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世纪阳光

世紀陽光集團控股有限公司

CENTURY SUNSHINE GROUP HOLDINGS LIMITED

*(in provisional liquidation)
(for restructuring purposes only)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 509)*



**稀镁科技
REMT**

稀镁科技集團控股有限公司

RARE EARTH MAGNESIUM TECHNOLOGY GROUP HOLDINGS LIMITED

*(in provisional liquidation)
(for restructuring purposes only)
(Incorporated in Bermuda with limited liability)
(Stock Code: 601)*

JOINT ANNOUNCEMENT

1. INSIDE INFORMATION

2. DISCLOSEABLE AND CONNECTED TRANSACTIONS

3. CHANGE IN COMPOSITION OF CS BOARD AND REMT BOARD AND SENIOR MANAGEMENT OF CS AND REMT

AND

4. RESUMPTION OF TRADING

This joint announcement is made by CS and REMT pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

BACKGROUND

The Ruling and related freezing orders

On 5 July 2021, CS was informed by the joint provisional liquidators of CS that based on an online search conducted against CS's subsidiaries in the PRC, the Bank had filed an application to Linyi Court to enforce guarantees of the Loans amounting to RMB124.96 million granted to Shandong Hongri by the Bank that have been provided by the Relevant CS Subsidiaries and Ms. Chi Bi Fen, the former legal representative of Shandong Hongri, an indirect non-wholly owned subsidiary of CS.

According to an online search conducted by CS and the written ruling (the “**Ruling**”) of the Linyi Court dated 12 July 2021 that was received by CS on 13 July 2021, CS noted that the Ruling applied not only to the Relevant CS Subsidiaries, Ms. Chi Bi Fen and Shandong Hongri but also Xinjiang Tengxiang, an indirect wholly-subsubsidiary of REMT. The Ruling stated that bank deposits of the Relevant CS Subsidiaries, Ms. Chi Bi Fen and Xinjiang Tengxiang in total sum of approximately RMB125 million or assets of equivalent value may be frozen for periods of up to one year (if cash), two years (if moveable assets) and three years (if immovable property or other types of assets).

The Bank applied for 13 plots of land owned by Shandong Hongri to be frozen pursuant to the Ruling. On 26 July 2021, Shandong Hongri received a copy of a notice for assistance for enforcement (協助執行通知書) dated 21 July 2021 from Linyi Court to Linyi Immovable Assets Registration Centre (the “**Registry**”) requiring the assistance of the Registry in order to enforce the Ruling by “freezing” three plots of land owned by Shandong Hongri (the “**Frozen Assets**”), which are part of the Land (as defined below), for the period between 21 July 2021 and 20 July 2024.

CS immediately notified REMT of the Ruling. Following a comprehensive review of all financial documents signed by it and its subsidiaries, the management of REMT noted that in addition to Xinjiang Tengxiang, Baishan Tianan (which is not subject to the Ruling), an indirect wholly-subsubsidiary of REMT is also one of the guarantors for the Loans. In its communications with the Bank, CS was given to understand that the enforcement action was taken as part of the Bank’s standard procedures in view of the proposed debt restructuring of CS. CS has been able to discuss with the Bank about the assets that could be subject to a freezing order with the least disruption to the CS Group and REMT Group. CS is also exploring with the Bank the possibility of securing a release of the Baishan Guarantee Agreements and Xinjiang Guarantee Agreements under the Loans by having CS Group provide alternative security. Please refer to the section headed “Provision of Financial Assistance by REMT to CS” in this joint announcement for details of Baishan Guarantee Agreements and Xinjiang Guarantee Agreements.

