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

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 509)

MAJOR TRANSACTION – ACQUISITION OF THE ENTIRE INTERESTS IN GOLD STRATEGY INVESTMENTS LIMITED

Joint financial advisers to the Company

First Shanghai Capital Limited 第一上海融資有限公司

博大資本國際有限公司 Partners Capital International Limited

THE ACQUISITION

Further to the announcements of the Company dated 22 December 2008 and 24 December 2009 in relation to the possible acquisition of Gold Strategy, the Board announces that after trading hours on 10 September 2010, the Buyer, which is a wholly-owned subsidiary of the Company, entered into the Agreement with the Seller, the Guarantor and the Company, pursuant to which the Buyer conditionally agreed to acquire and the Seller conditionally agreed to sell and/or procure the transfer of the Sale Interests, being the entire equity interest in Gold Strategy, and the assignment of the Sale Loans at an aggregate consideration of HK$367,000,000, subject to the Adjustments. The earnest money of HK$55,000,000, which was paid to the Seller at the signing of the MOU, shall be automatically treated as the Deposit paid under the Agreement. The Deposit shall become part of the Consideration immediately upon Completion and the balance of the Consideration of approximately HK$312,000,000 will be satisfied as to (i) HK$155,000,000 by way of cash upon Completion subject to adjustments to the consideration upon the issuance of the Valuation Report issued by the Valuer in form and substance acceptable to the Company confirming the valuation on the mineral rights of the Serpentine Mine as at 31 August 2010; (ii) HK$25,000,000 by way of issuance of the Consideration Shares upon Completion; (iii) HK$77,000,000 by way of cash payable within 5 Business Days after the delivery of the Completion Accounts; and (iv) the balance of HK$55,000,000 by way of cash within 5 Business Days after the delivery of the No Claim Confirmation to the Buyer if the Seller can provide the No Claim Confirmation within six months after Completion.

The Target Group, which comprises Gold Strategy, Fly Union, Jiangsu Longteng and Lianyungang Logistics, is principally engaged in the exploitation, processing and sale of serpentine related products. Jiangsu Longteng holds the mining licence relating to the Serpentine Mine which is located in the Donghai County of Jiangsu Province, the PRC. Details of the Target Group and the Serpentine Mine are set out, respectively, in the section headed "Information on the Target Group" and "Information on and development plan of the Serpentine Mine" below.

According to the preliminary market research prepared by Freedonia Custom Research, Inc, the top five local serpentine producers in the PRC supplied more than 75% of serpentine demand in the PRC in value terms in 2009. Jiangsu Longteng was the leader with a 28% share and is regarded to supply serpentine of a quality and price that are among the highest in the industry. Analysis of the competitive field suggests Jiangsu Longteng's position in terms of price and quality will hold.

Based on its unaudited consolidated financial information for each of the two years ended 31 December 2009, which are prepared in accordance with Hong Kong Financial Reporting Standards, the Target Group incurred net loss of approximately RMB18,576,000 and RMB9,737,000, respectively, mainly due to provisions of penalty in relation to the Non-compliance. Based on its unaudited consolidated financial information as at 31 March 2010, the Target Group recorded a net liability position of approximately RMB26,528,000 mainly due to provisions of penalties in relation to the Non-compliance.

Completion is subject to fulfilment or waiver of the conditions precedent as set out in the section headed "Conditions precedent" below.

GENERAL

The Acquisition constitutes a major acquisition for the Company under Chapter 14 of the Listing Rules. Accordingly, the Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

A circular containing, amongst other things, (i) further details of the Acquisition; (ii) the Technical Report; (iii) the Valuation Report; and (iv) the accountants' reports on the Target Group, together with a notice convening the EGM and other disclosures applicable under the Listing Rules will be despatched to the Shareholders on or before 30 September 2010.

The EGM will be convened at which resolution(s) will be proposed to seek the Shareholders' approval of, amongst other things, the Agreement and the transactions contemplated thereunder. As no Shareholder has material interest in the Agreement, no Shareholder will be required to abstain from voting on the resolution(s) approving the Agreement and the transactions contemplated thereunder at the EGM.

Reference is made to the announcements of the Company dated 22 December 2008 and 24 December 2009 in relation to the possible acquisition of the Sale Interests.

After trading hours on 10 September 2010, the Buyer, which is a wholly-owned subsidiary of the Company, entered into the Agreement with the Seller, the Guarantor and the Company, pursuant to which the Buyer conditionally agreed to acquire and the Seller conditionally agreed to sell and/or procure the transfer of the Sale Interests, being the entire equity interest in Gold Strategy, and the Sale Loans at an aggregate consideration of HK$367,000,000, subject to the Adjustments.

