
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Century Sunshine Group Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This circular should be read in conjunction with the accompanying annual report of the Company for the year ended 31 December 2018.

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世紀陽光

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)

PROPOSALS FOR

**(1) GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES**

AND

(2) RE-ELECTION OF DIRECTORS

AND

(3) ADOPTION OF NEW SHARE OPTION SCHEME

AND

**(4) REFRESHMENT OF SCHEME MANDATE LIMIT UNDER
THE REMT SHARE OPTION SCHEME**

AND

NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM to be held at Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 26 June 2019 at 4:00 p.m. or any adjournment thereof is set out on pages 32 to 37 of this circular.

Whether or not you intend to attend and vote at the AGM in person, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

27 May 2019

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EXPECTED TIMETABLE

2019
(Hong Kong time)

Latest time for lodging transfer of Shares in order to be entitled to
attend and vote at AGM 4:00 p.m., Friday, 14 June

Closure of register of members of the Company for the entitlement
to attend and vote at the AGM Monday, 17 June
to Wednesday, 26 June
(both days inclusive)

Record date for determining entitlement to attend and
vote at the AGM Wednesday, 26 June

Latest time for lodging forms of proxy for the AGM 4:00 p.m., Monday, 24 June

AGM 4:00 p.m., Wednesday, 26 June

Announcement of the results of the AGM Wednesday, 26 June

Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be announced or notified to the Shareholders as and when appropriate.

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“2008 Share Option Scheme”	the share option scheme adopted by the Company on 3 December 2008;
“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by an ordinary resolution of the Shareholders;
“AGM”	the annual general meeting of the Company to be held at Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 26 June 2019 at 4:00 p.m., notice of which is set out on pages 32 to 37 of this circular;
“Alpha Sino”	Alpha Sino International Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company;
“Articles”	the articles of association of the Company;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules;
“Company”	Century Sunshine Group Holdings Limited (世紀陽光集團控股有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange;
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules;
“core connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;

DEFINITIONS

“Eligible Participant(s)”	(a) any full-time or part-time employee of the Company and/or any Subsidiary; (b) any director (including executive, non-executive and independent non-executive director) of the Company and/or any Subsidiary; and (c) any consultant or adviser (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any Subsidiary who, at the sole determination of the Board, have contributed or will contribute to the Company and/or any Subsidiary;
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the New Share Option Scheme, or (where the context so permits) any person who is entitled, in accordance with the laws of succession applicable, to exercise any Option in consequence of the death of the original Grantee;
“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;
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“Issue Mandate”	the proposed general mandate to be granted to the Directors to allot, issue and 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 of the ordinary resolution granting such mandate;
“Latest Practicable Date”	17 May 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum”	the memorandum of association of the Company;

DEFINITIONS

“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in the Appendix III of this circular;
“Offer”	an offer for the grant of an Option made in accordance with the New Share Option Scheme;
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme and for the time being subsisting;
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“REMT”	Rare Earth Magnesium Technology Group Holdings Limited, a subsidiary of the Company which is incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 601);
“REMT AGM”	the annual general meeting of the REMT to be convened at Suite 1105, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on 26 June 2019;
“REMT Board”	the board of directors of REMT;
“REMT Group”	REMT and its subsidiaries;
“REMT Share Option Scheme Limit”	the maximum number of REMT Shares which may be issued upon exercise of all options to be granted under the REMT Share Option Scheme and other share option schemes of REMT which initially shall not in aggregate exceed 10% of the REMT Shares in issue as at the date of approval of the REMT Share Option Scheme by the REMT Shareholders and thereafter, if refreshed, shall not exceed 10% of the REMT Shares in issue as at the date of approval of the refreshed limit by the REMT Shareholders;
“REMT Share Option Scheme”	the share option scheme adopted by REMT on 4 December 2017;

DEFINITIONS

“REMT Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of REMT;
“REMT Shareholder(s)”	the holder(s) of the REMT Share(s);
“Repurchase Mandate”	the proposed general mandate to be granted to the Directors to permit the repurchase of fully paid up Shares of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the ordinary resolution granting such mandate;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“Share(s)”	the ordinary share(s) of HK\$0.02 each in the share capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the New Share Option Scheme;
“Subsidiary”	any company which is for the time being and from time to time a subsidiary (within the meaning ascribed thereto in the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly;
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.



世紀陽光

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)

Executive Directors:

Mr. Chi Wen Fu (*Chairman*)
Mr. Shum Sai Chit
Ms. Chi Bi Fen

Non-executive Director:

Mr. Guo Mengyong

Independent non-executive Directors:

Mr. Kwong Ping Man
Mr. Sheng Hong
Mr. Lau Chi Kit

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

*Head office and principal place
of business:*

Suite 1104, 11th Floor, Tower 6
The Gateway, 9 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong

27 May 2019

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
AND
(2) RE-ELECTION OF DIRECTORS
AND
(3) ADOPTION OF NEW SHARE OPTION SCHEME
AND
(4) REFRESHMENT OF SCHEME MANDATE LIMIT UNDER
THE REMT SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM regarding (i) the approval of the general mandates to issue and allot new Shares and to repurchase the Shares; (ii) the re-election of Directors; (iii) the adoption of New Share Option Scheme; and (iv) the refreshment of scheme mandate limit under the REMT Share Option Scheme.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the last annual general meeting of the Company held on 13 June 2018, the Shareholders passed resolutions granting the Directors general mandates to allot and issue new Shares and to repurchase Shares respectively. Such mandates will expire and lapse at the conclusion of the AGM. It is therefore proposed to renew the general mandates to issue, allot and deal with Shares and to repurchase Shares at the AGM.

