
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee. The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to the Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Prospectus Documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, 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 the Prospectus.



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)

RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE AT HK\$0.20 PER RIGHTS SHARE

Financial adviser to the Company



Optima Capital Limited

Underwriters of the Rights Issue

Fame Select Limited



Capitalised terms used in this cover shall have the same meanings as defined in the Prospectus.

The Latest Time for Acceptance is 4:00 p.m. on Tuesday, 6 December 2016. The procedures for acceptance, payment and transfer are set out on pages 16 to 20 of the Prospectus.

It should be noted that the dealings in the Rights Shares in the nil-paid form are expected to take place from Thursday, 24 November 2016 to Thursday, 1 December 2016 (both dates inclusive). The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriters the right to terminate their obligations under the Underwriting Agreement on the occurrence of certain events including force majeure. Please refer to "Termination of the Underwriting Agreement" on pages 6 to 8 of the Prospectus for further details. If the Underwriting Agreement is terminated by the Underwriters or does not become unconditional, the Rights Issue will not proceed.

Shareholders should note that the Shares have been dealt in on an ex-rights basis commencing from Wednesday, 16 November 2016 and that dealings in the Shares will continue to take place while the conditions to which the Rights Issue is subject to remain unfulfilled. Any dealings by the Shareholders and other persons in the Shares between the Latest Practicable Date and the date on which the Rights Issue becomes unconditional (which is expected to be at 4:00 p.m. on Friday, 9 December 2016), and any dealings in the Rights Shares in their nil-paid form from Thursday, 24 November 2016 to Thursday, 1 December 2016 (both dates inclusive), will be at their own risk and are advised to exercise caution when dealing in the securities of the Company and/or the nil-paid Rights Shares. If they are in any doubt about their position, they should consult their own professional advisers.

22 November 2016

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EXPECTED TIMETABLE

All dates and times in the Prospectus refer to Hong Kong date and time. The expected timetable for the Rights Issue set out below is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Event	2016
First day of dealings in the nil-paid Rights Shares	Thursday, 24 November
Latest time for splitting of the nil-paid Rights Shares	4:30 p.m. on Monday, 28 November
Last day of dealings in the nil-paid Rights Shares	Thursday, 1 December
Latest Time for Acceptance and payment for the Rights Shares	4:00 p.m. on Tuesday, 6 December
Latest Time for Termination and the Rights Issue becomes unconditional	4:00 p.m. on Friday, 9 December
Announcement of the results of the Rights Issue	Thursday, 15 December
Despatch of certificates for the fully-paid Rights Shares	Friday, 16 December
Despatch of refund cheques for wholly or partly unsuccessful applications for excess Rights Shares or if the Rights Issue is terminated	Friday, 16 December
Expected first day of dealings in the fully-paid Rights Shares	9:00 a.m. on Monday, 19 December

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES

If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Tuesday, 6 December 2016, being the date of the Latest Time for Acceptance:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same Business Day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

Under such circumstances, the dates mentioned in the expected timetable above (including, without limitation, the Latest Time for Termination) may be affected. The Company will notify the Shareholders by way of announcement(s) as and when appropriate.

DEFINITIONS

In the Prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement”	the announcement of the Company dated 20 September 2016 in relation to, among other things, the Rights Issue
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are generally open for business and on which the Stock Exchange is open for normal trading, other than a Saturday or a Sunday or a public holiday or a day on which a “black” rainstorm warning signal or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“BVI”	the British Virgin Islands
“CB Subscription Agreement”	the agreement dated 20 September 2016 (as amended and supplemented by the extension letter dated 13 October 2016) entered into between the Company and Fame Select in relation to the subscription of the Convertible Bonds by Fame Select
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 28 October 2016 in relation to, among other things, the Rights Issue
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Sun Century Group Limited, a company incorporated in the Cayman Islands with limited liability and its issued Shares are listed on the Main Board of the Stock Exchange (stock code: 1383)

DEFINITIONS

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Convertible Bonds”	the two-year zero coupon convertible bonds in the aggregate principal amount of HK\$570,000,000 to be issued by the Company to Fame Select
“Debt Restructuring”	the replacement of the Loan by the issue of the Convertible Bonds
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for the excess Rights Shares
“EGM”	the extraordinary general meeting of the Company convened and held to consider, and, if thought fit, to approve, among other things, the Rights Issue and the Underwriting Agreement
“Fame Select”	Fame Select Limited, a company incorporated in the BVI with limited liability, which was interested in 861,048,842 Shares, representing approximately 57.31% of the existing issued share capital of the Company, and the Controlling Shareholder as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders(s)”	Shareholder(s) other than Fame Select, Mr. Chau, Mr. Cheng Ting Kong, Ms. Yeung So Mui and their respective associates
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons
“Irrevocable Undertaking”	the irrevocable undertaking given by Fame Select pursuant to the Underwriting Agreement
“Last Trading Day”	20 September 2016, being the last trading day immediately prior to the publication of the Announcement

DEFINITIONS

“Latest Practicable Date”	16 November 2016, being the latest practicable date prior to the printing of the Prospectus for the purpose of ascertaining certain information for inclusion in the Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 6 December 2016 or such other date as may be agreed between the Company and the Underwriters in writing, being the last day for acceptance of and payment for the Rights Issue
“Latest Time for Termination”	4:00 p.m. on the third Business Day following (but excluding) the date of the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriters in writing, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the aggregate amount of the loan together with the interests accrued thereon owed by the Company to Fame Select, which as at the Latest Practicable Date included the principal amount of HK\$525,374,700 and the accrued interests of HK\$45,727,886
“Macau”	the Macau Special Administrative Region of the PRC
“Mr. Chau”	Mr. Chau Cheok Wa, the Chairman of the Company, an executive Director, and the Controlling Shareholder
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, after making enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange, consider it necessary or expedient to exclude them from the Rights Issue
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) (as shown in the register of members of the Company on the Record Date) is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be despatched to the Qualifying Shareholders in respect of their assured entitlements under the Rights Issue

DEFINITIONS

“PRC”	the People’s Republic of China, which, for the purpose of the Prospectus, excludes Hong Kong, Macau and Taiwan
“Prospectus”	this prospectus
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Tuesday, 22 November 2016, or such date as may be agreed between the Company and the Underwriters for the despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholder(s), whose name(s) appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Monday, 21 November 2016, being the record date for determination of entitlements to the Rights Issue, or such later date as may be agreed between the Company and the Underwriters in writing
“Registrar”	Tricor Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong
“Rights Issue”	the issue of the Rights Shares at the Subscription Price on the basis of three (3) Rights Shares for every one (1) existing Share held on the Record Date
“Rights Share(s)”	the new Share(s) to be allotted and issued in respect of the Rights Issue, being not less than 4,506,944,175 Shares (assuming no exercise of the outstanding Share Options and no issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including Record Date) and not more than 4,803,587,904 Shares (assuming full exercise of all outstanding Share Options but no further issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company conditionally adopted by the Company on 31 January 2007

DEFINITIONS

“Share Options”	the share options of the Company granted pursuant to the Share Option Scheme
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price in respect of each Rights Share, being HK\$0.20 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriters”	Fame Select and VMS Securities
“Underwriting Agreement”	the underwriting agreement dated 20 September 2016 (as amended and supplemented by the extension letters dated 13 October 2016 and 25 October 2016 respectively) entered into between the Company and the Underwriters in relation to the Rights Issue
“Underwritten Shares”	the Rights Shares, other than the 2,583,146,526 Rights Shares undertaken to be taken up by Fame Select pursuant to the Irrevocable Undertaking
“Untaken Shares”	any of the Underwritten Shares not taken up by the Qualifying Shareholders under the Rights Issue on or before the Latest Time for Acceptance
“VMS Securities”	VMS Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

For ease of reference and unless otherwise specified in the Prospectus, sums in HK\$ and RMB in the Prospectus are translated at the exchange rate of RMB1 = HK\$1.17. This does not necessarily imply that HK\$ could be converted into RMB, or vice versa, at such exchange rate.

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a Business Day on which a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal number 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (i) in the absolute opinion of any of the Underwriters, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of any of the Underwriters is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of any of the Underwriters will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (iv) there is any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) there is any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) the Announcement, the Circular or the Prospectus Documents when published contain(s) information (either as to business prospects or the financial condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of any of the Underwriters is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a reasonably prudent investor not to apply for its assured entitlements of Rights Shares under the Rights Issue; or
- (vii) there is any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the absolute opinion of any of the Underwriters, a material omission in the context of the Rights Issue; or
- (viii) there is any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement, the Circular or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (ix) there is any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

any of the Underwriters shall be entitled by notice in writing to the Company and the other Underwriter, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

TERMINATION OF THE UNDERWRITING AGREEMENT

Any of the Underwriters shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of any of the Underwriters; or
- (ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of any of the Underwriters.

