

[PRESS RELEASE - FOR IMMEDIATE RELEASE]



世纪阳光

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

(Stock code: 509.HK)

**Acquisition of 50.5% equity interest in Hongri Acron, a renowned compound fertiliser manufacturer in the PRC**

**To satisfy the development strategy as to develop its fertiliser business to the national forefront**

(Hong Kong, 4 August, 2016) **Century Sunshine Group Holdings Limited** ("Century Sunshine" or the "Company", stock code: 509.HK, or together with its subsidiaries collectively referred to as the "Group"), is pleased to announce Long Xiang Enterprises Limited, its direct wholly-owned subsidiary of the Company, entered into the acquisition agreement with Prosperous Rich Holdings Limited ("Vendor") and Acronagrotrans Ltd. ("Target Company") (Vendor is wholly owned by Best Equity Holdings Limited, a company indirectly owned as to 47.17% by Mr. Yang Yuchuan, an Executive Director of the Group), on the acquisition of entire equity interest in Target Company which currently owns approximately 50.5% equity interest in Shandong Hongri Acron Chemical Joint Stock Company Ltd. ("Hongri Acron").

Hongri Acron, as formerly known as Shandong Hongri Chemical Joint Stock Company Ltd., was established in 1965 and is a joint stock limited liability company incorporated in the PRC. It is principally engaged in the fertilizer business in the PRC. Acron Group, the renowned fertilizer producer in Russia and worldwide with its shares listed on both Moscow Exchange and London Stock Exchange, invested in Hongri Acron in 2002, making Hongri Acron one of the three production facilities of Acron Group which mainly produces compound fertilizers for the PRC market.

Hongri Acron's plant and production facilities are located at Linyi City, Shandong Province, the PRC, with total area of approximately 632,000 square metres. Hongri Acron is one of the leading compound fertilizer manufacturers in the PRC, as at the date of the announcement, it has built 9 major production lines for the processing and production of compound fertilizers with an aggregate annual production capacity of approximately 820,000 tonnes. For each of the three years ended 31 December 2015 and the six months ended 30 June 2016, Hongri Acron sold approximately 834,000 tonnes, 737,000 tonnes, 614,000 tonnes and 245,000 tonnes of compound fertilizers at an average selling price of approximately RMB2,468,

RMB2,233, RMB2,246 and RMB2,112 per tonne for the respective periods.

Hongri Acron has extensive industry experience, strong product portfolio and vast market network, and its premium products and popular brands received wide recognition within PRC fertilizer industry. It ranked 375<sup>th</sup> among China Top 500 Chemical Industrial Enterprises in 2016 and ranked 75<sup>th</sup> among China Top 100 Fertilizer Corporations in 2015.

The Board believes that the acquisition is consistent with the development strategy of the Group, which can bring long-term strategic developmental benefits to the Group. By leveraging on the Group's established platform, the acquisition is expected to expedite the integration and expansion of the Group's core business and enhance interactions between products, markets and brands to achieve synergies that enables the Group to capture new opportunities in the fertiliser business and broaden its revenue stream. Secondly, upon the completion of the acquisition, the Group will obtain Yangyangtian (艷陽天) and Dongfanghong (東方紅) together with the extensive distribution network of Hongri Acron, which includes 8 regional offices and 31 trade offices, covering approximately 29 provinces and autonomous regions in the PRC, and a marketing team of more than 200 experienced sales personnel with in-depth knowledge and expertise in the fertiliser production industry. Last but not the least, Hongri Acron has strong and experienced technical team in fertilizer production and R&D, and it possessed a total of 5 self-invented patents in relation to the fertilizer production technology. The completion of the acquisition allows the Group to further enrich its product diversification, enhance its research and development capabilities, strengthen its market coverage and product penetration and expand its distribution footprints by sharing customer base and sales network for further strengthening its product supply within the fertiliser industry across China.

**Mr Chi Wen Fu, Chairman of the Group** said, "We are pleased to announce the acquisition of Hongri Acron which satisfies the development strategy and positioning of the Group, as our vision is to continue to expand the operating scale and enhance the growth of fertiliser business. Leveraging on Hongri Acron's strong brand names, extensive sales network and favourable government industry policies of the PRC, the Group's fertiliser business growth will be further accelerated, and the Group continues looking for potential and valuable investment opportunities to expand our business and profit growth."

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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 Main Board of the Hong Kong Stock Exchange on 1 August 2008 with stock code of 509.HK. In February 2015, the Group successfully acquired Group Sense (International) Limited (601.HK), currently holding approximately 51.88% shares.

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

<http://www.centurysunshine.com.hk>

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