CENTURY SUNSHINE
世纪阳光

CENTURY SUNSHINE GROUP HOLDINGS LIMITED
世紀陽光集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 509)

CONNECTED TRANSACTION ACQUISITION OF 21.8% OF THE ISSUED SHARE CAPITAL OF CHINA MAGNESIUM LIMITED

On 15 January 2013, the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Contract with the Vendor in relation to the sale of the Sale Shares by the Vendor to the Purchaser at a consideration of HK$32,089,382. Completion of the Acquisition has taken place upon signing of the Contract.

Since the Vendor was a director and a substantial shareholder of China Magnesium, being a non wholly-owned subsidiary of the Company, prior to completion of the Acquisition, the Vendor is a connected person of the Company and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Acquisition are more than 0.1% but less than 5%, the Acquisition is only subject to the reporting and announcement requirements but is exempt from independent shareholders' approval requirement under the Listing Rules.

THE CONTRACT

On 15 January 2013, the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Contract with the Vendor in relation to the sale of the Sale Shares by the Vendor to the Purchaser at a consideration of HK$32,089,382. The principal terms of the Contract are set out below:

Date:	15 January 2013
The Purchaser:	Capital Idea Investments Limited, a wholly-owned subsidiary of the Company.

The Vendor:	Mr. Miao Xi Zhu Since the Vendor was a director and a substantial shareholder of China Magnesium, a non wholly-owned subsidiary of the Company, prior to completion of the Acquisition, the Vendor is a connected person of the Company.
Sale Shares:	2,180 shares of HK$1.00 each representing 21.8% of the issued share capital of China Magnesium, which are held by the Vendor prior to completion of the Acquisition.
Consideration:	The consideration for the acquisition of the Sale Shares is HK$32,089,382. 50% of the consideration (being HK$16,044,691) has been paid in cash by the Purchaser to the Vendor upon completion of the Acquisition, whereas the remaining 50% of the consideration (being HK$16,044,691) shall be paid in cash by the Purchaser to the Vendor after the date of completion of the Acquisition on or before the date falling 5 working days after completion of the updating of the entries in the shareholders' register and the change of director of China Magnesium and the receipt of the Share certificate(s) of the Sale Shares from the Vendor.
Completion:	Completion of the Acquisition has taken place upon signing of the Contract. The then shareholders of China Magnesium prior to completion of the Acquisition have waived their right of first refusal to purchase the Sale Shares under the shareholders' agreement in relation to China Magnesium.

The consideration for the Acquisition was determined after arm's length negotiation between the Purchaser and the Vendor based on normal commercial terms and with reference to net assets of China Magnesium. It is intended that the consideration for the Acquisition will be funded by the internal resources of the Group.

INFORMATION OF CHINA MAGNESIUM GROUP

China Magnesium is a company incorporated in Hong Kong with limited liability. The principal business of China Magnesium is investment holding and its principal asset is its 100% equity interest in Tianan Magnesium.

Tianan Magnesium is a company incorporated in PRC with limited liability. The principal business of Tianan Magnesium is manufacturing and sale of magnesium products in PRC.

The financial highlights of China Magnesium Group are set out below:

	For the six months ended 30 June 2012 *HK$'000*	For the financial year ended 31 December 2011 *HK$'000*	For the financial year ended 31 December 2010 *HK$'000*
Net assets	137,247	114,525	107,487
Profit/(Loss) before taxation and extraordinary items	31,788	4,435	(16,375)
Profit/(Loss) after taxation and extraordinary items	23,193	4,435	(16,375)

Note: The financial figures for each of the two financial years ended 31 December 2011 were based on the audited consolidated accounts of China Magnesium which were prepared in accordance with accounting principles and practices generally accepted in Hong Kong.

And, the financial figures for the six months ended 30 June 2012 were based on the unaudited consolidated accounts of China Magnesium which were prepared in accordance with accounting principles and practices generally accepted in Hong Kong.