Shandong Hongri

Shandong Hongri operated one of CS Group’s fertilizer production bases until its cessation of operation in late 2020. As disclosed in CS’s annual reports for the last two financial years ended 31 December 2020 and CS’s announcement dated 23 July 2019 (the “**July 2019 Announcement**”), in accordance with the Shandong Provincial Government’s “Relocation of Industries from City Urban Area to Industrial Parks (退城入園)” policy, Shandong Hongri ceased production, resettled, relocated or terminated the labour contracts of its relevant employees and demolished its plants (the “**Relocation Plan**”). It has also been working towards applying for the change of the use of the land on which its plants were located (the “**Land**”) from industrial use as permitted under the relevant government policies so that the Land can be used for higher value redevelopment. Given that the Relocation Plan had been government driven, the Luozhuang District Government organized a meeting with the local financial supervisory bureau, creditor banks of Shandong Hongri, including

the Bank, and Shandong Hongri in April 2019 at which the government requested (and the banks indicated support for) the Relocation Plan by not withdrawing, reducing or accelerating credit granted to Shandong Hongri until after the successful change of use of the Land (the “**Understanding**”). Consistent with the Understanding, the Loans had been rolled over in 2019 and 2020 through the signing of new Loan Agreements upon the expiry of the term of the corresponding preceding Loan Agreement, as illustrated in the table below. CS is in active discussion with the local authorities to expedite the change of use of the Land after which, as noted in the July 2019 Announcement, it expects an appreciation in value of the Land.

Implication of the Ruling and freezing orders

Although the Bank may have the right to apply to the Linyi Court for orders to freeze the other assets of Shandong Hongri and/or the relevant guarantors under the Ruling, CS and REMT have been advised by their PRC counsels that, in deciding whether or not to grant any such order and the scope of such order, the Linyi Court is required to have regard to the following requirements: (i) the value of the relevant asset that is to be “frozen” must not be excessive in the context of the payment obligations to which the Ruling relates, unless the asset is indivisible and there are no alternative assets of sufficient value to satisfy such payment obligations; and (ii) if multiple assets are available for “freezing”, the order should apply to those assets which if frozen would least impact the production activities of the party concerned. To the best knowledge of CS, the aggregate value of the Frozen Assets (after taking account the value of the Land after its change of use and other liabilities that were secured by the Frozen Assets) is not less than RMB125 million. As disclosed above, the Linyi Court has ordered the freezing of 3 plots of land, instead of 13 plots of land that were the subject of the Bank’s application. Accordingly, CS believes that there is low risk of further freezing orders at this stage. In view of the foregoing and the fact that the Frozen Assets belong to Shandong Hongri which has no operations and absent unforeseen circumstances, neither CS nor REMT expect the Ruling to have a material adverse impact on the business operations of those of its subsidiaries that are subject to the Ruling.

PROVISION OF FINANCIAL ASSISTANCE BY REMT TO CS

Based on the information available to the REMT Board, each of Baishan Tianan and Xinjiang Tengxiang entered into ten (10) Guarantee Agreements with the Bank during the period from January 2018 to August 2020 (the “**Period**”) to guarantee the payment obligations of Shandong Hongri in respect of the Loans advanced by the Bank under the Loan Agreements. Except for information relating to the identity of the guarantor, the principal terms of Baishan Guarantee Agreements and Xinjiang Guarantee Agreements are the same.

The Loan Agreements were signed during the period from July 2017 to August 2020, although those Loan Agreements signed from 2019 onwards did not involve new advances and were effectively a renewal of Loans that were outstanding on 10 June 2019. The proceeds of the Loans funded the operations of Shandong Hongri, until it ceased operations in late 2020 to implement the Relocation Plan. The Loans were also secured by separate corporate guarantees provided by CS and Relevant CS Subsidiaries, and personal guarantees provided by Ms. Chi Bi Fen, who was an executive director of both CS and REMT until 26 June 2019, and her spouse (since June 2020).

All material terms of Baishan Guarantee Agreements and Xinjiang Guarantee Agreements are the same, except for information relating to the identity of the guarantor. A summary of the key terms of Baishan Guarantee Agreements and Xinjiang Guarantee Agreements is set out below:

	Guaranteed term	Date of relevant Guarantee Agreements <i>(Note 1)</i>	Amount guaranteed/ Principal amount guaranteed <i>(Notes 2 and 3)</i>	Outstanding amount guaranteed/ Outstanding principal amount guaranteed during the relevant term of the Guarantees
			<i>RMB'000</i>	<i>RMB'000</i>
Guarantee A	Up to 6 July 2018	10 January 2018	180,000	180,000
Guarantee B	Up to 6 July 2019	8 June 2018	240,000	240,000
Guarantee C	Up to two years after expiry of the relevant Loans	10 June 2019	50,000	125,000
Guarantee D		26 July 2019	20,000	125,000
Guarantee E		31 July 2019	25,000	125,000
Guarantee F		6 August 2019	30,000	125,000
Guarantee G		9 June 2020	50,000	125,000
Guarantee H		23 July 2020	20,000	125,000
Guarantee I		30 July 2020	25,000	125,000
Guarantee J		4 August 2020	30,000	125,000

