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)

FOR THE SIX MONTHS ENDED 30 JUNE 2013 INTERIM RESULTS ANNOUNCEMENT

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Sun Century Group Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2013 together with the comparative figures as follows:

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the Six Months Ended 30 June 2013

	Note	Six months ended 30 June 2013 RMB'000 (unaudited)	2012 RMB'000 (unaudited)
Turnover	3	**195,413**	18,161
Cost of sales		**(124,291)**	(6,025)
Gross profit		**71,122**	12,136
Other net (expenses)/income	4	**(6,561)**	17,557
Selling and distribution expenses		**(67,403)**	(1,249)
General and administrative expenses		**(33,916)**	(21,489)
Other operating expenses		**(16,606)**	(62,575)
Net increase in fair value of investment properties		**43,000**	–
Impairment loss on inventories		**(17,000)**	–
Loss from operations		**(27,364)**	(55,620)
Finance costs	5	**(63,089)**	(35,578)
Gain on disposal of subsidiaries		**–**	16,948
Loss before tax	6	**(90,453)**	(74,250)
Income tax	7	**(38,370)**	–
Loss and total comprehensive expense for the period		**(128,823)**	(74,250)
Attributable to owners of the Company		**(128,823)**	(74,250)
Loss per share (RMB cents)	8		
Basic		**(8.80)**	(11.00) (Adjusted)
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 June 2013

	Note	**30 June 2013** *RMB'000* **(unaudited)**	31 December 2012 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment		**7,141**	7,676
Investment properties		**1,123,000**	1,080,000
Deferred tax assets		**9,519**	3,505
		1,139,660	1,091,181
Current assets			
Inventories		**1,835,877**	1,585,656
Trade and other receivables	*9*	**766,513**	681,341
Trading securities		**1,869**	2,130
Pledged deposits		**521,012**	1,155
Bank and cash balances		**25,338**	14,068
		3,150,609	2,284,350
Current liabilities			
Trade and other payables, and accruals	*10*	**646,635**	561,558
Receipts in advance		**195,317**	14,816
Rental and other deposits		**8,608**	28,934
Bank and other borrowings		**2,155,995**	1,803,822
Current tax liabilities		**48,846**	19,431
		3,055,401	2,428,561
Net current assets/(liabilities)		**95,208**	(144,211)
Total assets less current liabilities		**1,234,868**	946,970
Non-current liabilities			
Bank and other borrowings		**150,000**	–
Deferred tax liabilities		**189,057**	176,250
		339,057	176,250
NET ASSETS		**895,811**	770,720
Capital and reserves			
Share capital		**120,551**	18,949
Reserves		**775,260**	751,771
TOTAL EQUITY		**895,811**	770,720

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the Six Months Ended 30 June 2013

	Attributable to owners of the Company						
	Share capital	**Share premium**	**Merger reserve**	**Statutory reserve**	**Capital reserve**	**Accumulated loss**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2012 (audited)	11,971	765,604	24,227	49,373	17,694	(211,759)	657,110
Loss and total comprehensive expense for the period	–	–	–	–	–	(74,250)	(74,250)
Issue of shares	6,978	67,312	–	–	–	–	74,290
Share option cancelled	–	–	–	–	(5,434)	5,434	–
Change in equity for the period	6,978	67,312	–	–	(5,434)	(68,816)	40
At 30 June 2012 (unaudited)	18,949	832,916	24,227	49,373	12,260	(280,575)	657,150
At 1 January 2013 (audited)	**18,949**	**832,916**	**24,227**	**49,373**	**11,322**	**(166,067)**	**770,720**
Loss and total comprehensive expense for the period	–	–	–	–	–	(128,823)	(128,823)
Issue of shares	101,602	152,312	–	–	–	–	253,914
Change in equity for the period	101,602	152,312	–	–	–	(128,823)	125,091
At 30 June 2013 (unaudited)	**120,551**	**985,228**	**24,227**	**49,373**	**11,322**	**(294,890)**	**895,811**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the Six Months Ended 30 June 2013

