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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Sun Century Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**太陽世紀集團有限公司**  
**Sun Century Group Limited**  
*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1383)**

**MAJOR TRANSACTION  
IN RESPECT OF THE DISPOSAL OF  
THE ENTIRE REGISTERED SHARE CAPITAL OF  
SHENYANG HONG LONG REAL ESTATES COMPANY LIMITED  
AND  
NOTICE OF EGM**

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A notice convening an extraordinary general meeting of Sun Century Group Limited to be held at Training Room B, The Joint Professional Centre, Unit 1, G/F., The Center, 99 Queen's Road Central, Hong Kong on Friday, 1 June 2012 at 4:15 p.m. is set out on pages 30 to 31 of this circular. A form of proxy for use at the extraordinary general meeting is also accompanied with this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company at Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the accompanying proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof (as the case may be) should you so wish.

24 April 2012

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Agreement”	the agreement dated 6 January 2012 and entered into between Hong Long Property and Shenyang Hexinheng in relation to the sale and purchase of the Sale Capital
“Approval Notice”	the approval notice issued by the Administration for Industry and Commerce with respect to the approval of the registration of the transfer of the Sale Capital
“Ascent Partners”	Ascent Partners Transaction Service Limited, being an independent professional valuer in connection with the valuation of the property interests held by Shenyang Hong Long
“Board”	the board of Directors
“Company”	Sun Century Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Consideration”	the consideration of RMB82,000,000 (equivalent to approximately HK\$100,860,000) to be satisfied by Shenyang Hexinheng for the acquisition of the Sale Capital
“Directors”	directors of the Company
“Disposal”	the disposal by Hong Long Property of the Sale Capital subject to and upon the terms and conditions of the Agreement
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Long Property”	鴻隆地產集團有限公司 (Hong Long Property Group Limited <sup>#</sup> ), a company established in the PRC and an indirect wholly-owned subsidiary of the Company

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## DEFINITIONS

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“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Latest Practicable Date”	23 April 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange “PRC” the People’s Republic of China but excluding, for the purposes of this Announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC”	the People’s Republic of China but excluding, for the purposes of this Announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“Project”	the project for developing a complex comprising commercial units with planned total gross floor area of about 194,000 square metres on the land with a total site area of approximately 55,435 square metres, the land use right to which is vested to Shenyang Hong Long under the State-owned Land Use Right Certificate No. Shen Kai Guo Yong (2011) Di 117 Hao
“Record Date”	the date of the Administration for Industry and Commerce has issued the Approval Notice
“Sale Capital”	the entire registered capital of Shenyang Hong Long in the sum of RMB57,000,000 (equivalent to approximately HK\$70,110,000)
“Shareholders”	holders of the issued Shares
“Shares”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shenyang Hexinheng”	瀋陽和信恒實業有限公司 (Shenyang Hexinheng Company Limited <sup>#</sup> ), a company established in the PRC and an Independent Third Party
“Shenyang Hong Long”	瀋陽鴻隆置業有限公司 (Shenyang Hong Long Real Estates Company Limited <sup>#</sup> ), a company established in the PRC and a direct wholly-owned subsidiary of Hong Long Property

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## DEFINITIONS

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“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuation Report”	the valuation report on the Shenyang Hong Long’s interest in land or buildings issued by Ascent Partners on 24 April 2012
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

# The English name is not an official translation and is for reference purpose only

*For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.00 to HK\$1.23. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.*

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## LETTER FROM THE BOARD

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太陽世紀集團有限公司  
**Sun Century Group Limited**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1383)**

*Executive Directors:*

Mr. CHAU Cheok Wa (*Chairman*)  
Mr. ZENG Yunshu  
Mr. LEE Chi Shing Caesar  
Ms. YEUNG So Mui  
Ms. CHENG Mei Ching  
Ms. YEUNG So Lai  
Mr. LEUNG Ming Ho Vincent

*Independent non-executive Directors:*

Dr. LI Jun  
Mr. CHEUNG Ngai Lam  
Mr. CHEUNG Kwok Yu  
Mr. LUI Man Wah

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business  
in Hong Kong:*

Room 2108, 21/F.,  
China Merchants Tower,  
Shun Tak Centre,  
168-200 Connaught Road Central,  
Sheung Wan,  
Hong Kong

24 April 2012

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION  
IN RESPECT OF THE DISPOSAL OF  
THE ENTIRE REGISTERED SHARE CAPITAL OF  
SHENYANG HONG LONG REAL ESTATES COMPANY LIMITED**

**INTRODUCTION**

The Company announced that on 6 January 2012 (after trading hours), Hong Long Property, an indirect wholly-owned subsidiary of the Company entered into the Agreement pursuant to which Hong Long Property has agreed to sell and Shenyang Hexinheng has agreed to purchase the Sale Capital for the Consideration of RMB82,000,000 (equivalent to approximately HK\$100,860,000).

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## LETTER FROM THE BOARD

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The purposes of this circular are to provide you with: (i) further information regarding the Disposal, (ii) the financial information of the Group; (iii) the Valuation Report; and (iv) a notice to convene the EGM.

### THE AGREEMENT

Date: 6 January 2012 (after trading hours)

Parties: (1) Hong Long Property (as vendor)  
(2) Shenyang Hexinheng (as purchaser)

Hong Long Property is an indirect wholly-owned subsidiary of the Company established in the PRC and is principally engaged in investment holding and property development. It holds the entire registered share capital of Shenyang Hong Long.

Shenyang Hexinheng is a company established in the PRC and is principally engaged in battery components production, electronic equipment spare parts processing and property development. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shenyang Hexinheng and its ultimate beneficial owners are Independent Third Parties.