Notes:

- Each of Baishan Tianan and Xinjiang Tengxiang has entered into each Guarantee set out above for the same guaranteed amount or guaranteed principal amount.
- The Guarantee A and Guarantee B were “all monies” guarantees under which the maximum liability of the relevant guarantor was stated to be RMB180 million and RMB240 million, respectively.
- The guarantor’s payment obligations under the Guarantees C to J relate to the principal amount of the Loans, interest, penalties, and costs and expenses of enforcement that may be incurred by the Bank. The amounts stated in the column for Guarantees C to J only refer to the principal amount of the relevant Loans being guaranteed.

A summary of the Loans under the Loan Agreements entered into between Shandong Hongri and the Bank is set out below:

<u>Date</u>	<u>Expiry date of the Loan term</u>	<u>Nature of the Loan</u>	<u>Principal amount of the Loan</u> <i>RMB'000</i>	<u>Aggregate outstanding principal amount of the Loan at the relevant time of the Loans</u> <i>(Note 1)</i> <i>RMB'000</i>	<u>Secured by which Guarantee</u>
1. 10 January 2018	10 January 2019	Trade Finance	50,000	150,000 <i>(Note 2)</i>	Guarantee A <i>(Note 2)</i>
8 June 2018	7 June 2019	Revolving Loan	50,000	200,000	
2. 1 August 2018	1 August 2019	Trade Finance	40,000	145,000	Guarantee B
7 August 2018	6 August 2019	Revolving Loan	30,000	175,000	
24 August 2018	24 August 2019	Trade Finance	50,000	150,000	
3. 10 June 2019 <i>(Note 3)</i>	9 June 2020	Renewal of expiring Loan	50,000	125,000	Guarantee C
4. 26 July 2019 <i>(Note 3)</i>	25 July 2020	Renewal of expiring Loan	20,000	125,000	Guarantee D
5. 31 July 2019 <i>(Note 3)</i>	30 July 2020	Renewal of expiring Loan	25,000	125,000	Guarantee E
6. 6 August 2019 <i>(Note 3)</i>	5 August 2020	Renewal of expiring Loan	30,000	125,000	Guarantee F
7. 11 June 2020	8 June 2021	Renewal of expiring Loan	49,960	124,960	Guarantee G
8. 23 July 2020	22 July 2021	Renewal of expiring Loan	20,000	124,960	Guarantee H
9. 30 July 2020	29 July 2021	Renewal of expiring Loan	25,000	124,960	Guarantee I
10. 4 August 2020	3 August 2021	Renewal of expiring Loan	30,000	124,960	Guarantee J

Notes:

1. The numbers in the column “aggregate outstanding principal Loans amount” also represent the maximum exposure of REMT Group (in terms of the loan principal amount) under the Guarantee Agreements at the relevant time, for example, the maximum exposure of REMT Group at the time of entering into of the Guarantee Agreement dated 4 August 2020 was RMB124,960,000.
2. Immediately before the entering into the Loan Agreement dated 10 January 2018 in respect of the principal amount of RMB50 million, the total outstanding principal amount of Loans was RMB100 million.
3. The aggregate outstanding Loans at the time of the Understanding in April 2019 was amounting to RMB125 million and such Loans were subsequently renewed by the Bank and Shandong Hongri through the Loan Agreements dated 10 June 2019, 26 July 2019, 31 July 2019 and 6 August 2019 respectively.

