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

If you have sold or transferred all your shares in the Company, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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: 509)

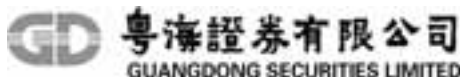
**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF ADDITIONAL INTERESTS IN JIANGSU AZUREBLUE
TECHNOLOGY DEVELOPMENT CO., LIMITED**

FINANCIAL ADVISER



HANTEC CAPITAL LIMITED

**INDEPENDENT FINANCIAL ADVISOR TO THE INDEPENDENT BOARD
COMMITTEE AND THE INDEPENDENT SHAREHOLDERS**



A letter from the Board of Directors is set out on pages 4 to 9 of this circular. A letter from Guangdong Securities, the independent financial adviser, is set out on pages 11 to 18 of this circular.

A notice convening an extraordinary general meeting of Century Sunshine Ecological Technology Holdings Limited to be held at Unit 3907, 39/F, COSCO Tower, 183 Queen's Road Central, Hong Kong, on 30 October 2008 at 10:30 a.m. is set out on pages 25 to 26 of this circular. A form of proxy is also enclosed. Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar, Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). The completion and delivery of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

14 October 2008

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DEFINITIONS

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

“Acquisition”	the acquisition of 32.2% equity interest in Jiangsu Azureblue by the Purchaser from the Vendor pursuant to the Agreement
“Agreement”	the agreement dated 3 October 2008 relating to the Acquisition
“Alpha Sino”	Alpha Sino International Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company
“Board”	the board of Directors
“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 acquisition of 32.2% equity interest in Jiangsu Azureblue in the sum of RMB32,200,000
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened at Unit 3907, 39/F, COSCO Tower, 183 Queen’s Road Central, Hong Kong on 30 October 2008 at 10:30 a.m., notice of which is set out on pages 25 to 26 of this circular
“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition

DEFINITIONS

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Kwong Ping Man and Mr. Chu Wai Wa, Fangus, to advise the Independent Shareholders in respect of the Acquisition and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders who are not connected to the Vendor or its associates and are not required to abstain from voting at the EGM to approve the Acquisition
“Jiangsu Azureblue”	Jiangsu Azureblue Technology Development Co., Limited (江蘇湛藍科技開發有限公司), a sino-foreign equity joint venture company established in the PRC with limited liability
“Latest Practicable Date”	10 October 2008, being the latest practicable date prior to the date of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Century Sunshine (Shanghai) Management Co., Limited (麥頂融(上海)投資諮詢有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Lian Yun Port De Mei New Energy Technology Limited (連雲港德美新能源科技有限公司), a company established in the PRC with limited liability

DEFINITIONS

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

For illustration purpose of this circular, the exchange rate of RMB1.00=HK\$1.1 has been used for conversion.

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

LETTER FROM THE BOARD



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: 509)

Executive Directors:

Mr. Chi Wen Fu (*Chairman*)
Mr. Shum Sai Chit
Mr. Zhou Xing Dun

Non-executive Directors:

Ms. Wong May Yuk
Mr. Wu Wen Jing, Benjamin
Ms. Chi Bi Fen

Independent non-executive Directors:

Mr. Kwong Ping Man
Mr. Chu Wai Wa, Fangus

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, 39/F,
COSCO Tower,
183 Queen's Road Central,
Hong Kong

14 October 2008

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF ADDITIONAL INTERESTS IN JIANGSU AZUREBLUE
TECHNOLOGY DEVELOPMENT CO., LIMITED**

1. INTRODUCTION

The Board announced that the Purchaser entered into the Agreement with the Vendor on 3 October 2008, pursuant to which the Purchaser agreed to acquire 32.2% equity interest in Jiangsu Azureblue from the Vendor at the Consideration of RMB32,200,000 (equivalent to approximately HK\$35,420,000).

