
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Century Sunshine Ecological Technology Holdings Limited** 世紀陽光生態科技控股有限公司 (the “Company”), you should at once hand this circular, together with the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular should be read in conjunction with the accompanying annual report of the Company for the year ended 31st December 2006.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



世紀陽光

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)

- (1) PROPOSED GENERAL MANDATES TO ISSUE AND
TO REPURCHASE SHARES**
- (2) PROPOSED REFRESHMENT OF THE 10% LIMIT ON GRANT OF OPTIONS
UNDER THE SHARE OPTION SCHEME**
- (3) PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

This circular together with a form of proxy will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of posting.

A notice convening an annual general meeting of the Company to be held at Ballroom Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 30th April 2007 at 3:00 p.m. or any adjournment thereof is set out on pages 17 to 21 of this circular. A form of proxy for use at the annual general meeting of the Company or any adjournment thereof is enclosed. Whether or not you propose to attend the annual general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s Hong Kong share registrar, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding of the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

27th March 2007

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held on 30th April 2007 at Ballroom Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 3:00 p.m. or any adjournment thereof;
“AGM Notice”	notice convening the AGM as set out on pages 17 to 21 of this circular;
“Alpha Sino”	Alpha Sino International Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company;
“Articles of Association”	the articles of association of the Company;
“associates”	has the meaning ascribed thereto under the GEM Listing Rules;
“Board”	board of Directors or a duly authorised committee thereof;
“Company”	Century Sunshine Ecological Technology Holdings Limited 世紀陽光生態科技控股有限公司, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM;
“Director(s)”	director(s) of the Company for the time being and from time to time;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	22nd March 2007, being the latest practicable date for the purpose of ascertaining certain information contained herein;
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice;

DEFINITIONS

“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this circular;
“Repurchase Mandate”	the proposed general mandate to be granted to the Directors to permit the repurchase of Shares of up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate;
“Scheme Mandate Limit”	the 10% limit on grant of options by the Company under the Share Option Scheme and any other share option scheme(s) of the Company;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) of HK\$0.02 each in the capital of the Company (or of such nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Share Issue Mandate”	the proposed general mandate to be granted to the Directors to allot, issue and deal with Shares with an aggregate nominal value not exceeding 20% of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate;
“Share Option Scheme”	the share option scheme of the Company adopted on 31st January 2004;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto in section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and “subsidiaries” shall be construed accordingly;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.

LETTER FROM THE BOARD



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)

Directors:

Executive Directors:

Chi Wen Fu (*Chairman*)

Shum Sai Chit

Zhou Xing Dun

Non-Executive Directors:

Zou Li

Wong May Yuk

Wu Wen Jing, Benjamin

Chi Bi Fen

Independent Non-Executive Directors:

Shen Yi Min

Cheung Sound Poon

Kwong Ping Man

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

**Head office and principal
place of business:**

Unit 3907,

COSCO Tower,

183 Queen's Road Central,

Hong Kong.

27th March 2007

*To the Shareholders and, for information only,
holders of the share options of the Company*

Dear Sir/Madam,

- (1) PROPOSED GENERAL MANDATES TO ISSUE AND
TO REPURCHASE SHARES**
- (2) PROPOSED REFRESHMENT OF THE 10% LIMIT ON GRANT OF OPTIONS
UNDER THE SHARE OPTION SCHEME**
- (3) PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the Share Issue Mandate, the Repurchase Mandate, the refreshment of the Scheme Mandate Limit, the proposed re-election of the retiring Directors and to seek your approval of the Ordinary Resolutions relating to these matters at the AGM.

LETTER FROM THE BOARD

2. GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 28th April 2006, the Shareholders passed resolutions granting the Directors a general mandate to allot, issue new Shares and to repurchase Shares. Such mandates will expire and lapse at the conclusion of the AGM. It is therefore proposed to renew the general mandates to issue, allot and deal with Shares and to repurchase Shares at the AGM.