No approval of the REMT Board was sought for the signing of the Guarantee Agreements as the relevant REMT Directors had not appreciated that the provision of Guarantees constituted the granting of “financial assistance” by REMT Group for the purposes of Chapter 14 and 14A of the Listing Rules. The management of REMT simply treated the provision of Guarantees as part of group internal financing arrangements in the ordinary course, given that CS Group has from time to time provided financial support to REMT Group. Such financial support included (i) a guarantee of bank loans to Baishan Tianan in the aggregate principal amount of RMB140 million which are repayable in instalments during the period from 25 March 2016 to 25 March 2023; (ii) a guarantee of a loan granted by International Finance Corporation to Baishan Tianan for a principal amount of US\$27 million which is repayable in instalments during the period from 15 October 2016 to 15 April 2021; and (iii) the guarantee of a note in the principal amount of HK\$100 million issued by REMT on 13 December 2019, in addition to the convertible bond of HK\$420 million issued by REMT to Ming Xin Development Limited, a wholly-owned subsidiary of CS, on 30 November 2017 in connection with REMT Group’s acquisition of Fullocean Group (that wholly-owned Baishan Tianan). The management of REMT also believed that in view of (i) Shandong Hongri having been one of the principal production bases of CS Group with annual production capacity of 820,000 tonnes before the implementation of the Relocation Plan; (ii) the Understanding and the expected appreciation in value of the Land after change of its use (as illustrated in the July 2019 Announcement); (iii) the guarantees provided by the other subsidiaries of CS Group; and (iv) the principal amount guaranteed relative to the assets base of CS Group (which had total assets of approximately HK\$7,474.6 million, HK\$7,627.6 million and HK\$6,934.5 million as at 31 December 2018, 31 December 2019 and 31 December 2020 respectively) and REMT Group (which had total assets of approximately HK\$2,372.2 million, HK\$2,554.3 million and HK\$2,556.8 million as at 31 December 2018, 31 December 2019 and 31 December 2020 respectively), the risks to REMT under the Guarantees were not material.

Based on an internal review of records, REMT did not find that the management of REMT concerned had derived any personal gain from the signing the Guarantee Agreements. Due to the absence of cashflow movements under the Guarantees and the financing documents having been separately retained by each relevant CS/REMT subsidiary in the PRC that signed the relevant document, the existence of the Guarantees had not been identified by REMT's Hong Kong finance and accounting team during REMT Group's financial reporting process and the annual audit for the last three financial years ended 31 December 2020.

In view of this lapse of internal control and risk management and lack of familiarity of the relevant Listing Rules, REMT has implemented and will implement the control enhancements described under "Remedial Measures Taken/Being Taken by REMT" below to prevent recurrence of such lapses.

LISTING RULES IMPLICATIONS OF REMT

Baishan Tianan and Xinjiang Tengxiang are indirect wholly-owned subsidiaries of REMT, while Shandong Hongri is indirectly owned as to 70.02% by CS, a Controlling Shareholder interested in approximately 72.31% of REMT. Shandong Hongri is accordingly a connected person of REMT under Chapter 14A of the Listing Rules and the Guarantees constituted connected transactions of REMT under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the outstanding amount of the Guarantees on an aggregated basis exceeded 5% but were less than 25% as of the date of signing of each relevant Guarantee Agreement during the Period, the Guarantees constituted discloseable transactions of REMT and were subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules and the reporting, announcement requirements and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As explained in "Provision of Financial Assistance by REMT to CS" above, the management of REMT involved in the Guarantee at the relevant time failed to realize that the provision of the Guarantee had fallen within the ambit of Chapter 14 and Chapter 14A of the Listing Rules and therefore, REMT had not complied with the reporting, announcement requirements and independent shareholders' approval requirement in respect of the Guarantees at the relevant time.

REMEDIAL MEASURES TAKEN/BEING TAKEN BY REMT

REMT is taking the following remedial measures:

1. all directors, management and finance personnel of each REMT Group company have been instructed in writing that with immediate effect:
 - (a) no contract or other form of commitment may be entered into by any REMT Group member with or for the benefit of any connected person of REMT (including any member of the CS Group) without the prior approval of the REMT Board;
 - (b) no guarantees or security may be given by any REMT Group member to secure the obligation of any party other than another REMT Group member;
 - (c) each REMT subsidiary in the PRC must include in their monthly, interim and annual reporting to Hong Kong finance and accounting team of all non-cash intergroup (i.e. between CS Group and REMT Group) transactions, information on any guarantees and security pledges outstanding and a monthly summary list of current financing documents entered into by that subsidiary, with a confirmatory endorsement by both REMT's PRC finance team;
 - (d) REMT's PRC finance team must send full set copies of all newly executed financing documents to Hong Kong finance and accounting team upon the execution of the financing documents.
2. REMT is taking steps to ensure full segregation of directors, senior management and finance personnel of the REMT Group from those who undertake the same functions for the CS Group;
3. REMT will engage an independent accounting and advisory firm to undertake a walk through review to report to the audit committee of REMT by 30 September 2021 on the implementation of the new monthly financial reporting and record keeping procedures set out in 1 (c) and (d) above and segregation of functions set out in paragraph 2 above;
4. the company secretary of REMT, under the supervision of the audit committee of REMT, is in the course of modifying the existing procedures in monitoring connected transactions and notifiable transactions of the REMT Group (the “**Connected and Notifiable Transactions Procedures**”) under Chapters 14 and 14A of the Listing Rules;

5. REMT has engaged BaoQiao Partners Capital Limited, as financial adviser of REMT, to assist the company secretary of REMT to update, and the audit committee of REMT to review, the Connected and Notifiable Transactions Procedures, to prepare a progress report to the audit committee of REMT regarding the implementation of the new Connected and Notifiable Transactions Procedures and generally to advise REMT on its Listing Rules compliance obligations; and
6. REMT will arrange for the REMT Board, senior management, company secretary and the head of finance department of REMT to undergo training in relation to compliance with the Listing Rules, director's duties and corporate governance matters specifically in relation to the financial assistance, connected transaction and risk management to be held as soon as practicable to improve the standard of corporate governance and operating management of REMT and to strengthen and reinforce their knowledge relating to notifiable and connected transactions, as well as their ability to identify potential issues at an early stage.

The management and company secretary of CS will also implement similar remedial measures and report to its audit committee of CS on the progress of implementation.

CHANGE IN COMPOSITION OF CS BOARD AND REMT BOARD

With a view to strengthening the internal control environment of both CS and REMT in terms of segregation of duties of directors and senior management, the CS Board and REMT Board announce the following changes in the composition of CS Board and REMT Board with effect from 30 July 2021, the effect of which is that Mr. Shum Sai Chit (“**Mr. Shum**”) and Mr. Chi Jing Chao (“**Mr. Chi**”) no longer sit on both CS Board and REMT Board.

Mr. Shum mainly oversees the magnesium product business of REMT Group, while Mr. Chi Wen Fu, the Chairman and an executive director of CS, primarily oversees green ecological fertiliser business of CS Group. Each of the REMT Board and CS Board therefore believes that the normal operations of their respective group will not be adversely affected by the resignations of Mr. Shum (in the case of CS) and Mr. Chi (in the case of REMT) as described below.

Resignation of executive director of CS

Mr. Shum resigned as an executive director, a member of remuneration committee, the chief executive officer and an authorised representative of CS. He will also resign as chairman, director, supervisor, general manager and/or legal representative (as the case may be) of the subsidiaries of CS, except in respect of Shandong Hongri. Mr. Shum will remain the chairman, director, and legal representative of Shandong Hongri until after the successful change of use of the Land to ensure continuity of ongoing discussions with the local government. CS believes (and REMT accepts) that a change to his role in Shandong Hongri (which has ceased operations) at this stage can have an adverse impact on its application of change of use of the Land.

Mr. Shum has confirmed that he has no disagreement with the CS Board and save for the matters disclosed in this joint announcement, he is not aware of any other matter in relation to his resignation that needs to be brought to the attention of the shareholders of CS.

The CS Board takes this opportunity to thank Mr. Shum for his valuable contribution to CS during his tenure.

Mr. Shum will remain as the chairman and an executive director of REMT.

Appointment of member of remuneration committee and authorised representative of CS

Due to the resignation of Mr. Shum, Mr. Chi has been appointed as a member of the remuneration committee and an authorised representative of CS to fill the vacancy. Please refer to the circular of the Company dated 26 May 2020 for Mr. Chi's biography and other relevant information.

Resignation of executive director of REMT

Mr. Chi resigned as an executive director and a member of executive management committee of REMT. He will also resign as director, supervisor, general manager and/or legal representative (as the case may be) of the subsidiaries of REMT.

