世纪阳光

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)

DISCLOSEABLE TRANSACTION – ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF SUNSHINE PARTNERS FINANCIAL HOLDINGS LIMITED

On 18 June 2010, the Company and the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with Mr. Yang and Ms. Zou as vendors whereby the Purchaser conditionally agreed to purchase and Mr. Yang and Ms. Zou conditionally agreed to sell the Sale Shares, being the entire issued share capital of Sunshine Partners. Subject to the post-Completion adjustment, the total consideration payable for the Sale Shares shall be HK$87,750,000, which shall be satisfied partially in cash and partially by the issue of Consideration Shares by the Company.

The maximum number of Consideration Shares which may be issued by the Company under the Agreement (assuming that there is no post-Completion adjustment to the Consideration) is 225,833,333 Consideration Shares, representing approximately 10.02% of the existing issued share capital of the Company and assuming no further Shares shall be issued, approximately 9.11% of the then issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The Sunshine Partners Group is engaged in the business of provision of investment advisory, corporate finance advisory and asset management services, securities brokerage and dealing in securities.

The applicable percentage ratios in respect of the Acquisition are greater than 5% but less than 25%. Therefore, the Acquisition constitutes a discloseable transaction for the Company and is subject to the announcement requirements but exempt from shareholders' approval requirement under the Listing Rules.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

THE AGREEMENT

On 18 June 2010, the Company and the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the Agreement with Mr. Yang and Ms. Zou as vendors whereby the Purchaser conditionally agreed to purchase and Mr. Yang and Ms. Zou conditionally agreed to sell the Sale Shares. The principal terms of the Agreement are set out below:

Date: 18 June 2010

Parties:

(a) The Vendors, namely, Mr. Yang Yuchuan and Ms. Zou Li;

(b) The Purchaser, namely, Century Sunshine Ecological Technology Limited, which is an indirect wholly-owned subsidiary of the Company; and

(c) The Company

Ms. Zou was a non-executive director of the Company from 3 November 2003 to 28 April 2008. She was also a shareholder of Alpha Sino International Limited, being the controlling shareholder of the Company, from 21 January 2003 to 26 January 2006. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendors are third parties independent of and not connected with the Company and its connected persons.

Subject matter of the Acquisition:

The Sale Shares, being 50 shares and 56 shares of US$1.00 each in the issued share capital of Sunshine Partners which are owned by Mr. Yang and Ms. Zou respectively, represent the entire issued share capital of Sunshine Partners. Completion of the sale and purchase of all the Sale Shares shall take place simultaneously.

Please refer to the paragraph headed "Information on the Sunshine Partners Group" below for further information on the Sunshine Partners Group.

Consideration:

Subject to the post-Completion adjustment as set out below, the total Consideration shall be HK$87,750,000, of which HK$41,391,675 shall be the consideration for Mr. Yang's Sale Shares and HK$46,358,325 shall be the consideration for Ms. Zou's Sale Shares.

Subject to the post-Completion adjustment as set out below, the Consideration shall be satisfied by the Purchaser in the following manner:–

(a) HK$4,717,000 to be paid by way of a cheque or cashier order to Best Equity in respect of Mr. Yang's Sale Shares at Completion;

(b) HK$31,957,675 to be satisfied by procuring the Company to issue to Best Equity 106,525,583 Consideration Shares in respect of Mr. Yang's Sale Shares pursuant to the arrangement set out below;

(c) HK$4,717,000 to be paid by way of a cheque or cashier order to Best Equity in respect of Mr. Yang's Sale Shares ("**Mr. Yang's Consideration Balance**") pursuant to the arrangement set out below;

(d) HK$5,283,000 to be paid in cash to Best Equity in respect of Ms. Zou's Sale Shares at Completion;

(e) HK$35,792,325 to be satisfied by procuring the Company to issue to Best Equity 119,307,750 Consideration Shares in respect of Ms. Zou's Sale Shares pursuant to the arrangement set out below;

(f) HK$5,283,000 to be paid in cash to Best Equity in respect of Ms. Zou's Sale Shares ("**Ms. Zou's Consideration Balance**") pursuant to the arrangement set out below.