### Assets to be disposed

Pursuant to the terms of the Agreement, Hong Long Property has agreed to sell and Shenyang Hexinheng has agreed to purchase the Sale Capital. The Sale Capital represents the entire registered share capital of Shenyang Hong Long.

### Consideration

The Consideration for the Sale Capital is RMB82,000,000 (equivalent to approximately HK\$100,860,000). The Consideration shall be paid in cash by Shenyang Hexinheng in the following manner:

- (a) RMB50,000,000 (equivalent to approximately HK\$61,500,000) as the first installment of the Consideration shall be paid in cash to the escrow account held by the Consideration escrow agent jointly appointed by the parties to the Agreement within 5 business days after the date of the Agreement. The RMB50,000,000 shall be released to Hong Long Property in accordance with the procedures as set out in the section headed "Completion" in this announcement; and
- (b) the balance of the consideration of RMB32,000,000 (equivalent to approximately HK\$39,360,000) shall be paid in cash to Hong Long Property within 30 days after the Administration for Industry and Commerce has issued the Approval Notice.

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## LETTER FROM THE BOARD

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According to the Valuation Report, a copy of which is set out as Appendix II to the circular, the valuation of the property interests held by Shenyang Hong Long was RMB154,700,000 as at 29 February 2012 (the “Appraised Value”) arrived at by using a direct comparison approach by making reference to comparable sales available in the market and have taken into account the cost expended and to be expended to complete the development. Accordingly, the Appraised Value represent a surplus of approximately RMB19.73 million (the “Surplus”) to the book value of the subject property interest held under the Shenyang Hong Long as at 29 February 2012 being the difference between the Appraised Value and the book value of the subject properties interests (being the incurred construction costs of the Project as at 31 December 2011. Taking into the account the addition of the Surplus and the net assets of Shenyang Hong Long, the net book value of the Sale Capital would be approximately RMB75.27 million (equivalent to approximately HK\$92.58 million). The Consideration was arrived at after arm’s length negotiations between the parties to the Agreement with reference to the Valuation Report and the Adjusted Book Value.

### **Custody of corporate documents and contracts of Shenyang Hong Long**

Within five business days after the date of the Agreement, Hong Long Property shall hand over the company seals, corporate documents, books and records and contracts of Shenyang Hong Long to the articles escrow agent jointly appointed by the parties to the Agreement for custody. All use of the aforementioned documents and materials shall be under the supervision of the articles escrow agent.

Upon production by Shenyang Hexinheng of the payment voucher issued by the Consideration escrow agent for the payment of the RMB50,000,000 to Hong Long Property, the articles escrow agent shall hand over the aforementioned documents and materials to Shenyang Hexinheng within three business days.

### **Conditions**

Completion of the Agreement shall be conditional upon:

- (a) the passing of the relevant resolution(s) by the Shareholders at the EGM approving the Agreement and the transactions contemplated thereunder (if necessary);
- (b) Shenyang Hexinheng having completed the due diligence review on Shenyang Hong Long and being generally satisfied with the results of the due diligence review;
- (c) the valuation of the Project being not less than RMB82,000,000 (equivalent to approximately HK\$100,860,000) under the valuation report prepared by an independent valuer agreed to be appointed by the parties to the Agreement;
- (d) the warranties provided by Hong Long Property under the Agreement remaining true and accurate and not being misleading in all respects from the date of the Agreement to the date of completion of the Agreement;



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## LETTER FROM THE BOARD

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- (e) the warranties provided by Shenyang Hexinheng under the Agreement remaining true and accurate and not being misleading in all respects from the date of the Agreement to the date of completion of the Agreement; and
- (f) the compliance of the provisions under the Listing Rules, other regulations of the Stock Exchange or other regulatory authorities or all applicable laws and regulations which shall be complied with by the Company in respect of the transactions contemplated under the Agreement.

In the event that the Conditions cannot be fulfilled, which causes the Agreement not to be completed, Hong Long Property shall be responsible for all the losses incurred by Shenyang Hexinheng as a result of non-completion of the Agreement.

### **Completion**

After all the Conditions have been fulfilled, Hong Long Property shall cooperate with Shenyang Hexinheng to attend to the procedures for the registration of the transfer of the Sale Capital with the Administration for Industry and Commerce. The Approval Notice shall be obtained by the parties to the Agreement within seven business days after all the Conditions have been fulfilled.

Upon production of the Approval Notice to the Consideration escrow agent, the Consideration escrow agent shall release the RMB50,000,000 in the escrow account to Hong Long Property within three business days.

The balance of the consideration of RMB32,000,000 (equivalent to approximately HK\$39,360,000) shall be paid in cash by Shenyang Hexinheng to Hong Long Property within 30 days after the Administration for Industry and Commerce has issued the Approval Notice.

Upon completion of the Disposal, Shenyang Hong Long will cease to be a subsidiary of the Company and none of the registered capital of Shenyang Hong Long will be held by the Group.

### **Employees of Shenyang Hong Long**

Hong Long Property shall procure the termination of the labour contracts between Shenyang Hong Long and all of its employees within one month after all the Conditions have been fulfilled (or waived, as the case may be) and payment of all the compensation in accordance with the relevant labour laws of the PRC.

All the costs incurred by Shenyang Hong Long in relation to the employment of the employees employed by Shenyang Hong Long before the Record Date prior to the termination of such employment shall be borne by Hong Long Property.

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## LETTER FROM THE BOARD

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### Liabilities of Shenyang Hong Long

After the transfer of the Sale Capital, Hong Long Property and Shenyang Hexinheng shall confirm in writing the liabilities and indebtedness of Shenyang Hong Long. All the liabilities and indebtedness as recorded in such written confirmation and the obligations derived from such liabilities and indebtedness shall continue to be borne by Shenyang Hong Long.

