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: 509)

ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
ACQUISITION OF 80% OF THE ENTIRE ISSUED SHARE CAPITAL OF FULLOCEAN GROUP LIMITED

FINANCIAL ADVISER

HANTEC CAPITAL LIMITED

THE ACQUISITION

The Board announced that the Purchaser entered into the Sale and Purchase Agreement with the Vendor on 24 September 2008, pursuant to which the Purchaser agreed to acquire the Sale Shares from the Vendor at the Consideration of the Hong Kong dollar equivalent of RMB36,168,000 (equivalent to approximately HK$39,784,800).

As each of the applicable percentage ratios as defined in the Listing Rules exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing details of the Acquisition will be despatched to the Company's shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

INTRODUCTION

The Board announced that the Purchaser entered into the Sale and Purchase Agreement with the Vendor on 24 September 2008, pursuant to which the Purchaser agreed to acquire the Sale Shares from the Vendor at the Consideration of the Hong Kong dollar equivalent of RMB36,168,000 (equivalent to approximately HK$39,784,800).

THE ACQUISITION

1. Sale and Purchase Agreement

The principal terms of the Sale and Purchase Agreement are set out below:

Date

24 September 2008

Parties

Vendor:	Win Union Limited, a company incorporated in the British Virgin Islands with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is an investment holding company and each of the Vendor and its ultimate beneficial owner is an Independent Third Party
Purchaser:	Capital Idea Investments Limited, a company incorporated in the British Virgin Islands with limited liability

Subject matter of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing 80% of the entire issued share capital of Fullocean. Upon Completion, the Company will be interested in 80% of the entire issued share capital of Fullocean, which in turn indirectly holds 60% equity interest in Baishan Tianan.

Consideration

The Vendor directs that the entire Consideration shall be made payable to Fullocean in cash for the purpose of settlement of the outstanding subscription monies payable by the Vendor to Fullocean in respect of the entire issued share capital of Fullocean as mentioned in the paragraph headed "Information on Fullocean" below and shall be paid by the Purchaser in the following manner:

(a) the Hong Kong dollar equivalent of RMB17,568,000 (equivalent to approximately HK$19,324,800) (the "First Payment") shall be payable upon signing of the Sale and Purchase Agreement; and

(b) the balance of the Consideration in the sum of the Hong Kong dollar equivalent of RMB18,600,000 (equivalent to approximately HK$20,460,000) shall be payable upon Completion.

Other than the Consideration, the Purchaser has no other payment obligation commitment to be discharged or assumed in relation to Fullocean, China Magnesium and/or Baishan Tianan.

The obligation of the Purchaser to pay the First Payment as mentioned above to Fullocean shall be conditional upon the Vendor having provided to the Purchaser documentary evidence to the absolute satisfaction of the Purchaser that the Vendor has advanced an aggregate sum of the Hong Kong dollar equivalent of RMB1,392,000 (equivalent to approximately HK$1,531,200) to Fullocean for the purpose of settlement of a portion of the outstanding subscription monies payable by the Vendor (being the 20% shareholder of Fullocean after Completion) to Fullocean, which will in turn be used by Fullocean for the settlement of the outstanding subscription monies payable by Fullocean to China Magnesium in respect of the 60% of the entire issued share capital of China Magnesium held by Fullocean as mentioned in the paragraph headed "Information on China Magnesium and Baishan Tianan" below.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor based on normal commercial terms and with reference to the net asset value of Fullocean as at 31 August 2008. The Directors (including the independent non-executive Directors) considered that the Consideration is fair and reasonable and on normal commercial terms and that the entering into of the Sale and Purchase Agreement is in the interests of the Company and its shareholders as a whole.

The Consideration will be settled by the internal resources of the Group.