Pursuant to the terms of the Agreement,

(a) as soon as possible after Completion, the Vendors and the Purchaser shall procure a firm of internationally recognized independent public accountants (the "**Auditors**") to prepare the audited completion accounts of the Sunshine Partners Group for the period commencing from 1 January 2010 to the date of Completion (the "**Completion Accounts**") and a statement (the "**Auditors' Certificate**") of the consolidated net asset value of Sunshine Partners after deducting minority interest (the "**Consolidated NAV**") to determine the Consolidated NAV by no later than the date which is 2 months after Completion (or such other dates which the Vendors and the Purchaser may agree in writing);

(b) if the Consolidated NAV as shown in the Auditors' Certificate is less than HK$58,500,000 (the "**Designated Value**"), an amount (the "**Adjusted Amount**") equivalent to 1.5 times of the difference between the Consolidated NAV and the Designated Value shall be deducted from the Consideration in the following order:–

    (i) Mr. Yang's Consideration Balance and Ms. Zou's Consideration Balance (collectively the "**Consideration Balance**");

(ii) the part of the Consideration payable by the Purchaser by procuring the Company's issue of Consideration Shares and the number of Consideration Shares to be issued to each Vendor shall be reduced accordingly; and

(iii) the part of the Consideration paid by the Purchaser to each Vendor in cash at Completion in which case the Vendors shall refund the excess of the Consideration which the Purchaser has previously paid;

(c) 47.17% of the Adjusted Amount shall be borne and payable by Mr. Yang, while 52.83% of the same shall be borne and payable by Ms. Zou;

(d) on the 15th business day after the issue of the Auditors' Certificate,

(i) the Purchaser shall pay the Consideration Balance (after adjustment) and procure the Company to deliver to Best Equity definitive certificate(s) for the Consideration Shares (after adjustment) issued by the Company; and

(ii) if applicable, the Vendors shall pay to the Purchaser in cash the sum of the amount of the Consideration to be refunded to the Purchaser.

Conditions precedent:

Completion is conditional upon all of the following conditions precedent being fulfilled (or, in respect of condition (a) or (b) below, waived by the Purchaser) on or before the Long Stop Date:–

(a) the Vendors having provided a certified true copy of the Audited Accounts to the Purchaser;

(b) the Purchaser being satisfied with the results of the due diligence review to be conducted in relation to the transactions contemplated under the Agreement;

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

(d) all other necessary approvals or consents (if any) of or required by the relevant governmental or regulatory authorities or the Stock Exchange for the transactions contemplated in the Agreement having been obtained and remained valid and effective.

If the conditions above shall not have been fulfilled (or where applicable, waived) by the Long Stop Date, the Agreement and everything contained therein shall, subject to the liability of either party to the other in respect of any breaches of the terms thereof antecedent thereto, be null and void and of no effect.

Subject to the fulfillment (or where applicable, waiver) of all the conditions precedent mentioned above, Completion shall take place within 5 business days thereafter (or such other date as shall be agreed between the Vendors and the Purchaser).

Put option:

Subject to Completion, each of the Vendors has granted an option to the Purchaser, exercisable at an exercise price equivalent to the total Consideration, requiring each of the Vendors to purchase in cash the Sale Shares sold by him/ her in the event that the Completion Accounts fails to comply with any of the requirements specified in the Agreement or contain any qualified or modified opinion of the Auditors. The Purchaser shall be entitled to exercise such put option within 15 business days after the issue date of the Auditors' Certificate.

Lock-up:

Each Vendor has undertaken to the Company and the Purchaser, subject to the issue of the Consideration Shares, that without the prior written consent of the Purchaser and the Company:–

(a) the Vendors shall remain the registered and beneficial owners of the entire issued share capital of Best Equity and he/she will not dispose of any shares in Best Equity 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 his/her shares in Best Equity 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 shares in Best Equity;

(b) he/she will procure that Best Equity will not issue any new share or any securities convertible into or exchangeable for its shares or carrying any right to subscribe for its shares nor grant any option, warrant or other right to subscribe for its shares nor agree or purport to do any of the same;

(c) he/she will procure that Best Equity 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 issue of the Consideration Shares up to but excluding the date falling one year after the date of issue of such Consideration Shares.

Best Equity will be required to give a similar undertaking as set out in (c) above upon the issue and allotment of the Consideration Shares to it.