Any such notice shall be served by any of the Underwriters prior to the Latest Time for Termination. If any of the Underwriters terminates the Underwriting Agreement, the Rights Issue will not proceed.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Chau Cheok Wa (*Chairman*)

Ms. Yeung So Mui

Ms. Cheng Mei Ching

Ms. Yeung So Lai

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent non-executive Directors:

Mr. Tou Kin Chuen

Dr. Wu Kam Fun Roderick

Mr. Lo Wai Tung John

Principal place of business

in Hong Kong:

Room 1201-1202, 12/F

China Merchants Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

22 November 2016

To the Qualifying Shareholders and, for information purpose only, the Non-Qualifying Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE AT HK\$0.20 PER RIGHTS SHARE**

INTRODUCTION

Reference is made to the Announcement, the announcements of the Company dated 7 October 2016, 13 October 2016, 24 October 2016, 25 October 2016 and 14 November 2016, respectively, and the Circular in relation to, among other things, the Rights Issue.

LETTER FROM THE BOARD

The Company proposed to raise gross proceeds of not less than approximately HK\$901.4 million and not more than approximately HK\$960.7 million by way of the Rights Issue. Fame Select has irrevocably undertaken to accept its entitlements and subscribe for 2,583,146,526 Rights Shares under the Rights Issue pursuant to the Irrevocable Undertaking. The net proceeds from the Rights Issue after deducting related expenses are estimated to be not less than approximately HK\$892.9 million and not more than approximately HK\$952.3 million. The Rights Issue (subject to the Irrevocable Undertaking) will be fully underwritten by the Underwriters on the terms and conditions set out in the Underwriting Agreement. The Rights Issue is only available to the Qualifying Shareholders. At the EGM convened and held on Monday, 14 November 2016, the necessary resolutions approving, among other things, the Rights Issue and the Underwriting Agreement, were duly passed by the Independent Shareholders by way of poll.

The purpose of the Prospectus is to provide you with, among other things, further details of the Rights Issue, the Underwriting Agreement and the financial information and other general information of the Group.

THE RIGHTS ISSUE

The Board proposed the Rights Issue, details of which are summarised below:

Issue statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every one (1) existing Share held on the Record Date
Subscription Price	:	HK\$0.20 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	1,502,314,725
Number of Rights Shares	:	Not less than 4,506,944,175 Shares (assuming no exercise of the outstanding Share Options and no issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date) and not more than 4,803,587,904 Shares (assuming full exercise of all outstanding Share Options but no further issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date)

LETTER FROM THE BOARD

Aggregate nominal value of the Rights Shares	:	Not less than HK\$450,694,417.5 and not more than HK\$480,358,790.4
Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	Not less than 6,009,258,900 Shares (assuming no exercise of the outstanding Share Options and no issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date) and not more than 6,404,783,872 Shares (assuming full exercise of all outstanding Share Options but no further issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date)
Number of Underwritten Shares	:	Not less than 1,923,797,649 Shares (assuming no exercise of the outstanding Share Options and no issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date) and not more than 2,220,441,378 Shares (assuming full exercise of all outstanding Share Options but no further issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date), being the total number of the Rights Shares less a total of 2,583,146,526 Rights Shares undertaken to be taken up by Fame Select pursuant to the Irrevocable Undertaking
Underwriters	:	(i) Fame Select; and (ii) VMS Securities

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had outstanding Share Options under the Share Option Scheme carrying rights for the holders thereof to subscribe for an aggregate of 98,881,243 new Shares. Details of which are set out below:

Date of grant	Exercise period	Exercise price (HK\$)	Number of underlying Shares
15 May 2007	15 November 2007 – 14 May 2017	4.78	5,520,001
10 October 2007	10 April 2008 – 9 October 2017	7.78	384,318
13 February 2008	13 August 2008 – 12 February 2018	4.42	3,076,924
12 December 2013	13 December 2013 – 11 December 2023	0.398	89,900,000
Total			98,881,243

To the best of the Directors' knowledge and information and belief having made all reasonable enquiries, each of the holders of the outstanding Share Options is an Independent Third Party.

Save for the Share Options, the Company had no other outstanding warrants, options or convertible securities in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company had not received any notice from the holders of the outstanding Share Options of their intention to exercise any Share Options.

Assuming no exercise of the outstanding Share Options and no issue of new Shares (other than the Rights Shares) or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date, the aggregate number of the Rights Shares represents (i) 300% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) 75% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

LETTER FROM THE BOARD

The Subscription Price

The Subscription Price of HK\$0.20 per Rights Share will be payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment under the Rights Issue and, where applicable, application for excess Rights Shares, or when a transferee of the nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares, which represents:

- (i) a discount of approximately 12.3% to the closing price of HK\$0.228 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of 20.0% to the closing price of HK\$0.250 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 20.6% to the average of the closing prices of HK\$0.252 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 22.2% to the average of the closing prices of HK\$0.257 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 25.1% to the average of the closing prices of approximately HK\$0.267 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 6.1% to the theoretical ex-rights price of approximately HK\$0.213 per Share based on the closing price of HK\$0.250 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (vii) a premium of approximately 14.38 times over the unaudited consolidated net asset value per Share of approximately HK\$0.013 as at 30 June 2016 (which is calculated based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2016 of approximately RMB16,814,000 (equivalent to approximately HK\$19,672,380) and 1,502,314,725 Shares in issue as at the Latest Practicable Date).

The terms of the Rights Issue, including the Subscription Price, were determined after arm's length negotiations between the Company and the Underwriters with reference to (i) the recent market prices of the Shares under the prevailing market and economic conditions; (ii) the net loss of the Group since the financial year ended 31 December 2013; and (iii) the funding needs of the Group as detailed in the section headed "Use of proceeds and reasons for the Rights Issue" below.

LETTER FROM THE BOARD

Given that (i) the Rights Shares are offered to all Qualifying Shareholders and each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date; (ii) the Subscription Price has been set at a discount to the recent closing prices of the Shares with a view to encourage the existing Shareholders to participate in the Rights Issue; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof. The conditions to the Underwriting Agreement are set out in the paragraph headed “Conditions of the Underwriting Agreement” under the section headed “Underwriting arrangements for the Rights Issue” below.

If the conditions of the Underwriting Agreement are not fulfilled or waived (as the case may be), the Rights Issue will not proceed.

Basis of provisional allotments

The basis of the provisional allotment shall be three (3) Rights Shares (in their nil-paid form) for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with the existing Shares then in issue in all respects. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of the allotment and issue of the Rights Shares in their fully-paid form.

LETTER FROM THE BOARD

Qualifying Shareholders and Non-Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must have been lodged with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:30 p.m. on Thursday, 17 November 2016.

The Prospectus Documents, including the Prospectus, the PAL and the EAF, are sent to the Qualifying Shareholders on the Prospectus Posting Date. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus only, to the Non-Qualifying Shareholders (if any) for information purpose.

If there are any Non-Qualifying Shareholders, arrangements will be made for the Rights Shares (in their nil-paid form) which would otherwise have been provisionally allotted to such Non-Qualifying Shareholders to be sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before the last day of dealings in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. The net proceeds of such sale will be paid pro rata to such Non-Qualifying Shareholders in Hong Kong dollars as soon as practicable except that the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements of such Non-Qualifying Shareholders in the Rights Issue will be taken up by the Underwriters pursuant to the terms of the Underwriting Agreement.

Rights of the Overseas Shareholders

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

As at the Latest Practicable Date, the Company had one (1) Overseas Shareholder with registered address situated in the PRC.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Board had made enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder. Based on the enquiries made to the Company's legal advisers as to the laws of the PRC, the Directors are of the view that it is expedient to extend the Rights Issue to the Overseas Shareholder located in the PRC as there are no legal restrictions prohibiting the making of the Rights Issue in such jurisdiction and no local legal or regulatory compliance is required to be made in such jurisdiction. As a result, there is no Non-Qualifying Shareholder for the purpose of the Rights Issue.

LETTER FROM THE BOARD

It is the responsibility of the Shareholders, including the Overseas Shareholders, to observe the local legal and regulatory requirements applicable to them for the taking up and onward sale (if applicable) of the Rights Shares.