At the AGM, Ordinary Resolution no. 5(A) will be proposed for the Shareholders to consider and, if thought fit, approve the grant of a general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with Shares during the period as set out in Ordinary Resolution no. 5(A) up to 20% of the issued share capital of the Company as at the date of passing Ordinary Resolution no. 5(A). In addition, Ordinary Resolution no. 5(C) will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Share Issue Mandate by adding to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Share Issue Mandate the number of Shares repurchased under the Repurchase Mandate, if granted.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,297,025,000 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Share Issue Mandate, the maximum number of Shares which may be issued pursuant to the Share Issue Mandate on the date of passing the resolution approving the Share Issue Mandate will be 459,405,000 Shares.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are respectively set out in Ordinary Resolutions nos.5(A) and 5(C) as referred to in the AGM Notice. These mandates will expire upon the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company, or any applicable laws of the Cayman Islands to be held; and
- (c) the date on which the authority given under Ordinary Resolutions nos. 5(A) and 5(C) respectively is revoked or varied by an ordinary resolution of the Shareholders.

3. GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, Ordinary Resolution no. 5(B) will be proposed for the Shareholders to consider and, if thought fit, approve the grant of a general mandate to the Directors to exercise the powers of the Company to repurchase Shares during the period as set out in Ordinary Resolution no. 5(B) up to 10% of the issued share capital of the Company as at the

LETTER FROM THE BOARD

date of passing Ordinary Resolution no. 5(B). The Shares which may be repurchased pursuant to the Repurchase Mandate is up to 10% of the issued share capital of the Company on the date of passing the resolution approving the Repurchase Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,297,025,000 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate on the date of passing the resolution approving the Repurchase Mandate will be 229,702,500 Shares.

An explanatory statement as required under Rule 13.08 of the GEM Listing Rules, giving certain information regarding the Repurchase Mandate, is set out in appendix I to this circular. The Repurchase Mandate will expire upon the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company, or any applicable laws of the Cayman Islands to be held; and
- (c) the date on which the authority given under Ordinary Resolution no. 5(B) is revoked or varied by an ordinary resolution of the Shareholders.

4. REFRESHMENT OF THE 10% SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company on 31st January 2004. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force.

Pursuant to the Share Option Scheme, the maximum number of Shares in respect of which option may be granted under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 10% of the total number of issued Shares as at the date of adoption of the Share Option Scheme. The Company may refresh the Scheme Mandate Limit by ordinary resolution of the Shareholders at general meeting provided that:

- (a) the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of issued Shares as at the date of the Shareholders' approval of the refreshing of the Scheme Mandate Limit; and
- (b) options previously granted under the Share Option Scheme and any other share option scheme(s) of the Company (including options outstanding, cancelled or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed.

LETTER FROM THE BOARD

Notwithstanding the foregoing, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

Since the purpose of the Share Option Scheme is to recognize the contribution and support of the eligible persons to the Group by rewarding them with opportunities to obtain ownership interest in the Company and to further motivate and give incentives to these persons to continue to contribute to the long term success and prosperity of the Group, the Board proposes to refresh the Scheme Mandate Limit. The Board considers that the refreshing of the Scheme Mandate Limit is in the interest of the Group and the Shareholders as it enables the Company to have more flexibility in providing incentives to those eligible persons by way of granting of the options.

At the AGM, Ordinary Resolution no. 5(D) will be proposed to the Shareholders to consider and, if thought fit, approve the refreshment of the Scheme Mandate Limit as set out in Ordinary Resolution no. 5(D) up to 10% of the issued share capital of the Company as at the date of the passing of Ordinary Resolution no. 5(D). If the refreshment of the Scheme Mandate Limit is approved at the AGM, based on the 2,297,025,000 Shares in issue as at the Latest Practicable Date and on the assumption (the "Assumption") that no further Shares will be allotted and issued and no Shares will be repurchased after the Latest Practicable Date and up to the date of the AGM, the Company may grant further options carrying rights to subscribe for up to a total of 229,702,500 Shares under the Share Option Scheme (representing 10% of the issued share capital of the Company as at the date of the AGM).

