

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint 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 joint announcement.

This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company nor is it a solicitation of any vote or approval in any jurisdiction.



**GROUP SENSE**  
**(INTERNATIONAL) LIMITED**  
**權智(國際)有限公司\***  
*(Incorporated in Bermuda  
with limited liability)*  
**(Stock Code: 601)**



**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)**

**MING XIN**  
**DEVELOPMENTS LIMITED**  
*(Incorporated in the British Virgin  
Islands with limited liability)*

**Financial Adviser to  
Ming Xin  
Developments Limited**



**Financial Adviser to  
Group Sense  
(International) Limited**



BRIDGE PARTNERS CAPITAL LIMITED

## JOINT ANNOUNCEMENT

**(1) MAJOR TRANSACTION FOR CENTURY SUNSHINE GROUP HOLDINGS LIMITED  
IN RELATION TO THE SALE AND PURCHASE OF SHARES  
AND THE SUBSCRIPTION OF NEW SHARES IN  
GROUP SENSE (INTERNATIONAL) LIMITED  
AND THE OFFER**

**(2) AGREEMENT IN RELATION TO THE PROPOSED  
SUBSCRIPTION OF NEW SHARES BY THE OFFEROR AND ISSUE OF SUBSCRIPTION  
SHARES BY GROUP SENSE (INTERNATIONAL) LIMITED UNDER SPECIFIC  
MANDATE**

**(3) POSSIBLE UNCONDITIONAL MANDATORY CASH GENERAL OFFER BY**



**AND**

**GET NICE SECURITIES LIMITED  
FOR AND ON BEHALF OF MING XIN DEVELOPMENTS LIMITED TO ACQUIRE  
ALL THE ISSUED SHARES OF GROUP SENSE (INTERNATIONAL) LIMITED (OTHER  
THAN THOSE ALREADY OWNED OR  
AGREED TO BE ACQUIRED BY MING XIN DEVELOPMENTS LIMITED AND  
PARTIES ACTING IN CONCERT WITH IT)**

**(4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER  
AND**

**(5) RESUMPTION OF TRADING IN THE SHARES OF  
GROUP SENSE (INTERNATIONAL) LIMITED  
AND**

**CENTURY SUNSHINE GROUP HOLDINGS LIMITED**

\* for identification purpose only

## **SALE AND PURCHASE AGREEMENT**

The Board has been informed by the Vendor that on 19 December 2014 (after trading hours), the Vendor, the Purchaser and the Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell an aggregate of 500,000,000 Sale Shares, free from all encumbrances and together with all rights attached to the Sale Shares as at the Sale and Purchase Completion, including all dividends and distributions declared, made or paid on or after the Sale and Purchase Completion Date, for a total consideration of HK\$229,600,000 (equivalent to HK\$0.4592 per Sale Share). The Sale Shares represent approximately 41.75% of the issued share capital of the Company as at the date of this joint announcement.

The Sale and Purchase Completion is conditional upon the fulfillment of a number of conditions, including but not limited to the completion of the Subscription Agreement, as set out under the sub-section headed “Conditions precedent to the Sale and Purchase Completion” under the section headed “A. Sale and Purchase Agreement” of this joint announcement.

## **PROPOSED SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

On 19 December 2014 (after trading hours), the Company and the Offeror entered into the Subscription Agreement pursuant to which the Company has conditionally agreed to issue, and the Offeror has conditionally agreed to subscribe, in cash, for 239,532,000 new Shares. The Subscription Shares represent approximately 20.0% of the issued share capital of the Company as at the date of this joint announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will be subscribed by the Offeror at the Subscription Price of HK\$0.32 per Share.

The Subscription Shares will be allotted and issued to the Offeror pursuant to the specific mandate proposed to be sought from the Independent Shareholders by way of poll at the SGM.

The Subscription Completion is subject to the fulfillment of the conditions precedent in the Subscription Agreement as summarised in the sub-section headed “Conditions precedent to the Subscription Completion” under the section headed “B. Proposed Subscription of New Shares under Specific Mandate” of this joint announcement.

Subject to the fulfillment of the respective conditions precedent under the Subscription Agreement and the Sale and Purchase Agreement, the Subscription Completion will take place simultaneously with the Sale and Purchase Completion on the same date or at such other time as may be agreed by the Company and the Offeror.

As the Subscription Completion and the Sale and Purchase Completion are inter-conditional, the Vendor and its concert parties and/or its close associates will abstain from voting on the resolution(s) at the SGM approving the granting of the specific mandate for the allotment and issue of the Subscription Shares.

**POSSIBLE UNCONDITIONAL MANDATORY CASH GENERAL OFFER FOR THE SHARES**

As at the date of this joint announcement, the Offeror and parties acting in concert with it do not hold any Shares or control any voting rights over any Shares. Immediately after the Sale and Purchase Completion and the Subscription Completion, the Offeror and parties acting in concert with it will be interested in a total of 739,532,000 Shares, representing approximately 51.46% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. Upon Sale and Purchase Completion and Subscription Completion, the Offeror will be required to make an unconditional mandatory cash general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code.

Subject to and upon the Sale and Purchase Completion and the Subscription Completion, Octal Capital and Get Nice Securities, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

**For every Offer Share held . . . . . HK\$0.4592 in cash**

Immediately after the Sale and Purchase Completion and the Subscription Completion, the Company will have a total of 1,437,195,029 Shares in issue and the Offeror and parties acting in concert with it will own 739,532,000 Shares. Excluding the Non-acceptance Shares under the Letter of Undertaking, 616,753,911 Shares will be subject to the Offer and the total consideration of the Offer would be approximately HK\$283,213,396 based on the Offer Price. For details of the Letter of Undertaking, please refer to the sub-section headed “Letter of Undertaking” under the section headed “C. Possible Unconditional Mandatory Cash General Offer to Acquire Shares”.

The principal terms of the Offer are summarised in the section headed “C. Possible Unconditional Mandatory Cash General Offer to Acquire Shares” of this joint announcement.

The Offeror intends to finance the consideration payable under the Offer and the consideration payable under the Sale and Purchase Agreement and Subscription Agreement with (i) the Facility; and (ii) the balance to be financed from its internal resources. Octal Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the Sale Shares under the Sale and Purchase Agreement, the Subscription Shares and the full acceptance of the Offer.