Fractional entitlement to the Rights Shares

On the basis of provisional allotment of three (3) Rights Shares for every one (1) existing Share held on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Procedures for acceptance, payment and transfer

A PAL is enclosed with the Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Tuesday, 6 December 2016. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Sun Century Group Limited – Rights Issue Account**" and crossed "**Account Payee Only**".

It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by no later than 4:00 p.m. on Tuesday, 6 December 2016, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for excess application under the EAFs by other Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Monday, 28 November 2016 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second business day after the surrender of the original PAL.

LETTER FROM THE BOARD

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber that the cheque or the cashier's order will be honoured on first presentation.

Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to obtain permission of the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of the Prospectus Documents in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdictions, such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of anyone outside Hong Kong wishing to make on his/her/its behalf an application for the Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such jurisdiction in connection therewith.

If the Underwriters exercise the right to terminate the Underwriting Agreement at or before the Latest Time for Termination or if the conditions of the Underwriting Agreement are not fulfilled or waived (as the case may be), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered address at their own risk as soon as practicable thereafter.

No receipt will be issued in respect of any application monies received.

LETTER FROM THE BOARD

Application for excess Rights Shares

Qualifying Shareholders shall be entitled to apply for:

- (i) the Rights Shares representing the entitlement of the Non-Qualifying Shareholders and which cannot be sold at a net premium; and
- (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders.

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her/ its provisional allotment must complete and sign the EAF in accordance with the instructions printed thereon and lodge the same, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar on or before the Latest Time for Acceptance. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Sun Century Group Limited – Excess Application Account**" and crossed "**Account Payee Only**".

The Board will allocate the excess Rights Shares at its discretion, but on a fair and equitable basis as far as practicable based on the following principles:

- (i) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and
- (ii) subject to availability of the excess Rights Shares, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro rata basis based on the number of excess Rights Shares being applied for by them.

LETTER FROM THE BOARD

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company must have been lodged all necessary documents with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:30 p.m. on Thursday, 17 November 2016.

The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on Thursday, 15 December 2016. If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that a cheque for the amount tendered on application will be refunded in full without interest on or before Friday, 16 December 2016. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, a cheque for the amount of the surplus application monies are also expected to be refunded to them without interest on or before Friday, 16 December 2016.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or cashier's order in payment for excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all the local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

LETTER FROM THE BOARD

If the Underwriters exercise the right to terminate the Underwriting Agreement at or before the Latest Time for Termination or if the conditions of the Rights Issue are not fulfilled or waived (as the case may be), the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by the ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

Share certificates for the Rights Shares

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted by Friday, 16 December 2016 to those entitled thereto by ordinary post at their own risks.

Application for listing of the Rights Shares

The Company has applied to the Listing Committee for the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stock brokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Rights Shares (in both their nil-paid and fully-paid forms) will be subject to the payment of stamp duty and other applicable fees and charges in Hong Kong. Both nil-paid Rights Shares and fully-paid Rights Shares will be trading in board lots of 10,000 Shares.

LETTER FROM THE BOARD

IRREVOCABLE UNDERTAKING

As at the Latest Practicable Date, Fame Select was interested in 861,048,842 Shares, representing approximately 57.31% of the existing issued share capital of the Company, and was the Controlling Shareholder. Fame Select has irrevocably undertaken to the Company and to VMS Securities that, it will (i) not dispose of, or agree to dispose of, any Shares held by it from the date of the Irrevocable Undertaking up to the close of business on the Record Date; (ii) accept or procure the acceptance for the 2,583,146,526 Rights Shares to which Fame Select is entitled pursuant to the Rights Issue; and (iii) lodge the PAL in respect of the 2,583,146,526 Rights Shares and comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE

Principal terms of the Underwriting Agreement

- Date** : 20 September 2016 (as amended and supplemented on 13 October 2016 and 25 October 2016 respectively)
- Parties** : (i) The Company;
- (ii) Fame Select, being one of the Underwriters; and
- (iii) VMS Securities, being one of the Underwriters.

Fame Select is a company incorporated in the BVI with limited liability and is owned as to 50% by Mr. Chau, the Chairman of the Company and an executive Director, and as to 50% by Mr. Cheng Ting Kong, the spouse of Ms. Yeung So Mui, an executive Director. As at the Latest Practicable Date, Fame Select was interested in 861,048,842 Shares, representing approximately 57.31% of the existing issued share capital of the Company, and was the Controlling Shareholder. The principal business of Fame Select does not include underwriting.

LETTER FROM THE BOARD

VMS Securities is a company incorporated in Hong Kong with limited liability and a licensed corporation under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities, and its principal business includes underwriting. As at the Latest Practicable Date, VMS Securities did not hold any Shares. To the best of the Directors' knowledge and information and belief having made all reasonable enquiries, VMS Securities and its ultimate beneficial owner are Independent Third Parties.

Number of the Underwritten Shares : The Rights Issue is, subject to the Irrevocable Undertaking, fully underwritten by the Underwriters.

The total number of the Underwritten Shares shall be not less than 1,923,797,649 Shares (assuming no exercise of the outstanding Share Options and no issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date) and not more than 2,220,441,378 Shares (assuming full exercise of all outstanding Share Options but no further issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date), being the total number of the Rights Shares less a total of 2,583,146,526 Rights Shares undertaken to be taken up by Fame Select pursuant to the Irrevocable Undertaking.

LETTER FROM THE BOARD

Pursuant to the Underwriting Agreement,

- (i) Fame Select shall have the priority to underwrite not less than 1,062,748,807 Underwritten Shares (assuming no exercise of the outstanding Share Options and no issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date) and not more than 1,359,392,536 Underwritten Shares (assuming full exercise of all outstanding Share Options but no further issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date) at the Subscription Price, provided that Fame Select together with its associates and parties acting in concert with any of them shall not in aggregate hold more than 75% of the issued share capital of the Company (as enlarged by the allotment and issue of the Rights Shares) immediately upon completion of the Rights Issue; and
- (ii) VMS Securities shall underwrite the remaining Underwritten Shares, being 861,048,842 Underwritten Shares, at the Subscription Price.

Such allocation of underwriting commitment between the Underwriters can be modified by mutual agreement between the Underwriters, provided that (i) other obligations of the Underwriters and all other terms and conditions of the Underwriting Agreement shall remain unchanged; (ii) all the Underwriters shall notify the Company in writing such modification of underwriting commitment forthwith; and (iii) such allocation of underwriting commitment between the Underwriters will not trigger the obligations of any Underwriters pursuant to Rule 26.1 of the Takeovers Code.

LETTER FROM THE BOARD

Commission : No underwriting commission will be payable by the Company to Fame Select under the Underwriting Agreement.

The Company will pay VMS Securities an underwriting commission of 3% of the aggregate subscription monies attributable to the portion of the Underwritten Shares underwritten by it.

The commission rate was determined after arm's length negotiation between the Company and VMS Securities with reference to, among other things, the Subscription Price, the underwriting obligation undertaken by it, the market condition, the historical financial performance of the Group and the prevailing market rate for the underwriting commission. The Directors consider the terms of the Underwriting Agreement, including the commission rate payable to VMS Securities, are fair and reasonable so far as the Company and the Shareholders are concerned.

Pursuant to the Underwriting Agreement, in the event that VMS Securities being called upon to subscribe for or procure subscribers to subscribe for the Untaken Shares, VMS Securities shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it shall be an Independent Third Party and each of such subscribers and itself shall not, together with any of his/her/its associates and any party acting in concert (within the meaning of the Takeovers Code) with him/her/it, hold 10% or more of the voting rights of the Company immediately upon completion of the Rights Issue. VMS Securities has subsequently entered into sub-underwriting agreements with certain sub-underwriters, pursuant to which (i) the sub-underwriting commitment of each sub-underwriter on the Untaken Shares is less than 5% of the voting right of the Company immediately upon completion of the Rights Issue; and (ii) each of the sub-underwriters undertakes that each of them will not, and will procure each of the subscribers procured and nominated by each of them in respect of any or all of the relevant Untaken Shares and their respective associates will not, together with any party acting in concert (within the meaning of the Takeovers Code) with it or its associates, hold 10% or more of the voting rights of the Company immediately upon completion of the Rights Issue. On this basis, the Company will be able to satisfy the public float requirements under Rule 8.08(1) of the Listing Rules immediately upon completion of the Rights Issue, and will continue to comply with the public float requirements after completion of the Rights Issue.