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net cash used in operating activities	**(632,224)**	(500,895)
Net cash (used in)/generated from investing activities	**(103)**	293,114
Net cash generated from financing activities	**643,597**	198,524
Net increase/(decrease) in cash and cash equivalents	**11,270**	(9,257)
Cash and cash equivalents at beginning of period	**14,068**	49,049
Cash and cash equivalents at end of period	**25,338**	39,792
Analysis of cash and cash equivalents		
Bank and cash balances	**25,338**	39,792

NOTES

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The condensed consolidated financial statements should be read in conjunction with the 2012 annual financial statements. The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2012.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

The condensed consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial instruments classified as trading securities and derivative financial instruments which are carried at their fair values.

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2013. HKFRSs comprise HKFRS; HKAS and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. SEGMENT INFORMATION

	Property development	Property leasing	Total
	RMB'000	*RMB'000*	*RMB'000*
Six months ended 30 June 2013 (unaudited)			
Revenue from external customers	168,061	27,352	195,413
Segment (loss)/profit	(71,972)	60,288	(11,684)
Other information:			
Gain/(Loss) on disposal of property, plant and equipment	608	(13)	595
Depreciation	(767)	(412)	(1,179)
Reversal of impairment loss recognised in respect of trade and other receivables	1,658	–	1,658
Net increase in fair value of investment properties	–	43,000	43,000
Impairment loss on inventories	(17,000)	–	(17,000)
Six months ended 30 June 2012 (unaudited)			
Revenue from external customers	–	18,161	18,161
Segment (loss)/profit	(45,275)	11,305	(33,970)
Other information:			
Depreciation	(712)	(264)	(976)
Gain on disposal of subsidiaries	16,948	–	16,948
Impairment loss recognised in respect of trade and on other receivables	(62,501)	–	(62,501)
Reversal of overprovision of accruals	14,854	–	14,854

Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Total loss of reportable segments	**(11,684)**	(33,970)
Other net (expenses)/income	**(8,209)**	481
Depreciation and amortisation	**(73)**	(1)
Corporate finance costs	**(63,089)**	(35,578)
Other corporate expenses	**(7,398)**	(5,182)
Consolidated loss before tax	**(90,453)**	(74,250)

4. OTHER NET (EXPENSES)/INCOME

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Reversal of overprovision of accruals	**–**	14,854
Gain on disposal of property, plant and equipment	**595**	–
Interest income	**75**	1,484
Net fair value (losses)/gains on trading securities	**(261)**	220
Net exchange (losses)/gains	**(7,990)**	410
Reversal of impairment loss recognised in respect of trade and other receivables	**1,658**	–
Others	**(638)**	589
	(6,561)	17,557

5. FINANCE COSTS

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on bank and other borrowings wholly repayable within five years	**112,490**	85,439
Less: Amount capitalised	**(49,401)**	(49,861)
	63,089	35,578

6. LOSS BEFORE TAX

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss before tax has been arrived at after charging/(crediting) the followings:		
Depreciation	**1,326**	1,332
Less: Amount capitalised	**(74)**	(355)
	1,252	977
Directors' remuneration	**1,721**	763
Impairment loss recognised in respect of trade and other receivables	**–**	62,501
Impairment loss on inventories	**17,000**	–
Net increase in fair value of investment properties	**(43,000)**	–

7. INCOME TAX

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax		
Land Appreciation Tax ("LAT")	**31,577**	–
Deferred tax		
Origination and reversal of temporary differences	**6,793**	–
	38,370	–

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI. No Hong Kong Profits Tax has been provided for as the Group does not have estimated assessable profits in Hong Kong.

The provision for the PRC Corporate Income Tax is based on a statutory rate of 25% of the taxable profits determined in accordance with the relevant income tax rules and regulations in the PRC for the six months ended 30 June 2013 and 2012 respectively.

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditure including lease charges of land use rights, borrowing costs and all property development expenditure.