Issue Mandate

At the AGM, an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve the Issue Mandate which will enable the Directors to allot, issue and otherwise deal with new Shares not exceeding 20% of the total number of issued shares of the Company at the date of passing such resolution. In addition, an ordinary resolution will also be proposed to the Shareholders to consider and, if thought fit, approve the extension of the Issue Mandate by adding to the aggregate number of Shares which may be allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with by the Directors pursuant to the Issue Mandate the number of Shares repurchased under the Repurchase Mandate, if granted.

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 4,581,116,843 Shares. Assuming that there is no change in the issued and fully paid up share capital of the Company between the period from the Latest Practicable Date and the date of passing of the resolution approving the Issue Mandate, the maximum number of Shares which may be issued pursuant to the Issue Mandate will be 916,223,368 Shares.

Details of the Issue Mandate and the extension of the Issue Mandate are respectively set out in ordinary resolutions numbered 4 and 6 in the notice of the AGM set out on pages 33 to 35 of this circular.

Repurchase Mandate

At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the Repurchase Mandate which will enable the Directors to repurchase Shares up to 10% of the issued and fully paid up share capital of the Company as at the date of passing of such resolution. The Company's authority is restricted to repurchase Shares in the market in accordance with the Listing Rules.

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 4,581,116,843 Shares. Assuming that there is no change in the issued and fully paid up share capital of the Company between the period from the Latest Practicable Date and the date of passing of the resolution approving the Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate will be 458,111,684 Shares.

Pursuant to the Listing Rules, an explanatory statement containing all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate is set out in Appendix I hereto.

LETTER FROM THE BOARD

Details of the Repurchase Mandate are set out in ordinary resolution numbered 5 in the notice of the AGM set out on pages 34 to 35 of this circular. Both the Issue Mandate and the Repurchase Mandate will expire upon the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of such authority by an ordinary resolution of the Shareholders in general meeting.

RE-ELECTION OF DIRECTORS

Pursuant to article 87(1) of the Articles, at each annual general meeting, one-third of the Directors for the time-being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Pursuant to article 87(2) of the Articles, a retiring Director shall be eligible for re-election. In addition, pursuant to articles 86(3) and 87(2) of the Articles, any Director so appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election (but shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation).

Accordingly, Ms. Chi Bi Fen, Mr. Kwong Ping Man, Mr. Sheng Hong and Mr. Lau Chi Kit shall retire at the AGM. Except for Ms. Chi Bi Fen who has informed the Company that she will retire as Executive Director of the Company and Mr. Kwong Ping Man who has informed the Company that he will retire as Independent Non-executive Director of the Company after the conclusion of the AGM and will not offer themselves for re-election at the AGM, all other retiring Directors, Mr. Sheng Hong and Mr. Lau Chi Kit, being eligible, offer themselves for re-election at the AGM.

Details of the retiring Directors proposed for re-election at the AGM are set out in Appendix II of this circular.

PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The 2008 Share Option Scheme of the Company was valid and effective for a period of 10 years commencing from 3 December 2008 and had expired on 2 December 2018. As at the Latest Practicable Date, options previously granted but unexercised under the 2008 Share Option Scheme which will entitle the holders of the options to be issued an aggregate of 14,956,204 Shares upon the exercise in full of all the outstanding options will remain valid and exercisable in accordance with their terms of issue. As at the Latest Practicable Date, the Company has not adopted any other share option scheme and does not have any plan to grant share options under the New Share Option Scheme.

LETTER FROM THE BOARD

The Board proposes to recommend to Shareholders to approve the New Share Option Scheme so that options to subscribe for the Shares may be granted to the Eligible Participants pursuant to the terms thereof. The purpose of the New Share Option Scheme is to enable the Company to grant Options to the Eligible Participants as incentive or reward for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Participants.

The Board considers that the New Share Option Scheme will motivate more persons to make contribution to the Group and facilitate the retention and the recruitment of high calibre staff of the Group. The Board believes that the inclusion of persons other than the employees and directors of the Group as Eligible Participants is appropriate given that the success of the Group requires the co-operation and contribution not only from the employees and directors of the Group but also from persons who play a role in the business of the Group, such as consultant, adviser, distributor, contractor, supplier, service provider, agent, customer and business partner of the Group. The eligibility of those parties other than employees and directors of the Group will be determined by the Board according to their potential and/or actual contribution to the business affairs and benefits of the Group. Furthermore, the Board considers that the Eligible Participants (employees or otherwise) will share common interests and objectives with the Group upon their exercise of the Options, which is beneficial to the long-term development of the Group.

The terms of the New Share Option Scheme provide that in granting Options under the New Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance targets to be achieved before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also determine the Subscription Price in respect of any Option. The Board believes that the ability for the Board to prescribe at its discretion such terms of the New Share Option Scheme will serve to protect the value of the Shares and encourage Eligible Participants to acquire proprietary interests in the Company which will increase in value in line with the contribution by the Eligible Participants to the Company, so as to achieve the purpose of the New Share Option Scheme.

The adoption of the New Share Option Scheme is conditional upon:

- (i) the passing of the necessary resolution by the Shareholders at the AGM to, (a) approve the adoption of the New Share Option Scheme; and (b) authorise the Board to grant options thereunder and to allot and issue shares pursuant to the New Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any new Shares which may fall to be issued and allotted pursuant to the exercise of the Options on the Stock Exchange.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the value of the Options which have not been determined. Such variables include the Subscription Price, option period, any lock-up period, any performance targets set and other relevant variables.

