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)

ANNOUNCEMENT OF LITIGATION

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

Reference was made to the announcement of the Company dated 15 January 2013, Capital Idea Investments Limited ("**Capital Idea**", a wholly owned subsidiary of the Company) acquired 2,180 shares of China Rare Earth Magnesium Technology Holdings Limited ("**CREMTH**", formerly known as China Magnesium Limited) from Mr. Miao Xi Zhu ("**Mr. Miao**") at a consideration of HK$32,089,382 (the "**Sale Transaction**").

CREMTH is a non-wholly owned subsidiary of the Company and is currently mainly owned as to 64.99% by Fullocean Group Limited ("**Fullocean**" a non-wholly owned subsidiary of the Company), 23.28% by Capital Idea and 8.73% by Win Union Limited ("**Win Union**"). Win Union is also the minority shareholder of Fullocean.

As noted by the Company from news reports on 8 October 2014, Mr. Miao considered that he was misled to enter into the Sale Transaction at an undervalue. On 6 October 2014, Mr. Miao lodged a claim in relation to the Sale Transaction at the High Court of Hong Kong against Mr. Shum Sai Chit, an executive director of the Company ("**Mr. Shum**"), Mr. Chi Wen Fu, the Chairman and an executive director of the Company ("**Mr. Chi**"), Capital Idea and Win Union for the losses arising from selling shares at an undervalue.

Mr. Shum, Mr. Chi and Capital Idea considered that the allegation of Mr. Miao went against the facts seriously. Prior to the completion of the Sale Transaction, Mr. Miao has been the second largest shareholder and director of CREMTH with a full knowledge of its overall operation and development plans. The consideration of the Sale Transaction was determined after over one month's negotiation between each party based on the assets, liabilities and performance of CREMTH, and thus there was no so-called induction or misleading. As of the date of this announcement, to the best knowledge of the Company, the writ of summons of the litigation has not yet been served on Mr. Shum, Mr. Chi and Capital Idea. Upon receiving this legal document, Mr. Shum, Mr. Chi and Capital Idea will seek legal advice in relation to the claim and the necessary actions to be taken in this respect and will vigorously defend against the claim.

The Company is of the view that this litigation will not have a material adverse impact on the business, operation and financial position of the Group.

The Company will make further announcements to update the shareholders and the prospective investors of the Company as and where appropriate in compliance with the Listing Rules.

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

Hong Kong, 9 October 2014

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

Executive directors:	*Mr. Chi Wen Fu, Mr. Shum Sai Chit, 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*