2. DETAILS OF THE AGREEMENT

Date

3 October 2008

LETTER FROM THE BOARD

Parties

- (1) Vendor: Lian Yun Port De Mei New Energy Technology Limited (連雲港德美新能源科技有限公司), a company established in the PRC with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is principally engaged in the provision of technical advice and consultancy services in the agricultural sector in Jiangsu province, the PRC.
- (2) Purchaser: Century Sunshine (Shanghai) Management Co., Limited, a company established in the PRC with limited liability

Subject matter of the Agreement

Pursuant to the Agreement, the Vendor agreed to sell and the Purchaser agreed to acquire 32.2% equity interest in Jiangsu Azureblue. Upon Completion, the Company's equity interests in Jiangsu Azureblue will be increased from 51% to 83.2% indirectly. The Vendor's original purchase cost of the 49% equity interest in Jiangsu Azureblue was RMB49,000,000, representing the initial subscription fund in respect of the registered capital of Jiangsu Azureblue.

Consideration

The Consideration of RMB32,200,000 is to be satisfied by cash and shall be payable by the Purchaser to the Vendor within 7 days upon Completion.

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 assets value of Jiangsu Azureblue. 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 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 Agreement remaining true and accurate and not misleading at Completion as if repeated at Completion and at all times between the date of the Agreement and Completion;

LETTER FROM THE BOARD

- (b) the transfer under the Agreement shall comply with the requirements of the Listing Rules or of the Stock Exchange, including but not limited to approval of the Independent Shareholders at a general meeting of the Company being given for the Agreement and the transactions contemplated thereunder; and
- (c) the obtaining of all necessary approvals and consents of the relevant governmental authorities in respect of the Acquisition.

If any of the above conditions has not been fulfilled or waived on or before 31 December 2008 (or such later date as the Vendor and the Purchaser may agree in writing), the 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).

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

Completion

Completion shall take place upon the fulfillment of the conditions precedent of the Agreement.

3. INFORMATION ON JIANGSU AZUREBLUE

Jiangsu Azureblue is a sino-foreign equity joint venture company established by Century Sunshine Ecological Technology Limited, a wholly owned subsidiary of the Company, and the Vendor in the PRC with limited liability. Before the Acquisition, Jiangsu Azureblue is owned as to 51% by the Group and 49% by the Vendor. Jiangsu Azureblue has a registered capital of RMB100,000,000 which has been fully paid up. Apart from the transfer of 32.2% equity interest in Jiangsu Azureblue pursuant to the Agreement, the Vendor intends to enter into agreements with two third parties to transfer in aggregate of 16.8% equity interest in Jiangsu Azureblue to the two third parties. Upon Completion and completion of the abovementioned agreements, Jiangsu Azureblue will be owned as to 83.2% by the Group and 16.8% by the two third parties.

Jiangsu Azureblue is principally engaged in the production and sales of compound fertilizers in the Northern PRC. It currently has a production capacity of 200,000 tones of compound fertilizers.

According to the audited accounts of Jiangsu Azureblue which was prepared based on the generally accepted accounting principles in the PRC, its audited total assets as at 31 December 2007 was approximately RMB115,998,000 (equivalent to approximately HK\$127,597,800) and the audited net assets as at 31 December 2007 was approximately RMB103,584,000 (equivalent to approximately HK\$113,942,400). From 8 June 2007, the date of establishment of Jiangsu Azureblue, to 31 December 2007, Jiangsu Azureblue

LETTER FROM THE BOARD

recorded an audited net profit before and after taxation of approximately RMB5,177,000 (equivalent to approximately HK\$5,695,000) and RMB3,469,000 (equivalent to approximately HK\$3,816,000) 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.

The Directors are of the view that the Acquisition can provide the Group with strategic flexibility over Jiangsu Azureblue as the Group can control the majority interest in Jiangsu Azureblue upon Completion. In view of the profitable track record of Jiangsu Azureblue, the Directors are optimistic towards the prospects of Jiangsu Azureblue and considers that the increase in interest in Jiangsu Azureblue will contribute towards future earning capabilities of the Group.

5. FINANCIAL EFFECT OF THE ACQUISITION

Upon Completion, the equity interest in Jiangsu Azureblue held by the Company will be increased from 51% to 83.2% and the financial results of Jiangsu Azureblue will continue to be consolidated into the Group's financial statements.

The Directors expect that immediately upon Completion, the Acquisition will have no significant effect on the value of total assets and total liabilities of the Group. On the other hand, the Directors expect that the Acquisition will have a positive effect on the earnings of the Group.

