世紀陽光集團控股有限公司
CENTURY SUNSHINE GROUP HOLDINGS LIMITED
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 509)**

# VOLUNTARY DISCLOSURE
# 2014 THIRD QUARTER OPERATIONAL PERFORMANCE
# AND
# BUSINESS UPDATE

Century Sunshine Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to provide voluntary disclosures on the unaudited key operational data for the nine months ended 30 September 2014 (the "**Third Quarter**").

Information in this announcement was based on the preliminary assessment of the Group's management accounts which had not been reviewed or audited by the auditors of the Company. The unaudited key operational data in this announcement should be read in conjunction with the Group's latest annual report and interim report. ***Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.***

## UNAUDITED QUARTERLY OPERATIONAL PERFORMANCE

### Key operational data

Unaudited key operational data for the nine months ended 30 September 2014, together with the comparative figures for the corresponding period in 2013, are as follows. The main businesses listed in the table below contributed about 95% of the Group's total revenue for the nine months ended 30 September 2014.

*(a)* ***Sales volumes of major products:***

| | **Nine months ended 30 September** | | **Increased/** |
|---|---|---|---|
| | **2014** | 2013 | **(Decreased)** |
| | ***Tonnes*** | *Tonnes* | *%* |
| Magnesium product business | | | |
| Rare earth magnesium alloys | **8,651** | 6,236 | 38.7 |
| Basic magnesium products | **7,840** | 5,753 | 36.3 |
| Fertiliser business | | | |
| Compound fertilisers | **280,253** | 215,755 | 29.9 |
| Organic fertilisers | **117,061** | 93,854 | 24.7 |

*(b)* ***Average selling prices of major products:***

| | **Nine months ended 30 September** | | **Increased/** |
|---|---|---|---|
| | **2014** | 2013 | **(Decreased)** |
| | ***Per tonne*** | *Per tonne* | *%* |
| | ***HK$*** | *HK$* | |
| Magnesium product business | | | |
| Rare earth magnesium alloys | **39,882** | 41,052 | (2.9) |
| Basic magnesium products | **19,193** | 19,839 | (3.3) |
| Fertiliser business | | | |
| Compound fertilisers | **2,400** | 2,613 | (8.1) |
| Organic fertilisers | **2,123** | 2,120 | 0.2 |

*(c) Gross profit margins of major products:*

| | Nine months ended 30 September 2014 % | 2013 % | Increased/ (Decreased) *Percentage points* |
|---|---|---|---|
| Magnesium product business | | | |
| Rare earth magnesium alloys | **39.7** | 39.3 | 0.4 |
| Basic magnesium products | **16.9** | 17.7 | (0.8) |
| Fertiliser business | | | |
| Compound fertilisers | **23.4** | 22.1 | 1.3 |
| Organic fertilisers | **38.1** | 37.9 | 0.2 |
| **The Group's overall gross profit margin** | **32.4** | 30.8 | 1.6 |

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## BUSINESS UPDATE

The Company is pleased to announce that the Group's Serpentine Mine and Dolomite Mine have met relevant indicators and scores of acceptance evaluations after assessment, and were approved to be the fourth batch of experimental units of national green mine by the Ministry of Land and Resources of the PRC in August 2014.

### Serpentine Mine

The Group's serpentine mine is situated in Donghai County, Jiangsu Province, the PRC. The mine is operated by open-pit method, and therefore no additional exploration works are involved or required. Only simple infrastructure works for open-pit mining are involved in the development activities, and no underground drilling or structural works are involved. The serpentine mined is sold directly as metallurgical flux for iron and steel smelting and is raw material for producing silicon magnesium fertilisers of the Group. The transportation cost for raw material is relatively low due to the close proximity of the mine to the production base of the Group.

As disclosed in the 2010 annual report, the resource/reserve of the Serpentine Mine was reported under the JORC system when it was acquired in 2010. As at 31 December 2013, the anticipated resource and reserve volumes were determined based on the volume at the time of acquisition with the yearly reduction of quantity mined to calculate the remaining resource and reserve volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes was reviewed by the Group's internal geological experts.

During the financial year ended 31 December 2013 ("2013 FY"), the expenditures incurred in development activities were mainly for infrastructure construction such as roads and sewage disposal systems, and environmental protection, etc. Such expenditures have been capitalised and included in the statement of financial position for 2013 FY. The expenditures incurred in mining activities were mainly for direct wages, materials, energy, transportation, depreciation and amortisation, etc. Such expenditures have been included in cost of sales and charged to the income statement for 2013 FY.

**Dolomite Mine**

The Group's dolomite mine is situated in Baishan City, Jilin Province, the PRC. The mine is operated by open-pit method, and therefore no additional exploration works are involved or required. Only simple infrastructure works for open-pit mining are involved in the development activities, and no underground drilling or structural works are involved. The dolomite mined is raw material for producing magnesium products of the Group. The transportation cost for raw material is relatively low due to the close proximity of the mine to the production base of the Group.

As disclosed in the 2010 annual report, the dolomite mine of the Group was reported under the Chinese resource/reserve categories. As at 31 December 2013, the anticipated resource and reserve volumes were determined based on the yearly reduction of quantity mined to calculate the remaining resource and reserve volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes was reviewed by the Group's internal geological experts.

During 2013 FY, the expenditures incurred in development activities were mainly for infrastructure construction such as roads and sewage disposal systems, and environmental protection, etc. Such expenditures have been capitalised and included in the statement of financial position for 2013 FY. The expenditures incurred in mining activities were mainly for direct wages, materials, energy, transportation, depreciation and amortisation, etc. Such expenditures have been included in cost of sales and charged to the income statement for 2013 FY.

Save for the supplemental disclosures in this announcement, other information in the annual report for 2013 FY remains unchanged.

By Order of the Board
**Century Sunshine Group Holdings Limited**
**Chi Wen Fu**
*Chairman*

Hong Kong, 24 November 2014

*As at the date of this announcement, the directors of the Company are:*

| | |
|---|---|
| *Executive directors:* | *Mr. Chi Wen Fu, Mr. Shum Sai Chit, Ms. Chi Bi Fen and Mr. Yang Yuchuan* |
| *Non-executive director:* | *Mr. Guo Mengyong* |
| *Independent non-executive directors:* | *Mr. Kwong Ping Man, Mr. Sheng Hong and Mr. Lau Chi Kit* |