THE AGREEMENT

Date

10 September 2010

Parties

Buyer:	Bright Stone Group Limited, a wholly-owned subsidiary of the Company
Seller:	Rising Dragon Management Limited, an investment holding company incorporated in BVI and is wholly and beneficially owned by the Guarantor. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Seller and its sole director and ultimate beneficial owner are Independent Third Parties
Guarantor:	Mr. Zhang Jun, an Independent Third Party who holds the entire equity interest of the Seller, who guarantees the performance of the Seller under the Agreement
Issuer:	The Company

Assets to be acquired

Pursuant to the Agreement, the Buyer has conditionally agreed to acquire and the Seller has conditionally agreed to dispose of and/or procure the transfer of the Sale Interests (being the entire equity interest in Gold Strategy) and the assignment of the Sale Loans.

Consideration

Pursuant to the Agreement, the aggregate amount of the Consideration for the Acquisition is HK$367,000,000, subject to the Adjustments. The earnest money of HK$55,000,000, which was paid to the Seller at the signing of the MOU, shall be automatically treated as the Deposit paid under the Agreement. The Deposit shall become part of the Consideration immediately upon Completion and the balance of approximately HK$312,000,000 will be satisfied as to:

(i) HK$155,000,000 by way of cash upon Completion subject to adjustments to the consideration on dollar-to-dollar basis upon the issuance of the Valuation Report issued by the Valuer in form and substance acceptable to the Company confirming the valuation on the Serpentine Mine as at 31 August 2010 if the value of the mineral rights of the Serpentine Mine attributable to the Sale Interests is less than HK$367,000,000 provided that such adjustment shall be subject to a cap of HK$42,000,000;

(ii) HK$25,000,000 by way of issuance of the Consideration Shares upon Completion;

(iii) HK$77,000,000 by way of cash within 5 Business Days after the delivery of the Completion Accounts (the "Second Payment"); and

(iv) the balance of HK$55,000,000 by way of cash within 5 Business Days after the delivery of the No Claim Confirmation to the Buyer if the Seller can provide the No Claim Confirmation within six months after Completion (the "Final Payment").

The Company is proposing that the cash portion of the Consideration be funded by internal resources of the Company.

The Consideration was determined at after arm's length negotiation with reference to the preliminary mineral asset valuation (the "Preliminary Valuation") of the 100% interest of the mineral rights of the Serpentine Mine prepared by the Valuer based on information as set out in the latest draft Technical Report. The Preliminary Valuation is approximately RMB354 million based on the income approach valuation methodology.

The Consideration represents a discount of approximately 1.2% to the value of the Serpentine Mine as appraised by the Valuer of approximately RMB354 million (equivalent to approximately HK$406.9 million) attributable to Gold Strategy of approximately RMB323.2 million (equivalent to approximately HK$371.5 million).

Potential adjustments to the Consideration

1. *Valuation of the Serpentine Mine*

   Pursuant to the terms of the Agreement, the final Consideration for the Acquisition will be subject to adjustments on dollar-to-dollar basis upon the issuance of the Valuation Report issued by the Valuer appointed by the Company in form and substance acceptable to the Company confirming that the valuation on the Serpentine Mine as at 31 August 2010 if the value of the mineral rights of the Serpentine Mine attributable to the Sale Interests is less than HK$367,000,000, provided that such adjustment shall be subject to a cap of HK$42,000,000.

2. *Completion Consolidated NAV*

Based on the unaudited consolidated accounts of the Target Group as at 31 March 2010, the Target Group recorded a net liability position of approximately RMB26.5 million mainly due to a provision of approximately RMB47.2 million (equivalent to approximately HK$54.3 million) in relation to the Non-compliance. As soon as possible after Completion, the Seller and the Buyer will make arrangements with the auditors to prepare the Completion Accounts by no later than the date which is three months after Completion. Based on the Completion Accounts, the auditors of the Company shall prepare a statement (the "Auditors' Certificate") certifying the Completion Consolidated NAV by no later than the date which is three months after Completion (or such other dates which the Seller and the Buyer may agree in writing).

If the Completion Consolidated NAV as shown in the Auditior's Certificate is a negative figure (the "Negative Consolidated NAV"), the amount of the Consideration payable by Buyer shall be adjusted by deducting therefrom a sum equivalent to the amount of such Negative Consolidated NAV. Such adjustment shall be made by deducting firstly from the balance of the cash consideration payable by the Buyer to the Seller under the Second Payment and if insufficient, the balance of the amount shall be paid by the Seller to the Buyer in cash within 7 days after issue of the Auditor's Certificate.

3. *Non-compliance*

The existing mining licence of Jiangsu Longteng stipulates an annual production capacity of 0.3Mt and Jiangsu Longteng is currently in the process of applying for a new mining licence to increase the annual production capacity to 0.6Mt.

