long Management**”), 鴻隆地產集團有限公司 (Hong Long Property Group Limited[#]) (“**Hong Long Property**”), both indirect wholly-owned subsidiaries of the Company and a former Director (the “**Former Director**”) of the Company (the “**Action**”).

The Action is relating to the loan contract dated 27 February 2009 and entered into between Hong Long Management and the Bank for a loan of RMB600 million (the “**Loan**”) and the charge contract entered into between Hong Long Property and the Bank in 2009 pursuant to which Hong Long Property created a charge over five commercial units in Bao An District, Shenzhen with total gross floor area of about 64,447.13 square metres (the “**Charged Properties**”) in favour of the Bank as security for the Loan.

Pursuant to the Writ, the following orders are being sought by the Bank:

- (a) Hong Long Management shall repay the outstanding principal of the Loan of RMB440.6 million and the outstanding interest accrued thereon up to the date of the full repayment of the outstanding principal of the Loan;
- (b) the Bank shall have the right to dispose of the Charged Properties and priority to be compensated by the proceeds from such disposal;

- (c) Hong Long Property and the Former Director shall be jointly liable for the liabilities of Hong Long Management as guarantors; and
- (d) Hong Long Management, Hong Long Property and the Former Director shall bear the costs of the proceedings and other costs incurred by the Bank.

The Writ was received by the Group on or about 5 March 2012. Other than the Writ, the Group has not received other litigation materials pertaining to the Action.

The Board is in the course of seeking legal advice from its PRC legal adviser on the Writ. The Company will make further announcement in due course as to any material development in connection with the aforesaid possible litigation. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Sun Century Group Limited
Chau Cheok Wa
Chairman

21 March 2012

As at the date of this announcement, the executive Directors are Mr. CHAU Cheok Wa, Mr. ZENG Yunshu, Mr. LEE Chi Shing Caesar, Ms. YEUNG So Mui, Ms. CHENG Mei Ching, Ms. YEUNG So Lai and Mr. LEUNG Ming Ho Vincent; and the independent non-executive Directors are Dr. LI Jun, Mr. CHEUNG Ngai Lam, Mr. CHEUNG Kwok Yu and Mr. LUI Man Wah