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately RMB(128,823,000) (2012: loss of RMB74,250,000) and the weighted average number of ordinary shares of 1,463,214,725 (2012: 675,021,027) in issue during the six months period. The weighted average number of ordinary shares in issue have been retrospectively adjusted for the effect of bonus element in connection to the open offer completed in January 2013.

(b) Diluted loss per share

The Company's outstanding share options and warrants had no dilutive effect on loss upon deemed exercise during the six months ended 30 June 2013 and 2012 as the exercise price of the share option and warrants were higher than the average market price for shares.

9. TRADE AND OTHER RECEIVABLES

	30 June 2013 *RMB'000* (unaudited)	31 December 2012 *RMB'000* (audited)
0 to 3 months	**22,565**	6,530
More than 6 months but less than 1 year	**6,357**	–
More than 1 year	**815**	1,791
Trade receivables	**29,737**	8,321
Other receivables	**8,605**	11,611
Loans and advances	**68,858**	31,062
Prepaid land costs	**38,000**	38,000
Prepayments and deposits	**621,313**	592,347
	766,513	681,341

10. TRADE AND OTHER PAYABLES, AND ACCRUALS

	30 June 2013 *RMB'000* (unaudited)	31 December 2012 *RMB'000* (audited)
Trade payables, falling due within 0 to 3 months	**211,964**	48,580
Other payables and accrued charges	**434,671**	512,978
	646,635	561,558

11. CONTINGENT LIABILITIES

(a) At 30 June 2013, the Group provided guarantees to certain banks in respect of mortgage facilities granted in connection with the mortgage loans entered into by purchasers of the Group's properties as follows:

	30 June 2013 *RMB'000* (unaudited)	31 December 2012 *RMB'000* (audited)
Guarantees given to banks for mortgage facilities granted to purchasers	**2,800,000**	–

Pursuant to the terms of the guarantees, if there are any defaults on the mortgages, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulting purchasers to banks. The Group is then entitled to take over the legal title and possession of the related properties. The guarantees shall be released in accordance with the terms of the guarantee contracts, such as:

(i) upon the issue of the relevant purchaser's property ownership certificate and in the custody of the bank; or

(ii) up to a maximum of two years after the full repayment of mortgage loan by the relevant purchaser.

At 30 June 2013, the Directors do not consider it is probable that a claim will be made against the Group under the above guarantees.

The fair value of the guarantees at date of inception is not material and is not recognised in the condensed consolidated financial statements.

(b) At 30 June 2013, the Group provided guarantees to certain banks and financial institutions to the extent of RMB981,000,000 (31 December 2012: RMB981,000,000) in respect of loan facilities granted to certain subsidiaries which had been disposed of during the year ended 31 December 2010. The maximum liabilities of the Group, at 30 June 2013, under the guarantees was the total facilities utilised by the disposed subsidiaries as at the same date which amounted to approximately RMB503,000,000 (31 December 2012: RMB503,000,000). The guarantees shall be released, in accordance with the terms of the guarantee contracts, up to a maximum of two years after the full repayment of the loans.

At 30 June 2013, the Directors do not consider it is probable that a claim will be made against the Group under the above guarantees since the loan facilities were also secured by certain certificates of land use rights of lands owned by the disposed subsidiaries and 100% equity interest of a disposed subsidiary.

The fair value of the guarantees at date of inception is not material and is not recognised in the condensed consolidated financial statements.

(c) Pursuant to a purchase agreement of land use right and a supplement agreement both dated 31 January 2008, if the Group cannot complete the underlying property development project at Chaohu City, Anhui Province, the PRC ("Chaohu Project") on or before 31 December 2010, the vendor shall charge the Group a daily penalty of 0.1% on the land premium amount. At 30 June 2013, the Group experienced a delay in the construction progress and would not be able to meet the contractual construction completion date. However, up to the date of the approval of the condensed consolidated financial statements, the Group has not received any enforcement notice from the vendor in relation to the above. Based on past experience, the Directors are of the opinion that the first phase of Chaohu Project shall be completed in 2014 and the Group will not be subject to any penalties relating to the delay in the contractual construction completion date. Hence, no provision has been made in the condensed consolidated financial statements.

