世纪阳光

CENTURY SUNSHINE GROUP HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 509)

CONNECTED TRANSACTIONS
(1) ACQUISITION OF 4.5% OF THE ISSUED SHARE CAPITAL OF FULLOCEAN GROUP LIMITED
(2) ACQUISITION OF 10% OF THE ISSUED SHARE CAPITAL OF CHINA MAGNESIUM LIMITED

Acquisition of 4.5% of the issued share capital of Fullocean Group Limited

On 30 July 2009, Capital Idea, being a wholly-owned subsidiary of the Company, entered into the FO Agreement with Ms. Lin in relation to the sale of Ms. Lin's Sale Shares to Capital Idea at a consideration of HK$1,511,100.

Acquisition of 10% of the issued share capital of China Magnesium Limited

On 30 July 2009, Capital Idea, being a wholly-owned subsidiary of the Company, entered into the CM Agreement with Mr. Cheng and Mr. Yin in relation to (i) the sale of Mr. Cheng's Sale Shares to Capital Idea at a consideration of HK$2,849,200; and (ii) the sale of Mr. Yin's Sale Shares to Capital Idea at a consideration of HK$2,849,200.

Implications under the Listing Rules

Prior to completion of the FO Acquisition and the CM Acquisition, China Magnesium is owned as to 60% by Fullocean (which is in turn indirectly owned as to 80% by the Company through Capital Idea), 25.6% by Mr. Miao Xi Zhu, 7.2% by Mr. Cheng and 7.2% by Mr. Yin. Immediately after completion of the FO Acquisition and the CM Acquisition, China Magnesium will be owned as to 60% by Fullocean (which will then be indirectly owned as to 84.5% by the Company through Capital Idea), 25.6% by Mr. Miao Xi Zhu, 10% by Capital Idea, 2.2% by Mr. Cheng and 2.2% by Mr. Yin. Since (i) both Mr. Cheng and Mr. Yin are directors of China Magnesium, being a non wholly-owned subsidiary of the Company and (ii) Ms. Lin is a substantial shareholder of Fullocean, being a non wholly-owned subsidiary of the Company, Mr. Cheng, Mr. Yin and Ms. Lin are connected persons of the Company. As the applicable percentage ratios for the CM Acquisition and the FO Acquisition are more than 0.1% but less than 2.5% both on a several basis and when considered in aggregate, the CM Acquisition and the FO Acquisition constitute connected transactions exempted from the independent Shareholders' approval requirement for the Company under Rule 14A.32 of the Listing Rules.

ACQUISITION OF 4.5% OF THE ISSUED SHARE CAPITAL OF FULLOCEAN GROUP LIMITED

The FO Agreement

On 30 July 2009, Capital Idea, being a wholly-owned subsidiary of the Company, entered into the FO Agreement with Ms. Lin in relation to the sale of Ms. Lin's Sale Shares to Capital Idea at a consideration of HK$1,511,100. The principal terms of the FO Agreement are set out below:

Date: 30 July 2009

The Purchaser: Capital Idea Investments Limited, a wholly-owned subsidiary of the Company.

The Vendor: Ms. Lin

Since Ms. Lin is a substantial shareholder of Fullocean currently holding 10% of the issued share capital in Fullocean, Ms. Lin is a connected person of the Company.

Ms. Lin's Sale Shares: 4.5% of the issued share capital of Fullocean, which are held by Ms. Lin prior to completion of the FO Acquisition.

Consideration: The consideration for the acquisition of Ms. Lin's Sale Shares is HK$1,511,100.

The consideration for the FO Acquisition will be paid by Capital Idea to Ms. Lin in cash upon completion, which will take place on or before 30 September 2009 or such other date as shall be mutually agreed by the parties.

It is intended that the consideration for the FO Acquisition will be funded by the internal resources of the Group.

The consideration for the FO Acquisition was determined after arm's length negotiation between Capital Idea and Ms. Lin based on normal commercial terms and with reference to the consolidated net asset value of Fullocean (after deducting the non-controlling interest of Mr. Cheng, Mr. Yin and Mr. Miao Xi Zhu in China Magnesium Group) as at 31 May 2009 in the amount of approximately RMB43,885,000 (equivalent to approximately HK$49,869,000).

ACQUISITION OF 10% OF THE ISSUED SHARE CAPITAL OF CHINA MAGNESIUM LIMITED

The CM Agreement

On 30 July 2009, Capital Idea, being a wholly-owned subsidiary of the Company, entered into the CM Agreement with Mr. Cheng and Mr. Yin in relation to (i) the sale of Mr. Cheng's Sale Shares to Capital Idea at a consideration of HK$2,849,200; and (ii) the sale of Mr. Yin's Sale Shares to Capital Idea at a consideration of HK$2,849,200. The principal terms of the CM Agreement are set out below:

Date: 30 July 2009

The Purchaser: Capital Idea Investments Limited, a wholly-owned subsidiary of the Company.