During the due diligence work carried out by the Company, the Company noted that there was Non-compliance in respect of the over production of Jiangsu Longteng which exceed the permitted production scale of 0.3Mt per annum since 2007 and a provision of approximately RMB47.2 million (equivalent to approximately HK$54.3 million) has been provided in the management accounts of Jiangsu Longteng.

Pursuant to the terms of the Agreement, the Final Payment of the Consideration of HK$55,000,000 will be retained until the Seller is able to procure the relevant PRC government authorities to issue the No Claim Confirmation on or before six months after Completion, otherwise, the Buyer shall deduct the same amount from the Consideration.

The Consideration Shares

The Company will allot and issue an aggregate of 100,000,000 Consideration Shares at an issue price of HK$0.25 per Consideration Share (the "Issue Price"). The Consideration Shares shall rank equally among themselves and pari passu in all respects with the Shares in issue on the date of allotment and issue of such Consideration Shares. The Consideration Shares represent approximately:

(i) 4.44% of the existing issued share capital of the Company; and

(ii) 4.25% of the issued share capital of the Company as enlarged by the issuance of the Consideration Shares.

The Issue Price

The Issue Price of HK$0.25 were determined after arm's length negotiations between the Buyer and the Seller, which represents:

(i) a discount of approximately 13.8% to the closing price per Share as quoted on the Stock Exchange on the Last Trading Day of HK$0.290;

(ii) a discount of approximately 9.7% to the average of the closing prices per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK$0.277;

(iii) a discount of approximately 9.1% to the average of the closing prices per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day of approximately HK$0.275; and

(iv) a discount of approximately 47.9% to the unaudited consolidated net assets value attributable to equity holders of the Company per Share of approximately HK$0.48 as at 30 June 2010 (as calculated by the equity attributable to equity holders of the Company of approximately RMB932.1 million (equivalent to approximately HK$1,071.4 million) as at 30 June 2010 and the number of outstanding Shares of 2,253,070,000 as at the date of this announcement).

Given that the issuance of the Consideration Shares would allow the Company to satisfy part of the Consideration without creating a burden to the working capital of the Group, the Directors consider that the bases of the Consideration, including the Issue Price, are fair and reasonable.

Lock up

The Seller irrevocably and unconditionally undertakes to the Buyer and the Company, subject to Completion that without the prior written consent of the Buyer and the Company, it will not dispose of any of the Consideration Shares or create or permit to subsist any mortgage, charge, pledge, lien, encumbrance or other security interest whatsoever on or over or in respect of all or any of the Consideration Shares or otherwise purport to deal with the beneficial or economic interest therein (including but not limited to its voting rights) or any right relating thereto or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the Consideration Shares at any time during the period from and including the date of Completion up to but excluding the date falling one year after Completion.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares to be allotted and issued pursuant to the Agreement.

Conditions precedent

Completion is conditional upon:

(a) the Buyer being satisfied with and confirmed by a PRC legal opinion that

   (i) the Target Group has legal title and rights to the Land and the Mine Interests;

   (ii) Jiangsu Longteng can obtain the land use right of the Adjacent Land if it complies with all applicable PRC legal requirements;

   (iii) the mining right of Jiangsu Longteng under the mining licence for the Serpentine Mine has been modified with the production scale increased from 0.3Mt per annum to 0.6Mt per annum;

   (iv) Jiangsu Longteng has made an application to the relevant PRC authorities for further mining right in respect of the Serpentine Mine with the production scale increased to 2.0Mt per year and the term of exploitation extended to 30 years from the date of issue of the new mining licence and submitted all necessary documents and information for such application and the relevant PRC authorities have issued a notice of acceptance of application (受理函) for such application;

   (v) the geological environmental protection and restoration proposal (礦山地質環境保護與治理恢復方案) in respect of the Serpentine Mine prepared by Jiangsu Longteng has been approved by the relevant administrative department of state land and resources; and

   (vi) Jiangsu Longteng has submitted the environmental impact report (環境影響報告書) for the construction project in relation to its production (including the changes arising from the increase of the production scale of the Serpentine Mine to 0.6Mt per annum) to the competent environmental protection authorities for examination and approval, the inspection and acceptance of its completed construction work (竣工驗收) by the competent environmental protection authorities have been completed and all relevant approvals from the competent environmental protection authorities for such construction project have been obtained;

(b) the Buyer being satisfied with and confirmed by the opinion of a technical consultant that there is a minimum reserve of 55.0Mt of exploitable serpentine in the Serpentine Mine;

(c) the Buyer being satisfied with the results of the due diligence review to be conducted in relation to the transactions contemplated thereunder;