6. IMPLICATIONS UNDER THE LISTING RULES

As the Vendor is a substantial shareholder of Jiangsu Azureblue, a subsidiary of the Company, the Vendor is regarded as a connected person of the Company under the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under the Listing Rules and will be subject to the approval of the Independent Shareholders by way of poll in general meeting. In addition, as some of the applicable percentage ratios as defined in the Listing Rules exceeds 5% but is less than 25%, the Acquisition also constitutes a discloseable transaction of the Company under the Listing Rules.

The Directors have resolved to convene the EGM to consider, and if thought fit, to approve the Acquisition and the transaction contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting at the EGM in respect of the Acquisition. Notice of the EGM is set out on page 25 to 26 of this circular. Enclosed is a form of proxy for use at the EGM. Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar, Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed

LETTER FROM THE BOARD

for holding the EGM or any adjournment thereof (as the case may be). The completion and delivery of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

7. PROCEDURE FOR DEMANDING A POLL

Pursuant to article 66 of the Articles of Association of the Company, a resolution put to 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 demand for a poll) a poll is demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the general meeting; or
- (iii) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iv) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized 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 the Shares conferring that right; or
- (v) 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 5% or more of the total voting rights at such meeting.

Unless a poll be so demanded and not withdrawn, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect made in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

LETTER FROM THE BOARD

8. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the terms of the Acquisition and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including the independent non-executive Directors) recommends the Independent Shareholders to vote in favour of the ordinary resolution as set out in the notice of the EGM.

Your attention is drawn to the letter from the Independent Board Committee, as set out on page 10 of this circular and the letter from Guangdong Securities, as set out on pages 11 to 18 of this circular containing their respective advices and recommendations to the Independent Board Committee and the Independent Shareholders.

9. ADDITIONAL INFORMATION

Your attention is drawn to the general information set out in the appendix to this circular.

By order of the Board
Chi Wen Fu
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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: 509)

14 October 2008

To the Independent Shareholders

Dear Sirs or Madams,

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF ADDITIONAL INTERESTS IN JIANGSU AZUREBLUE
TECHNOLOGY DEVELOPMENT CO., LIMITED**

We have been appointed by the Board as members of the Independent Board Committee to advise you in respect of the Acquisition, details of which are set out in the letter from the Board in the circular of the Company dated 14 October 2008 (the “Circular”) to the Shareholders, of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

Your attention is drawn to the advice of Guangdong Securities in respect of the Acquisition as set out in the section “Letter from Guangdong Securities” in the Circular.

RECOMMENDATION

Having taken into account the principal factors and reasons considered by Guangdong Securities regarding the Acquisition and its conclusion and advice, we concur with the view of Guangdong Securities and consider the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore recommend that the Independent Shareholders vote in favour of the ordinary resolution to be proposed at the EGM to approve the Acquisition and the transactions contemplated thereunder.

Yours faithfully,

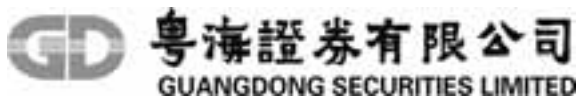
For and on behalf of the
Independent Board Committee

Mr. Kwong Ping Man
Independent non-executive Director

Mr. Chu Wai Wa, Fangus
Independent non-executive Director

LETTER FROM GUANGDONG SECURITIES

Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Acquisition for the purpose of inclusion in this circular.



Units 2505-06, 25/F.
Low Block of Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

14 October 2008

To: The independent board committee and the independent shareholders of Century Sunshine Ecological Technology Holdings Limited

Dear Sirs,

**DISCLOSEABLE AND CONNECTED TRANSACTION:
ACQUISITION OF ADDITIONAL INTEREST IN JIANGSU AZUREBLUE
TECHNOLOGY DEVELOPMENT CO., LIMITED**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, details of which are set out in the letter from the Board (the "Board Letter") contained in the circular dated 14 October 2008 issued by the Company to the Shareholders (the "Circular"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Board announced on 3 October 2008 that on even date, the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor to acquire 32.2% equity interest in Jiangsu Azureblue from the Vendor at a cash consideration of RMB32,200,000 (equivalent to approximately HK\$35,420,000).