BASIS OF THE CONSIDERATION

The Consideration was arrived at after arm's length negotiations between the parties and was determined on the basis as set out below:

Consolidated NAV * Price to Book ratio

The Consolidated NAV adopted in the above formula refers to the Consolidated NAV of Sunshine Partners Group as at 31 March 2010.

Also, by reference to (i) the recent transacted price to book ratios of; and (ii) the prevailing price to book ratios of, those companies in Hong Kong operating similar businesses to Sunshine Partners Group, the price to book ratio was agreed at 1.5 times.

If the Consolidated NAV as shown in the Auditors' Certificate is less than the Designated Value, the Adjusted Amount equivalent to 1.5 times of the difference between the Consolidated NAV and the Designated Value shall be deducted from the Consideration in the order as shown in the above paragraph headed "The Agreement".

The Consideration payable by the Purchaser in cash will be funded by the internal resources of the Group.

The basis in respect of the issue price of HK$0.3 per Consideration Share was determined after arm's length negotiation with reference to market price and represents:–

(a) a premium of approximately 5.26% of the closing price of HK$0.285 per Share as quoted on the Stock Exchange on 18 June 2010, being the date of the Agreement;

(b) a premium of approximately 5.26% to the average closing price of HK$0.285 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including 18 June 2010; and

(c) a premium of approximately 4.53% to the average closing price of HK$0.287 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including 18 June 2010.

The Consideration Shares will be issued pursuant to the general mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed at the annual general meeting of the Company held on 17 May 2010 (the "**AGM**") subject to the limit up to 20% of the total nominal amount of the share capital of the Company in issue on at the date of passing the resolution at the AGM (that is, up to 450,614,000 Shares). As at the date of this announcement, no Share has been issued pursuant to the general mandate and the issue of the Consideration Shares will not require any special approval from the Shareholders. The Consideration Shares, when issued pursuant to the terms of the Agreement, will rank pari passu in all respect among themselves and with all other Shares in issue on the date of such allotment and issue.

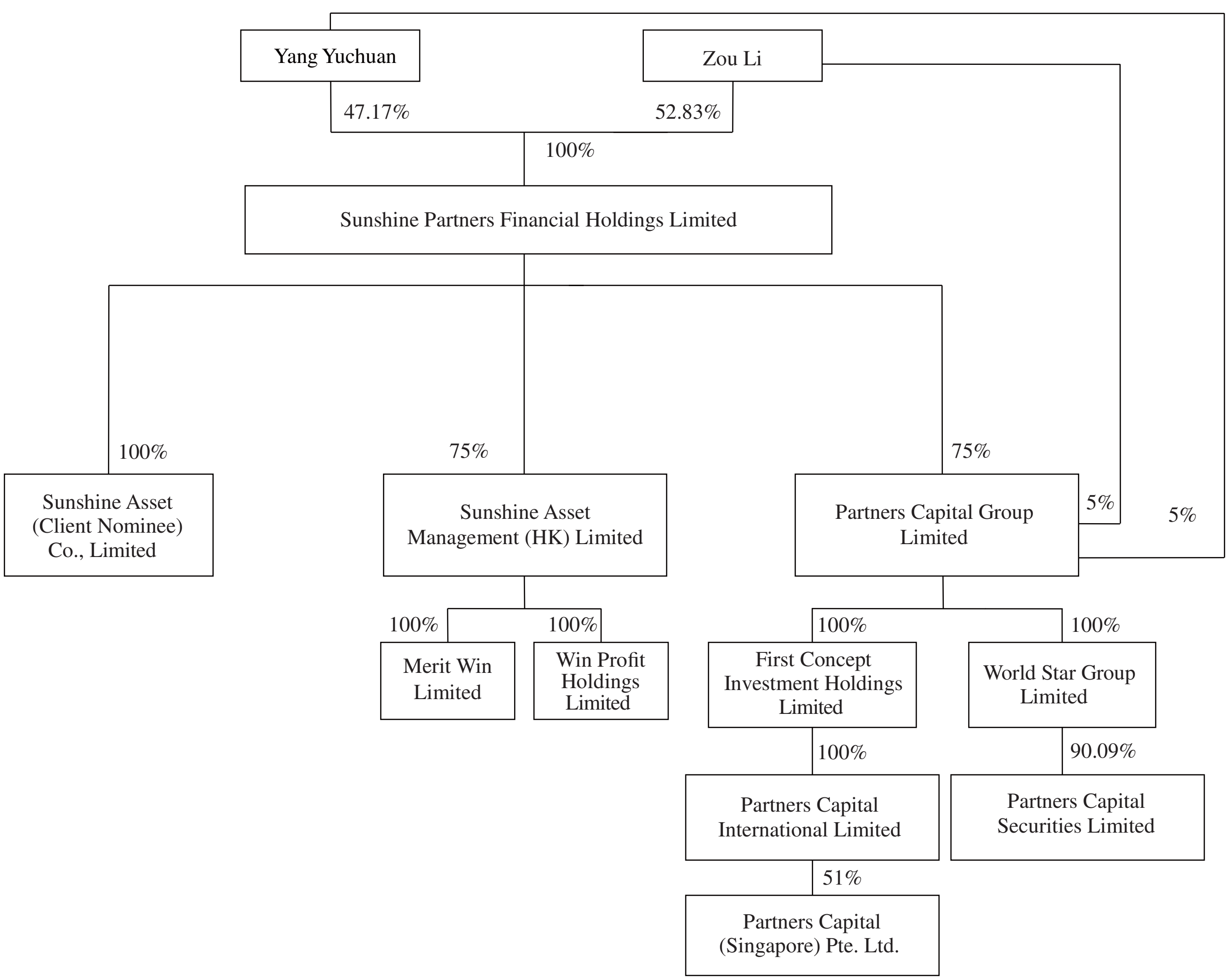
The maximum number of Consideration Shares which may be issued by the Company under the Agreement (assuming that there is no post-Completion adjustment to the Consideration) is 225,833,333 Consideration Shares, representing approximately 10.02% of the existing issued share capital of the Company and assuming no further Shares shall be issued, approximately 9.11% of the then issued share capital of the Company as enlarged by the issue of the Consideration Shares.