The liabilities and indebtedness incurred before the Record Date and not recorded in the written confirmation shall be borne by Hong Long Property.

All new liabilities and indebtedness incurred by Shenyang Hong Long after the Record Date shall be borne by Shenyang Hong Long.

### Guarantee

Pursuant to the terms of the Agreement, 深圳鴻隆商業管理有限公司 (Shenzhen Hong Long Commercial Management Company Limited<sup>#</sup>) (“Shenzhen Hong Long”) and 遼寧明和產業有限公司 (Liaoning Minghe Properties Company Limited<sup>#</sup>) (“Liaoning Minghe”) have respectively provided guarantee for the performance of the obligations of Hong Long Property and Shenyang Hexinheng under the Agreement.

Shenzhen Hong Long is an indirect wholly-owned subsidiary of the Company. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Liaoning Minghe and its ultimate beneficial owners are Independent Third Parties.

### INFORMATION ON SHENYANG HONG LONG

Shenyang Hong Long, a direct wholly owned subsidiary of Hong Long Property, is a company established in the PRC at 12 November 2010 with limited liability and is principally engaged in property development. Shenyang Hong Long is the owner of the Project. The Project is part of the Tiexi New City project of the Group with the name “Shenyang Hong Long Century Business Square”. The site area of the Project is approximately 55,435 square metres and with planned total gross floor area of approximately 194,000 square metres. The Project planned to be built a hotel with gross floor area of approximately 66,000 square metres, 2 blocks of complex which contain office units and retail shops with gross floor area of approximately of 128,000 square metres. The Project is under construction and planned to be completed in 2013.

According to the unaudited financial statements of Shenyang Hong Long for the period from 12 November 2010 to 31 December 2010, which is prepared in accordance with generally accepted accounting principles in the PRC, Shenyang Hong Long has a turnover of RMB Nil (equivalent to HK\$ Nil) and the net loss before and after tax and extraordinary items were approximately RMB33,000 (equivalent to approximately HK\$40,590). The unaudited net asset value of Shenyang Hong Long was approximately RMB1,966,000 (equivalent to approximately HK\$2,418,000) as at 31 December 2010.

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## LETTER FROM THE BOARD

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According to the unaudited financial statements of Shenyang Hong Long for the year ended 31 December 2011, which is prepared in accordance with generally accepted accounting principles in the PRC, Shenyang Hong Long has a turnover of RMB Nil (equivalent to HK\$ Nil) and the net loss before and after tax and extraordinary items were approximately RMB1,427,000 (equivalent to approximately HK\$1,755,210). The unaudited net asset value of Shenyang Hong Long was approximately RMB55,540,000 (equivalent to approximately HK\$68,314,000) as at 31 December 2011.

### REASON FOR THE DISPOSAL

The Group is principally engaged in property development and leasing of middle to high range residential and commercial properties in Guangdong, Anhui and Liaoning Provinces, the PRC.

The Directors consider that the Disposal represents a good opportunity for the Group to realize its investment in the Project at a fair and reasonable price. In addition, the Group will no longer be required to provide additional resources for the Project, so that the Group may reallocate its resources to other investments in the Group which may generate higher returns for the Group. In addition, the proceeds from the Disposal will bring an immediate cash inflow to the Group, which will improve the working capital position of the Group.

As the result of the Disposal, the Directors expect that the Group would record an unaudited gain on the Disposal of approximately HK\$31,316,000, being the difference between the estimated net proceeds from the Disposal of approximately HK\$99,630,000 (after deducting all relevant fees and expenses) and the net assets value of Shenyang Hong Long of approximately HK\$68,314,000 as at 31 December 2011 in the accounts of the Group. The net proceeds from the Disposal will be used as general working capital of the Group.

It is expected upon completion of the Disposal that the total assets of the Group will be decreased by approximately RMB92,248,000 (equivalent to approximately HK\$113,465,000) and the total liabilities of the Group will be decreased by approximately RMB118,709,000 (equivalent to approximately HK\$146,012,070).

Based on the above, the Directors consider that the terms and conditions of the Disposal are fair and reasonable and on normal commercial terms and are in the interests of the Company and Shareholders as a whole.

### LISTING RULES IMPLICATIONS

The Disposal constitutes a major transaction on the part of the Company under the Listing Rules and thus the Agreement and the transactions contemplated thereunder require the approval of the Shareholders by way of poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting to approve the ordinary resolution in respect of the Agreement and the transactions contemplated thereunder at the EGM.

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## LETTER FROM THE BOARD

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### EGM

A notice convening the EGM to be held at Training Room B, The Joint Professional Centre, Unit 1, G/F., The Center, 99 Queen's Road Central, Hong Kong on Friday, 1 June 2012 at 4:15 p.m. at which an ordinary resolution shall be proposed to the Shareholders to approve the Agreement and the transactions contemplated thereunder is set out on page 30 of this circular.

A form of proxy for use at the EGM is enclosed. If you are unable to attend the EGM in person, you are requested to complete and return the form of proxy to the Company's share registrar, Tricor Investor Services Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting thereof (as the case may be) should you so wish.

The resolution approving the Agreement and the transactions contemplated thereunder will be voted by way of a poll at the EGM.

