



**Press Release**  
**(For immediate release)**

## **Fushan Energy announces FY2010 annual results Robust Business Growth**

### **Financial and business highlights:**

- Revenue up by 30% year-on-year to HK\$5.543 billion.
- EBITDA soared by 28% year-on-year to HK\$3.395 billion.
- Net profit increased by 54% year-on-year to HK\$2.215 billion.
- Net profit attributable to owners of the Company increased by 60% year-on-year to HK\$1.803 billion.
- Production volume of raw and clean coking coal were approximately 6.23 million tonnes and approximately 1.6 million tonnes, respectively.

(29 Mar 2011, Hong Kong) Fushan International Energy Group Limited (“Fushan Energy” or the “Company”; Stock Code: 639.HK), one of the largest hard coking coal producers in the PRC, today announced audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2010 (the “Review Year”).

During the Review Year, the Group’s revenue soared by 30% over 2009 to HK\$5.543 billion. EBITDA increased by 28% to HK\$3.395 billion. The Group’s average selling price of raw and clean coking coal increased by 30% and 22% during the Review Year. Gross profit margin reached 74%. Net profit after tax and net profit attributable to owners of the Company (the “Owners”) increased by 54% and 60%, respectively to HK\$2.215 billion and HK\$1.803 billion. Basic earnings per share were HK33.52 cents as compared to HK23.53 cents for 2009. The board of directors recommended a final dividend of HK10 cents per share. Taking into account an interim dividend of HK5 cents per share, total dividend to be paid out for 2010 will be HK15 cents per share.

The Company incurred a non-cash share-based compensation expense of HK\$287 million for the Review Year due to the granting of share options in 2009. If this non-cash item was excluded, the Group’s net profit after tax and net profit attributable to Owners would be HK\$2.502 billion and HK\$2.090 billion. As at 31 December 2010, the Group had cash of HK\$2.800 billion and the Group’s gearing ratio was 6%.

The Group’s three premium coking coal mines in Liulin County, Shanxi Province ran smoothly in the Review Year. Management had done an outstanding job to maintain a good safety record. In terms of production, the Group produced a total of approximately 6.23 million tonnes of raw coking coal and approximately 1.6 million tonnes of clean coking coal, representing an increase of 60% year-on-year.



Meanwhile, the Group has strengthened efforts in developing its clean coal business, established long-term strategic cooperation with major steel manufacturers in China and developed stable sales channels through optimization of customer mix. All three operating mines in Liulin County had their own coal preparation plants. The new coal preparation plant in Zhaiyadi coal mine commenced operation in the fourth quarter of 2010, with an annual processing capacity of 2.1 million tonnes. The Group's total annual input processing capacity currently reached 6 million tonnes.

The Company's shares had been included in the Hang Seng Composite Index and the MSCI Emerging Markets Index since 2009. They have also been included in the Xinhua FTSE HK Index since March 2010. These achievements reflected that the Group's operations and management were widely acclaimed by international investors.

Looking forward, Mr. Michael Chen, Vice-chairman and Managing Director of Fushan Energy said, "Given the flooding situation in Queensland by the end of the last year, the supply for the coking coal sector in 2011 will be very tight. There will be a strong demand for steel as China moves forward to the 12<sup>th</sup> five year plan, with new infrastructure projects from high speed railway to social housing, there will be huge demand for steel. Coking coal especially premium coking coal, which is an essential raw material for steel production, will maintain a strong demand in the foreseeable future and domestic coking coal price is expected to increase dramatically this year. We will continue to step up efforts to enhance our production capacity, efficiency and safety within our operations. Meanwhile, we will actively pursue acquisition opportunities both domestically and abroad in order to enlarge our share and influences in the market and to maximize the return for our shareholders."

- End -

#### **About Fushan International Energy Group Limited**

Fushan International Energy Group Limited is one of the largest hard coking coal producers in the PRC. With a production base in Liulin County, Shanxi Province, it is principally engaged in coking coal mining and the production and sales of raw and clean coking coal. The Group has three premium coking coal mines in Shanxi Province, i.e., Xingwu Coal Mine, Jinjiazhuang Coal Mine and Zhaiyadi Coal Mine. Their total annual raw coal production capacity is 6.3 million tonnes. The Group has established long-term relationship with various major steel manufacturers in Mainland, including Shougang Group, Hebei Iron & Steel Group and Inner Mongolia Baotou Steel Group. Shougang Group is the largest shareholder of Fushan Energy.

#### **Investor and Media Enquiries:**

Company Email: [ir@fushan.com.hk](mailto:ir@fushan.com.hk)

Media Contact:

Kreab Gavin Anderson

Shelldy Cheung

Tel: (852) 2218 9966

Email: [scheung@kreabgavinanderson.com](mailto:scheung@kreabgavinanderson.com)