Pursuant to Rule 14.08 of the Listing Rules, as the applicable percentage ratios of the Acquisition exceed 5% but is not more than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. In addition, since the Vendor is a substantial shareholder of Jiangsu Azureblue, which is a subsidiary of the Company, the Vendor is regarded as a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the Agreement is subject to the approval of the Independent Shareholders by way of poll at the EGM. As stated in the Board Letter, no Shareholder is required to abstain from voting on the relevant resolution(s) at the EGM.

An Independent Board Committee comprising Mr. Kwong Ping Man and Mr. Chu Wai Wa, Fangus (all being independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are

LETTER FROM GUANGDONG SECURITIES

concerned; (ii) whether the Acquisition is conducted in the ordinary and usual course of business of the Company and is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the Agreement and the transactions contemplated therein at the EGM. We, Guangdong Securities Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the date hereof. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Purchaser, the Vendor and Jiangsu Azureblue, or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Acquisition. In addition, we have no obligation to update this opinion to take into account events occurring after the issue of this letter. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Guangdong Securities has been to ensure that such information has been correctly extracted from the relevant sources.

LETTER FROM GUANGDONG SECURITIES

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Acquisition, we have taken into consideration the following principal factors and reasons:

(1) Background of and reasons for the Acquisition

Business overview of the Group

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

Set out below is a summary of the audited financial results of the Group for the two years ended 31 December 2007 as extracted from the annual report of the Company for the year ended 31 December 2007 (the “2007 Annual Report”) and the unaudited financial results of the Group for the six months ended 30 June 2008 as extracted from the interim report of the Company for the six months ended 30 June 2008 (the “2008 Interim Report”):

	For the six months ended 30 June 2008 <i>(unaudited)</i>	% of total revenue of the Group	For the year ended 31 December 2007 <i>(audited)</i>	% of total revenue of the Group	For the year ended 31 December 2006 <i>(audited)</i>	% of total revenue of the Group
<i>RMB'000</i>						
Revenue						
Sale of organic fertilizers	71,654	33.13%	243,028	75.45%	301,026	96.27%
Sale of compound fertilizers	142,894	66.06%	67,805	21.05%	–	–
Sale of biological pesticides	1,749	0.81%	11,269	3.50%	11,669	3.73%
Total	216,297	100	322,102	100	312,695	100

From the above table, we note that the audited total revenue of the Group for the year ended 31 December 2007 was approximately RMB322.10 million, representing a growth of approximately 3.01% as compared to the prior year. For the six months ended 30 June 2008, the Group's revenue from the sale of compound fertilizers doubled and it had become the largest revenue source of the Group. As advised by the Directors, the Group's sale of compound fertilizers was only generated from the trading of compound fertilizers before its acquisition of a compound fertilizer production facility in Jiangsu Province, the PRC through Jiangsu Azureblue in late June 2007. Accordingly, the improvement in the sale of compound fertilizers was mainly attributable to the Group's own production of compound fertilizers starting from the aforesaid acquisition. According to the Directors, it is the Group's strategy to (i) further expand its production capacity to cater for the potentially increasing demand for organic fertilizers and compound fertilizers; and (ii) further tap into the compound fertilizers market in the PRC.

LETTER FROM GUANGDONG SECURITIES

Information on Jiangsu Azureblue

With reference to the Board Letter, Jiangsu Azureblue is a sino-foreign equity joint venture company established by (i) Century Sunshine Ecological Technology Limited, a wholly-owned subsidiary of the Company; and (ii) the Vendor, in the PRC with limited liability on 8 June 2007. Jiangsu Azureblue is principally engaged in the research and development, production and sales of compound fertilizers in the Northern PRC. Before the Acquisition, Jiangsu Azureblue is owned as to 51% and 49% by the Company and the Vendor respectively. Upon Completion, the total ultimate equity interest of the Company in Jiangsu Azureblue will be increased from 51% to 83.2%. As confirmed by the Directors, Jiangsu Azureblue shall continue to be accounted for as a subsidiary of the Company, and the financial results of Jiangsu Azureblue will be consolidated as to 83.2% into the financial statements of the Group.

According to the audited accounts of Jiangsu Azureblue which were prepared based on the generally accepted accounting principles in the PRC, as at 31 December 2007, the audited net asset value (“NAV”) of Jiangsu Azureblue was approximately RMB103,584,000 (equivalent to approximately HK\$113,942,400) and the profit after taxation of Jiangsu Azureblue for the period from the date of its incorporation to 31 December 2007 was approximately RMB3,469,000 (equivalent to approximately HK\$3,816,000).

