



世纪阳光

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

Century Sunshine Announces 2015 Interim Results Capacity Expansion through Acquisitions and Construction Two Core Businesses Maintained Stable Growth

- Revenue and profit attributable to owners of the Company in 1H2015 increased 30.6% and 44.4% year-on-year respectively
- Magnesium product and fertiliser businesses posted revenue growth of 21.1% and 30.9%, accounted for 31.5% and 60.4% of total revenue respectively

Financial Highlights

For the six months ended 30 Jun	2015 (HK\$ mn)	2014 (HK\$ mn)	Change
Revenue	1,204	922	+30.6%
Gross profit	388	309	+25.7%
Profit for the period	202	156	+29.7%
Profit attributable to owners of the Company	183	127	+44.4%
Basic earnings per share (HK cents)	4.61	3.62*	+27.3%
Gross margin	32.2%	33.5%	-1.3 ppt

*The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the issue of shares pursuant to open offer on 1 June 2015 and bonus issue on 29 June 2015.

(Hong Kong, 31 August, 2015) **Century Sunshine Group Holdings Limited** (Stock code: 00509.HK, “Century Sunshine”, together with its subsidiaries, collectively referred to as the “Group”), today is delighted to announce the Group’s unaudited interim results for the six months ended 30 June 2015 (the “Period”).

The Group’s two principal businesses – magnesium product and fertiliser, maintained steady growth during the Period. Total revenue of the Group increased by 30.6% to HK\$1,204,092,000 (2014: HK\$921,897,000). Gross profit margin recorded 32.2%, a drop of 1.3 percentage points, which was mainly attributable to relatively low margin of

the newly acquired electronic product business during the Period, leading to a diluted overall gross profit margin of the Group. Profit attributable to owners of the Company for the Period amounted to HK\$183,016,000 (2014: HK\$126,742,000), representing a year-on-year increase of 44.4%. Basic earnings per share was HK4.61 cents (2014: HK3.62 cents).

Magnesium Product Business

The Group's magnesium product business covers basic magnesium products and rare earth magnesium alloys. The segment maintained stable growth during the first half of 2015, and recorded a revenue of HK\$379,473,000 (2014: HK\$313,427,000), representing a year-on-year increase of 21.1%, and accounted for 31.5% of the total revenue of the Group (2014: 34.0%). The segment achieved an average gross margin of 34.9% (2014: 33.2%).

To seize opportunities arising from the rapid development of the industry, the Group enhanced production capacity through construction and acquisitions. Upon completion of Phase II expansion in 2016, the Group's annual capacity of magnesium production will be elevated to 75,000 tonnes from its current 25,000 tonnes, so as to maintain the segment's steady growth momentum.

During the Period, the Group successfully acquired a total of 51.88% shares of Group Sense (International) Limited ("Group Sense", Stock code: 00601.HK), which enables the Group to leverage on a separate listing platform to focus on its magnesium product business. The Group will further integrate the resources to accelerate its segment growth and production capacity expansion, as well as the development of industry chain model of a circular economy for magnesium products.

Fertiliser Business

The Group's fertiliser business covers two product categories – compound fertilisers and organic fertilisers. The segment maintained rapid growth during the first half of 2015 with a total segment revenue of HK\$727,344,000 (2014: HK\$555,675,000), representing a year-on-year increase of 30.9%, and accounted for 60.4% of the total revenue of the Group (2014: 60.3%).

Ecological fertilisers have been supported by the PRC government with implementation of domestic environmental protection policies over the years. In order to be in full compliance with the government's intensive promotion of sustainable new agricultural development, the Group is aggressively implementing a series of production capacity expansion plans. The Group's expansion project in Jiangsu Province with an annual capacity of 300,000 tonnes has commenced production in the first quarter of 2015. The annual capacity of fertiliser production is expected to reach 800,000 tonnes at the end of 2015 and one million tonnes by 2016.

In order to further expand the production scale of the Group's ecological fertiliser business, in July 2015, the Group announced its construction project of fertiliser production facilities in Ruichang City, Jiangxi Province. The construction consists of a

capacity of 1,400,000 tonnes with a self-owned cargo-handling terminal. Leveraging on the water and land transportation advantages of the city, the Group will be able to reduce transportation costs of raw materials and products while at the same time improve operation efficiency, and enhance the expansion of sales coverage as well as products' market penetration. The first phase is intended to set up fertiliser production facilities with an annual capacity of 800,000 tonnes and is scheduled to be completed within 3 years, while the second phase with an annual capacity of 600,000 tonnes is scheduled to be completed within 2 years after the completion of first phase.

Mr. Chi Wen Fu, Chairman and CEO of the Group said, "Capitalising on its advantages in patents and proprietary technologies ahead of its counterparts, and given its abundant reserves of quality raw materials, Century Sunshine achieved continuous and rapid growth during the first half of 2015. The acquisition of Group Sense serves as an important milestone of the Group in its intensive expansion of the magnesium business with a separate listing platform."

Mr. Chi added, "Looking forward to the second half of 2015, management has full confidence in sustaining its steady growth. Under favorable macro-environment conditions, Century Sunshine's two core businesses will continue to benefit from the support of domestic policies over the long term. The Group will further realise the goal of becoming one of the largest corporations in both magnesium and fertiliser markets through on-going capacity expansion by construction and acquisitions."

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About Century Sunshine Group Holdings Limited (Stock Code: 509.HK)

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 00509.

For more information, please visit the Company's website: <http://www.centurysunshine.com.hk>

Issued by **Financial PR (HK) Limited** for and on behalf of **Century Sunshine Group Holdings Limited**

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