



世紀陽光

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

(Stock code: 509.HK)

Century Sunshine Announces 2019 Annual Results

“Relocation to Park from City” of Shandong Hongri has been Successfully Launched

Optimising Product Mix by Leveraging on Brand Advantages

(Hong Kong, 1 April, 2020) **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 the annual results of the Group for the year ended 31 March 2020 (the “Year”).

During the Year, the Group recorded revenue of HK\$4,314,420,000 and the overall gross profit margin was stable. Revenue from the fertiliser business for the Year amounted to HK\$2,735,195,000, representing a year-on-year decrease of 10.4%. It was mainly attributable to the reduced production in Shandong Hongri production base due to the launch of “Relocation to Park from City”.

The magnesium product business held by the Group through REMT (601.HK) for the Year recorded revenue of HK\$1,515,291,000. REMT’s Profit after tax was HK\$209,732,000 and its core profitability has been improved. The Board of REMT recommended the dividend of HK0.60 cents per share.

Ecological Fertiliser Business

The production was transferred from Shandong Hongri to two production bases of Jiangsu and Jiangxi

Shandong Hongri Chemical Joint Stock Company, Ltd. (“Shandong Hongri”), a subsidiary of Century Sunshine Group implemented the “Relocation to Park from City” in 2019. Under the requirement of the policy from Shandong Provincial Government, its production volume will be taken over by the Group’s Jiangxi and Jiangsu production bases respectively. The Group strategically reformulated customer orders in the corresponding production bases and adjusted its production plan, to ensure the achievement of the Group’s overall production and sales targets and to satisfy the customers’ demand. The Company expects to benefit from the potential appreciation of the value of the land after the change of land use with an extraordinary income. Therefore, management is of the view that the implementation of the “Relocation to Park from City” by Shandong Hongri did not give rise to any material and adverse impact to the operation of the Group, and the significant increase in the value of the land will contribute an appreciation of the Company’s assets.

Leveraging on brand recognition

During the Year, Jiangsu production base successfully expanded and built a production line of 200,000 tonnes Hongri type sulphur-based compound fertiliser through upgrading technology, which originated from the patent technology of spray granulation, which is derived from Shandong Hongri, best known as “Father of China’s sulphur-based fertiliser”. As for a leader of compound fertiliser industry in the PRC, Shandong Hongri has made great contribution to fertiliser industry and agricultural development in the PRC, by replacing of single-nutrient fertiliser to with compound fertiliser and benefits the whole population..

The brand reputation for “Yanyangtian (豔陽天)”, “Le He He (樂呵呵)” has been further raised. During the year, “Yanyangtian (豔陽天)” was rewarded as “China’s Best Efficiency Fertiliser Brand (中國增效肥料優秀品牌)”, and it’s brand influence and stable product quality were well-known in China’s agricultural market.

The Group’s fertiliser business comprised two production bases in Jiangsu and Jiangxi and three sales companies. The fertiliser sales network covers strategic markets across the nation. The Group continues to promote the synergy development of research and production, drive high-quality development through upgrading technology and innovation, enhance the corporate’s core competitiveness, and provide diversified, high-quality, and efficient green fertiliser products to the market.

Magnesium Product Business

The Group engages in its magnesium product business through Rare Earth Magnesium Technology Group Holdings Limited (“REMT”). The Group proactively explored new customers provided various product resolutions to its customers and differentiated products which have been well recognised by customers. In September 2019, the Group’s magnesium product was recognized by Alunorf, the biggest aluminum processing company of the world. The Group will optimize its customer bases by increasing the proportion of large customers, and continue to entrench its foundation and to drive of magnesium business at a high speed.

Disclaimer

The auditing process for the annual results for the year ended 31 December 2019 has not been completed due to restrictions in force in parts of China to combat the COVID-19 coronavirus outbreak. The financial information contained herein in respect of this press release, which is extracted from the annual results announcement of the Group, has not been agreed with the auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Group.

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

The Group was listed in the Hong Kong Stock Exchange with stock code 509.HK. It mainly engages in ecological fertilisers and magnesium products business with vertical integration of production to research and development. The Group owns brand recognition in both compound fertiliser and organic fertiliser markets in China and extensive sales network. Brand names include but not limited to “Yanyangtian (艷陽天)”, “Le He He (樂呵呵)” and “Feng Shou (豐收)”. The magnesium business is operated by Rare Earth Magnesium Technology Group Holdings Limited (“REMT”, stock code: 601.HK), which mainly includes basic magnesium products and rare earth magnesium alloy products. It specializes in the research and development as well as production and sales of the rare earth magnesium alloy products.

For Immediate Release

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

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