12. OTHER MATTERS

On 21 December 2009, the Company entered into a Credit Note with CCB International Asset Management Limited ("CCB") under which CCB agreed to make available to the Company an Offshore Financing in the amount of US$40,000,000. Grand Prosperity Limited ("Grand Prosperity"), the then majority shareholder of the Company, was acting as the corporate guarantor in favour of CCB under the Credit Note.

Under the Credit Note, the Company agreed to pay to CCB an up-front fee of HK$76,000,000, which was settled by issue and allotment of 80,000,000 Consideration Shares by the Company at the issue price of HK$0.95.

Under the Credit Note, Grand Prosperity has granted a Put Option to CCB. On exercise of the Put Option, the price payable by Grand Prosperity for the purchase of each Consideration Share would be HK$1.50 per share, being the aggregate of HK$120,000,000.

On 20 November 2012, the Company received a letter (the "Letter") from the solicitors acting on behalf of CCB ("CCB Solicitors") alleging and claiming that:

(i) as a result of the exercise of the Put Option by CCB, Grand Prosperity was required under the Credit Note to pay CCB the aggregate exercise price of the option shares of HK$120,000,000;

(ii) CCB has received from Grand Prosperity only partial payment in the sum of HK$35,000,000, leaving the outstanding balance of HK$85,000,000 which remains due and payable;

(iii) pursuant to the terms of the Credit Note, the Company is required to indemnify CCB against any cost, loss or liability incurred by CCB as a result of, respectively, an event of default, and the failure by Grand Prosperity (being an obligor) to pay any amount due under a finance document as defined under the Credit Note on its due date; and

(iv) pursuant to the terms of the Credit Note, an event of default includes the non-payment by an obligor of any amount payable pursuant to a finance document as defined under the Credit Note.

Under the Letter, CCB's solicitors demanded payment from the Company (by way of indemnity) of (i) the unpaid sum of HK$85,000,000, together with (ii) default interest at the rate of ten per cent per annum from 13 January 2012, the original completion date of the alleged exercise of the Put Option, until the date of payment and (iii) all costs and expenses (including legal fees) incurred by them in recovering payment.

On 8 February 2013, the Company received a Writ of Summons issued out of the Court with respect to the dispute between CCB as the plaintiff with the Company as one of the defendants. For the avoidance of doubt, Grand Prosperity, Mr. Zeng Yunshu, being a director of Grand Prosperity and the then Chairman and President of the Company and Mr. Zeng Sheng, being a director of Grand Prosperity and the then Vice-Chairman of the Company, have been joined as the other defendants.

Based on counsel opinion, the Directors are of the view that the claims are not valid.

No judgment on the legal proceedings has been made yet and the financial impact of the legal proceedings cannot be ascertained at the date of this announcement. Hence, no provision has been made in the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Turnover: Turnover comprises of sales proceeds of properties delivered and property leasing income. The dramatic increase in turnover for the first half of 2013 is owing to no stock properties have been delivered in the first half of 2012 while we have delivered office units of approximately 767m^2, shops of approximately 5,772m^2 and residential units of approximately 358m^2 in the first half of 2013.

Other net (expenses)/income: The decrease was mainly due to the reversal of overprovision of accruals of approximately RMB14,854,000 in the first half of 2012 while there was none in 2013. In the first half of 2013, the other net expenses was attributable to the net exchange losses of approximately RMB7,990,000.

Selling and distribution expenses: The increase was mainly due to more advertisement and promotion events incurred for the launch of the pre-sales of Le Paysage and the sales commission paid for project of Hong Long Century Plaza.

General and administrative expenses: The increase was mainly due to the increase of the manpower of the Group.

Other operating expenses: The decrease was mainly due to the impairment loss recognised in respect of trade and other receivables of approximately RMB62,501,000 in the first half of 2012 while there was none in 2013.

Net increase in fair value of investment properties: The net increase in fair value is mainly due to the prevailing market condition.