Conditions precedent

Completion of the Acquisition is conditional upon fulfillment of the following conditions:

(a) the warranties under the Sale and Purchase Agreement remaining true and accurate and not misleading at Completion as if repeated at Completion and at all times between the date of the Sale and Purchase Agreement and Completion;

(b) the Purchaser being fully satisfied with the conditions, both financial and operational, of the Fullocean Group and its prospect;

(c) the obtaining by the Purchaser of a legal opinion, in form and substance satisfactory to the Purchaser in all respects, issued by a PRC lawyer, regarding, inter alia, the establishment of Baishan Tianan, its legal entity status, its shareholdings and directorship as well as its business and operations;

(d) the Vendor having provided to the Purchaser documentary evidence to the absolute satisfaction of the Purchaser that:

   (i) the Vendor has advanced an aggregate sum of approximately RMB6,042,000 (equivalent to approximately HK$6,646,200) to Fullocean for the purpose of settlement of all the outstanding subscription monies payable by the Vendor (being the 20% shareholder of Fullocean after Completion) to Fullocean, which will in turn be used by Fullocean for the settlement of the outstanding subscription monies payable by Fullocean to China Magnesium in respect of the 60% of the entire issued share capital of China Magnesium held by Fullocean;

   (ii) the three other shareholders of China Magnesium, all being Independent Third Parties (collectively the "Other China Magnesium Shareholders") have advanced the sums of RMB9,920,000 (equivalent to approximately HK$10,912,000), RMB2,790,000 (equivalent to approximately HK$3,069,000) and RMB2,790,000 (equivalent to approximately HK$3,069,000) to China Magnesium respectively for the purpose of settlement of their respective portions of the outstanding subscription monies in respect of their 25.6%, 7.2% and 7.2% interest in the entire issued share capital of China Magnesium respectively; and

(e) the obtaining of all necessary approvals and consents of the relevant governmental authorities in respect of the Sale and Purchase Agreement as may be required by the relevant laws.

If any of the above conditions have not been fulfilled or waived within 3 calendar months after the date of the Sale and Purchase Agreement (or such later date as the Vendor and the Purchaser may agree in writing), the Sale and Purchase Agreement shall cease to have any effect and no party shall have any claim under it against the other (without prejudice to the rights of any party in respect of antecedent breaches).

Completion

Completion shall take place on the third Business Day after the fulfillment of the conditions precedent of the Sale and Purchase Agreement (or such other date as may be agreed between the Vendor and the Purchaser).

Upon Completion, Fullocean will become a subsidiary of the Company and its results will be wholly consolidated into the Group's accounts.

2. Information on Fullocean

Fullocean is a company incorporated in the British Virgin Islands with limited liability. Before the Acquisition, Fullocean is wholly-owned by the Vendor. Its principal business is investment holding and its principal asset is its 60% shareholding interest in China Magnesium. As at the date of the Sale and Purchase Agreement, 10 shares in Fullocean are held by the Vendor, representing the entire issued share capital of Fullocean. On 11 July 2008, 1 share of Fullocean was transferred from Ms. Zou Zu Jin, the sole shareholder of the Vendor, to the Vendor. On 31 August 2008, 9 shares of Fullocean were allotted and issued to the Vendor by Fullocean at a consideration of the US dollar equivalent of RMB45,210,000 (equivalent to approximately of HK$49,731,000). Up to the date of this announcement, the Vendor has only advanced a portion of the required subscription monies in the sum of approximately RMB3,000,000 (equivalent to approximately HK$3,300,000) to Fullocean and approximately RMB42,210,000 (equivalent to approximately HK$46,431,000) remains outstanding.

According to the management accounts of Fullocean for the period from 2 April 2008, its date of incorporation, to 31 August 2008, the unaudited total assets as at 31 August 2008 of Fullocean was approximately RMB87,420,000 (equivalent to approximately HK$96,162,000) and the unaudited net assets of Fullocean as at 31 August 2008 was approximately RMB45,193,000 (equivalent to approximately HK$49,712,000). During the said period, Fullocean has not generated any revenue and it recorded an unaudited loss of approximately RMB16,720 (equivalent to approximately HK$18,392).