LETTER FROM THE BOARD

There were a total of 4,581,116,843 Shares in issue as at the Latest Practicable Date. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date up to the adoption date, the maximum number of Shares which may be issued pursuant to the New Share Option Scheme and any other option schemes (if any) will be 458,111,684 Shares, representing 10% of the total number of Shares in issue, which together with the number of Shares which may fall to be allotted and issued upon exercise in full of the 14,956,204 share options granted under the 2008 Share Option Scheme, are within the overall limit of 30% prescribed under the Listing Rules.

For the avoidance of doubt, any Shares issued pursuant to the New Share Option Scheme will not count towards the Shares to be issued (if any) pursuant to the general mandate proposed under Issue Mandate (Resolution 4).

An application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, any new Shares which may fall to be issued and allotted pursuant to the exercise of the Options granted under the New Share Option Scheme.

There is no trustee to be appointed by the Company under the New Share Option Scheme. None of the Directors is and will be trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee.

Once the New Share Option Scheme is adopted, any alterations to the terms and conditions thereof, which are of a material nature, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically pursuant to the terms originally provided in the New Share Option Scheme.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the ordinary resolution to be proposed at the AGM approving the adoption of the New Share Option Scheme.

The principal terms and all other material details relevant to the New Share Option Scheme are set out in Appendix IV to this circular. A copy of the rules of the New Share Option Scheme will be available for inspection at during normal business hours on any business day at the principal office of the Company in Hong Kong from the date hereof up to and including the date of the AGM.

REFRESHMENT OF THE REMT SHARE OPTION SCHEME LIMIT

At present, REMT has a REMT Share Option Scheme which was adopted on 4 December 2017. Apart from the REMT Share Option Scheme, as at the Latest Practicable Date, REMT did not have any other share option schemes.

Under the Listing Rules and the REMT Share Option Scheme:

- (i) the existing REMT Share Option Scheme Limit so refreshed must not exceed 10% of the issued share capital of REMT at the date of the approval of the refreshed REMT Share Option Scheme Limit by the REMT Shareholders;

LETTER FROM THE BOARD

- (ii) all options granted under the REMT Share Option Scheme and any other share option schemes of REMT (including those exercised, outstanding, cancelled or lapsed in accordance with the REMT Share Option Scheme and any other share option schemes of REMT) prior to the approval of such refreshed REMT Share Option Scheme Limit shall not be counted for the purpose of calculating whether the refreshed REMT Scheme Option Scheme Limit has been exceeded and the total number of REMT Shares subject to the refreshed REMT Share Option Scheme Limit;
- (iii) notwithstanding the above, the maximum number of REMT Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the REMT Share Option Schemes of REMT shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of REMT Shares in issue from time to time.

Under the existing REMT Share Option Scheme Limit, a total of 657,439,005 options can be granted. During the period from the date of the adoption of the REMT Share Option Scheme Limit on 4 December 2017 to the Latest Practicable Date, there were 261,400,000 options granted under the REMT Share Option Scheme which remained outstanding and unexercised as at the Latest Practicable Date. Therefore, under the existing REMT Share Option Scheme Limit, there are still 396,039,005 options that can be granted. In addition, since the date of adoption of the REMT Share Option Scheme to the Latest Practicable Date, there were a total of 261,400,000 outstanding and unexercised options granted under the REMT Share Option Scheme, representing approximately 3.98% of the existing issued share capital of REMT.

The REMT Board believes that the refreshed REMT Share Option Scheme Limit will give more flexibility for REMT to grant options to the participants to reward and motivate them to strive for the future developments and success of the REMT Group, which shall be in the interests of REMT and the REMT Shareholders as a whole.

Assuming that no REMT Shares are issued or repurchased by REMT from the Latest Practicable Date up to the REMT AGM, REMT will have 6,574,390,058 Shares in issue as at the date of the REMT AGM.

The refreshed REMT Share Option Scheme Limit, if approved by the REMT Shareholders at the REMT AGM, will allow REMT to issue, upon exercise of options under the REMT Share Option Scheme, a maximum of 657,439,005 REMT Shares, representing 10% of the issued share capital of REMT as at the date of approval of the refreshed REMT Share Option Scheme Limit, which together with the number of Shares which may fall to be allotted and issued upon exercise in full of the 261,400,000 share options outstanding, the controlling interest of the Company in REMT will be diluted from 72.42% to 63.54%. The Board is of the view that REMT still remains as a subsidiary of the Group without causing any material adverse effects to its financial and operational performance. Nevertheless, the Company will comply the requirements under Chapter 14 of the Listing Rules.

The refreshed REMT Share Option Scheme Limit is conditional upon:

- (i) the passing of an ordinary resolution to approve the refreshed REMT Share Option Scheme Limit by the REMT Shareholders in the REMT AGM;

LETTER FROM THE BOARD

- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in the REMT Shares to be issued upon the exercise of the options be granted under the refreshed REMT Share Option Scheme Limit; and
- (iii) the passing of an ordinary resolution to approve the refreshed REMT Share Option Scheme Limit by Shareholders in annual general meeting.

Application will be made to the Stock Exchange for the listing of and permission to deal in any REMT Shares, representing 10% of the share capital of the REMT in issue as at the date of the REMT AGM which may fall to be issued upon the exercise of any options that may be granted under the refreshed REMT Share Option Scheme Limit.

ANNUAL GENERAL MEETING

A notice convening the AGM to be held at Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 26 June 2019 at 4:00 p.m. or any adjournment thereof is set out on pages 32 to 37 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

Whether or not you intend to attend and vote at the AGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as practicable but in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to the Articles and Rule 13.39(4) of the Listing Rules, a resolution put to the vote of a general meeting shall be decided on a poll except where the chairman, in good faith, decide to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all ordinary resolutions proposed at the AGM as set out in the notice on pages 32 to 37 of this circular shall be voted by poll.