Upon our enquiry, the Directors further advised us that the Company planned to expand the existing annual production capacity of Jiangsu Azureblue from 200,000 tones to 300,000 tones of compound fertilizers in 2009 to cater for the potentially increasing demand for compound fertilizers in the PRC.

Reasons for and benefits of the Acquisition

As extracted from the Board Letter, the Directors are of the view that the Acquisition can provide the Group with strategic flexibility over Jiangsu Azureblue as the Group can control the majority equity interest in Jiangsu Azureblue upon Completion. In view of the profitable track record of Jiangsu Azureblue despite its short establishment history, the Directors are optimistic towards the prospects of Jiangsu Azureblue and they expected that the Acquisition will contribute towards the future earning capabilities of the Group.

LETTER FROM GUANGDONG SECURITIES

Regarding the prospects of Jiangsu Azureblue, we have researched over the web-site of the National Bureau of Statistics of China at <http://www.stats.gov.cn> for information on the agriculture industry in the PRC. The following table demonstrates our findings in relation to (i) the size of irrigated area; and (ii) the consumption of compound fertilizers, in the PRC from 2001 to 2005 (data for 2006 and 2007 are not available yet):

Year	Irrigated area (thousand hectares)	Consumption of compound fertilizers (thousand tones)
2001	54,249	9,837
2002	54,355	10,404
2003	54,014	11,098
2004	54,478	12,040
2005	55,029	13,032
Cumulative change from 2001 to 2005	1.44%	32.48%

As demonstrated by the above table, consumption of compound fertilizers in the PRC increased by approximately 32.48% from 2001 to 2005 regardless of the limited enlargement of irrigated area in the PRC over the same period. Moreover, according to the statistics released by the National bureau of Statistics of China, consumption of compound fertilizers jumped by the highest rate from 2001 to 2005 as compared to other fertilizers.

Having considered (i) the significance of the sale of compound fertilizers as a revenue source of the Group; and (ii) the Acquisition being in alignment with the strategy of the Group to further tap into the compound fertilizers market, we are of the view that the Acquisition is conducted in the ordinary and usual course of business of the Company. In light of also (i) the profitable track record of Jiangsu Azureblue despite its short establishment history; and (ii) the possible positive outlook of the compound fertilizers market in the PRC based on its historical growth as stated above, we concur with the Directors that the Acquisition is in the interests of the Company and the Shareholders as a whole.

(2) Principal terms of the Agreement

Pursuant to the Agreement, the Vendor has agreed to transfer 32.2% equity interest in Jiangsu Azureblue to the Purchaser at the cash consideration of RMB32,200,000 (equivalent to approximately HK\$35,420,000) within seven days upon Completion. The Directors confirmed that the Company will settle the entire cash Consideration by the Group's internal resources.

Basis of the Consideration

As referred to in the Board Letter, 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 NAV of Jiangsu Azureblue.

LETTER FROM GUANGDONG SECURITIES

Trading multiples analysis

In order to assess the fairness and reasonableness of the Consideration, we have performed the price to book ratio (“PBR”) analysis, which is one of the commonly adopted trading multiple analyses. As for the price to earnings ratio analysis, we have excluded this analysis due to the lack of full year financial data of Jiangsu Azureblue.

In performing our PBR analysis, we have researched for companies which are listed on the Stock Exchange and are in similar lines of business as Jiangsu Azureblue (i.e. having businesses mainly or solely within the fertilizers industry) (the “Market Comparables”). To the best of our knowledge and as far as we are aware of, we found four companies which met the said criteria. Set out below are the PBRs of the Market Comparables based on their closing prices as at 2 October 2008, being the last trading day immediately before the Agreement, and their latest published financial information:

Company name (Stock code)	Principal business	Year end date	PBR
China BlueChemical Limited (3983)	Manufacture and sales of mineral fertilizers	2007/12/31	1.90 (Note)
China Agrotech Holdings Limited (1073)	Production and sale of plant growth regulatory products, pesticides and fertilisers, trading of pesticides, fertilizers, other agricultural and non-agricultural resources products, provide plant protection services	2007/6/30	0.46 (Note)
Ko Yo Ecological Agrotech (Group) Limited (827)	Research and development, manufacture, marketing and distribution of chemical fertilizers and chemical products in the PRC	2007/12/31	0.32 (Note)
Sinofert Holdings Limited (297)	Production, import and export, distribution and retail of fertilizer raw materials and finished products, and technical research and development and services relating to the fertilizer business and products	2007/12/31	1.53 (Note)
Maximum			1.90
Minimum			0.32
Average			1.05
The Acquisition			0.97

Note:

The PBR for the selected companies were calculated based on their latest published interim reports.