### RECOMMENDATION

The Directors are of the opinion that the terms of the Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

### FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

## 1. INDEBTEDNESS STATEMENT

### Borrowings

The Group's borrowings are principally applied by the Group for working capital purposes. As at 29 February 2012, being the latest practicable date for the purpose of this indebtedness statement, the Group had total outstanding borrowings of approximately RMB1,537 million, which included borrowings of 1,406 million and 161 million denominated in RMB and HK\$ respectively. The Group had secured or guaranteed borrowings of approximately RMB1,373 million and had unsecured and unguaranteed borrowings of approximately RMB164 million.

The secured borrowings are secured by certain investment properties and properties under development valued at RMB1,054 million and RMB752 million respectively as at 31 December 2011 by Ascent Partners Transaction Service Limited. The interest rates of banking facilities are ranging from 6.32% to 8.28% per annum. There was unutilized facilities of RMB73 million as at 29 February 2012. There was no material adverse change in the indebtedness of the Group from 29 February 2012 up to the Latest Practicable Date.

### Contingent liabilities

As at close of business on 29 February 2012, the Group had total contingent liabilities of RMB1,266 million, including RMB30 million representing maximum amount of guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties, RMB1,221 million representing guarantees given to certain banks for the loan facilities provided to some disposed subsidiaries, and RMB15 million representing various claims against to the Group.

### Disclaimers

Save as disclosed above and apart from intra-group liabilities, at the close of business on 29 February 2012, the Group did not have any outstanding loan capital, debt securities and term loan issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

## 2. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the present available financial resources, the banking and other facilities presently available and the estimated net proceed from the Disposal, the Group will have sufficient working capital for its business for the next twelve months from the date of this circular in the absence of unforeseen circumstances.

**3. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, save for the litigation commenced by the Shenzhen Branch of China Construction Bank as mention in the section headed “Appendix III – General Information – Litigation”, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

**4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is principally engaged in the development of middle to high range residential and commercial properties as well as leasing of commercial properties in the Guangdong, Anhui and Liaoning Provinces, the PRC.

Upon completion, the Group will continue its principal businesses in the development of middle to high range residential and commercial properties as well as leasing of commercial properties in the PRC.

The Group has a number of property development projects covering several cities of the PRC, such as Guangdong, Anhui and Liaoning Provinces. Except for the Disposal, the remaining property development projects are currently or would be gradually put up for sale, and are expected to generate cash inflow for the Group. The Group believes that those projects will deliver attractive returns in the future, both in terms of capital gain and property sales in the long term. In review of the real estate industry, the Chinese government introduced a series of austerity measures over monetary policy to contain speculation activities in the real estate market. However, the housing prices remained stable and the continued tightening control measures by the Chinese government which only resulted in a significant decline in turnover volume. We anticipate that the policies on real estate industry will be further rationalised, contributing to a steady development of the industry. The focus of the regulatory policies will be suppression of speculations, increase in supply and channeling demand. Although the Chinese government is expected to remain active in regulating the real estate industry, the urbanisation trend and the traditional concept of purchasing property for getting settled will still create stable demand for the real estate market. Given the future prospects of the economy and real estate sector in the PRC, the Group has already sourced several projects and negotiations are underway, the Group will continue to look for opportunities in acquiring quality property development projects or land banks in the PRC.

*The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this circular received from Ascent Partners Transaction Service Limited, an independent valuer, in connection with its valuation as at 29 February 2012 of the property interests of Shenyang Hong Long.*



Suite 2102, Hong Kong Trade Centre  
161-167 Des Voeux Road Central  
Hong Kong  
Tel: 3679-3890  
Fax: 3586-0683

Date: 24 April 2012

The Board of Directors  
Sun Century Group Limited  
2408 China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

Dear Sirs,

### **INSTRUCTIONS**

In accordance with instructions of Sun Century Group Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) for us to value various properties in which Shenyang Hong Long Real Estates Company Limited, an indirect wholly-owned subsidiary of the Company, has interests in the People’s Republic of China (the “PRC”), we confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property interests as at 29 February 2012 (referred to as the “Valuation Date”).

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

### **BASIS OF VALUATION**

Our valuation of the property interests represents the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

**PROPERTY INTERESTS CATEGORISATION**

The property interests are categorised as follows:

- Group I – Property interests held by the Group under development in the PRC
- Group II – Property interests held by the Group for future development in the PRC

**VALUATION METHODOLOGY**

In valuing the property interests of property in Group I under development, we have valued the property on the basis that the property will be developed and completed in accordance with the Group's latest development proposals provided to us. The market value of the property interests will be formulated by the direct comparison approach by making reference to comparable sales as available in the market and have taken into account the cost expended and to be expended to complete the development.

We have valued the property interests of the property in Group II for future development on market basis on the vacant possession and the direct comparison method is adopted where comparison based on prices realised on actual sales of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values.

**VALUATION CONSIDERATIONS**

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors effective from 1 January 2005.

**VALUATION ASSUMPTIONS**

In valuing the property interests which are currently under construction, we have assumed that they will be developed and completed in accordance with the Company's latest development proposal provided to us. In arriving at our opinion of value, we have taken into account the construction costs and professional fees relevant to the stage of construction as at the valuation date and the remainder of the costs and fees to be expended to complete the developments.

Our valuations have been made on the assumption that the seller sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.



In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owners of the properties have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our report for any outstanding or additional land premium, charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

Other special assumptions of the property interests, if any, have been stated out in the footnotes of the valuation certificates attached herewith.

### **TITLE INVESTIGATION**

We have been, in some instances, shown copies of various title documents and other documents relating to the property interests and have made relevant enquiries. We have not examined the original documents to verify the existing title to the property interests and any material encumbrances that might be attached to the property interests or any lease amendments. However, we have relied considerably on the information given by the Company's PRC legal adviser, 遼寧恒敬律師事務所 (Liaoning Hengjing Law Office), concerning the validity of the Group's title to the property interests located in the PRC.

