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世紀陽光集團控股有限公司
CENTURY SUNSHINE GROUP HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 509)

ISSUANCE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

On 17 June 2014 after trading hours, the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe in cash for the Convertible Bonds of an aggregate principal amount of HK$115,000,000.

Based on the conversion price of HK$1.2 per each Conversion Share, 95,833,333 Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full, which represent approximately 3.41% of the existing issued share capital of the Company and approximately 3.30% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The Conversion Shares will be issued under the General Mandate.

The net proceeds from the Subscription (after deducting related expenses) are estimated to be of approximately HK$114,500,000 and the Company intends to use such net proceeds for capital expenditure and/or as general working capital of the Group.

THE SUBSCRIPTION AGREEMENT

On 17 June 2014, the Company and the Subscriber entered into the Subscription Agreement, the principal terms of which are set out below.

Subscriber: Gem Power International Limited (an Independent Third Party)

Issuer: The Company

Subscription Amount:

Subject to the satisfaction of the conditions precedent set out in the Subscription Agreement, the Subscriber agreed to subscribe in cash for, and the Company agreed to issue, the Convertible Bonds of an aggregate principal amount of HK$115,000,000.

Conditions Precedent:

Completion of the Subscription is conditional upon the satisfaction of, among others, the following conditions precedent:

(a) Listing Committee granting the approval for the listing of and permission to deal in the Conversion Shares;

(b) the warranties and representations made by the Company in the Subscription Agreement remaining true and accurate in all material respects and not misleading as at the completion date;

If the above conditions are not fulfilled or waived by the Subscriber on or before 16 July 2014 or any other date as may be agreed between the Company and the Subscriber, the Subscription Agreement shall cease to be of any effect and the parties shall have no claim against each other arising out of or in connection with the Subscription Agreement save in respect of those arising out of any antecedent breach of the Subscription Agreement.

Completion:

Completion of the Subscription shall take place on the fifth (5th) Business Day after all the conditions precedent set out in the Subscription Agreement have been satisfied or (where appropriate) waived.

Termination:

The Subscriber may, by written notice to the Company given at any time prior to payment of the subscription price for the Convertible Bonds to the Company on the date of completion of the Subscription, terminate the Subscription Agreement in any of the following circumstances:

(a) if there (i) is any breach of the warranties and representations of the Company contained in the Subscription Agreement in any material respect, or (ii) shall have occurred any event rendering any warranty and representation of the Company contained in the Subscription Agreement to be untrue or incorrect in any material respect;

(b) if the Company fails to perform any of its obligations under the Subscription Agreement in any material respect; or

(c) it is or becomes unlawful for the Company or the Subscriber to perform any of its obligations under the Subscription Agreement.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Issuer:	The Company
Principal amount:	HK$115,000,000
Issue price:	100% of the principal amount of the Convertible Bonds

Form and Denomination:

The Convertible Bonds will be issued in registered form in the denomination of HK$5,000,000 each.

Interest:

The Convertible Bonds shall bear interest from the date of issue at 4.5% per annum on the principal amount of the Convertible Bonds outstanding from time to time, payable semi-annually in arrears.

Maturity Date:

The date falling 1 year from the date of issue of the Convertible Bonds

Conversion Price:

The price at which the Conversion Shares will be issued upon the exercise of conversion rights under the Convertible Bonds shall be HK$1.2 per each Conversion Share.

The conversion price for the Conversion Shares represents (i) a premium of approximately 22.45% to the closing price of HK$0.980 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a premium of approximately 21.46% to the average closing price of HK$0.988 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreement.

The Directors (including the independent non-executive Directors) are of the opinion that the conversion price for the issuance of the Conversion Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conversion Shares:

Based on the conversion price of HK$1.2 per each Conversion Share, 95,833,333 Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full, which represent approximately 3.41% of the existing issued share capital of the Company and approximately 3.30% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

Conversion Period:

The 1-year period commencing on the date of issue of the Convertible Bonds and prior to the maturity date of the Convertible Bonds.

Adjustments to the Conversion Price:

The conversion price of the Convertible Bonds shall from time to time be subject to adjustment upon occurrence of certain events:

(a) consolidation, subdivision or reclassification of Shares;

(b) capitalisation of profits or reserves;

(c) capital distribution;

(d) offer of new Shares for subscription by way of rights issue or grant of options, warrants or other rights to Shareholders, to subscribe for or purchase Shares, at a price per Share which is less than 90% of the market price per Share at the relevant time;

(e) issue wholly for cash being made by the Company of new Shares or issue or grant of options, warrants or other rights to subscribe for or purchase Shares, at a price per Share which is less than 90% of the market price per Share at the relevant time;

(f) the Company or any of its subsidiaries (other than as mentioned in paragraphs (d) or (e) above), or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity shall issue wholly for cash any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share receivable by the Company which is less than 90% of the market price per Share at the relevant time;

(g) any modification of the rights of conversion, exchange or subscription (other than the conversion rights of the Convertible Bonds) attaching to any such securities or rights as are mentioned in paragraph (f) above (other than in accordance with the terms applicable to such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 90% of the market price per Share at the relevant time;

(h) right issues of other securities or other offers of issue of securities to the Shareholders; or

(i) other events or circumstances not mentioned in paragraphs (a) to (h) above which the Company or the majority holder(s) of the Convertible Bonds, may determine that a consequential adjustment should be made to the conversion price of the Convertible Bonds.