Source: the Stock Exchange web-site (www.hkex.com.hk)

LETTER FROM GUANGDONG SECURITIES

From the above table, we note that the average PBR as represented by the Market Comparables was approximately 1.05 times and with a range from approximately 0.32 times to 1.90 times.

Given that 32.2% of the audited NAV of Jiangsu Azureblue as at 31 December 2007 was approximately RMB33,354,048 (equivalent to approximately HK\$36,689,453) and the Consideration is RMB32,200,000 (equivalent to approximately HK\$35,420,000), the PBR of the Acquisition is approximately 0.97 times “32.2% of the audited NAV of Jiangsu Azureblue as at 31 December 2007”, and thus it is lower than the average PBR and falls within the PBR range of the Market Comparables.

After taking into consideration that the PBR of the Acquisition of approximately 0.97 times is lower than the average PBR and falls within the PBR range of the Market Comparables, we are of the opinion that the Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

We have also reviewed the other terms of the Agreement and are not aware of any terms which are uncommon. As a result, we consider that the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

(3) Financial effects of the Acquisition

Effect on NAV

From the 2008 Interim Report, the unaudited consolidated NAV of the Group was approximately RMB924.04 million as at 30 June 2008. The Directors confirmed that the Acquisition would not have any material impact on the NAV of the Group.

Effect on earnings

Upon Completion, the Group's share of equity interest in Jiangsu Azureblue will be increased from 51% to 83.2% and the Group will consolidate 83.2% of the financial results of Jiangsu Azureblue into the Group's financial statements. In view of the prospects of Jiangsu Azureblue, the Directors expected that the Acquisition would enhance the future earning ability of the Group.

Effects on gearing and working capital

As at 30 June 2008, the Group's gearing level (being calculated as total borrowings over total equity of the Group) was approximately 0.12 times. Upon Completion, the Directors confirmed that since both the total borrowings and total equity of the Group would not be materially affected by the Acquisition, the Acquisition would not have any material impact on the Group's gearing level.

Lastly, as the Consideration shall be satisfied entirely by the internal resources of the Group, the Directors confirmed that the working capital of the Group will be reduced by the Consideration.

LETTER FROM GUANGDONG SECURITIES

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon Completion.

RECOMMENDATION

Having considered the above factors and reasons, we are of the opinion that (i) the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Acquisition is conducted in the ordinary and usual course of business of the Company and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Agreement and the transactions contemplated therein and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Guangdong Securities Limited
Graham Lam
Managing Director

1. RESPONSIBILITY

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their respective knowledge and belief, there are no other facts the omission of which would make any statement contained herein misleading.

2. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the relevant interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange were as follows:

(i) Directors' interests in the Company

Long positions in Shares

Name of Director	Number of ordinary Shares held			Approximate percentage of issued share capital of the Company
	Personal interests	Corporate interests	Total	
Mr. Chi Wen Fu ("Mr. Chi")	6,050,000	918,484,850 (Note 1)	924,534,850	41.66%
Mr. Zhou Xing Dun	3,000,000	–	3,000,000	0.14%
Mr. Wu Wen Jing, Benjamin	3,525,000	–	3,525,000	0.16%

Notes:

- These shares are held by Alpha Sino and are deemed corporate interests by virtue of Mr. Chi's holding of 90% of the entire issued share capital of Alpha Sino which entitles him to exercise or control the exercise of one-third or more of the voting power at the general meetings of Alpha Sino.

(ii) Directors' interests in associated corporations

Name of Director	Name of associated corporation	Total number of share held	Type of interest	Approximate percentage of interest
Mr. Chi Wen Fu	Alpha Sino	9	Beneficial owner	90%
Mr. Shum Sai Chit	Alpha Sino	1	Beneficial owner	10%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or their respective associates had interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be recorded in the register to be kept by the Company under Section 352 of Part XV of the SFO.