All legal documents provided by the Group have been used for reference only. No responsibility regarding legal title to the property interests is assumed in this valuation report.

### **LIMITING CONDITIONS**

We have inspected the exterior, and wherever possible, the interior of the properties but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

We have not carried out any soil investigations to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. We do not make any allowance for contamination or pollution of the land, if any, which may have been caused by past usage.

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our report in whole or in part, in any document you prepare and / or distribute to third parties may be made without written consent.

#### EXCHANGE RATE

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

Our summary of values and valuation certificates are herewith attached.

Yours faithfully,  
For and on behalf of  
**Ascent Partners Transaction Service Limited**  
**Ian K. F. Ng**  
MBA BSc(EstMan) BSc MHKIS MRICS RPS(GP)  
*Associate Director*

*Mr. Ian K. F. Ng is a Registered Professional Surveyor with over 8 years' experience in valuation of properties in HKSAR, Macau SAR and mainland China. Mr. Ng is a Professional Member of The Hong Kong Institute of Surveyors as well as a chartered surveyor of The Royal Institution of Chartered Surveyors.*

## SUMMARY OF VALUES

Property	Market Value in Existing State as at 29 February 2012 RMB
<b>Property interests held by the Group under development in the PRC</b>	
1 Phase I of Shenyang Hong Long Century Business Square, No.27 Zhongyang Main Street, Shenyang Economic and Technological Development Zone, Shenyang City, Liaoning Province, the PRC  (中國遼寧省沈陽市沈陽經濟技術開發區中央大街27號 沈陽鴻隆世紀商業廣場一期)	103,000,000
<b>Group II – Property interests held by the Group for future development in the PRC</b>	
2 Phase II of Shenyang Hong Long Century Business Square, No.27 Zhongyang Main Street, Shenyang Economic and Technological Development Zone, Shenyang City, Liaoning Province, the PRC  (中國遼寧省沈陽市沈陽經濟技術開發區中央大街27號 沈陽鴻隆世紀商業廣場二期)	51,700,000
Total:	154,700,000

## VALUATION CERTIFICATE

## Group I – Property interests held by the Group under development in the PRC

Property	Description and Tenure	Particular of Occupancy	Market Value in Existing State as at 29 February 2012								
1 Phase I of Shenyang Hong Long Century Business Square, No.27 Zhongyang Main Street, Shenyang Economic and Technological Development Zone, Shenyang City, Liaoning Province, the PRC  (中國遼寧省沈陽市沈陽經濟技術開發區中央大街27號沈陽鴻隆世紀商業廣場一期)	Shenyang Hong Long Century Business Square (沈陽鴻隆世紀商業廣場) is a commercial, office and hotel development to be developed into two phases, namely Phase I and Phase II, on a parcel of land with an area of approximately 55,434.75 sq.m.  The property comprises a parcel of land with an area of approximately 33,899.63 sq.m. upon which Phase I of Shenyang Hong Long Century Business Square is being developed and scheduled to be completed in early 2013.  As advised by the Company, the planned total gross floor area of the property is approximately 108,663.19 sq.m. with the breakdowns as follows:	The property is currently under construction.	RMB103,000,000  (Renminbi One Hundred Three Million)								
	<table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area <i>Approx</i> <i>(sq.m.)</i></th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>43,322.57</td> </tr> <tr> <td>Hotel</td> <td><u>65,340.62</u></td> </tr> <tr> <td></td> <td><u><u>108,663.19</u></u></td> </tr> </tbody> </table>	Use	Gross Floor Area <i>Approx</i> <i>(sq.m.)</i>	Office	43,322.57	Hotel	<u>65,340.62</u>		<u><u>108,663.19</u></u>		
Use	Gross Floor Area <i>Approx</i> <i>(sq.m.)</i>										
Office	43,322.57										
Hotel	<u>65,340.62</u>										
	<u><u>108,663.19</u></u>										
	The land use rights of the property were granted for a term expiring on 24 May 2051 for commercial/finance uses.										

## Notes:

- (1) Pursuant to a State-owned Land Use Rights Grant Contract dated 25 May 2011 and an supplementary contract dated 29 August 2011 entered into between Shenyang Planning and Land Resources Bureau – Economic and Technology Development Zone Branch (沈陽市規劃和國土資源局經濟技術開發區分局) and Shenyang Hong Long Real Estates Company Limited (瀋陽鴻隆置業有限公司) (“Shenyang Hong

Long”), the land use rights of a land parcel were contracted to be transferred to Shenyang Hong Long Real Estates Company Limited at a consideration of RMB110,315,152.5. The development conditions of the property are set out as follows:–

Site Area : 55,434.75 sq.m.  
Plot Ratio : Not greater than 3.5  
Land Use : Commercial

