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世纪阳光

CENTURY SUNSHINE ECOLOGICAL TECHNOLOGY HOLDINGS LIMITED

世紀陽光生態科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8276)

DISCLOSEABLE TRANSACTION

The Directors wish to announce that on 21 June 2007 the Purchaser has entered into the Assets Acquisition Agreement with Jiangsu Lungteng Chemical Co., Ltd. (江蘇龍騰化工有限公司) to acquire the Acquisition Assets for a cash consideration of RMB32,600,000.

On 11 June 2007, the Purchaser has entered into the Land Acquisition Agreement with the Bureau of Land Resources in Donghai County of Jiangsu Province (江蘇省東海縣國土資源局) to acquire the Land for a cash consideration of RMB7,467,040.

As the applicable percentage ratios of the Assets Acquisition, when aggregated with the applicable ratios of the acquisition of the Land under the Land Acquisition Agreement, are more than 5% but less than 25%, the Assets Acquisition constitutes a discloseable transaction of the Company under the GEM Listing Rules. A circular containing the details of the Assets Acquisition and other information will be despatched to the Shareholders as soon as practicable.

Introduction

The Directors wish to announce that on 21 June 2007 the Purchaser has entered into the Assets Acquisition Agreement with Jiangsu Lungteng Chemical Co., Ltd. (江蘇龍騰化工有限公司) to acquire the Acquisition Assets for a cash consideration of RMB32,600,000.

On 11 June 2007, the Purchaser has entered into the Land Acquisition Agreement with the Bureau of Land Resources in Donghai County of Jiangsu Province (江蘇省東海縣國土資源局) to acquire the Land for a cash consideration of RMB7,467,040.

The Directors confirmed that, to the best of their knowledge, information and belief having made all reasonable enquiries, the Vendors and their respective beneficial owners are independent third parties not being connected persons of the Company (as defined in the GEM Listing Rules).

The Land Acquisition Agreement

Date: 11 June 2007

Parties: (i) The Purchaser; and
(ii) The Bureau of Land Resources in Donghai County of Jiangsu Province (as vendor)

Subject: A parcel of land located at Xugou, Shanzuokou Village, Donghai County, Jiangsu Province (江蘇省東海縣山左口鄉許溝), with the land lot number 15-25-001-2 and a site area of approximately 233,345 square meters. The land has a land use rights of a term of 50 years expiring on 10 June 2057.

Consideration: The unit price is RMB32 per square meter. The total cash consideration of RMB7,467,040 is to be settled in two installments:

- (i) RMB2,240,112 to be paid on or before 25 June 2007; and
- (ii) RMB5,226,928 to be paid on or before 30 June 2007.

The Directors confirm that the above consideration is arrived at after arm's length negotiations with vendor and determined by reference to the market prices. The Acquisition will be funded by internal resources of the Purchaser.

The Assets Acquisition Agreement

Date: 21 June 2007

Parties: (i) The Purchaser; and
(ii) Jiangsu Lungteng Chemical Co., Ltd. (as vendor)

Acquisition Assets: The whole production line of compound fertilizer products of Jiangsu Lungteng Chemical Co., Ltd., including buildings, structures and other ancillary facilities, equipment and vehicles, which is located in the Land. The production capacity of compound fertilizer of the Acquisition Assets is approximately 200,000 tons per annum.

Consideration: The cash consideration of RMB32,600,000 is to be settled in three installments:

- (i) RMB16,300,000 to be paid upon the transfer of the physical assets by the vendor to the Purchaser, i.e. on 3 July 2007;

- (ii) RMB9,780,000 to be paid upon the transfer of the relevant documents of the Acquisition Assets, i.e. on or before 11 July 2007; and
- (iii) the remaining amount of RMB6,520,000 to be paid within 10 days after the purchaser has completed the asset count and verification of the Acquisition Assets.

The above consideration is approximately equal to the valuation of RMB 32,600,000 on the Acquisition Assets as at 31 May 2007 prepared by 江蘇蘇亞金誠會計師事務所有限公司 (Jiangsu Suyu Jincheng CPA Co., Ltd.), a company incorporated in the PRC with limited liability and an independent third party of the Company (as defined in the GEM Listing Rules), using the replacement cost method.

