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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

The board of directors (the "Board" or the "Director(s)") of Century Sunshine Group Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015 together with comparative figures for the year ended 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	**2015** *HK$'000*	2014 *HK$'000*
Revenue	*3*	**2,515,602**	2,072,519
Cost of sales		**(1,729,567)**	(1,412,575)
Gross profit		**786,035**	659,944
Other income and gains	*5*	**42,799**	15,055
Selling and marketing costs		**(113,406)**	(103,116)
Administrative expenses		**(139,598)**	(63,302)
Realised and unrealised gain on investments held for trading		**6,875**	3,291
Share of profits and losses of joint ventures		**1,760**	–
Impairment of investment in a joint venture		**(180)**	–
Share of profits and losses of associates		**(4)**	–
Finance costs	*6*	**(87,390)**	(44,186)
Profit before income tax		**496,891**	467,686
Income tax expense	*7*	**(155,006)**	(128,045)
Profit for the year	*8*	**341,885**	339,641

	Notes	**2015** **HK$'000**	2014 HK$'000
Other comprehensive expenses, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Net loss arising on revaluation of available-for-sale investment during the year		**(22,012)**	(112,062)
Exchange differences arising from translation of foreign operations		**(141,958)**	(54,770)
Other comprehensive expenses for the year, net of income tax		**(163,970)**	(166,832)
Total comprehensive income for the year		**177,915**	172,809
Profit for the year attributable to:			
Owners of the Company		**303,489**	287,910
Non-controlling interests		**38,396**	51,731
		341,885	339,641
Total comprehensive income for the year attributable to:			
Owners of the Company		**162,596**	153,187
Non-controlling interests		**15,319**	19,622
		177,915	172,809
			(restated)
Earnings per share:			
– basic	*10(a)*	**7.19 cents**	8.01 cents
– diluted	*10(b)*	**7.07 cents**	7.79 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Land use rights		**172,739**	140,986
Property, plant and equipment		**1,863,009**	1,442,559
Investment properties		**125,436**	134,612
Goodwill		**197,144**	–
Intangible assets		**1,674**	80
Mining rights		**512,075**	549,498
Payment for acquisition of patents		**53,703**	56,237
Deposits for acquisition of property, plant and equipment		**10,688**	35,089
Investments in joint ventures		**4,290**	–
Investment in an associate		**18**	–
Available-for-sale investments		**116,418**	–
		3,057,194	2,359,061
Current assets			
Available-for-sale investments		**10,842**	30,391
Inventories		**248,241**	181,400
Land use rights		**4,420**	3,400
Trade and other receivables, prepayments and deposits	*11*	**607,036**	383,779
Income tax recoverable		**1,826**	–
Investments held for trading		**38,726**	9,900
Derivative financial assets		**7**	243
Amount due from a joint venture		**885**	–
Deposits with banks		**263,260**	86,351
Cash and cash equivalents		**1,189,255**	742,431
		2,364,498	1,437,895
Less: Current liabilities			
Trade and other payables	*12*	**356,592**	311,465
Income tax payable		**31,670**	33,186
Borrowings		**152,810**	303,696
Convertible bonds		**198,335**	117,193
		739,407	765,540
Net current assets		**1,625,091**	672,355
Total assets less current liabilities		**4,682,285**	3,031,416

	Notes	**2015**	2014
		HK$'000	*HK$'000*
Less: Non-current liabilities			
Convertible bonds		**–**	177,687
Deferred revenue		**69,552**	70,333
Borrowings		**1,153,062**	291,718
Deferred tax liabilities		**116,333**	125,037
		1,338,947	664,775
Net assets		**3,343,338**	2,366,641
Capital and reserves attributable to owners of the Company			
Share capital		**101,986**	67,910
Reserves		**2,845,320**	2,142,863
		2,947,306	2,210,773
Non-controlling interests		**396,032**	155,868
Total equity		**3,343,338**	2,366,641

Notes:

1. GENERAL INFORMATION

Century Sunshine Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") are principally engaged in fertiliser business, magnesium product business, metallurgical flux business and electronic product business.

The Company was incorporated in the Cayman Islands on 21 January 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. On 17 February 2004, the Company's shares were listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and were withdrawn from the GEM Board on 31 July 2008. Since 1 August 2008, the Company's shares have been listing on the Main Board of the Stock Exchange. In the opinion of the directors, the ultimate holding company of the Company is Alpha Sino International Limited, a company incorporated in the British Virgin Islands.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied a number of amendments to HKFRSs issued by Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are mandatorily effective for an accounting period that begins on or after 1 January 2015.

Amendments to HKAS 19 Defined Benefits Plans: Employee Contributions
Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements to HKFRSs 2011-2013 Cycle

The adoption of the above revised standards and interpretation has had no significant financial effect on these financial statements.