Having considered the above factors, the Directors are of the view that the Consideration is fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

INFORMATION OF THE SUNSHINE PARTNERS GROUP AND ITS RELATIONSHIP WITH THE COMPANY AND CONNECTED PERSONS OF THE COMPANY

The Sunshine Partners Group is engaged in the business of provision of investment advisory, corporate finance advisory and asset management services, securities brokerage and dealing in securities.

The group chart of Sunshine Partners Group as at the date of this announcement is set out below.



The financial highlights of the Sunshine Partners Group are set out below:–

	For the 3 months ended 31 March 2010 *(HK$'000)* (Unaudited)	For the financial year ended 31 December 2009 *(HK$'000)* (Unaudited)	For the financial year ended 31 December 2008 *(HK$'000)* (Audited)
Total assets value	107,013	105,520	85,228
Net assets	82,483	77,082	64,974
Consolidated NAV	58,516	55,583	48,371
Profit/(Loss) before taxation and extraordinary items	5,794	(7,047)	8,366
Profit/(Loss) after taxation and extraordinary items	5,794	(7,536)	8,679

Note: The financial figures for the financial year ended 31 December 2008 were based on the audited consolidated accounts of the Sunshine Partners Group which were prepared in accordance with accounting principles and practices generally accepted in Hong Kong, and the financial figures for the three months ended 31 March 2010 and the financial year ended 31 December 2009 were based on the unaudited consolidated accounts of the Sunshine Partners Group which were prepared in accordance with accounting principles and practices generally accepted in Hong Kong.

Each of the Vendors is, and will after Completion remain to be, interested in 5% of the issued share capital of Partners Capital Group Limited, being a 75% owned subsidiary of Sunshine Partners and which will in turn become an indirect non-wholly owned subsidiary of the Company after completion of the Acquisition. Partners Capital Group Limited is indirectly interested in 90.09% of the issued share capital of Partners Capital Securities Limited, which is one of the operating subsidiaries in the Sunshine Partners Group and is a corporation licensed under the SFO to carry on dealing in securities.