(d) the Buyer being satisfied with legal opinions in relation to the Seller and the Target Group, in forms satisfactory to the Buyer, confirming, among others, the capacity and authority of the Seller in entering into and performing the Agreement, the due execution by the Seller and validity of the Agreement, the due incorporation and valid existence of each member of the Target Group;

(e) the passing by the Shareholders of ordinary resolution(s) approving the Agreement and the transactions contemplated thereunder, including the acquisition of the Sale Interests, and the issue and allotment of the Consideration Shares;

(f) the Company having obtained the approval granted by the Listing Committee for the listing of, and permission to deal in, the Consideration Shares; and

(g) all other necessary approvals or consents (if any) of the relevant governmental or regulatory authorities for the transactions contemplated in the Agreement having been obtained.

The Buyer may waive all or any of the conditions of (a), (b), (c) and (d) above at any time by notice in writing to the Seller, whether without conditions or with such conditions as may be agreed by the Seller and the Buyer. If any of the conditions set out above are not fulfilled or waived by the Long Stop Date, the Agreement and everything therein contained shall, subject to the liability of either party to the other in respect of any breaches of the terms thereof antecedent thereto (including obligations thereunder), be null and void and of no effect, and the Deposit and all other monies (if any) paid by the Buyer to the Seller shall be refunded to the Buyer or its nominee within five Business Days after the Long Stop Date. The refund of the Deposit and other monies paid by the Buyer is secured by two share mortgages over, among others, all issued shares of Gold Strategy and Fly Union respectively.

Completion

Completion shall take place within ten Business Days after each of the conditions set out above has been fulfilled or waived or such other date as shall be agreed between the Buyer and the Seller.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no other change in the issued share capital and shareholding structure of the Company from the date of this announcement, set out below is a table illustrating the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion and the allotment and issue of the Consideration Shares (but before taking into account the issue of the consideration shares by the Company for the purpose of acquisition of Sunshine Partners Financial Holdings Limited as disclosed in the announcement of the Company dated 18 June 2010):

	At the date of this announcement		**Immediately upon Completion and the allotment and issue of the Consideration Shares**	
Name of Shareholders	*Number of Shares*	%	*Number of Shares*	%
Chi Wen Fu *(Note 1)*	969,054,850	43.01	969,054,850	41.18
Chi Bi Fen *(Note 2)*	7,500,000	0.33	7,500,000	0.32
Liu Hoi Keung *(Note 3)*	1,000,000	0.04	1,000,000	0.04
The Seller	–	n/a	100,000,000	4.25
Public Shareholders	1,275,515,150	56.62	1,275,515,150	54.21
Total	**2,253,070,000**	**100.00**	**2,353,070,000**	**100.00**

Notes:

1. Mr. Chi Wen Fu is a brother of Ms. Chi Bi Fen and is an executive Director

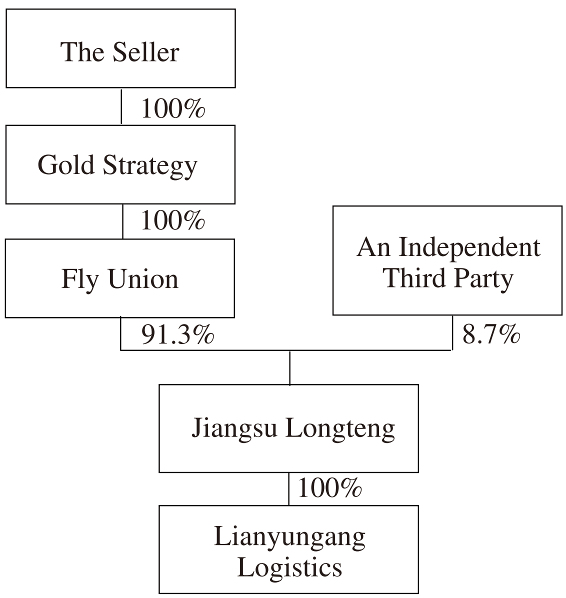
2. Ms. Chi Bi Fen is a sister of Mr. Chi Wen Fu and is an executive Director