As at the Latest Practicable Date, the total number of Shares which may be issued upon the exercise of all outstanding options already granted under the Share Option Scheme are 89,775,000 Shares, representing approximately 3.91% of the existing issued share capital of the Company. The aggregate of (i) the aforesaid 89,775,000 Shares together with (ii) the 229,702,500 Shares which are issuable pursuant to the exercise of the maximum number of options which the Company can grant if the refreshed Scheme Mandate Limit is fully used are 319,477,500 Shares, representing approximately 13.91% of the issued share capital of the Company as at the date of AGM on the basis of the Assumption. Such percentage falls below the 30% limit as required by Rule 23.03 of the GEM Listing Rules.

No options may be granted if this will result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company exceed 30% of the Shares in issue.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the passing of the necessary resolution to approve the refreshing of the Scheme Mandate Limit by the Shareholders at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of options granted under the Share Option Scheme.

LETTER FROM THE BOARD

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued by the Company (representing 10% of the Shares in issue as at the date of refreshing of the Scheme Mandate Limit) pursuant to the exercise of the options granted under the Share Option Scheme and any other share option scheme(s) of the Company.

5. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 87 of the Articles of Association, Mr. Chi Wen Fu, Mr. Shum Sai Chit, Professor Zhou Xing Dun and Mr. Shen Yi Min will retire at the AGM and being eligible, would offer themselves for re-election.

Details of the retiring Directors who are proposed to be re-elected at the AGM are set out in appendix II to this circular.

6. AGM

Set out on pages 17 to 21 of this circular is the AGM Notice convening the AGM at which, inter alia, the Ordinary Resolutions will be proposed to approve the Share Issue Mandate, the Repurchase Mandate, the extension of the Share Issue Mandate, the refreshment of the Scheme Mandate Limit and the re-election of retiring Directors.

7. PROXY ARRANGEMENT

A form of proxy is enclosed for your use at the AGM. You are requested to complete and return the form of proxy to the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible, but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of a form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

8. RIGHT TO DEMAND A POLL

Pursuant to Article 66 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of poll is required by the rules of the Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or

LETTER FROM THE BOARD

- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (e) if required by the rules of the Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five per cent. (5%) or more of the total voting rights at such meeting.

9. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

10. RECOMMENDATION

The Directors believe that the grant of the Share Issue Mandate and the Repurchase Mandate, the extension of the Share Issue Mandate, the refreshment of the Scheme Mandate Limit and the re-election of the retiring Directors are all in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of the Ordinary Resolutions at the AGM.

LETTER FROM THE BOARD

11. GENERAL

Your attention is also drawn to the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Chi Wen Fu
Chairman

The following is the explanatory statement which is required to be sent to you under Rule 13.08 of the GEM Listing Rules in connection with the proposed Repurchase Mandate.

1. GEM LISTING RULES

The GEM Listing Rules permit companies with a primary listing on GEM to purchase their securities subject to certain restrictions.

2. SHAREHOLDERS' APPROVAL

All proposed repurchases of securities by a company with a primary listing on the GEM must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction.

3. THE REPURCHASE PROPOSAL

The resolution set out as Resolution (B) in paragraph 5 of the AGM Notice relates to the granting of a general and unconditional mandate to the Directors to repurchase, on GEM or any other stock exchange on which the shares of the Company may be listed and recognized by The Securities and Futures Commission of Hong Kong, Shares up to a maximum of 10% of the issued share capital of the Company at the date of the passing of the resolution.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 229,702,500 Shares during the period ending on the earliest of the conclusion of the next annual general meeting of the Company; the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws of the Cayman Islands or the Articles of Association to be held; or the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

4. REASONS FOR REPURCHASES

Although the Directors have no present intention of repurchasing the Shares, they believe that it is in the best interests of the Company and the Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchase may, depending on the market conditions and funding arrangement at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

5. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum and articles of association and the applicable laws and regulations of the Cayman Islands. Any repurchases must be made out of funds of the Company legally permitted to be utilized in

this connection, including out of the profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, if so authorized by its articles of association subject to the Companies Law of the Cayman Islands, out of capital. Any premium payable on a repurchase over the par value of the shares to be purchased must be provided for out of the profits of the Company or out of the Company's share premium account or if so authorized by its articles of association and subject to the provisions of the Companies Law of the Cayman Islands, out of capital.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31st December 2006) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The monthly highest and lowest prices at which the Shares have been traded on GEM during the 12 months immediately preceding the Latest Practicable Date were as follows:

Month	Per Share	
	Highest trading price HK\$	Lowest trading price HK\$
2006		
March	0.795	0.58
April	0.95	0.74
May	1.02	0.725
June	0.82	0.625
July	0.912	0.74
August	0.956	0.866
September	0.924	0.854
October	1.004	0.89
November	1.416	0.988
December	1.57	1.16
2007		
January	1.64	1.35
February	2.18	1.50
March (up to and including the Latest Practicable Date)	1.97	1.50

Note:

The share prices stated above for the period between March 2006 and December 2006 are the adjusted figures having taken into account the subdivision of the shares of HK\$0.10 each in the share capital of the Company into 5 shares of HK\$0.02 each with effect from 4th December 2006.

7. GENERAL INFORMATION

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands and the Articles of Association.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected person (as defined in the GEM Listing Rules) that such a person has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

8. HONG KONG CODE ON TAKEOVERS AND MERGERS

If, as a result of repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Alpha Sino is a substantial shareholder of the Company. Alpha Sino, together with party acting in concert with it, held approximately 40.25% of the issued share capital of the Company. In the event that the Directors exercise the Repurchase Mandate to the extent that the proportionate interest of Alpha Sino together with party acting in concert with it in the voting rights of the Company would increase by more than 2% in any 12 month period, an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code would arise. If the Directors exercise the Repurchase Mandate in full, the proportionate interest of Alpha Sino together with party acting in concert with it in the voting rights of the Company would increase from approximately 40.25% to approximately 44.72%. The Directors have no present intention to exercise the Repurchase Mandate to the extent that such an obligation under the Takeovers Code would arise on the part of Alpha Sino and party acting in concert with it.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any repurchase made pursuant to the Repurchase Mandate.

9. SHARE REPURCHASED BY THE COMPANY

No Shares have been repurchased by the Company, whether on GEM or otherwise, in the last six months preceding the Latest Practicable Date.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS WHO ARE PROPOSED TO BE RE-ELECTED AT THE AGM

The following sets out the details of the Directors who will retire at the AGM and, being eligible, shall offer themselves for re-election at the AGM pursuant to the Articles of Association.

Chi Wen Fu (池文富)

Executive Director, Chairman and Chief Executive Officer

Mr. Chi, aged 44, was appointed as the chairman and chief executive officer of the Company and an executive Director on 17th February 2004.

Mr. Chi graduated from Fujian Light Industry Technical College (福建省輕工業技術學校) in 1981 specialising in Chemical Analysis. Mr. Chi became a qualified lawyer in the PRC in 1989 and joined Fuzhou Justice Bureau Commerce Law Office (福州市司法局經濟律師事務所). Mr. Chi left Fuzhou Justice Bureau Commerce Law Office and set up a law office in Fuzhou in 1995 in which he was the managing partner. In early 1998, Mr. Chi started initial research on organic agricultural production and funded a project on research and development of microbial compound fertilizer products. Mr. Chi established the Group in 2000. He is currently the Vice Chairman of the Youth Business Association of Fujian Province (福建省青年商會). He was awarded “Top hundred of Asia Innovative Management Executive” (亞洲管理創新百名優秀人物獎) in 2005. Mr. Chi has not held any directorship with any listed company in the last three years.