Mr. Chi Wen Fu, an executive director, chairman and controlling shareholder of the Company, was a director of Sunshine Partners and two of its subsidiaries namely Partners Capital Group Limited and Sunshine Asset Management (HK) Limited until June 2008, and was a director of Partners Capital (Singapore) Pte. Ltd., another subsidiary of Sunshine Partners until his recent resignation. Ms Chi Bi Fen, an executive director of the Company and the sister of Mr. Chi Wen Fu, was previously the largest shareholder of Sunshine Partners until April 2008. She was also a shareholder of two subsidiaries of Sunshine Partners namely Partners Capital Group Limited and Sunshine Asset Management (HK) Limited until August 2008 and October 2007 respectively. Mr. Shum Sai Chit, an executive director of the Company, was a director of Sunshine Asset Management (HK) Limited, a subsidiary of Sunshine Partners until August 2008 and was also a shareholder of that subsidiary until May 2010. Mr. Chi Wen Fu and the Company were clients of Sunshine Asset Management (HK) Limited, a subsidiary of Sunshine Partners until December 2009. Mr. Chi Wen Fu and Mr. Shum Sai Chit, executive directors of the Company, have also invested in certain private equity funds of which Sunshine Asset Management (HK) Limited, a subsidiary of Sunshine Partners is the investment advisor.

After taking into account the above, the Directors (including the independent non-executive Directors) consider that the Acquisition does not constitute a connected transaction for the Company under the Listing Rules.

REASONS AND BENEFITS FOR THE ACQUISITION

The Group is principally engaged in the production and sale of agriculture-related products, raw materials and magnesium-related products

As mentioned in the annual report of the Company for the year ended 31 December 2008 and the announcement of the Company dated 3 September 2009, the objective of the Company is "Enhancing Strength, Enhancing Growth". For so, the Company is persistently pursuing the objective by looking for any favourable opportunities. New business opportunities not only can help the Company to increase its income and profits and maximize the shareholders' return in forthcoming future, but also can diversify its income sources. New business can help the Company to balance its potential industry risk and expose it to new growth opportunity.

Hong Kong is one of the largest financial centres in the world and is strongly backed by the tremendous momentum in economic growth of the PRC. The financial industry is one of four major core foundations of Hong Kong economy. It has a promising role in the strategic development blueprint of both PRC government and the Hong Kong government: Hong Kong as an international financial centre while Shanghai as the country's financial centre. The financial industry in Hong Kong will be full of opportunities, such as IPO activities, financing and financial consultancy services for PRC enterprises, QDII and QFII, cross-border financing, merger and acquisition, and wealth and assets management for high end investors.

The first member of Sunshine Partners Group was established in 2002. With its history in the market, Sunshine Partners Group has developed a recognized brand, strong client base, competent and dedicated team of professionals, and experienced management. Currently, Sunshine Partners Group holds various licences to perform the respective regulated financial services, such as advising and dealing in securities, advising on corporate finance, and asset management in Hong Kong. Through its wide range of services, its clients can shop under the same roof. Also, Sunshine Partners Group can cover a wide spectrum of potential clients.

By way of entering into the Agreement, the Company can immediately leverage the advantages and step into the financial industry. The Company can immediately have a new line of business with revenue generating power that is diversified from its existing business stems. The Company is not required to invest huge cost and lengthy time to obtain such operating licences. Further, the Company will immediately have a team of experienced professionals to operate this business with well established brand name and clientele.

The Directors (including the independent non-executive Directors) consider the terms of the Acquisition have been made on normal commercial terms and are fair and reasonable and the Acquisition is in the best interest of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE

The following table sets out the existing shareholding structure of the Company and the changes thereto as a result of the allotment and issue of the maximum number of Consideration Shares which may be issued by the Company under the Agreement:–

	As at the date of this announcement		**Immediately after the issue of Consideration Shares**	
	Shares	*%*	*Shares*	*%*
Chi Wen Fu, an executive Director	969,054,850 *(Note 1)*	43.01	969,054,850 *(Note 1)*	39.09
Chi Bi Fen, an executive Director	7,500,000	0.33	7,500,000	0.30
Liu Hoi Keung, an independent non-executive Director	1,000,000	0.04	1,000,000	0.04
The Vendors and Best Equity *(Note 2)*	0	0	225,833,333	9.11
Other public Shareholders	1,275,515,150	56.62	1,275,515,150	51.46
Total	2,253,070,000	100.00	2,478,903,333	100.00

Note:

1. Of these 969,054,850 Shares, 918,484,850 Shares are held by Alpha Sino International Limited ("**Alpha Sino**") and are deemed corporate interests of Mr. Chi Wen Fu by virtue of his holding of 83.74% of the issued share capital of Alpha Sino which entitled him to exercise or control the exercise of one-third or more of the voting power at general meeting of Alpha Sino and 50,570,000 are Shares held by Chi Wen Fu as beneficial owner.