## **LISTING RULES IMPLICATIONS**

### **The Company**

The SGM will be held for the purpose of considering and, if thought fit, approving the resolution in respect of the issue and allotment of the Subscription Shares as contemplated under the Subscription Agreement, by way of poll at the SGM by the Independent Shareholders. As the Subscription Completion and the Sale and Purchase Completion are inter-conditional, the Vendor and its concert parties and/or its close associates will abstain from voting on the resolution to approve the issue and allotment of the Subscription Shares as contemplated under the Subscription Agreement at the SGM.

A Circular which will contain, among other things, details of the Subscription Agreement will be despatched to the Shareholders on or before 26 January 2015.

### **Century Sunshine**

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the acquisition of the Sale Shares, the Subscription and the making of the Offer are more than 25% but less than 100%, the entering into the Sale and Purchase Agreement, the Subscription and the making of the Offer by the Offeror constitutes a major transaction of Century Sunshine under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

The EGM will be convened at which a resolution will be proposed to seek Century Sunshine's shareholders' approval of the Sale and Purchase Agreement, the Subscription, making of the Offer and the transactions contemplated thereunder. None of Century Sunshine's shareholders is required to abstain from voting in respect of the ordinary resolution to approve the Sale and Purchase Agreement, the Subscription and the transactions contemplated thereunder, and making of the Offer. A circular, which will contain, among other things, details of the Sale and Purchase Agreement, Subscription Agreement, the making of the Offer, pro forma financial information of the enlarged group and other information as required under the Listing Rules, will be despatched to Century Sunshine's shareholders on or before 27 January 2015.

## **COMPOSITE DOCUMENT**

If the Offer materialises, it is the intention of the Offeror and the Company that the offeree response document will be combined with the offer document, and the Composite Document containing, amongst other things, details of the Offer (including the expected timetable of the Offer), the recommendation from the Offer IBC and the letter from the independent financial adviser to the Offer IBC and Independent Shareholders will be despatched to the Shareholders. In accordance with Rule 8.2 of the Takeovers Code, the offer document is required to be posted by or on behalf of the Offeror within 21 days of the date of this joint announcement or such later date as the Executive may approve. However, as there are pre-conditions, i.e. the Sale and Purchase Completion and the Subscription Completion to the making of the Offer, an application will be made by the Offeror for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to within seven (7) days of the fulfillment of such pre-conditions (i.e. the Sale and Purchase Completion and the Subscription Completion).

The Offer IBC comprising all the non-executive Directors has been formed in order to make a recommendation to the Independent Shareholders regarding the Offer.

With approval from the Offer IBC, the Company has appointed Proton Capital as the independent financial adviser to advise the Offer IBC in connection with the Offer.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the requests of the Company and Century Sunshine, trading in the Shares and the shares of Century Sunshine on the Stock Exchange were suspended with effect from 9:00 a.m. on 22 December 2014 pending the publication of this joint announcement. Application has been made by each of the Company and Century Sunshine to the Stock Exchange for the resumption of trading in the Shares and in the shares of Century Sunshine respectively with effect from 1:00 p.m. on 6 January 2015.

## **WARNING**

**Shareholders and potential investors should be aware and take note that the sale and purchase of the Sale Shares and the Subscription are conditional upon satisfaction of the respective conditions precedent and therefore may or may not proceed. The Offer will only be made if the completion of the sale and purchase of the Sale Shares and the Subscription take place. Accordingly, the sale and purchase of the Sale Shares and the Subscription may or may not be completed and the Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## **A. SALE AND PURCHASE AGREEMENT**

**Date:** 19 December 2014

### **Parties**

**Vendor:** Earnmill Holdings Limited, a company incorporated in the BVI with limited liability

**Purchaser:** Ming Xin Developments Limited, a company incorporated in the BVI with limited liability which is indirectly wholly-owned by Century Sunshine

**Guarantors of the Vendor:** Tam Wai Ho, Samson and Tam Wai Tong, Thomas

The Vendor has confirmed that it and each of its beneficial owners and ultimate beneficial owners are third parties independent of and not connected with Century Sunshine and connected persons of Century Sunshine. Each of the Guarantors has confirmed that he is a third party independent of and not connected with Century Sunshine and connected persons of Century Sunshine.

### **Subject of the Sale and Purchase Agreement**

The Vendor, the Purchaser and the Guarantors entered into the Sale and Purchase Agreement on 19 December 2014 (after trading hours), pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell an aggregate of 500,000,000 Sale Shares for a total consideration of HK\$229,600,000 (equivalent to HK\$0.4592 per Sale Share), representing approximately 41.75% of the issued share capital of the Company as at the date of this joint announcement, free from all encumbrances and together with all rights attached or accrued to the Sale Shares as at the Sale and Purchase Completion, including all dividends and distributions declared, made or paid on or after the Sale and Purchase Completion Date.

The Vendor and the Purchaser shall not be obliged to complete the sale and purchase of any Sale Shares unless the sale and purchase of all the Sale Shares are completed simultaneously.

### **Consideration for the Sale Shares**

The aggregate consideration for the Sale Shares is HK\$229,600,000, equivalent to HK\$0.4592 per Sale Share, which was determined after arm's length negotiations between the Purchaser and the Vendor which has taken into account (i) the average closing price of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day; and (ii) financial performance of the Company. The consideration shall be payable by the Purchaser on the Sale and Purchase Completion Date.

## **Conditions precedent to the Sale and Purchase Completion**

A summary of the conditions precedent to the Sale and Purchase Completion is as follows:

- (a) the obtaining of approval by the shareholders of Century Sunshine in general meeting in respect of the Sale and Purchase Agreement and Subscription Agreement and the transactions contemplated therein in a manner as required by the Stock Exchange or under the Listing Rules, the articles of association of Century Sunshine and the applicable law;
- (b) the completion of the Subscription Agreement in accordance with its terms simultaneously with the Sale and Purchase Completion;
- (c) the trading of the Shares on the Stock Exchange not having been suspended for a period longer than seven (7) consecutive trading days, save for any temporary suspension required by relevant regulatory authorities in connection with the transactions contemplated under the Sale and Purchase Agreement and the Subscription Agreement;
- (d) the listing of the Shares not having been cancelled or withdrawn and neither the Stock Exchange nor the SFC having indicated that the trading of the Shares on the Stock Exchange will be suspended, cancelled or withdrawn after the Sale and Purchase Completion or that it will object to the continued listing of the Shares on the Stock Exchange;
- (e) the warranties contained in the Sale and Purchase Agreement remaining true and accurate and not misleading in any material respect;
- (f) no events having occurred which caused, causes or may cause a material adverse effect; and
- (g) there being no applicable law or regulations which shall, or which shall reasonably be expected to, forbid or restrict completion of the transactions contemplated under the Sale and Purchase Agreement and the Subscription Agreement.

