

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**PROPOSED RESTRUCTURING INVOLVING, INTER ALIA,
THE SCHEMES AND THE PRE-PACK SCHEME;
AND
DISCLOSEABLE TRANSACTION IN RELATION TO THE REMT SHARES TRANSFER**

Financial Adviser



BAOQIAO PARTNERS

BAOQIAO PARTNERS CAPITAL LIMITED

THE SCHEMES AND THE PRE-PACK SCHEME

Reference is made to the Restructuring Announcements.

The Board is pleased to announce that the Company, CS Ecological and the BVI Subsidiaries, namely, New Bright, Ming Xin, Long Xiang, Acro (BVI Subsidiaries and CS Ecological together be known as the “**Scheme Participating Subsidiaries**” and each a “**Scheme Participating Subsidiary**”), proposed to implement, subject to the approval of the Hong Kong Court, the Schemes and the approval of the Singapore Court, the Pre-pack Scheme. Each of the Company and BVI Subsidiaries has been placed into provisional liquidation. However, CS Ecological has not been placed into provisional liquidation, and no provisional liquidators or liquidators have been appointed over CS Ecological.

The Schemes and the Pre-pack Scheme involve the pooling of the Scheme Assets of the Group into the Scheme Company, a company to be incorporated in Hong Kong and administered by the Scheme Administrators for the benefit of the Scheme Creditors, and the Scheme Assets will form the funds for (i) the settlement of the Scheme Costs, (ii) the payment of Extension Interest payable annually on Admitted Claims during the Extended Term (being a period of five (5) calendar years beginning on the Scheme Effective Date) at a rate up to 5 per cent per annum on the weighted average principal amount of Admitted Claims during the year; and (iii) partial or full repayment of the Admitted Claims within the Extended Term.

The Scheme Assets consist of (1) the Scheme Share Proceeds, (2) the Zhangzhou Land Proceeds, and (3) the Shandong Hongri Dividend. Details of the application of each of the Scheme Assets is disclosed in the paragraph headed “The Scheme Assets” in this announcement and additional information on the implementation of the REMT Shares Transfer and the application of the resultant Scheme Share Proceeds is disclosed in the section headed “DISCLOSEABLE TRANSACTION IN RELATION TO THE REMT SHARES TRANSFER” in this announcement.

Details of the conditions precedent to the Schemes and the Pre-pack Scheme are disclosed in the paragraph headed “Conditions precedent to the Schemes and the Pre-pack Scheme” in this announcement.

Estimated amount of the Admitted Claims

Up to the JPLs’ Appointment Date, based on the available books and records of the Company, the estimated total amount of Claims against the Company is approximately HK\$1.013 billion. This figure is indicative only and will be subject to final determination by the Scheme Administrators and (if applicable) adjudication under the Schemes.

DISCLOSEABLE TRANSACTION IN RELATION TO THE REMT SHARES TRANSFER

Subject to the Schemes becoming effective, Ming Xin (currently holding 237,045,871 REMT Shares, representing approximately 60.0% of the issued share capital of REMT) will transfer a total of 79,012,680 REMT Shares, comprising approximately 20% of REMT’s issued share capital as at the date of this announcement to the Scheme Company within 21 Business Days after the Scheme Effective Date at nil cash consideration. The value per REMT Share of the REMT Share Transfer is HK\$0.154 per REMT Share, which is determined with reference to the average closing price of REMT in the 5 consecutive trading days immediately prior to the Latest Practicable Date (i.e. 27 April 2023). The total value of REMT Shares Transfer is HK\$12,167,953.

Such REMT Shares shall be transferred to and held by the Scheme Company under the control of Scheme Administrators as Scheme Shares for the benefit of the Scheme Creditors and, subject to the full and final settlement of their Admitted Claims, shall be subject to the Potential Scheme Shares/Proceeds Transfer.

Scheme Shares Disposal and application of Scheme Shares Proceeds

The Scheme Administrators shall appoint independent investment and/or financial advisers and agents, who shall be authorised to manage and dispose of the Scheme Shares.

The Scheme Shares Proceeds in each year during the Extended Term will first be applied to settle Scheme Costs and then be applied as the Extension Interest to the Scheme Creditors based on the outstanding balance of their Admitted Claims. Any remaining balance may be applied as repayment for the Admitted Claims.

Potential Scheme Shares/Proceeds Transfer

If, after the full settlement of Admitted Claims and Scheme Costs, there remains any residual Scheme Shares Proceeds and/or Scheme Shares, such Scheme Shares Proceeds and/or Scheme Shares will be transferred to the REMT Scheme's scheme company for the purposes of the REMT Scheme, if there then remain any unsettled admitted claims under the REMT Scheme. After such transfer, the transferred Scheme Shares Proceeds and/or Scheme Shares shall be under the control of the scheme administrators of the REMT Scheme, for distribution to the scheme creditors under the REMT Scheme. The REMT Scheme's scheme administrators will be authorised to deal with such Scheme Shares (and any resultant proceeds) and the Scheme Shares Proceeds transferred as they see fit for the purpose of settling any unsettled admitted claims under the REMT Scheme.

Potential Scheme Shares Proceeds Refund

If there remains any residual Scheme Shares Proceeds and/or Scheme Shares after the full settlement of Admitted Claims and Scheme Costs and all admitted claims and scheme costs in the REMT Scheme, the Scheme Administrators or the REMT Scheme's scheme administrators, as the case may be, shall return such residue to the Company for nil consideration. However, any residual Scheme Shares shall first be disposed of, in a manner at the sole and absolute discretion of the Scheme Administrators or the REMT Scheme's scheme administrators or their authorised advisers and agents, as the case may be, and the resultant proceeds (after the deduction of relevant costs and expenses) shall be transferred back to the Company for nil consideration.

Financial effect on The REMT Shares Transfer

The Company's existing interest in REMT is 60.00% (assuming no conversion of REMT Convertible Bonds (as defined below)), completion of the REMT Shares Transfer will result in a reduction of its shareholding in REMT to approximately 40.00%.

Upon completion of the REMT Shares Transfer, as the Company will remain the single largest shareholder of REMT and will continue to have control over the composition of the board of directors of REMT, REMT will continue to be an indirect non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated with the Group's results.

