


CENTURY SUNSHINE GROUP HOLDINGS LIMITED

世紀陽光集團控股有限公司

(Stock code: 0509.HK)

2012 Interim Results Announcement
Dual Cores Drove Significant Profit
Financial Highlights

For the six months ended 30 June	1H2012 HK\$ million	1H2011 HK\$ million	Change %
Revenue	546	288	+89%
Gross profit	148	66	+125%
Profit for the period	59	10	+481%
Profit for the period attributable to owners of the Company	46	15	+205%
Basic earnings per share (HK cents)	1.78	0.58	+207%
Gross margin	27.1%	22.7%	+4.4p.p
Margin of profit for the period	10.8%	3.5%	+7.3p.p

(Hong Kong 29 August 2012) Century Sunshine Group Holdings Limited (the “Company” or “Century Sunshine”, stock code: 0509.HK) today announced the unaudited condensed consolidated results of the Company and its subsidiaries (together referred to as the “Group”) for the six months ended 30 June 2012 (the “Period”).

The Group has been dedicating efforts in optimising its scope of business and product mix in the previous years. These successfully provided new impetus which has brought the Group to its new heights. During the Period under review, the Group’s revenue increased by approximately 89% to HK\$546,192,000 (2011 : HK\$288,439,000). The two cores, magnesium product business and fertiliser business represented approximately 27% and 66% of the Group’s total revenue respectively for the Period. The Group’s profit for the period increased

by approximately 481% to HK\$ 58,732,000 (2011 : HK\$10,102,000) and profit attributable to owners of the Company increased by approximately 205% to HK\$45,785,000 (2011 : HK\$15,002,000). The growth is attributable to:

1. The rapid development of the magnesium product business, which commenced production in July 2011; and
2. The contribution from its new product, compound silicon magnesium fertiliser, launched in March 2012.

Since the commencement of production in the second half of 2011, the magnesium product business has quickly earned its recognition in the market. During the Period, revenue contribution from magnesium products amounted to HK\$149,339,000, of which basic magnesium products and rare earth magnesium alloys accounted for approximately 61% and 39% respectively. Magnesium alloy has been enlisted in China's "Twelfth Five-Year Plan for New Materials" as one of the major new materials for high-end industrial applications. With its tremendous attributes and market potential, demand for magnesium products and magnesium alloys has been growing rapidly. To meet the fast-growing demand in the new material industry, the Group ensures cost effective high-performance magnesium alloys will be manufactured by utilising its abundant resourceful dolomite mine in Baishan, Jilin Province together with its patented technologies on high-performance rare earth magnesium alloy productions.

Fertiliser business represented a traditional stronghold of the Group. It recorded an impressive growth as revenue amounted HK\$358,100,000, a 42% up approximately from the same period last year. Revenue from compound fertiliser grew by approximately 76% to HK\$276,472,000; whilst revenue from organic fertiliser increased by approximately 29% to HK\$76,087,000. The Group has been committed to fulfill market demand and product excellence as well as focus on product development and technological innovations. In March 2012, compound silicon magnesium fertiliser, a new product developed by the Group, was successfully made its debut in the market. Revenue from the compound silicon magnesium fertilisers amounted to approximately HK\$51,331,000, accounting for approximately 14% of the fertiliser business since its launch in 2012. This product has been primarily designed to improve soil, strengthen anti-adversity and facilitate growth rate due to lack of silicon and magnesium in the majority of arable land in China. The Group has filled

the shortage of this particular product category with its mine resource and advanced technology, yet strategically boosted the overall profit margin of the fertiliser business.

Mr Chi Wen Fu, Chairman and Chief Executive Officer of Century Sunshine Group Holdings Limited said, “The outstanding interim results were reflected by the success of the diversification of product mix and business alignment. In order to focus on the development of our core businesses namely magnesium product business and fertiliser business, the Group entered into a legally binding letter of intent with an independent third party in respect of the disposal of the entire issued share capital of our financial service business (Sunshine Partners Financial Holdings Limited) for an initial price of approximately HK\$82 million on 9 July 2012. The Group is in the process of further strengthening its competitiveness through cost management enhancement, product mix optimisation and production efficiency improvement. In view of our existing production footprint and capacity allocation, the management is confident that the Group’s business will sustain stable and healthy growth and will generate long-term lucrative returns to our shareholders.”

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Major operational data for the six months ended 30 June 2012

	Sales volume (tons)			Average selling price (HK\$ / ton)			Gross margin %		
	1H2012	1H2011	Change	1H2012	1H2011	change	1H2012	1H2011	change (p.p)
Magnesium product business									
Basic magnesium product	4,223	--	--	21,464	--	--	25.6%	--	--
Rare earth magnesium alloy	1,569	--	--	37,409	--	--	41.2%	--	--
Fertiliser business									
Compound fertiliser	98,532	57,489	+71%	2,806	2,736	+3%	15.7%	11.1%	+4.6
Organic fertiliser	35,873	28,926	+24%	2,121	2,039	+4%	34.7%	31.6%	+3.1
The Group’s overall gross margin							27.1%	22.7%	+4.4

About Century Sunshine Group Holdings Limited

Century Sunshine and its subsidiaries engage in diverse yet vertically integrated business activities including research and development, production, and distribution of magnesium alloys and ecological fertilisers. 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.

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