

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2015 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 2015 together with the comparative figures as follows:

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

For the Six Months Ended 30 June 2015

		Six months ended 30 June	
		2015	2014
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(unaudited)
Turnover	3	95,037	25,822
Cost of sales		<u>(52,901)</u>	<u>(1,229)</u>
Gross profit		42,136	24,593
Other net income	4	1,237	3,485
Selling and distribution expenses		(8,931)	(11,999)
General and administrative expenses		(39,653)	(44,523)
Other operating expenses		(6,755)	(151,164)
Net increase in fair value of investment properties		<u>55,000</u>	<u>243,000</u>
Profit from operations		43,034	63,392
Finance costs	5	<u>(152,680)</u>	<u>(110,488)</u>
Loss before tax	6	(109,646)	(47,096)
Income tax	7	<u>(31,850)</u>	<u>(62,807)</u>
Loss and total comprehensive expense for the period		<u>(141,496)</u>	<u>(109,903)</u>
Attributable to:			
Owners of the Company		(140,647)	(109,754)
Non-controlling interests		<u>(849)</u>	<u>(149)</u>
		<u>(141,496)</u>	<u>(109,903)</u>
Loss per share (RMB cents)	8		
Basic		<u>(9.49)</u>	<u>(7.48)</u>
Diluted		<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 June 2015

	<i>Note</i>	30 June 2015 <i>RMB'000</i> (unaudited)	31 December 2014 <i>RMB'000</i> (audited)
Non-current assets			
Property, plant and equipment		3,639	5,241
Investments properties		1,652,000	1,597,000
Deferred tax assets		295	306
		1,655,934	1,602,547
Current assets			
Inventories		1,665,166	1,708,274
Trade and other receivables	9	559,779	601,582
Trading securities		–	3,207
Pledged deposits		121,483	125,045
Bank and cash balances		67,639	127,988
		2,414,067	2,566,096
Current liabilities			
Trade and other payables, and accruals	10	407,719	469,857
Receipts in advance		613,233	225,120
Rental and other deposits		9,599	9,566
Bank and other borrowings – due within one year		1,946,155	1,652,537
Current tax liabilities		80,582	96,402
		3,057,288	2,453,482
Net current (liabilities)/assets		(643,221)	112,614
Total assets less current liabilities		957,713	1,715,161
Non-current liabilities			
Bank and other borrowings – due after one year		502,500	1,090,000
Deferred tax liabilities		329,336	313,529
		831,836	1,403,529
Net assets		180,877	311,632
Capital and reserves			
Share capital		123,644	120,945
Reserves		62,374	194,979
Equity attributable to owners of the Company		186,018	315,924
Non-controlling interest		(5,141)	(4,292)
TOTAL EQUITY		180,877	311,632

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the Six Months Ended 30 June 2015

	Attributable to owner of the Company							Non – controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Statutory reserve	Capital reserve	Accumulated loss	Total		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>		
At 1 January 2014 (audited)	120,551	985,228	24,227	49,373	23,282	(744,580)	458,081	–	458,081
Loss and total comprehensive expense for the period	–	–	–	–	–	(109,754)	(109,754)	(149)	(109,903)
Issue of shares	394	1,635	–	–	(459)	–	1,570	–	1,570
Change in equity for the period	<u>394</u>	<u>1,635</u>	<u>–</u>	<u>–</u>	<u>(459)</u>	<u>(109,754)</u>	<u>(108,184)</u>	<u>(149)</u>	<u>(108,333)</u>
At 30 June 2014 (unaudited)	<u>120,945</u>	<u>986,863</u>	<u>24,227</u>	<u>49,373</u>	<u>22,823</u>	<u>(854,334)</u>	<u>349,897</u>	<u>(149)</u>	<u>349,748</u>
At 1 January 2015 (audited)	120,945	986,863	24,227	49,373	22,823	(888,307)	315,924	(4,292)	311,632
Loss and total comprehensive expense for the period	–	–	–	–	–	(140,647)	(140,647)	(849)	(141,496)
Share option cancelled	–	–	–	–	(92)	92	–	–	–
Issue of shares	2,699	11,179	–	–	(3,137)	–	10,741	–	10,741
Change in equity for the period	<u>2,699</u>	<u>11,179</u>	<u>–</u>	<u>–</u>	<u>(3,229)</u>	<u>(140,555)</u>	<u>(129,906)</u>	<u>(849)</u>	<u>(130,755)</u>
At 30 June 2015 (unaudited)	<u>123,644</u>	<u>998,042</u>	<u>24,227</u>	<u>49,373</u>	<u>19,594</u>	<u>(1,028,862)</u>	<u>186,018</u>	<u>(5,141)</u>	<u>180,877</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the Six Months Ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	372,015	176,550
Net cash generated from investing activities	3,457	3,156
Net cash used in financing activities	<u>(435,821)</u>	<u>(185,267)</u>
Net decrease in cash and cash equivalents	(60,349)	(5,561)
Cash and cash equivalents at beginning of period	<u>127,988</u>	<u>17,174</u>
Cash and cash equivalents at end of period	<u>67,639</u>	<u>11,613</u>
Analysis of cash and cash equivalents		
Bank and cash balances	<u>67,639</u>	<u>11,613</u>