LETTER FROM THE BOARD

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon:

- (i) the passing by the Independent Shareholders at the relevant EGM of an ordinary resolution to approve the Underwriting Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Rights Shares, by no later than the Prospectus Posting Date;
- (ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one (1) copy of each of the Prospectus Documents duly signed by two (2) Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares (in both their nil-paid and fully-paid forms) by no later than the Business Day prior to the first day of their dealings;
- (v) the Underwriting Agreement is not being terminated by any of the Underwriters pursuant to the terms thereof at or before the Latest Time for Termination;
- (vi) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement and the representations and warranties given by the Company under the Underwriting Agreement remaining true, correct and not misleading in all material respects; and
- (vii) compliance with and performance of all undertakings and obligations of Fame Select under the Irrevocable Undertaking.

The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the Latest Time for Termination (or such other time and date as the Company and the Underwriters may agree in writing) and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Rights Shares or to give effect to the Rights Issue and the arrangements contemplated in the Underwriting Agreement.

LETTER FROM THE BOARD

The above conditions (other than condition (vi) which can only be waived jointly by the Underwriters) are incapable of being waived. If the above conditions are not satisfied or waived (as the case may be) by the Latest Time for Termination or such other date as the Company and the Underwriters may agree, the Underwriting Agreement shall terminate (save and except clauses in relation to, among others, the underwriting commission payable by the Company to VMS Securities (if any), which shall remain in full force and effect) and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

As at the Latest Practicable Date, save as condition (i) has been fulfilled, the other conditions of the Underwriting Agreement were yet to be fulfilled.

SHAREHOLDING STRUCTURE OF THE COMPANY

Scenario 1 – Assuming no exercise of the outstanding Share Options and no issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date

	(i) As at the Latest Practicable Date		(ii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue		(iii) Immediately upon completion of Rights Issue assuming no acceptance by the Qualifying Shareholders (other than Fame Select) under the Rights Issue	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Fame Select (<i>Note 1</i>)	861,048,842	57.31	3,444,195,368	57.31	4,506,944,175	75.00
VMS Securities and subscribers procured by it	–	–	–	–	861,048,842	14.33
Other public Shareholders	641,265,883	42.69	2,565,063,532	42.69	641,265,883	10.67
Total	1,502,314,725	100.00	6,009,258,900	100.00	6,009,258,900	100.00

LETTER FROM THE BOARD

Scenario 2 – Assuming full exercise of all outstanding Share Options but no further issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date

	(i) As at the Latest Practicable Date		(ii) Immediately upon full exercise of all outstanding Share Options before the Record Date		(iii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue		(iv) Immediately upon completion of Rights Issue assuming no acceptance by the Qualifying Shareholders (other than Fame Select) under the Rights Issue	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Fame Select (Note 1)	861,048,842	57.31	861,048,842	53.78	3,444,195,368	53.78	4,803,587,904	75.00
The holders of the Share Options	-	-	98,881,243	6.18	395,524,972	6.18	98,881,243	1.54
VMS Securities and subscribers procured by it	-	-	-	-	-	-	861,048,842	13.44
Other public Shareholders	641,265,883	42.69	641,265,883	40.04	2,565,063,532	40.04	641,265,883	10.02
Total	1,502,314,725	100.00	1,601,195,968	100.00	6,404,783,872	100.00	6,404,783,872	100.00

Notes:

- Fame Select is owned as to 50% by Mr. Chau and 50% by Mr. Cheng Ting Kong. Ms. Yeung So Mui, an executive Director, is the spouse of Mr. Cheng Ting Kong. Mr. Chau, Mr. Cheng Ting Kong and Ms. Yeung So Mui are therefore deemed to be interested in the 861,048,842 Shares held by Fame Select.*
- The above shareholding structure is for illustrative purpose only.*

As illustrated above, if no Qualifying Shareholders take up the Rights Shares, the shareholding of the existing public Shareholders will be reduced from approximately 42.69% as at the Latest Practicable Date to approximately 10.67% upon completion of the Rights Issue (assuming no exercise of the outstanding Share Options and no issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date). Moreover, taking into account the monetary effect of the Rights Issue, if a Qualifying Shareholder does not take up the Rights Shares entitled to him/her/it, the dilution impact on his/her/its shareholding will be approximately 14.8%, estimated based on the closing price of HK\$0.250 per Share on the Last Trading Day and the corresponding theoretical ex-rights price of approximately HK\$0.213 per Share.

LETTER FROM THE BOARD

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

USE OF PROCEEDS AND REASONS FOR THE RIGHTS ISSUE

The Group is principally engaged in the development of residential and commercial properties as well as leasing of commercial properties in Guangdong, Liaoning and Anhui Provinces, the PRC, and hotel and integrated resort management and consultancy services.

Based on the latest management accounts of the Group, the Group had total outstanding borrowings in the current liabilities of approximately HK\$1,419.2 million, which include the principal amounts of (i) the Loan (denominated in Hong Kong dollars) of approximately HK\$525.4 million due to Fame Select; (ii) loans (denominated in Hong Kong dollars) in an aggregate amount of approximately HK\$535.5 million and loans (denominated in RMB) in an aggregate amount of approximately RMB55.0 million (equivalent to approximately HK\$64.4 million) due to several Independent Third Parties which carry interest rates of 14% to 18% (the “**Third Parties Loans**”); and (iii) bank and other borrowings (denominated in RMB) of approximately RMB241.3 million (equivalent to approximately HK\$282.3 million) which carry interest rates of 5.635% to 8%. The Loan and the Third Parties Loans are already due and repayable on demand. Due to the outstanding borrowings, the Group has been incurring substantial finance costs which have seriously eroded the profitability of the Group since the year ended 31 December 2014 (“**FY2014**”). The finance costs totaled approximately RMB347.1 million (equivalent to approximately HK\$406.1 million) and RMB296.4 million (equivalent to approximately HK\$346.8 million) for FY2014 and the year ended 31 December 2015 (“**FY2015**”) respectively. While the profits from operations for FY2014 and FY2015 were approximately RMB430.6 million (equivalent to approximately HK\$503.8 million) and RMB209.5 million (equivalent to approximately HK\$245.1 million) respectively, the Group recorded net loss of approximately RMB144.6 million (equivalent to approximately HK\$169.2 million) and RMB245.9 million (equivalent to approximately HK\$287.7 million) for FY2014 and FY2015 respectively. Without the finance costs, the Group would have recorded net profit of approximately RMB202.5 million (equivalent to approximately HK\$236.9 million) and RMB50.5 million (equivalent to approximately HK\$59.1 million) for FY2014 and FY2015 respectively. The total finance costs continued to be high for the six months ended 30 June 2016 (“**1H2016**”) at approximately RMB115.2 million (equivalent to approximately HK\$134.8 million). If the finance costs were not incurred, the Group would have recorded net profit of approximately RMB50.3 million (equivalent to approximately HK\$58.9 million), instead of net loss of approximately RMB64.9 million (equivalent to approximately HK\$75.9 million) recorded for 1H2016.

LETTER FROM THE BOARD

Further, as disclosed in the announcement of the Company dated 31 August 2016, the Group has acquired the entire issued share capital of Sun Travel Ltd. (“**Sun Travel**”, formerly known as Suncity Group Tourism Limited) with the intention of diversifying its business to the tourism-related service business in Macau. Sun Travel was incorporated in Macau on 13 January 2014 with limited liability and is principally engaged in the provision of travel-related products and services. The aggregate consideration for the acquisition was approximately HK\$5,584,242 which was settled by the Company issuing a promissory note in the principal amount of HK\$5,584,242 to the vendor thereof. No variation of the remuneration payable to and benefits in kind receivable by the directors of Sun Travel in consequence of the acquisition. The Group intends to further expand the newly planned tourism-related business to other countries in the Asian markets, such as Vietnam and South Korea. The Group also plans to integrate its existing hotels and integrated resort management and consultancy service business with its new tourism-related service business, and provide consultancy, advisory, technical services for hotels or integrated resorts in places with rapid growth in the tourism industry. The services will include work relating to the building, equipping and fitting-out of resorts and/or gaming and entertainment facilities and the preparation and organisation of their marketing activities. The Company has already set up a subsidiary in association with its expansion plan and is identifying potential projects/targets that may suit the Company’s objective. As at the Latest Practicable Date, no formal or definitive agreement had been entered into in relation to these expansion plans.

In view of the imminent funding need for repayment of the aforesaid loans and in order to reduce the finance costs attributable thereto and improve the Group’s gearing level and the Group’s overall profitability, as well as to equip the Group with capital flexibility for its future development and to fund the business development plan of the Group’s tourism-related service business, the Group contemplated the Rights Issue.