Each of the Vendor and the Guarantors has given to the Purchaser certain representations and warranties which are customary in the circumstances and mainly in respect of (among others) the share capital, corporate status, legal compliance, financial conditions, business, operations, assets and liabilities in relation to the Company and/or other companies within the Group and agreed to indemnify the Purchaser against any loss or liability of the Purchaser or any group company as a result of any breach of such representations and warranties. The Vendor and the Guarantors have also given certain indemnity to the Purchaser in connection with (a) an existing litigation between IWOW Communications Pte Ltd (as plaintiff) and Group Sense PDA Limited (as defendant) as disclosed in the annual report of the Company for the year ended 31 March

2014, (b) any failure or defects of corporate or regulatory compliance of any applicable laws or regulations by the Company and (c) any loss caused to the Company by other companies within the Group and companies in which the Company has an equity interest.

Save in case of fraud or wilful concealment, the aggregate amount of liability of the Vendor and the Guarantors for all claims made in respect of such representations, warranties and indemnities shall not exceed the total amount of the consideration received by the Vendor for the sale of the Sale Shares. Further, any such claims will be subject to a limitation period of two years (for those unrelated to tax) or four years (for those relating to tax) after the Sale and Purchase Completion Date.

Subject to the Sale and Purchase Completion, the Guarantors jointly and severally undertake that for so long as any of the Guarantors remains to be a director or takes any senior management role of any of the subsidiaries of the Company after the Sale and Purchase Completion, unless otherwise approved by the Company in writing, they will procure that such subsidiaries, will not (a) borrow or otherwise raise money or incur any indebtedness (save for certain exceptions) or give any guarantee, indemnity or surety; or (b) create or permit to arise any encumbrance on or in respect of any of its undertaking, property or assets; or (c) sell or otherwise dispose of the real properties owned by the Group or any part thereof.

### **Sale and Purchase Completion**

The Sale and Purchase Completion is to take place on the fifth Business Day after the date on which the conditions (save that condition (a) set out in the paragraph headed “Conditions precedent to the Sale and Purchase Completion” above and conditions (a) to (d) set out in paragraph headed “Conditions precedent to the Subscription Completion” below may not be waived) are fulfilled or waived or such other date and time as may be agreed by the Vendor and the Purchaser in writing. Further announcement will be made as soon as practicable in relation to the Sale and Purchase Completion.

As part of the Sale and Purchase Agreement, each of the Guarantors and the Vendor and Mrs. Tam has irrevocably and unconditionally undertaken to the Purchaser (i) before the closing of the Offer, not to transfer, sell, give or otherwise dispose of, or create or permit to exist any encumbrance over; and (ii) not to accept the Offer, in respect of the Non-acceptance Shares, representing approximately 5.63% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, owned by them pursuant to the Letter of Undertaking. To the alignment of the interests of Dr. Tam and Mr. Tam (being beneficial owners of the Vendor) in the continued management of the Group’s business after the Sale and Purchase Completion with the interests of Shareholders and thereby ensuring continuing of that business, both the Purchaser and the Vendor consider that it is necessary for the Vendor to retain a meaningful equity stake in the Company. Taking into account the foregoing, the Vendor and the Purchaser agreed to the sale and purchase of a round number of 500,000,000 Shares under the Sale and Purchase Agreement with the remaining holding of Shares by the Vendor and its concert parties being retained by them.

The Vendor, each of the Guarantors and Mrs. Tam have no intention to dispose the Non-acceptance Shares in the short term but in any event, save for the Letter of Undertaking, there are no restrictions on the disposition of the Non-acceptance Shares held by the Vendor, each of the Guarantors and Mrs. Tam under the terms of the Sale and Purchase Agreement.

## **B. PROPOSED SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

On 19 December 2014 (after trading hours), the Company and the Offeror entered into the Subscription Agreement pursuant to which the Company has conditionally agreed to issue, and the Offeror has conditionally agreed to subscribe, in cash, for 239,532,000 new Shares for an aggregate Subscription Price of HK\$76,650,240.

The Purchaser has confirmed that immediately before entering into the Sale and Purchase Agreement, it and its beneficial owners are third parties independent of the Company and its connected persons.

The Subscription Shares represent (i) approximately 20.0% of the issued share capital of the Company as at the date of this joint announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

### **Subscription Price**

The Subscription Shares will be subscribed for by the Offeror at the Subscription Price of HK\$0.32 per Share.

The Subscription Price was negotiated on an arm's length basis which has taken into account the trading price of the Shares prior to the Rule 3.7 Announcement. The Subscription Price of HK\$0.32 represents a premium of 1.59% over the last closing price of the Shares prior to the date before the Rule 3.7 Announcement.

### **Conditions precedent to the Subscription Completion**

Set out below is a summary of the conditions precedent to the Subscription Completion:

- (a) the passing by the Independent Shareholders at a general meeting of the Company of such resolutions as may be necessary approving the Subscription Agreement and the issue and allotment of the Subscription Shares thereunder;
- (b) the granting of the approval by the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares;

- (c) the obtaining of approval by the shareholders of Century Sunshine in general meeting in respect of the Subscription Agreement and the Sale and Purchase Agreement and the transactions contemplated therein in a manner as required by the Stock Exchange or under the Listing Rules, the articles of association of Century Sunshine and the applicable law;
- (d) the completion of the Sale and Purchase Agreement in accordance with its terms simultaneously with the Subscription Completion;
- (e) the trading of the Shares on the Stock Exchange not having been suspended for a period longer than seven (7) consecutive trading days, save for any temporary suspension required by relevant regulatory authorities for approving the announcement and circulars in connection with the transactions contemplated under the Subscription Agreement and the Sale and Purchase Agreement;
- (f) the listing of the Shares not having been cancelled or withdrawn and neither the Stock Exchange nor the SFC having indicated that the trading of the Shares on the Stock Exchange will be suspended, cancelled or withdrawn after the Subscription Completion or that it will object to the continued listing of the Shares on the Stock Exchange whether or not for reasons related to or arising from the transactions contemplated under any of the Subscription Agreement and the Sale and Purchase Agreement;
- (g) the warranties contained in the Subscription Agreement remaining true and accurate and not misleading in any material respect;
- (h) no events having occurred which caused, causes or may cause a material adverse effect;
- (i) there being no applicable law or regulations which shall, or which shall reasonably be expected to, forbid or restrict completion of the transactions contemplated under the Subscription Agreement and the Sale and Purchase Agreement; and
- (j) there being no ongoing, pending or threatened legal proceedings which seek to forbid or restrict the transactions contemplated under the Subscription Agreement and the Sale and Purchase Agreement.

