

[For immediate release]



世纪阳光

世紀陽光集團控股有限公司
CENTURY SUNSHINE GROUP HOLDINGS LIMITED

2013 Annual Results Achieve Record High Outstanding Results of Magnesium Product and Fertiliser Businesses

- **2013 revenue and net profit increased 32.0% and 64.4%**
- **High margin rare earth magnesium alloys accounted for substantial increase in production and sales contribution, which fuelled Group's overall growth**
- **Substantial accelerated growth of silicon magnesium fertilisers resulted in notable growth in revenue and gross profit margin of fertiliser business**

Financial Highlights

For the year ended 31 Dec	2013 (HK\$ mn)	2012 (HK\$ mn)	Change
Revenue	1,640	1,243	+32.0%
Gross profit	508	332	+52.9%
Profit for the year	277	169	+64.4%
Profit for the year attributable to owners of the Company	230	130	+76.7%
Basic earnings per share (HK cents)	8.96	5.08	+76.4%
Dividend per share (HK cents)	2.00	1.03	+94.2%
Gross margin	31.0%	26.7%	+4.3 ppt
Profit margin	16.9%	13.6%	+3.3 ppt

(Hong Kong, 5 March 2014) **Century Sunshine Group Holdings Limited** (Stock code: 509.HK, the "Company", together with its subsidiaries, collectively referred to as the "Group"), today is delighted to announce the Group's annual results for the year ended 31 December 2013 (the "Year").

In 2013, the Group emphasised on balanced growth in terms of business scale and profitability, Century Sunshine's overall turnover and net profit for the Year reached new heights. The Group's total revenue for the Year amounted to approximately HK\$1,640,291,000 (2012: approximately HK\$1,242,930,000), representing a growth of 32.0%. Profit for the year reached approximately HK\$277,133,000 (2012: approximately HK\$168,584,000), leaped by approximately 64.4%. Profit attributable to owners of the Company for the year amounted to HK\$230,215,000 (2012: HK\$130,312,000), increased by approximately 76.7%. The Board has recommended a final dividend pay-out of 2 HK cents per share for shareholders' continuous support.

Magnesium Product Business

The Group's magnesium product business has continued to build on its strong momentum since 2012 and once again posted rapid growth. Revenue from the business reached HK\$547,366,000 with a year-on-year growth of 44.1%. It represented 33.3% of the Group's total revenue for the Year. The Group's magnesium product business covers two categories – rare earth magnesium alloys and basic magnesium products, which accounted for 65.6% and 30.4% of the segment revenue respectively.

High margin rare earth magnesium alloys accounted for a substantial increase in sales contribution which fuelled the overall growth of the Group. Given their advanced technological requirements and superb performance on applications, pricings and margins of rare earth magnesium alloys are comparatively higher than basic magnesium products. Gross profit margin of rare earth magnesium alloys reached 40.0%, compared with the 16.8% of basic magnesium products.

The Group has obtained 21 patented technologies for production of high-performance rare earth magnesium alloys which ensuring its leading position in this space. In June 2013, a subsidiary of Changchun Institute of Applied Chemistry under Chinese Academy of Sciences, one of the most respectful and authoritative institutions engaged in researching rare earth magnesium alloys, was introduced as a strategic shareholder to the Group. The move has further bolstered the Group's R&D capabilities and technical strengths. Also, the Group has been enlisted as a Demonstration Base for Applications of Mining Resources by the Ministry of Finance and the Ministry of Land and Resources of the PRC since 2011. The Group's market leader position has long been set.

Fertiliser Business

Both sales and gross margins of the Group's fertiliser business hit record high. During the Year, the segment contributed a total revenue of HK\$1,028,068,000 (2012: HK\$802,464,000), representing an annual increase of 28.1% and accounted for 62.7% of the Group's total revenue. The business covers two product categories – compound and organic fertilisers, which accounted for 72.9% and 26.8% of the segment revenue respectively.

The gross profit margin of compound fertilisers experienced a substantial increase from 17.9% to 22.0% in the Year. The sizeable jump was a result of production upgrade and efficiency improvement following its ongoing technological innovation and enhancement.

Although launched in March 2012, compound Silicon Magnesium (Si-Mg) fertilisers continued to drive a remarkable growth in revenue and gross profit for overall fertiliser business during the Year. While experiencing a rapid growth in its production and sales, it still managed to maintain a high margin. It was achieved by fine-tuning product mix and improving production efficiency.

In 2013, the Group underwent a series of technical improvements to further maximise and recycle waste materials in producing organic fertilisers. The move successfully reduced cost of production which enhanced overall gross margin. During the Year, gross profit margin of organic fertilisers went from 35.5% to 37.9%.

Phase I expansion, a new plant with a 300,000-tonne annual capacity will be launched in the third quarter of 2014. Phase II expansion of a 400,000-tonne production is already on drawing board. It will advance growth of the fertiliser business.

Mr Chi Wen Fu, Chairman and CEO of the Group said, "Comprised of magnesium product and fertiliser, Century Sunshine's dual-business portfolio is gradually entering in a growth stage. Both businesses are aligning with objectives of the PRC's economic reform. It has clearly indicated that the Group will be benefitted from the favourable national policy in a long term."

"The Group's commitment to research and technological investments represents its leadership in rare earth magnesium alloys and ecological fertilisers. The advanced technology has created a substantial hurdle for market players to replicate and compete." Mr Chi added.

Mr Chi further commented, "Looking forward to 2014, Century Sunshine expects that value chain of both businesses will grow stronger and become more sophisticated. Its development will be coupled with broader sales outreach and higher market awareness. The Group believes it will be advantageously positioned by the national policies emphasising 'Green' issues such as environmental protection, energy saving and economic sustainability from a macro prospective. The management remains optimistic about maintaining a high growth in 2014. Leveraging on its well-established strategies and development plans, the management will make every possible effort to expand market share by increasing the portion of high-margin products in its portfolio and launching new products. The ultimate goal is to maximise shareholder value."

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About Century Sunshine Group Holdings Limited (Hong Kong Stock Code: 00509)

Century Sunshine and its subsidiaries engage in vertically integrated business activities including R&D, production, and distribution of magnesium alloys and ecological fertilizers. The Group was listed on the GEM Board on 17 February 2004 then was transferred to the Main Board on 1 August 2008. Ordinary shares of the Company is listed on the Hong Kong Stock Exchange, trading ticker is 0509.

For more information, please visit the Company's website:

<http://www.centurysunshine.com.hk/en/index.php>.

Issued by **Aries Consulting Ltd** for and on behalf of Century Sunshine Group Holdings Limited

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