The three years’ initial term of office of Mr. Chi had already expired in February 2007 and his employment with the Company has continued thereafter under his service agreement with the Company until at least three months’ prior written notice is given by either Mr. Chi or the Company to terminate the same. Under Mr. Chi’s service agreement, he is entitled to a fixed salary of HK\$60,000 per annum. In addition, Mr. Chi is also entitled to a discretionary management bonus calculated as a percentage of the audited consolidated net profit of the Group attributable to the Shareholders (after tax and minority interests and the payment of such management bonuses but before extraordinary and exceptional items), which percentage shall be determined by the Board provided that the aggregate amounts of the bonuses payable to all executive Directors in respect of each financial year of the Company shall not exceed 5% of such profit. Mr. Chi is also currently serving as the chief representative of the PRC representative office of Century Sunshine Ecological Technology Limited (a wholly-owned subsidiary of the Company) responsible for the co-ordination, administration and supervision works relating to the investments of Century Sunshine Ecological Technology Limited in the PRC. In this connection, he is entitled to a fixed monthly salary of Renminbi 5,000.

The remuneration of Mr. Chi is subject to the annual review of the Board with reference to his contribution in terms of time, effort and his expertise.

Mr. Chi is the brother of Ms. Chi Bi Fen, a non-executive Director. Save as disclosed in this circular, Mr. Chi does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Save and except (i) his personal interest in 6,050,000 Shares; and (ii)

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS WHO
ARE PROPOSED TO BE RE-ELECTED AT THE AGM**

corporate interest in 918,484,850 Shares held by Alpha Sino by virtue of his entitlement to exercise or control the exercise of more than one-third of the voting power at the general meetings of Alpha Sino, Mr. Chi does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters concerning Mr. Chi that need to be brought to the attention of the Shareholders. Nor is there any information regarding Mr. Chi required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Shum Sai Chit (沈世捷)
Executive Director

Mr. Shum, aged 49, was appointed as an executive Director on 17th February 2004. Mr. Shum is also the Chief Operation Officer of the Group and a member of the remuneration committee of the Company.

Mr. Shum was a graduate of Longxi Finance Training College (龍溪地區財貿幹部學校) specializing in Consumer Product Pricing Statistics. Mr. Shum joined Fujian Textiles Import and Export Corporation (福建省紡織進出口公司) as a manager in 1984 responsible for importing and exporting of textile products. In November 1994, Mr. Shum became the managing director of Go Modern Limited which was principally engaged in the business of manufacturing of textile products and trading activities. Mr. Shum joined the Group in January 2002. Mr. Shum has not held any directorship with any listed company in the last three years.

The three years' initial term of office of Mr. Shum had already expired in February 2007 and his employment with the Company has continued thereafter under his service agreement with the Company until at least three months' prior written notice is given by either Mr. Shum or the Company to terminate the same. Under Mr. Shum's service agreement, he is entitled to a fixed salary of HK\$300,000 per annum. In addition, Mr. Shum is also entitled to a discretionary management bonus calculated as a percentage of the audited consolidated net profit of the Group attributable to the Shareholders (after tax and minority interests and the payment of such management bonuses but before extraordinary and exceptional items), which percentage shall be determined by the Board provided that the aggregate amounts of the bonuses payable to all executive Directors in respect of each financial year of the Company shall not exceed 5% of such profit. The remuneration of Mr. Shum is subject to the annual review of the Board with reference to his contribution in terms of time, effort and his expertise.

Mr. Shum does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Save as disclosed in this circular, Mr. Shum does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS WHO ARE PROPOSED TO BE RE-ELECTED AT THE AGM

Save as disclosed above, there are no other matters concerning Mr. Shum that need to be brought to the attention of the Shareholders. Nor is there any information regarding Mr. Shum required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Zhou Xing Dun (周性敦) *Executive Director*

Professor Zhou, aged 67, was appointed as an executive Director on 17th February 2004 and is the Chief Technology Officer of the Group.

Professor Zhou was a graduate of Beijing Geological Institute (北京地質學院), presently known as China Geological University (中國地質大學), in the PRC in 1962. Before joining the Group in January 2002, Professor Zhou was a professor at the Institute of Natural Resource and Environment of Fujian Agriculture and Forestry University (福建農林大學資源與環境學院) in the PRC. Professor Zhou has over 30 years of experience in the field of geology, ecology, fertilizer and environmental protection. Professor Zhou is currently a member of the Advisory Panel of Fuzhou Municipal People's Government in relation to city waste re-utilization (福州市人民政府市垃圾資源化利用專家顧問). He has not held any directorship with any listed company in the last three years.

