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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)

PRICE SENSITIVE INFORMATION

**PRODUCTION PLANT IN THE PRC CANNOT COMMENCE PRODUCTION AS ANTICIPATED
AND
RESUMPTION OF TRADING**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board hereby announces that the Zhangzhou Subsidiary has on 26th June, 2007 received the Environmental Report. According to the Environmental Report, the Project is inconsistent with the master planning and planning on environmental function of the Yunling Zone and it is not appropriate to build a factory having a capacity to produce 400,000 tons of fertilizers per annum. As such, the Zhangzhou Subsidiary cannot apply for the production permit for the Yunxiao Plant.

At the request of the Company, trading of the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Wednesday, 27th June, 2007 pending the release of this announcement. The Company has applied for resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on 28th June, 2007.

THE ENVIRONMENTAL REPORT

The Board hereby announces that the Zhangzhou Subsidiary has on 26th June, 2007 received the Environmental Report. The Environmental Report concluded that:-

1. the Project complies with the national policies of the PRC;
2. the Project complies with the requirements on environmental restrictions on air pollution and noise pollution; and

3. the Project is inconsistent with the master planning and planning on environmental function of the Yunling Zone and it is not appropriate to build a factory having the capacity to produce 400,000 tons of fertilizers per year.

As the Environmental Report is not satisfactory to the environmental authorities in the PRC, the Zhangzhou Subsidiary cannot apply for the production permit for the Yunxiao Plant for the time being.

THE RESPONSE OF THE MANAGEMENT

The Board has convened an emergency meeting after the receipt of the Environmental Report by the Zhangzhou Subsidiary at which the Directors discussed on, inter alia, the impact of the Environmental Report on the Group and the responding strategy. The Directors believe that as the Zhangzhou Subsidiary cannot apply for the production permit for the Yunxiao Plant for the time being, it is expected that the Yunxiao Plant cannot commence production in mid-2007 as anticipated. Although it is expected that the Group cannot increase its production capacity as anticipated, the operation and production for the Group at the three existing factories located at the Fujian Province and the Jiangxi Province remain normal.

At the initial stage of the implementation of the Project, initial environmental assessment report had been obtained from relevant authorities. Such report took the view that the Project complied with the requirements of the PRC and agreed its implementation. As the Project cannot proceed further in view of the Environmental Report, the management of the Company will negotiate with the relevant governmental authorities on how to resolve the problems arising from the Environmental Report. The Directors believe that there are the following possibilities:-

1. after further negotiation, the governmental authorities approve the completion of the construction of the Yunxiao Plant which will have a production capacity of 400,000 tons per year;
2. the annual production capacity of the Yunxiao Plant will be reduced in order to obtain the approval to produce fertilizers at the Yunxiao Plant; or
3. the Yunxiao Plant will be relocated to other areas which is suitable for the construction of factory having the capacity to produce 400,000 tons of fertilizers per year.

EXPANSION OF PRODUCTION CAPACITY

If the Group has to reduce the annual production capacity of the Yunxiao Plant or relocate the Yunxiao Plant as mentioned above, the progress and scale for the expansion of the production capacity of the Group will be affected. The Company will build new plant as soon as possible and speed up the progress of further acquisitions in order to ensure that the Group's production capacity can continue to increase.

INVESTMENT IN THE YUNXIAO PLANT

The construction of phase one of the Yunxiao Plant has already completed in March 2007 and the relevant assessment on environment commenced in April 2007. The Directors (including independent non-executive Directors) believe that due to the appreciation of the value of the Land and the building already erected thereon, the value of the Yunxiao Plant exceeds the investment amount made in the Project. Based on the current value of the Land and the buildings already erected thereon, the Directors believe that the investment costs can be recovered.

RESUMPTION OF TRADING AND GENERAL

At the request of the Company, trading of the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Wednesday, 27th June, 2007 pending the release of this announcement. The Company has applied for resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on 28th June, 2007.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules. Save as disclosed in this announcement, the Directors are not aware of any other matters which are discloseable under the general obligations imposed by Rule 17.10 of the GEM Listing Rule, which is or may be of a price-sensitive nature.

DEFINITIONS

The following defined terms are used in this announcement:

“Board”	the board of Directors of the Company;
“Company”	Century Sunshine Ecological Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Growth Enterprise Market of the Stock Exchange;
“Director(s)”	the director(s) of the Company or a duly authorized committee thereof;
“Environmental Report”	the Report on Impact on Environment (《環境影響報告表》) issued by the Fujian Environmental Company to the Zhangzhou Subsidiary in relation to the Project;
“Fujian Environmental Company”	福建省環境保護總公司 (translated into English as “The Head Office of the Environmental Protection Company of the Fujian Province” for identification purpose only);

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange;
“Group”	collectively, the Company and its subsidiaries for the time being;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Land”	the piece of land located at 雲霄縣雲陵工業開發區內國道324線東側 (the eastern side of the State-highway No.324, Yunling Industrial Development Zone of Yunxiao County, Fujian Province, the PRC), with a site area of approximately 126,700 square meters owned by the Zhangzhou Subsidiary;
“PRC”	People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“Project”	the project on the building and construction of the Yunxiao Plant;
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Yunling Zone”	Yunling Industrial Development Zone (雲陵工業開發區) of the Yunling County, Fujian Province, the PRC;
“Yunxiao Plant”	the production facilities constructed and/or being constructed on the Land; and
“Zhangzhou Subsidiary”	Century Sunshine (Zhangzhou) Ecological Technology Limited (世紀陽光(漳州)生態科技有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company.

By order of the Board

Shum Sai Chit

Director

Hong Kong, 27th June, 2007

Note:

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:–

- (a) the information contained in this announcement is accurate and complete in all material respects and not misleading;*
- (b) there are no other matters the omission of which would make any statement in this announcement misleading; and*
- (c) 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 on the website of the Growth Enterprise Market operated by the Stock Exchange for at least 7 days from the date of its publication and on the website of the Company at <http://www.centurysunshine.com.hk>.