Impairment loss on inventories: The impairment represented the difference between the inventory costs and its fair value assessed by an independent valuer.

Finance costs: The increase was mainly due to increase in the bank and other borrowings and the average interest rate increased in the first half of 2013.

Income tax: No Corporate Income Tax has been provided in the first half of 2013 as there were no assessable profits in the Group companies. The income tax for the first of 2013 was mainly due to the additional provision of LAT made for the sale of Hong Long Century Plaza during the period.

Segment Analysis

In the first half of 2013, property development income and property leasing income accounted for approximately 86.00% and 14.00% respectively (in the first half of 2012: property leasing income 100.00%).

Liquidity, Financial Resources and Gearing

Bank and cash balance and pledged deposits as at 30 June 2013 amounted to approximately RMB546.35 million (31 December 2012: RMB15.22 million), which including RMB540.70 million, US$0.01 million and HK$7.07 million.

The Group had total interest-bearing borrowings of approximately RMB2,306.00 million as at 30 June 2013 (31 December 2012: RMB1,803.82 million). RMB2,156.00 million were repayable on demand or within one year; and the remaining RMB150.00 million were repayable more than five years. The Group's borrowings carried interest at fixed or floating interest rates. The Group's total bank and other borrowings divided by total assets as at 30 June 2013 was 53.75% (31 December 2012: 53.44%).

As at 30 June 2013, the Group had current assets of approximately RMB3,150.61 million (31 December 2012: RMB2,284.35 million) and current liabilities of approximately RMB3,055.40 million (31 December 2012: RMB2,428.56 million).

Charge on Assets

As at 30 June 2013, bank and other borrowings of approximately RMB1,071.34 million were secured by certain investment properties, inventories and pledged deposits of the Group of approximately RMB1,123.00 million, RMB1,627.11 million and RMB521.01 million respectively.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's monetary assets, loans and transactions are principally denominated in RMB. Except for a borrowing of HK$1,085.82 million, all of the Group's borrowings are denominated in RMB. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its balance sheet exposure as at 30 June 2013.

Contingent Liabilities

For the details of contingent liabilities, please refer to the note 11.

Treasury Policies and Capital Structure

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

Employees

As at 30 June 2013, the Group had a staff force of approximately 300 employees. Of this, most were stationed in the PRC. The remuneration of employees was in line with the market trend and commensurable to the level of pay in the industry. Remuneration of the Group's employees includes basic salaries, bonuses and long-term incentives (such as Share Option Scheme). Total staff costs incurred for the first half of 2013 was approximately RMB15.64 million (2012: RMB5.24 million).

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2013 (2012: nil).

Use of Proceeds from the Open Offer

On 5 September 2012, the Company proposed to raise not less than approximately HK$313 million before expenses and the set-off with the shareholder's loan by issuing not less than 1,254,184,050 offer shares and not more than 1,320,181,518 offer shares at the subscription price of HK$0.25 per offer share on the basis of six offer shares for every one share of the Company on the record date (27 December 2012) (the "Open Offer"). The Open Offer has been completed on 9 January 2013 and the net proceeds from the Open Offer amounted to approximately HK$244 million (after deducting the cost and expenses in relation to the Open Offer and the set-off with the shareholder's loan). Further details of the Open Offer are set out in the Company's circular dated 16 November 2012. The net proceeds have been used in the following manner:

	Amount raised *(HK$ million)*	**Amount used as at the date of this announcement** *(HK$ million)*
Deposits for the acquisition of the entire equity interest in Anhui Longsheng Property Development Company Limited ("Anhui Longsheng")	244	–

Business Review

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

At 30 June 2013, the Group's total leasable gross floor area ("GFA") is approximately 64,000m^2.

Summary of development and status of existing projects are reported in the following paragraphs.

