世纪阳光

CENTURY SUNSHINE GROUP HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 509)

(1) TERMINATION OF THE PROPOSED ACQUISITION OF 10% OF THE ISSUED SHARE CAPITAL OF CHINA MAGNESIUM LIMITED BY A WHOLLY-OWNED SUBSIDIARY (2) CONNECTED TRANSACTION – ACQUISITION OF 7% OF THE ISSUED SHARE CAPITAL OF CHINA MAGNESIUM LIMITED BY A NON WHOLLY-OWNED SUBSIDIARY UNDER THE PRE-EMPTIVE OFFER

Termination of the proposed acquisition of 10% of the issued share capital of China Magnesium Limited by a wholly-owned subsidiary

Reference is made to the announcement of the Company dated 30 July 2009 in relation to, inter alia, the proposed acquisition of 10% of the issued share capital of China Magnesium by Capital Idea from Mr. Cheng and Mr. Yin.

Since Mr. Miao and Fullocean, being the existing shareholders of China Magnesium, have exercised their rights under the Pre-emptive Offer to purchase Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares pursuant to the existing shareholders' agreement in relation to China Magnesium, the condition precedent to the completion of the CM Acquisition cannot be fulfilled. Accordingly, the CM Acquisition will not proceed.

Acquisition of 7% of the issued share capital of China Magnesium Limited by a non wholly-owned subsidiary under the Pre-emptive Offer

On 3 September 2009, Fullocean, being an existing shareholder of China Magnesium and a non wholly-owned subsidiary of the Company, accepted the Pre-emptive Offer whereby the existing shareholders of China Magnesium were given the right of first refusal to purchase their respective pro rata entitlements to Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares and the right to oversubscribe such Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares which were not taken up by other shareholders of China Magnesium upon the terms as contemplated under the CM Agreement. Pursuant to the Pre-emptive Acquisition which has been completed on 3 September 2009, Fullocean has acquired Cheng's Pro Rata Sale Shares (representing 3.5% of the issued share capital in China Magnesium) from Mr. Cheng at a consideration of HK$1,994,440 and Yin's Pro Rata Sale Shares (representing 3.5% of the issued share capital in China Magnesium) from Mr. Yin at a consideration of HK$1,994,440.

Prior to completion of the Pre-emptive Acquisition, China Magnesium was owned as to 60% by Fullocean (which is indirectly owned as to 84.5% by the Company through Capital Idea), 25.6% by Mr. Miao, 7.2% by Mr. Cheng and 7.2% by Mr. Yin. Immediately after completion of the Pre-emptive Acquisition and the acquisition of the additional interest in China Magnesium by Mr. Miao as a result of his exercise of his rights under the Pre-emptive Offer, China Magnesium will be owned as to 67% by Fullocean (which is indirectly owned as to 84.5% by the Company through Capital Idea), 28.6% by Mr. Miao, 2.2% by Mr. Cheng and 2.2% by Mr. Yin. Since both Mr. Cheng and Mr. Yin are directors of China Magnesium, being a non wholly-owned subsidiary of the Company, Mr. Cheng and Mr. Yin are connected persons of the Company. As the applicable percentage ratios for the Pre-emptive Acquisition are more than 0.1% but less than 2.5%, the Pre-emptive Acquisition constitutes connected transaction exempted from the independent Shareholders' approval requirement for the Company under Rule 14A.32 of the Listing Rules.

TERMINATION OF THE PROPOSED ACQUISITION OF 10% OF THE ISSUED SHARE CAPITAL OF CHINA MAGNESIUM LIMITED BY A WHOLLY-OWNED SUBSIDIARY

Reference is made to the announcement of the Company dated 30 July 2009 in relation to, inter alia, the proposed acquisition of 10% of the issued share capital of China Magnesium by Capital Idea from Mr. Cheng and Mr. Yin.

Pursuant to the terms of the CM Agreement, completion of the CM Acquisition in respect of Mr. Cheng's Sale Shares or Mr. Yin's Sale Shares is subject to the condition that none of the existing shareholders of China Magnesium having exercised their right of first refusal to purchase any of Mr. Cheng's Sale Shares or Mr. Yin's Sale Shares (as the case may be) within the prescribed acceptance period pursuant to the existing shareholders' agreement in relation to China Magnesium or the existing shareholders of China Magnesium having otherwise waived such right of first refusal in writing.

