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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 Century Sunshine Ecological Technology Holdings Limited, you should at once hand this circular 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: 8276)

**DISCLOSEABLE TRANSACTION
RELATING TO ACQUISITION OF ASSETS IN JIANGXI, THE PRC**

This circular 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 its posting.

21 February 2005

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 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 the 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 at <http://www.hkgem.com> in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

“Acquisition”	the acquisition of the Acquisition Assets by the Purchaser from the Vendors pursuant to the Acquisition Agreement
“Acquisition Agreement”	the agreement entered into between the Purchaser and the Vendors on 31 January 2005 in relation to the Acquisition
“Acquisition Assets”	land, buildings, machine and equipments to be acquired by the Purchaser from the Vendors, details of which are set out in the Acquisition Agreement
“Board”	the board of Directors
“Century Sunshine (Jiangxi)” or “Purchaser”	Century Sunshine (Jiangxi) Ecological Technology Limited, a company incorporated in the PRC on 19 February 2004 and an indirect wholly-owned subsidiary of the Company, which is principally engaged in research and development, production and sale of organic fertilizer products in Jiangxi province, the PRC.
“Company”	Century Sunshine Ecological Technology Holdings Limited, a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the Growth Enterprise Market of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Jiangxi Fertilizer Factory”	江西鴻農複合肥廠 (Jiangxi Hong Nong Chemical Compound Fertilizer Factory), a collectively-owned enterprise in the PRC
“Jiangxi Agricultural Production Materials Group”	江西農業生產資料集團公司 (Jiangxi Agricultural Production Materials Group Company), a collectively-owned enterprise in the PRC
“Latest Practicable Date”	18 February 2005, being the latest practicable date prior to the date of this circular for ascertaining certain information contained in this circular

DEFINITIONS

“Shares”	shares of nominal value HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuation”	the valuation on the Acquisition Assets as at 31 October 2004 prepared by the Valuer
“Valuer”	江西泰豪會計師事務所(Jianxi Taihao CPA Firm), a company incorporated in the PRC with limited liability and an independent third party not being connected person of the Company (as defined in the GEM Listing Rules), being a Certified Public Valuer of the PRC which is licensed by江西財政廳(the Finance Bureau of Jiangxi) and 中華人民共和國財政部(the Ministry of Finance of the PRC) to carry out business and property valuation in the PRC
“Vendors”	Jiangxi Fertilizer Factory and Jiangxi Agricultural Production Materials Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

For illustration purpose of this circular, the exchange rates of HK\$1=RMB1.06 have been used for conversion.

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)

Executive Directors:

Chi Wen Fu (*Chairman*)

Shum Sai Chit

Zhou Xing Dun

Non-Executive Directors:

Zou Li

Wong May Yuk

Wu Wen Jing, Benjamin

Independent Non-Executive Directors:

Shen Yi Min

Cheung Sound Poon

Kwong Ping Man

Registered Office:

Century Yard, Cricket Square

Hutchins Drive

P.O. Box 2681GT

George Town

Grand Cayman

Cayman Islands

British West Indies

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

Room 2807

China Resources Building

26 Harbour Road

Wanchai Hong Kong

21 February 2005

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION

A. INTRODUCTION

On 31 January 2005, the Company announced that Century Sunshine (Jiangxi), an indirect wholly-owned subsidiary of the Company (as the Purchaser), had entered into the Acquisition Agreement with Jiangxi Fertilizer Factory and Jiangxi Agricultural Production Materials Group (collectively as the Vendors) to acquire the Acquisition Assets for a cash consideration of RMB21,500,000 on 31 January 2005. The Acquisition is financed by the listing proceeds and internal cash resources of the Groups.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

LETTER FROM THE BOARD

The purpose of this circular is to provide the shareholders of the Company with further information relating to the Acquisition. This circular also contains information in compliance with the GEM Listing Rules.

Set out below is a summary of the main terms of the Acquisition Agreement.

B. THE ACQUISITION AGREEMENT

1. Date: 31 January 2005
2. Purchaser: Century Sunshine (Jiangxi)
3. Vendors: Jiangxi Fertilizer Factory and Jiangxi Agriculture Production Material Group

The Directors confirmed that, to the best of their knowledge, information and belief having made all reasonable enquiry, the Vendors are independent third parties not being connected persons of the Company (as defined in the GEM Listing Rules).