LISTING RULES IMPLICATION ON REMT SHARES TRANSFER

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the REMT Shares Transfer exceeds 5% but is less than 25%, the REMT Shares Transfer constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE SCHEMES AND THE PRE-PACK SCHEME

Reference is made to the Restructuring Announcements.

The Board is pleased to announce that the Company, CS Ecological and the BVI Subsidiaries, namely, New Bright, Ming Xin, Long Xiang, Acro (BVI Subsidiaries and CS Ecological together be known as the “**Scheme Participating Subsidiaries**” and each a “**Scheme Participating Subsidiary**”), proposed to implement, subject to the approval of the Hong Kong Court, the Schemes and the approval of the Singapore Court, the Pre-pack Scheme. Each of the Company and BVI Subsidiaries has been placed into provisional liquidation. However, CS Ecological has not been placed into provisional liquidation, and no provisional liquidators or liquidators have been appointed over CS Ecological.

The Schemes and the Pre-pack Scheme involve the pooling of the Scheme Assets of the Group into the Scheme Company, a company to be incorporated in Hong Kong and administered by the Scheme Administrators for the benefit of the Scheme Creditors, and the Scheme Assets will form the funds for (i) the settlement of the Scheme Costs; (ii) the payment of Extension Interest payable annually on Admitted Claims during the Extended Term (being a period of five (5) calendar years beginning on the Scheme Effective Date) at a rate up to 5 per cent per annum on the weighted average principal amount of Admitted Claims during the year; and (iii) partial or full repayment of the Admitted Claims within the Extended Term.

The Scheme Assets

The Scheme Assets consist of (1) the Scheme Share Proceeds; (2) the Zhangzhou Land Proceeds; and (3) the Shandong Hongri Dividend.

Pursuant to and in accordance with the terms of the Schemes and the Pre-pack Scheme, the Scheme Assets will serve all or part of the source of funds for financing the Extension Interest and principle amount of the Admitted Claims payable to the Scheme Creditors. In any event, the Company is obliged to repay the unsettled Admitted Claims of all Scheme Creditors in full within fourteen (14) Business Days from the fifth anniversary of the Scheme Effective Date, whether out of the Scheme Assets or otherwise.

In addition, the Company shall have the right (but not an obligation) to repay the outstanding balance of the Admitted Claims of the Scheme Creditors in full or in part on a pro rata basis without requiring the consent of the Scheme Creditors at any time during the Extended Term.

Application of the Scheme Share Proceeds and Zhangzhou Land Proceeds

The Scheme Costs and the Extension Interest are to be funded out of:

- (i) the Scheme Share Proceeds from the disposal of the Scheme Shares (i.e. a total of 79,012,680 REMT Shares currently held by Ming Xin to be transferred to the Scheme Company pursuant to the REMT Shares Transfer). Such disposal will be effected on the open market in accordance with the applicable provisions of the Schemes by the Scheme Company or by any other means, after consultation by the Scheme Administrators with the Scheme Creditors' Committee or, if there is no Scheme Creditors' Committee established, the Scheme Creditors in accordance with the applicable provisions of the Schemes and subject to all applicable rules, laws, and regulations in Hong Kong. The Scheme Shares Proceeds at the end of each Scheme Year shall first be applied to settle the Scheme Costs, and then be applied as Extension Interest of that Scheme Year. The 79,012,680 REMT Shares represent approximately 20% of REMT Shares in issue as at the date of this announcement; and
- (ii) The Zhangzhou Land Proceeds, being the proceeds received from Zhangzhou Land Disposal after the deduction of the debts owing by Zhangzhou Ecological to its own creditors and the relevant costs, expenses, taxes, agent and professional fees in connection with the Zhangzhou Land Disposal. Such proceeds shall be applied in and towards the settlement of (1) Scheme Costs; (2) any shortfalls in Extension Interest in previous Scheme Year(s) retrospectively (i.e. at Extension Interest rate capped at 5% per annum); and (3) Extension Interest in the Scheme Year in which the Zhangzhou Land Proceeds are remitted to the Scheme Company.

The Scheme Administrators may apply any remaining balance of the Scheme Shares Proceeds and Zhangzhou Land Proceeds after the payment of the Scheme Costs and the Extension Interest in each Scheme Year as mentioned above in and towards the repayment of the outstanding balance of the Admitted Claims.

Application of Shandong Hongri Dividend

Subject to and following the approval and occurrence of the Land Use Change (defined below) and compliance with applicable rules and regulations, the Shandong Land shall be disposed of during the Extended Term. The Shandong Land Proceeds will be distributed by way of a dividend payment, to the extent permitted by applicable PRC laws, to Shandong Hongri's shareholders, including Acro (as a 50.5% shareholder of Shandong Hongri). Such dividend paid to Acro will be applied as interim payments for the settlement of any outstanding Admitted Claims.

Any residual Shandong Hongri Dividend monies after full settlement of the Admitted Claims and the Scheme Costs will be applied in and towards the settlement of any shortfall of the Extension Interest in the previous Scheme Year(s) up to the interest rate capped at 5% per annum of the weighted average unsettled balance of Admitted Claims in each previous Scheme Year(s).

Information on REMT Shares Transfer

Information on REMT Shares Transfer is disclosed in the section headed "DISCLOSEABLE TRANSACTION IN RELATION TO THE REMT SHARES TRANSFER" in this announcement.

Information on Zhangzhou Land Disposal and Shandong Land Disposal

The Schemes and the Pre-pack Scheme contemplate that (i) the disposal of the Shandong Land will take place after the proposed change of the land use of the Shandong Land from industrial use to commercial use ("**Land Use Change**") under the Shandong government's Relocation Plan; and (ii) the Zhangzhou Land may be pledged before the second anniversary of the Scheme Effective Date to secure bridging loan facilities for paying down the loans secured by the Shandong Land, to facilitate Shandong Hongri's application for change of land use. The Zhangzhou Land will be disposed of after the second anniversary of the Scheme Effective Date, subject to the release of the potential pledge of the Zhangzhou Land and compliance with applicable rules and regulations. The Zhangzhou Land may also be disposed of before the second anniversary of the Scheme Effective Date if there is evidence to the Scheme Administrators' reasonable satisfaction that such pledge is not necessary.