The nature and the impact of each amendment is described below:

Amendments to HKAS 19

Defined Benefit Plans: Employee Contributions

The amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

Annual Improvements to HKFRSs

2010–2012 Cycle and 2011–2013 Cycle

The Group has applied the amendments to HKFRSs included in the Annual Improvements to HKFRSs 2010–2012 Cycle and 2011-2013 Cycle for the first time in the current year. One of the annual improvements requires entities to disclose judgements made by management in applying the aggregation criteria set out in paragraph 12 of HKFRS 8 Operation Segments. The Group has aggregated several operating segments into a single operating segment and made the required disclosures in Note 4 in accordance with the amendments. The application of the other amendments has had no impact on the disclosures or amounts recognised in the Group's consolidated financial statements.

Save as described above, the application of the above new and revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") issued by the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap.622) during the reporting period. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRS 9	Financial Instruments[2]
Amendments to HKFRS 10, and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations[1]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27 (2011)	Equity Method in Separate Financial Statements[1]
Annual Improvements to HKFRSs 2012-2014 Cycle	Amendments to a number of HKFRSs[1]

[1] Effective for annual periods beginning on or after 1 January 2016

[2] Effective for annual periods beginning on or after 1 January 2018

[3] Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 therefore is not applicable to the Group

[4] No mandatory effective date is determined but is available for early adoption

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b)limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9:

- all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss;

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss;

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised; and

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company is in the process of making an assessment of the potential impact of the application of 2014 Revised HKFRS 9 and it is not practicable to provide a reasonable estimate of the effect of 2014 Revised HKFRS 9 until the Group performs a detailed review.

HKFRS 15 *Revenue from Contracts with Customers*

In May 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.

- Step 2: Identify the performance obligations in the contract.

- Step 3: Determine the transaction price.

- Step 4: Allocate the transaction price to the performance obligations in the contract.

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e.when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Amendments to HKFRS 11 ***Accounting for Acquisitions of Interests in Joint Operations***

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 12 Income Taxes regarding the recognition of deferred taxes at the time of acquisition and HKAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments should be applied prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute business as defined in HKFRS 3) occurring from the beginning of annual periods beginning on or after 1 January 2016. The directors of the Company anticipate that the application of these amendments to HKFRS 11 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to HKAS 1 ***Disclosure Initiative***

The amendments to HKAS 1 give some guidance on how to apply the concept of materiality in practice.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKAS 1 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 ***Clarification of Acceptable Methods of Depreciation and Amortisation***

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) when the intangible asset is expressed as a measure of revenue; or

(b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 41 ***Agriculture: Bearer Plants***

The amendments to HKAS 16 and HKAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

The directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 41 will have a material impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

Amendments to HKFRS 10 and HKAS 28 ***Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments to HKFRS 10 and HKAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The amendments should be applied prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. The directors of the Company anticipate that the application of these amendments to HKFRS 10 and HKAS 28 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 ***Investment Entities: Applying the Consolidation Exception***

The amendments to HKFRS 10, HKFRS 12 and HKAS 28 clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with HKFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

The directors of the Company do not anticipate that the application of these amendments to HKFRS 10, HKFRS 12 and HKAS 28 will have a material impact on the Group's consolidated financial statements as the Group is not an investment entity and does not have any holding company, subsidiary, associate or joint venture that qualifies as an investment entity.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in HKFRS 5 regarding the change of sale plan do not apply. The amendments also clarifies the guidance for when held-for-distribution accounting is discontinued.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high qualify corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

3. REVENUE

The Group is principally engaged in fertiliser business, magnesium product business, metallurgical flux business and electronic product business. An analysis of the Group's revenue for the year is as follows:

	2015	2014
	HK$'000	*HK$'000*
Sales of fertiliser products	**1,523,281**	1,277,282
Sales of magnesium products	**760,502**	696,904
Sales of metallurgical flux products	**72,913**	98,333
Sales of electronic products	**158,906**	–
	2,515,602	2,072,519

4. SEGMENT INFORMATION

Information reported to the Company's Chief Executive Officer, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the operating divisions. The Group's operating and reportable segments under HKFRS 8 are therefore as follows:

– Fertiliser business

– Magnesium product business

– Metallurgical flux business

– Electronic product business

Information regarding the Group's reportable segments is presented below.