RECOMMENDATIONS

The Directors consider that the proposals for granting of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, the re-election of the Directors, the adoption of New Share Option Scheme and the refreshment of the scheme mandate limit under the REMT Share Option Scheme are all in the best interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM in respect thereof.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

GENERAL INFORMATION

Your attention is also drawn to the information as set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Century Sunshine Group Holdings Limited
Chi Wen Fu
Chairman

This Appendix serves as an explanatory statement required by the Listing Rules to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

LISTING RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own shares subject to certain restrictions.

(a) Shareholders' approval

All proposed repurchases of shares on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval.

(b) Source of funds

Repurchases of shares must be made out of funds legally available for such purpose in accordance with the company's constitutive documents and the laws of the jurisdiction in which the company is incorporated or established.

(c) Status of shares to be repurchased

The shares proposed to be purchased by the Company must be fully paid up.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was approximately HK\$91,622,336 comprising 4,581,116,843 Shares and share options entitling holders thereof to subscribe for 14,956,204 Shares.

Subject to the passing of the proposed ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued, allotted or repurchased by the Company prior to the AGM, the exercise of the Repurchase Mandate in full would enable the Company to repurchase up to 458,111,684 Shares during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company following the passing of the ordinary resolution referred to herein; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

REASONS FOR SHARE REPURCHASE

Although the Directors have no present intention of repurchasing the Shares, they believe that it is in the best interests of the Company and the Shareholders to continue to have a general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASE

It is envisaged that any repurchase of Shares would be financed out of funds which are legally available for such purpose in accordance with the Memorandum and the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands. Any repurchases must be made out of funds of the Company legally permitted to be utilised in this connection, including out of the profits of the Company, out of the share premium account of the Company or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, if so authorised by the Articles subject to the Companies Law of the Cayman Islands, out of capital. Any premium payable on a repurchase over the par value of the Shares to be purchased must be provided for out of either or both of the profits of the Company or the Company's share premium account or if so authorised by the Articles and subject to the provisions of the Companies Law of the Cayman Islands, out of capital.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2018) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Trading price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
May	0.270	0.225
June	0.265	0.240
July	0.245	0.220
August	0.255	0.210
September	0.236	0.220
October	0.229	0.194
November	0.209	0.176
December	0.210	0.182
2019		
January	0.208	0.174
February	0.205	0.191
March	0.247	0.195
April	0.239	0.212
May (up to and including the Latest Practicable Date)	0.217	0.193

DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, none of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates, had any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no core connected person has notified the Company that he/she/it has a present intention to sell any Shares to the Company or has undertaken not to sell any of the Shares held by him/her/it to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Memorandum and the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

EFFECT OF THE TAKEOVERS CODE

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Alpha Sino, Mr. Chi Wen Fu and his sisters, namely, Ms. Chi Bi Fen, Ms. Chi Bi Hua and Ms. Chi Bi Bing together held approximately 34.99% of the issued share capital of the Company and they were presumed to be acting in concert under the Takeovers Code. Any increase in shareholdings in the Company which is outside the 2% creeper as specified in Rule 26.1 of the Takeovers Code will give rise to an obligation to make a mandatory offer for the Company under Rule 26 of the Takeovers Code. If the Directors exercise the Repurchase Mandate in full, the proportionate interest of Alpha Sino, Mr. Chi Wen Fu, Ms. Chi Bi Fen, Ms. Chi Bi Hua and Ms. Chi Bi Bing in the voting rights of the Company would increase to approximately 38.87%. Such an increase would give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to the extent that such an obligation under the Takeovers Code would arise.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any repurchase made pursuant to the Repurchase Mandate.

SHARE REPURCHASES BY THE COMPANY

During the six months prior to the Latest Practicable Date, the Company had not purchased any Shares whether on the Stock Exchange or otherwise.

The following are the particulars of the Directors who will retire and, being eligible, shall offer themselves for re-election at the AGM pursuant to the Articles:

Mr. Sheng Hong, aged 56, was appointed as an independent non-executive Director on 24 September 2010. He is also a member of the audit committee, nomination committee and remuneration committee of the Company.

Mr. Sheng is presently a director of Hadrian Manufacturing (Asia) Limited and Director of Operations and General Manager of Hadrian (Shanghai) Trading Limited. The Hadrian Group is principally engaged in production and sales of metal partitions and lockers. Mr. Sheng has over 20 years of experience in management of corporation and investment. He was employed by China Resources (Holdings) Company Limited from 1986 to 1996. Mr. Sheng holds a Bachelor's Degree in Engineering Mechanics from Tongji University, Shanghai.

The Company has entered into a letter of appointment with Mr. Sheng in relation to the appointment of Mr. Sheng as an independent non-executive Director for a fixed term of 2 years commencing from 1 March 2019 provided that either Mr. Sheng or the Company may terminate this appointment by giving at least three months' prior notice in writing, subject to the provisions of retirement and rotation of Directors under the Articles. The remuneration payable to Mr. Sheng under the letter of appointment is a fixed sum of HK\$35,000 per annum. The remuneration is determined based on the estimated time to be spent by Mr. Sheng on the Company's matters and will be reviewed by the Board annually. Under the said letter of appointment, Mr. Sheng will be reimbursed for all reasonable expenses incurred in connection with the performance of his duties to the Company. As an independent non-executive Director, Mr. Sheng will also be eligible to be granted options to subscribe for Shares under the New Share Option Scheme. Save as disclosed above, Mr. Sheng did not hold any position with the Company or any of its subsidiaries as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Sheng did not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Sheng has personal interest in 1,775,000 Shares. Save as disclosed above, Mr. Sheng did not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Sheng did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years, and save as disclosed above, there are no matters concerning Mr. Sheng that needs to be brought to the attention of the shareholders of the Company nor is there any other information regarding Mr. Sheng required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Mr. Lau Chi Kit, aged 74, was appointed as an independent non-executive Director on 29 April 2014. He is also a member of the audit committee and remuneration committee of the Company.