Accordingly, whether or not, when and under what terms, the disposals of the Zhangzhou Land and Shandong Land may take place is uncertain. The Schemes and the Pre-pack Scheme have stated that any such disposal and the transactions contemplated thereunder will be subject to the Company's compliance with applicable requirements under the Listing Rules.

Zhangzhou Land

Zhangzhou Ecological holds the land use rights of the Zhangzhou Land with a total site area of approximately 86,115.62 sq.m. located at Shangkeng Village, Pumei Town, Yunxiao County, Zhangzhou City, Fujian Province, the PRC. The land use rights of the Zhangzhou Land were granted for a term expiring on 22 February 2056 for industrial uses pursuant to two State-owned land use rights certificates (國有土地使用權證) issued by the People's Government of Yunxiao County. The Zhangzhou Land comprises an industrial complex with a total gross floor area of approximately 57,288.32 sq.m. which is currently vacant and held for capital appreciation purpose.

Shandong Land

Shandong Hongri holds the land use rights of the Shandong Land located north of Luocheng Road, Luozhuang District and Lanshan District, Linyi City, Shandong Province, the PRC. Pursuant to two sets of State-owned land use right certificates and fourteen sets of real estate right ownership certificates, the Shandong Land comprises contiguous land parcels with a total area of approximately 649,070.20 sq.m. granted to Shandong Hongri for industrial uses. Two sets of the above certificates with a total area of approximately 114,755.55 sq.m., were expired on 31 March 2023. Shandong Hongri is currently applying for an extension of the relevant use ownership rights with the local Natural Resources and Planning Bureau (自然資源和規劃局).

Shandong Hongri had operated one of the Group's fertiliser production bases on the Shandong Land. Pursuant to the Relocation Plan implemented by the local government in 2019, Shandong Hongri ceased its operation in late 2020 after which the Shandong Land ceased to be an asset of the main operating business of the Group. In accordance with the relevant policies of the Relocation Plan, Shandong Hongri may use the Shandong Land for independent development after obtaining approval for the Land Use Change. Shandong Hongri expects to benefit from the value appreciation from the independent development after the Land Use Change.

Given that neither the Zhangzhou Land nor the Shandong Land is used for the Group's operations, the Directors do not expect the disposals of both Zhangzhou Land and Shandong Land pursuant to the Schemes to have any material impact on the continuing operations of the Group.

Financial assistance to REMT

On 27 May 2022, the Hong Kong Court sanctioned the REMT Scheme. The REMT Scheme, which is ongoing, became effective on 31 May 2022 and has compromised the debts of REMT according to the terms of the REMT Scheme. Please refer to the circular of REMT dated 3 May 2022 for further information on the REMT Scheme.

Pursuant to the terms of the REMT Scheme, the Company executed the Century Sunshine Potential Guarantee dated 24 June 2022, a corporate guarantee in favor of the scheme creditors of REMT, to guarantee REMT's punctual payment of certain liabilities under the REMT Scheme which is only enforceable upon the full settlement of all liabilities under the Schemes.

Further, the Company and the Scheme Participating Subsidiaries have also agreed to finance the Century Sunshine Proposed Scheme Potential Repayment (a payment that may be made to REMT Scheme's scheme creditors if there is any balance of assets under the Schemes and the Pre-pack Scheme after the satisfaction of all liabilities, costs and expenses under the Schemes and the Pre-pack Scheme) under the REMT Scheme.

Pursuant to the Schemes, in the event that:

- (1) the Admitted Claims under the Schemes are fully repaid with all the relevant costs and expenses under the Schemes settled;
- (2) the Scheme Assets have not been fully utilised and exhausted for the purpose of the Schemes; and
- (3) there is unsettled admitted claims under the REMT Scheme,

the balance then remaining of the following Scheme Assets under the Schemes will be remitted to the REMT's scheme company and be wholly applied in and towards the repayment of the unsettled admitted claims and unsettled scheme costs under the REMT Scheme:

- (a) Residual Scheme Shares Proceeds

Information about the application of the Scheme Shares Proceeds for the purpose of the REMT Scheme is set out in the paragraphs headed "Potential Scheme Shares/Proceeds Transfer" and "Potential Scheme Shares Proceeds Refund" under the section headed "DISCLOSEABLE TRANSACTION IN RELATION TO THE REMT SHARES TRANSFER" in this announcement.

(b) Residual Zhangzhou Land Proceeds/Shandong Hongri Dividend

Residual Zhangzhou Land Proceeds and/or Shandong Hongri Dividend monies may be transferred to the REMT Scheme's scheme company under the control of the scheme administrators of the REMT Scheme for the purpose of settling any unsettled admitted claims and scheme costs (if any) under the REMT Scheme.

If there remains any residual Zhangzhou Land Proceeds and/or Shandong Hongri Dividend monies after the full settlement of Extension Interest, Admitted Claims and Scheme Costs and after the full settlement of all admitted claims and scheme costs in the REMT Scheme, the Scheme Administrators or the REMT Scheme's scheme administrators, as the case may be, shall cause such residual Zhangzhou Land Proceeds and/or Shandong Hongri Dividend monies held by the relevant scheme company to be transferred back to the Company for nil consideration.

Legal effect of the Schemes and the Pre-pack Scheme

The effect of the Schemes is that once the Schemes become effective, all Claims of the Scheme Creditors will be discharged and extinguished in full on the Scheme Effective Date; and the Scheme Creditors will not be allowed to make any claim against the Company and/or the Scheme Participating Subsidiaries, as the case may be, in respect of their Claims in Hong Kong.

Similarly, the effect of the Pre-pack Scheme is that once the Pre-pack Scheme becomes effective, all Claims of the Scheme Creditors of the Company, including the Singapore Bondholders, will be discharged and extinguished in full on the Pre-pack Scheme Effective Date; and the Scheme Creditors of the Company will not be allowed to make any claims against the Company and/or the Scheme Participating Subsidiaries, as the case may be, in respect of their Claims in Singapore.

Estimated amount of the Admitted Claims

Up to the JPLs' Appointment Date, based on the available books and records of the Company, the estimated total amount of Claims against the Company is approximately HK\$1.013 billion. This figure is indicative only and will be subject to final determination by the Scheme Administrators and (if applicable) adjudication under the Schemes.