3. Mr. Liu Hoi Keung is an independent non-executive Director

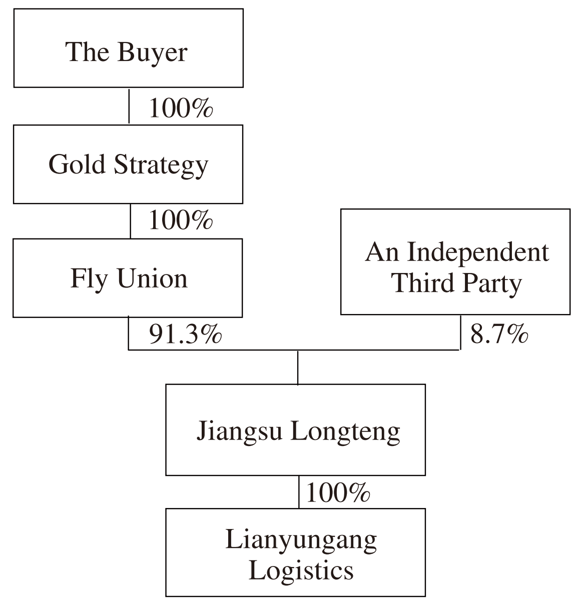
THE SHAREHOLDING STRUCTURE OF THE TARGET GROUP

Set out below are the shareholding structures of the Target Group (i) immediately before Completion; and (ii) upon Completion:

Immediately before Completion:



Upon Completion:



INFORMATION ON THE TARGET GROUP

The Target Group, which comprises Gold Strategy, Fly Union, Jiangsu Longteng and Lianyungang Logistics, is principally engaged in the exploitation, processing and sale of serpentine related products.

Gold Strategy is an investment holding company incorporated in the BVI with limited liabilities on 15 December 2006. As at the date of this announcement, Gold Strategy has been authorized to issue 50,000 ordinary shares of no par value, of which one share of Gold Strategy has been issued and paid, where the Seller is its sole shareholder. The principal asset of Gold Strategy is its holding of 100% equity interest in Fly Union. Other than the shareholding in Fly Union, Gold Strategy has no business and asset as at the date of this announcement.

Fly Union is an investment holding company incorporated in Hong Kong with limited liabilities on 8 November 2007. As at the date of this announcement, Fly Union has an authorized share capital of HK$10,000 divided into 10,000 shares of HK$1.0 each, of which 100 shares of Fly Union have been issued and allotted and are fully paid or credited as fully paid. The principal asset of Fly Union is its holding of approximately 91.3% equity interest in Jiangsu Longteng. Other than the shareholding in Jiangsu Longteng, Fly Union has no business and asset as at the date of this announcement.

Jiangsu Longteng is a sino-foreign equity joint venture enterprise established in the PRC on 12 November 2003. As at the date of this announcement, Jiangsu Longteng is owned as to approximately 91.3% by Fly Union and as to approximately 8.7% by an Independent Third Party. The registered capital of Jiangsu Longteng is RMB14,160,000 (equivalent to approximately HK$16,276,000) as at 31 March 2010. Jiangsu Longteng is principally engaged in exploitation, processing and sales of serpentine related products. The principal asset of Jiangsu Longteng is its mining right of the Serpentine Mine.

Lianyungang Logistics is wholly owned subsidiary of Jiangsu Longteng established in the PRC with limited liabilities on 10 January 2006. The registered capital of Lianyungang Logistics is RMB1,300,000 (equivalent to approximately HK$1,494,000). Lianyungang Logistics is principally engaged in the provision of logistic services for the Serpentine Mine.

A summary of the unaudited consolidated financial information of the Target Group for the two years ended 31 December 2009 and the three months ended 31 March 2010, which are prepared in accordance with Hong Kong Financial Reporting Standards, is set out below:

	For the year ended 31 December		**For the three months ended 31 March**
	2008	**2009**	**2010**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	12,882	50,316	12,062
(Loss)/profit before tax	(17,446)	(6,831)	3,894
(Loss)/profit for the year/period	(18,576)	(9,737)	2,498

Based on the unaudited consolidated financial information prepared in accordance with Hong Kong Financial Reporting Standards, the total assets and total liabilities of the Target Group as at 31 March 2010 are set out below:

	As at 31 March 2010
	RMB'000
Total assets	78,520
Total liabilities	105,048
Net liabilities	26,528

For each of the two years ended 31 December 2009 and the three months ended 31 March 2010, all of the revenue of the Target Group was derived from the sale of serpentine. The net losses incurred by the Target Group was mainly due to a provision of penalty in relation to the Non-compliance in the amount of approximately RMB21.3 million and RMB17.9 million made in each of the two years ended 31 December 2009 respectively. The net liability position of the Target Group was resulted mainly attributable to (i) the provision of penalty in relation to the Non-compliance amounting to RMB47.2 million as at 31 March 2010 and (ii) cost in relation to the Mine Interests was recorded.

Based on the unaudited consolidated financial information of the Target Group, the Sale Loans to be transferred to the Buyer under the Agreement amounted to approximately HK$13.9 million as at 31 March 2010.

Upon Completion, Gold Strategy and Fly Union will become wholly owned subsidiaries of the Company while Jiangsu Longteng and Lianyungang Logistics will become non-wholly owned subsidiaries of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group.

