



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 Annual Results

Stable Growth of Fertiliser & Magnesium Product Businesses Operational Enhancement of Group Sense through Business Restructuring and Stringent Cost Containment Extensive Capacity Expansion to Drive Future Growth

- 2015 annual revenue and gross profit increased 21.4% and 19.1% yoy respectively
- Profit for the year attributable to owners of the company increased 9.8% yoy*
- Fertiliser and magnesium product businesses posted 21.6% and 5.5% growth respectively in sales volume; 19.3% and 9.1% growth respectively in segment revenue

Financial Highlights

For the year ended 31 Dec HK\$ million	2015	2014	Changes
Revenue	2,516	2,073	+21.4%
Gross Profit	786	660	+19.1%
Profit for the Year*	342	340	+0.7%
Profit attributable to Owners of the Company*	303	288	+5.4%
Basic EPS (HK Cents)**	7.19	8.01	-10.2%
Gross Margin***	31.2%	31.8%	-0.6 ppt

*Excluding the operating losses of approximately HK\$24,685,000 incurred from the electronic product business of Group Sense acquired on 26 February 2015, profit for the year amounted to HK\$367 million, representing a yoy growth of 7.9%; and profit attributable to Owners of the Company recorded growth of 9.8% yoy

**Basic earnings per share has been adjusted pursuant to the open offer on 1 June 2015 and bonus issue on 29 June 2015

***Gross margin for the Year slightly decreased due to the relatively lower margin of the acquired electronic product business of Group Sense

(Hong Kong, 23 March, 2016) **Century Sunshine Group Holdings Limited** (Stock code: 509.HK, “Century Sunshine”, 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 2015 (the “Year”).

The Group maintained a relatively higher growth of business in 2015. Total revenue for the year increased by 21.4% to HK\$2,515,602,000 (2014: HK\$2,072,519,000) with a gross profit margin of 31.2%. If excluding the operating losses of approximately HK\$24,685,000 incurred from the acquired electronic product business of Group Sense, profit of the Year and profit attributable to owners of the company would increase 7.9% and 9.8% respectively.

During the Year, basic earnings per share was HK7.19 cents (2014: HK8.01 cents). The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share has been adjusted for issue of shares pursuant to open offer on 1 June 2015 and bonus issue on 29 June 2015. The board proposes the payment of a final dividend of HK1.3 cents for the Year (2014: HK0.5 cents).

Fertiliser Business

The Group has two competitive fertiliser products, including compound fertilisers and organic fertilisers. During the Year, the fertiliser product business contributed HK\$1,523,281,000 (2014: HK\$1,277,282,000) to the revenue of the Group, representing an increase of 19.3% year-on-year, accounting for 60.6% (2014: 61.6%) of the Group’s total revenue. The segment’s average gross profit margin reached 27.9% (2014: 27.1%).

The Group intends to build a fertiliser production line with an annual capacity of 1.4 million tonnes in Ruichang City, Jiangxi Province. The first phase of the new fertiliser production line with an annual capacity of 800,000 tonnes is scheduled to be completed in 2018, and the second phase with an annual capacity of 600,000 tonnes is scheduled to be completed in 2019. In the meantime, the Groups’ newly added capacity of 300,000 tonnes fertiliser commenced production in the production base of Jiangsu Province in the first quarter of 2015. The annual capacity is expected to reach 850,000 tonnes in 2016 through technology upgrade of existing production facilities. The overall capacity could reach over 2 million tonnes in the future including the newly expanded production capacity of 1.4 million tonnes at the Jiangxi production line. The Group will continue to proactively seek out appropriate M&A opportunities, so as to accelerate the rapid growth of its fertiliser business.

Magnesium Product Business

The magnesium products of the Group includes basic magnesium products and rare earth magnesium alloys. During the Year, the magnesium product business contributed HK\$760,502,000 (2014: HK\$696,904,000) to the revenue of the Group, representing an increase of 9.1% year-on-year, accounting for 30.2% (2014: 33.6%) of the Group’s total revenue. The segment’s average gross profit margin reached 34.2% (2014: 32.1%).

In order to further strengthen the Group's comparable advantages in the magnesium business and its competitiveness in the industry, the Group successfully acquired a total of 51.88% shares in Group Sense in early 2015, and acquired a magnesium product manufacturer located in Xinjiang Province through Group Sense in August 2015. Its two established production lines consist of annual production capacity of 15,000 tonnes magnesium ingot and 600,000 tonnes semi-coke respectively. The magnesium production line commenced production after trial runs in the first quarter of 2016. The authorized capacity of magnesium in Xinjiang production base is 60,000 tonnes, after the completion of its expansion, the total production capacity of magnesium of the Group is expected to reach 135,000 tonnes including the existing capacity in the future. The expansion of capacity could further enhance the market position of the Group in the magnesium industry, and accelerate the growth of the overall performance of the Group's magnesium business.

Mr. Chi Wen Fu, Chairman of the Group said, "The Group maintained steady growth in its two core businesses in 2015. Although its gross profit and net profit were diluted by the operating loss of the newly acquired electric product business of Group Sense, the Group applied rigid cost containment and significantly narrowed loss of Group Sense during the period. Moreover, Group Sense's magnesium production line has commenced production in the first quarter of 2016. The Group expects Group Sense's operating performance will be gradually improved and become the Group's growth driver in the near future."

"The Group will continue to implement the market strategy of product differentiation, focus on research, and develop more high-performance and high-value added products to cope with market demand, and thus reinforce its leading position in the high-end market. Meanwhile, the Group will continue to proactively seek appropriate M&A opportunities, continue capacity expansion and strive for the fulfillment of the strategic objective of becoming the leading corporation for both ecological fertilisers and magnesium businesses in China, ultimately bringing higher returns to shareholders." Mr. Chi concluded.

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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 0509.

About Group Sense (International) Limited (Stock Code: 601.HK)

Group Sense is principally engaged in design, manufacturing and sale of original design manufacturing products, electronic dictionary products and personal communication products, and the provision of electronic manufacturing services. Group Sense is the indirect subsidiary of **Century Sunshine Group Holdings Limited** (stock code: 509.HK). Century Sunshine owns 51.88% share equity of Group Sense. Leveraging on a separate listing platform of Group Sense, Century Sunshine can focus on the magnesium product business and in particular chain model of circular economy in magnesium and magnesium alloys related businesses. It is expected the business will become more focused and organised.”

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

Century Sunshine Group Holdings Limited
<http://www.centurysunshine.com.hk>

Group Sense (International) Limited
<http://www.gsl.com.hk>

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

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