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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)

**PROPOSED AMENDMENTS TO ARTICLES
AND
PROPOSED SUBDIVISION OF SHARES**

The Company will propose to the Shareholders to amend the Articles to reflect certain changes made to the GEM Listing Rules.

The Company will also propose to the Shareholders that each of the existing issued and unissued shares of HK\$0.10 each in the share capital of the Company be subdivided into five shares of HK\$0.02 each.

A circular containing details of the amendments to the Articles and the Share Subdivision together with a notice to convene the EGM will be sent to the Shareholders as soon as practicable.

AMENDMENTS TO ARTICLES

At the proposed extraordinary general meeting of the Company (the “EGM”), it will be proposed, by way of a special resolution, that certain provisions in the Company’s existing articles of association (the “Articles”) be amended to reflect certain amendments to the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

The proposed amendments are to make the Articles accord with, inter alia, certain provisions of Appendix 15 of the GEM Listing Rules in relation to the procedures for voting by poll, the requirement that all the Directors (including Chairman and/or the Managing Director) should retire by rotation once every three years and the provision of Part B of Appendix 11 of the GEM Listing Rules in relation to the removal of Directors by way of ordinary resolution. Certain minor housekeeping amendments to the Articles will also be proposed to the shareholders of the Company (the “Shareholders”) at the EGM.

A circular together with a notice of the EGM containing, inter alia, details of the proposed amendments to the Articles will be sent to the Shareholders as soon as practicable.

SHARE SUBDIVISION

The Company would put to the Shareholders a proposal that each of the existing issued and unissued shares of HK\$0.10 each in the capital of the Company (the “Shares(s)”) be subdivided (the “Share Subdivision”) into five shares of HK\$0.02 each (the “Subdivided Shares”). Upon the Share Subdivision becoming effective, the monetary value of each board lot of the Subdivided Shares will be less than the value of each existing board lot of Shares. In view of this, the directors of the Company (the “Directors”) consider that the Share Subdivision may improve liquidity of the Subdivided Shares and enable the Company to attract more investors and widen its shareholder base.

As at the date of this announcement, the authorized share capital of the Company is HK\$100,000,000.00 which is divided into 1,000,000,000 Shares of HK\$0.10 each, of which 407,630,000 Shares are in issue. Immediately upon the Share Subdivision coming into effect, the authorized share capital of the Company will be HK\$100,000,000.00 comprising 5,000,000,000 Subdivided Shares, of which 2,038,150,000 Subdivided Shares will be in issue and fully paid assuming that no further Shares are issued or repurchased prior to the Share Subdivision coming into effect. The Subdivided Shares will rank pari passu in all respects with each other. The Share Subdivision will not result in any change in the relative rights of the Shareholders.

NO CHANGE OF BOARD LOT SIZE

The Subdivided Shares will be traded in the same board lots of 5,000 as the Shares.

CONDITIONS OF THE SHARE SUBDIVISION

The Share Subdivision is conditional upon:–

- (a) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Subdivision; and
- (b) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in the Subdivided Shares and the Subdivided Shares to be issued pursuant to the exercise of options granted or to be granted in accordance with the share option scheme of the Company.

Apart from the payment of the expenses for the Share Subdivision, implementation of the Share Subdivision will not, of itself, alter the underlying assets, business operations, and management or financial position of the Company or the proportional interests of the Shareholders in the Company. The Directors believe that the Share Subdivision will not have a material adverse effect on the financial position of the Company and its subsidiaries.

ADJUSTMENTS TO SHARE OPTION SCHEME

As at the date of this announcement, other than the Shares in issue and the outstanding options granted by the Company pursuant to its share option scheme adopted on 31st January 2004 entitling the holders thereof to subscribe for up to an aggregate of 9,455,000 Shares at HK\$0.63 each (subject to adjustment) and an aggregate of 10,275,000 Shares at HK\$1.47 each (subject to adjustment), the Company does not have any warrants, other types of options, derivatives, convertible securities or other securities in issue. The Share Subdivision may lead to adjustments to the terms of the outstanding options. The required adjustments will be confirmed by the independent financial adviser or auditors of the Company in accordance with Rule 23.03(13) of the GEM Listing Rules and holders of the options will be informed of such adjustments as soon as practicable.

EXPECTED TIMETABLE FOR THE SHARE SUBDIVISION

The expected timetable for the Share Subdivision is as follows:

Circular relating to the Share Subdivision to be dispatched on or about 7th November 2006

Latest time for lodging forms of proxy for the EGM 9:30 a.m. on Wednesday, 29th November 2006

EGM 9:30 a.m. on Friday, 1st December 2006

Effective date of Share Subdivision Monday, 4th December 2006

Dealing in Subdivided Shares commences 9:30 a.m. on Monday, 4th December 2006

Existing counter for trading in Shares in board lots of
5,000 Shares temporarily closes 9:30 a.m. on Monday, 4th December 2006

Temporary counter for trading in Subdivided Shares in
board lots of 25,000 Subdivided Shares (in the form
of existing green certificates) opens 9:30 a.m. on Monday, 4th December 2006

First day of free exchange of existing green
certificates for the Shares for new red certificates
for the Subdivided Shares Monday, 4th December 2006

Existing counter for trading in Subdivided Shares
in board lots of 5,000 Subdivided Shares
(in the form of new red certificates for the
Subdivided Shares) reopens 9:30 a.m. on Monday, 18th December 2006

Parallel trading in Subdivided Shares
(in the form of new red certificates for the
Subdivided Shares and existing green
certificates for the Shares) commences 9:30 a.m. on Monday, 18th December 2006

Temporary counter for trading in Subdivided Shares
in board lots of 25,000 Subdivided Shares
(in the form of existing green certificates
for the Shares) closes 4:00 p.m. on Friday, 12th January 2007

Parallel trading in Subdivided Shares (in the form of
new red certificates for the Subdivided Shares and
existing green certificates for the Shares) ends 4:00 p.m. on Friday, 12th January 2007

Last day for free exchange of existing green
certificates for the Shares for new red certificates
for the Subdivided Shares 4:00 p.m. on Friday, 19th January 2007

All the existing green certificates for the Shares will only be valid for delivery and settlement only in respect of dealings for the period up to Friday, 12th January 2007 and thereafter will not be accepted for dealing purpose. However, the existing green certificates for the Shares will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for five Subdivided Shares and may be exchanged for the new red certificates for the Subdivided Shares free of charge at any time between 4th December 2006 and 19th January 2007, and on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed under the GEM Listing Rules) for each new red share certificate in board lots of 5,000 Subdivided Shares issued or each existing green share certificate submitted, whichever number of share certificate involved is higher, at any time after 4:00 p.m. Friday, 19th January 2007 with the Company's share registrar, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

GENERAL

An application will be made to the Stock Exchange for the listing of and permission to deal in the Subdivided Shares and the Subdivided Shares to be issued pursuant to the exercise of options granted or to be granted pursuant to the Company's share option scheme.

A circular containing, among other things, details of the Share Subdivision, the trading arrangement in respect of the Subdivided Shares and the proposed amendments to the Articles together with a notice to convene the EGM will be sent to the Shareholders as soon as practicable.

By order of the Board
Shum Sai Chit
Director

Hong Kong, 24 October 2006

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, Ms. Wong May Yuk, Mr. Wu Wen Jing, Benjamin and Ms. Chi Bi Fen and the Company's independent non-executive directors are Mr. Shen Yi Min, Mr. Cheung Sound Poon and Mr. Kwong Ping Man.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, 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 of Hong Kong Limited for at least 7 days from the date of its publication.