NOTES

1. BASIS OF PREPARATION

These condensed financial statements of the Company and its subsidiaries 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”).

These condensed financial statements should be read in conjunction with the 2014 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2014.

As at 30 June 2015, the Group recorded net current liabilities of approximately RMB643.22 million. In view of these circumstances, the directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Taking into account the Group’s cash flow projection, including an approximately RMB612.29 million of receipts in advance at 30 June 2015 from the customers of Le Paysage which is non-refundable and the Group’s ability to renew or refinancing the loan facilities upon maturity. The directors of the Company therefore are the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

These condensed 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 2015. HKFRSs comprise Hong Kong Financial Reporting Standards; 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

The following is an analysis of the Group's turnover and results by reportable segments:

	Property development <i>RMB'000</i>	Property leasing <i>RMB'000</i>	Hotel consultancy services <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2015				
(unaudited)				
Turnover from external customers	66,000	28,665	372	95,037
Segment (loss)/profit	(24,146)	74,752	(1,470)	49,136
Other information:				
Loss on disposal of property, plant and equipment	–	(125)	–	(125)
Depreciation	(775)	(363)	(1)	(1,139)
Net increase in fair value of investment properties	<u>–</u>	<u>55,000</u>	<u>–</u>	<u>55,000</u>
Six months ended 30 June 2014				
(unaudited)				
Turnover from external customers	–	25,822	–	25,822
Segment (loss)/profit	(187,143)	258,106	–	70,963
Other information:				
Loss on disposal of property, plant and equipment	(8)	–	–	(8)
Depreciation	(663)	(367)	–	(1,030)
Impairment loss on trade and other receivables	(150,000)	–	–	(150,000)
Net increase in fair value of investment properties	<u>–</u>	<u>243,000</u>	<u>–</u>	<u>243,000</u>

Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Total profit of reportable segments	49,136	70,963
Other net income	(20)	4,462
Depreciation and amortisation	(145)	(145)
Corporate finance costs	(152,680)	(110,488)
Other corporate expenses	<u>(5,937)</u>	<u>(11,888)</u>
Consolidated loss before tax	<u>(109,646)</u>	<u>(47,096)</u>

4. OTHER NET INCOME

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss on disposal of property, plant and equipment	(125)	–
Interest income	331	4,962
Net fair value losses on trading securities	–	(132)
Net exchange gains	378	607
Net realised loss on trading securities	(212)	–
Others	865	(1,952)
	<u>1,237</u>	<u>3,485</u>

5. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings		
– wholly repayable within five years	132,965	149,602
– not wholly repayable with five years	19,715	8,041
Less: Amount capitalised	–	(47,155)
	<u>152,680</u>	<u>110,488</u>

6. LOSS BEFORE TAX

	Six months ended 30 June	
	2015 <i>RMB'000</i> (Unaudited)	2014 <i>RMB'000</i> (Unaudited)
Loss before tax has been arrived at after charging/(crediting) the followings:		
Depreciation	1,346	1,257
Less: Amount capitalised	<u>(62)</u>	<u>(82)</u>
	1,284	1,175
Directors' remuneration	1,256	1,597
Staff cost, excluding directors' remuneration	21,520	17,646
Loss on disposal of property, plant and equipment	125	–
Impairment loss on trade and other receivables	–	150,000
Net increase in fair value of investment properties	<u>(55,000)</u>	<u>(243,000)</u>

7. INCOME TAX

	Six months ended 30 June	
	2015 <i>RMB'000</i> (Unaudited)	2014 <i>RMB'000</i> (Unaudited)
Current tax		
PRC Corporate Income Tax - under provision in prior years	9,519	–
Land Appreciation Tax (“LAT”)	<u>6,513</u>	<u>–</u>
	16,032	–
Deferred tax		
Origination and reversal of temporary differences	<u>15,818</u>	<u>62,807</u>
	<u>31,850</u>	<u>62,807</u>

Pursuant to the rules and regulations of the Cayman Islands and the 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 2015.