### **Specific mandate**

The Subscription Shares will be allotted and issued under the specific mandate proposed to be sought from the Independent Shareholders by way of poll at the SGM.

An application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

## **Subscription Completion**

The Subscription Completion is conditional upon the Subscription Conditions having been fulfilled (or, where applicable, waived). The Subscription Completion will take place simultaneously with the Sale and Purchase Completion on the same date.

## **Use of proceeds from the Subscription**

The net proceeds (after deducting estimated expenses, including mainly legal and professional fees) from the issue of the Subscription Shares is expected to be approximately HK\$74,450,000 and the net price per Subscription Share is expected to be approximately HK\$0.31.

It is intended that the net proceeds from the issue of the Subscription Shares will be applied for general working capital purposes and exploration of new business opportunities.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company did not carry out any equity fund raising activities in the 12 months period immediately before the date of this joint announcement.

## **REASONS AND BENEFITS FOR THE SUBSCRIPTION AND THE ACQUISITION OF THE SALE SHARES**

The Company is a company incorporated in Bermuda with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding and its subsidiaries are principally engaged in design, manufacturing and sale of original design manufacturing products, electronic dictionary products and personal communication productions, and the provision of electronic manufacturing services.

The following table is a summary of certain audited financial information of the Group for the two financial years ended 31 March 2013 and 31 March 2014 and the unaudited financial information of the Group for the six months ended 30 September 2014.

	<b>Year ended 31 March 2013 HK'000 (audited)</b>	<b>Year ended 31 March 2014 HK'000 (audited)</b>	<b>Six months ended 30 September 2014 HK\$'000 (unaudited)</b>
Revenue	383,340	349,382	115,507
Loss before tax	(76,688)	(86,789)	(48,117)
Loss for the year/period attributable to the equity holders of the Company	(75,724)	(80,409)	(45,884)
Working capital	144,185	56,564	19,206

As disclosed in the annual report of the Company for the year ended 31 March 2014, the Group has been in a net loss position for an extended period of time. Loss attributable to equity holders of the Company for each of the financial year ended 31 March 2013 and 31 March 2014 was approximately HK\$75.7 million and HK\$80.4 million respectively. In addition, the Group recorded loss attributable to equity holders of the Company of approximately HK\$45.9 million for the six months ended 30 September 2014.

As at 30 September 2014, the net asset value of the Group was approximately HK\$198.03 million.

According to the interim report of the Company for the six months ended 30 September 2014, the Group had working capital of HK\$19.2 million as of 30 September 2014, which was approximately HK\$37.4 million lower than its working capital level of approximately HK\$56.6 million as of 31 March 2014. With respect to its relatively low level and the significant decline of working capital as compared to the past financial years, the Board considers it would be in the interest of the Group to deploy the net proceeds from the Subscription to improve its working capital.

Century Sunshine is a company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange. The principal activity of Century Sunshine is investment holding and its subsidiaries are principally engaged in magnesium product business, fertiliser business and metallurgical flux business. As at the Last Trading Day, market capitalisation of Century Sunshine was approximately HK\$2.12 billion.

Resulting from incentivised global move towards a more environmentally-friendly, energy saving and light-weighting demand, combining with the continuous development in product marketing and application, magnesium industry is at the turning point towards a fast

development period associated with golden opportunities. As indicated in the “New Materials Industry Development Plan for the Twelfth Five-year Period” issued by the PRC government, the demand of magnesium will grow by 26.7% in corresponding period, which is 19.3 percentage points higher than the average growth rate of 7.4% of the ten most common used non-ferrous metals. The booming market provides extremely encouraging hints of huge potential of magnesium products. To be fully in line with the market expansion and seize the key growth in magnesium product industry, beyond the existing magnesium product business, Century Sunshine Group considers to develop its industry chain model of circular economy in magnesium and magnesium alloys related businesses to create synergy and maximise its competitive advantages, resulting in greater returns for shareholders.

The Directors note that the Offeror intends to continue the current business operation of the Group after the Sale and Purchase Completion and Subscription Completion, while it may also explore other business opportunities for the Company with a view to enhance long-term potential growth. Although the Offeror has not engaged in any discussion or negotiation on any injection of any assets or businesses into the Group and no potential investment or specific needs were identified as at the date of this joint announcement, given the Group’s current low working capital level and loss making position, the Directors consider that it is desirable to utilise the net proceeds from the issue of the Subscription Shares as the Company’s additional general working capital and to have the financial means to support the Company’s long-term development and investments when such opportunities arise.

The Offeror has the intention to acquire control in the Group by purchasing and subscribing the Company’s Shares, being not less than 51% of the enlarged issued share capital of the Company upon Sale and Purchase Completion and Subscription Completion. The Offeror considers being able to acquire a majority interest is essential for the Offeror to push forward and execute business plans for future business development of the Group. Accordingly, the Offeror proposed to enter into the Sale and Purchase Agreement and Subscription Agreement with the Company to subscribe for the Subscription Shares. The Offeror also considers that the acquisition of the Sale Shares and the Subscription represents a good opportunity for the Offeror as it has the intention to leverage on a separate listing platform to focus on the magnesium product business and in particular chain model of circular economy in magnesium and magnesium product related businesses. By doing so, the business of Century Sunshine Group will become more focused and organised.

Based on the above, the Directors (other than members of the Subscription IBC whose view will be included in the Circular to be issued by the Company, after taking into account the advice of the Independent Financial Adviser) consider that the terms of the Subscription Agreement are fair and reasonable and the transactions contemplated under the Subscription Agreement are in the interests of the Company and the Shareholders as a whole. Based on the above, the directors of Century Sunshine consider that the terms of the Sale and Purchase Agreement and Subscription Agreement are fair and reasonable and are in the interests of Century Sunshine and its shareholders as a whole.

