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世纪阳光

世纪阳光集团控股有限公司
CENTURY SUNSHINE GROUP HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 509)*

**UPDATE ON THE FOLLOW-UP ACTIONS OF SHANDONG HONGRI
IN RELATION TO THE ADMINISTRATIVE RULING
AND
UPDATE ON THE AUCTION BY THE LUOZHUANG COURT,
LINYI CITY IN RESPECT OF
THE LAND USE RIGHTS OF SHANDONG HONGRI**

Reference is made to the announcements of the Company dated 12 February 2025, 29 August 2025, and 18 November 2025 (collectively, the “Announcements”), regarding (1) the formal written application submitted by Shandong Hongri to the Luozhuang District Government for clarifying the soil remediation processes and standards in accordance with the Administrative Ruling made by the Shandong Court; and (2) the progress of the auction of the Land Use Rights of Shandong Hongri by the Luozhuang Court. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

**UPDATE ON THE FOLLOW-UP ACTIONS OF SHANDONG HONGRI IN
RELATION TO THE ADMINISTRATIVE RULING**

As disclosed in the Announcements, all industrial lands of Shandong Hongri have been included in the “Relocation to Parks from City Project” carried out by the Luozhuang District Government for land use rights conversion. The Luozhuang District Government and Shandong Hongri entered into the “Agreement of Relocation to Parks from City for Shandong Hongri Chemical Joint Stock Company Limited” (the “Agreement”), which expressly stipulated the primary obligations of the Luozhuang District Government to “procure land acquisition, zoning adjustments, land use approval, and public auction, with Shandong Hongri fully cooperating in relevant work”. Shandong Hongri completed machinery relocation, factory demolition, land leveling, and employee resettlement as scheduled. However, the Luozhuang District Government failed to discharge its subsequent obligations under the Agreement, resulting in a complete lack of substantive progress in the Relocation to Parks from City Project of Shandong Hongri.

Accordingly, Shandong Hongri filed an application for Administrative Review with the Linyi Municipal Government, seeking an order compelling the Luozhuang District Government to fulfill its obligations under the Relocation to Parks from City Project. Thereafter, Shandong Hongri initiated an Administrative Appeal to the Shandong Provincial High People's Court (the "**Shandong Court**"). The Shandong Court subsequently issued an administrative ruling (the "**Administrative Ruling**"), affirming the legality and validity of the Agreement. Relying on the defence advanced by the Luozhuang District Government, the Shandong Court further held that the soil remediation issue is a prerequisite ("**Prerequisite Requirement**") for fulfilling the Agreement, but it did not specify the precise processes and standards required.

In order to effectively implement the requirements of the Administrative Ruling and ensure the smooth progress of the Relocation to Parks from City Project, Shandong Hongri has submitted a written application to the Luozhuang District Government to clarify the specific processes, execution standards, implementation requirements, and the corresponding supporting arrangements for soil remediation during the land acquisition process. Shandong Hongri requested the Luozhuang District Government to provide a written reply for the application. Upon receipt of the required instructions, Shandong Hongri will carry out, organise, and conduct soil remediation work according to the requirements provided by the Luozhuang District Government, and will actively facilitate the land acquisition process so as to achieve substantial progress in the Relocation to Parks from City Project. As of the date of this announcement, the Luozhuang District Government has not provided a clear written reply regarding the soil remediation plan.

However, the Company has been informed that Shandong Hongri recently received a notice from the Luozhuang District Government regarding the termination of the "Agreement of Relocation to Parks from City for Shandong Hongri Chemical Joint Stock Company Limited" (the "**Termination Notice**"). Prior to issuing the Termination Notice, the Luozhuang District Government did not provide any reply to Shandong Hongri in respect of any specific standards and legal procedures for the implementation of soil pollution remediation. Instead, it unilaterally terminated the Agreement on the grounds that Shandong Hongri "failed to discharge its soil pollution investigation and remediation obligations". Such administrative action completely violates the principles of procedural justice and good faith, and constitutes a serious breach of procedural law. In response, Shandong Hongri has submitted an application for Administrative Review to the Linyi Municipal Government, Shandong Province, requesting: (1) the revocation of the Termination Notice; (2) confirmation that the administrative action of unilateral and forced termination by the Luozhuang District Government is illegal; (3) an order for the Luozhuang District Government to continue fulfilling its responsibilities and obligations under the Agreement; and (4) the convening of a hearing to review the matter.