4. Acquisition Assets: Property

A parcel of land (the “Property”) located at Jinxian Road, Minhe Township, Jinxian County, Jiangxi province, the PRC (江西省進賢縣民和鎮進賢大道), with the land lot number 13-263 and a site area of approximately 35,713 square meters. The land has a land use rights of 50 years expiring on 22 November 2048. The land use rights of the Property were owned by Jiangxi Agricultural Production Materials Group before the Acquisition.

Buildings

Two 1-storey production plant, one 4-storey office building and four 1-storey warehouse are erected on the above-mentioned land with a total gross floor area of approximately 14,789 square meters.

Public utilities

Public utilities mainly include, among other things, electricity facilities, water facilities, and gas facilities.

Machine and equipment

Machine and equipment mainly include, among other things, production facilities, equipment and office equipment.

The Acquisition Assets, excluding the Property, were owned by Jiangxi Fertilizer Factory before the Acquisition.

The above assets are acquired by the Group for self-use purpose.

LETTER FROM THE BOARD

5. Consideration: Cash consideration of RMB21,500,000 is to be settled in three installments:

- (i) RMB2,000,000 within 5 days after the signing of the Acquisition Agreement;
- (ii) RMB14,500,000 to be paid within 60 days from the date of the Acquisition Agreement; and
- (iii) remaining amount of RMB5,000,000 to be paid at the time when all the administrative processes in relation to the transfer of the ownership titles of the Acquisition Assets have been completed. Such administrative procedures principally include the registration of the Acquisition with and subsequently obtaining the land use right certificates and building ownership certificates of the Acquisition Assets from the local government authorities.

6. Other terms: Liabilities

For avoidance of doubt, any debt and liability including, among other things, wage payable, trade payable, social securities and tax payable incurred before the date of the Acquisition Agreement do not form part of the Acquisition Assets, these liabilities should be settled by the Vendors. In the event that any action and/or litigation arising out of any such liability, the Vendors should be responsible.

The Vendors should be responsible for making sure that it has the entire ownership of the Acquisition Assets and none of the Acquisition Assets is subject to any mortgage and/or pledge. In the event that there is any action, litigation and/or claim against any of the Acquisition Assets, the Purchaser shall be indemnified and reimbursed by the Vendors upon demand all losses, expenses and fees including all legal fees howsoever arising in relation to such action, litigation and/or claims awarded against the Purchaser.

Staff hiring

The Purchaser has the absolute right in determining the staff hiring policy when the Acquisition Assets are put into operation under new management. The Purchaser agrees to give the previous employees of Jiangxi Fertilizer Factory the priority of considerations at the time of recruitment, provided that they possess the same qualifications and experiences as other potential candidates.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) confirm that the consideration of RMB21,500,000 for the Acquisition was determined after arm's length negotiations between the parties to the Acquisition Agreement with reference to the Valuation totalling an amount of approximately RMB 21,500,000. According to estimated information provided by the Vendors, unaudited book value of the Acquisition Assets excluding the land use rights of the Property were approximately RMB16.9 million prior to the suspension of operation in August 2001 and the land uses right of the Property had not been recorded in the management accounts before the Acquisition. According to the Valuation, the value of the land use rights of the Property amounted to approximately RMB4.5 million, by using the basic land price modification valuation approach (基準地價系數修正法), which is made reference to the basic price of Class 3 industrial land pursuant to the Jinxian County Industrial Land Basic Price (Revision) Table (進賢縣縣城工業用地基準地價(更新)表) issued by the local government authority and market prices of similar land in the nearby areas in Jiangxi province, adjusted by other factors including the region, date and/or tenor of land use right, procedure on land exploitation, etc. to reflect the conditions applicable to the subject property.

The Directors made physical visit and inspection on the Acquisition Assets and were satisfied with the condition of the assets. They had also agreed with the valuation amount being assessed by the Valuer. Based on the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Acquisition are fair and reasonable and that the Acquisition Agreement are conducted under normal commercial terms, in the ordinary and usual course of its business and are in the interests of the shareholders of the Company as a whole.