The three years' initial term of office of Professor Zhou had already expired in February 2007 and his employment with the Company has continued thereafter under his service agreement with the Company until at least three months' prior written notice is given by either Professor Zhou or the Company to terminate the same. Under Professor Zhou's service agreement, he is entitled to a fixed salary of HK\$60,000 per annum. In addition, Professor Zhou is also entitled to a discretionary management bonus calculated as a percentage of the audited consolidated net profit of the Group attributable to the Shareholders (after tax and minority interests and the payment of such management bonuses but before extraordinary and exceptional items), which percentage shall be determined by the Board provided that the aggregate amounts of the bonuses payable to all executive Directors in respect of each financial year of the Company shall not exceed 5% of such profit. The remuneration of Professor Zhou is subject to the annual review of the Board with reference to his contribution in terms of time, effort and his expertise.

Professor Zhou does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Save and except Professor Zhou's personal interest in 3,000,000 Shares and the outstanding options granted by the Company to Professor Zhou under the Share Option Scheme pursuant to which up to 7,000,000 Shares will be issued by the Company upon exercise of such options by Professor Zhou, he does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS WHO ARE PROPOSED TO BE RE-ELECTED AT THE AGM

Save as disclosed above, there are no other matters concerning Professor Zhou that need to be brought to the attention of the Shareholders. Nor is there any information regarding Professor Zhou required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Shen Yin Min (沈毅民)

Independent Non-Executive Director

Mr. Shen, aged 42, was appointed as an independent non-executive Director on 31st January 2004 and is a member of both the audit committee and remuneration committee of the Company.

Mr. Shen is a qualified lawyer to practice securities laws in the PRC. He was a graduate of Fudan University (復旦大學) with a major in Economics Law. Mr. Shen was the former principal of Fujian Fuzhou Foreign Economics Law Office (福建省福州市對外經濟律師事務所). Mr. Shen has not held any directorship with any listed company in the last three years.

The two years' initial term of term of office of Mr. Shen had already expired in January 2006 and his appointment has continued thereafter under his letter of appointment with the Company until at least three months' prior written notice is given by either Mr. Shen or the Company to terminate the same. Mr. Shen is entitled to a fixed annual salary of HK\$20,000.

Mr. Shen does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Save as disclosed in this circular, Mr. Shen does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters concerning Mr. Shen that need to be brought to the attention of the Shareholders. Nor is there any information regarding Mr. Shen required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

NOTICE OF AGM



世紀陽光

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)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Century Sunshine Ecological Technology Holdings Limited 世紀陽光生態科技控股有限公司 (the “Company”) will be held at Ballroom Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 30th April 2007 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements of the Company and its subsidiaries and the reports of the directors of the Company (“Director(s)”) and auditors for the year ended 31st December 2006.
2. To declare a final dividend of HK\$0.01 per share for the year ended 31st December 2006.
3. (a) (i) to re-elect Mr. Chi Wen Fu as an executive Director;
(ii) to re-elect Mr. Shum Sai Chit as an executive Director;
(iii) to re-elect Professor Zhou Xing Dun as an executive Director; and
(iv) to re-elect Mr. Shen Yi Min as an independent non-executive Director.
(b) to authorise the board of Directors (the “Board”) to determine the remuneration of the Directors.
4. To re-appoint the auditors of the Company and authorise the Board to fix their remuneration.
5. To consider and, if thought fit, to pass with or without modification the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

(A) **“THAT:**

- (i) subject to paragraph (iii) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company (the “Shares”) and to make or grant

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offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (ii) the approval in paragraph (i) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise), by the Directors pursuant to the approval in paragraph (i) of this Resolution, otherwise than pursuant to (aa) a Rights Issue (as defined below); or (bb) the grant or exercise of any option granted under any scheme or similar arrangement for the time being adopted for the grant or issue to eligible persons or rights to acquire Shares; or (cc) any scrip dividend or other similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “Articles of Association”), shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the authority pursuant to paragraph (i) of this Resolution shall be limited accordingly; and
- (iv) for the purposes of this Resolution:
 - (aa) “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company (the “Shareholders”) in general meeting.
 - (bb) “Rights Issue” means an offer of Shares or other securities of the Company open for a period fixed by the Directors to holders of Shares or any class of securities of the Company whose names