Conditions precedent to the Schemes and the Pre-pack Scheme

The Schemes

The terms of the Schemes provide that the Schemes will only, as a whole, be effective upon the fulfilment or satisfaction of the following conditions:

- (i) in respect all Scheme Meetings, Scheme Creditors representing over fifty per cent. (50%) in number of the Scheme Creditors and at least seventy-five per cent. (75%) in value of the Scheme Creditors, present and voting in person or by proxy at the Scheme Meeting, vote in favour of the Scheme;
- (ii) the Hong Kong Court sanctions all the Schemes and official copy of the Sanction Order of the Hong Kong Court sanctioning the Schemes is delivered to the Registrar of Companies in Hong Kong for registration; and
- (iii) the settlement in full of all Restructuring Costs.

The Pre-pack Scheme

The terms of the Pre-pack Scheme provide that the Pre-pack Scheme will only be effective upon the fulfilment or satisfaction of the following conditions:

- (i) the Singapore Court approves the Pre-pack Scheme and an official copy of the Singapore Sanction Order is lodged with the Registrar of Companies in Singapore, unless the Singapore Court orders otherwise; and
- (ii) all the Schemes become effective.

Shareholders should note that the Schemes are not conditional on the effectiveness of the Pre-pack Scheme, the Proposed Restructuring may still be implemented even if the Pre-pack Scheme is not effective.

Upon the above conditions being fulfilled and the Schemes taking effect, the Company and the BVI Subsidiaries will seek order(s) from the Cayman Court and the BVI Court for the Cayman Petition and BVI Petitions to be withdrawn or dismissed, the orders for the appointments of the JPLs to be discharged, and the JPLs be unconditionally released as the provisional liquidators of the Company and the BVI Subsidiaries and unconditionally discharged from all liabilities (including personal liability) in respect of any act or default of the JPLs in relation to the provisional liquidation of the Company and the BVI Subsidiaries save for any liability arising from their impropriety or bad faith.

Expected timetable of the Schemes and the Pre-pack Scheme

The Schemes

The Scheme Meetings are scheduled to be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on 15 June 2023 for the purpose of considering the approval of the Schemes by the Scheme Creditors.

After obtaining the approval from the Scheme Creditors at the Scheme Meetings, the Company and the Scheme Participating Subsidiaries will apply to the Hong Kong Court for the sanction of the Schemes. After the sanction of the Hong Kong Court has been obtained, the Sanction Order will be filed with the Registrar of Companies in Hong Kong for registration, and the Schemes will, subject to the fulfilment of the conditions precedent as listed above, then become effective.

The Pre-pack Scheme

If the requisite majority votes in favour of the Schemes are obtained at the Scheme Meetings, an application will be filed in the Singapore Court for approval of the Pre-pack Scheme. The votes of the Singapore Bondholders at the Scheme Meetings will be used as evidence for the purpose of indicating the Singapore Bondholders' support for the Pre-pack Scheme and, in voting to approve the Schemes, the Singapore Bondholders shall be deemed as also having voted to approve the Pre-pack Scheme.

Accordingly, after the Sanction Order has been obtained, an application will be made by the Company in Singapore to sanction the Pre-pack Scheme in Singapore, without the need to convene any further meeting of the Singapore Bondholders, and the necessary steps will be taken to delist the Singapore Bonds from the SGX.

The actual date of the Singapore Sanction Hearing will depend on the schedule of the Singapore Court.

Further announcement(s) will be made by the Company on the progress of the Schemes and the Pre-pack Scheme as and when appropriate.

DISCLOSEABLE TRANSACTION IN RELATION TO THE REMT SHARES TRANSFER

Subject to the Schemes becoming effective, Ming Xin (currently holding 237,045,871 REMT Shares, representing approximately 60.00% of the issued share capital of REMT) will transfer a total of 79,012,680 REMT Shares, comprising approximately 20% of REMT's issued share capital as at the date of this announcement to the Scheme Company within 21 Business Days after the Scheme Effective Date at nil cash consideration. The value per REMT Share of the REMT Share Transfer is HK\$0.154 per REMT Share, which is determined with reference to the average closing price of REMT in the 5 consecutive trading days immediately prior to the Latest Practicable Date (i.e. 27 April 2023). The total value of REMT Shares Transfer is HK\$12,167,953.

Such REMT Shares shall be transferred to and held by the Scheme Company under the control of Scheme Administrators as Scheme Shares for the benefit of the Scheme Creditors and, subject to the full and final settlement of their Admitted Claims, shall be subject to the Potential Scheme Shares/Proceeds Transfer.

Scheme Shares Disposal and application of Scheme Shares Proceeds

The Scheme Administrators shall appoint independent investment and/or financial advisers and agents, who shall be authorised to manage and dispose of the Scheme Shares. The Scheme Administrators and/or their authorised advisers and agents shall at their sole and absolute discretion (as to, amongst other things, timing, quantity and/or price) dispose up to 15,802,536 Scheme Shares in each Scheme Year during the Extended Term either on the open market or (after consultation by the Scheme Administrators with the Scheme Creditors' Committee or, if there is no Scheme Creditors' Committee, the Scheme Creditors in accordance with the applicable provisions set out in Schemes and subject to all applicable rules, laws, and regulations in Hong Kong) by any other means of disposal.

If the maximum number of Scheme Shares is not disposed of in any Scheme Year, those undisposed Scheme Shares will be carried forward and added to the 15,802,536 Scheme Shares available for disposal in the next following Scheme Year and may all be disposed of at the discretion of the Scheme Administrators and/or their authorised advisers and agents in that Scheme Year or be similarly carried forward to the extent remaining undisposed at the end of that Scheme Year.

The Scheme Shares Proceeds will first be applied to settle Scheme Costs and then be applied as the Extension Interest to the Scheme Creditors based on the outstanding balance of their Admitted Claims. Any remaining balance may be applied as repayment for the Admitted Claims.

Entitlements to Scheme Share Proceeds (after deduction of Scheme Costs) and to the exercise of voting rights attached to the Scheme Shares will be allocated to Scheme Creditors *pro rata* to their Admitted Claims. Such *pro rata* entitlements shall at any time be rounded down, in the case of proceeds, to the nearest Hong Kong dollar and in the case of voting rights, to the nearest integral number of Scheme Shares then held by the Scheme Company.