The gross proceeds from the Rights Issue are expected to be not less than approximately HK\$901.4 million and not more than approximately HK\$960.7 million. The net proceeds from the Rights Issue after deducting related expenses are estimated to be not less than approximately HK\$892.9 million and not more than approximately HK\$952.3 million. The net Subscription Price per Rights Share is expected to be approximately HK\$0.198. Assuming the Company has raised the minimum proceeds, the Company intends to apply as to (i) approximately HK\$803.7 million for repayment of such part of the Third Parties Loans which are denominated in Hong Kong dollars with the principal amount of approximately HK\$535.5 million together with the interests of approximately HK\$268.2 million accrued thereon; (ii) approximately HK\$50.0 million for the Group’s business development plan in respect of its tourism-related service business and hotel and integrated resort management and consultancy service business; and (iii) approximately HK\$39.2 million as the Group’s general working capital for its existing business. In the event that the Company has raised the maximum proceeds, the Company will apply the additional amount of net proceeds of approximately HK\$59.4 million as general working capital for its business development plan as well as its existing business.

LETTER FROM THE BOARD

As mentioned in the Circular, the Company had also contemplated the Debt Restructuring, pursuant to which the Loan (included the principal amount and the interests accrued thereon) will be restructured as the Convertible Bonds which bear zero interest. As at the Latest Practicable Date, the CB Subscription Agreement had not yet been completed. Further details please refer to the Circular.

After applying the proceeds of the Rights Issue for the repayment, assuming no change to the outstanding balance of the Third Parties Loans from the Latest Practicable Date up to completion of the Rights Issue, the Third Parties Loans will be reduced to approximately RMB55.0 million (equivalent to approximately HK\$64.4 million), which consist of only the loans denominated in RMB, and having considered the effect of the Debt Restructuring, the total outstanding borrowings in the current liabilities will be reduced to approximately RMB296.3 million (equivalent to approximately HK\$346.7 million), which consist of only the remaining Third Parties Loans and the bank and other borrowings.

The Board has also considered other fund raising alternatives before resolving to the Rights Issue such as bank borrowing, placing of new shares and open offer. The Directors believe that it would be in the best interests of the Company and the Shareholders as a whole to raise long-term equity capital through the Rights Issue having considered that (i) the Rights Issue will provide an equal opportunity to all Qualifying Shareholders to maintain their respective shareholdings in the Company and participate in the growth and development of the Company; (ii) additional bank borrowings will be difficult in view of the unsatisfactory financial performance and the financial position of the Group as well as the purpose of the fund-raising exercise is partly for repayment of borrowings and improve the financial position of the Group; (iii) placing of new shares will preclude existing Shareholders from participating in the capital raising exercise which inevitably will result in dilution to the equity interest of the existing Shareholders; and (iv) open offer will not provide an additional option to those Qualifying Shareholders who do not wish to take up their entitlements to sell their entitled nil-paid Rights Shares and those Qualifying Shareholders who wish to increase their shareholding interests in the Company to acquire additional nil-paid Rights Shares in the market.

LETTER FROM THE BOARD

The Company had approached several financial institutions (including VMS Securities) which are Independent Third Parties and are licensed corporations under the SFO for provision of underwriting service in relation to the Rights Issue before entering into the Underwriting Agreement. However, none of these financial institutions was interested in the Company's fund raising exercise except VMS Securities indicated that it could only act as a joint underwriter. The Company then approached Fame Select to see if it was interested in participating in the underwriting arrangement for the Rights Issue. After negotiations between the Company and the Underwriters, the parties could finally agree on the terms of the Underwriting Agreement as set out in the section headed "Principal terms of the Underwriting Agreement". Having considered (i) the feedback of the financial institutions approached by the Company in respect of the underwriting arrangement for the Rights Issue; (ii) the terms and conditions of the Underwriting Agreement; (iii) the imminent funding need of the Group to repay such part of the outstanding borrowings which are repayment on demand; (iv) that Fame Select, being the Controlling Shareholder, acting as one of the Underwriters can demonstrate to the public its confidence and support in the Group and its long-term development; and (v) that Fame Select agreed not to receive any underwriting commission so that the cost of the Rights Issue could be reduced, the Company considers that it has obtained the best available terms for the Rights Issue.

The Board considers that the Rights Issue will enable the Group to strengthen the capital base of the Group, reduce its liabilities and finance costs and enhance its financial position. With the proceeds from the Rights Issue, the Directors consider that the Company's expected funding needs for the next twelve (12) months following the date of the Prospectus could be satisfied. The Company and the Controlling Shareholder intend to continue the Group's existing business while at the same time will explore business opportunities in relation to the tourism-related business, including the provision of consultancy, advisory, technical and marketing services to resort and/or gaming and entertainment facilities.

If the Qualifying Shareholders (other than Fame Select) do not take up the Rights Shares, their shareholding will be diluted from approximately 42.69% as at the Latest Practicable Date to approximately 10.67% upon completion of the Rights Issue (assuming no exercise of the outstanding Share Options and no issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the Record Date). Notwithstanding such potential dilution impact of the Rights Issue, having balanced against the following factors:

- (i) the financial position of the Group could be improved and turned to a net current assets position upon repayment of a substantial portion of the outstanding borrowings in the current liabilities;
- (ii) the Independent Shareholders were offered a chance to express their view on, among other things, the terms of the Rights Issue through their votes at the EGM;
- (iii) the Qualifying Shareholders have their choice whether to accept the Rights Shares or not;

LETTER FROM THE BOARD

- (iv) the Qualifying Shareholders have been given a chance to apply for the Rights Shares in excess of their entitlements under the Rights Issue at the Subscription Price; and
- (v) the Rights Issue offers the Qualifying Shareholders a chance to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the prevailing market prices of Shares,

the Directors consider that the terms and conditions of the Rights Issue and the Underwriting Agreement, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING EXERCISE IN THE PRECEDING TWELVE-MONTH PERIOD

The Company had not conducted any fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 18 November 2016 to Monday, 21 November 2016 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure periods.

POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS

As at the Latest Practicable Date, the Company had outstanding Share Options under the Share Option Scheme carrying rights for the holders thereof to subscribe for an aggregate of 98,881,243 new Shares. As a result of the Rights Issue, there may be adjustments to the exercise prices and/or the number of Shares to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Scheme. The Company will appoint its auditor to certify in writing the adjustments to the Share Options and that such adjustments are in accordance with the terms and conditions of the Share Option Scheme. Further announcement(s) will be made by the Company in relation thereof as and when appropriate.

LETTER FROM THE BOARD

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional on the Underwriting Agreement having become unconditional and not having been terminated in accordance with the terms thereof (see the paragraph headed “Termination of the Underwriting Agreement” under the section headed “Underwriting arrangements for the Rights Issue” above). Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in Shares.

Shareholders should note that the Shares have been dealt in on an ex-rights basis commencing from Wednesday, 16 November 2016 and that dealings in the Shares will continue to take place while the conditions to which the Rights Issue is subject remain unfulfilled. Any dealings by the Shareholders and other persons in the Shares between the Latest Practicable Date and the date on which the Rights Issue becomes unconditional (which is expected to be at 4:00 p.m. on Friday, 9 December 2016), and any dealings in the Rights Shares in their nil-paid form from Thursday, 24 November 2016 to Thursday, 1 December 2016 (both dates inclusive), will be at their own risk and if they are in any doubt about their position, they should consult their own professional advisers.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to the Prospectus.

On behalf of the Board
Sun Century Group Limited
Chau Cheok Wa
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the years ended 31 December 2013, 31 December 2014 and 31 December 2015, and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2016, together with the accompanying notes have been included in the annual report of the Company for the year ended 31 December 2013 (pages 40 to 140), the annual report of the Company for the year ended 31 December 2014 (pages 41 to 144), the annual report of the Company for the year ended 31 December 2015 (pages 41 to 144), and the interim report of the Company for the six months ended 30 June 2016 (pages 14 to 34), respectively.

The said annual reports and interim report of the Company are available on the Company's website at www.sun1383.com and the website of the Stock Exchange at www.hkexnews.hk.

2. STATEMENT OF INDEBTEDNESS**Borrowings**

As at 30 September 2016, being the latest practicable date for the purpose of this indebtedness statement, the Group had total outstanding borrowings of approximately RMB1,668.0 million (equivalent to approximately HK\$1,951.5 million), which included borrowings of approximately RMB761.2 million (equivalent to approximately HK\$890.6 million) and RMB906.8 million (equivalent to approximately HK\$1,060.9 million) denominated in RMB and HK\$ respectively. The Group had secured or guaranteed borrowings of approximately RMB706.2 million (equivalent to approximately HK\$826.3 million) and had unsecured and unguaranteed borrowings of approximately RMB961.8 million (equivalent to approximately HK\$1,125.2 million).