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appear on the register of members (and where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such Shares or class of securities of the Company (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

(B) **“THAT:**

- (i) subject to paragraph (ii) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase Shares on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the Shares may be listed and recognised for this purpose by The Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws, the Rules Governing the Listing of Securities on GEM or other applicable rules and regulations as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of share capital of the Company to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (i) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (iii) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (aa) the conclusion of the next annual general meeting of the Company;
- (bb) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or

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- (cc) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”
- (C) “**THAT** conditional upon Resolution (A) and Resolution (B) as set out in paragraph 5 of the notice of the annual general meeting of the Company dated 27th March 2007 (the “AGM Notice”) being passed, the aggregate nominal amount of the share capital of the Company which are repurchased by Company under the authority granted pursuant to Resolution (B) as set out in paragraph 5 of the AGM Notice (up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of Resolution (B) as set out in paragraph 5 of the AGM Notice) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution (A) as set out in paragraph 5 of the AGM Notice.”
- (D) “**THAT** conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in such number of Shares in the capital of the Company which may be issued by the Company pursuant to the exercise of options granted under the share option scheme adopted by the Company on 31st January 2004 (the “Share Option Scheme”) up to the Refreshed Scheme Limit (as hereinafter defined), approval be and is hereby granted for refreshing the 10% mandate limit under the Share Option Scheme (the “Refreshed Scheme Limit”) pursuant to clause 9.04 of the Share Option Scheme such that the total number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company under the Refreshed Scheme Limit shall not exceed 10% of the Shares in issue on the date of passing of this Resolution, provided that for the purpose of calculating whether the Refreshed Scheme Limit is exceeded, all Shares which are subject to or had been subject to the options granted under the Share Option Scheme and any other share option scheme(s) of the Company prior to the passing of this Resolution (including options outstanding, cancelled, lapsed and exercised in accordance with the terms of the Share Option Scheme and any other share option scheme(s) of the Company) shall not be taken into account, and the Directors or duly authorized committee thereof be and are hereby authorized to grant options and to allot, issue and deal with unissued Shares pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Limit in accordance with the rules of the Share Option Scheme and to do such act and execute such document(s) for or incidental to such purpose.”

By Order of the Board
Tang Ying Kit
Company Secretary

Hong Kong, 27th March 2007

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**Head office and principal place of
business in Hong Kong**

Unit 3907,
COSCO Tower,
183 Queen's Road Central,
Hong Kong.

Notes:

- (1) A form of proxy for use at the annual general meeting of the Company or any adjournment thereof is enclosed.
- (2) Any member entitled to attend and vote at the annual general meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the annual general meeting of the Company. A proxy need not be a member of the Company.
- (3) In order to be valid, the form of proxy completed in accordance with the instructions set out therein, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy of that power or authority) must be deposited at the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting of the Company or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.
- (4) In the case of joint holders of any Share or Shares, any one of such joint holders may vote at the annual general meeting of the Company, either in person or by proxy, in respect of such Share or Shares as if he were solely entitled thereto, but if more than one of such joint holders are present at the meeting in person or by proxy, then one of the said persons to present whose name stands first on the register of members in respect of such Share or Shares shall alone be entitled to vote in respect thereof.
- (5) The register of members of the Company will be closed from 26th April 2007 to 30th April 2007, both days inclusive, during which period no transfer of Shares of the Company will be registered. In order to qualify for entitlement to the proposed final dividend for the year ended 31st December 2006 and for attending the annual general meeting of the Company to be held on 30th April 2007, all transfers of Shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on 25th April 2007.
- (6) An explanatory statement regarding the general mandate for the repurchase of Shares sought in Resolution (B) (as set out in paragraph 5 of the AGM Notice) is set out in appendix I to the circular of the Company dated 27th March 2007 of which this notice forms part.