Mr. Lau retired from The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) in December 2000 after more than 35 years’ of service. Among the major positions in HSBC, he was the Assistant General Manager and Head of Personal Banking Hong Kong and Assistant General Manager and Head of Strategic Implementation, Asia-Pacific Region. Mr. Lau is a fellow of the Hong Kong Institute of Bankers (“Institute”). Mr. Lau was the chairman of the Institute’s executive committee (from January 1999 to December 2000) and is currently the honorary advisor of the Institute’s executive committee. Mr. Lau served as a member on a number of committees appointed by the Government of Hong Kong Special Administration Region, including the Advisory Council on the Environment (from October 1998 to December 2001), the Advisory Committee on Human Resources Development in the Financial Services Sector (from June 2000 to May 2001), the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption (from January 2000 to December 2003), the Environment and Conservation Fund Committee (from August 2000 to October 2006), the Innovation and Technology Fund (Environment) Projects Vetting Committee (from January 2000 to December 2004) and the Law Reform Commission’s Privacy Sub-committee (from February 1990 to March 2006). He also served as chairman of the Business Environment Council Ltd. (from September 1998 to December 2001). Currently, Mr. Lau is also an independent non-executive director of Royale Furniture Holdings Limited (stock code: 1198), Leoch International Technology Limited (stock code: 842), Janco Holdings Limited (stock code: 8035) and Hin Sang Group (International) Holdings Company Limited (stock code: 6893). Mr. Lau is also an executive director of Chinlink International Holdings Limited (stock code: 997). The shares of Royale Furniture Holdings Limited, Leoch International Technology Limited, Hin Sang Group (International) Holdings Company Limited and Chinlink International Holdings Limited are listed on the Main Board of the Stock Exchange while the shares of Janco Holdings Limited are listed on the GEM Board of the Stock Exchange.

Mr. Lau entered into a letter of appointment with the Company for a fixed term of 2 years commencing from 1 March 2019, subject to retirement and re-election in accordance with the Articles. The letter of appointment may be terminated by 3 months’ prior written notice given by either Mr. Lau or the Company at any time during the term of the letter of appointment. Under Mr. Lau’s letter of appointment, he is entitled to a fixed emolument of HK\$240,000 per annum. The remuneration of Mr. Lau is subject to the annual review of the Board with reference to his contribution in terms of time, effort and his expertise. He will also be reimbursed for all reasonable expenses incurred in connection with the performance of his duties to the Company. As an independent non-executive Director, Mr. Lau will also be eligible to be granted options to subscribe for Shares under the New Share Option Scheme. Save as disclosed above, Mr. Lau did not hold any position with the Company or any of its subsidiaries as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Lau did not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lau was interested in share options granted by the Company entitling him to subscribe for 6,389,145 Shares at HK\$0.78258 per Share. Save as disclosed above, Mr. Lau did not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, Mr. Lau did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years, and there are no matters concerning Mr. Lau that needs to be brought to the attention of the shareholders of the Company nor is there any other information regarding Mr. Lau required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

The following is a summary of the principal terms of the rules of the New Share Option Scheme proposed to be adopted at the AGM.

1. PURPOSE OF THE SCHEME

The purpose of the New Share Option Scheme is to enable the Company to grant Options to Eligible Participants as incentive or reward for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Participants.

2. PARTICIPANTS OF THE NEW SHARE OPTION SCHEME AND ELIGIBILITY CRITERIA

The Eligible Participants of the New Share Option Scheme to whom Options may be granted by the Board shall include (a) any full-time or part-time employee of the Company and/or any Subsidiary; (b) any director (including executive, non-executive and independent non-executive director) of the Company and/or any Subsidiary; and (c) any consultant or adviser (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any Subsidiary who, at the sole determination of the Board, have contributed or will contribute to the Company and/or any Subsidiary. The basis of eligibility of any of the above classes of Eligible Participants to the grant of any Options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group.

Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise as the Board may determine in its absolute discretion, provided that such terms and conditions shall not be inconsistent with any other terms and conditions of the New Share Option Scheme. Though there is no general requirement on the minimum period for which an Option must be held or the performance targets which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance targets to be achieved before such Option can be exercised and/or any other terms as the Board may determine in its absolute discretion.

3. LIFE AND TERMINATION OF THE NEW SHARE OPTION SCHEME

The operation of the New Share Option Scheme may be terminated by resolution passed at a general meeting of the Shareholders or at a meeting of the Board at any time. In such event no further Options shall be offered but the provisions of the New Share Option Scheme shall remain in all other respects in full force and effect in respect of any Options granted prior thereto but not yet exercised at the time of termination. Upon such termination, details of the Option granted, including Options exercised or outstanding shall be disclosed in the circular to the Shareholders seeking approval of the first new scheme to be established after such termination.

Subject to the aforesaid, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date, after which period no further Options will be offered or granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects with respect to Options granted during the life of the New Share Option Scheme.

4. SUBSCRIPTION PRICE

The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to the terms of the New Share Option Scheme, be a price determined by the Board and notified to each Grantee and shall be at least the higher of:

- (a) the closing price per Share on the Main Board as stated in the Stock Exchange's daily quotation sheet on the date of grant;
- (b) the average closing price per Share on the Main Board as stated in the Stock Exchange's daily quotation sheets for the five (5) business days immediately preceding the date of grant; and
- (c) the nominal value of a Share.