The secured borrowings are secured by certain investment properties and inventories at RMB1,732.0 million (equivalent to approximately HK\$2,026.4 million) and RMB915.0 million (equivalent to approximately HK\$1,070.6 million) respectively.

The interest rate of the Third Parties Loans ranges from 14% to 18% per annum. The interest rate of banking facilities ranges from 5.635% to 8% per annum. There was no unutilised facilities as at 30 September 2016. There was no material adverse change in indebtedness of the Group from 30 September 2016 up to the Latest Practicable Date.

Contingent Liabilities

As at close of business on 30 September 2016, the Group had total contingent liabilities of RMB3,700.8 million (equivalent to approximately HK\$4,330.0 million), including RMB3,435.0 million (equivalent to approximately HK\$4,019.0 million) representing guarantees given to certain banks for the mortgage facilities granted to purchasers of the Group's properties and RMB265.8 million (equivalent to approximately HK\$311.0 million) representing various litigation claims against to the Group.

Disclaimers

Save as disclosed above and apart from intra-group liabilities, at the close of business on 30 September 2016, 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 and 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.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into account the internally generated funds of the Group from its existing operating activities and the estimated net proceeds from the Rights Issue, as well as the Debt Restructuring, the Group will have sufficient working capital for its present requirements for at least the next twelve (12) months following the date of the Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial and trading position of the Group since 31 December 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. TRADING AND FINANCIAL PROSPECTS OF THE GROUP

The Group is principally engaged in (i) properties development; (ii) properties leasing and management; (iii) hotel and integrated resort management and consultancy services; and (iv) tourism-related service business.

As mentioned in the interim report of the Company for the six months ended 30 June 2016, the Group has started to deliver Le Paysage to buyers since the fourth quarter of 2014. With the heating up of Shenzhen property market and the Group began to deliver the boutique high-rise building residential units, the gross profit margin in property development segment had increased significantly from 23.08% in the first half of 2015 to 41.36% in the first half of 2016. Looking ahead, the Company expects the government policies will remain unchanged and the local government will fine-tune and introduce targeted policies based on growth properties stock, properties prices and land prices. Given that the accumulated properties stock in the first and second-tier cities in China have fallen to the ideal range, the Company remains optimistic to the market conditions in the second half of 2016 and expect that there is still room for increase in properties prices and land prices. In the meantime, the Group will actively examine the developing real estate markets outside China. Asian countries, such as Korea, Malaysia and Vietnam are among the initial target markets of the Group.

Further, as disclosed in the announcement of the Company dated 31 August 2016, the Group has acquired the entire issued share capital of Sun Travel Ltd. (formerly known as Suncity Group Tourism Limited) with the intention of diversifying its business to the tourism-related service business in Macau. The Group intends to further expand the newly planned tourism-related business to other countries in the Asian markets, such as Vietnam and South Korea. The Group also plans to integrate its existing hotels and integrated resort management and consultancy service business with its new tourism-related service business, and provide consultancy, advisory, technical services for hotels or integrated resorts in places with rapid growth in the tourism industry. The services will include work relating to the building, equipping and fitting-out of resorts and/or gaming and entertainment facilities and the preparation and organisation of their marketing activities. The Company has already set up a subsidiary in association with its expansion plan and is identifying potential projects/targets that may suit the Company's objective. As at the Latest Practicable Date, no formal or definitive agreement had been entered into in relation to these expansion plans.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is an illustrative and unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company which has been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Rights Issue as if it had taken place on 30 June 2016. This unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 30 June 2016 or at any future date.

	Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2016 <i>RMB'000</i> <i>(note 1)</i>	Estimated net proceeds from the Rights Issue <i>RMB'000</i> <i>(note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company after completion of the Rights Issue <i>RMB'000</i>	Unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 30 June 2016 <i>RMB Cents</i> <i>(note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company after completion of the Rights Issue <i>RMB Cents</i> <i>(note 4)</i>
Rights Issue of minimum number of Rights Shares of 4,506,944,175 Rights Shares to be issued at subscription price of HK\$0.20 per Rights Share	16,621	763,181	779,802	1.11	12.98
Rights Issue of maximum number of Rights Shares of 4,803,587,904 Rights Shares to be issued at subscription price of HK\$0.20 per Rights Share	16,621	813,889	830,510	1.11	12.97

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Notes:

1. The consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2016 is based on the unaudited consolidated net assets of the Group attributable to the equity holders of the Company as at 30 June 2016 of RMB16,814,000 with adjustments excluded deferred tax assets RMB193,000 as extracted from the published interim report of the Group for the period ended 30 June 2016.
2. The estimated net proceeds from the Rights Issue are based on (i) minimum number of Rights Shares of 4,506,944,175 Rights Shares to be issued and (ii) maximum number of Rights Shares of 4,803,587,904 to be issued as defined in the Prospectus at the subscription price of HK\$0.20 per Rights Share, after deduction of the related expenses of approximately HK\$892.9 million (equivalent to approximately RMB763.2 million) and HK\$952.3 million (equivalent to approximately RMB813.9 million) respectively.
3. The unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 30 June 2016 was RMB1.11 cents, which was based on the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2016 of RMB16,621,000 and 1,502,314,725 Shares in issue as at 30 June 2016.
4. The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company after completion of the Rights Issue is arrived at after aggregating the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2016 of RMB16,621,000 (Note 1) and the estimated net proceeds of (i) approximately RMB763,181,000 from the Rights Issue (Note 2) and on the basis that 1,502,314,725 Shares were in issue as at 30 June 2016 and minimum number of Rights Shares of 4,506,944,175 Rights Shares to be issued, and (ii) approximately RMB813,889,000 from the Rights Issue (Note 2) and on the basis that 1,502,314,725 Shares were in issue as at 30 June 2016, 98,881,243 Shares to be issued to the holders of outstanding Share Options as at Latest Practicable Date assuming rights attaching to the outstanding Share Options are exercised in full before the Record Date and maximum number of Rights Shares of 4,803,587,904 Rights Shares to be issued, pursuant to the Rights Issue, were in issue assuming that the Rights Issue had been completed on 30 June 2016.
5. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2016.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION



Andes Glacier CPA Limited

CERTIFIED PUBLIC ACCOUNTANTS

思捷會計師行有限公司

22 November 2016

The Board of Directors
Sun Century Group Limited
Room 1201-1202, 12th Floor
China Merchants Tower,
Shun Tak Centre,
168-200 Connaught Road Central,
Sheung Wan, Hong Kong

**Independent reporting accountant's assurance report on the compilation of
unaudited pro forma financial information included in the prospectus –
proposed rights issue on the basis of three (3) rights shares
for every one (1) share held on the record date**

To the directors of Sun Century Group Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Sun Century Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma net tangible asset statement as at 30 June, 2016 and related notes as set out on pages II-1 to II-2 of the prospectus issued by the Company dated 22 November 2016 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page II-1 of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the Group's financial position as at 30 June, 2016 as if the transaction had taken place at 30 June, 2016. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's unaudited financial statements for the six months ended 30 June, 2016, on which an interim result has been published.

Directors' responsibility for the unaudited pro forma financial information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with the paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to AG 7 Preparation of Pro Forma Financial Information for Inclusion in Circulars issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“**HKSAE**”) 3420, Assurance Engagements to Report on the Compilation of Unaudited Pro Forma Financial Information Included in a Prospectus, issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 Preparation of Pro Forma Financial Information for Inclusion in Circulars issued by the HKICPA.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June, 2016 would have been presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient and appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Andes Glacier CPA Limited
Certified Public Accountants
Ng Sung Hau
Practising Certificate Number: P06122

1. RESPONSIBILITY STATEMENT

The Prospectus 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Prospectus 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 the Prospectus misleading.