Potential Scheme Shares/Proceeds Transfer

If, after the full settlement of Admitted Claims and Scheme Costs, there remains any residual Scheme Shares Proceeds and/or Scheme Shares, such Scheme Shares Proceeds and/or Scheme Shares will be transferred to the REMT Scheme's scheme company for the purposes of the REMT Scheme, if there then remain any unsettled admitted claims under the REMT Scheme. After such transfer, the transferred Scheme Shares Proceeds and/or Scheme Shares shall be under the control of the scheme administrators of the REMT Scheme, for distribution to the scheme creditors under the REMT Scheme. The REMT Scheme's scheme administrators will be authorised to deal with such Scheme Shares (and any resultant proceeds) and the Scheme Shares Proceeds transferred as they see fit for the purpose of settling any unsettled admitted claims under the REMT Scheme.

Potential Scheme Shares Proceeds Refund

If there remains any residual Scheme Shares Proceeds and/or Scheme Shares after the full settlement of Admitted Claims and Scheme Costs and all admitted claims and scheme costs in the REMT Scheme, the Scheme Administrators or the REMT Scheme's scheme administrators, as the case may be, shall return such residue to the Company for nil consideration. However, any residual Scheme Shares shall first be disposed of, in a manner at the sole and absolute discretion of the Scheme Administrators or the REMT Scheme's scheme administrators or their authorised advisers and agents, as the case may be, and the resultant proceeds (after the deduction of relevant costs and expenses) shall be transferred back to the Company for nil consideration.

Financial effect on The REMT Shares Transfer

The Company's existing interest in REMT is 60.00% (assuming no conversion of REMT Convertible Bonds (as defined below)), completion of the REMT Shares Transfer will result in a reduction of its shareholding in REMT to approximately 40.00%.

Upon completion of the REMT Shares Transfer, as the Company will remain the single largest shareholder of REMT and will continue to have control over the composition of the board of directors of REMT, REMT will continue to be an indirect non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated with the Group's results.

The REMT Shares Transfer is to be accounted for as an equity transaction (i.e. transaction without impact on profit and loss).

Reasons for and benefits of the REMT Shares Transfer

Reference is made to the Restructuring Announcements.

JPLs were appointed (for restructuring purposes only) by the order, respectively, of the courts of Cayman Islands in respect of the Company and BVI in respect of the BVI Subsidiaries on 14 July 2020 and 16 July 2020 respectively. The appointment of the JPLs in respect of the Company was recognised by the Hong Kong Court and the Singapore Court on 28 August 2020 and 30 November 2020 respectively.

The Company, the Scheme Participating Subsidiaries and the JPLs are proposing to put forward the Schemes and the Pre-pack Scheme. The Schemes and the Pre-pack Scheme, if sanctioned, will facilitate the Proposed Restructuring and all Claims of the Scheme Creditors will be discharged and extinguished in full on the Scheme Effective Date and the Pre-pack Scheme effective Date. In addition, after the Schemes become effective, the Company and the BVI Subsidiaries will seek orders for the appointment JPLs to be discharged as disclosed above.

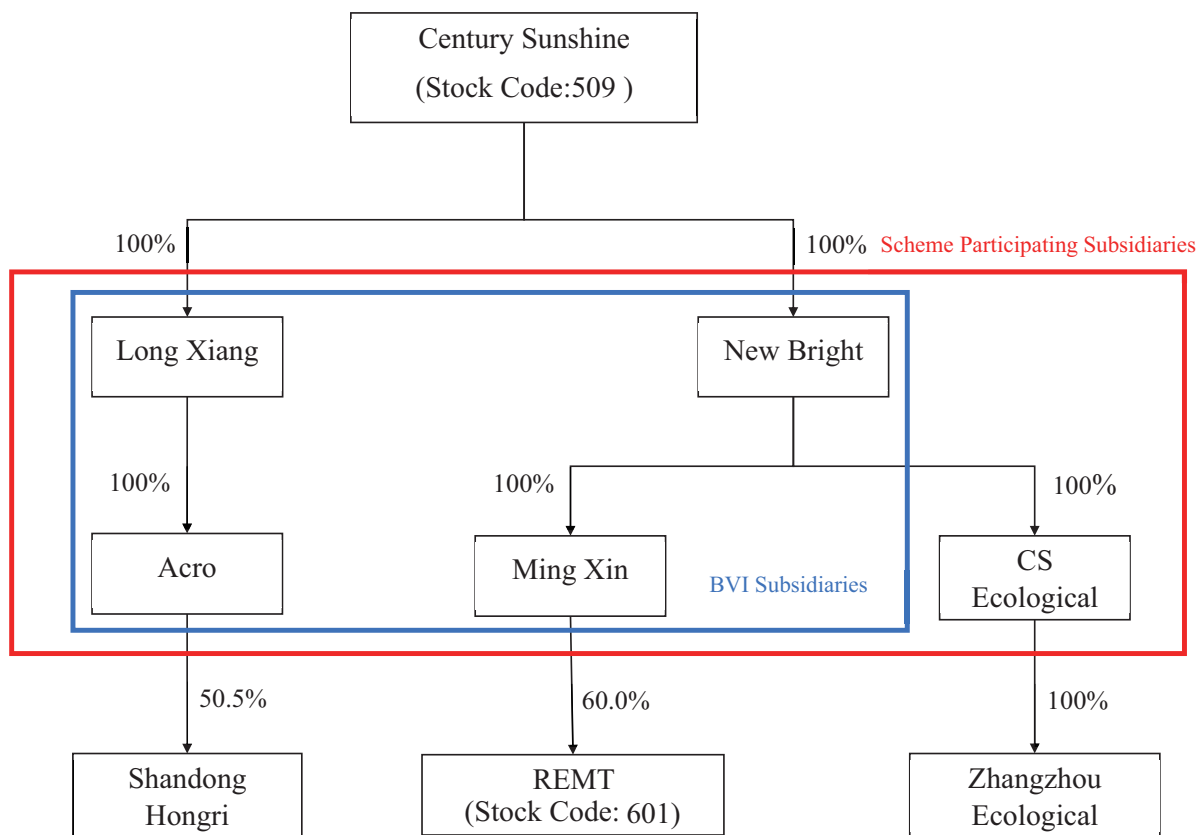
In view of the legal effect of the Schemes and the Pre-pack Scheme and the current financial position of the Group, in the opinion of the Directors, a financial restructuring of Company's liabilities by way of the Schemes and the Pre-pack Scheme is necessary if winding up of the Company and the Scheme Participating Subsidiaries is to be avoided.

