

[For Immediate Release]



世纪阳光

世紀陽光集團控股有限公司

CENTURY SUNSHINE GROUP HOLDINGS LIMITED

Century Sunshine Announces 1H 2014 Results The Two Core Businesses Reach their New Heights

- 1H 2014 revenue and net profit increased 29.1% and 45.8%
- High margin rare earth magnesium alloys accounted for substantial increase in production and sales contribution, which fuelled Group's overall growth
- Steaming capacity expansion of magnesium products and fertilisers

Financial Highlights

For the six months ended 30 Jun	2014 (HK\$ mn)	2013 (HK\$ mn)	Change
Revenue	922	714	+29.1%
Gross profit	309	216	+43.2%
Profit for the year	156	107	+45.8%
Profit for the year attributable to owners of the Company	127	87	+45.8%
Basic earnings per share (HK cents)	4.75	3.41	+39.3%
Gross margin	33.5%	30.2%	+3.3 ppt
Profit margin	16.9%	15.0%	+1.9 ppt

(Hong Kong, 27 August 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 interim results for the six months ended 30 June 2014 (the "Period").



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For the six months ended 30 June 2014, the two business segments of the Group maintained strong growth momentum. As a result, total revenue of the Group increased by 29.1% to HK\$921,897,000 (2013: HK\$714,345,000), and the gross profit margin recorded an increase of 3.3 percentage points, reaching 33.5% during the period. Profit attributable to owners of the Company for the period amounted to HK\$126,742,000, representing a year-on-year increase of 45.8%.

The two principal businesses of the Group achieved outstanding performance. Revenue of the magnesium product business amounted to HK\$313,427,000 during the period (2013: HK\$226,440,000), representing a year-on-year increase of 38.4%, and accounted for 34% of the total revenue of the Group. Revenue of the fertiliser business amounted to HK\$555,675,000 during the period (2013: HK\$458,299,000), representing a year-on-year increase of 21.2%, and accounted for 60.3% of total Group revenue.

Magnesium Product Business

The Group's magnesium product business covers research and development, production and sales of basic magnesium products and rare earth magnesium alloys. Given superb performance and advanced technological requirements of rare earth magnesium alloys, therefore their average pricing and gross profit margin are significantly higher than basic magnesium products. The proportion of revenue derived from the high-end rare earth magnesium alloys continued to increase during the period, resulting in substantial growth of the overall magnesium product business.

Addressing a high global demand in new environmentally-friendly and energy-saving materials, the Group exerts itself to enhance production capacity. Upon completion of Phase II expansion, the Group's annual capacity of magnesium production will be elevated to 75,000 tonnes from its current 25,000 tonnes. Meanwhile, the Group will further expand its market share by capitalising on its strengths in resources and technology for research and development of various high-end magnesium alloys.

Fertiliser Business

The Group's fertiliser business covers two product categories – compound fertilisers and organic fertilisers. In addition to business expansion, the Group also focused on research and development of new high-margin specialty products to avoid homogeneous competition among traditional fertilisers.

The annual production capacity of the Group's fertiliser production base is expected to reach 750,000 tonnes at the end of 2014. The Group will be progressively implementing its expansion plan. The total annual capacity is expected to break through one million tonnes by 2016. In the meantime, the Group will keep focusing on product and technological advancement to develop new ecological fertilisers catering for different nutritional needs of soil in various regions of China. It is aiming to further increase market share, therefore, boost the Group's fertiliser business.

Mr Chi Wen Fu, Chairman and CEO of the Group said, "The Group's marketing strategy emphasising product differentiation has proved to be effective. Rare earth magnesium alloys and compound Silicon Magnesium fertilisers have secured the Group's market share in the high-end market and improve overall profitability. Blending

its industry-leading patented and proprietary technologies with its strengths in upstream resources, the Group enjoys a favourable position in the new materials and ecological fertiliser sectors through its dual-business portfolio.”

“Looking forward, management remains optimistic regarding its sustainable high growth in the second half of 2014. With the continued support of favourable national policies, the Group will continue to expand its production capacity in a proactive manner, uphold its concept of continuous innovation focusing on research and development of differentiated high-performance products with high profit margins and increase the proportion of high-margin products in its product mix to scale new heights in business excellence and 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 **Financial PR (HK) Limited** for and on behalf of Century Sunshine Group Holdings Limited

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