2. SHARE CAPITAL

(I) The authorised and issued share capital of the Company

(i) As at the Latest Practicable Date

Authorised: *HK\$*

<u>50,000,000,000</u>	Shares of HK\$0.10 each	<u>5,000,000,000.00</u>
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Issued and fully paid:

<u>1,502,314,725</u>	Shares of HK\$0.10 each	<u>150,231,472.50</u>
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(ii) Immediately following the allotment and issue of the Rights Shares (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the completion of the Rights Issue)

Authorised: *HK\$*

<u>50,000,000,000</u>	Shares of HK\$0.10 each	<u>5,000,000,000.00</u>
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Issued and fully paid:

1,502,314,725	Shares as at the Latest Practicable Date	150,231,472.50
4,506,944,175	Rights Shares to be allotted and issued under the Rights Issue	450,694,417.50
<u>6,009,258,900</u>	Shares in issue immediately upon the allotment and issue of the Rights Shares	<u>600,925,890.00</u>

(iii) *Immediately following the allotment and issue of the Rights Shares (assuming full exercise of all outstanding Share Options but no other change in the issued share capital of the Company from the Latest Practicable Date up to the completion of the Rights Issue)*

<i>Authorised:</i>		<i>HK\$</i>
<u>50,000,000,000</u>	Shares of HK\$0.10 each	<u>5,000,000,000.00</u>
 <i>Issued and fully paid:</i>		
1,502,314,725	Shares as at the Latest Practicable Date	150,231,472.50
98,881,243	Shares to be allotted and issued upon full exercise of all outstanding Share Options	9,888,124.30
<u>4,803,587,904</u>	Rights Shares to be allotted and issued under the Rights Issue	<u>480,358,790.40</u>
<u>6,404,783,872</u>	Shares in issue immediately upon the allotment and issue of the Rights Shares	<u>640,478,387.20</u>

All the existing Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully-paid, will rank *pari passu* with the Shares then in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares.

The issued Shares are listed on the Stock Exchange. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are or will be waived or agreed to be waived.

On 20 September 2016, the Company entered into the CB Subscription Agreement (as amended and supplemented by the extension letter dated 13 October 2016) with Fame Select, pursuant to which the Company will, upon completion of the CB Subscription Agreement, issue the Convertible Bonds to Fame Select. If the conversion rights attaching to the Convertible Bonds were exercised in full at the initial conversion price of HK\$0.26 per conversion share, a total of 2,192,307,692 conversion shares will be allotted and issued to the holder(s) of the Convertible Bonds.

(II) The Share Option Scheme

As at the Latest Practicable Date, the Company had outstanding Share Options under the Share Option Scheme carrying rights for the holders thereof to subscribe for an aggregate of 98,881,243 new Shares. Details of which are set out below:

Date of grant	Exercise period	Exercise price (HK\$)	Number of underlying Shares
15 May 2007	15 November 2007 – 14 May 2017	4.78	5,520,001
10 October 2007	10 April 2008 – 9 October 2017	7.78	384,318
13 February 2008	13 August 2008 – 12 February 2018	4.42	3,076,924
12 December 2013	13 December 2013 – 11 December 2023	0.398	89,900,000
Total			98,881,243

Save for the Share Options and the proposed issue of the Convertible Bonds, the Company had no other outstanding warrants, options or convertible securities in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date.

Save for the outstanding Share Options, no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

(i) *Directors' and chief executive's interests in shares, underlying shares or debentures*

As at the Latest Practicable Date, the interests of the Directors and the chief executive in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (the “**Associated Corporations**”) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under provisions of the SFO) or the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) were as follows:

Long position in the shares of the company

Name of director	Capacity in which Shares are held	Number of Shares held	Number of Underlying Shares held under equity derivatives	Total	Percentage of aggregate interest to total number of Shares in issue %
Mr. Chau	Interest of controlled corporation	4,803,587,904 ¹	2,192,307,692 ²	6,995,895,596	109.23% ⁴
Ms. Yeung So Mui ³	Interest of spouse	4,803,587,904	2,192,307,692	6,995,895,596	109.23% ⁴

Notes:

- This represents interests held by Mr. Chau through Fame Select, which (i) holds 861,048,842 Shares; (ii) is interested in 2,583,146,526 Rights Shares to which Fame Select has undertaken to accept or procure acceptance pursuant to the Irrevocable Undertaking; and (iii) is interested in the 1,359,392,536 Underwritten Shares underwritten by Fame Select pursuant to the Underwriting Agreement. Mr. Chau has 50% interests in Fame Select, he is therefore deemed to be interested in 4,803,587,904 Shares.
- This represents the maximum of 2,192,307,692 conversion Shares to be issued upon the full conversion of the Convertible Bonds at the initial conversion price of HK\$0.26. Mr. Chau has 50% interests in Fame Select, he is therefore deemed to be interest in 2,192,307,692 underlying Shares.

3. This represents interests held by Mr. Cheng Ting Kong through Fame Select, which is interested in 4,803,587,904 Shares and 2,192,307,692 underlying Shares. Mr. Cheng Ting Kong has 50% interests in Fame Select. Ms. Yeung So Mui is the spouse of Mr. Cheng Ting Kong and she is therefore deemed to be interest in the Shares.
4. The percentage stated represents the percentage of share capital of the Company as stated in the relevant disclosure of interests forms.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive had any other interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its Associated Corporations which had been entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under provisions of the SFO) or the Model Code.

(ii) *Substantial interests in the share capital of the company*

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 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 other member of the Group or had any options in respect of such capital:

Long position in the shares of the company

Name	Capacity in which Shares were held	Number of Shares held	Number of underlying Shares held under equity derivatives	Total	Percentage of aggregate interest Shares to total number of Shares in issue
Fame Select ¹	Beneficial owner	4,803,587,904	2,192,307,692 ²	6,995,895,596	109.23% ⁴
Mr. Cheng Ting Kong ¹	Interest of controlled corporation	4,803,587,904	2,192,307,692 ²	6,995,895,596	109.23% ⁴
Magicmount Holdings Limited (“Magicmount”) ³	Beneficial owner	84,429,967	–	84,429,967	5.62% ⁴

Notes:

1. Fame Select owned as to 50% by Mr. Chau and 50% by Mr. Cheng Ting Kong. As such, Mr. Chau and Mr. Cheng Ting Kong were deemed to be interested in (i) the 861,048,842 Shares held by Fame Select; (ii) the 2,583,146,526 Rights Shares undertaken to accept or procure acceptance pursuant to the Irrevocable Undertaking; and (iii) a maximum of 1,359,392,536 Underwritten Shares underwritten by Fame Select pursuant to the Underwriting Agreement.
2. This represents the maximum of 2,192,307,692 conversion Shares to be issued upon the full conversion of the Convertible Bonds at the initial conversion price of HK\$0.26.
3. Magicmount was wholly owned by Mr. Kwan Tat Ming. As such, Mr. Kwan Tat Ming was deemed to be interested in 84,429,967 Shares held by Magicmount.
4. The percentage stated represents the percentage of share capital of the Company as stated in the relevant disclosure of interests forms.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, no other person had interests or short positions in the Shares or underlying Shares of any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, beneficially 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 other member of the Group or in any options in respect of such capital.

4. INTERESTS IN ASSETS, CONTRACT OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors was materially interested in contract or arrangement subsisting which is significant in relation to the business of the Group.

Save that Mr. Chau, an executive Director, was one of the vendors in relation to the acquisition of Sun Travel Ltd. (formerly known as Suncity Group Tourism Limited) by the Group on 31 August 2016, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2015, the date to which the latest published audited consolidated financial statements of the Group were made up.

5. LITIGATION

As at the Latest Practicable Date, the Group had been in litigation in relation to various claims in the aggregate amount of approximately RMB265,824,000 (equivalent to approximately HK\$311,014,080). Based on the legal advice obtained, the Directors believe that the Group has reasonable good chances of successfully defending those claims. Save as disclosed, there was no other litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire is not determinable by such member of the Group within one year without payment of compensation other than statutory compensation.

7. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts in the ordinary course of business of the Company) which have been entered into by members of the Group within two years immediately preceding the Latest Practicable Date:

- (i) the settlement deed dated 4 February 2016 entered into between the Company, CCB International Asset Management Limited (“**CCBI**”), Grand Prosperity Limited (“**Grand Prosperity**”), Mr. Zeng Yunshu and Mr. Zeng Sheng pursuant to which, among others, each of Grand Prosperity, Mr. Zeng Yunshu and Mr. Zeng Sheng shall jointly and severally pay a total sum of HK\$25 million to CCBI and CCBI shall transfer 8 million Shares to Grand Prosperity (or its nominee) for a full and final settlement of the dispute in the legal action (the “**Action**”) taken by CCBI against the Company (including legal costs incurred by CCBI in connection with the Action and interest);
- (ii) the sale and purchase agreement dated 14 July 2016 entered into between Jumpers Action Limited and Kingdom Rich Holdings Limited, both being wholly-owned subsidiaries of the Company, and Mr. Chau and Ms. Chau Sui Heng in respect of the acquisition of the entire issued share capital of Sun Travel Ltd. (formerly known as Suncity Group Tourism Limited) (the “**Sale Shares**”) and the assignment of its shareholder’s loan (the “**Sale Loan**”) at a maximum consideration of MOP9,500,000 (comprising MOP1,500,000 for the Sale Shares and the Sale Loan on a dollar-for-dollar basis);
- (iii) the Termination Agreement dated 11 August 2016 entered into between the Company and 深圳必應投資諮詢有限公司 in relation to the termination of the agreement of intent dated 19 July 2012;

- (iv) the Underwriting Agreement (as amended and supplemented by the extension letters dated 13 October 2016 and 25 October 2016 respectively); and
- (v) the CB Subscription Agreement (as amended and supplemented by the extension letter dated 13 October 2016).

8. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective close associates (as defined in the Listing Rules) was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

9. EXPERT AND CONSENT

Set out below are the qualification of the expert who have given opinions, letters or advice in the Prospectus:

Name	Qualification
Andes Glacier CPA Limited	Certified Public Accountants

The above expert has given and has not withdrawn its written consent to the issue of the Prospectus with the inclusion herein of its letters or opinions or reports or references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interests in any assets which have been, since 31 December 2015 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal place of business in Hong Kong	Room 1201-1202, 12/F China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Hong Kong
Underwriters	Fame Select Limited P.O. Box 957 Offshore Incorporations Centre Road Town, Tortola British Virgin Islands VMS Securities Limited 49/F, One Exchange Square 8 Connaught Place Central Hong Kong
Financial adviser to the Company	Optima Capital Limited Suite 1501, 15th Floor Jardine House 1 Connaught Place Central Hong Kong
Legal advisers to the Company as to Hong Kong laws	Michael Li & Co. 19/F, Prosperity Tower 39 Queen's Road Central Central Hong Kong
Reporting accountants and auditors	Andes Glacier CPA Limited Unit 1, 20/F, Malaysia Building 50 Gloucester Road Wanchai Hong Kong

Principal bankers	DBS Bank (Hong Kong) Limited G/F, The Center 99 Queen's Road Central Central Hong Kong
	Bank of China (Hong Kong) Limited 1 Garden Road Hong Kong
	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Central Hong Kong
Principal share registrar and transfer office	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road P.O. Box 1586 Grand Cayman KY1-1110 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Authorised representatives	Ms. Yeung So Lai Flat G, 37/F., Block 1, Tseung Kwan O Plaza, 1 Tong Tak Street Tseung Kwan O, New Territories, Hong Kong
	Mr. Luk Chi Keung Flat 3210, 32/F., Kwong Sui House, Kwong Ming Court, Tseung Kwan O, New Territories, Hong Kong
Company secretary	Mr. Luk Chi Keung

11. PROFILES OF DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY**(i) Business addresses of Directors, senior management and company secretary of the Company**

The business address of the Directors, senior management and the company secretary of the Company is the same as the principal place of business of the Company in Hong Kong at Room 1201-1202, 12/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

(ii) Profiles of Directors, senior management and company secretary of the Company*Executive Directors*

Mr. Chau Cheok Wa, aged 42, was born in Macau. He joined the Company on 2 September 2011 as an executive Director and acted as the Chairman of the Company on 8 November 2011. He engaged in the business of operating and managing V.I.P. clubs in hotels. Mr. Chau was previously an executive director and the chairman of Sun International Resources Limited (Stock Code: 8029) (“**Sun International**”), a company listed on the Growth Enterprises Market of the Stock Exchange and resigned on 5 July 2013.

Ms. Yeung So Mui, aged 40, joined the Company on 5 October 2010 as an executive Director. Ms. Yeung was appointed as a director of Yan Oi Tong Limited on 1 April 2013. Ms. Yeung has been appointed as an executive director and chairlady of JF Household Furnishings Limited (Stock Code: 0776) (“**JF Household**”), a company listed on the Main Board of the Stock Exchange on 1 September 2016. Ms. Yeung is experienced in corporate management. Ms. Yeung So Lai, an executive Director, is the sister of Ms. Yeung So Mui.

Ms. Cheng Mei Ching, aged 35, joined the Company on 2 September 2011 as an executive Director. Ms. Cheng holds a bachelor degree in commerce (marketing and advertising) from Curtin University of Technology in Perth, Western Australia. Ms. Cheng is experienced in various areas including corporate management and internal control. Ms. Cheng works at a subsidiary of Sun International since her graduation and has been appointed as an executive director of Sun International since June 2008. Ms. Yeung So Mui, an executive Director, is the sister-in-law of Ms. Cheng.

Ms. Yeung So Lai, aged 38, joined the Company on 2 September 2011 as an executive Director and acted as the chief executive officer of the Company on 1 February 2012. Ms. Yeung is experienced in corporate management. Ms. Yeung was previously an executive director of Sun International and resigned on 13 August 2013. Ms. Yeung was previously an executive director and chief executive officer of JF Household and resigned on 1 August 2016. Ms. Yeung So Mui, an executive Director, is the sister of Ms. Yeung So Lai.

Independent Non-executive Directors

Mr. Tou Kin Chuen, aged 40, joined the Company on 26 April 2012 as an independent non-executive Director, the chairman of audit committee and the members of remuneration committee and nomination committee of the Company. Mr. Tou is the principal of Roger K.C. Tou & Co. Mr. Tou graduated from the Hong Kong Shue Yan University (formerly known as Hong Kong Shue Yan College) with a Honours Diploma in Accounting in 2001. He is experienced in audit, taxation, company secretarial, insolvency and finance for over 19 years. Mr. Tou is a member of the Hong Kong Institute of Certified Public Accountants and an associate of the Taxation Institute of Hong Kong. Mr. Tou has been the independent non-executive director of Sun International and Milan Station Holdings Limited (Stock Code: 1150), a company listed on the Main Board of the Stock Exchange since 14 March 2011 and 22 July 2015 respectively.

Dr. Wu Kam Fun Roderick, aged 78, joined the Company on 26 April 2012 as an independent non-executive Director, the chairman of nomination committee and the members of audit committee and remuneration committee of the Company. Dr. Wu obtained his Bachelor of Laws degree and Honorary Doctorate of the University from the University of Buckingham, United Kingdom. Dr. Wu is also an Associate of Chartered Institute of Arbitrators and a Barrister of the Inner Temple, the Victorian Bar, Australia and the Singapore Bar. Dr. Wu was awarded Diploma in Chinese Law by the then University of East Asia, Macau, currently known as the University of Macau. Dr. Wu has been at the Hong Kong Bar for over 35 years. He is a practising member of the Hong Kong Bar Association.

Mr. Lo Wai Tung John, aged 48, joined the Company on 10 October 2012 as an independent non-executive Director, the chairman of remuneration committee and the members of audit committee and nomination committee of the Company. Mr. Lo graduated from the Chinese University of Hong Kong with a bachelor's degree of Science (with honours) in Computer Science in 1991. Mr. Lo is experienced in securities and finance industry for over 20 years. He is currently the managing director (equities) and head of institutional sales of SBI China Capital Financial Services Limited.

Company Secretary

Mr. Luk Chi Keung, aged 43, joined the Company on 15 April 2007 as the financial controller and acted as the company secretary of the Company on 19 June 2012. Mr. Luk holds a bachelor's degree in business administration. He is currently a fellow member of the Association of Chartered Certified Accountants and as associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Luk has over 15 years of experience in auditing, finance and accounting.

12. EXPENSES

The expenses in connection with the Rights Issue, including the underwriting commission, printing, registration, translation, professional fees, are estimated to be approximately HK\$8.5 million, which are payable by the Company.

13. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein and governed by and shall be constructed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed "Expert and consent" in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

15. MISCELLANEOUS

In the event of inconsistency, the English text of the Prospectus, PAL and EAF shall prevail over the Chinese text.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at Room 1201-1202, 12/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong from the date of the Prospectus up to and including the Latest Time for Acceptance:

- (i) the memorandum of association and the articles of association of the Company;
- (ii) the annual reports of the Company for the two financial years ended 31 December 2014 and 31 December 2015;
- (iii) the interim report of the Company for the six months ended 30 June 2016;
- (iv) the report from Andes Glacier CPA Limited on the unaudited pro forma financial information of the Group, the text of which is set out in section B of Appendix II to the Prospectus;
- (v) the written consent as referred to under the section headed “Expert and consent” in this appendix;
- (vi) the material contracts referred to under the section headed “Material contracts” in this appendix;
- (vii) the Circular; and
- (viii) the Prospectus.