2. Pursuant to the terms of the Agreement, the Consideration Shares shall be issued and allotted by the Company to Best Equity, which is owned as to approximately 47.17% by Mr. Yang and as to approximately 52.83% by Ms. Zou as at the date of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

The applicable percentage ratios in respect of the Acquisition are greater than 5% but less than 25%. Therefore, the Acquisition constitutes a discloseable transaction for the Company and is subject to the announcement requirements but exempt from shareholders' approval requirement under the Listing Rules.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

"Acquisition"	the proposed acquisition of the Sale Shares pursuant to the terms of the Agreement;
"Agreement"	the conditional sale and purchase agreement between (i) Mr. Yang and Ms. Zou as vendors, (ii) the Purchaser as purchaser and (iii) the Company as issuer in respect of the Acquisition dated 18 June 2010;
"Audited Accounts"	the audited consolidated balance sheet of Sunshine Partners and its subsidiaries as at 31 December 2009 and the audited consolidated income statement of Sunshine Partners and its subsidiaries for the period from the date of its incorporation to 31 December 2009 and the audited balance sheet of four subsidiaries of Sunshine Partners, namely Partners Capital International Limited, Partners Capital Securities Limited, Partners Capital (Singapore) Pte. Ltd. and Sunshine Asset Management (HK) Limited, as at 31 December 2009 and the audited income statement of such subsidiaries for the period from 1 January 2007 to 31 December 2009;
"Best Equity"	Best Equity Holdings Limited, a company incorporated in the British Virgin Islands which is owned as to approximately 47.17% by Mr. Yang and as to approximately 52.83% by Ms. Zou as at the date of this announcement;
"Board" or "Director(s)"	the board of directors of the Company;
"Company"	Century Sunshine Group Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange;
"Completion"	completion of the sale and purchase of the Sale Shares pursuant to the terms of the Agreement;
"connected person"	the meaning ascribed to it in the Listing Rules;
"Consideration"	the consideration payable for the Sale Shares;
"Consideration Shares"	up to a maximum of 225,833,333 new Shares to be issued and allotted to the Vendors pursuant to the terms of the Agreement as part of the Consideration;

"Group"	the Company and its subsidiaries;
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China;
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Long Stop Date"	31 August 2010 or such other date as may be agreed between the Vendors and the Purchaser;
"Mr. Yang"	Mr. Yang Yuchuan, being one of the Vendors who owns 50 Sale Shares (representing approximately 47.17% of the issued share capital of Sunshine Partners) as at the date of this announcement;
"Ms. Zou"	Ms. Zou Li, being one of the Vendors who owns 56 Sale Shares (representing approximately 52.83% of the issued share capital of Sunshine Partners) as at the date of this announcement;
"Purchaser"	Century Sunshine Ecological Technology Limited, a company incorporated in Hong Kong, being an indirect wholly-owned subsidiary of the Company;
"Sale Shares"	50 shares and 56 shares of US$1.00 each in the issued share capital of Sunshine Partners which are owned by Mr. Yang and Ms. Zou respectively, representing the entire issued share capital of Sunshine Partners in total;
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Shares"	the shares of the Company;
"Shareholder(s)"	shareholder(s) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Sunshine Partners"	Sunshine Partners Financial Holdings Limited, a company incorporated in the British Virgin Islands, which is owned as to approximately 47.17% by Mr. Yang and as to approximately 52.83% by Ms. Zou prior to Completion;
"Sunshine Partners Group"	Sunshine Partners and its subsidiaries;
"Vendors"	Mr. Yang and Ms. Zou and "Vendor" shall mean any of them;

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong; and
"%"	per cent.

By Order of the Board
Chi Wen Fu
Chairman

Hong Kong, 18 June 2010

As at the date of this announcement, the Company's executive directors are Mr. Chi Wen Fu, Mr. Shum Sai Chit and Ms. Chi Bi Fen, the Company's non-executive director is Ms. Wong May Yuk and the Company's independent non-executive directors are Mr. Kwong Ping Man, Mr. Chu Wai Wa, Fangus and Mr. Liu Hoi Keung.