The REMT Shares Transfer, as part of the transactions contemplated under the Schemes and the Pre-pack Scheme, is the only mechanism available to the Scheme Administrators and the Scheme Creditors to convert a Scheme Asset into cash before the Zhangzhou Land Disposal to service Scheme Costs and Extension Interest. As advised by the JPLs and based on their discussion with the Scheme Creditors, the Schemes and/or the Pre-Pack Scheme is meaningful to Scheme Creditors only if the REMT Shares Transfer can take place as soon as possible upon the Schemes and the Pre-pack Scheme becoming effective.

In light of the above and that any unutilised net proceeds of the Scheme Shares will be returned to the Company, the Directors consider that the terms of the REMT Shares Transfer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY, THE SCHEME PARTICIPATING SUBSIDIARIES (INCLUDING BVI SUBSIDIARIES), THE SCHEME COMPANY AND REMT

A simplified shareholding structure of the Company, the Scheme Participating Subsidiaries and REMT as at the date of this announcement is as follows:



The Company

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.

The Scheme Participating Subsidiaries (including BVI Subsidiaries)

Ming Xin

Ming Xin is an investment holding company incorporated in BVI with limited liability, being both the BVI Subsidiary and Scheme Participating Subsidiary.

CS Ecological

CS Ecological is an investment holding company incorporated in Hong Kong with limited liability, being one of the Scheme Participating Subsidiaries.

New Bright

New Bright is an investment holding company incorporated in BVI with limited liability, being both the BVI Subsidiary and the Scheme Participating Subsidiary.

New Bright is a direct wholly-owned subsidiary of the Company. New Bright wholly owns (i) Ming Xin which holds 60.00% interest in REMT, through its holding of 237,045,871 REMT Shares and convertible bonds (“**REMT Convertible Bonds**”) convertible into 372,563,582 shares of REMT at an initial conversion price of HK\$1.2 per REMT Share, representing approximately 94.30% of the issued share capital of REMT as at the date of this announcement; and (ii) CS Ecological which wholly owns Zhangzhou Ecological, which holds the Zhangzhou Land.

Long Xiang and Acro

Long Xiang is an investment holding company incorporated in BVI with limited liability, being both the BVI Subsidiary and Scheme Participating Subsidiary.

Long Xiang, a direct wholly-owned subsidiary of the Company, wholly owns Acro (an entity being both the BVI Subsidiary and the Scheme Participating Subsidiary), which holds 50.5% of Shandong Hongri which holds the Shandong Land.

The Scheme Company

The Scheme Company is a company to be incorporated in Hong Kong with limited liability and a special purpose vehicle to be held and controlled by the Scheme Administrators or such other company as may be nominated by the Scheme Administrators, for the sole purpose of administrate the Schemes. As described in the section headed “DISCLOSEABLE TRANSACTION IN RELATION TO THE REMT SHARES TRANSFER” in this announcement, while Scheme Creditors may exercise voting rights of the Scheme Shares attributable to their Admitted Claims on a pro rata basis, they are entitled to receive a pro rata share of the proceeds net of specified expenses (including Scheme Costs) after the disposal of the Scheme Shares. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, connected persons of the Company, namely, Mr. Chi Wen Fu, the chairman of the Board, an executive Director and the controlling Shareholder of the Company has a personal interest in the principal amount of S\$2.5 million (equivalent to HK\$13,922,000) and the relevant interests in Singapore Bonds and Ultra Victory Investment Limited, a company wholly-owned by Ms. Chi Sile, the daughter of Mr. Chi Wen Fu and as a creditor of loans in the principal amount of approximately HK\$36,086,140 and the relevant interests, together hold (if their full claim constitute Admitted Claims) approximately 5% of the estimated total Claims of HK\$1.013 billion. Accordingly, none of them will be part of any Scheme Creditors’ Committee (if formed) or otherwise be able to direct the determinations of the Scheme Administrators. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Scheme Company and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

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 results announcement of REMT for the year ended 31 December 2022:

	For the year ended	
	31 December	31 December
	2022	2021
	HK\$'000	HK\$'000
	(audited)	(audited)
Revenue	383,899	416,060
Profit/(Loss) before tax	5,632	(326,725)
Profit/(Loss) after tax	1,404	(331,883)

	As at	
	31 December	31 December
	2022	2021
	(audited)	(audited)
Net assets	1,095,952	1,188,942

As quoted on the Stock Exchange, the closing price of REMT was HK\$0.149 as at the date of this announcement and the average closing price of REMT was approximately HK\$0.154 for the 5 consecutive trading days of the REMT Shares preceding the date of this announcement.

LISTING RULES IMPLICATION ON REMT SHARES TRANSFER

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the REMT Shares Transfer exceeds 5% but is less than 25%, the REMT Shares Transfer constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Acro”	Acronagrotrans Ltd., a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Admitted Claim(s)”	a Claim held by a Scheme Creditor against the Company and/or one or more Scheme Participating Subsidiaries which has been admitted by the Scheme Administrators or the adjudicators in accordance with the Schemes, including claims that have been admitted following adjudication
“Board”	the board of Directors
“Business Day(s)”	a day (excluding a Saturday, a Sunday, a public holiday and a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time and remaining in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 12:00 noon) on which banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“BVI Court”	The Eastern Caribbean Supreme Court of the British Virgin Islands
“BVI Petitions”	the petitions presented by the BVI Subsidiaries on 16 July 2020 in the BVI Court seeking the winding-up of the BVI Subsidiaries
“BVI Subsidiary(ies)”	four wholly owned subsidiaries of the Company incorporated in BVI including (1) New Bright, (2) Ming Xin, (3) Long Xiang, and (4) Acro, all of which have been placed into provisional liquidation for the purposes of restructuring only (each, a BVI subsidiary)
“Cayman Court”	the Grand Court of the Cayman Islands
“Cayman Petition”	the petition presented by the Company on 3 July 2020 in the Cayman Court seeking the winding-up of the Company