5. RESTRICTION ON THE TIME OF GRANT OF OPTION

No Offer must be made after inside information has come to the Company's knowledge until such information has been announced. In particular, no Eligible Participant shall be granted an Option during the period commencing one month immediately before the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's result for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish announcement of its results for any year or half-year under the Listing Rules or quarter-year period or any other interim period (whether or not required under the Listing Rules)

and ending on the date of announcement for such results. For the avoidance of doubt, the period in which no Options shall be granted mentioned above shall include any period of delay in the publications of a results announcement.

6. ACCEPTANCE OF OFFERS

An Offer shall remain open for acceptance by the Eligible Participant concerned for such period as determined by the Board, which period shall not be more than five (5) days from the Offer Date, provided that no such Offer shall be open for acceptance after the tenth anniversary of the Adoption Date or after the New Share Option Scheme has been terminated in accordance with the provisions of the New Share Option Scheme. The amount payable by the Grantee to the Company on acceptance of the Offer is HK\$1.00.

7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) The maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes adopted by the Company must not exceed such number of Shares as shall represent 30 per cent (or, where applicable, such higher percentage as may from time to time be permitted under the Listing Rules or by the Stock Exchange) of the issued share capital of the Company from time to time. No Options may be granted under the New Share Option Scheme if this will result in such limit being exceeded.

- (b) Subject to Paragraph 7(a) above, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10 per cent of the issued share capital of the Company as at the date of the approval of the New Share Option Scheme by the Shareholders (the “**Scheme Mandate Limit**”) unless shareholders’ approval has been obtained pursuant to paragraph (c) or (d) below. Any Options lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit.

- (c) Subject to Paragraph 7(a) above, the Board may seek approval by Shareholders in general meeting to renew the Scheme Mandate Limit and the Company must send a circular to the Shareholders containing the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules. However, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company in these circumstances must not exceed 10 per cent of the issued share capital of the Company at the date of approval of the renewed limit (the “**Renewed Scheme Mandate Limit**”). Options previously granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or any other share option schemes of the Company and exercised options) will not be counted for the purpose of calculating the Renewed Scheme Mandate Limit.

- (d) Subject to Paragraph 7(a) above, the Board may seek separate Shareholders' approval in general meeting to grant Options beyond the Scheme Mandate Limit or the Renewed Scheme Mandate Limit as referred to in paragraph (b) or (c) above (as the case may be) provided that the Options in excess of the Scheme Mandate Limit or the Renewed Scheme Mandate Limit (as the case may be) are granted only to the Eligible Participants specifically identified by the Company before such approval is sought and the Company must issue a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to such Eligible Participants with an explanation as to how the terms of the Options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

8. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

The total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options under the New Share Option Scheme) in any 12-month period must not exceed 1 per cent of the issued share capital of the Company. Where any further grant of Options to an Eligible Participant would result in excess of such limit shall be subject to the approval of the Shareholders at general meeting with such Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person) abstaining from voting.

9. GRANTS OF OPTIONS TO CERTAIN CONNECTED PERSONS

- (a) Any grant of Options to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options).
- (b) Where Options are proposed to be granted to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates, and the proposed grant of Options will result in the total number of Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1 per cent of the issued share capital of the Company and having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such grant of Options must be subject to the approval of the Shareholders at general meeting. The grantee of the Options, his associate and all core connected persons of the Company must abstain from voting in favour in such general meeting.

10. TIME OF EXERCISE OF OPTION

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Board which shall not exceed ten years from the date of grant of the Option (the “**Option Period**”).

11. RIGHTS ARE PERSONAL TO GRANTEE

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or equitable) in favour of any third party over or in relation to any Option or attempt so to do.

12. RIGHTS ON CEASING EMPLOYMENT

In the event that the Grantee ceases to be an Eligible Participant for any reason other than his death or the termination of his employment, directorship, appointment or engagement on one or more of the grounds specified in Paragraph 18(d) or his resignation, the Grantee may exercise the Option in accordance with the provisions of the New Share Option Scheme up to his entitlement at the date of cessation (to the extent which has become exercisable but not already exercised) within the period of three (3) months following the date of such cessation (or such longer period as the Board may determine or, if any of the events referred to in Paragraphs 15, 16 and 17 occurs during such period, he may exercise the Option pursuant to Paragraphs 15, 16 and 17 within such period). The date of cessation as aforesaid shall be the last working day with the Company or the relevant Subsidiary whether salary or compensation is paid in lieu of notice or not, or the last date of office or appointment as director, or the last date of appointment or engagement as consultant or advisor to the Company or the relevant Subsidiary, as the case may be, in the event of which, the date of cessation as determined by a resolution of the Board or the board of directors or governing body of the relevant Subsidiary shall be conclusive.

13. RIGHTS ON DEATH

In the event that the Grantee (being an individual) ceases to be an Eligible Participant by reason of death and none of the events which would be a ground for termination of his employment, directorship, appointment or engagement under Paragraph 18(d) arises, the personal representative of the Grantee shall be entitled within a period of twelve (12) months after the date of death (or such longer period as the Board may determine or, if any of the events referred to in Paragraphs 15, 16 and 17 occurs during such period, his personal representative(s) may exercise the Option pursuant to Paragraphs 15, 16 and 17 within such period) to exercise the Option up to the entitlement of such Grantee as at the date of death (to the extent which has become exercisable but not already exercised)

14. RIGHT ON WINDING UP OF A GRANTEE

If a Grantee (being a corporation), commences winding up by whatever means, whether voluntarily or not; or suffers a change in its constitution, management, directors, shareholding or beneficial ownership which in the opinion of the Board is material, the Option (to the extent not already exercised) shall lapse on the date of the commencement of winding up of the Grantee or on the date of notification by the Company that the said change in constitution, management, directors, shareholding or beneficial shareholding is material, as the case may be, and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence.