3. INTERESTS AND SHORT POSITION OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) (i) had an interest or short position in the shares or underlying shares of equity derivatives of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, (ii) who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of other members/ future members of the Group:

(i) Interest in the Company

Name of shareholder	Nature	Number of Shares	Percentage of issued share capital of the Company
Alpha Sino	Long position	918,484,850 (Note 1)	41.38%

Notes:

- Pursuant to a share mortgage dated 13 November 2006, Alpha Sino, being the controlling shareholder of the Company, had mortgaged 244,578,000 Shares (representing approximately 12% of the then issued share capital of the Company on 13 November 2006) to International Finance Corporation ("IFC") to secure repayment of the loan advanced by IFC pursuant to a loan agreement dated 13 November 2006 entered into between the IFC as lender and (i) Green Land Bio-Products Company Limited; (ii) Century Sunshine (Nanping) Biology Engineering Company Limited; (iii) Century Sunshine (Jiangxi) Ecological Technology Limited; and (iv) Century Sunshine (Zhangzhou) Ecological Technology Limited, all being the subsidiaries of the Company. Mr. Chi Wen Fu and Mr. Shum Sai Chit are the directors of Alpha Sino.

(ii) *Interest in other members/ future members of the Group*

Name of other members/ future members of the Group	Name of shareholder	Percentage of shareholding
福州美地國際貿易有限公司	Mr. Chan Jin Fu	40%
Jiangsu Azureblue Technology Development Co., Limited (江蘇湛藍科技開發有限公司)	Lian Yun Port De Mei New Energy Technology Limited (連雲港德美新能源科技有限公司)	16.8% (Note 2)
Fullocean Group Limited	Win Union Limited (Note 4)	20% (Note 3)
China Magnesium Limited	Mr. Miao Xi Zhu	25.6% (Note 3)

Note:

- Upon Completion, Jiangsu Azureblue will be owned by the Group and the Vendor as to 83.2% and 16.8% respectively. The Directors understand that the Vendor intends to transfer the remaining 16.8% equity interest in Jiangsu Azureblue to other third parties. Details of such disposal of 16.8% equity interest in Jiangsu Azureblue are disclosed in this circular.
- As at the Latest Practicable Date, Fullocean Group Limited (“Fullocean”) was wholly owned by Win Union Limited and China Magnesium Limited (“China Magnesium”) was owned as to 60% by Fullocean and 40% by three independent third parties. On 24 September 2008, the Group and Win Union Limited entered into an agreement relating to the acquisition of 80% of the entire issued share capital of Fullocean. The aforesaid acquisition constitutes a discloseable transaction of the Company under the Listing Rules. Upon completion of the aforesaid acquisition, Fullocean will be owned by the Group and Win Union Limited as to 80% and 20% respectively. Details of the acquisition are disclosed in the announcement of the Company dated 24 September 2008.
- Win Union Limited is wholly owned by Ms. Zou Zu Jin.

4. SERVICE CONTRACTS

None of the Directors had entered into any service contracts, excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation), with the Company or any other member of the Group as at the Latest Practicable Date.

5. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or their respective associates had an interest in a business which competes with or may compete with the business of the Group.

6. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

None of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31st December, 2007, being the date to which the latest published audited consolidated financial statements of the Company were made up.

7. LITIGATION

So far as the Directors are aware, no litigation or claim of material importance is pending or threatened against any member of the Group.

8. MATERIAL ADVERSE CHANGES

The Directors confirm that there was no material adverse changes in the financial or trading position of the Group since 31 December 2007, the date to which the latest published audited accounts of the Group were made up.

9. QUALIFICATIONS OF EXPERT, CONSENTS AND EXPERT'S INTERESTS

Guangdong Securities, the Independent Financial Adviser, is a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO.

Guangdong Securities has given and has not withdrawn its written consent to the issue of this circular with copies of its letter and the references to its name included herein the form and context in which they respectively appear.

As at the Latest Practicable Date, Guangdong Securities was not interested in any Share or share in any member of the Group, nor does it have any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Share or share in any member of the Group. As at the Latest Practicable Date, Guangdong Securities did not have any direct or indirect interests in any assets which have since 31 December 2007 (being the date to which the latest published audited consolidated accounts of the Group were made up) been acquired or disposed of by or leased to or by the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by or leased to or by the Company or any of its subsidiaries.