Segment Revenue and Results

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 31 December 2015:

	Fertiliser business *HK$'000*	Magnesium product business *HK$'000*	Metallurgical flux business *HK$'000*	Electronic product business *HK$'000*	Total *HK$'000*
Segment revenue	**1,523,281**	**760,502**	**87,070**	**158,906**	**2,529,759**
Inter-segment revenue	**–**	**–**	**(14,157)**	**–**	**(14,157)**
Revenue from external customers	**1,523,281**	**760,502**	**72,913**	**158,906**	**2,515,602**
Segment results	**368,606**	**258,087**	**27,952**	**(650)**	**653,995**
Other income and gains		**7,182**			**49,495**
Central administrative costs					**(120,964)**
Gain on disposal of a subsidiary					**179**
Share of profit and losses of joint ventures					**1,760**
Impairment of investment in a joint venture					**(180)**
Share of profits and losses of associates					**(4)**
Finance costs					**(87,390)**
Profit before income tax					**496,891**

For the year ended 31 December 2014:

	Fertiliser business *HK$'000*	Magnesium product business *HK$'000*	Metallurgical flux business *HK$'000*	Total *HK$'000*
Segment revenue	1,277,282	696,904	113,766	2,087,952
Inter-segment revenue	–	–	(15,433)	(15,433)
Revenue from external customers	1,277,282	696,904	98,333	2,072,519
Segment results	308,662	224,540	23,626	556,828
Other income and gains				15,055
Central administrative costs				(60,011)
Finance costs				(44,186)
Profit before income tax				467,686

Segment revenue reported above represents revenue generated from external customers. Inter-segment transactions are entered into at arm's length.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of central administrative costs including directors' emoluments, other income and gains, gain on disposal of a subsidiary, share of profit and losses of joint ventures, impairment of investment in a joint venture, share of profits and losses of associates, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment Assets and Liabilities

The segment assets and liabilities as at 31 December 2015 and capital expenditure for the year then ended by reportable segments are as follows:

	Fertiliser business *HK$'000*	**Magnesium product business** *HK$'000*	**Metallurgical flux business** *HK$'000*	**Electronic product business** *HK$'000*	**Total segments** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Segment assets	**954,080**	**1,772,216**	**692,714**	**210,163**	**3,629,173**	**1,792,519**	**5,421,692**
Segment liabilities	**124,189**	**605,048**	**155,686**	**239,308**	**1,124,231**	**954,123**	**2,078,354**
Capital expenditure	**145,118**	**61,593**	**19,249**	**1,808**	**227,768**	**582**	**228,350**

The segment assets and liabilities as at 31 December 2014 and capital expenditure for the year then ended by reportable segments are as follows:

	Fertiliser business *HK$'000*	Magnesium product business *HK$'000*	Metallurgical flux business *HK$'000*	Total segments *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Segment assets	753,405	1,243,504	744,287	2,741,196	1,055,760	3,796,956
Segment liabilities	236,803	514,503	175,960	927,266	503,049	1,430,315
Additions to non-current assets	220,358	406,621	55,891	682,870	1,453	684,323

For the purposes of monitoring segment performance and allocating resources between segments:

– all assets are allocated to reportable segments other than investment properties, deposits with banks, cash and cash equivalents and other assets for corporate use which including property, plant and equipment, intangible assets and other receivables; and

– all liabilities are allocated to reportable segments other than borrowings for corporate use and other payables.

Capital expenditure comprises additions to property, plant and equipment and deposits for acquisition of property, plant and equipment. Except for the additions to certain property, plant and equipment for administrative purposes, all the capital expenditure was allocated to segments.

Other Segment Information

For the year ended 31 December 2015:

	Fertiliser business *HK$'000*	Magnesium product business *HK$'000*	Metallurgical flux business *HK$'000*	Electronic product business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Depreciation of property, plant and equipment and investment properties	**43,785**	**11,731**	**10,428**	**5,945**	**6,996**	**78,885**
Amortisation of land use rights, mining rights and intangible assets	**226**	**2,197**	**13,808**	**904**	**377**	**17,512**
Impairment of deferred development costs	**–**	**–**	**–**	**600**	**–**	**600**
Impairment of inventories	**–**	**–**	**–**	**2,374**	**–**	**2,374**
Product warranty provision	**–**	**–**	**–**	**249**	**–**	**249**
Reversal of impairment of trade receivables	**–**	**–**	**–**	**(229)**	**–**	**(229)**
Impairment of trade receivables	**–**	**–**	**–**	**206**	**–**	**206**
Gain on disposal of property, plant and equipment	**–**	**(169)**	**(37)**	**(2)**	**(82)**	**(290)**
Realised and unrealised gain on investments held for trading	**–**	**–**	**–**	**–**	**(6,875)**	**(6,875)**
Income tax expense	**89,040**	**57,386**	**5,643**	**(37)**	**2,974**	**155,006**

For the year ended 31 December 2014:

	Fertiliser business *HK$'000*	Magnesium product business *HK$'000*	Metallurgical flux business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Depreciation of property, plant and equipment and investment properties	35,950	10,306	10,434	5,046	61,736
Amortisation of land use rights, mining rights and intangible assets	229	2,401	13,300	319	16,249
(Gain)/loss on disposal of property, plant and equipment	(44)	–	320	(200)	76
Realised and unrealised gain on investments held for trading	–	–	–	3,291	3,291
Income tax expense	74,735	48,858	4,307	145	128,045

Geographical Information

During the years ended 31 December 2015 and 2014, the Group mainly operated in the PRC and most of the Group's revenue are derived from the PRC and most of non-current assets of the Group are located in the PRC as at 31 December 2015 and 31 December 2014. No analysis of the Group's result and assets by geographical area is disclosed.

Information about Major Customers

No information about major customers is presented as no single customer contributed over 10% of the total revenue of the Group during the years ended 31 December 2015 and 2014.

5. OTHER INCOME AND GAINS

	2015 ***HK$'000***	2014 *HK$'000*
Interest income	**12,094**	8,544
Dividend income	**200**	292
Rental income	**–**	4,766
Sundry income	**7,692**	361
Sales of scrap materials	**11,679**	1,092
Service fee income	**3,773**	–
Provisional gain on bargin purchase	**7,182**	–
Gain on disposal of a subsidiary	**179**	–
	42,799	15,055

6. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest expenses on convertible bonds	**37,703**	23,157
Interest expenses on listed subordinated notes	**27,835**	–
Interest on borrowings wholly repayable within 5 years	**14,086**	16,319
Interest on borrowings wholly repayable after 5 years	**17,390**	6,729
Total borrowing costs	**97,014**	46,205
Less: amount capitalised in the cost of qualifying assets	**(9,624)**	(2,019)
	87,390	44,186

7 INCOME TAX EXPENSE

The amount of income tax expense charged/(credited) to the consolidated statement of profit or loss and other comprehensive income represents:

	2015	2014
	HK$'000	*HK$'000*
Current tax		
– Hong Kong Profits Tax	**2,974**	–
– PRC Enterprise Income Tax	**155,474**	131,278
– Others	**13**	–
	158,461	131,278
Deferred taxation	**(3,455)**	(3,233)
	155,006	128,045

(a) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the years ended 31 December 2015 and 2014. No tax is payable on the profit for 2014 arising in Hong Kong since assessable profit is wholly absorbed by tax losses brought forward.

(b) The PRC Enterprise Income Tax

The PRC Enterprise Income Tax is calculated at 25% on the estimated assessable profits arising in the PRC for the years ended 31 December 2015 and 2014.

8. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	2015	2014
	HK$'000	*HK$'000*
Wages and salaries	**185,686**	90,813
Share options granted to directors and employees	**2,528**	2,082
Payment to defined contribution retirement plans	**7,038**	1,887
Total staff costs (including directors' emoluments)	**195,252**	94,782
Auditors' remuneration	**1,408**	1,028
Depreciation and amortisation	**96,397**	77,985
Net (gain)/loss on disposal of property, plant and equipment	**(290)**	76
Realised gain on investments held for trading	**(2,196)**	(166)
Unrealised gain on investments held for trading	**(4,679)**	(3,125)
Cost of inventories recognised as an expense	**1,524,007**	1,256,519
Operating lease rentals in respect of land and buildings	**3,005**	2,614
Impairment of investment in a joint venture	**180**	–
Impairment of deferred development costs	**600**	–
Impairment of inventories	**2,374**	–
Product warranty provision	**249**	–
Reversal of impairment of trade receivables	**(229)**	–
Impairment of trade receivables	**206**	–
Research and development expenses	**18,634**	–
Provisional gain on bargain purchase	**(7,182)**	–

9. DIVIDEND

	2015	2014
	HK$'000	*HK$'000*
Proposed final dividend of 1.3 HK cents (2014: 0.50 HK cents) per ordinary share	**59,774**	14,528

The proposed final dividend is to be approved by the shareholders at the annual general meeting of the Company to be held on 19 May 2016.

	2015	2014
	HK$'000	*HK$'000*
Dividend recognised as distribution during the year:		
2014 final dividend declared and paid of 0.50 HK cents (2013: 2.00 HK cents) per ordinary share	**21,797**	56,201

Bonus issue of 217,967,890 ordinary shares was distributed on the basis of 1 new share for every 20 existing ordinary shares.

(1) On 23 March 2015, 600,000 ordinary shares were issued pursuant to the exercise of share options and (2) on 1 June 2015, 1,453,119,268 ordinary shares were issued pursuant to the Open Offer, details of which are set out in the Prospectus of the Company dated 8 May 2015, before the record date of the final dividend for the year ended 31 December 2014, i.e. 17 June 2015. As such, final dividend paid was more than the proposed dividend for the year ended 31 December 2014.

10. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

The weighted average number of ordinary shares for the purpose of basic and diluted 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. Accordingly, the basic and diluted earnings per share for the year ended 31 December 2014 have been restated.

	2015	2014 (restated)
Profit for the year attributable to owners of the Company (HK$'000)	**303,489**	287,910
Weighted average number of ordinary shares in issue (thousand shares)	**4,219,571**	3,593,967
Basic earnings per share (HK cents per share)	**7.19**	8.01

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and convertible bonds.

For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The Company's outstanding convertible bonds were not included in the calculation of diluted earnings per share because the effect of which were anti-dilutive.

	2015	2014 (restated)
Profit for the year attributable to owners of the Company (HK$'000)	**303,489**	287,910
Weighted average number of ordinary shares in issue (thousand shares)	**4,219,571**	3,593,967
Adjustment for share options (thousand shares)	**72,364**	100,216
Weighted average number of ordinary shares for diluted earnings per share (thousand shares)	**4,291,935**	3,694,183
Diluted earnings per share (HK cents per share)	**7.07**	7.79

11. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**472,719**	314,934
Impairment	**(206)**	–
	472,513	314,934
Bills receivables	**4,597**	28,641
Prepayments and deposits	**90,394**	30,619
Other receivables	**34,075**	7,310
Deposits placed with financial institutions	**5,457**	2,275
	607,036	383,779

As at 31 December 2015, the ageing analysis of the trade receivables of the Group presented based on the invoice date was as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**153,993**	142,784
31 to 60 days	**134,466**	87,955
61 to 90 days	**148,799**	64,703
Over 90 days	**35,255**	19,492
	472,513	314,934

12. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**104,520**	135,831
Receipts in advance	**33,358**	45,368
Provision	**945**	–
Accruals and other payables	**217,769**	130,266
	356,592	311,465

As at 31 December 2015, the ageing analysis of trade payables of the Group presented based on the invoice date was as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**83,409**	72,395
31 to 60 days	**5,127**	21,691
61 to 90 days	**5,694**	36,083
Over 90 days	**10,290**	5,662
	104,520	135,831

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group maintained a relatively higher growth of business in 2015. Total revenue for the year ended 31 December 2015 (the "Year") increased by 21.4% to HK$2,515,602,000 (2014: HK$2,072,519,000). The gross profit margin was 31.2% (2014: 31.8%). The overall decrease in the gross profit margin of the Group is mainly due to the amortisation of the relatively lower gross profit margin of the electric product business of Group Sense (International) Limited (Stock code: 601) ("Group Sense") which was acquired during the year. Fertiliser business and magnesium product business, the two core businesses of the Group recorded growth during the Year. Revenue of the fertiliser business contributed to approximately HK$1,523,281,000 for 2015 (2014: HK$1,277,282,000), accounting for approximately 60.6% (2014: 61.6%) of the Group's total revenue, and representing an increase of 19.3% year-on-year, while revenue of the magnesium product business reached approximately HK$760,502,000 for 2015 (2014: HK$696,904,000), accounting for approximately 30.2% (2014: 33.6%) of the Group's total revenue, and representing an increase of 9.1% as compared to 2014.

Fertiliser Business

The Group has two competitive fertiliser products, including compound fertilisers and organic fertilisers. For the year ended 31 December 2015, the fertiliser product business contributed HK$1,523,281,000 (2014: HK$1,277,282,000) to revenue of the Group, representing an increase of 19.3% year-on-year, and carrying an average gross profit margin of 27.9% (2014: 27.1%).

In order to achieve the strategic objective of developing its fertiliser business of the Group to the national forefront, the Company keeps expanding its production scale. In July 2015, the Group acquired a land covering an area of 800 acres within an industrial park in Ruichang City of the People's Government of Jiangxi Province, on which, the Group intended to build a fertiliser production line with an annual capacity of 1.4 million tonnes of fertilisers, a self-owned cargo-handling terminal and the auxiliary facilities. The new production capacity of 1.4 million tonnes is primarily established for the Si-Mg compound fertiliser, water-soluble fertiliser and other new fertiliser products. Ruichang City, the location of the new production base, is an important industrial city of Jiangxi Province, adjacent to three coastal economic circles (the Yangtze River Delta, the Pearl River Delta, and Southeastern part of Fujian), bordering the south shore of the Yangtze River, and connecting two major railway networks including Beijing – Kowloon Railway and the Beijing – Guangzhou Railway, representing the convenience of water and land transportation. In addition, the Company utilized advanced technology on its new fertiliser production line, and thanks to the convenient adjacent water and land transportation, the cost of transportation and production could be reduced significantly. 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. The construction and enhancement of the project will cover the southern market and complement and match with the northern market of such products covered by the Jiangsu production base, which contributes to the further development of sales network of the Group and enhance our client-base coverage.