“Century Sunshine Potential Guarantee”	the guarantee that the Company undertakes to provide to the scheme company of REMT Scheme for the purpose of guaranteeing the REMT’s punctual payment of certain liabilities under REMT Scheme which is only enforceable upon the full and final settlement of all liabilities owed to the Schemes Creditors under the Schemes and the Pre-pack Scheme
“Century Sunshine Proposed Scheme Potential Repayment”	a payment that may be made to REMT Scheme’s scheme creditors if there is any balance of Scheme Assets under the Schemes and the Pre-pack Scheme after the satisfaction of all liabilities, costs and expenses under the Schemes and the Pre-pack Scheme
“Claim(s)”	any debt, liability or obligation of the Company and/or a Scheme Participating Subsidiary which arose on or before the JPLs’ Appointment Date, whether known or unknown, whether certain or contingent, whether present, future or prospective, whether liquidated or unliquidated, whether arising at common law, in equity or by statute in Hong Kong, Cayman Islands, or in any other jurisdiction or in any manner whatsoever and which includes without limitation a debt or liability to pay money or money’s worth, any liability for breach of trust, any liability in contract, tort or bailment and any liability arising out of an obligation to make restitution, any liability arising out of any legal claims, whether certain or contingent together with all interest on such debt, obligation or liability
“Companies Ordinance”	Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Company”	Century Sunshine Group Holdings Limited, a 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)
“CS Ecological”	Century Sunshine Ecological Technology Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company

“Extended Term”	the period between the Scheme Effective Date and the 5th anniversary of the Scheme Effective Date
“Extension Interest”	annual interest payable to Scheme Creditors under the Schemes at a rate to be assessed by the Scheme Administrators and in any event not exceeding 5% per annum according to the weighted average unsettled balance of the Admitted Claims in each Scheme Year(s) during the Extended Term
“Group”	the Company and its subsidiaries (excluding REMT and its subsidiaries)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Court”	the High Court of Hong Kong
“JPLs”	Ms. So Kit Yee Anita of Ernst & Young Transactions Limited, Mr. Roy Bailey of Ernst & Young Ltd, and Ms. Tammy Karina Fu of EY Cayman Ltd, the joint provisional liquidators of the Company as ordered by the Cayman Court on 14 July 2020, acting without personal liabilities, who are also the joint provisional liquidators of the BVI Subsidiaries as ordered by the BVI Court on 16 July 2020
“JPLs Appointment Date”	14 July 2020, being the date of the Cayman Court order appointing the JPLs
“Latest Practicable Date”	27 April 2023, being the latest practicable date prior to the printing of the Scheme Document for the purpose of ascertaining certain information contained in the Scheme Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Xiang”	Long Xiang Enterprises Limited, a direct wholly-owned subsidiary of the Company incorporated in BVI with limited liability
“Main Board”	Main Board of the Stock Exchange

“Ming Xin”	Ming Xin Developments Limited, an indirect wholly owned subsidiary of the Company incorporated in BVI with limited liability
“New Bright”	New Bright Group Limited, a direct wholly-owned subsidiary of the Company incorporated in BVI with limited liability
“Potential Scheme Shares/ Proceeds Transfer”	upon the full settlement of Admitted Claims and Scheme Costs, in the event that there are unsettled admitted claims remaining under the REMT Scheme, residual Scheme Shares Proceeds and/or Scheme Shares held by the Scheme Company shall be transferred to the scheme company of the REMT Scheme, after which they shall be subject to the control of the scheme administrators of REMT Scheme
“Potential Scheme Shares Proceeds Refund”	upon the completion of the Schemes or the REMT Scheme (whichever is later) pursuant to the respective terms under the schemes, the relevant scheme administrators of that scheme, or their authorised advisers and agents, shall dispose any residual Scheme Shares and transfer any residual Scheme Shares Proceeds to the Company after the full settlement of all admitted claims and scheme costs in the Schemes and REMT Scheme
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-pack Scheme”	the pre-pack scheme proposed by the Company in respect of its Scheme Creditors under Singapore law which will be substantially based on the Schemes and shall be submitted to the Singapore Court for approval and granting of the Singapore Sanction Order
“Pre-pack Scheme Effective Date”	the date upon which the Pre-pack Scheme becomes effective
“Proposed Restructuring”	the proposed debt restructuring of the Company and the Scheme Participating Subsidiaries in accordance with the terms of the Schemes

“Relocation Plan”	the Shandong Provincial Government’s “Relocation of Industries from City Urban Area to Industrial Parks (退城入園)” plan made in accordance with the requirements of the Shandong Provincial Government (山東省人民政府), details of which has been disclosed in the Company’s announcement dated 23 July 2019
“REMT”	REMT Magnesium Technology Group Holdings Limited, a company incorporated in Bermuda with limited liability, an indirect non-wholly owned subsidiary of the Company and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 601)
“REMT Group”	REMT and its subsidiaries
“REMT Scheme”	the scheme of arrangement between REMT and its scheme creditors, as approved by its scheme creditors and sanctioned by the Hong Kong Court on 27 May 2022
“REMT Shares”	the ordinary shares of HK\$0.01 each in the share capital of REMT
“REMT Shares Transfer”	transfer of a total of 79,012,680 REMT Share currently held by Ming Xin to the Scheme Company
“Restructuring Announcements”	the announcements of the Company dated 3 July 2020, 8 July 2020, 9 July 2020, 15 July 2020, 11 August 2020, 24 August 2020, 31 August 2020, 8 October 2020, 16 October 2020, 20 April 2021, 19 October 2021, 18 January 2022, 17 March 2022, 26 April 2022, 13 September 2022, 24 October 2022 and 27 October 2022 in relation to the possible debt restructuring
“Restructuring Costs”	all costs, charges, expenses and disbursements necessary and properly incurred before the Scheme Effective Date, in connection with the costs incurred by the JPLs and their agents, attorneys and professional advisors appointed for restructuring purpose, including preparation of the Schemes and the Pre-pack Scheme
“S\$”	Singapore dollars, the lawful currency of Singapore
“Sanction Order”	the order by the Hong Kong Court sanctioning the Schemes (with or without modification)