No adjustment shall be made to the conversion price in respect of any issue of Shares pursuant to the scrip dividend scheme approved at the annual general meeting of the Company on 28 April 2014 or any issue or grant of Share or option pursuant to any share scheme or any issue of Shares pursuant to any exercise of any option granted under any share scheme of the Company.

Redemption on Maturity Date:

(a) The Company shall not redeem (all or some) the Convertible Bonds before the maturity date;

(b) The principal amount of the Convertible Bonds not being converted according to the terms of the Bond Instrument before the maturity date shall be redeemed in full by the Company at the maturity date.

Events of Default:

If, among others, any of the following events occurs, the holder(s) of the Convertible Bonds shall be entitled to require the Company, to redeem the entire principal amount of the Convertible Bonds not yet converted according to the terms of the Bond Instrument.

(a) the Company fails to pay the amount due and payable under the Convertible Bonds;

(b) Mr. Chi ceases to be a Director or the Chairman of the Company or holds, whether directly or indirectly through companies controlled by him, less than 30% of the issued share capital of the Company.

(c) Other events of default (e.g. the holder(s) of encumbrance has taken possession of the assets; indebtedness is not paid upon maturity; suspension of trading of the Shares by the Stock Exchange etc.) leading to a material adverse effect on the Company or any of its principal operating subsidiaries.

Transferability:

Holder(s) of the Convertible Bonds may with prior written consent of the Company transfer all or some of the Convertible Bonds to any third party.

Status:

The Convertible Bonds constitute direct, unconditional and unsubordinated obligations of the Company and shall at all times rank pari passu and rateably without any preference (with the exception of obligations in respect of taxes and certain other statutory exceptions) with all other unsecured and unsubordinated obligations of the Company. The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange.

Voting Rights:

The Convertible Bonds shall not confer on the holder(s) of the Convertible Bonds the right to vote at general meetings of the Company.

GENERAL MANDATE TO ISSUE THE CONVERTIBLE BONDS AND TO ALLOT AND ISSUE THE CONVERSION SHARES UPON CONVERSION OF THE CONVERTIBLE BONDS

At the annual general meeting of the Company held on 28 April 2014, a resolution of the Shareholders was passed to grant to the Directors a general mandate ("**General Mandate**") to allot, issue and otherwise deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution. The Company is authorised to issue 562,008,573 Shares under such mandate.

As at the date of this announcement, the Company has not exercised the power to allot and issue any new Shares pursuant to such mandate prior to the Subscription. Upon the exercise of the conversion rights of the Convertible Bonds, the Conversion Shares will be allotted and issued pursuant to the said General Mandate. Accordingly, the issue of the Convertible Bonds and the Conversion Shares (upon conversion of the Convertible Bonds) is not subject to Shareholders' approval.

CHANGES TO SHAREHOLDING AS A RESULT OF THE FULL CONVERSION OF THE CONVERTIBLE BONDS

The shareholding in the Company (a) as at the date of this announcement; and (b) immediately after full conversion of the Convertible Bonds (assuming no further Shares will be issued or repurchased from the date of this announcement to the date upon which the Convertible Bonds are fully converted) are as follows:

	As at the date of this announcement		**Immediately upon full conversion of the Convertible Bonds**	
	No. of Shares	*Approx. %*	*No. of Shares*	*Approx. %*
Shareholders				
Mr. Chi and Alpha Sino *(Note 1)*	1,102,534,180	39.24	1,102,534,180	37.94
Mr. Shum Sai Chi	10,311,940	0.37	10,311,940	0.35
Ms. Chi Bi Fen	7,625,000	0.27	7,625,000	0.26
Mr. Yang Yuchuan *(Note 2)*	252,393,170	8.98	252,393,170	8.69
Public Shareholders				
The Subscriber	–	–	95,833,333	3.30
Other Shareholders	1,437,178,578	51.14	1,437,178,578	49.46
Total:	2,810,042,868	100.00	2,905,876,201	100.00

Note 1: 933,792,930 Shares are held by Alpha Sino and are deemed corporate interests by virtue of Mr. Chi's holding of 83.74% of the issued share capital of Alpha Sino which entitled him to exercise or control the exercise of one-third or more of the voting power at general meeting of Alpha Sino.

Note 2: Mr. Yang Yuchuan has interest in an aggregate of 252,393,170 Shares of which (a) 22,795,949 Shares are beneficially owned by his spouse, Ms. Lao Min, and registered in her name; and (b) 229,597,221 Shares are deemed corporate interests by virtue of his holding of 47.17% of the issued share capital of Best Equity Holdings Limited ("Best Equity") which entitled him to exercise or control the exercise of one-third or more of the voting power at general meeting of Best Equity.