The new capacity of 300,000 tonnes fertiliser has 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 be reached over 2 million tonnes in the future including the newly expanded production capacity of 1.4 million tonnes in Jiangxi production base. The Group will continue to proactively seek for appropriate merger and acquisition opportunities, so as to accelerate the rapid growth of its fertiliser business.

Magnesium Product Business

The magnesium products of the Group included basic magnesium products and rare earth magnesium alloys. For the year ended 31 December 2015, the magnesium product business contributed HK$760,502,000 (2014: HK$696,904,000) to revenue of the Group, representing an increase of 9.1% year-on-year, and carrying an average gross profit margin of 34.2% (2014: 32.1%).

In order to further strengthen the Group's comparable advantage in the magnesium business and its competitiveness in the industry, the Company successfully acquired a total of 51.88% shares in Group Sense in early 2015, and through this independent listing platform, the Company vigorously expanded and implemented the magnesium business development plan. In August 2015, Group Sense announced the acquisition of a magnesium product manufacturer located in Xinjiang Province, and built the annual production capacity of 1.2 million tonnes of semi-coke, 60,000 tonnes of magnesium ingot and 100,000 tonnes of ferroalloy, as approved by the Chinese government. 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 has commenced production after trial run in the first quarter of 2016. This acquisition facilitates the resource integration of the Group, and also encourages the Group to achieve the strategic goal to become the leading magnesium enterprise in China and the world.

The total production capacity of magnesium is expected to reach 135,000 tonnes in the future, aggregating the expansion of the authorized production capacity of 60,000 tonnes in the production base in Xinjiang and the existing production capacity. 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.

Other Businesses

The metallurgical flux and electronic products are the Group's secondary businesses. The superb quality serpentine reserves not only provide a key raw material to produce Si-Mg fertilisers, but also serve as an indispensable source of auxiliary material for iron and steel smelting. The Group sells a manageable amount of serpentine to major domestic steel enterprises for stable income, with prerequisite of an adequate and steady supply of raw material for the production of Si-Mg fertilisers.

Outlook

In pace with the vigorous impetus to energy conservation, environmental protection and emission reduction, the Group will seize the opportunity to develop ecological fertiliser and the new magnesium alloy material. Despite of slowdown of domestic economic growth, the management has confidence on the business with its competitiveness by leveraging on the advantages on resources and differentiated products in the market. The Group will devote the best efforts in achieving further business development in a prudent way.

In 2016, 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 the market demand, and thus reinforce its leading position in the high-end market. Meanwhile, the Group will continue to proactively seek for appropriate merger and acquisition opportunities, continue the expansion of capacity, and strive for the fulfillment of the strategic objective to becoming the leading corporation for both ecological fertiliser and magnesium businesses in China, ultimately bringing higher return to shareholders.

Key Operational Data

Unaudited key operational data for the year ended 31 December 2015, together with the comparative figures for the corresponding period in 2014, is as follows. Main businesses listed below contributed over 90% of the Group's total revenue for the year ended 31 December 2015.

(a) *Sales volume of major products:*

	Year		
	2015	2014	Increased
	Tonnes	Tonnes	%
Fertiliser business	**661,748**	544,356	21.6
Magnesium product business	**24,031**	22,783	5.5

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

	Year		Increased/
	2015	2014	(Decreased)
	per tonne	per tonne	%
	HK$	*HK$*	
Fertiliser business	**2,301**	2,343	(1.8)
Magnesium product business	**30,806**	29,322	5.1

(c) Gross profit margins of major products:

	Year		Increased/ (Decreased)
	2015	2014	Percentage
	%	%	points
Fertiliser business	**27.9**	27.1	0.8
Magnesium product business	**34.2**	32.1	2.1
The Group's gross profit margin	**31.2**	31.8	(0.6)

Revenue

Total revenue of the Group in 2015 amounted to approximately HK$2,515,602,000 (2014: approximately HK$2,072,519,000), representing a growth of about 21.4%. During the year, the sale quantities for fertilisers business and magnesium products business have increased by 21.6% and 5.5% respectively.

Cost of Sale

Cost of sales for 2015 amounted to approximately HK$1,729,567,000 (2014: HK$1,412,575,000), an increase of around 22.4% over last year. Among which, approximately 91.9% (2014: 98.4%) are attributable to fertiliser business and magnesium product business. Cost of sales mainly comprised of material cost and utilities cost.