Since Mr. Miao and Fullocean, being the existing shareholders of China Magnesium, have exercised their rights under the Pre-emptive Offer to purchase Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares pursuant to the existing shareholders' agreement in relation to China Magnesium, the condition precedent to the completion of the CM Acquisition cannot be fulfilled. Accordingly, the CM Acquisition will not proceed. The consideration previously paid by Capital Idea to Mr. Cheng and Mr. Yin under the CM Agreement has been applied towards payment of the consideration payable by Fullocean to Mr. Cheng and Mr. Yin under the Pre-emptive Acquisition in the total amount of HK$3,988,880 with the remaining balance in the total sum of HK$1,709,520 to be refunded to Capital Idea on or before 6 October 2009.

ACQUISITION OF 7% OF THE ISSUED SHARE CAPITAL OF CHINA MAGNESIUM LIMITED BY A NON WHOLLY-OWNED SUBSIDIARY UNDER THE PRE-EMPTIVE OFFER

On 3 September 2009, Fullocean, being an existing shareholder of China Magnesium and a non wholly-owned subsidiary of the Company, accepted the Pre-emptive Offer whereby the existing shareholders of China Magnesium were given the right of first refusal to purchase their respective pro rata entitlements to Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares and the right to oversubscribe such Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares which were not taken up by other shareholders of China Magnesium upon the terms as contemplated under the CM Agreement.

As informed by Mr. Cheng and Mr. Yin on 3 September 2009, Fullocean and Mr. Miao both exercised their rights under the Pre-emptive Offer to purchase their respective pro rata entitlements to Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares and oversubscribe such Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares which were not taken up by other shareholders of China Magnesium. Pursuant to the Pre-emptive Acquisition which has been completed on 3 September 2009, Fullocean has acquired Cheng's Pro Rata Sale Shares (representing 3.5% of the issued share capital in China Magnesium) from Mr. Cheng at a consideration of HK$1,994,440 and Yin's Pro Rata Sale Shares (representing 3.5% of the issued share capital in China Magnesium) from Mr. Yin at a consideration of HK$1,994,440.

The consideration paid by Fullocean for Cheng's Pro Rata Sale Shares and Yin's Pro Rata Sale Shares is deemed to have been paid by applying part of the consideration previously paid by Capital Idea to Mr. Cheng and Mr. Yin under the CM Agreement as stated in the section headed "Termination of the proposed acquisition of 10% of the issued share capital of China Magnesium Limited by a wholly-owned subsidiary" above.

As the Pre-emptive Offer gave the existing shareholders of China Magnesium the right of first refusal and right of oversubscription to purchase Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares upon the terms as contemplated under the CM Agreement, the consideration for each of Cheng's Pro Rata Sale Shares and Yin's Pro Rata Sale Shares had to be and was the same as the consideration per Mr. Cheng's Sale Share and Mr. Yin's Sale Share as contemplated under the CM Agreement. As disclosed in the announcement of the Company dated 30 July 2009, such consideration was previously determined after arm's length negotiation between Capital Idea and each of Mr. Cheng and Mr. Yin based on normal commercial terms and with reference to the net asset value of China Magnesium Group as at 31 May 2009.

INFORMATION OF CHINA MAGNESIUM GROUP

China Magnesium is a company incorporated in Hong Kong with limited liability. The principal business of China Magnesium is investment holding and its principal asset is its 100% equity interest in Baishan Tianan.

The business scope of Baishan Tianan as stated on its business licence is the manufacture and sale of magnesium-related products (only preliminary stage of factory development allowed). Baishan Tianan will be principally engaged in the research, development and production of magnesium metal and alloy upon establishment of a production plant. As at the date hereof, Baishan Tianan has not yet commenced its business operation, which is scheduled to commence in the fourth-quarter of 2009, with an annual production capacity of 10,000 tonnes of magnesium ingots.

According to the unaudited consolidated financial statements of China Magnesium Group as at 30 June 2009, the unaudited total assets of China Magnesium Group was approximately RMB150,194,000 (equivalent to approximately HK$170,675,000) and the unaudited net assets of China Magnesium Group was approximately RMB72,077,000 (equivalent to approximately HK$81,906,000). During the period from 5 May 2008 (the date of incorporation of China Magnesium) to 31 December 2008, China Magnesium Group has not generated any revenue and it recorded an unaudited consolidated loss (before taxation and extraordinary items) of approximately RMB1,358,000 (equivalent to approximately HK$1,543,000) and an unaudited consolidated loss (after taxation and extraordinary items) of approximately RMB1,358,000 (equivalent to approximately HK$1,543,000). During the period from 1 January 2009 to 30 June 2009, China Magnesium Group has not generated any revenue and it recorded an unaudited consolidated loss (before taxation and extraordinary items) of approximately RMB2,754,000 (equivalent to approximately HK$3,130,000) and an unaudited consolidated loss (after taxation and extraordinary items) of approximately RMB2,754,000 (equivalent to approximately HK$3,130,000) during the said period.