Mr. Chi has confirmed that he has no disagreement with the REMT Board and save for the matters disclosed in this joint announcement, he is not aware of any other matter in relation to his resignation that needs to be brought to the attention of the shareholders of REMT.

The REMT Board takes this opportunity to thank Mr. Chi for his valuable contribution to REMT during his tenure.

Appointment of executive director of REMT

The Board is pleased to announce that Ms. Chi Sile (“**Ms. Chi**”) has been appointed as an executive director and a member of executive management committee of REMT with effect from 1 August 2021.

Ms. Chi, aged 32, joined CS as its vice president of business development in April 2018 and she was the director of investor relations department of CS responsible for managing investor relations between January 2019 and 30 July 2021. She will continue a non-managerial role in CS until the grant (the “**Grant**”) of the working visa from Hong Kong Immigration Department for her work in Hong Kong for REMT. Prior to the Grant, with the consent of CS, Ms. Chi will perform her duties as an executive director and a member of executive management committee of REMT.

Ms. Chi obtained a double degree of Bachelor of Laws and Bachelor of Arts from the University of Western Australia. Ms. Chi is a member of the Hong Kong Investor Relations Association. Ms. Chi is the daughter of Mr. Chi Wen Fu, the chairman and executive director of CS and a cousin of Mr. Chi.

Ms. Chi will enter into a service contract with REMT in relation to her appointment as an executive director of REMT for a fixed term of three years commencing from the date of her appointment, subject to retirement and re-election in accordance with the Listing Rules and the bye-laws of REMT. The service contract may be terminated by three months' prior written notice given by either Ms. Chi or REMT at any time during the term of the service contract. Pursuant to the service contract, Ms. Chi is entitled to an annual director's fee of HK\$600,000 and is eligible to receive a discretionary bonus. The remuneration of Ms. Chi was determined with reference to her duties and responsibilities in REMT Group, the prevailing market rate and the remuneration policy of REMT. The remuneration of Ms. Chi is subject to the annual review of the remuneration committee of REMT with reference to her contribution to the REMT Group in term of time and effort.

As at the date of this joint announcement, Ms. Chi holds 36,736,842 shares of CS.

As at the date of this joint announcement, Ms. Chi does not, save as disclosed above, (i) have any relationship with any director, senior management, substantial shareholder or controlling shareholder of REMT; (ii) hold any other directorship in any other public company the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iii) hold any other position in REMT or any of its subsidiaries; or (iv) have any interest in the shares or underlying shares of REMT or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information in respect of the appointment of Ms. Chi that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor is there any other matter that needs to be brought to the attention of the shareholders of REMT in connection with her appointment.

GENERAL

CS Group

CS is an investment holding company and the holding company of REMT.

The CS Group, excluding the REMT Group, is principally engaged in the fertiliser business and metallurgical flux business.

Shandong Hongri is a joint stock limited company incorporated under the laws of the PRC and is indirectly owned as to 70.02% by CS. It was principally engaged in manufacturing and sales of the fertiliser in the PRC and had ceased production since late 2020 following the implementation of the Relocation Plan in the second half of 2019 as discussed above in this joint announcement.

REMT Group

REMT is an investment holding company incorporated in the Bermuda with limited liability. The REMT Group is principally engaged in the magnesium product business in the PRC.

Baishan Tianan is a limited liability company incorporated under the laws of the PRC with and is indirectly wholly-owned by REMT. It is principally engaged in the magnesium product business in the PRC.

Xinjiang Tengxiang is a limited liability company incorporated under the laws of the PRC and is indirectly wholly-owned by REMT. It is principally engaged in the magnesium product business in the PRC.

Bank

The Bank is Linyi branch of Industrial Bank Co., Ltd., which is a joint stock company established in the PRC which is principally engaged in the commercial bank business in the PRC, and the shares of which are listed on the Shanghai Stock Exchange (stock code: 601166).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Bank and its ultimate beneficial owners are independent of CS and REMT and their respective connected persons.

