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世紀陽光

世紀陽光集團控股有限公司

CENTURY SUNSHINE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 509)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE PROPOSED SUBSCRIPTION UNDER
THE PROPOSED RIGHTS ISSUE OF
RARE EARTH MAGNESIUM TECHNOLOGY GROUP
HOLDINGS LIMITED**

Reference is made to the REMT RI Announcement dated 19 November 2024 in relation to the REMT Rights Issue.

As at the date of this announcement, the Company is indirectly (through its wholly-owned subsidiary, namely Ming Xin,) interested in (i) 237,049,786 REMT Shares, representing approximately 40.00% of the total share capital in REMT; and (ii) the MX Convertible Bonds (which is convertible into 462,455,726 new REMT Shares).

On 19 November 2024, Ming Xin executed the MX Undertaking in favour of REMT and the Underwriter, pursuant to which Ming Xin has irrevocably undertaken (i) to subscribe for 118,524,893 REMT Rights Shares, being its full entitlement under the REMT Rights Issue; (ii) not to exercise any of the conversion rights attaching to the MX Convertible Bonds in the principal amount of HK\$431,471,192 (which is convertible into 462,455,726 new REMT Shares), up to and including the Record Date; (iii) the MX Convertible Bonds in the principal amount of HK\$431,471,192 will remain registered in the name of and beneficially owned by Ming Xin respectively up to and including the Record Date; and (iv) not to apply for any REMT Rights Shares under excess application form in excess of its entitlement under the REMT Rights Issue.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the MX Undertaking to subscribe for the REMT Rights Shares is more than 5% but less than 25%, the execution of the MX Undertaking and subscription for the REMT Rights Shares by Ming Xin constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under the Listing Rules.

Reference is made to the REMT RI Announcement of REMT dated 19 November 2024 in relation to the REMT Rights Issue.

PRINCIPAL TERMS OF THE REMT RIGHTS ISSUE

Basis of the REMT Rights Issue	:	One (1) REMT Rights Share for every two (2) existing REMT Shares held on the Record Date
Subscription Price	:	HK\$0.110 per REMT Rights Share
Number of existing REMT Shares in issue at the date of this announcement	:	592,595,103 REMT Shares
Number of REMT Rights Shares to be issued pursuant to the REMT Rights Issue	:	296,297,551 REMT Rights Shares (assuming no change in the number of REMT Shares in issue on or before the Record Date) Up to 302,148,861 REMT Rights Shares (assuming all REMT Convertible Bonds, but excluding the MX Convertible Bonds, have been exercised or converted on or before the Record Date)
Number of REMT Rights Shares undertaken to be taken up by Ming Xin	:	118,524,893 REMT Shares
Total Subscription Price payable by Ming Xin	:	Approximately HK\$13,037,738
Number of Rights Shares underwritten by the Underwriter	:	Not less than 177,772,658 REMT Rights Shares or not more than 183,623,968 than REMT Rights Shares on fully underwritten basis

The REMT Rights Issue is subject to a number of conditions, including (among other matters),

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong of the prospectus documents of the REMT Rights Issue in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) not later than the Prospectus Posting Date;
- (b) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the REMT Rights Shares, in nil-paid and fully-paid forms;
- (c) the obligations of the Underwriter becoming unconditional and the underwriting agreement of REMT Rights Issue not being terminated in accordance with its terms; and
- (d) compliance with and performance of all the undertakings and obligations of Ming Xin under the MX Undertaking.

The Subscription Price was determined with reference to, among other things, (i) the market price of the REMT Shares under the prevailing market conditions, (ii) the latest financial position of the REMT Group; and (iii) the reasons for and benefits of proposed REMT Rights Issue as discussed in the section headed “Reasons for and benefits of the proposed Rights Issue and intended use of proceeds” in the REMT RI Announcement.

Upon completion of the REMT Rights Issue, the Company will continue to indirectly hold the shareholdings in REMT ranging from 39.23% to 40.00% of the total issued share capital of REMT as enlarged by the allotment and issue of REMT Rights Shares.

THE MX UNDERTAKING

Date 19 November 2024

Parties Ming Xin in favour of (1) REMT; and (2) the Underwriter

Pursuant to the MX Undertaking, Ming Xin has irrevocably undertaken to REMT and the Underwriter that:

- (i) to subscribe for 118,524,893 REMT Rights Shares, being its full entitlement under the REMT Rights Issue;
- (ii) not to exercise any of the conversion rights attaching to the MX Convertible Bonds in the principal amount of HK\$431,471,192 (which is convertible into 462,455,726 new REMT Shares), up to and including the Record Date;
- (iii) the MX Convertible Bonds in the principal amount of HK\$431,471,192 will remain registered in the name of and beneficially owned by Ming Xin respectively up to and including the Record Date; and
- (iv) not to apply for any REMT Rights Shares under excess application form in excess of its entitlement under the REMT Rights Issue.

INFORMATION OF REMT

REMT is an investment holding company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 601). The REMT Group is principally engaged in the magnesium product business.