10. GENERAL

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the head office and principal place of business of the Company in Hong Kong is Unit 3907, 39/F, COSCO Tower, 183 Queen's Road Central, Hong Kong. The Company's Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited, 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (b) The company secretary and the qualified accountant of the Company is Mr. Tang Ying Kit. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (c) As required by the Listing Rules, the Company established an audit committee with written terms of reference which set out its authority and duties. The members of the audit committee comprises Mr. Kwong Ping Man and Mr. Chu Wai Wa, Fangus. Its principal duties are to review and supervise the Company's financial reporting process and internal control systems.

Mr. Kwong Ping Man, aged 43, is currently the managing director of Fortitude Consulting Limited, a company engaging in the business of corporate advisory services. Prior to joining the Company, he served as the chief financial officer of two companies based in Guangzhou and Nanjing, the PRC for more than 5 years. Mr. Kwong obtained a master degree in Professional Accounting from the Hong Kong Polytechnic University. Mr. Kwong is an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwong is also an associate member of the Hong Kong Institute of Company Secretaries.

Mr. Chu Wai Wa, Fangus, aged 41, is currently the director and chief financial officer of Excellent Management Limited, a regional technology company specializing in software application development and business process re-engineering. Prior to joining the Company, Mr. Chu served as the head of accounting and led various business process re-engineering projects in multinational corporations. Mr. Chu graduated with a bachelor degree with first class honors in Accountancy from the City University of Hong Kong and received a master of science degree in Global Business from the Chinese University of Hong Kong. Mr. Chu is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. He has over 15 years of experience in accounting, finance and information technology.

- (d) This circular has been prepared in both English and Chinese. In the case of any inconsistency, the English version shall prevail.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) at the head office and principal place of business of the Company in Hong Kong at Unit 3907, 39/F, COSCO Tower, 183 Queen's Road Central, Hong Kong from the date of this circular until the date of the EGM:

- (a) the Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out in the section of this circular headed "Letter from the Independent Board Committee";
- (c) the letter from Guangdong Securities, the text of which is set out in the section of this circular headed "Letter from Guangdong Securities"; and
- (d) the written consent referred in the section headed "Qualifications of Expert, Consents and Expert's Interests" in this appendix.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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: 509)

NOTICE IS HEREBY GIVEN that the extraordinary 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 Unit 3907, 39/F, COSCO Tower, 183 Queen’s Road Central Hong Kong on 30 October 2008 at 10:30 a.m. for the purposes of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:–

ORDINARY RESOLUTION

“THAT

- (a) the Agreement, as defined and described in the circular of the Company dated 14 October 2008 (the “**Circular**”), a copy of the Agreement marked “A” together with a copy of the Circular marked “B” being table before the meeting and initialled by the chairman of the meeting for identification purpose, and all transactions contemplated thereunder and in connection therewith, be and are hereby approved, ratified and confirmed; and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such other documents and agreements and to do all such acts or things deemed by him to be incidental to, ancillary to or in connection with the matters contemplated under the Agreement.”

By Order of the Board
Tang Ying Kit
Company Secretary

Hong Kong, 14 October 2008

Head office and Principal place of business:
Unit 3907, 39/F,
COSCO Tower,
183 Queen’s Road Central,
Hong Kong

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) Any shareholder entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is a holder of two or more shares of the Company may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a shareholder of the Company.
- (2) In order to be valid, a form of proxy 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 branch share registrar in Hong Kong, Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
- (3) Completion and return of the form of proxy will not preclude members from attending and voting at the extraordinary general meeting or any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
- (4) Where there are joint registered holders of any share(s) of the Company, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such share(s) of the Company as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting or any adjourned meeting thereof (as the case may be), the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

As at the date of this notice, the Company's executive directors are Mr. Chi Wen Fu, Mr. Shum Sai Chit and Professor Zhou Xing Dun, the Company's non-executive directors are Mr. Wu Wen Jing, Benjamin, Ms. Chi Bi Fen and Ms. Wong May Yuk and the Company's independent non-executive directors are Mr. Kwong Ping Man and Mr. Chu Wai Wa, Fangus.