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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)

**DISCLOSEABLE TRANSACTION
RELATING TO GRANT OF CALL OPTION**

INTRODUCTION

On 13 December 2019, after trading hours of the Stock Exchange, the Company and Ming Xin as grantors and Mega Prime as optionee entered into the Call Option Agreement, pursuant to which the Grantors conditionally agreed to grant to Mega Prime the right and option to acquire all or part of the Option Shares at the Exercise Price for each Option Share at any time during the Option Period, for an aggregate exercise price equal to the Call Price, subject to the terms and conditions set out in the Call Option Agreement, in consideration of HK\$2,000,000 to be paid by Mega Prime to Ming Xin at any time prior to 1 January 2020.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiry, Mega Prime and its ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules exceed 5% and are below 25%, the Call Option Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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CALL OPTION AGREEMENT

Date

13 December 2019 (after trading hours)

Parties

- (1) the Company and Ming Xin as grantors; and
- (2) Mega Prime as optionee.

PRINCIPAL TERMS OF THE CALL OPTION

The principal terms of the Call Option Agreement are summarised below:

Grant of Call Option : Pursuant to the Call Option Agreement, the Grantors agreed to grant to Mega Prime the right and option to acquire up to 200,000,000 REMT Shares at the Exercise Price for each Option Share.

Exercise of Call Option : Optionholder(s) may exercise the Call Option, in no more than three (3) closings of the purchase of the Option Share(s), by delivering to any Grantor the Call Notice at any time during the Option Period.

Consideration : A consideration of HK\$2,000,000 will be paid by Mega Prime to Ming Xin at any time prior to 1 January 2020 pursuant to the Call Option Agreement.

In the event the Call Option is fully exercised (the exercise of which is at the discretion of the Optionholder(s)), the aggregate consideration payable by the Optionholder(s) will be HK\$72,000,000, being the sum of the consideration of HK\$2,000,000 and the maximum Call Price of HK\$70,000,000.

Cash Settlement : in the event the VWAP for the Relevant Period is less than HK\$0.41 per REMT Share, the Optionholder(s) shall have the right but not the obligation to request the Grantors to settle all or a portion of the Call Option not yet transferred by the Grantors to the Optionholder(s) by cash payment to the Optionholder(s) at the price of HK\$0.06 per Option Share.

For the avoidance of doubt, if the Optionholder(s) exercises this cash settlement right with respect to all of the Call Option before any portion of the Call Option has been exercised, the aggregate cash settlement amount shall be HK\$12,000,000.

No sale or encumbrance : The Grantors shall not transfer, sell, give, assign, pledge, encumber any Option Share(s) without the prior written consent of Mega Prime.

Transferability : The parties' rights and obligations in the Call Option Agreement shall not be assignable to any other party without the prior written consent of the other party, except that the Optionholder(s) may freely assign its rights and obligations to its Affiliate(s) provided that the Optionholder(s) gives written notice of the details of the assignment to the Grantors prior to such assignment. Any purported assignment without such consent or notice shall be void and without effect.

The terms of the Call Option Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

Any direct or indirect transfer by the Optionholder(s) of its interest in the Option Shares shall be deemed to be an assignment of its rights under the Call Option Agreement.

Termination : The Call Option Agreement may be terminated, among others, as follows:

(i) by mutual written consent of the parties hereto at any time prior to the Option Effective Date; or

(ii) automatically on 1 January 2020, if Mega Prime fails to pay the consideration of HK\$2,000,000 to Ming Xin.

Reasons for the grant of Call Option

The Company is an investment holding company which is principally engaged in fertiliser business, magnesium product business and metallurgical flux business.

A consideration of HK\$2,000,000 will be payable to Ming Xin pursuant to the Call Option Agreement. Assuming the Call Option is exercised in full, Ming Xin expects to receive approximately HK\$72,000,000, being the sum of the consideration of HK\$2,000,000 and the maximum Call Price of HK\$70,000,000. The Company and Ming Xin intend to apply the proceeds as general working capital for the Group.

In light of the above, the Board considers that the terms of the Call Option Agreement (i) were entered into on normal commercial terms following arm's length negotiations among the Company, Ming Xin and Mega Prime; (ii) are fair and reasonable; and (iii) are in the interests of the Company and its Shareholders as a whole.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them:

“Affiliate”	(a) in the case of a Person other than a natural person, any other Person that directly or indirectly controls, is controlled by or is under common control with the Optionholder; or (b) in the case of a natural person, any other Person that directly or indirectly is controlled by the Optionholder or is a relative of the Optionholder
“Board”	the board of Directors
“Call Notice”	the notice exercising the Call Option in the form prescribed in the Call Option Agreement
“Call Option”	the call option to be granted by the Grantors to Mega Prime pursuant to the Call Option Agreement entitling the Optionholder(s) to acquire up to 200,000,000 REMT Shares at Exercise Price
“Call Option Agreement”	the call option agreement entered into between the Grantors and Mega Prime as optionee dated 13 December 2019 in relation to the grant of Call Option and exercise of Call Option
“Call Price”	in respect of any Call Notice, the product of (x) the Exercise Price multiplied by (y) the number of Option Share(s) set forth in such Call Notice
“Company”	Century Sunshine Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 509)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Exchange Business Day”	any day on which the Stock Exchange is scheduled to be open for trading for its regular trading sessions

“Exercise Price”	HK\$0.35 per REMT Share
“Grantors”	the Company and Ming Xin, each a “Grantor”
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	party(ies) which is/are not connected person(s) (as defined under the Listing Rules) of the Company and is/are independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mega Prime”	Mega Prime Development Limited, a company incorporated in the British Virgin Islands with limited liability, and an Independent Third Party
“Ming Xin”	Ming Xin Developments Limited, a company incorporated in the British Virgin Islands with limited liability, a substantial shareholder of REMT, and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Optionholder(s)”	registered holder(s) of the Call Option from time to time
“Option Effective Date”	the date on which Mega Prime pays the consideration of HK\$2,000,000 to Ming Xin pursuant to the Call Option Agreement
“Option Period”	from (and including) the Option Effective Date to (and including) the third anniversary of the Option Effective Date
“Option Share(s)”	200,000,000 REMT Shares to be acquired by the Optionholder(s) from the Grantors upon the exercise of Call Option
“Person”	any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, governmental authority or other entity of any kind
“Relevant Period”	the last twenty (20) Exchange Business Days in the year of 2020

“REMT”	Rare Earth Magnesium Technology Group Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 601), an indirect non-wholly owned subsidiary of the Company
“REMT Share(s)”	ordinary share(s) of a par value of HK\$0.10 each in the share capital of REMT
“Shareholder(s)”	holder(s) of the share(s) of HK\$0.02 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“VWAP”	with respect to the REMT Share(s), the quotient, the numerator of which is the total value of the REMT Share(s) traded during the Relevant Period and the denominator is the total volume traded during the Relevant Period
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong from time to time
“%”	per cent.

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

Hong Kong, 13 December 2019

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

<i>Executive directors</i>	:	<i>Mr. Chi Wen Fu, Mr. Shum Sai Chit and Mr. Chi Jing Chao</i>
<i>Non-executive director</i>	:	<i>Mr. Guo Mengyong</i>
<i>Independent non-executive directors</i>	:	<i>Mr. Cheung Sound Poon, Mr. Sheng Hong and Mr. Lau Chi Kit</i>