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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)

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION FOR NEW SHARES AND RESUMPTION OF TRADING

The Vendor has approximately 56.7% interest in the Company.

On 16 December, 2005, the Vendor entered into the Placing Agreements with the Placing Agents pursuant to which the Placing Agents had placed as agents of the Vendor a total of 56,500,000 existing Shares of HK$0.10 each in the share capital of the Company currently held by the Vendor at a price of HK$2.20 per Placing Share to the Placees. Pursuant to the Subscription Agreement, the Vendor also conditionally agreed to subscribe for 56,500,000 new Shares at the same price of the Placing.

The Placing Shares represent approximately 16.5% of the existing issued share capital of the Company and approximately 14.2% of the issued share capital of the Company as enlarged by the Subscription.

The net proceeds from the Subscription is approximately HK$121 million and will be applied by the Group for building new production facilities on the 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) which has been purchased by the Group on 29 October, 2005 and announced on 31 October, 2005.

The shareholding of the Vendor in the Company will be reduced from approximately 56.7% to approximately 40.1% upon completion of the Placing and will be increased from approximately 40.1% to approximately 48.6% upon completion of the Subscription.

At the request of the Company, trading in Shares on the Stock Exchange was suspended from 9:30 a.m. on Friday, 16 December, 2005 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on Tuesday, 20 December, 2005.

PLACING AGREEMENT

The Placing

Vendor:

Alpha Sino International Limited, the controlling shareholder of the Company, which is owned as to 80% by Mr. Chi Wen Fu and 20% by Ms. Zou Li respectively, both of whom are Directors.

Placing Agents:

Partners Capital Securities Limited and SBI E2-Capital Securities Limited, being the Placing Agents, and their ultimate beneficial owners are not connected persons (as defined in the GEM Listing Rules) of the Company and are third parties independent of the Company and its connected persons.

Number of existing Shares to be placed:

56,500,000 existing Shares have been placed by the Placing Agents on behalf of the Vendor. The Placing Shares represent approximately 16.5% of the Company's existing issued share capital and approximately 14.2% of the issued share capital as enlarged by the Subscription.

Placees:

The Placees are all independent institutional investors. Each of the Placees and its and whose ultimate beneficial owners (i) are not connected persons (as defined in the GEM Listing Rules) of the Company; and (ii) are independent of the Company, its connected persons and other Placees.

As at the date of this announcement, five placees have been procured by the Placing Agents as follows:–

Name of placees	**No. of Placing Shares**
Atlantis Investment Management Limited	20,000,000
DNB Asset Management (Asia) Limited	18,000,000
ABN Amro Bank NV London Branch	10,000,000
Lapp Capital Pte Ltd- Lapp Opportunity Fund	5,000,000
PCI Investment Management Limited	3,500,000

Placing Price:

HK$2.20 per Placing Share.

The Placing Price was agreed after arm's length negotiations between the Company, the Vendor and the Placing Agents and represents (i) a discount of approximately 7.4% to the closing price of HK$2.375 per Share as quoted on the Stock Exchange on 15 December, 2005 (being the last day of trading in the Shares on the Stock Exchange prior to the release of this announcement); (ii) a discount of approximately 10.2% to the average closing price of HK$2.45 per Share of the five full trading days ended 15 December, 2005 as quoted on the Stock Exchange; and (iii) a discount of approximately 7.6% to the average closing price of HK$2.38 per Share of the ten full trading days ended 15 December, 2005 as quoted on the Stock Exchange.

Rights:

The Placing Shares will be sold free of any third party rights, charges, equities and encumbrances. The Placees will receive all dividends and distributions declared, made or paid on or after completion of the Placing.

Conditions of the Placing:

The Placing is unconditional.

Completion:

16 December, 2005.

SUBSCRIPTION AGREEMENT

The Subscription

Subscriber:

The Vendor

Number of new Shares to be subscribed for:

The number of Shares to be subscribed by the Vendor is 56,500,000 Shares. The Subscription Shares represent approximately 16.5% of the existing issued share capital of the Company and approximately 14.2% of the issued share capital of the Company as enlarged by the Subscription.

Subscription Price:

HK$2.20 per Subscription Share.

General mandate to issue the Subscription Shares:

The Subscription Shares, when fully paid, will be issued and allotted under the general mandate granted to the Directors of the Company at the annual general meeting of the Company held on 29 April, 2005. As at the date of the announcement, none of the new Shares has been issued under this general mandate.

Ranking of the Subscription Shares:

The Subscription Shares, when fully-paid and issued, will rank pari passu in all respects with the existing issued Shares. Holders of the Subscription Shares will be entitled to receive all dividends and distributions which are declared, made or paid after completion of the Subscription.

Conditions of the Subscription:

The Subscription is conditional upon:

(a) the completion of the Placing; and

(b) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Subscription Shares to be issued under the Subscription.

The Subscription must be completed by 30 December, 2005, being 14 days from the date of the Placing Agreements. If the Subscription is to be completed thereafter, it will constitute a connected transaction and require approval of the independent shareholders of the Company. The Company will fully comply with Chapter 20 requirements of the GEM Listing Rules.

EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the shareholding structure of the Company upon completion of the Placing and Subscription are set out as below (assuming no further share capital would be issued until the completion of the Placing and Subscription):

	Existing		**Immediately after Completion of the Placing**		**Immediately after completion of the Placing and the Subscription**	
	Shares	*%*	*Shares*	*%*	*Shares*	*%*
Vendor *(note 1)*	193,696,970	56.7%	137,196,970	40.1%	193,696,970	48.6%
Shum Sai Chit, being a Director *(note 1)*	16,000,000	4.7%	16,000,000	4.7%	16,000,000	4.0%
Zhou Xing Dun, being a Director *(note 1)*	1,400,000	0.4%	1,400,000	0.4%	1,400,000	0.4%
Wu Wen Jing, Benjamin, being a Director *(note 1)*	3,440,000	1.0%	3,440,000	1.0%	3,440,000	0.9%
Subtotal	214,536,970	62.8%	158,036,970	46.2%	214,536,970	53.9%
Public (including Placees for the Placing)	127,368,030	37.2%	183,868,030 *(note 2)*	53.8%	183,868,030 *(note 2)*	46.1%
Total	341,905,000	100%	341,905,000	100%	398,405,000	100%

Note 1: None of Shum Sai Chit, Zhou Xing Dun and Wu Wen Jing, Benjamin is the director, shareholder, officer or employee of the Vendor.

Note 2: This figure includes a total of 56,500,000 Placing Shares placed to the Placees under the Placing which represent 16.5% of the Company's existing issued share capital and approximately 14.2% of the issued share capital as enlarged by the Subscription.

BUSINESS OF THE GROUP

Based in Fujian and Jiangxi province in the PRC, the Group is principally engaged in the research and development, production and sale of biological organic fertilizer products for different agricultural farming applications including tea, orchards, vegetables and forestry plantations.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors consider that the Placing and the Subscription will broaden the Shareholders base and the capital base of the Company. The Company will pay the costs and expenses in connection with the Placing and the Subscription. The estimated expenses for the Placing and the Subscription will be approximately HK$3.5 million (including commission of 2.5% on the number of shares successfully placed), which is considered by the Directors as fair and reasonable. The net proceeds from the Subscription is approximately HK$121 million.

The Company intends to use the net proceeds from the Subscription for building new production facilities on the 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) which has been purchased by the Group on 29 October, 2005 and announced on 31 October, 2005. The new production facilities, consisting of certain infrastructures, buildings, machinery and equipment, have a total annual capacity of 400,000 tonnes of organic fertilizers. Production of organic fertilizers is the principal activity and the ordinary and usual course of business carried on by the Company. These facilities will be built in two phases: phase I is expected to be completed by December 2006 with an annual production capacity of 200,000 tonnes and phase II is expected to be completed by December 2007 with an annual production capacity of 200,000 tonnes.

GENERAL

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

At the request of the Company, trading in Shares on the Stock Exchange was suspended from 9:30 a.m. on Friday, 16 December, 2005 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on Tuesday, 20 December, 2005.

DEFINITIONS

"Company"	Century Sunshine Ecological Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
"Directors"	directors of the Company

"GEM Listing Rules"	Rules Governing the Listing of Securities on the Growth Enterprise Market on the Stock Exchange
"Group"	the Company and its subsidiaries
"Placees"	the placees of the Placing Shares under the Placing
"Placing"	the placing of up to 56,500,000 Placing Shares at a price of HK$2.20 per Placing Share pursuant to the Placing Agreements
"Placing Agents"	Partners Capital Securities Limited and SBI E2-Capital Securities Limited, both of which are licensed corporations to carry on business in (i) type 1; and (ii) types 1, 4, 9 regulated activities respectively under the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)
"Placing Agreements"	2 Placing Agreements dated 16 December, 2005 entered into between the Vendor and each of the Placing Agents respectively in relation to the Placing
"Placing Shares"	existing Shares placed pursuant to the Placing
"PRC"	People's Republic of China
"Shares"	ordinary shares of HK$0.10 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of up to 56,500,000 Subscription Shares by the Vendor at a price of HK$2.20 per Subscription Share pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 16 December, 2005 entered into between the Vendor and the Company in relation to the Subscription
"Subscription Shares"	new Shares to be issued pursuant to the Subscription
"Vendor"	Alpha Sino International Limited, the controlling shareholder of the Company, which is owned as to 80% by Mr. Chi Wen Fu and 20% by Ms. Zou Li respectively, both of whom are Directors.

By Order of the Board
Century Sunshine Ecological Technology Holdings Limited
Chi Wen Fu

Hong Kong, 19 December, 2005

As at the date hereof, the executive Directors of the Company are Mr. Chi Wen Fu, Mr. Shum Sai Chit and Mr. Zhou Xing Dun; the non-executive Directors are Ms. Zou Li, Ms. Wong May Yuk and Mr. Wu Wen Jing, Benjamin and the independent non-executive Directors are Mr. Shen Yi Min, Mr. Cheung Sound Poon 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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 GEM website on the "Latest Company Announcement" page for at least 7 days from the date of its posting.