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 RMB140,647,000 (2014: loss of RMB109,903,000) and the weighted average number of ordinary shares of 1,481,781,576 (2014: 1,468,048,970) in issue during the six months period.

(b) Diluted loss per share

The Company's outstanding share options had no dilutive effect on loss per share upon deemed exercise during the six months ended 30 June 2015 and 2014 as the exercise price of the share option and warrants were higher than the average market price for share.

9. TRADE AND OTHER RECEIVABLES

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Trade receivables		
0 to 3 months	<u>5,238</u>	<u>180</u>
	5,238	180
Other receivables	11,244	13,899
Loans and advances	111,042	158,199
Prepaid land costs	105,692	105,692
Prepayments and deposits	<u>326,563</u>	<u>323,612</u>
	<u>559,779</u>	<u>601,582</u>

The above receivables relate to a number of independent purchasers and tenants. In respect of the trade receivables arose from sale of properties, the Directors consider that these receivables would be recovered and no allowance was made against these past due receivables. Regarding the rental receivables, rental deposits were held as collateral over the balances. As such, the Directors consider that no allowance for impairment is necessary in respect of these balances.

10. TRADE AND OTHER PAYABLES, AND ACCRUALS

	30 June 2015	31 December 2014
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Trade payables		
0 to 3 months or on demand	<u>213,311</u>	<u>258,380</u>
	213,311	258,380
Other creditors and accrued charges	<u>194,408</u>	<u>211,477</u>
	<u>407,719</u>	<u>469,857</u>

11. CONTINGENT LIABILITIES

- (a) At 30 June 2015, 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 2015	31 December 2014
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Guarantees given to banks for mortgage facilities granted to purchasers	<u>3,435,000</u>	<u>3,435,000</u>

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 2015, the Directors do not consider it 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 financial statements.

- (b) 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 2015, 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 this interim result announcement, 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 2015 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 financial statements.
- (c) At 30 June 2015, the Group has been in litigation in relation to various claims in the aggregate amount of approximately RMB299,000,000 (31 December 2014: 291,000,000). Based on the legal advice obtained, the Directors believe that the Group has reasonable good chances of successfully defending those claims. Hence no further 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 (the “Credit Note”). 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 CCB an upfront 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 per share.

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 interim result announcement. Hence, no provision has been made in the condensed consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Turnover: Turnover of 2015 comprises of sales proceeds of properties delivered, property leasing income and hotel consultancy service income. The dramatic increase in turnover for the first half of 2015 is owing to no stock properties have been delivered in the first half of 2014, while we have delivered residential units of approximately 2,350m² in the first half of 2015.

Other net income: The other net income in the first half of 2015 was mainly attributable to the deposit refunded of approximately RMB1,038,000.

Selling and distribution expenses: The decrease was mainly due to the renovation cost of approximately RMB2,000,000 paid for the sales and promotion center of The Landale in the first half of 2014, while there was none in the corresponding period of 2015.

General and administrative expenses: The decrease was mainly due to the decrease in the professional charges.

Other operating expenses: The decrease was mainly due to the impairment loss recognised in respect of trade and other receivables of approximately RMB150,000,000 in the first half of 2014 while there was none in the corresponding period of 2015.

Increase in fair value of investment properties: The increase was mainly due to the prevailing market conditions.

Finance costs: The increase in the first half of 2015 was mainly due to the increase in corporate borrowing compared with the corresponding period of last year.

Income tax: No current income tax has been provided in the first half of 2015 as there were no assessable profits in the Group entities. The income tax provided for the first half of 2015 was mainly due to the under provision of income tax for previous years, the LAT provided for the sales of stock properties in Le Paysage and the deferred tax implication on the increase in fair value of investment properties arose in the reviewing period.

Segment Analysis

In the first half of 2015, property development income, property leasing income and hotel consultancy services income accounted for approximately 69.45% (2014: nil), 30.16% (2014: 100%) and 0.39% (2014: nil).

Liquidity, Financial Resources and Gearing

Bank and cash balances and pledged deposits as at 30 June 2015 amounted to approximately RMB189.12 million (31 December 2014: RMB253.03 million), which including RMB187.60 million, US\$0.01million and HK\$1.19 million.

The Group had total interest-bearing borrowings of approximately RMB2,448.66 million as at 30 June 2015 (31 December 2014: RMB2,742.54 million). RMB1,946.16 million were repayable on demand or within one year, RMB32.50 million were repayable on more than one year but not exceeding two years; RMB117.50 million were repayable on more than two years but not exceeding five years, and the remaining RMB352.50 million were repayable over five years. The Group's borrowings carried interest at fixed or floating interest rates. The Group's total borrowings divided by total assets as at 30 June 2015 was 60.16% (31 December 2014: 65.79%).