15. RIGHTS ON A GENERAL OFFER

If a general (or partial) offer (whether by takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror), the terms of which have been approved by any relevant regulatory authority and are in accordance with applicable laws and regulatory requirements and becomes, or is declared unconditional prior to the expiry of the Option, the Company shall within seven days of such offer becoming or being declared unconditional give notice thereof to the Grantee, whereupon the Grantee (or his personal representative) shall be entitled to exercise the Option in full or in part in accordance with the terms of the New Share Option Scheme (to the extent which has become exercisable but not already exercised) at any time within 14 days after the date of such notice and, to the extent any of the Options have not been so exercised, such Options shall upon the expiry of such period lapse.

16. RIGHTS ON WINDING UP

In the event that a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as it despatches such notice of the proposed general meeting to each Shareholder give notice thereof to the Grantee (or his/her personal representative), who may, by notice in writing to the Company (such notice to be received by the Company not later than five business days prior to the proposed general meeting) accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, exercise the Option (to the extent which has become exercisable but not already exercised) either to its full extent or to the extent specified in such notice and the Company shall, as soon as possible and in any event no later than the business day immediately prior to the date of the proposed general meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise, credited as fully paid up and register the Grantee as holder thereof. Any Options shall, to the extent they have not been so exercised, lapse and determine.

17. RIGHT ON A COMPROMISE OR SCHEME OF ARRANGEMENT

If, pursuant to applicable law, a compromise or scheme of arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Grantees (or to their personal representatives) on the same day as it gives notice to the members or creditors of the Company summoning a meeting to consider such a compromise or scheme of arrangement. Upon receipt of the notice, the Grantee may, during the period commencing on the date of the notice and ending on the earlier of the date two calendar months thereafter; and the date on which such compromise or arrangement is sanctioned by the court, exercise his Option (to the extent which has become exercisable but not already exercised), conditional upon the compromise or arrangement being sanctioned by the court and becoming effective. The Company may require the Grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to the compromise or arrangement. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been so exercised, lapse and determine. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of Grantees to exercise their respective Options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the New Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

18. LAPSE OF OPTION

The right to exercise an Option shall lapse automatically (to the extent not already exercised) immediately upon the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in Paragraphs 12, 13, 14, 15, 16 and 17;
- (c) subject to Paragraph 16, the date of the commencement of the winding-up of the Company;

- (d) the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of the employment, directorship, appointment or engagement of such Grantee on any one or more of the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangement or composition with his creditors generally, or has breached or failed to comply with any provisions of the relevant service contract, letter of appointment or other contracts or agreements of the Grantee with the Company or the relevant Subsidiary for the employment, appointment or engagement, or has been convicted of any criminal offence involving his integrity or honesty or on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the service contract, letter of appointment or other contract or agreement for the employment, appointment or engagement of the Grantee with the Company or the relevant Subsidiary;
- (e) the date on which the resignation of the Grantee is received by the Company or any of its Subsidiaries (as the case may be); or
- (f) the date on which the Grantee commits a breach of Paragraph 11.

19. RANKING OF SHARES

The Shares to be issued and allotted upon the exercise of an Option will be subject to all the provisions of the bye-laws of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment.

No Grantee shall enjoy any rights of a shareholder by virtue of the grant of an Option pursuant to the New Share Option Scheme, unless and until Shares are actually issued to the Grantee pursuant to the exercise of an Option. The Options do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company.

20. REORGANISATION OF CAPITAL STRUCTURE

In the event of any capitalisation of profits or reserves, rights issue or other similar offer of securities to holders of Shares, consolidation, subdivision or reduction of the share capital of the Company in accordance with legal requirements and the requirements of the Stock Exchange (other than an issue of Shares as consideration in respect of a transaction in which the Company and/or any of its Subsidiaries is a party), such corresponding adjustments (if any) shall be made to:

- (a) the number or nominal amount of Shares subject to the Option so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the number of Shares subject to the New Share Option Scheme

or any combination thereof, as the auditors or an independent financial adviser to be appointed by the Company for such purpose shall certify in writing to the Board to be in their opinion fair and reasonable, provided always that:

- (i) no such adjustments shall be made the effect of which would be to enable any Share to be issued at less than its nominal value;
- (ii) such adjustments shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company to which the Grantee was entitled before such adjustments,

and in each case, any adjustment must be made in compliance with the Listing Rules and such rules, codes and guidance notes of the Stock Exchange, including the Supplementary Guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to Share Option Schemes, from time to time. In addition, in respect of any such adjustments, other than any adjustment made on a capitalization issue, the auditors and the independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

21. ALTERATION TO THE NEW SHARE OPTION SCHEME AND THE TERMS OF OPTIONS GRANTED UNDER THE NEW SHARE OPTION SCHEME

Subject to the Listing Rules, all provisions of the New Share Option Scheme may be altered from time to time in any respect by a resolution of the Board save that the following alterations shall require the prior sanction of an ordinary resolution by the Shareholders in a general meeting:

- (a) alterations of the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantees or the Eligible Participants (as the case may be);
- (b) alterations of the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted (except where the alterations take effect automatically under the existing terms of the New Share Option Scheme); and
- (c) any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme,

provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the Articles for the time being for a variation of the rights attached to the Shares.

Any amended terms of the New Share Option Scheme or Options shall still comply with the relevant requirements of Chapter 17 of the Listing Rules (subject to such waiver as may be granted by the Stock Exchange from time to time).