3. Information on China Magnesium and Baishan Tianan

China Magnesium is a company incorporated in Hong Kong with limited liability. According to the agreement entered into between China Magnesium and two Independent Third Parties on 4 June 2008, China Magnesium acquired 100% equity interest of Baishan Tianan from the two Independent Third Parties. The principal business of China Magnesium is investment holding and its principal asset is its equity interest in Baishan Tianan.

As at the date of this announcement, the entire issued share capital of China Magnesium is owned as to 60% by Fullocean and 40% by the Other China Magnesium Shareholders. Pursuant to the agreement dated 11 July 2008 entered into between Fullocean and China Magnesium, Fullocean has been allotted 600 shares in China Magnesium, representing 60% of the entire issued share capital of China Magnesium as enlarged by the new shares, at a consideration of the Hong Kong dollar equivalent of RMB45,210,000 (equivalent to approximately HK$49,731,000). As at the date of this announcement, Fullocean has advanced a sum of approximately RMB3,000,000 (equivalent to approximately HK$3,300,000) to China Magnesium for the subscription money. The subscription money payable by Fullocean to China Magnesium, together with the unpaid subscription money payable by the Other China Magnesium Shareholders to China Magnesium, will be used by China Magnesium to settle the unpaid balance of the registered capital of Baishan City Tianan as mentioned below.

According to the management accounts of China Magnesium for the period from 5 May 2008, its date of incorporation, to 31 August 2008, the unaudited total assets of China Magnesium as at 31 August 2008 was approximately RMB70,724,000 (equivalent to approximately HK$77,796,000) and the unaudited net assets of China Magnesium as at 31 August 2008 was approximately RMB70,724,000 (equivalent to approximately HK$77,796,000). During the said period, China Magnesium has not generated any revenue and it recorded an unaudited loss of approximately RMB15,917 (equivalent to approximately HK$17,509).

Baishan Tianan is a company established in the PRC with limited liability. It was a PRC domestic enterprise before the acquisition of its equity interest by China Magnesium from two Independent Third Parties. It became a wholly-foreign owned enterprise on 16 June 2008 after China Magnesium's acquisition of its entire registered capital. It has a registered capital of RMB70,500,000, with a paid up registered capital of approximately RMB12,990,000 as at the date of this announcement. Among the paid up registered capital of Baishan Tianan in the aggregate sum of approximately RMB12,990,000, approximately RMB2,990,000 was contributed by the funding provided by Fullocean to China Magnesium while approximately RMB10,000,000 was contributed by the funding provided by the Other China Magnesium Shareholders to China Magnesium. The remaining balance of the registered capital of approximately RMB57,510,000 will be contributed by China Magnesium within a year after the issuance of its business licence. Such remaining balance of the registered capital will be contributed as to approximately RMB42,000,000 by the funding to be provided by Fullocean to China Magnesium and as to approximately RMB15,500,000 by the funding to be provided by the Other China Magnesium Shareholders to China Magnesium. The total investment amount of Baishan Tianan as stated on its Certificate of Approval is RMB176,000,000. The difference between the total investment amount of RMB176,000,000 and the registered capital of RMB70,500,000 is not an amount committed to be contributed by China Magnesium.

The business scope of Baishan Tianan as stated on its business licence is the manufacture and sale of magnesium-related products (only preliminary stage of factory development allowed). Baishan Tianan will be principally engaged in the research, development and production of magnesium metal and alloy upon establishment of a production plant. The principal asset of Baishan Tianan is the state-owned land use rights of a parcel of land located at Baishan City, Jilin Province, the PRC with a gross site area of 200,000 square metres. As at the date of this announcement, Baishan Tianan has not yet commenced its business operation. After the remaining balance of the registered capital has been contributed by China Magnesium, it is the plan of Baishan Tianan to establish a production plant for the manufacture of magnesium metal and alloy.

