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SUN CENTURY GROUP LIMITED

太陽世紀集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

DISCLOSEABLE TRANSACTION – DISPOSAL OF SUBSIDIARY

THE DISPOSAL

The Board announces that on 8 September 2014 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Share at a consideration of RMB36,000,000 (equivalent to approximately HK\$45,360,000).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is therefore subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

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The Sale and Purchase Agreement

Date: 8 September 2014 (after trading hours)

Parties:

Vendor: the Company

Purchaser: 李雅男(Li Yanan#)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser is an Independent Third Party.

Assets to be disposed

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Share. The Sale Share represents the entire issued share capital of Winfinder.

Set out below is the key financial information on Winfinder based on its consolidated financial statements for the two financial years ended 31 December 2013:

	Year ended 31 December 2013	Year ended 31 December 2012
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue	–	–
Loss before taxation and extraordinary items	(11,488)	(59,576)
Loss after taxation and extraordinary items	(11,488)	(59,576)

The unaudited consolidated net asset value attributable to equity holders of Winfinder as at the date of the Sale and Purchase Agreement was RMB38,000,000 (equivalent to approximately HK\$47,880,000).

Consideration

The consideration for the Disposal is RMB36,000,000 (equivalent to approximately HK\$45,360,000) which shall be paid by the Purchaser to the Company in three separate installments in the following manner:

- (a) First installment of RMB16,000,000 (equivalent to approximately HK\$20,160,000) (the “**Deposit**”) shall be paid in cash upon execution of the Sale and Purchase Agreement;
- (b) Second installment of RMB10,000,000 (equivalent to approximately HK\$12,600,000) (the “**Second Installment**”) shall be paid in cash before 30 September 2014; and
- (c) Third installment of RMB10,000,000 (equivalent to approximately HK\$12,600,000) (the “**Third Installment**”, together with the Second Installment, the “**Remaining Balance**”) shall be paid in cash before 30 October 2014.

In the event the Purchaser receives the compensation from the Ongoing Litigation, the Purchaser shall, within three (3) days from the date of receiving such sum, pay the Remaining Balance to the Company.

The consideration for the Disposal was determined after arm’s length negotiations between the Company and the Purchaser with reference to (i) net asset value the Disposed Group, (ii) the financial performance of Winfinder for the six months ended 30 June 2014 and each of the two years ended 31 December 2013 and 2012; and (iii) the business prospects of the Disposed Group.

Conditions precedent

The transactions contemplated under the Sale and Purchase Agreement are conditional upon the fulfillment of the following conditions precedent:

- (a) all necessary consent(s) and approval(s) having been obtained by the Company and the Purchaser; and
- (b) the payment of Deposit had been made to the Company.

As at the date of this Announcement, all of the above conditions have been satisfied.

Operation of Winfinder prior to completion of the Disposal

Upon the payment of the Deposit, (i) all the profits and losses of the Disposed Group shall belong to or be borne by the Purchaser; (ii) the financial seal(s) of the Disposed Group will be kept by the Purchaser; (iii) the right to receive the compensation from the Ongoing Litigation shall be transferred from the Company to the Purchaser; (iv) the Purchaser shall be responsible for all expenses of the Disposed Group; and (v) the liabilities and debts of the Disposed Group incurred thereafter shall be borne by the Purchaser.

The liabilities and debts incurred by the Disposed Group prior to the payment of the Deposit shall be borne by the Company. As at the date of this announcement, the Disposed Group has no outstanding liabilities and debts.

Prior to completion of the Disposal, Winfinder shall be operated jointly by the Company and the Purchaser and the operational decision with unanimous consent of the Company and the Purchaser shall be executed by Winfinder.

The remaining company seal(s) and/or company chop(s) of Winfinder and the corporate documents of Winfinder would be transferred to the Purchaser on the date of completion of the Disposal.

Completion

Completion of the Disposal shall take place upon full settlement of the Remaining Balance.

Upon completion of the Disposal, the Disposed Group will cease to be subsidiaries of the Company and their financial results will cease to be consolidated into the consolidated accounts of the Group.

Information on the Purchaser

The Purchaser is a citizen of the PRC.

Information of Winfinder

Winfinder is an investment holding company incorporated in the British Virgin Islands. As at the date of this announcement, Winfinder has an authorised share capital of US\$50,000 divided into 50,000 ordinary shares of US\$1.00 each and has in issue 50,000 ordinary share with a par value of US\$1.00 which is owned by the Company. Winfinder holds the entire issued share capital of Hong Long Winfinder. Hong Long Winfinder is principally engaged in real estate business in the PRC and currently holds a project under development located in Tiexi of Shenyang.

Hong Long Winfinder has filed a writ of summons relating to the Ongoing Litigation against Shenyang Planning & State Land Resources Bureau, Shenyang Economic and Technological Development Zone Branch in the court of the PRC on 19 April 2013.

The Company and the Purchaser agreed that the legal fees incurred from the Ongoing Litigation shall be borne by the Purchaser.

Financial effect of the Disposal

The Company is expected to record a loss on disposal in the amount of approximately RMB2,000,000 (equivalent to approximately HK\$2,520,000) in respect of the Disposal upon completion of the Disposal. The loss was calculated with reference to the difference between the consideration for the Disposal and the unaudited consolidated net asset value attributable to equity holders of Winfinder as at the date of the Sale and Purchase Agreement.

Reasons for and Benefits of the Disposal and use of proceeds

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.

Since the business of Hong Long Winfinder was suspended due to the Ongoing Litigation, the Group considers the Disposal as an opportunity to streamline the existing corporate structure and to generate an immediate cash inflow to the Group from the realisation of its investment in Winfinder. Accordingly, the Group may reallocate its resources to other investment opportunities which may generate a better return.

In consideration of the above, the Directors are of the view that the terms of the Sale and Purchase Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Group intends to apply the aforesaid net proceeds as general working capital and for future development.

IMPLICATIONS OF THE LISTING RULES

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is therefore subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Company”	Sun Century Group Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Share pursuant to the Sale and Purchase Agreement
“Disposed Group”	Winfinder and Hong Long Winfinder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Long Winfinder”	Hong Long Winfinder (Shenyang) Real Estates Company Limited# (鴻隆致勝(瀋陽)置業有限公司), a wholly foreign-owned enterprise incorporated under the laws of the PRC, which is owned by Winfinder as at the date of this announcement
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ongoing Litigation”	the ongoing litigation between Hong Long Winfinder and Shenyang Planning & State Land Resources Bureau, Shenyang Economic and Technological Development Zone Branch in relation to the refund of the sum paid by Hong Long Winfinder for the application of the land-use right of the land located in Tiexi of Shenyang in the sum of RMB38,000,000
“PRC”	the People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau

“Sale and Purchase Agreement”	the sale and purchase agreement dated 8 September 2014 and entered into between the Company and the Purchaser in relation to the Acquisition
“Sale Share”	50,000 fully paid up share of US\$1.00 par value in the capital of Winfinder beneficially owned by the Company and represents the entire issued share capital of Winfinder
“Shareholders”	holders of the issued share capital in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Winfinder”	Winfinder Holdings Limited, a limited liability company incorporated in the British Virgin Islands and a directly wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

For ease of reference and unless otherwise specified in this announcement, sums in HK\$ and RMB in this announcement is translated at the rate RMB1.0 = HK\$1.26. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.

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

Hong Kong, 8 September 2014

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, Mr. Lo Wai Tung John.

the English translations of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.