The Vendors:
(1) Mr. Cheng (in respect of Mr. Cheng's Sale Shares)
(2) Mr. Yin (in respect of Mr. Yin's Sale Shares)

Since both Mr. Cheng and Mr. Yin are directors of China Magnesium, a non wholly-owned subsidiary of the Company, both Mr. Cheng and Mr. Yin are connected persons 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 are held by Mr. Cheng prior to completion of the CM Acquisition.

Mr. Yin's Sale Shares: 50 shares of HK$1.00 each representing 5% of the issued share capital of China Magnesium, which are held by Mr. Yin prior to completion of the CM Acquisition.

Consideration: The consideration for the acquisition of Mr. Cheng's Sale Shares is HK$2,849,200, and the consideration for the acquisition of Mr. Yin's Sale Shares is HK$2,849,200.

The consideration for the CM Acquisition will be paid by Capital Idea to each of Mr. Cheng and Mr. Yin in cash upon signing of the CM Agreement.

Condition: 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. If the condition is not fulfilled in respect of Mr. Cheng's Sale Shares and/or

Mr. Yin's Sale Shares on or before 30 September 2009 or such other date as agreed by the parties, the CM Acquisition in respect of Mr. Cheng's Sale Shares and/or Mr. Yin's Sale Shares (as the case may be) will not proceed and Mr. Cheng and/or Mr. Yin (as the case may be) shall refund all consideration paid by Capital Idea to them respectively.

Completion: Subject to the condition precedent mentioned above being fulfilled, completion of the CM Acquisition will take place on or before (a) 30 September 2009; or (b) the date falling 14 days after the expiry of the prescribed acceptance period for exercising the right of first refusal mentioned above, whichever is earlier, or such date as shall be mutually agreed by the parties.

The consideration for the CM Acquisition was 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. It is intended that the consideration for the CM Acquisition will be funded by the internal resources of the Group.

INFORMATION ON FULLOCEAN

Fullocean is a company incorporated in the British Virgin Islands with limited liability. Before completion of the FO Acquisition, Fullocean is owned as to 80% by Capital Idea, 10% by Ms. Lin and 10% by Win Union Limited. To the best knowledge and information of the Directors, simultaneously with the entering into of the FO Agreement, Ms. Lin has also entered into an agreement for the disposal of 3.3% of the issued share capital of Fullocean to Win Union Limited. As such, immediately after completion of the FO Acquisition and the disposal of shares in Fullocean by Ms. Lin to Win Union Limited, Fullocean will be owned as to 84.5% by Capital Idea, 2.2% by Ms. Lin and 13.3% by Win Union Limited.

The principal business of Fullocean is investment holding and its principal asset as at the date hereof is its 60% shareholding interest in China Magnesium.

According to the unaudited consolidated financial statements of Fullocean as at 31 May 2009, the unaudited total assets of Fullocean was approximately RMB149,770,000 (equivalent to approximately HK$170,193,000) and the unaudited net assets of Fullocean was approximately RMB73,141,000 (equivalent to approximately HK$83,115,000). During the period from 2 April 2008 (the date of incorporation of Fullocean) to 31 December 2008, Fullocean has not generated any revenue and it recorded an unaudited consolidated loss (before non-controlling interests, taxation and extraordinary items) of approximately RMB868,000 (equivalent to approximately HK$986,000) and an unaudited consolidated loss (after non-controlling interest, taxation and extraordinary items) of approximately RMB325,000 (equivalent to approximately HK$369,000) during the said period. During the period from 1 January 2009 to 31 May 2009, Fullocean has not generated any revenue and it recorded an unaudited consolidated loss (before non-controlling interests, taxation and extraordinary items) of approximately RMB1,689,000 (equivalent to approximately HK$1,919,000) and an unaudited consolidated loss (after non-controlling interests, taxation and extraordinary items) of approximately RMB1,014,000 (equivalent to approximately HK$1,152,000) during the said period.

Ms. Lin's Sale Shares were acquired by Ms. Lin in March 2009. To the best knowledge and information of the Directors, the consideration paid by Ms. Lin which is attributable to Ms. Lin's Sale Shares is approximately RMB2,034,000 (equivalent to approximately HK$2,311,000).

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 31 May 2009, the unaudited total assets of China Magnesium Group was approximately RMB149,770,000 (equivalent to approximately HK$170,193,000) and the unaudited net assets of China Magnesium Group was approximately RMB73,141,000 (equivalent to approximately HK$83,115,000). 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 31 May 2009, China Magnesium Group has not generated any revenue and it recorded an unaudited consolidated loss (before taxation and extraordinary items) of approximately RMB1,689,000 (equivalent to approximately HK$1,919,000) and an unaudited consolidated loss (after taxation and extraordinary items) of approximately RMB1,689,000 (equivalent to approximately HK$1,919,000) during the said period.