The Acquisition will be funded by internal resources of the Purchaser.

Background of the Vendors

The Bureau of Land Resources in Donghai County of Jiangsu Province is a government entity responsible for the planning, administration, protection and rational utilization of the natural resources, such as land, mineral and marine resources in the PRC.

Jiangsu Lungteng Chemical Co., Ltd. is a collectively-owned enterprise incorporated in the PRC and is principally engaging in the production and sale of compound fertilizers and the manufacturing and sale of the serpentine. Following the Acquisition, Jiangsu Lungteng Chemical Co., Ltd. will not engage in any production and sale of compound fertilizers.

Reasons for the Assets Acquisition

The Group is principally engaged in the research and development, production and sale of organic fertilizers and bio-pesticides in the PRC.

The Directors are also of the view that the PRC market for organic fertilizer products is strong and the demand for the Group's product is expected to increase in the future. As set out in the Company's first quarterly report for the 2007, it is the Company's primary objective to achieve one-million tons of capacity through both organic growth and acquisitions. In order to satisfy the market demand and meet its primary objective, the Group takes this opportunity to increase its production capacity of compound fertilizers by 200,000 tons through the Assets Acquisition. The Directors currently expect that, after the Assets Acquisition, production capacity will be expanded to approximately 300,000 tons through installation of new machine and modification of the existing facilities.

General

As the applicable percentage ratios of the Assets Acquisition, when aggregated with the applicable ratios of the acquisition of the Land under the Land Acquisition Agreement, are more than 5% but less than 25%, the Assets Acquisition constitutes a discloseable transaction under the GEM Listing Rules and, as such, a circular containing the details of the Assets Acquisition and other information will be despatched to the Shareholders as soon as practicable pursuant to the requirement under the GEM Listing Rules.

Definitions

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

“Assets Acquisition”	the acquisition of the Acquisition Assets pursuant to the Assets Acquisition Agreement
“Assets Acquisition Agreement”	the agreement entered into between the Purchaser and Jiangsu Lungteng Chemical Co., Ltd. (江蘇龍騰化工有限公司) on 21 June 2007 in relation to the Acquisition Assets
“Acquisition Assets”	The whole production line of compound fertilizer products of Jiangsu Lungteng Chemical Co., Ltd., including buildings, structures and other ancillary facilities, equipment and vehicles, which is located in the Land, to be acquired by the Purchaser, details of which are set out in the Assets Acquisition Agreement
“Board”	the board of Directors
“Company”	Century Sunshine Ecological Technology Holdings Limited, a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the Growth Enterprise Market of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Purchaser”	Jiangsu Azureblue Technology Development Co., Ltd., an indirect 51%-owned subsidiary of the Company

“PRC”	Means the People’s Republic of China
“Land”	a parcel of land located at Xugou, Shanzuokou Village, Donghai County, Jiangsu Province (江蘇省東海縣山左口鄉許溝), with the land lot number 15-25-001-2 and a site area of approximately 233,345.0 square meters.
“Land Acquisition Agreement”	the agreement entered into between the Purchaser and the Bureau of Land Resources in Donghai County of Jiangsu Province (江蘇省東海縣國土資源局) on 11 June 2007 in relation to the Land
“Share(s)”	Share(s) of nominal value HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Jiangsu Lungteng Chemical Co., Ltd. and the Bureau of Land Resources in Donghai County of Jiangsu Province
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong Special Administrative Region
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

For the purpose of this announcement, the English translation of the Chinese names is included for information purpose only and should not be regarded as their official English translation.

By order of the Board
Shum Sai Chit
Director

Hong Kong, 21 June 2007

As at the date of this announcement, the Company's executive directors are Mr. Chi Wen Fu, Mr. Shum Sai Chit and Mr. Zhou Xing Dun, the Company's non-executive directors are Ms. Zou Li, Mr. Wu Wen Jing, Benjamin, Ms. Chi Bi Fen and Ms. Wong May Yuk and the Company's independent non-executive directors are Mr. Shen Yi Min and Mr. Kwong Ping Man.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and is not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at <http://www.centurysunshine.com.hk>.