Gross Profit

Consolidated gross profit for 2015 was approximately HK$786,035,000 (2014: HK$659,944,000), surged by approximately 19.1%. The Group managed to further improve product structure, optimized product mix, thereby improving the gross profit margin of the Group's principal business, i.e. the fertilisers business and magnesium business. However, the electronic business acquired during the year has a relatively lower gross profit margin, resulting in the slight decrease in the Group's consolidated gross profit margin from 31.8% to 31.2%.

Selling and Marketing Costs

Selling and marketing costs were approximately HK$113,406,000(2014: HK$103,116,000), represents an year-on-year increase of approximately 10.0%. Selling and marketing costs mainly comprised of transportation, salaries and commission.

Administrative Expenses

During the year, administrative expenses of the Group were approximately HK$139,598,000 (2014: HK$63,302,000), representing approximately 5.5% (2014: approximately 3.1%) of the total revenue. Such expenses mainly include staff remuneration, depreciation and amortisation expenses, audit and professional fees and occupancy costs. Increase in administrative expenses was mainly due to the acquisition of Group Sense, whose administrative and R&D expenses of electronic products business amounted to approximately HK$63,462,000. Nevertheless, the Group was still able to effectively control such expenses.

Other Income and Gains

Other income and gains amounted to approximately HK$42,799,000 (2014: HK$15,055,000), increased by 184.3%, which mainly comprised of interest income and sales of scrap materials amounting to approximately HK$12,094,000 and HK$11,679,000 respectively.

Margin

Profit for the year amounted to approximately HK$341,885,000 (2014: approximately HK$339,641,000), representing an increase of approximately 0.7% year-on-year, including the operating losses of approximately HK$24,685,000 incurred from the electronic product business of Group Sense acquired on 26 February 2015. If excluding such losses, our core businesses of the fertiliser and magnesium product business recorded a profit for the year of approximately HK$366,570,000, representing a year-on-year increase of approximately 7.9%. Profit attributable to owners of the Company for the year amounted to HK$303,489,000 (2014: HK$287,910,000), increased by approximately 5.4% on a year-on-year basis. If excluding the abovementioned operating losses of the newly acquired item, the year-on-year increase would be approximately 9.8%. The Group strives to strictly control its costs, implement business reorganization and injection of new projects with long-term growth potential. The operating results of Group Sense is expected to be improved and enhanced in the coming year, which will bring positive contribution to the Group.

The basic earnings per share was 7.19 HK cents (2014: 8.01 HK cents). The weighted average number of ordinary shares for the purpose of basic and diluted 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.

LIQUIDITY, LIABILITIES AND FINANCIAL RESOURCES

The Group's liquidity in 2015 was mainly derived from cash generated from business operations and financing activities during the year. As at 31 December 2015, total amount of cash and bank balances of the Group was approximately HK$1,452,515,000 (2014: HK$828,782,000).

As at 31 December 2015, the Group's total borrowings increased by approximately 69.0% as compared to 2014, while net current assets increased by approximately 141.7% as compared to 2014. The Group's gearing ratio (calculated by total borrowings over total assets) was approximately 27.7% in 2015 (2014: 23.4%).

The Group's existing cash resources together with the steady cash flows generated from business activities are sufficient to meet its business needs.

EXCHANGE RATE RISK MANAGEMENT

The Group mainly operates in the People's Republic of China (the "PRC") and Hong Kong and is exposed to foreign exchange risk arising from primarily with respect to Renminbi, HK$, Singapore dollars, US$ and Australian dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's management does not expect the net foreign currency risk from these activities to be significant and hence, the Group does not presently hedge the foreign exchange risks. The Group has planned to periodically reviews liquid assets and liabilities held in currencies other than HK$ to evaluate its foreign exchange risk exposure and consider the usage of hedging instruments when necessary.

CREDIT RISK MANAGEMENT

The Group has always been aware of the credit risk exposure of our customers. The Group strictly followed the "client account management procedures" established in 2004. The procedures required and ensured that all clients were regularly assessed and be kept track of their transaction records and credit history. The Group specified and assigned to each customer, as according to their operation and credit status, a series of credit measures such as credit ratio, credit period, credit rating, credit terms and guarantee. The client account management procedures were effective to control the credit risk of the Group.

CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the year of 2015, the Company has complied with the code provision as set out in the Corporate Governance Code and Corporate Governance Report under Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), with the following deviations:

(a) Under code provision A.2.1, the roles of chairman and chief executive officer (the "CEO") should be separated and should not be performed by the same individual. There is no separation between the roles of chairman and CEO under the corporate structure until the appointment of Mr. Shum Sai Chit to take up the role of CEO of the Group on 18 November 2015.

