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SUN CENTURY GROUP LIMITED

太陽世紀集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE, RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE AND RESUMPTION OF TRADING

This announcement is made by Sun Century Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that the Company was informed by the controlling shareholder of the Company, Fame Select Limited (“**Fame Select**”) (a company which holds 861,048,842 Shares, representing approximately 58.65% of the existing issued share capital of the Company as at the date of this announcement), that a memorandum of understanding (the “**MOU**”) was entered into on 1 April 2015 (after trading hours) (which was amended and supplemented on 8 April 2015) between Fame Select as possible vendor and an independent third party as possible purchaser (the “**Possible Purchaser**”) in relation to the possible sale and purchase of all of the 861,048,842 Shares (the “**Sale Shares**”) held by Fame Select (the “**Possible Transaction**”). Fame Select is ultimately and beneficially owned as to 50% by Mr. Chau Cheok Wa, the chairman and an executive Director of the Company and as to

50% by Mr. Cheng Ting Kong. The Possible Purchaser and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Pursuant to the terms of the MOU, there will be a refundable deposit of HK\$20 million and the Possible Purchaser will commence due diligence on the assets, liabilities, business, prospectus and other affairs of the Company as soon as practicable for a period of no more than 60 days from the date of signing the MOU.

After the signing of the MOU, Fame Select and the Possible Purchaser shall enter into good faith negotiation for a formal agreement (the “**Formal SPA**”) for the sale and purchase of the Sale Shares and other documentation and matters relating to the transaction and the provisions of the MOU shall form the basis for the preparation of the said documents.

It is a term of the MOU that customary representations and warranties by Fame Select and the following major terms and covenants will be included in the Formal SPA:

- (i) due incorporation and valid subsistence of the Company;
- (ii) operation and management of the business of the Group (including licensing, distribution and tenancy agreements concerned) are in all material respect in compliance with the relevant laws and regulatory requirements of appropriate jurisdictions, including but not limited to Hong Kong and the People’s Republic of China;
- (iii) no material litigation or pending litigation against the Company;
- (iv) no major dispute with trade or labour union or similar organisations(s) for the employees of the Company. If there exists any agreement with such union or organization, the terms thereof have to be reviewed and revisions may have to be made to such agreement where appropriate;
- (v) the retention of certain key employees as determined by the Possible Purchaser; and
- (vi) the retention of certain major suppliers and/or customers as determined by the Possible Purchaser.

Pursuant to the terms of the MOU, completion shall be subject to:

- (i) completion of business, financial and legal due diligence review to be conducted by professional advisors reporting to the Possible Purchaser, and the results of which are satisfactory to the Possible Purchaser in its sole discretion;
- (ii) the Possible Purchaser being in compliance with the requirements of the Listing Rules or other rules or regulations to which the Possible Purchaser or any of its subsidiaries is subject;

- (iii) if the Possible Purchaser requires, legal opinion(s) on the Company in relation to its due incorporation, valid subsistence and operation and management of the business of the Company (including licensing, distribution and tenancy agreements concerned) in respect of the relevant jurisdictions, including but not limited to Hong Kong and the People's Republic of China; and
- (iv) satisfactory legal documentation.

The Possible Purchaser may incorporate other conditions that it considers necessary during the course of due diligence.

It is provided in the MOU that during the period of sixty (60) days from the date of the MOU, Fame Select will not negotiate or enter into any contract or agreement with or give any undertaking in favour of any third party for:

- (i) the sale or disposal of the Sale Shares; or
- (ii) the grant of any right of exclusive negotiations to any person for the sale or disposal of the Sale Shares; and

solicit or review any proposal or attend any presentation one of the purposes of which (whether or not such purpose is a principal purpose) is in connection with any of the matters set out above, except insofar as it relates to and is in furtherance of the transactions contemplated by the Formal SPA.

The MOU is non-legally binding save for the provisions in relation to the deposit, exclusivity, fees and expenses, confidentiality, governing law and good faith negotiation obligation.

The Company has been informed by Fame Select that no legally binding agreements had been entered into in respect of the Possible Transaction as at the date of this announcement, the discussions are still in progress and the Possible Transaction may or may not proceed. If the Possible Transaction materializes, it may lead to a change in control of the Company and a mandatory cash offer under the Takeovers Code for all the Shares and the relevant securities of the Company (other than those already owned by or agreed to be acquired by the Possible Purchaser and parties acting in concert with it).

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid discussions will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

In compliance with Rule 3.8 of the Takeovers Code, the relevant securities of the Company in issue as at the date of this announcement comprise (i) 1,468,214,725 Shares and (ii) 132,981,243 outstanding options. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

DEALING DISCLOSURE

The associates (within the meaning ascribed thereto under the Takeovers Code, including but not limited to any person holding 5% or more of a class of relevant securities of the Company) of the Company are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.

Shareholders and potential investors of the Company shall be aware that the MOU is non-legally binding in respect of the terms and conditions of the Possible Transaction. There is no assurance that any transaction mentioned in this announcement will materialize or eventually be consummated and the discussions may or may not lead to a general offer. Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the shares and/or other securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 2 April 2015 pending the release of this announcement.

Application has been made by the Company to the Stock Exchange for resumption of trading in its Shares on the Stock Exchange with effect from 9:00 a.m. on 10 April 2015.

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

Hong Kong, 9 April 2015

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

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