“Scheme(s)”	the proposed schemes of arrangement for the Company and the Scheme Participating Subsidiaries to be made between them and their Scheme Creditors under Part 13 of the Companies Ordinance, as amended, supplemented or otherwise modified from time to time (each, a Scheme)
“Scheme Administrators”	the persons appointed under the Schemes as the scheme administrators
“Scheme Assets”	the Scheme Shares Proceeds, the Shandong Hongri Dividend, and the Zhangzhou Land Proceeds
“Scheme Company”	a company to be incorporated in Hong Kong with limited liability, being a special purpose vehicle held and controlled by the Scheme Administrators, or such other company as may be nominated by the Scheme Administrators
“Scheme Costs”	costs, charges, expenses and disbursements necessary and properly incurred on and after the Scheme Effective Date, by the Scheme Administrators including, inter alia, the Scheme Administrators’ fees, out-of-pocket disbursements in connection with the administration and implementation of the Schemes, and costs incurred by the Scheme Company
“Scheme Creditor(s)”	any person having a Claim
“Scheme Creditors’ Committee”	the committee of Scheme Creditors which may or may not be formed with duties and powers pursuant to the terms of the Schemes
“Scheme Document”	the document containing details of the Schemes, the appendices and the relevant explanatory statement to be despatched to the Scheme Creditors
“Scheme Effective Date”	the date on which the Schemes become effective, being the the date of delivery of an official copy of the Hong Kong Court order sanctioning the Schemes to the Registrar of Companies in Hong Kong for registration and upon the fulfilment of all the conditions precedent to the Schemes
“Scheme Meeting(s)”	the meeting(s) of the Scheme Creditors to be convened at the direction of the Hong Kong Court for the purpose of considering and, if thought fit, approving the Schemes by the Scheme Creditors

“Scheme Participating Subsidiary(ies)”	each of Ming Xin, Long Xiang, New Bright, Acro, and CS Ecological shall be a Scheme Participating Subsidiary, and together they constitute the Scheme Participating Subsidiaries
“Scheme Shares”	79,012,680 REMT Shares, approximately 20% of the issued share capital of REMT as at the date of this announcement, transferred by Ming Xin to the Scheme Company under the REMT Shares Transfer
“Scheme Shares Disposal”	sale of the Scheme Shares to the open market by the Scheme Company in accordance with the applicable provisions under the Schemes or by any other means of disposal, after consultation by the Scheme Administrators with the Scheme Creditors’ Committee or, if there is no Scheme Creditors’ Committee established, the Scheme Creditors in accordance with the applicable provisions set out in Schemes and subject to all applicable rules, laws, and regulations in Hong Kong
“Scheme Shares Proceeds”	proceeds received from the Scheme Shares Disposal, which shall be held by the Scheme Company
“Scheme Year(s)”	five years during the Extended Term with the first year starting from the Scheme Effective Date and ending on the first anniversary of the Scheme Effective Date, and thereafter each year between the first, the second, the third, the fourth and the fifth anniversary of the Scheme Effective Date
“SGX”	the Singapore Stock Exchange
“SGX Clearing System”	the clearing and settlement system of Central Depository Pte Ltd, a wholly owned subsidiary of SGX
“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 a 50.5% subsidiary of Acro
“Shandong Hongri Dividend”	the dividend payment to Acro, being 50.5% shareholder of Shandong Hongri, which it is entitled to receive from Shandong Hongri for the dividends declared by Shandong Hongri to its shareholders based on the Shandong Land Proceeds, and net of the relevant costs, expenses and tax in relation to the dividend payment to Acro

“Shandong Land”	land use rights registered under the name of Shandong Hongri located north of Luocheng Road, Luozhuang District and Lanshan District, Linyi City, Shandong Province, the PRC
“Shandong Land Disposal”	the disposal of the Shandong Land
“Shandong Land Proceeds”	the resultant net proceeds from the Shandong Land Disposal, after the deduction of the debts owing by Shandong Hongri to its own creditors and the relevant costs, expenses, taxes, agent and professional fees and other payments incurred or to be reserved in connection with the Relocation Plan, the reinvestment, the Land Use Change, and the Shandong Land Disposal
“Share(s)”	the ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Singapore Bondholders”	the aggregate of the individual person(s) who hold an economic or beneficial interest as principal in the Singapore Bonds held through and shown on (or supposed to shown on SGX Clearing Systems but not yet recorded) the records maintained in book entry form by the SGX Clearing Systems at the record time, being the latest date and time for delivery of the notice of claim and proxy form to the JPLs at 5:00 p.m. on Tuesday, 13 June 2023 for the purposes of participation and voting at the Scheme Meetings
“Singapore Bonds”	notes issued by the Company in a S\$300,000,000 multicurrency medium term note program pursuant to, <i>inter alia</i> , the trust deed dated 19 May 2015 between the Company as issuer and the Singapore Trustee (as trustee) as amended and restated on 9 May 2017
“Singapore Court”	the High Court of Singapore
“Singapore Sanction Hearing”	the hearing in relation to the application seeking approval of the Pre-pack Scheme by the Singapore Court
“Singapore Sanction Order”	the order by the Singapore Court approving the Pre-pack Scheme (with or without modification)

“Singapore Trustee”	the Bank of New York Mellon, Singapore Branch, which entered into the trust deed dated 19 May 2015 with the Company as issuer of the Singapore Bonds as amended and restated on 9 May 2017
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Zhangzhou Ecological”	Century Sunshine (Zhangzhou) Ecological Technology Ltd., a limited liability company incorporated under the laws of the PRC and a direct wholly-owned subsidiary of CS Ecological
“Zhangzhou Land”	land use rights registered under the name of Zhangzhou Ecological located at Shangkeng Village, Pumei Town, Yunxiao County, Zhangzhou City, Fujian Province, the PRC
“Zhangzhou Land Disposal”	the disposal of the Zhangzhou Land
“Zhangzhou Land Proceeds”	the resultant proceeds received from Zhangzhou Land Disposal, after the deduction of the debts owing by Zhangzhou Ecological to its own creditors and the relevant costs, expenses, taxes, agent and professional fees and other expenses in connection with the Zhangzhou Land Disposal
“%”	per cent

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

Hong Kong, 27 April 2023

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

Executive Directors:

Mr. Chi Wen Fu and Mr. Chi Jing Chao

Non-executive Director:

Mr. Guo Mengyong

Independent non-executive Directors:

Mr. Cheung Sound Poon, Mr. Sheng Hong and Mr. Shen Yi Min