Projects under development

Le Paysage: Le Paysage is situated in the boarder land of Luohu district and Buji of Longgang district of Shenzhen, on the hillside of the east side of Qingping expressway and Fengyi mountain tunnel. Le Paysage consists of premier villas, residential units and retail shops with planned GFA of approximately 135,000m^2. In March 2013, the Group launched pre-sales part of Le Paysage and was well received by the market. The project is scheduled to deliver in phases in the fourth quarter of 2013 onwards.

Vacation Water Town: Vacation Water Town is situated in Zhongmiao Town of Chaohu in Anhui Province. Vacation Water Town consists of lake-side villas and residential units with planned GFA of approximately 116,000m^2. The Group planned to commence pre-sale of the residential project in phases on 2014 onwards.

Shengshi Yayuan: Shengshi Yayuan situated in Shenyang Tiexi Industrial New City of Shenyang Economic and Technological Development Zone of Liaoning Province. Shengshi Yayuan consists of high-end residence with planned GFA of approximately 196,000m^2. Shengshi Yayuan is under construction.

Future Development

On 19 July 2012, the Group entered into a non-legally binding agreement of intent with an independent third party in relation to the possible acquisition of the entire equity interest in Anhui Longsheng, a limited liability company established in the PRC which owns the project in Huangshan City of Anhui Province. The consideration for the possible acquisition will be negotiated between the parties based on the results of the due diligence investigations of the Company.

Review and Outlook

In 2012 and the first half of 2013, PRC government continued its austerity policy on the real estate sector, which include measures such as home purchase restriction and tight credits for the sector in order to curb the speculation and investment demand. However, the sustained strong economic growth momentum in the PRC, the increasing positive factors to promote domestic demand growth, the rapid expansion of cities and acceleration in urbanisation, and the desires for living environment improvement has created ongoing demand of properties.

According to the National Bureau of Statistics, the GDP of China in first half of 2013 was approximately of RMB24.8 trillion, with year on year growth of about 7.6%, and among which, the GDP growth rate of first quarter was about 7.7%, the GDP growth rate of second quarter was about 7.5%. The investment in PRC property development in first half of 2013 was approximately of RMB3.68 trillion, with year on year growth of about 20.3%. The economic growth is in the government's expected range, the growth rate of infrastructure and real estate investment is more balanced.

Looking ahead, the real estate measures are expected to be based on stability in the second half of 2013. The new urbanisation strategy will probably promote step by step and it is expected to release the rigid demand.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the Company's listed securities during the period.

CORPORATE GOVERNANCE

Save as disclosed below, the Company has complied with the code provisions as set out in the Corporate Governance Code ("CG Code") set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2013.

In respect of CG Code provisions E.1.2, the chairman of the Board should attend the annual general meeting and invite the chairmen of audit, remuneration, nomination and any other committees (as appropriate) to attend. However, in the annual general meeting held on 31 May 2013 ("2013 AGM"), our chairman was unable to attend the meeting as he had to attend to other commitments. As provided for in the CG Code provision A.6.7, independent non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. The 3 independent non-executive Directors were unable to attend the 2013 AGM.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B of the Listing Rules, the changes of information on Directors are as follows:–

Ms. Yeung So Mui, an executive Director, was appointed as a director of Yan Oi Tong Limited on 1 April 2013.

Mr. Chau Cheok Wa, chairman of the Board and executive Director, has resigned as the chairman and executive director of Sun International Resources Limited (Stock Code: 8029), a company listed on the Growth Enterprises Market of the Stock Exchange on 5 July 2013.

AUDIT COMMITTEE

The audit committee has reviewed the unaudited condensed consolidated financial statements for the six months ended 30 June 2013.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers, as amended from time to time (the "Model Code"), set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions of the directors of the Company. On specific enquiries made, all directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2013.

Employees who are likely to be in possession of unpublished price sensitive information of the Company are also subject to compliance with guidelines on no less exacting terms than the Model Code.

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

Hong Kong, 23 August 2013

As at the date of this announcement, the executive Directors are Mr. Chau Cheok Wa, Ms. Yeung So Mui, Ms. Cheng Mei Ching, Ms. Yeung So Lai and Mr. Qiu Bin; and the independent non-executive Directors are Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John.