RESUMPTION OF TRADING OF CS AND REMT

At the request of CS and REMT respectively, trading in the shares of CS and the shares of REMT on the Stock Exchange had respectively been halted with effect from 9:00 a.m. on 22 July 2021 pending the release of this joint announcement. Each of CS and REMT has applied for resumption of trading in the shares of CS and the shares of REMT on the Stock Exchange with effect from 9:00 a.m. on Monday, 2 August 2021.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Baishan Guarantee Agreements”	various guarantee agreements respectively executed by Baishan Tianan and the Bank between 10 January 2018 and 4 August 2020, pursuant to which Baishan Tianan agreed to guarantee the repayment obligations of Shandong Hongri in respect of the Loans, details of which have been disclosed in the section headed “Provision of Financial Assistance by REMT to CS” in this joint announcement
“Baishan Tianan”	白山市天安金屬鎂礦業有限公司 (Baishan City Tianan Magnesium Resources Co., Ltd.*), a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of REMT as at the date of this joint announcement
“Bank”	Industrial Bank Co., Ltd., Linyi branch (興業銀行股份有限公司臨沂分行)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed thereto in the Listing Rules
“CS”	Century Sunshine Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 509)
“CS Board”	the board of CS Directors
“CS Director(s)”	the director(s) of CS
“CS Group”	CS and its subsidiaries
“Guarantee Agreements”	the Baishan Guarantee Agreements and the Xinjiang Guarantee Agreements
“Guarantees”	the guarantees provided to the Bank under the Guarantee Agreements
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Linyi Court”	Linyi Intermediate People’s Court (臨沂市中級人民法院)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement(s)”	the loan agreement(s) entered into between Shandong Hongri, as borrower and the Bank, as the lender in relation to the Loans
“Loans”	the loans, including but not limited to revolving loans and trade finance facilities, granted to Shandong Hongri by the Bank under the Loan Agreements, details of the Loans have been disclosed under the section headed “Provision of Financial Assistance by REMT to CS” in this joint announcement
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Relevant CS Subsidiaries”	five (5) indirect subsidiaries of CS
“REMT”	Rare Earth Magnesium Technology Group Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 601)
“REMT Board”	the board of REMT Directors
“REMT Director(s)”	the director(s) of REMT
“REMT Group”	REMT and its subsidiaries
“Shandong Hongri”	山東紅日化工股份有限公司 (Shandong Hongri Chemical Joint Stock Company Limited*), a joint stock limited company established under the laws of the PRC and an indirect non-wholly subsidiary of CS
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xinjiang Guarantee Agreements”	various guarantee agreements respectively executed by Xinjiang Tengxiang and the Bank between 10 January 2018 and 4 August 2020, pursuant to which Xinjiang Tengxiang agreed to guarantee the repayment obligations of Shandong Hongri in respect of the Loans, details of which have been disclosed in the section headed “Provision of Financial Assistance by REMT to CS” in this joint announcement

“Xinjiang Tengxiang”	新疆騰翔鎂製品有限公司 (Xinjiang Tengxiang Magnesium Products Company Limited*), a limited liability company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of REMT as at the date of this joint announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong from time to time
“RMB”	Renminbi, the lawful currency of the PRC from time to time
“%”	per cent

By order of the Board
Century Sunshine Group Holdings Limited
(in provisional liquidation)
(for restructuring purposes only)
Chi Wen Fu
Chairman

By order of the Board
Rare Earth Magnesium Technology Group Holdings Limited
(in provisional liquidation)
(for restructuring purposes only)
Shum Sai Chit
Chairman

Hong Kong, 1 August 2021

As at the date of this joint announcement, the directors of CS are:

<i>Executive directors:</i>	<i>Mr. Chi Wen Fu (Chairman) and Mr. Chi Jing Chao</i>
<i>Non-executive director:</i>	<i>Mr. Guo Mengyong</i>
<i>Independent non-executive directors:</i>	<i>Mr. Cheung Sound Poon and Mr. Sheng Hong</i>

As at the date of this joint announcement, the directors of REMT are:

<i>Executive directors:</i>	<i>Mr. Shum Sai Chit (Chairman) and Ms. Chi Sile</i>
<i>Independent non-executive directors:</i>	<i>Mr. Kwong Ping Man, Mr. Cheung Sound Poon and Mr. Kwan Ngai Kit</i>

* *For identification purpose only*