According to the unaudited management accounts of Baishan Tianan as at 30 June 2009, the unaudited total assets of Baishan Tianan was approximately RMB136,125,000 (equivalent to approximately HK$154,688,000) and the unaudited net assets of Baishan Tianan was approximately RMB61,875,000 (equivalent to approximately HK$70,313,000). For each of the two years ended 31 December 2007 and 2008 and the 6 months ended 30 June 2009, Baishan Tianan recorded an unaudited loss (before taxation and extraordinary items) of approximately RMB828,000 (equivalent to approximately HK$941,000), RMB7,183,000 (equivalent to approximately HK$8,163,000) and RMB1,559,000 (equivalent to approximately HK$1,772,000) respectively, and an unaudited loss (after taxation and extraordinary items) of approximately RMB828,000 (equivalent to approximately HK$941,000), RMB7,183,000 (equivalent to approximately HK$8,163,000) and RMB1,559,000 (equivalent to approximately HK$1,772,000) respectively.

Cheng's Pro Rata Sale Shares and Yin's Pro Rata Sale Shares were issued to Mr. Cheng and Mr. Yin respectively by China Magnesium. To the best knowledge and information of the Directors, the consideration paid by Mr. Cheng and Mr. Yin which are attributable to Cheng's Pro Rata Sale Shares and Yin's Pro Rata Sale Shares are HK$2,464,700 and HK$2,464,700 respectively.

Immediately after completion of the Pre-emptive Acquisition and the acquisition of the additional interest in China Magnesium by Mr. Miao as a result of his exercise of his rights under the Pre-emptive Offer, China Magnesium will be owned as to 67% by Fullocean, 28.6% by Mr. Miao, 2.2% by Mr. Cheng and 2.2% by Mr. Yin. Mr. Cheng and Mr. Yin will remain as the directors of China Magnesium thereafter.

REASONS AND BENEFITS FOR THE PRE-EMPTIVE ACQUISITION

The Group is principally engaged in the production and sales of organic fertilizers, compound fertilizers, biological pesticides and magnesium-related products.

As stated in the annual report of the Company for the year ended 31 December 2008, the Company continues the objective of "Enhancing Strength, Enhancing Growth" by looking for favourable opportunities that could help the Company to increase its income and profits in the near future and further maximize the shareholders' return.

The Directors consider that the magnesium business is full of opportunities in future and will broaden the revenue sources of the Company.

Magnesium products can be used in various areas such as aviation, transportation, computer, communication and consumer electronics. The PRC has become the largest consumption, production and export country of magnesium in the world. According to the 11th Five Year Plan of the PRC, the development and industrialization of magnesium alloy falls within the "preferred development" category.

In view of the above, the Company took initiative in identifying business opportunities through the acquisition of 80% of the issued share capital in Fullocean which was then interested in 60% of the interests in China Magnesium Group, which was completed in December 2008. In August 2009, the Company further acquired 4.5% of the issued share capital in Fullocean pursuant to a sale and purchase agreement dated 30 July 2009 between Capital Idea and Ms. Lin Xiu Mei, which was disclosed in the announcement of the Company dated 30 July 2009.

China Magnesium is a non-wholly owned subsidiary of the Company principally engaging in production and sale of magnesium-related products through Baishan Tianan. By acquiring further interests in the China Magnesium Group through the Pre-emptive Acquisition, the Company will be in a better position to negotiate with any third party for future development of the operation and business of China Magnesium since most of the operation and business decision of China Magnesium could be made for the best interest of the Company. Besides that, as the consideration for the Pre-emptive Acquisition represents a favourable discount when compared to the net asset value of the China Magnesium Group, it is considered the Pre-emptive Acquisition will be in the best interest of the Company and its Shareholders.

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

IMPLICATIONS UNDER THE LISTING RULES

Prior to completion of the Pre-emptive Acquisition, China Magnesium was owned as to 60% by Fullocean (which is indirectly owned as to 84.5% by the Company through Capital Idea), 25.6% by Mr. Miao, 7.2% by Mr. Cheng and 7.2% by Mr. Yin. Immediately after completion of the Pre-emptive Acquisition and the acquisition of the additional interest in China Magnesium by Mr. Miao as a result of his exercise of his rights under the Pre-emptive Offer, China Magnesium will be owned as to 67% by Fullocean (which is indirectly owned as to 84.5% by the Company through Capital Idea), 28.6% by Mr. Miao, 2.2% by Mr. Cheng and 2.2% by Mr. Yin. Since both Mr. Cheng and Mr. Yin are directors of China Magnesium, being a non wholly-owned subsidiary of the Company, Mr. Cheng and Mr. Yin are connected persons of the Company. As the applicable percentage ratios for the Pre-emptive Acquisition are more than 0.1% but less than 2.5%, the Pre-emptive Acquisition constitutes connected transaction exempted from the independent Shareholders' approval requirement for the Company under Rule 14A.32 of the Listing Rules.