(b) Under code provision E.1.2, the chairman of the Board should attend the annual general meeting. Mr. Chi Wen Fu, the chairman of the Board was unable to attend the annual general meeting held on 28 May 2015 as he was obliged to be away for a business trip. Mr. Yang Yuchuan, Director of the Company, attended the said annual general meeting to respond to queries from shareholders.

(c) Under code provision A.6.7, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Guo Mengyong (being a non-executive Director) and Mr. Sheng Hong (being an independent non-executive Director) were unable to attend the annual general meeting held on 28 May 2015 as they were obliged to be away for business trips.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules ("Model Code") as the code of conduct of the Company regarding Directors' securities transactions. The Company made specific enquiries to all Directors and all Directors have confirmed in writing that they have complied with the required standards set out in the Model Code during the year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company repurchased 23,000,000 ordinary shares of HK$0.02 each of the Company at an aggregate consideration of HK$9,073,650 before expenses at prices ranging from HK$0.385 to HK$0.42 per share on the Stock Exchange. The repurchased shares were subsequently cancelled on 30 July 2015.

Subsequent to the reporting date and up to the date of this annual report, the Company repurchased 11,510,000 ordinary shares of HK$0.02 each of the Company at an aggregate consideration of HK$4,210,950 before expenses at prices ranging from HK$0.34 to HK$0.395 per share on the Stock Exchange. The repurchased shares were subsequently cancelled on 26 February 2016.

Accordingly, the issued share capital of the Company was reduced by the nominal value thereof. The premium payable on repurchase was charged against the share premium account of the Company. The repurchases were effected by the Board pursuant to the mandate from shareholders, with a view to benefit shareholders as a whole in enhancing the net assets and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established to review the Group's financial reporting, internal controls, corporate governance and risk management matters and to make relevant recommendations to the Board. The Audit Committee comprises all independent non-executive Directors, namely Mr. Kwong Ping Man (being the chairman of the Audit Committee) and Mr. Sheng Hong, Mr. Lau Chi Kit.

During the year, the Audit Committee held 4 meetings and performed the duties including reviewing the Group's financial statements (including the Group's interim and annual financial statements with recommendations to the Board for approval), compliance of the regulatory and statutory requirements, significant internal control and risk management, significant accounting and audit issues, the Group's connected transactions and overseeing and managing the relationship with external auditors.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises of four members, namely Mr. Kwong Ping Man, Mr. Shum Sai Chit, Mr. Sheng Hong and Mr. Lau Chi Kit, the majority of whom are independent non-executive Directors. The functions of the Remuneration Committee are to formulate transparent procedures for setting up remuneration policies and packages for Directors and the senior management of the Group.

REVIEW OF ANNUAL RESULTS

The consolidated results for the year ended 31 December 2015 have been audited by the Company's auditors, HLB Hodgson Impey Cheng Limited and reviewed by the audit committee of the Board which were of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

The figures included in this preliminary announcement in respect of the Group's results for the year ended 31 December 2015 have been agreed by HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's consolidated financial statements for the year under review. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

FINAL DIVIDEND

The Board recommends the payment of a final dividend for the year ended 31 December 2015 of 1.3 HK cents per share ("2015 Final Dividend"). Subject to the approval of the proposed 2015 Final Dividend by the shareholders at the annual general meeting to be held on 19 May 2016, it is expected that the 2015 Final Dividend will be paid on 6 June 2016 (Monday) to the shareholders whose names are standing in the register of members of the Company on 1 June 2016 (Wednesday).

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the shareholders of the Company (the "Shareholders") will be held at Unit 2605, 26th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on 19 May 2016 at 2:30 p.m. ("AGM"). Notice of the AGM of the Company will be published and despatched to the Shareholders as soon as possible.

CLOSURE OF REGISTER OF MEMBERS

To be eligible to attend and vote at the AGM

The register of members of the Company will be closed from Tuesday, 17 May 2016 to Thursday, 19 May 2016, both days inclusive, during which period no transfer of shares will be registered. In order for the Shareholders to be eligible to attend and vote at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited (the "Share Registrar"), at Level 22 Hopewell Centre 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Friday, 13 May 2016 for registration.

To qualify for the proposed 2015 Final Dividend and Bonus Issue

The register of members of the Company will also be closed from Monday, 30 May 2016 to Wednesday, 1 June 2016 both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed 2015 Final Dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Share Registrar, at Level 22 Hopewell Centre 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Friday, 27 May 2016 for registration.

PUBLICATION OF ANNUAL RESULTS AND 2015 ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.centurysunshine.com.hk). The 2015 Annual Report will be dispatched to the Shareholders and will be available in the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Chi Wen Fu
Chairman

Hong Kong, 23 March 2016

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*