INFORMATION ON AND DEVELOPMENT PLAN OF THE SERPENTINE MINE

The Serpentine Mine is located 29km to the northwest of Donghai County of Jiangsu Province, the PRC. The Serpentine Mine commenced production in 1964 and was shut down in 1980 due to technical problems. The Serpentine Mine resumed mining operations via open cut in 1983.

Serpentine is a type of mineral that contains magnesium and silicon as its main components. It can be used as indispensable auxiliary raw materials for metallurgical flux and steel smelting and making, and can be used as raw materials for extraction of magnesium oxide, producing calcium, magnesium and phosphate fertilizers as well as metallurgical flux in the PRC. Currently, the major customers of Jiangsu Longteng are enterprises in the PRC that are engaged in the iron and steel refinery sector.

Pursuant to the mining licence granted by Jiangsu Land and Resources Department, which is subject to renewal upon expiry in 2017, Jiangsu Longteng is permitted to mine at a depth from 65m (above sea level) to 17.5m (above sea level) within the permitted area of 497,200m^2 at a permitted capacity of 0.3Mt per annum.

With reference to the preliminary data provided by Minarco, the underlying data, Mineral Resource and Ore Reserve estimates completed by Minarco for the Serpentine Mine comply with the recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves prepared in 2004 by the Joint Ore Reserves Committee (JORC). The Probable Ore Reserves estimate amounts to approximately 55Mt at 38.5% MgO. The JORC Mineral Resource estimate is summarised below and reported in the current permitted area and the proposed expanded permit area.

	JORC Classification	Measured			Indicated			Inferred			Total		
Licence	**Class**	**Tonnes**	**Mgo**	**Al2O3**	**Tonnes**	**Mgo**	**Al2O3**	**Tonnes**	**Mgo**	**Al2O3**	**Tonnes**	**Mgo**	**Al2O3**
		Mt	%	%	Mt	%	%	Mt	%	%	Mt	%	%
Current	Class 1 [note 1]	11.7	39.4	0.80	3.0	39.7	0.80	0.00	0.0	0.00	14.7	39.5	0.80
	Class 2 [note2]	3.5	35.6	1.40	1.1	34.4	1.20	0.00	0.0	0.00	4.7	35.3	1.40
Expanded [note3]	Class 1	68.7	39.9	0.90	26.4	39.9	0.80	0.00	0.0	0.00	95.1	39.9	0.00
	Class 2	4.5	35.4	1.90	4.4	36.3	1.70	0.00	0.0	0.00	8.9	35.9	1.80

Notes:

1. Class 1 refers to material above 38% MgO,

2. Class 2 refers to material between 32% and 38% Mgo

3. Expanded permit boundary has been supplied to Minarco by the Target Company. Minarco understands this permit will be under application in the near future, as outlined below.

The above data indicates that there is a significant amount of potentially recoverable Mineral Resources outside the current licensed mining area. In order to utilize the recoverable Mineral Resources and generate better return for Jiangsu Longteng, it is intended that the existing mining capacity of Jiangsu Longteng of approximately 0.3Mt per annum will be increased to a maximum of approximately 2.0Mt per annum and the mining process be outsourced and subcontracted to an independent mining company such that Jiangsu Longteng will focus on the crushing operation. The Company has been advised by its PRC legal advisers that provided that Jiangsu Longteng duly complies and fulfill all applicable PRC legal requirements, there is no existence of any substantive legal impediment which would preclude Jiangsu Longteng from obtaining the new licence.

MARKET INFORMATION OF SERPENTINE

According to the preliminary market research prepared by Freedonia Custom Research, Inc, the top five serpentine producers supplied more than 75% of Chinese demand in value terms in 2009. Jiangsu Longteng was the leader with a 28% share and is regarded to supply serpentine of a quality and price that are among the highest in the industry. Analysis of the competitive field suggests the position of Jiangsu Longteng in terms of price and quality will hold. Demand for serpentine in the PRC is forecasted to rise at a compound annual growth rate ("CAGR") of approximately 11.3% from approximately 1.7Mt in 2009 to approximately 2.9Mt in 2014. Gains will be spurred by growing pig iron and steel output and rising iron ore prices. Further demand growth is projected to advance at an annual growth rate of 9.2% to 2019, representing 4.5Mt of demand.

In the iron refining industry, serpentine finds greatest use as a flux to raise magnesium and silicon levels, and remove impurities from metal via the formation of slag. Serpentine is most commonly used when the iron ore to be processed has low levels of silicon. In value terms, serpentine demand in China is expected to rise at a CAGR of 19.8% to approximately US$36 million over the 2009-2014 period. Robust growth will be supported by increases in serpentine prices due to higher energy and material costs.