DEFINITIONS

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

"Baishan Tianan"	Baishan City Tianan Magnesium Resources Co., Ltd. (白山市天安金屬鎂礦業有限公司), a wholly-foreign owned enterprise established in the PRC and a wholly-owned subsidiary of China Magnesium;
"Board" or "Director(s)"	the board of directors of the Company;
"Capital Idea"	Capital Idea Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company;
"Cheng's Pro Rata Sale Shares"	35 shares of HK$1.00 each representing 3.5% of the issued share capital of China Magnesium, being the pro-rata entitlement of Fullocean to purchase and oversubscribe Mr. Cheng's Sale Shares under the Pre-emptive Offer;
"China Magnesium"	China Magnesium Limited, a company incorporated in Hong Kong, which was owned as to 60% by Fullocean, 25.6% by Mr. Miao, 7.2% by Mr. Cheng and 7.2% by Mr. Yin prior to the completion of the Pre-emptive Acquisition;
"China Magnesium Group"	China Magnesium and Baishan Tianan;
"CM Acquisition"	the proposed acquisition of Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares pursuant to the terms of the CM Agreement;

"CM Agreement"	the conditional sale and purchase agreement between (i) Capital Idea as purchaser and (ii) Mr. Cheng and Mr. Yin as vendors in respect of the CM Acquisition dated 30 July 2009;
"Company"	Century Sunshine Group Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange;
"connected person"	the meaning ascribed to it in the Listing Rules;
"Fullocean"	Fullocean Group Limited, a company incorporated in the British Virgin Islands, which is in turn indirectly owned as to 84.5% by the Company through Capital Idea;
"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;
"Mr. Cheng"	Mr. Cheng King Sang, being a director of China Magnesium and thus a connected person of the Company;
"Mr. Cheng's Sale Shares"	50 shares of HK$1.00 each representing 5% of the issued share capital of China Magnesium, which were held by Mr. Cheng prior to completion of the Pre-emptive Acquisition and the acquisition of the additional interest in China Magnesium by Mr. Miao as a result of his exercise of his rights under the Pre-emptive Offer;
"Mr. Miao"	Mr. Miao Xi Zhu, being an existing shareholder and a director of China Magnesium, who is interested in 25.6% in the issued share capital of China Magnesium as at the date of this announcement;
"Mr. Yin"	Mr. Yin Hong Sheng, being a director of China Magnesium and thus a connected person of the Company;
"Mr. Yin's Sale Shares"	50 shares of HK$1.00 each representing 5% of the issued share capital of China Magnesium, which were held by Mr. Yin prior to completion of the Pre-emptive Acquisition and the acquisition of the additional interest in China Magnesium by Mr. Miao as a result of his exercise of his rights under the Pre-emptive Offer;
"PRC"	the People's Republic of China;

"Pre-emptive Acquisition"	the acquisition of Cheng's Pro Rata Sale Shares and Yin's Pro Rata Sale Shares by Fullocean pursuant to its acceptance of the Pre-emptive Offer;
"Pre-emptive Offer"	the offer from Mr. Cheng and Mr. Yin in respect of Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares whereby the existing shareholders of China Magnesium were given the right of first refusal to purchase their respective pro rata entitlements to Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares and the right to oversubscribe such Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares which were not taken up by other shareholders of China Magnesium upon the terms as contemplated under the CM Agreement;
"Shareholder(s)"	shareholder(s) of the Company;
"Shares"	the shares of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Yin's Pro Rata Sale Shares"	35 shares of HK$1.00 each representing 3.5% of the issued share capital of China Magnesium, being the pro-rata entitlement of Fullocean to purchase and oversubscribe Mr. Yin's Sale Shares under the Pre-emptive Offer;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"RMB"	Renminbi, the lawful currency of the PRC; and
"%"	per cent.

Unless otherwise specified herein, for the purpose of this announcement and for reference only, the following exchange rates have been used for the conversion of Renminbi into Hong Kong dollars: HK$1.00 = RMB0.88.

By Order of the Board
Tang Ying Kit
Executive Director

Hong Kong, 3 September 2009

As at the date of this announcement, the Company's executive directors are Mr. Chi Wen Fu, Mr. Shum Sai Chit, Ms. Chi Bi Fen and Mr. Tang Ying Kit, 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.