



世紀陽光

世紀陽光集團控股有限公司
CENTURY SUNSHINE GROUP HOLDINGS LIMITED
(Stock code: 0509.HK)

2013 Interim Results Announcement

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Strong and stable growth momentum sustained
Robust net profit growth at 89.8%yoy to HK\$86,914,000
Net margin increased to 12.2%

Financial Highlights

For the period ended 30 Jun	1H2013 <i>HK\$ million</i>	1H2012 <i>HK\$ million</i>	Change
Revenue	714	546	+30.8%
Gross Profit	216	148	+45.9%
Profit for the period	107	59	+82.1%
Profit attributable to owners of the Company	87	46	+89.8%
Basic earnings per share (HK cents)	3.41	1.78	+91.6%
Gross profit margin	30.2%	27.1%	+3.1pp
Profit margin	15.0%	10.8%	+4.2pp
Net profit margin	12.2%	8.4%	+3.8pp

(Hong Kong - 29 August 2013) Century Sunshine Group Holdings Limited (the “Company”, stock code: 0509.HK) is pleased to announce the interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2013 (the “Period”).

The two principal businesses of the Group, magnesium product business and fertiliser business, recorded an outstanding performance during the Period. It demonstrated a strong revenue growth at 30.8% and achieved HK\$714,345,000 (2012: HK\$546,192,000) for the Period. The

magnesium product business and the fertiliser business accounted for 31.7% and 64.2% of the total revenue respectively. During the Period, the Group dedicated its efforts in promoting high-performance magnesium alloys by increasing sales volume of rare earth magnesium alloys. It drove the overall gross profit up 45.9% to HK\$215,739,000 (2012: HK\$147,891,000), gross profit margin up by 3.1 percentage points to 30.2%. Profit attributable to owners of the Company for the Period amounted to HK\$86,914,000 (2012: HK\$45,785,000), representing a 89.8% year-on-year increase. The Board proposed no dividends to be paid for the Period.

Revenue of the magnesium product business amounted to HK\$226,440,000 during the Period, representing an increase of 51.6% compared to the same period of 2012. Revenue from basic magnesium products accounted for 31.5% of the segment revenue, whilst rare earth magnesium alloys accounted for 64.3%. Sales volume of the rare earth magnesium alloy segment increased significantly by 126.5% year-on-year, which truly reflected its recognition from the market. It is now the principal driving force for the growth of the magnesium product business, which drove the average gross profit margin from 31.7% to 32.3% for the Period. To further strengthen the Group's R&D for magnesium alloys in new materials sector, China Rare Earth Magnesium Technology Holdings Limited (formerly known as China Magnesium Limited), a subsidiary of the Group, entered into the strategic investment agreement with Chang Chun Institute of Applied Chemistry, Chinese Academy of Sciences ("CAS Applied Chemistry") on 30 June 2013. CAS Applied Chemistry is one of the most authoritative national institutions engaged in research of the rare earth magnesium alloys in China. It has high reputation and influential presence domestically and internationally.

During the Period, revenue of the fertiliser business recorded a substantial growth of 28.0% and achieved HK\$458,299,000. Revenue from compound fertilisers increased by 24.1% to HK\$343,052,000 compared to the same period of 2012. Revenue from organic fertilisers increased by 49.8% year-on-year to HK\$113,953,000 for the Period. The Group tried its best endeavours to reduce production costs by upgrading technology, enhancing innovation capability, improving formula of the organic fertilisers and recycling waste products from production. Gross profit margin of the organic fertiliser segment increased to 37.9% from 34.7% in the same period last year.

Mr Chi Wen Fu, Chairman and Chief Executive Officer of the Group said, "Magnesium alloy has gained more attention in recent years. Its applications have been expanded broadly from aerospace to consumer electronics such as laptops, PDAs, mobile phones as well as daily

necessities. As the market demand for high-end magnesium alloys is growing, the Group has well-positioned itself as a major producer of the rare earth magnesium alloys to meet the market needs. By leveraging the strategic cooperation with CAS Applied Chemistry, the Group exposes to a broader context in terms of developing and capitalising its advantages over resources and technologies in this segment. It sets a solid foundation and diversification for high-end magnesium alloys development with distinctive quality for the Group in the future. For the fertiliser business, the Group differentiates itself from mainstream players as a developer of specialty fertilisers by focusing R&D on “soil testing, tailor-made formulas and balanced fertilisation” (測土配方·平衡施肥). As the standard of living in China has gradually been improved, China citizens are paying more attention on food safety and farmers are more aware of the importance of sustainable development and scientific fertilisation. In order to expand its market share, the Group will continue building its expansion plan, as well as developing new targeted formulas to meet nutritional needs of soil.”

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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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