## EFFECTS OF THE SALE AND PURCHASE AGREEMENT AND THE SUBSCRIPTION AGREEMENT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; (ii) immediately after the Sale and Purchase Completion but before the Subscription Completion; and (iii) immediately after the Sale and Purchase Completion and Subscription Completion (assuming there are no changes to the issued share capital and shareholding structure of the Company from the date of this joint announcement to the Subscription Completion Date save for the issue of the Subscription Shares):

	(i) As at the date of this joint announcement		(ii) Immediately after the Sale and Purchase Completion		(iii) Immediately after the Sale and Purchase Completion and Subscription Completion (note 3)	
	Number of Shares held	Approximate % of Shares in issue	Number of Shares held	Approximate % of Shares in issue	Number of Shares held	Approximate % of Shares in issue
<b>Vendor and its concert parties and/or its associates</b>						
The Vendor (note 1)	537,877,118	44.91	37,877,118	3.16	37,877,118	2.64
Dr. Tam and Mr. Tam (note 2)	40,732,000	3.40	40,732,000	3.40	40,732,000	2.83
Mrs. Tam	2,300,000	0.19	2,300,000	0.19	2,300,000	0.16
<b>Sub-total</b>	<b>580,909,118</b>	<b>48.50</b>	<b>80,909,118</b>	<b>6.75</b>	<b>80,909,118</b>	<b>5.63</b>
<b>Other Directors</b>						
Otani Kazuhiro	2,000,000	0.17	2,000,000	0.17	2,000,000	0.14
Lee Koon Hung	1,676,000	0.14	1,676,000	0.14	1,676,000	0.11
Luk Chui Yung	550,000	0.05	550,000	0.05	550,000	0.04
<b>The Offeror and parties acting in concert with it</b>						
	-	-	500,000,000	41.75	739,532,000	51.46
<b>Public</b>						
Public Shareholders	612,527,911	51.14	612,527,911	51.14	612,527,911	42.62
<b>Total</b>	<b>1,197,663,029</b>	<b>100.00</b>	<b>1,197,663,029</b>	<b>100.00</b>	<b>1,437,195,029</b>	<b>100.00</b>

Notes:–

1. *Dr. Tam and Mr. Tam, being the elder brother of Dr. Tam, indirectly owned the Vendor in equal shares.*
2. *Such Shares included (i) 25,732,000 Shares jointly owned by Dr. Tam and Mr. Tam; (ii) 6,000,000 Shares directly owned by Dr. Tam and (iii) 9,000,000 Shares directly owned by Mr. Tam.*
3. *Upon Sale and Purchase Completion and Subscription Completion, the Vendor and its concert parties and/or its close associates will continue to hold 80,909,118 Shares.*

## **INFORMATION ON THE VENDOR AND THE OFFEROR**

### **Information on the Vendor**

The Vendor is an investment holding company incorporated in the BVI with limited liability on 10 November 1992 and is beneficially and indirectly owned by Dr. Tam and Mr. Tam in equal shares.

### **Information on the Offeror**

The Offeror is a company incorporated in the BVI with limited liability on 31 July 2014 and is beneficially and wholly-owned by New Bright, which is in turn wholly-owned by Century Sunshine, 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). The Offeror and New Bright are investment holding companies and did not carry on any business since its incorporation until the entering of the Sale and Purchase Agreement and the transactions in connection therewith.

## **C. POSSIBLE UNCONDITIONAL MANDATORY CASH GENERAL OFFER TO ACQUIRE SHARES**

As at the date of this joint announcement, each of the Offeror and parties acting in concert with it does not hold any Shares or control any voting rights over the Shares. Subject to and after the Sale and Purchase Completion and the Subscription Completion, the Offeror and parties acting in concert with it will be interested in a total of 739,532,000 Shares, representing approximately 51.46% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares. Upon Sale and Purchase Completion and Subscription Completion, the Offeror will be required to make an unconditional mandatory cash general offer to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code.

Subject to and upon the Sale and Purchase Completion and the Subscription Completion, Octal Capital and Get Nice Securities, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares, on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

**For every Offer Share held . . . . . HK\$0.4592 in cash**

**The Offer will only be made if both the Sale and Purchase Completion and Subscription Completion take place, and the Sale and Purchase Completion and the Subscription Completion are conditional upon the fulfillment or waiver (save that condition (a) set out in the paragraph headed “Conditions precedent to the Sale and Purchase Completion” and conditions (a) to (d) set out in paragraph headed “Conditions precedent to the Subscription Completion” may not be waived) of certain conditions under the Sale and Purchase Agreement and the Subscription Agreement respectively. Accordingly, the Sale and Purchase Agreement and the Subscription Agreement may or may not be completed and the Offer may or may not proceed. The Shareholders and potential investors are therefore urged to exercise caution when dealing in the Shares.**

Immediately after the Sale and Purchase Completion and the Subscription Completion, the Company will have 1,437,195,029 Shares in issue and the Offeror and parties acting in concert with it will own 739,532,000 Shares. Excluding the Non-acceptance Shares under the Letter of Undertaking, 616,753,911 Shares will be subject to the Offer and the total consideration of the Offer would be HK\$283,213,396 based on the Offer Price. For the details of the Letter of Undertaking, please refer to the sub-section “Letter of Undertaking” below.

In the event that the Offer is accepted in full, the maximum amount payable by the Offeror under the Offer will be approximately HK\$283,213,396 (the number of Shares subject to the Offer being 616,753,911 Shares, without taking into account the Non-acceptance Shares).

The Offer Price is the same as the purchase price per Sale Share under the Sale and Purchase Agreement.

Based on the Offer Price of HK\$0.4592 per Offer Share and 1,197,663,029 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at approximately HK\$549.97 million.

The Offer will extend to all Shares in issue on the date on which the Offer is made, being the date of despatch of the Composite Document, other than those Shares held by the Offeror and persons acting in concert with it.

## **Comparison of value**

The Offer Price of HK\$0.4592 represents:

- (i) a discount of approximately 7.23% to the closing price of HK\$0.495 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 0.70% over the average closing prices of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of HK\$0.456 per Share;
- (iii) a premium of approximately 2.73% over the average closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of HK\$0.447 per Share;
- (iv) a premium of approximately 0.92% over the average closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of HK\$0.455 per Share;
- (v) a premium of approximately 9.07% over the average closing prices of the Shares as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of HK\$0.421 per Share; and
- (vi) a premium of approximately 178.30% over the unaudited consolidated net asset attributable to Shareholders per Share of approximately HK\$0.165 per Share as at 30 September 2014.