C. BACKGROUND OF THE VENDORS

Jiangxi Fertilizer Factory is a collectively-owned enterprise in the PRC and is principally engaged in the manufacturing and sale of compound fertilizer in Jiangxi province, the PRC. In August 2001, Jiangxi Fertilizer Factory suspended operation due to poor management and the Acquisition Assets have been left out of operation since then. According to the information provided by Jiangxi Fertilizer Factory, its annual production capacity before the suspension of operation was approximately 30,000 tonnes of chemical compound fertilizers. Based on the presentation of the management of Jiangxi Fertilizer Factory, it had generated a net loss for the financial year ended 31 December 2000. The Acquisition Assets was used by Jiangxi Fertilizer Factory for the production of compound fertilizer products before its suspension of operation.

Jiangxi Agricultural Production Materials Group is a collectively-owned enterprise in the PRC and is principally engaged in the trading of agricultural production materials in Jiangxi province, the PRC. Based on the land use right certificate provided by the Vendors, Jiangxi Agricultural Production Materials Group owned the land use rights of the Property for a term of 50 years expiring on 22 November 2048.

LETTER FROM THE BOARD

D. REASONS FOR THE ACQUISITION

The Group is principally engaged in the research and development, production and sale of microbial compound fertilizer, organic fertilizer and organic compound fertilizer products in the PRC.

As set out in the Company's announcement for the 2004 unaudited third quarter results, unaudited turnover and profit attributable to shareholders of the Group for the nine months ended 30 September 2004 amounted to RMB62,720,000 and RMB22,829,000 respectively, representing an increase of 87% and 85% respectively from the same period last year. The significant increase in turnover was primarily attributable to the continued rise in demand for the Group's products. The Directors are of the view that the PRC market for organic fertilizer products is strong and that demand for the Group's product is expected to increase in the future. In order to meet such market demand, the Group needs to expand its production facilities.

The Directors (including the independent non-executive Directors) believe the Acquisition is in the interest of the Company and its shareholders as a whole for the following reasons:

- Jiangxi province is one of the biggest farming bases in the PRC for growing organic teas and is therefore one of the primary markets targeted by the Group for its organic fertilizer products. As stated in the Group's 2003 annual report and the Company's prospectus dated 5 February 2004 ("Prospectus"), the Group had planned to build production facilities in Jiangxi province so as to capture local market shares.
- the Acquisition Assets was used by Jiangxi Fertilizer Factory for the production of compound fertilizer products. Although the production technologies of chemical compound fertilizer products are different from those of the Group's organic fertilizer products, the Directors are of the view that part of the production facilities of Jiangxi Fertilizer Factory, especially the lands and plant and machinery could be converted and used by the Group for the production of organic fertilizer products. The Group plans to make relevant modifications to the Acquisition Assets and install new production equipment before turning it into a production facility with an annual production capacity of approximately 100,000 tonnes of organic fertilizer products. This allows the Group to save both time and money when comparing to building a new facility from scratch. The Group expects the new facility could commence operation in April 2005.
- the parcel of land (land lot No. 13-263) with a site area of approximately 35,713 square meters together with the production plant and office with a total floor area of approximately 14,789 square meters would provide sufficient space for the Group's future expansion. The ownership of the land use rights of the Property will be transferred to the Group upon completion of the Acquisition.

LETTER FROM THE BOARD

As stated in the Prospectus, the Group planned to apply, out of the listing proceeds, approximately HK\$7 million each for the constructions of two new production facilities in Anxi, Fujian province during the second half of 2004 to first half of 2005, and Wuyuan, Jiangxi province in the second half of 2005, respectively, each with a production capacity of 20,000 tonnes of organic fertilizers. In view of the rapid increase in demand for the Group's products, the Directors believe that the previous plans of production expansion are too conservative and may not be sufficient to satisfy market demands. As such, the Group plans to increase the production capacity of its next production facility to 100,000 tonnes of organic fertilizer products. Having regard the additional modification work and new equipment installation, the Directors still believe the Acquisition provides an unique opportunity for the Group to expand its production capacity quickly and efficiently as compared with building a new facility from scratch. The production capacity of 100,000 tonnes is about 2.5 times the total capacities of the two new production facilities initially planned to be built in Anxi and Wuyuan. The Directors believe that the significantly increased production capacity of the new facility will be sufficient to meet the present demand from customers in both Fujian province and Jiangxi province. As a result, the Group plans to postpone the building of the new facility in Anxi, Fujian province to 2006. Save as disclosed, there is no change in the implementation of the business plans as set out in the Prospectus.