As at 30 June 2015, the Group had current assets of approximately RMB2,414.07 million (31 December 2014: RMB2,566.10 million) and current liabilities of approximately RMB3,057.29 million (31 December 2014: RMB2,453.48 million).

Charge on Assets

As at 30 June 2015, bank and other borrowings of approximately RMB1,143.50 million were secured by certain investment properties, stock properties and pledged deposits of the Group of approximately RMB1,652.00 million, RMB1,346.66 million and RMB121.48 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\$1,214.43 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 statement of financial position exposure as at 30 June 2015.

Contingent Liabilities

For the details of contingent liabilities, please refer to the note 11 to the condensed consolidated financial statements.

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 2015, the Group had a staff force of approximately 350 (2014: 350) employees. Of this, most were stationed in the People's Republic of China (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 2015 was approximately RMB23.38 million (in the first half of 2014: RMB21.12 million).

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: 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. 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). Details of the open offer please refer to the announcement dated 5 September 2012, 22 January 2013 and the circular dated 16 November 2012. Such net proceeds have been used in the following manner:

	Amount used as at the date of this announcement
Amount raised	(HK\$ million)
	(HK\$ million)

The 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 2015, the Group's total leasable gross floor area ("GFA") is approximately 64,000m².

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

Completed Project

Le Paysage: Le Paysage is in the boarder land of Luohu district and 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 135,000m². In March 2013, the Group launched pre-sales part of Le Paysage and was well received by the market. The project is completed and to deliver in phases in the third quarter of 2014 onwards.

Projects Under Development

The Landale: The Landale is situated in Zhongmiao Town of Chaohu in Anhui Province. The Landale consists of lake-side villas and residential units with planned GFA of approximately 116,000m². To cope with the rectification, integration and development of Chaohu Scenic Area, the Group planned to delay the development progress of The Landale and commence pre-sale of the project in phases on 2016 onwards.

Fushun Project: The Group acquired a land at Hua Mao Jie Dong, Fushun Economic Development Zone in Liaoning Province, the PRC. The site area of the land is approximately of 72,350m² with a plot ratio of more than 1 but less than 2.7 and the planned GFA of approximately of 195,000m². The land use of the land is for commercial and residential use. The project is still in the initial design and planning stage.

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 a 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 the first half of 2015, the PRC property market continued to stabilise. The Central Bank lowered benchmark rate three times in a row and twice lowered reserve requirement ratio. In addition, the People's Bank of China, the Ministry of Housing and Urban-Rural Development and the China Banking Regulatory Commission jointly announced the lowering of down payment requirement for mortgage of first property with housing provident fund to 20%, and the lowering of down payment requirement for households with an outstanding mortgage arrangement applying for additional mortgage of self-use nature to 40%. The Ministry of Finance and State Revenue Bureau also announced the shortening of the minimum holding period of normal housing eligible for business tax exemption upon sale from 5 years to 2 years (inclusively). Those regulatory policies aimed to decrease the finance costs of homebuyers, release the rigid demand for housing, reinforcing support to the property market and therefore to relieve the downward pressure on the PRC's economic growth.

The Group started to deliver Le Paysage to buyers in the fourth quarter of 2014 and of approximately 33,316m² GFA has been delivered. In the first half of 2015, the Group continued to deliver Le Paysage to buyers and delivered of approximately 2,350m² GFA. Due to the area sold and delivered of Le Paysage in 2014 and in the first half of 2015 are the high-rise building residential unit, and after the completion of delivery with the high-rise building residential units, boutique high-rise building resident units, penthouse flats and villas those the high-end properties of Le Paysage will continue to sell and deliver. While the average unit price and gross profit of these properties are much higher than high-rise building residential units, the Group believed that at the time of delivery these properties, the Group's result will have a good performance.

Looking ahead, in addition to the Group's existing residential and commercial property development model, the Group will introduce of tourism style property development projects and property development projects for the elderly in order to meet the changing lifestyle and the future population structures in the PRC.

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

Save as disclosed in above, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Code of Corporate Governance Practices, as amended from time to time (the "Code"), as stated in Appendix 14 to the Listing Rules. As far as the Code is concerned, the Company complies with all aspects of the Code during the six months ended 30 June 2015 and up to the date of the interim result announcement.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference to set out its authority and duties. The audit committee comprises three independent non-executive Directors. The audit committee has reviewed the unaudited condensed financial statements for the six months ended 30 June 2015.

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 2015.

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, 21 August 2015

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.