## **Highest and lowest Share price**

During the six-month period preceding the date of the Rule 3.7 Announcement and the period up to and including the Last Trading Day:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.55 on 23 September 2014; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.209 on 7 May 2014.

## **Letter of Undertaking**

On 19 December 2014, each of the Guarantors and the Vendor and Mrs. Tam has executed the Letter of Undertaking in favour of the Purchaser, pursuant to which each of the Guarantors, the Vendor and Mrs. Tam has irrevocably and unconditionally undertaken to the Purchaser (i) before the closing of the Offer, not to transfer, sell, give or otherwise dispose of, or create or

permit to exist any encumbrance over; and (ii) not to accept the Offer in respect of, an aggregate of 80,909,118 Shares owned by them respectively as at the date of the Letter of Undertaking.

### **Value of the Offer**

Based on the above, without taking into account the Non-acceptance Shares, 616,753,911 Shares are subject to the Offer, and the Offer is valued at approximately HK\$283,213,396 based on the Offer Price.

Save and except for the Letter of Undertaking, the Offeror has not received any indication or irrevocable commitment from any Shareholder that he/she/it will accept or reject the Offer as at the date of this joint announcement.

### **Financial resources available to the Offeror**

The Offeror intends to finance the consideration payable by the Offeror under the Offer and the consideration payable under the Sale and Purchase Agreement and Subscription Agreement with (i) the Facility; and (ii) the balance to be financed from its internal resources.

Octal Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the full acceptance of the Offer and the consideration under the Sale and Purchase Agreement and Subscription Agreement.

### **Effect of accepting the Offer**

The Offer, subject to the Sale and Purchase Completion and the Subscription Completion taking place, will be unconditional in all respects. By accepting the Offer, the Shareholders will sell their Shares free from all encumbrances and together with all rights attaching or accruing to them including the right to all dividends and distributions which may be declared, made or paid at any time on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

Acceptance of the Offer by any Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Offer are free from all encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions recommended, declared, made or paid, if any, on or after the date on which the Offer is made. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

## **Hong Kong stamp duty**

Seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.1% (HK\$1.00 for every HK\$1,000) (or part thereof) of the consideration payable in respect of the relevant acceptance by the Shareholders or if higher, the market value of the Shares, will be deducted from the amount payable to Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

## **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

## **Taxation advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Octal Capital, Get Nice Securities and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## **Dealing and interests in the Company's securities**

The Offeror, New Bright, Century Sunshine and parties acting in concert with any of them have not dealt in the shares, convertible securities, warrants, options or derivatives of the Company during the six-month period preceding the date of the Rule 3.7 Announcement and the period up to and including the date of this joint announcement save for the Sale and Purchase Agreement and the Subscription Agreement to which the Offeror is a party.

## **Overseas Shareholders**

The Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer

(including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

### **Other arrangements**

The Offeror confirms that as at the date of this joint announcement:

- (i) the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offer;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (iii) save and except the sale and purchase of the Sale Shares and the Subscription which are subject to the terms and conditions of the Sale and Purchase Agreement and the Subscription Agreement (the principal terms of which are disclosed on pages 6 to 11 of this joint announcement in the sections headed “A. Sale and Purchase Agreement” and “B. Proposed Subscription of new Shares under Specific Mandate”), there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code) save and except the charge over the Sale Shares, the Subscription Shares and the Offer Shares to be acquired by the Offeror through the Offer in favour of Get Nice Securities pursuant to a share charge to be entered into between Get Nice Securities and the Offeror as security for the Facility; pursuant to the said share charge, if there is any event of default under the Facility, Get Nice Securities will be entitled to enforce security (including exercising power of sale and foreclosure in respect of the Sale Shares, the Subscription Shares and the Offer Shares) and all the rights pertaining to such Shares will be transferred to Get Nice Securities;
- (iv) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (v) save and except that the Sale and Purchase Completion and the Subscription Completion are subject to the satisfaction of the respective conditions precedent as disclosed on pages 7, 9 and 10 of this joint announcement in the sections headed “A. Sale and Purchase Agreement” and “B. Proposed Subscription of new Shares under Specific Mandate”, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and

- (vi) there is no other relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and/or any person acting in concert with any of them has borrowed or lent.

**Shareholders are reminded to read the recommendations of the Offer IBC and the advice of the Independent Financial Adviser in respect of the Offer that will be included in the Composite Document before deciding whether or not to accept the Offer.**

### **Future intentions of the Offeror in relation to the Company**

Following the close of the Offer, the Offeror intends that the Group will continue the principal business of the Group and will maintain the listing status of the Company on the Main Board of the Stock Exchange. However, the Offeror will conduct a review on the business activities and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the result of the review, the Offeror may explore other business opportunities for the Company and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company. In addition, the Offeror plans to explore investment or business opportunities leveraging on the experience and network of magnesium product business of the Century Sunshine Group. However, as at the date of this joint announcement, no such investment or business opportunities had been identified nor had the Offeror entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group. For the Offeror's intention regarding the Group as set out above, the Offeror has no intention to discontinue the employment of the employees (save for the change in the composition of the Board) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

### **Proposed change of Board composition**

The Board is currently made up of nine Directors, comprising five executive Directors, being Dr. Tam, Mr. Tam, Mrs. Tam, Mr. Kazuhiro Otani and Mr. Lee Koon Hung, one non-executive Director, being Ms. Luk Chui Yung, Judith and three independent non-executive Directors, being Mr. Wong Kon Man, Jason, Mr. Fung Henry and Dr. Li Chi Kwong.

It is expected that Dr. Tam will remain in the Board after completion of the Offer. The Offeror intends to nominate new Directors to the Board at the earliest time as allowed under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules.

Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

## **Maintaining the listing status of the Company**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

In the event that after the completion of the Offer, the public float of the Company falls below 25%, the new Directors who will be nominated by the Offeror and to be appointed as Directors and the then directors of the Offeror will undertake to the Stock Exchange that they will take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible following the close of the Offer to ensure that sufficient public float exists for the Shares.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.

## **D. GENERAL**

### **SGM**

The SGM will be held for the purpose of considering and, if thought fit, approving the resolutions in respect of the issue and allotment of the Subscription Shares as contemplated under the Subscription Agreement, by way of poll at the SGM by the Independent Shareholders. As the Sale and Purchase Completion and Subscription Completion are inter-conditional, the Vendor and its concert parties and/or its close associates will abstain from voting on the relevant resolution(s) at the SGM.