To the best knowledge and information of the Directors, the Vendor has sold, and Win Union Limited (being the company which owns 13.5% of the issued share capital of Fullocean) has acquired, the remaining 6.8% of the issued share capital of China Magnesium then held by the Vendor on the date of completion of the Acquisition. As such, immediately after completion of the Acquisition and the acquisition by Win Union Limited of the remaining 6.8% of the issued share capital of China Magnesium then held by the Vendor, China Magnesium is owned as to 67% by Fullocean, 21.8% by the Purchaser, 6.8% by Win Union Limited, 2.2% by Mr. Cheng King Sang and 2.2% by Mr. Yin Hong Sheng. Prior to completion of the above, China Magnesium was owned as to 67% by Fullocean, 28.6% by the Vendor, 2.2% by Mr. Cheng King Sang and 2.2% by Mr. Yin Hong Sheng.

To the best knowledge and information of the Directors, the Vendor had paid, on average, approximately HK$22,955,000 to obtain the Sale Shares.

REASONS AND BENEFITS FOR THE ACQUISITION

The Company is an investment holding company and the Company's subsidiaries are principally engaged in the fertiliser business and magnesium product business.

As disclosed by the Company in its 2012 Interim Report, market demand for magnesium products and magnesium alloys has been growing gradually, and the Group's magnesium products have quickly earned recognitions in the market. Having an abundant resourceful dolomite mine in Baishan, Jilin Province through Tianan Magnesium, as well as patented technologies on high-performance rare earth magnesium alloy productions, the Group ensures cost effective high-performance magnesium alloys products will be manufactured to meet the fast-growing demand in the new material industry. Through the Acquisition, the Company can reinvest its resources into business with high growth and high potential of the Group, and enhance the management and operation in Tianan Magnesium.

The Directors (including the independent non-executive Directors) consider the terms of the Contract have been made on normal commercial terms and are fair and reasonable and the Acquisition is in the interest of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Contract. Accordingly, none of the Directors is required to abstain from voting on the relevant board resolution(s) to approve the Contract and the transactions contemplated thereunder under the articles of association of the Company or the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

Since the Vendor was a director and a substantial shareholder of China Magnesium, being a non wholly-owned subsidiary of the Company, prior to completion of the Acquisition, the Vendor is a connected person of the Company and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Acquisition are more than 0.1% but less than 5%, the Acquisition is only subject to the reporting and announcement requirements but is exempt from independent shareholders' approval requirement under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

"Acquisition"	the acquisition of the Sale Shares pursuant to the terms of the Contract;
"Board" or "Director(s)"	the board of directors of the Company;
"China Magnesium"	China Magnesium Limited, a company incorporated in Hong Kong;
"China Magnesium Group"	China Magnesium and Tianan Magnesium;
"Company"	Century Sunshine Group Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange;
"connected person"	the meaning ascribed to it in the Listing Rules;
"Contract"	the sale and purchase contract between (i) the Purchaser as purchaser and (ii) the Vendor as vendor in respect of the Acquisition dated 15 January 2013;
"Fullocean"	Fullocean Group Limited, a company incorporated in the British Virgin Islands which is indirectly owned as to 84.5% by the Company through the Purchaser;

"Group"	the Company and its subsidiaries;
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China;
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;
"Purchaser"	Capital Idea Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company;
"Sale Shares"	2,180 shares of HK$1.00 each representing 21.8% of the issued share capital of China Magnesium, which were held by the Vendor prior to completion of the Acquisition;
"Shares"	the shares of the Company;
"Shareholder(s)"	shareholder(s) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Tianan Magnesium"	Baishan City Tianan Magnesium Resources Co., Ltd. (白山市天安金屬鎂礦業有限公司), a wholly-foreign owned enterprise established in the PRC and a wholly-owned subsidiary of China Magnesium;
"Vendor"	Mr. Miao Xi Zhu, being a director and a substantial shareholder of China Magnesium prior to completion of the Acquisition and thus a connected person of the Company;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"RMB"	Renminbi, the lawful currency of the PRC; and
"%"	per cent.

By Order of the Board
Chi Wen Fu
Chairman

Hong Kong, 15 January 2013

As at the date of this announcement, the directors of the Company are:

Executive directors:	*Mr. Chi Wen Fu, Mr. Shum Sai Chit and Ms. Chi Bi Fen*
Non-executive director:	*Mr. Guo Mengyong*
Independent non-executive directors:	*Mr. Kwong Ping Man, Mr. Liu Hoi Keung and Mr. Sheng Hong*