22. CANCELLATION OF OPTIONS GRANTED

Subject to Paragraph 11, any cancellation of Options granted but not exercised shall be approved by the Board. Cancelled Options may be re-issued after such cancellation has been approved, provided that re-issued Options shall only be granted in compliance with the terms of the New Share Option Scheme and the requirements of the Listing Rules and provided further that new Options may be issued to a Grantee in place of his cancelled Options only if there are available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit or the Renewed Scheme Mandate Limit as referred to in Paragraphs 7(b) and (c) above.

23. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall take effect subject to:

- (a) the passing of an ordinary resolution to approve the New Share Option Scheme by the Shareholders in a general meeting and to authorise the Board to grant the Options thereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options under the New Share Option Scheme;
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares to be issued by the Company pursuant to the exercise of the Options which may be granted under the New Share Option Scheme; and

24. DISCLOSURE IN ANNUAL AND INTERIM REPORTS

The Company will disclose details of the New Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

NOTICE OF ANNUAL GENERAL MEETING



世紀陽光

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)

NOTICE IS HEREBY GIVEN that the annual general meeting of Century Sunshine Group Holdings Limited (世紀陽光集團控股有限公司) (the “**Company**”) will be held at Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 26 June 2019 at 4:00 p.m. for the following purposes:

As Ordinary Business

1. To receive and consider the audited financial statements of the Company and its subsidiaries and the reports of the directors of the Company (“**Director(s)**”) and auditors for the year ended 31 December 2018.
2. (a) To re-elect:
 - (i) Mr. Sheng Hong as independent non-executive Director; and
 - (ii) Mr. Lau Chi Kit as independent non-executive Director;
 - (b) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To appoint HLB Hodgson Impey Cheng Limited as the auditors of the Company and to authorise the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

As Special Business

4. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (d)(i) below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company (the “**Shares**”) and to make or grant offers, agreements, options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power to issue or allot Shares after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the general mandate in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d)(ii) below) or (ii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “**Articles**”) or (iii) any grant or exercise of any option granted under any scheme or similar arrangement for the time being adopted for the grant or issue of options to subscribe for, or rights to acquire Shares or (iv) the exercise of any rights of subscription or conversion under any existing warrants, bonds, debentures, notes and other securities issued by the Company which carry rights to subscribe for or are convertible into Shares, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:
 - (i) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (aa) the conclusion of the next annual general meeting of the Company;
 - (bb) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (cc) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
 - (ii) **“Rights Issue”** means an offer of Shares or issue of options, warrants, or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities entitled to the offer) on a fixed record date in proportion to their holdings of such Shares (or, where appropriate, such other securities) as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognized regulatory body or any stock exchange applicable to the Company).”
- 5. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

 - (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the Shares may be listed and recognised by The Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or requirements of the Stock Exchange or other applicable rules and regulations as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of the Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company during the Relevant Period pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue and fully paid up as at the date of the passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- 6. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions numbered 4 and 5 as set out in the notice convening the meeting of which this resolution forms part, the general mandate granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares pursuant to the said resolution numbered 4 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to the said resolution numbered 5, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the said resolution numbered 5.”

- 7. To consider and, if thought fit, pass, with or without modification, the following resolution as ordinary resolution:

“**THAT** conditional upon the approval of the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval of the listing of, and permission to deal in, the shares in the capital of the Company (the “**Shares**”) which may fall to be issued pursuant to the share option scheme (a copy of which is produced to the meeting marked “A” and signed by the Chairman of this meeting for the purpose of identification) (the “**New Share Option Scheme**”), the New Share Option Scheme be and is hereby approved and adopted by the Company and the directors of the Company be and are hereby authorised to grant options and to allot, issue and deal with the Shares pursuant to the exercise of any option granted thereunder and to take such steps and do such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme.”

NOTICE OF ANNUAL GENERAL MEETING

8. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

subject to and conditional upon the approval of the shareholders of Rare Earth Magnesium Group Holdings Limited (“**REMT**”) and the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of HK\$0.1 each (“**REMT Shares**”) in the share capital of REMT to be issued pursuant to the exercise of options which may be granted under the Refreshed REMT Share Option Scheme Limit (as defined below), the refreshment of the scheme limit of the REMT Share Option Scheme adopted on 4 December 2017, of up to 10 per cent. of the number of REMT Shares in issue as at the date of passing this resolution (“**Refreshed REMT Share Option Scheme Limit**”) be and is hereby approved and the directors of the Company be and are hereby authorised to do all such acts, deeds and things as they shall, in their absolute discretion, deem fit in order to effect the foregoing.”

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

Hong Kong, 27 May 2019

Head office and principal place of business:

Suite 1104, 11th Floor, Tower 6
The Gateway, 9 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Notes:

- (1) Any shareholder entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is a holder of two or more Shares may appoint more than one proxy to attend and vote on the same occasion. A proxy need not be a shareholder of the Company.
- (2) In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
- (3) Completion and return of the form of proxy will not preclude members from attending and voting at the annual general meeting or any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.

NOTICE OF ANNUAL GENERAL MEETING

- (4) Where there are joint registered holders of any Share(s), any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such Share(s) as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting or any adjourned meeting thereof (as the case may be), the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (5) An explanatory statement regarding the general mandate for the repurchase of Shares sought in resolution numbered 5 is set out in Appendix I to the circular of the Company dated 27 May 2019 of which this notice forms part.
- (6) For the purpose of determining shareholders who are eligible to attend and vote at the annual general meeting, the register of members of the Company will be closed from Monday, 17 June 2019 to Wednesday, 26 June 2019, both days inclusive, during which period no transfer of shares will be registered. In order for the shareholders to be eligible to attend and vote at the annual general meeting, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Friday, 14 June 2019 for registration.