According to the unaudited management accounts of Baishan Tianan as at 31 May 2009, the unaudited total assets of Baishan Tianan was approximately RMB135,630,000 (equivalent to approximately HK$154,125,000) and the unaudited net assets of Baishan Tianan was approximately RMB62,171,000 (equivalent to approximately HK$70,649,000). For each of the two years ended 31 December 2007 and 2008 and the 5 months ended 31 May 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 RMB1,262,000 (equivalent to approximately HK$1,434,000) 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 RMB1,262,000 (equivalent to approximately HK$1,434,000) respectively.

Mr. Cheng's Sale Shares and Mr. Yin's 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 Mr. Cheng's Sale Shares and Mr. Yin's Sale Shares are HK$3,521,000 and HK$3,521,000 respectively.

Immediately after completion of the CM Acquisition, China Magnesium will be owned as to 60% by Fullocean, 25.6% by Mr. Miao Xi Zhu, 10% by Capital Idea, 2.2% by Mr. Cheng and 2.2% by Mr. Yin. Mr. Cheng and Mr. Yin will remain as the directors of China Magnesium upon completion of the CM Acquisition.

REASONS AND BENEFITS FOR THE FO ACQUISITION AND CM 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 favorable 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.

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 FO Acquisition and CM 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 a favorable discount has been given by Ms. Lin, Mr. Cheng and Mr. Yin on the consideration payable by the Group for the FO Acquisition and the CM Acquisition when compared to the net asset value of Fullocean (after deducting the non-controlling interest) and the net asset value of the China Magnesium Group, it is considered the FO Acquisition and the CM 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 FO Agreement and the CM Agreement have been made on normal commercial terms and are fair and reasonable and the FO Acquisition and the CM Acquisition are in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Prior to completion of the FO Acquisition and the CM Acquisition, China Magnesium is owned as to 60% by Fullocean (which is in turn indirectly owned as to 80% by the Company through Capital Idea), 25.6% by Mr. Miao Xi Zhu, 7.2% by Mr. Cheng and 7.2% by Mr. Yin. Immediately after completion of the FO Acquisition and the CM Acquisition, China Magnesium will be owned as to 60% by Fullocean (which will then be indirectly owned as to 84.5% by the Company through Capital Idea), 25.6% by Mr. Miao Xi Zhu, 10% by Capital Idea, 2.2% by Mr. Cheng and 2.2% by Mr. Yin. Since (i) both Mr. Cheng and Mr. Yin are directors of China Magnesium, being a non wholly-owned subsidiary of the Company and (ii) Ms. Lin is a substantial shareholder of Fullocean, being a non wholly-owned subsidiary of the Company, Mr. Cheng, Mr. Yin and Ms. Lin are connected persons of the Company. As the applicable percentage ratios for the CM Acquisition and the FO Acquisition are more than 0.1% but less than 2.5% both on a several basis and when considered in aggregate, the CM Acquisition and the FO Acquisition constitute connected transactions 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;
"China Magnesium"	China Magnesium Limited, a company incorporated in Hong Kong, which is owned as to 60% by Fullocean, 25.6% by Mr. Miao Xi Zhu, 7.2% by Mr. Cheng and 7.2% by Mr. Yin prior to completion of the CM Acquisition;
"China Magnesium Group"	China Magnesium and Baishan Tianan;
"CM Acquisition"	the 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 80% by the Company through Capital Idea prior to completion of the FO Acquisition and will be owned as to 84.5% by the Company through Capital Idea after completion of the FO Acquisition;
"FO Acquisition"	the acquisition of Ms. Lin's Sale Shares pursuant to the terms of the FO Agreement;
"FO Agreement"	the sale and purchase agreement between (i) Capital Idea as purchaser and (ii) Ms. Lin as vendor in respect of the FO Acquisition dated 30 July 2009;
"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 are held by Mr. Cheng prior to completion of the CM Acquisition;
"Ms. Lin"	Ms. Lin Xiu Mei, being a substantial shareholder of Fullocean currently holding 10% of the issued share capital in Fullocean and thus a connected person of the Company;
"Ms. Lin's Sale Shares"	4.5% of the issued share capital of Fullocean, which are held by Ms. Lin prior to completion of the FO Acquisition;

"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$1.00 each representing 5% of the issued share capital of China Magnesium, which are held by Mr. Yin prior to completion of the CM Acquisition;
"PRC"	the People's Republic of China;
"Shares"	the shares of the Company;
"Shareholder(s)"	shareholder(s) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"HK$"	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 = RMB0.88.

By Order of the Board
Chi Wen Fu
Chairman

Hong Kong, 30 July 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 directors 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.