REASONS FOR THE ACQUISITION

The Company is an investment holding company and the Group is principally engaged in the production and sales of agriculture related products, raw materials and magnesium-related products.

As disclosed in the interim report of the Company for the six months ended 30 June 2009, although the Group was still optimistic towards the agricultural market, it was the Group's long term goal to broaden its revenue streams and reduce the reliance on single business operation. As mentioned in the announcement of the Company dated 24 December 2009, the

Group entered into an agreement to acquire an exploration right of a dolomite mine in Jilin Province, the PRC. The mine under the exploration right contains a kind of minerals namely dolomite, which is a main raw material for production of magnesium ingots. This marked the Group's intention to engage in magnesium-related businesses. The Group also expanded into the financial service sector and acquired a financial service group in Hong Kong as disclosed in the announcement of the Company dated 18 June 2010.

As stated in the annual report of the Company for the year ended 31 December 2009, the Acquisition is one of the Group's top priorities and the Group will make efforts to complete the Acquisition as soon as possible so as to generate contributions to the Group. The Group believes that as serpentine is a major auxiliary material in the iron and steel manufacturing process, and given that manufacturers have more understanding and acceptance about serpentine as a secondary raw material for steel making and smelting, the future serpentine business will benefit from the continuous development of the iron and steel industry in the PRC. On the other hand, serpentine contains magnesium and silicon as its main components and can be used in the production of fertilizers which is the core business of the Group. Therefore, the Acquisition will help securing the upper stream raw materials for the Group in magnesium smelting and fertilizers production while allowing the Group to reap benefits from the continual development of iron and steel industry of the PRC. In addition, the Directors also believe that, given Jiangsu Longteng was ranked as the market leader in the PRC with considerable market share according to Freedonia Custom Research, Inc, the Acquisition can diversify the Group's business to a further extend and create synergy effects with existing businesses, enabling futures results and investment return to blossom.

Taking into account the above factors, the Directors consider that the terms of the Acquisition are fair and reasonable and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

GENERAL

The Acquisition constitutes a major acquisition for the Company under Chapter 14 of the Listing Rules. Accordingly, the Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

A circular containing, amongst other things, (i) further details of the Acquisition; (ii) the Technical Report; (iii) the Valuation Report; and (iv) the accountants' report on the Target Group, together with a notice convening the EGM and other disclosures applicable under the Listing Rules will be despatched to the Shareholders on or before 30 September 2010.

The EGM will be convened at which resolutions will be proposed to seek the Shareholders' approval of, amongst other things, the Acquisition contemplated under the Agreement. As no Shareholder has material interest in the Agreement, no Shareholder will be required to abstain from voting on the resolution(s) approving the Agreement and the transactions contemplated thereunder at the EGM.

DEFINITIONS

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

"Acquisition"	the acquisition of the Sale Interests and the assignment of the Sale Loans
"Adjacent Land"	certain area of land adjacent to the Serpentine Mine which provides sufficient area for exploitation of the Serpentine Mine (including any extension of the boundaries thereof for the purpose of or incidental to any exploitation pursuant to the further increase the production scale to 2.0Mt per year and to extend the term of exploitation to 30 years from the date of the new mining licence to the satisfaction of the Buyer
"Adjustments"	the adjustments which the Consideration may be subjected to as summarised in the paragraph headed "Potential adjustments to the Consideration" under the section headed "The Agreement"
"Agreement"	the sale and purchase agreement dated 10 September 2010 entered into among the Buyer, the Seller, the Guarantor and the Company in respect of the Acquisition
"associate"	has the same meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors, including non-executive Directors and independent non-executive Directors
"Business Day(s)"	a day (other than any Saturday, Sunday or public holiday in Hong Kong) on which banks are generally open for business in Hong Kong
"Buyer"	Bright Stone Group Limited, a company incorporated in the British Virgin Islands with limited liability which is a wholly owned subsidiary of the Company
"BVI"	British Virgin Islands
"Company"	Century Sunshine Group Holdings Limited (Stock code: 00509), whose Shares are listed on the Main Board of the Stock Exchange
"Completion"	the completion of the Acquisition