As at the date of this joint announcement, the Vendor and its concert parties and/or its close associates held an aggregate of 580,909,118 Shares, representing approximately 48.50% of the existing issued Shares.

Save for the interests in the Sale and Purchase Agreement and the Subscription Agreement, none of the Purchaser, its associates and parties acting in concert with any of them held any Shares as at the date of this joint announcement.

### **EGM**

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the acquisition of the Sale Shares, the Subscription and the making of the Offer are more than 25% but less than 100%, the entering into the Sale and Purchase Agreement, the

Subscription and the making of the Offer by the Offeror constitutes a major transaction of Century Sunshine under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

The EGM will be convened at which a resolution will be proposed to seek Century Sunshine's shareholders' approval of the Sale and Purchase Agreement, the Subscription, making of the Offer and the transactions contemplated thereunder. None of Century Sunshine's shareholders is required to abstain from voting in respect of the ordinary resolution to approve the Sale and Purchase Agreement, the Subscription and the transactions contemplated thereunder, and making of the Offer.

## **Circular**

### *The Company*

The Circular, which will contain, among other things, details of the Subscription, the letter of recommendations from the Subscription IBC and the letter from the Independent Financial Adviser to the Subscription IBC and the Independent Shareholders regarding the Subscription Agreement, and the transactions contemplated thereunder and a notice convening the SGM, is expected to be despatched to the Shareholders on or before 26 January 2015.

### *Century Sunshine*

Century Sunshine expects to despatch a circular to its shareholders, which will contain, among other things, details of the Sale and Purchase Agreement, Subscription Agreement, the making of the Offer, pro forma financial information of the enlarged group and other information as required under the Listing Rules, on or before 27 January 2015.

## **Offer IBC and appointment of Independent Financial Adviser**

The Offer IBC comprising all the non-executive Directors has been formed to make a recommendation to the Independent Shareholders regarding the Offer.

Proton Capital has been appointed as the independent financial adviser to advise the Offer IBC and the Independent Shareholders in respect of the Offer. The appointment of Proton Capital has been approved by the Offer IBC.

The advice of Proton Capital and the recommendation of the Offer IBC in respect of the Offer, in particular, as to whether the Offer is, or is not, fair and reasonable and as to its acceptance, will be included in the Composite Document.

## **Composite Document**

If the Offer materializes, it is the intention of the Offeror and the Company that the offeree response document will be combined with the offer document.

The Composite Document, which will contain, among other things, details of the Offer (including expected timetable), the letter of recommendations from the Offer IBC and the letter of advice from the independent financial adviser to the Offer IBC and the Independent Shareholders regarding the Offer will be despatched to the Shareholders.

## **Timing of the despatch of the Composite Document**

In accordance with Rule 8.2 of the Takeovers Code, the Composite Document is required to be posted by or on behalf of the Offeror and the Company within 21 days of the date of this joint announcement. However, as the Offer is conditional upon the Sale and Purchase Completion and the Subscription Completion, additional time is required to prepare the information to be contained in the Composite Document. As such, an application will be made by the Offeror for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to within seven (7) days of the Sale and Purchase Completion and the Subscription Completion taking place.

## **Dealing disclosure in the Shares**

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code) of the Offeror and the Company (including persons who owns or controls 5% or more of any class of relevant securities of the Company or the Offeror) (within the meaning of the Takeovers Code) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **E. SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company and Century Sunshine, trading in the Shares and the shares of Century Sunshine on the Stock Exchange were suspended with effect from 9:00 a.m. on 22 December 2014 pending the publication of this joint announcement. Application has been made by each of the Company and Century Sunshine to the Stock Exchange for the resumption of trading in the Shares and shares of Century Sunshine with effect from 1:00 p.m. on 6 January 2015.

**Shareholders and potential investors should be aware and take note that the sale and purchase of the Sale Shares and the Subscription are conditional upon satisfaction of the respective conditions precedent and therefore may or may not proceed. The Offer will only be made if the completion of the sale and purchase of the Sale Shares and the Subscription take place. Accordingly, the sale and purchase of Sale Shares and the Subscription may or may not be completed and the Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## **DEFINITIONS**

In this joint announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“associate(s)”	has the same meaning ascribed to it under the Takeovers Code
“Bermuda”	the Islands of Bermuda
“Board”	the board of Directors
“Business Day(s)”	a day on which the banks are open for business in Hong Kong, other than Saturdays, Sundays and public holidays
“BVI”	the British Virgin Islands

“Century Sunshine”	Century Sunshine Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on Main Board of the Stock Exchange (Stock Code: 509)
“Century Sunshine Group”	Century Sunshine and its subsidiaries
“Circular”	a circular of the Company, which will contain, among other things, details of the Subscription Agreement and a notice convening the SGM to be despatched to the Independent Shareholders
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Company”	Group Sense (International) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 601)
“Composite Document”	the document proposed to be jointly issued by or on behalf of the Offeror and the Company to all Independent Shareholders in accordance with the Takeovers Code in respect of the Offer containing, among other things, the details of the Offer, the form of acceptance and transfer of Shares, the respective letters of advice from the independent financial advisers and the Offer IBC in respect of the Offer
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Dr. Tam”	Dr. Tam Wai Ho, Samson, JP, the chairman and executive Director of the Company and the director of the Vendor
“EGM”	the extraordinary general meeting to be convened by Century Sunshine to consider, and if thought fit, pass the resolutions to approve, the Sale and Purchase Agreement, the Subscription and the transactions contemplated thereunder, and the making of the Offer
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

“Facility”	a standby loan facility of up to HK\$284,000,000 granted by Get Nice Securities to the Offeror upon and subject to the terms and conditions of the facility agreement dated 19 December 2014 entered into between the Offeror as borrower and Get Nice Securities as lender
“Get Nice Securities”	Get Nice Securities Limited, a licensed corporation to carry out businesses in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Group”	the Company and its subsidiaries
“Guarantors”	guarantors of the Vendor in the Sale and Purchase Agreement, namely Dr. Tam and Mr. Tam
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Financial Adviser” or “Proton Capital”	Proton Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Subscription IBC and the Offer IBC in respect of the Subscription and the Offer respectively
“Independent Shareholders”	Shareholders other than (i) the Vendor, its close associates and parties acting in concert with any of them; (ii) the Offeror, its ultimate beneficial owner and any parties acting in concert with any of them; and (iii) any Shareholders who are involved in or interested in the Sale and Purchase Agreement, the Subscription Agreement and the respective transactions contemplated thereunder, and the Offer
“Last Trading Day”	19 December 2014, being the last trading day for the Shares immediately prior to the suspension of trading in the Shares on the Stock Exchange
“Letter of Undertaking”	the letter of undertaking issued by each of the Vendor, the Guarantors and Mrs. Tam in favour of the Purchaser dated 19 December 2014 whereby the Vendor, the Guarantors and Mrs. Tam have undertaken not to accept the Offer in respect of and not to create encumbrance over the Non-acceptance Shares