As disclosed in the above shareholding table, immediately after the full conversion of the Convertible Bonds, over 25% of the then issued share capital of the Company will be held by public Shareholders (including the Subscriber).

REASONS FOR THE ISSUANCE OF THE CONVERTIBLE BONDS AND USE OF PROCEEDS

The Directors is of the view that the raising of funds by the issuance of the Convertible Bonds is justifiable considering the recent market conditions which represent an opportunity for the Company to enhance its working capital and strengthen its capital base and financial position. The Directors consider that the issue of the Convertible Bonds is an appropriate means of raising additional capital of the Company since it will not have an immediate dilution effect on the shareholding of the existing Shareholders.

The Directors (including the independent non-executive Directors) consider the terms and conditions of the Subscription Agreement and the Convertible Bonds to be fair and reasonable, on normal commercial terms and are in the best interests of the Company, as far as the Company and the Shareholders as a whole are concerned.

The gross and net proceeds from the Subscription are estimated to be approximately HK$115,000,000 and HK$114,500,000 respectively.

The Company intends to utilise the entire net proceeds from the Subscription for capital expenditure and/or as general working capital of the Group.

GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in diverse yet vertically integrated business activities including research and development, production, and distribution of magnesium alloys and ecological fertilisers.

INFORMATION ON THE SUBSCRIBER

The Subscriber is an indirectly wholly owned subsidiary of CCB International (Holdings) Limited ("**CCB International**").

CCB International is an investment services flagship which is indirectly and wholly-owned by China Construction Bank Corporation. Its core business is divided into three main areas, namely Pre-IPO, IPO and Post-IPO which in turn form a comprehensive investment services value chain that offers a full range of products and services including sponsoring and underwriting, financial advisory, corporate mergers and acquisitions and restructuring, additional issuance and placement of shares and refinancing for listed companies, direct investment, asset management, securities brokerage, market research, investment consultancy, etc.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry, the Subscriber and its ultimate beneficial owner(s) are Independent Third Party.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Other than the issuance of Shares under the Share Option Scheme, the Company has issued 155,077,000 Shares to International Finance Corporation ("**IFC**") on 24 February 2014. The gross and net proceeds from the subscription of Shares by IFC were approximately HK$116,000,000 and HK$114,000,000 respectively. As disclosed in the announcements of the Company dated 28 January 2014 and 24 February 2014, the entire net proceeds from the said subscription was used by the Company as general working capital of the Group.

Save as disclosed above, the Company has not conducted any fund raising activities in the past 12 months before the date of this announcement.

APPLICATION FOR LISTING

No application will be made by the Company to the Listing Committee for listing of the Convertible Bonds. An application will be made to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

MISCELLANEOUS

In the event of inconsistency, the English texts of this announcement shall prevail over the Chinese texts.

Shareholders and potential investors should note that the Subscription is subject to various conditions precedent. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITION

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

"Alpha Sino"	Alpha Sino International Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company
"Board"	the board of Directors
"Bond Instrument"	the instrument constituting the Convertible Bonds
"Business Day"	means any day (other than Saturday or Sunday or public holiday) on which commercial banks are open for normal banking business in Hong Kong and the PRC

"Company"	Century Sunshine Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
"Conversion Shares"	the new Shares to be allotted and issued by the Company upon exercise of the conversion rights attaching to the Convertible Bonds
"Convertible Bonds"	the convertible bonds in the aggregate principal amount of HK$115,000,000 to be issued by the Company convertible to the Conversion Shares at the conversion price stipulated in the Bond Instrument
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party"	third party independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules)
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Chi"	Mr. Chi Wen Fu, the controller of Alpha Sino and the Chairman and executive Director of the Company
"PRC"	the People's Republic of China, (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
"Share(s)"	ordinary share(s) of HK$0.02 in the capital of the Company
"Share Option Scheme"	share option scheme adopted by the Company on 3 December 2008
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Subscriber"	Gem Power International Limited, a company incorporated in the British Virgin Islands
"Subscription"	the subscription of the Convertible Bonds by the Subscriber pursuant to the Subscription Agreement
"Subscription Agreement"	a subscription agreement dated 17 June 2014 and made between the Subscriber and the Company regarding the Subscription
"%"	per cent.

By Order of the Board of
Century Sunshine Group Holdings Limited
Chi Wen Fu
Chairman

Hong Kong, 17 June 2014

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:	*Mr. Chi Wen Fu, Mr. Shum Sai Chi, Ms. Chi Bi Fen and Mr. Yang Yuchuan*
Non-executive Director:	*Mr. Guo Mengyong*
Independent non-executive Directors:	*Mr. Kwong Ping Man, Mr. Sheng Hong and Mr. Lau Chi Kit*