The Group will finance the Acquisition through two types of resources: (i) as to RMB 7,000,000 from the listing proceeds; and (ii) as to RMB 14,500,000 from its internal cash resources which were principally generated from its business operation. As such, the Acquisition is not expected to have material impact on the Group's net assets. The Directors do not envisage any financial impact on the Group's earnings until the time when the new production facility of 100,000 tonnes of organic fertilizer products commences operation and that the Directors believe the revenue of the Group will be increased accordingly. Save as disclosed above, the implementation of the business plans of the Company and the application of listing proceeds as set out in the Prospectus will not be affected. The Directors confirm that taking into account payment for the consideration of the Acquisition, the Group will have sufficient working capital for the operation of its business.

E. GENERAL

The Acquisition constitutes a discloseable transaction under the GEM Listing Rules.

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

Yours faithfully
For and on behalf of the Board
Shum Sai Chit
Director

1. 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:

- (1) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (2) there are no other matters the omission of which would make any statement in this circular misleading; and
- (3) all opinion 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.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATION

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company 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 (a) 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 are taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors 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	Capacity	Number of Shares	Percentage of issued share capital of the Company
Mr. Chi Wen Fu ("Mr. Chi")	Corporate ^(Note 1)	193,696,970	60.53%
Mr. Shum Sai Chit ("Mr. Shum")	Corporate ^(Note 2)	30,303,030	9.47%
Ms. Wong May Yuk ("Ms. Wong")	Corporate ^(Note 3)	30,303,030	9.47%
Mr. Wu Wen Jing, Benjamin	Personal	2,340,000	0.73%

Notes:

1. Mr. Chi is beneficially interested in 80% of the entire issued share capital of Alpha Sino International Limited, a company incorporated on 18 December 2002 under the laws of the British Virgin Islands with limited liability, which in turn holds 193,696,970 Shares as at the Latest Practicable Date.
2. Mr. Shum is beneficially interested in 50% of Go Modern Limited, a company incorporated under the Companies Ordinance, Chapter 32 of the Laws of Hong Kong with limited liability, which in turn holds 30,303,030 Shares as at the Latest Practicable Date.
3. Ms. Wong is beneficially interested in 50% of Go Modern Limited which in turn holds 30,303,030 Shares as at the Latest Practicable Date.

(ii) Directors' interests in associated corporations

Name	Name of associated corporation	Nature of interest and capacity	Total number of shares	Approximate percentage of interest
Mr. Chi	Alpha Sino International Limited	Personal ^(Note 1)	8	80%
Ms. Zou Li ("Ms. Zou")	Alpha Sino International Limited	Personal ^(Note 1)	2	20%

Note:

1. The entire issued share capital of Alpha Sino International Limited is beneficially owned as to 80% and 20% by Mr. Chi and Ms. Zou, respectively.

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 (a) 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 are taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

3. 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 had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or who were 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 any other member of the Group:

Name	Capacity	Number of shares	Percentage of issued share capital of the company
Alpha Sino International Limited	Beneficial Owner ^(Note 1)	193,696,970	60.53%
Go Modern Limited	Beneficial Owner ^(Note 2)	30,303,030	9.47%
Qi Yuan Asset Management (H.K.) Ltd	Beneficial Owner	19,295,000	6.03%

Notes:

1. The entire issued share capital of Alpha Sino International Limited is beneficially owned as to 80% and 20% by Mr. Chi and Ms. Zou, respectively.
2. The entire issued share capital of Go Modern Limited is beneficially owned as to 50% each by Mr. Shum and Ms. Wong.

Save as disclosed herein, as at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, no persons (other than a Director or the chief executive of the Company) has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or 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 any other member of the Group.

4. SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years and will continue thereafter until the contract is terminated by either party giving to the other party not less than three calendar months' notice in writing. Each of the executive Directors is entitled to a basic salary subject to an annual review by the Board. In addition, the executive Directors are also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors in respect of any financial year of the Company may not exceed 5% of the audited consolidated net profit of the Group in respect of that financial year.

The non-executive Directors and the independent non-executive Directors of the Company are appointed for a term of two years with specific terms in the letter of appointment.

5. SPONSOR'S INTEREST

According to the sponsor's agreement dated 4 February 2004 entered between the Company and CSC Asia Limited (the "Sponsor"), for a fee, the Sponsor acts as the Company's continuing sponsor for the purpose of the GEM Listing Rules for the period from 17 February 2004 to 31 December 2006.

As at the Latest Practicable Date, none of the Sponsor, its directors, employees or associates (as defined in the GEM Listing Rules) had any interest in the shares of the Company, or any right to subscribe for or to nominate persons to subscribe for any shares of the Company.

6. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or the management shareholders or substantial shareholders of the Company had an interest in a business which competes with or may compete with the business of the Group.

7. LITIGATION

No member of the Group is engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

8. EXPERT

The following is the qualification of the expert who has given opinions or advice which are contained in this circular:

Name	Qualification
the Valuer	a licensed valuer in the PRC

At the Latest Practicable Date, the Valuer has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report and references to its name, as the case may be, in the form and context in which it appears. The statements made by the Valuer are given as at the date of this circular for incorporation herein.

At the Latest Practicable Date, the Valuer is not interested beneficially or non-beneficially in any shares in any member of the Group nor has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares in any member of the Group.

9. GENERAL

- (a) The registered office of the Company is at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, Cayman Islands, British West Indies.
- (b) The head office and principal place of business is Room 2807, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.
- (c) The Company's Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (d) The Company Secretary and Qualified Accountant of the Company is Mr. Tang Ying Kit. He is an associate member of the Hong Kong Institute of Certified Public Accountants, a member of the Association of Chartered Certified Accountants and an associate member of the Chartered Institute of Management Accountants.
- (e) The Compliance Officer of the Company is Mr. Shum Sai Chit. Mr. Shum is an executive Director.
- (f) As required by the GEM Listing Rules, the Company established an audit committee with written terms of reference which deal clearly with its authority and duties. The audit committee members comprise Mr. Shen Yi Min, Mr. Cheung Sound Poon and Mr. Kwong Ping Man. Its principal duties are to review and supervise the Company's financial reporting process and internal control systems.

Mr. Shen Yi Min, aged 41, is an independent non-executive Director. He is presently a partner of Fujian Zhi Li Law Office (福建至理律師事務所) in the PRC. Mr. Shen is a qualified lawyer to practise securities laws in the PRC. He is a graduate from Fudan University (復旦大學) with a major in Economics Law. Mr. Shen had been 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). He was also appointed the legal consultant to the Fuzhou Municipal People's Government between 1994 and 1995.

Mr. Cheung Sound Poon, aged 43, is presently a senior manager at Chui & Kwok (CPA), an audit firm in Hong Kong. He was a senior auditor at Gary W. K. Yam & Co. (CPA), an audit firm in Hong Kong, of which he was with between June 1979 and May 1987. He then joined another audit firm in Hong Kong as an audit manager before joining Chui and Kwok. Mr. Cheung has had over 20 years of experience in auditing and accounting in Hong Kong.

Mr. Kwong Ping Man, aged 39, is the chief financial officer and company secretary of Nanjing Intelligent Apparatus Co. Ltd. Prior to joining this company in May 2003, he served as the chief financial officer of an information technology company based in Guangzhou, Guangdong, the People's Republic of China for more than two years. Mr. Kwong also worked as an accountant for a jewellery group in Hong Kong. Mr. Kwong is a graduate from Curtin University of Technology in Australia with a

Bachelor's degree in Commerce Accounting. Mr. Kwong obtained a master's degree in Professional Accounting from the Hong Kong Polytechnic University in November 2003. Mr. Kwong is a Certified Practising Accountant of the Australian Society of Certified Practising Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwong is also an associate member of the Institute of Chartered Secretaries and Administrators and an associate member of the Hong Kong Institute of Company Secretaries.

- (h) This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.