“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mrs. Tam”	Mrs. Tam Mui Ka Wai, Vivian, the executive Director and the wife of Dr. Tam
“Mr. Tam”	Mr. Tam Wai Tong, Thomas, managing Director of the Company and the director of the Vendor
“New Bright”	New Bright Group Limited, a company incorporated in the BVI with limited liability on 12 December 2002 which is beneficially and wholly-owned by Century Sunshine
“Non-acceptance Shares”	the 80,909,118 Shares in aggregate held by the Vendor, Dr. Tam, Mr. Tam and Mrs. Tam and their respective associates immediately after the Sale and Purchase Completion and the Subscription Completion
“Octal Capital”	Octal Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO, who has been appointed as the financial adviser to the Offeror
“Offer”	the possible unconditional mandatory cash general offer to be made by Octal Capital and Get Nice Securities on behalf of the Offeror to acquire all the Offer Shares pursuant to Rule 26.1 of the Takeovers Code
“Offer IBC”	the independent committee of the Board comprising the non-executive Director, namely Ms. Luk Chui Yung, Judith, and all the independent non-executive Directors, namely Mr. Wong Kon Man, Jason, Mr. Fung Henry and Dr. Li Chi Kwong, which has been established by the Company to make recommendations to the Independent Shareholders in respect of the Offer
“Offer Period”	has the same meaning given to it in the Takeovers Code
“Offer Price”	the price at which the Offer will be made, being HK\$0.4592 per Share

“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror” or “Purchaser”	Ming Xin Developments Limited, a company incorporated in the BVI with limited liability on 31 July 2014 and is beneficially and wholly-owned by New Bright
“Overseas Shareholders”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Rule 3.7 Announcement”	the announcement issued by the Company dated 5 September 2014 in relation to possible sale of all or part of Dr. Tam and Mr. Tam’s shareholding interest in the Company
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 19 December 2014 entered into amongst the Vendor, the Purchaser and Dr. Tam and Mr. Tam as Guarantors in respect of the Sale Shares
“Sale and Purchase Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Sale and Purchase Completion Date”	the date of the Sale and Purchase Completion, which is to be the fifth Business Day after the date on which the last of condition (a) set out in the paragraph headed “Conditions precedent to the Sale and Purchase Completion” and conditions (a) and (b) set out in paragraph headed “Conditions precedent to the Subscription Completion” are fulfilled or such other date as the Vendor and the Purchaser may agree
“Sale Shares”	an aggregate of 500,000,000 Shares, legally and beneficially owned by the Vendor
“SFC”	The Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“SGM”	a special general meeting of the Company to be convened for the purpose of, among other things, approving the issue and allotment of the Subscription Shares under the Subscription Agreement
“Shareholder(s)”	holder(s) of Shares
“Shares”	shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Offeror pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and the Offeror on 19 December 2014 in relation to the subscription of the Subscription Shares
“Subscription Completion”	the completion of the Subscription
“Subscription Completion Date”	the date on which the Subscription Completion is to take place
“Subscription Conditions”	condition(s) precedent to Subscription Completion, further details of which are set out in the section headed “B. The Proposed Subscription of New Shares under Specific Mandate – Conditions precedent to the Subscription Completion” of this joint announcement
“Subscription IBC”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Wong Kon Man, Jason, Mr. Fung Henry and Dr. Li Chi Kwong, which has been established by the Company to advise the Independent Shareholders regarding the Subscription Agreement and the transactions contemplated thereunder
“Subscription Price”	the subscription price of HK\$0.32 per Subscription Share
“Subscription Shares”	239,532,000 new Shares to be subscribed by the Offeror and issued by the Company at the Subscription Price;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Trading Day”	a day on which the Stock Exchange is open for trading in Hong Kong

“Vendor”

Earnmill Holdings Limited, a company incorporated in the BVI with limited liability on 10 November 1992 and is ultimately beneficially owned by Dr. Tam and Mr. Tam in equal shares

By Order of the board of  
**MING XIN  
DEVELOPMENTS  
LIMITED**  
**Shum Sai Chit**  
*Director*

By Order of the Board  
**GROUP SENSE  
(INTERNATIONAL)  
LIMITED**  
**Dr. Tam Wai Ho, Samson JP**  
*Chairman*

By Order of the board of  
**CENTURY SUNSHINE  
GROUP HOLDINGS  
LIMITED**  
**Chi Wen Fu**  
*Chairman*

Hong Kong, 6 January 2015

*As at the date of this joint announcement, the Board comprises five executive directors, namely Dr. Tam Wai Ho, Samson JP, Mr. Tam Wai Tong, Thomas, Mrs. Tam Mui Ka Wai, Vivian, Mr. Kazuhiro Otani and Mr. Lee Koon Hung, a non-executive director, namely Ms. Luk Chui Yung, Judith, and three independent non-executive directors namely Mr. Wong Kon Man, Jason, Mr. Fung Henry and Dr. Li Chi Kwong.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Vendor, the Offeror, New Bright, Century Sunshine, their respective associates and parties acting in concert with them), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than the information relating to the Vendor, the Offeror, New Bright, Century Sunshine, their respective associates and parties acting in concert with them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*As at the date of this joint announcement, (i) the sole director of the Offeror is Mr. Shum Sai Chit; (ii) the sole director of New Bright is Mr. Chi Wen Fu; and (iii) the directors of Century Sunshine comprises four executive directors namely Mr. Chi Wen Fu, Mr. Shum Sai Chit, Ms. Chi Bi Fen and Mr. Yang Yuchuan, a non-executive director, namely Mr. Guo Mengyong, and three independent non-executive directors, namely Mr. Kwong Ping Man, Mr. Sheng Hong and Mr. Lau Chi Kit.*

*The director of the Offeror, the director of New Bright and the directors of Century Sunshine jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendor, their respective associates and parties acting in concert with any of them), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than the information relating to the Group, the Vendor, their respective associates and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*The English text of this joint announcement shall prevail over its Chinese text.*