- (2) Pursuant to a State-owned Land Use Rights Certificate – Shen Kai Guo Yong (2011) Di No. 117 issued by 沈陽市規劃和國土資源局經濟技術開發區分局 dated 14 July 2011, the land use rights of a parcel of land with an area of approximately 55,434.75 sq.m. were granted to Shenyang Hong Long for a term expiring on 24 May 2051 for commercial/finance uses.
- (3) Pursuant to a Construction Land Use Planning Permit – Di Zi No. 210106201110041 issued by Shenyang Planning and Land Resources Bureau (沈陽市規劃和國土資源局) dated 31 May 2011, Shenyang Hong Long was approved to develop a parcel of land with an area of approximately 55,434.75 sq.m. for commercial use.
- (4) Pursuant to a Construction Project Planning Permit – Jian Zi Di No. 210106201110101 issued by 沈陽市規劃和國土資源局經濟技術開發區分局 dated 30 September 2011, Shenyang Hong Long was approved the construction works of Phase I of Shenyang Hong Long Century Business Square with a total gross floor area of approximately 110,839.95 sq.m.
- (5) As advised by the Company, the planned total gross floor area of the property is approximately 108,663.19 sq.m. which have been taken into in the course of our valuation.
- (6) As advised by the Group, the total construction cost expended as at the Valuation Date was approximately RMB16,000,000. The estimated outstanding construction cost to complete the property was approximately RMB412,000,000. In the course of our valuation, we have taken into account such construction cost.
- (7) The market value of the property as if completed as at the Valuation Date was RMB707,000,000.
- (8) We are instructed by the Company to value the property as at 31 December 2011. The market value of the property as at 31 December 2011 was RMB103,000,000.
- (9) The major certificates and permits of the property are summarized as follows:
 

(i) State-owned Land Use Rights Grant Contract	Yes
(ii) State-owned Land Use Rights Certificate	Yes
(iii) Construction Land Use Planning Permit	Yes
(iv) Construction Project Planning Permit	Yes
- (10) In the course of our valuation, we have made the following assumptions:
  - (i) the commencement of construction works has been approved from the relevant government authorities; and
  - (ii) Shenyang Hong Long is entitled to freely lease, use, transfer, mortgage and dispose of the property.
- (11) We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - (i) Shenyang Hong Long legally owns the property;
  - (ii) The land premium has been paid in full;

- (iii) The property is not subject to mortgage and other encumbrances; and
- (iv) Shanyang Hong Long has not obtained Construction Works Commencement Permit for the commencement of the construction works. However, Shanyang Hong Long can apply for the issue of the permit from the relevant government authorities and there is no legal impediment in respect of the issue of the permit.

## VALUATION CERTIFICATE

## Group II – Property interests held by the Group for future development in the PRC

Property	Description and Tenure	Particular of Occupancy	Market Value in Existing State as at 29 February 2012
2	Phase II of Shenyang Hong Long Century Business Square, No.27 Zhongyang Main Street, Shenyang Economic and Technological Development Zone, Shenyang City, Liaoning Province, the PRC  (中國遼寧省沈陽市沈陽經濟技術開發區中央大街27號沈陽鴻隆世紀商業廣場二期)	Shenyang Hong Long Century Business Square (沈陽鴻隆世紀商業廣場) is a commercial, office and hotel development to be developed into two phases, namely Phase I and Phase II, on a parcel of land with an area of approximately 55,434.75 sq.m.  The property comprises a parcel of land with an area of approximately 21,535.12 sq.m.  The land use rights of the property were granted for a term expiring on 24 May 2051 for commercial/finance uses.	The property is currently a vacant land.  RMB51,700,000  (Renminbi Fifty One Million Seven Hundred Thousand)

*Notes:*

- (1) Pursuant to a State-owned Land Use Rights Grant Contract dated 25 May 2011 and an supplementary contract dated 29 August 2011 entered into between 沈陽市規劃和國土資源局經濟技術開發區分局 and Shangyang Hong Long, the land use rights of a land parcel were contracted to be transferred to Shangyang Hong Long at a consideration of RMB110,315,152.5. The development conditions of the property are set out as follows:-

Site Area	:	55,434.75 sq.m.
Plot Ratio	:	Not greater than 3.5
Land Use	:	Commercial

- (2) Pursuant to a State-owned Land Use Rights Certificate – Shen Kai Guo Yong (2011) Di No. 117 (沈開國用(2011)第117號) issued by 沈陽市規劃和國土資源局經濟技術開發區分局 dated 14 July 2011, the land use rights of a parcel of land with an area of approximately 55,434.75 sq.m. were granted to Shangyang Hong Long for a term expiring on 24 May 2051 for commercial/finance uses.
- (3) Pursuant to a Construction Land Use Planning Permit – Di Zi No. 210106201110041 issued by the Shenyang Planning and Land Resources Bureau dated 31 May 2011, Shangyang Hong Long was approved to develop a parcel of land with an area of approximately 55,434.75 sq.m. for commercial use.
- (4) We are instructed by the Company to value the property as at 31 December 2011. The market value of the property as at 31 December 2011 was RMB51,700,000.
- (5) The major certificates and permits of the property are summarized as follows:
- |       |  |     |
|-------|--|-----|
| (i)   | State-owned Land Use Rights Grant Contract | Yes |
| (ii)  | State-owned Land Use Rights Certificate    | Yes |
| (iii) | Construction Land Use Planning Permit      | Yes |

- (6) In the course of our valuation, we have assumed that Shanyang Hong Long is entitled to freely lease, use, transfer, mortgage and dispose of the property.
- (7) We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
  - (i) Shanyang Hong Long legally owns the property;
  - (ii) The land premium has been paid in full; and
  - (iii) The property is not subject to mortgage and other encumbrances.



## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the 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 they 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 in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

#### Long positions in the Shares and underlying Shares of the Company

Name of Director	Number of issued Shares			Number of underlying Shares held under equity derivatives	Total	Approximate percentage or attributable percentage of shareholding (%)
	Personal interests	Family interests	Corporate interests			
Mr. Chau Cheok Wa	–	–	461,502,000 (Note 1)	–	461,502,000	22.08
Mr. Zeng Yunshu	5,659,535	–	–	–	5,659,535	0.27
Ms. Yeung So Mui	–	461,502,000 (Note 2)	–	–	461,502,000	22.08
Dr. Li Jun	–	–	–	1,243,243 (Note 3)	1,243,243	0.06
Mr. Cheung Ngai Lam	–	–	–	1,243,243 (Note 3)	1,243,243	0.06

*Notes:*

1. This represents interests held by Mr. Chau Cheok Wa through Fame Select Limited (“Fame Select”), which holds 461,502,000 shares of the Company. Mr. Chau Cheok Wa has 50% interest in Fame Select, he is therefore deemed to be interested in 461,502,000 shares of the Company.
2. This represents interests held by Mr. Cheng Ting Kong through Fame Select, which holds 461,502,000 shares of the Company. Mr. Cheng Ting Kong has 50% interest in Fame Select, Ms. Yueng So Mui is the spouse of Mr. Cheng Ting Kong and she is therefore deemed to be interested in 461,502,000 shares of the Company.
3. This represents interests in options held by the relevant Director as a beneficial owner to subscribe for the relevant underlying shares granted by the Company.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) where 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 they 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 in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

**(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders**

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

**Long positions/short positions in the Shares and underlying Shares of the Company**

Name of shareholder	Capacity in which shares were held	Number of issued shares	Number of underlying Shares held under equity derivatives	Approximate percentage or attributable percentage of shareholding %
Fame Select (Note 1)	Beneficial owner	461,502,000(L)	–	22.08

Name of shareholder	Capacity in which shares were held	Number of issued shares	Number of underlying Shares held under equity derivatives	Approximate percentage or attributable percentage of shareholding %
Magicmount Holdings Limited ( <i>Note 2</i> )	Beneficial owner	244,299,674(L)	–	11.69
Green Auspice Limited ( <i>Note 3</i> )	Beneficial owner	144,357,754(L)	–	6.91
CCB International (Holdings) Limited (“CCBIL”) ( <i>Note 4</i> )	Beneficial owner	120,000,000(L) –	– 80,000,000(S)	5.74 3.83

L: Long position

S: Short position

1. Fame Select was owned as to 50% by Mr. Chau Cheok Wa and 50% by Mr. Cheng Ting Kong. As such, Mr. Chau Cheok Wa and Mr. Cheng Ting Kong were deemed to be interest in 461,502,000 Shares held by Fame Select.
2. Magicmount Holdings Limited was wholly owned by Mr. Kwan Tat Ming. As such, Mr. Kwan Tat Ming was deemed to be interest in 244,299,674 Shares held by Magicmount Holdings Limited.
3. Green Auspice Limited was wholly owned by Ms. So Sok Ngo. As such, Ms. So Sok Ngo was deemed to be interest in 144,357,754 Shares held by Green Auspice Limited.
4. This represents interests held by Central Huijin Investment Limited (“Central Huijin”) through CCBIL. Central Huijin has 57.10% indirectly interest in CCBIL. Central Huijin therefore deemed to be interest in 120,000,000 shares (long position) and 80,000,000 shares (short position) of the Company, respectively.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

### 3. DIRECTORS’ SERVICE CONTRACTS

None of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

#### 4. EXPERT AND CONSENT

The following are the qualifications of the experts who have given opinions or advice which are contained in this circular:

Name	Qualification
Ascent Partners	Independent property valuer
Liao Ning Heng Jing Law Office	PRC lawyer

Each of Ascent Partners and Liao Ning Heng Jing Law Office has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter(s) and report(s) and references to its names in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of Ascent Partners and Liao Ning Heng Jing Law Office did not have any interest in the share capital of any member of the Group nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

#### 5. LITIGATION

Shenzhen Branch of China Construction Bank (the “**Bank**”) has filed a writ of civil proceedings (the “**Writ**”) with Guangdong Higher People’s Court against Shenzhen Hong Long, 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 related to the loan contract dated 27 February 2009 and entered into between Shenzhen Hong Long 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 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) Shenzhen Hong Long 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 Shenzhen Hong Long as guarantors; and
- (d) Shenzhen Hong Long, 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 Shenzhen Hong Long and Hong Long Property on 5 March 2012. Other than the Writ, the Group has not received other litigation materials pertaining to the Action.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries were engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

## **6. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors nor their respective associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## **7. DIRECTORS' AND EXPERT'S INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS**

- (a) None of the Directors, Ascent Partners and Liao Ning Heng Jing Law Office had any direct or indirect interests in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2010, the date to which the latest published audited financial statements of the Group were made up.
- (b) As at the Latest Practicable Date, none of the Directors, Ascent Partners and Liao Ning Heng Jing Law Office was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group.

## **8. MATERIAL CONTRACTS**

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) the Agreement;
- (b) the framework agreement dated 27 March 2012 and entered into among Hong Long Property as vendor, 深圳市鴻鼎盛投資有限公司 (Shenzhen Hong Ding Sheng Investment Company Limited<sup>#</sup>) as purchaser and Shenzhen Hong Long as confirming party for the sale and purchase of a commercial unit in Shenzhen (the first floor of Hong Long Plaza) with a total gross floor area of about 12,776.27 square metres and the entire registered capital of 深圳市港隆城商業管理有限公司 (Shenzhen Gang Long City Commercial Management Company Limited<sup>#</sup>) at the aggregate consideration of RMB780 million (equivalent to approximately HK\$959.40 million);
- (c) the underwriting agreement dated 22 November 2011 and entered into by SBI E2-Capital Financial Services Ltd. and the Company in relation to the open offer of 615,335,692 new Shares of the Company;
- (d) the sale and purchase agreement dated 1 August 2011 and the supplemental agreement dated 30 December and entered into by the Company as vendor and Ning Jiang Holdings Limited as purchaser pursuant to which Ning Jiang Holdings