Furthermore, notwithstanding the Administrative Ruling regarding the prerequisite requirement issued by the Shandong Court, Shandong Hongri maintains its stance that the government should play a leading role in the land acquisition process. Shandong Hongri has also sought legal advice and applied to the Supreme People's Court of the People's Republic of China for a retrial of the Administrative Ruling issued by the Shandong Court, and will take all necessary actions to safeguard the legitimate rights and interests of Shandong Hongri, the Company's shareholders, and offshore creditors.

UPDATE ON THE AUCTION BY THE LUOZHUANG COURT, LINYI CITY IN RESPECT OF THE LAND USE RIGHTS OF SHANDONG HONGRI

As disclosed in the Announcements, China Cinda Asset Management Corporation Limited Shandong Branch, a creditor of Shandong Hongri (the “**Creditor**”) applied for and the Luozhuang District People's Court of Linyi Municipal (the “**Luozhuang Court**”) issued an execution ruling (the “**Execution Ruling**”) to auction part of the land use rights pledged in Shandong Hongri (“**Land Use Rights of Shandong Hongri**”) in February 2025. The creditor applied to the court for the Execution Ruling because the Luozhuang District Government failed to discharge its follow-up obligations for Shandong Hongri's Relocation to Parks from City Project as agreed, resulting in the failure to procure and complete the land acquisition work. At that time, Shandong Hongri appointed lawyers to file an objection to execution with the Luozhuang Court against the Execution Ruling, requesting the revocation of the Execution Ruling and a stay of the auction procedures for the Land Use Rights of Shandong Hongri.

The Company has recently been informed that the Luozhuang Court has scheduled an online judicial auction for the Land Use Rights of Shandong Hongri on 16 February 2026 (Chinese New Year's Eve). According to the valuation report received by Shandong Hongri from the Luozhuang Court (the “**Valuation Report**”), the overall appraised value is RMB182.6 million, with an initial reserve auction price of the Land Use Rights of Shandong Hongri of RMB127.8 million.

Based on the advice from the legal counsel of Shandong Hongri, the appraisal opinion contained in the Valuation Report suffers from material deficiencies in the procedures of appraisal, methodologies, and resulting conclusion. The legal counsel further advised that the Land Use Rights of Shandong Hongri form part of a key project under the “Relocation to Parks from City” policy. Pursuant to the Linyi Luozhuang District Territorial Space Plan (2021-2035), the planned land use should be clearly defined as “urban residential land” and included within the scope of land acquisition by the Luozhuang District Government. Accordingly, the value of the Land Use Rights of Shandong Hongri should be appraised based on the nature of such planned land use. The current appraisal opinion of the Valuation Report values the land as “industrial land” without considering the value-added effect from the “Relocation to Parks from City” policy, violates the basic facts and does not comply with the “highest and best use principle”. This approach results in a substantial undervaluation of land value that severely deviates from its true market value.

At present, the conditions for conducting the auction are not yet mature. Proceeding with the auction prematurely would risk severe asset impairment, undermine the fairness of the enforcement process, and potentially have a material impact on the performance of the Agreement. To safeguard the legitimate rights and interests of Shandong Hongri, Shandong Hongri has applied to the Luozhuang Court for a stay of the auction. As of the date of this announcement, Shandong Hongri has not yet received a reply from the Luozhuang Court regarding the application for a stay of the auction.

In the process of performing the “Relocation to Parks from City” Agreement, the Luozhuang District Government not only failed to discharge its statutory duties such as land acquisition as agreed, but even attempted to unilaterally and forcibly breach and repudiate the Agreement that had previously been confirmed as valid and legally effective by the two levels of courts, namely the Linyi Intermediate People’s Court and the Shandong Court. Such action is suspected of abusing administrative power and committing “substantive breach” in the name of “procedural legality”. It seriously infringes upon the property rights and interests of the enterprise and will cause irreparable damage to the local business environment and government credibility. The Company will continue to seek legal advice and take all feasible measures to safeguard the legitimate rights and interests of Shandong Hongri, the Company’s shareholders, and offshore creditors.

The Company will make further announcement(s) in relation to the above matters as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 1 April 2025 and will remain suspended until the Company meets all Resumption Guidance, remedies the issues causing its trading suspension and fully complies with the Listing Rules to the Stock Exchange’s satisfaction.

By Order of the Board
Century Sunshine Group Holdings Limited
Chi Jing Chao
Executive Director

Hong Kong, 2 February 2026

As at the date of this announcement, the Directors are:

Executive Directors : *Mr. Chi Wen Fu and Mr. Chi Jing Chao*

Independent Non-executive Directors : *Mr. Cheung Sound Poon and Mr. Shen Yi Min*