According to the management accounts of Baishan Tianan as at 31 July 2008, its unaudited total assets was approximately RMB9,800,000 (equivalent to approximately HK$10,780,000) and the unaudited net assets was approximately RMB8,200,000 (equivalent to approximately HK$9,020,000). For each of the two years ended 31 December 2006 and 2007 and the 7 months ended 31 July 2008, Baishan Tianan did not generate any revenue and it recorded a loss of approximately RMB800,000 (equivalent to approximately HK$880,000), RMB800,000 (equivalent to approximately HK$880,000) and RMB300,000 (equivalent to approximately HK$330,000) respectively.

4. Reasons for and the benefits of the Acquisition

The Group is engaged in the research and development, production and sale of fertilizers and biological pesticides for different agricultural applications.

As stated in the annual report of the Company for the year ended 31 December 2007, the Company foresaw that the operating margin of both organic fertilizers and compound fertilizers may continue to decline due to the increase in the costs of raw materials and labor. Despite unfavorable market condition, the Company will still be actively looking for other investment opportunities that could help the Group to increase its income and profits in the near future.

Magnesium, as a result of its various properties such as low density and its abundant availability in the world, has become increasingly popular in view of the fact that the resources of other major metals have decreased continuously due to their usage in the past decades. Magnesium products can be used in various areas such as aviation, transportation, computer, communication and consumer electronics. The PRC has become the largest consumption, production and export country of magnesium in the world. According to the 11th Five Year Plan of the PRC, the development and industrialization of magnesium alloy falls within the "preferred development" category.

According to the information made available to the Directors by the Vendor, the Directors are of the view that the Acquisition will help the Company to diversify its business to magnesium industry and generate future income stream.

5. Implications under the Listing Rules

As each of the applicable percentage ratios as defined in the Listing Rules exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing details of the Acquisition will be despatched to the Company's shareholders as soon as practicable pursuant to the requirements of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

"Acquisition"	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
"Baishan Tianan"	Baishan City Tianan Magnesium Resources Co., Ltd. (白山市天安金屬鎂礦業有限公司), a wholly-foreign owned enterprise and is established in the PRC on 31 May 2006
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday, Sunday and public holiday in Hong Kong) on which banks in Hong Kong are open for general banking transactions
"China Magnesium"	China Magnesium Limited (中國鎂業有限公司), a company incorporated in Hong Kong with limited liability on 5 May 2008
"Company"	Century Sunshine Ecological Technology Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange

"Completion"	the completion of the Acquisition
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	consideration for the sale and purchase of the Sale Shares in the sum of the Hong Kong dollar equivalent of RMB36,168,000
"Director(s)"	director(s) of the Company
"Fullocean"	Fullocean Group Limited (永洋集團有限公司), a company incorporated in the British Virgin Islands with limited liability in 2 April 2008
"Fullocean Group"	Fullocean and its subsidiaries
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Parties"	parties who are independent of, and not connected with, the Company and any connected person of the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Purchaser"	Capital Idea Investments Limited (首智投資有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the agreement dated 24 September 2008 relating to the sale and purchase of 80% of the entire issued share capital of Fullocean
"Sale Shares"	8 shares in Fullocean, representing 80% of the entire issued share capital of Fullocean
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Vendor"	Win Union Limited, a company incorporated in the British Virgin Islands with limited liability
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"%"	per cent.

Unless otherwise specified in this announcement, amounts denominated in RMB have been converted to HK$ at a rate of RMB1.00 to HK$1.1.

By order of the Board
Chi Wen Fu
Chairman

Hong Kong, 24 September 2008

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

Executive Directors:	*Mr. Chi Wen Fu, Mr. Shum Sai Chit and Mr. Zhou Xing Dun*
Non-executive Directors:	*Ms. Wong May Yuk, Mr. Wu Wen Jing, Benjamin and Ms. Chi Bi Fen*
Independent non-executive Directors:	*Mr. Shen Yi Min, Mr. Kwong Ping Man and Mr. Chu Wai Wa, Fangus*

If there is any inconsistency between the Chinese names of any of the PRC entities, departments, facilities or titles mentioned in this announcement and their respective English translations, the Chinese version shall prevail.