Limited has conditionally agreed to acquire and the Company has conditionally agreed to dispose of 100% of the equity interest in Luxegood Development Limited and the shareholder's loan at the consideration of HK\$294.84 million (subject to adjustment);

- (e) the sale and purchase agreement dated 30 June 2011 and entered into by the Company as vendor and Yu Cai Investments Limited as purchaser pursuant to which Yu Cai Investments Limited has conditionally agreed to acquire and the Company has conditionally agreed to dispose of 100% of the equity interest in Powermore Limited at the consideration of HK\$80 million (subject to adjustment);
- (f) the sale and purchase agreement dated 20 November 2010 and entered into between Hong Long Property as vendor and 惠州市華基投資有限公司 (Huizhou City Huaji Investment Company Limited<sup>#</sup>), as purchaser for the disposal of 82% registered capital of 惠州市銀泰達實業有限公司 (Huizhou Yintaida Industrial Company Limited<sup>#</sup>) and the repayment of shareholder's loan approximately RMB19,800,000 (equivalent to approximately HK\$23,107,000) for an aggregate consideration of RMB165,000,000 (equivalent to approximately HK\$192,555,000);
- (g) the sale and purchase agreement dated 10 November 2010 and entered into by 深圳市鴻隆置業有限公司 (Shenzhen Hong Long Real Estate Company Limited<sup>#</sup>) ("Hong Long Real Estate") as vendor and 深圳市澳宏投資有限公司 (Shenzhen Aohong Investment Company Limited<sup>#</sup>) ("Aohong Investment") as purchaser pursuant to which Aohong Investment has conditionally agreed to acquire and Hong Long Real Estate has conditionally agreed to dispose of 52% of the equity interest in 惠州大亞灣永昊實業有限公司 (Huizhou Dayawan Yonghao Company Limited<sup>#</sup>) and shareholder's loans at the aggregate consideration of RMB388,942,000;
- (h) the sale and purchase agreement dated 17 November 2010 and entered into between the Company as purchaser and Timely Grace Limited as vendor for the acquisition of the entire registered capital of Boshing Investments Limited and the shareholder's loan for an aggregate consideration of HK\$280,800,000;
- (i) the sale and purchase agreement dated 24 May 2010 and entered into between Hong Long Property as vendor and Ms. Liao Guomei as purchaser for the disposal of an office unit in Hong Long Century Plaza located at the intersection of Shennan Road Central and Heping Road, Luohu District, Shenzhen, PRC for a consideration of RMB2,919,661; and
- (j) the sale and purchase agreement dated 23 April 2010 and entered into between Hong Long Property as purchaser and 深圳市滙豐聯投資有限公司 (Shenzhen Huifenglian Investment Company Limited<sup>#</sup>) as vendor for the acquisition of the entire registered capital of Hong Long Real Estate for a consideration of RMB2,001,343.71.

**9. MISCELLANEOUS**

- (a) The share registrar of the Company is Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (b) The company secretary of the Company is Mr. Lee Chi Shing, Caesar who is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.
- (c) The English text of this circular shall prevail over the Chinese text.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) at the head office of the Company at Room 2108, 21/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts referred to in the paragraph headed "Material contracts" in this Appendix;
- (c) the Valuation Report, the text of which is set out on pages 13 to 22 in this circular;
- (d) the written consent of the expert referred to in the paragraph headed "Expert and consent" in this Appendix;
- (e) the annual reports of the Company and its subsidiaries for the two financial years ended 31 December 2009 and 31 December 2010;
- (f) the interim report of the Company and its subsidiaries for the six months ended 30 June 2011;
- (g) circulars issued by the Company since 31 December 2010; and
- (h) this circular.

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## NOTICE OF EGM

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太陽世紀集團有限公司  
**Sun Century Group Limited**  
(incorporated in the Cayman Islands with limited liability)  
(Stock Code: 1383)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Sun Century Group Limited (the “**Company**”) will be held at Training Room B, The Joint Professional Centre, Unit 1, G/F., The Center, 99 Queen’s Road Central, Hong Kong on Friday, 1 June 2012 at 4:15 p.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

**“THAT**

- (a) the sale and purchase agreement (the “**Agreement**”) (a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification) dated 6 January 2012 and entered into between 鴻隆地產集團有限公司 (Hong Long Property Group Limited) (the “**Vendor**”), an indirect wholly-owned subsidiary of the Company, as vendor and 瀋陽和信恒實業有限公司 (Shenyang Hexinheng Company Limited) as purchaser in relation to the disposal by the Vendor of the entire registered share capital of 瀋陽鴻隆置業有限公司 (Shenyang Hong Long Real Estates Company Limited) for an aggregate consideration of RMB82,000,000 and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one of more directors of the Company be and are hereby authorised to do all such things and execute all such documents as they consider necessary or expedient for the purposes of giving effect to the Agreement and the implementation of all transactions contemplated thereby.”

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

Hong Kong, 24 April 2012



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## NOTICE OF EGM

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*Registered office:*  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*  
Room 2108, 21/F.,  
China Merchants Tower,  
Shun Tak Centre,  
168-200 Connaught Road Central,  
Sheung Wan,  
Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the extraordinary general meeting (the “EGM”) convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead in accordance with the Company’s articles of association. A proxy need not be a member of the Company.
2. A form of proxy for use at the EGM is enclosed herewith. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy thereof must be deposited at the share registrar of the Company, Tricor Investor Services Limited, 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof, as the case may be. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish.
3. Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either in person or by proxy, in respect of such share as if he was solely entitled thereto; but if more than one of such joint holders are present at the EGM in person or by proxy, that one of the said persons so present whose name stands first on the register of member of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. The voting on the resolution at the EGM will be conducted by way of a poll.