"Completion Accounts"	the audited consolidated financial statements of the Target Group as at the date of the last date of the calendar month on which Completion takes place and for the period commencing from 1 January 2010 to the last date of the calendar month on which Completion takes place, which are to be prepared in accordance with Hong Kong Financial Reporting Standards
"Completion Consolidated NAV"	the total consolidated tangible asset value of Gold Strategy (but excluding the Serpentine Mine and the related mining rights and interests) less the total consolidated liabilities of Gold Strategy, after deducting minority interest, as shown in the Completion Accounts save that the provision of up to approximately RMB47.2 million (equivalent to approximately HK$54.3 million in relation to the Non-compliance and the Sale Loans shall not be regarded as liabilities for this purpose
"Connected person(s)"	has the same meaning ascribed thereto under the Listing Rules
"Consideration"	the consideration for the acquisition of the Sale Interests, being HK$367,000,000, subject to the Adjustments
"Consideration Share(s)"	the 100,000,000 consideration shares to be issued at HK$0.25 each for the settlement of the Consideration
"Deposit"	the deposit of HK$55,000,000 paid by the Buyer to the Seller
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened for approving, amongst other things, the Agreement and the transactions contemplated thereunder
"Fly Union"	Fly Union Limited, a company incorporated in Hong Kong with limited liability
"Gold Strategy"	Gold Strategy Investments Limited, a company incorporated under the law of the BVI which is wholly, legally and beneficially owned by the Seller, and owns 100% equity interest in Fly Union
"Group"	the Company and its subsidiaries

"Guarantor"	Mr. Zhang Jun, an Independent Third Party, holds the entire equity interest of the Seller, being the guarantor to the Seller pursuant to the MOU and the Agreement
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	a party which is independent of the Company and its connected persons
"Jiangsu Longteng"	江蘇龍騰化工有限公司 (Jiangsu Longteng Petrochemical Company Limited), a sino-foreign joint venture company established in the PRC, of which approximately 91.3% equity interest is owned by Fly Union
"JORC"	the Joint Ore Reserves Committee
"JORC Code"	the Australian Code of Reporting of Mineral Resources and Ore Reserves prepared in 2004 by the JORC
"Land"	the land situated at 中國東海縣山左口鄉許溝 with an area of approximately 507,562.2m^2, the land use right of which is held by Jiangsu Longteng
"Last Trading Day"	10 September 2010, being the last trading day of Shares prior to the date of this announcement
"Lianyungang Logistics"	連雲港龍游物流有限公司, a wholly-owned subsidiary of Jiangsu Longteng which was established in the PRC
"Listing Committee"	the listing sub-committee of the board of directors of the Stock Exchange responsible for the Main Boards matters
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Longteng Group"	Jiangsu Longteng and its subsidiaries
"Long Stop Date"	28 February 2011 (or any other date as may be agreed in writing between the Buyer and the Seller)
"Minarco"	Minarco-MineConsult, an independent technical consultant providing resource evaluation, mining engineering and mine valuation services

"Mine Interests"	the mining licence in respect of the Serpentine Mine and the rights and interests thereunder, the interests in the land and buildings, and other rights, interests and assets relating to the Serpentine Mine
"MOU"	the memorandum of understanding dated 19 December 2008 (as supplemented by a supplemental agreement dated 23 December 2009) entered into among the Buyer, the Seller and the Guarantor in relation to the possible acquisition of the Sale Interests
"No Claim Confirmation"	the written confirmation to be issued by the relevant PRC government authorities to Jiangsu Longteng confirming that they will not invoke or impose any claim or penalties against Jiangsu Longteng in respect of the Non-compliance in such form to the reasonable satisfaction of the Buyer
"Non-compliance"	the over production of Jiangsu Longteng which exceed the permitted production scale of 0.3Mt per annum since 2007
"PRC"	People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan)
"Sale Interests"	the entire equity interest in Gold Strategy
"Sale Loans"	the total outstanding amount owing to the Guarantor by Fly Union and to the Seller by Gold Strategy as at completion of the Agreement
"Seller"	Rising Dragon Management Limited, the legal and beneficial owner of the entire issued share capital of Gold Strategy, being an Independent Third Party
"Serpentine Mine"	a natural serpentine mine with an estimated total land area of approximately $0.4972km^2$ located in the Donghai County of Jiangsu Province, the PRC
"Shareholder(s)"	shareholder(s) of the Company
"Share(s)"	ordinary share(s) of HK$0.02 each in the issued share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Group"	Gold Strategy and its subsidiaries from time to time
"Technical Report"	the independent technical review report on the Serpentine Mine prepared by Minarco
"Valuation Report"	the independent business valuation report of the Serpentine Mine prepared by the Valuer
"Valuer"	Greater China Appraisal Limited, an independent professional valuer
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"km"	kilometer
"km^2"	square kilometer
"m"	meter
"m^2"	square meter
"Mt"	million tonnes
"RMB"	Renminbi, the lawful currency of the PRC

For the purpose of this announcement, all amounts in RMB are translated into HK$ at an exchange rate of HK$1.00: RMB0.87.

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

Hong Kong, 12 September 2010

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

Executive directors: Mr. Chi Wen Fu, Mr. Shum Sai Chit and Ms. Chi Bi Fen

Independent non-executive directors: Mr. Kwong Ping Man and Mr. Liu Hoi Keung