The following financial information is extracted from the annual reports of REMT:

	As at 31 December	
	2023	2022
	(audited)	(audited)
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Net assets	612,961	1,095,952
	For the year ended	
	31 December	
	2023	2022
	(audited)	(audited)
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	263,491	383,899
(Loss)/Profit before taxation	(425,911)	5,632
(Loss)/Profit after taxation	(423,600)	1,404

REASONS FOR AND BENEFITS OF ENTERING INTO THE MX UNDERTAKING

As disclosed in the REMT RI Announcement, the magnesium ingot prices in the PRC has generally decreased in 2023 and the average selling price of the REMT Group's magnesium products decreased in 2023 as compared with the selling price in 2022. Despite the decline in magnesium prices, REMT's management considers that metal magnesium and magnesium alloy new materials are still in the growth phase of their life cycle as mainstream lightweight materials, and have advantages such as light weight, high strength, good thermal conductivity, and corrosion resistance with wide range of applications across various industries. Magnesium is a versatile and environmentally-friendly metal raw material that responds to the national "Dual Carbon" policy and aligns with the new trend of energy conservation and environmental protection in the future. Market research also forecasts that the magnesium metal market size is estimated to be valued at US\$5.3 billion in 2023 and is expected to reach US\$9 billion by 2033. The adoption of magnesium metal is likely to advance at a CAGR of 5.4% during the forecast period.

Further, as disclosed in the REMT RI Announcement, the net proceeds of the REMT Rights Issue will be utilised for, among others, funding for the update and transformation of the production facilities of the REMT Group and to supplement its working capital for the growth of the REMT Group's existing magnesium business. The Company therefore supports the REMT Rights Issue and considers that it is in the best interest of the Company that the REMT Rights Issue should proceed as the business operation and the financial position of REMT, which is a significant investment of the Company, can be strengthened with the infusion of new capital from the proposed REMT Rights Issue. The subscription of the REMT Rights Shares to be provisionally allotted to Ming Xin pursuant to the terms of the REMT Rights Issue will enable the Group to maintain its percentage stake in REMT.

As at the date of this announcement, Ming Xin holds 40.00% shareholding in REMT. Pursuant to the MX Undertaking, upon completion of the REMT Rights Issue, Ming Xin will maintain its shareholding in REMT ranging from 39.23% to 40.00% and will continue to be the largest shareholder of REMT. Upon completion of the REMT Rights Issue, REMT will continue to be an indirect non-wholly owned subsidiary of the Company. The REMT's financial results will continue to be consolidated with the Company's results.

The Directors consider that the entering into the MX Undertaking demonstrates the Company's support of the REMT Rights Issue as well as maintaining the Group's interest in REMT. Hence, the Directors are of the view that the terms of the MX Undertaking are fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the MX Undertaking to subscribe for the REMT Rights Shares is more than 5% but less than 25%, the execution of the MX Undertaking and subscription for the REMT Rights Shares by Ming Xin constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under the Listing Rules.

Shareholders should note that subscription under the MX Undertaking is subject to the satisfaction or waiver of various conditions under the REMT Rights Issue. Accordingly, the subscription under the MX Undertaking may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

GENERAL INFORMATION

The Company is an investment holding company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 509). The Group (including REMT Group) is principally engaged in fertiliser business, magnesium product business, and metallurgical flux business.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Company”	Century Sunshine Group Holdings Limited, a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 509)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“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

“Ming Xin”	Ming Xin Developments Limited, an indirect wholly owned subsidiary of the Company incorporated in British Virgin Islands with limited liability
“MX Convertible Bonds”	the convertible bonds issued by REMT in the sum of principal amount of HK\$431,471,192 (which is convertible into 462,455,726 new REMT Shares) and legally and beneficially held by Ming Xin
“MX Undertaking”	a letter of irrevocable undertaking executed by Ming Xin on 19 November 2024 in favour of REMT and the Underwriter, the principal terms of which are disclosed in the section headed “The MX Undertaking” in this announcement
“REMT”	Rare Earth Magnesium Technology Group Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 601)
“REMT Convertible Bonds”	the convertible bonds of principal amount of HK\$442,389,736 issued by REMT on 5 August 2022 pursuant to creditors’ scheme of arrangement and entitled its holder to convert into 474,158,345 new REMT Shares at the conversion price of HK\$0.933 per REMT Share upon the exercise of the convertible right attached thereto in full
“REMT Group”	REMT and its subsidiaries
“REMT RI Announcement”	the announcement of REMT dated 19 November 2024 in relation to the REMT Rights Issue
“REMT Rights Issue”	the proposed issue by way of rights on the basis of one (1) Rights Share for every two (2) exiting REMT Shares held by the qualifying shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the underwriting agreement and the prospectus documents
“REMT Rights Shares”	new REMT Shares to be allotted and issued under the proposed REMT Rights Issue

“REMT Shares”	ordinary share(s) of HK\$0.01 each in the share capital of REMT
“Record Date”	10 December 2024 or such other date as may be agreed between REMT and the Underwriter in writing for the determination of the entitlements under the REMT Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	the ordinary shares of HK\$0.8 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.110 per REMT Rights Share under the REMT Rights Issue
“Underwriter”	Raffaello Securities (HK) Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“%”	per cent.

By Order of the Board
Century Sunshine Group Holdings Limited
Chi Jing Chao
Executive Director

Hong Kong, 19 November 2024

As at the date of this announcement, the Directors are:

Executive Directors : *Mr. Chi Wen Fu and Mr. Chi Jing Chao*

Independent Non-executive Directors : *Mr. Cheung Sound Poon and Mr. Shen Yi Min*