



福山國際能源集團有限公司
Fushan International Energy Group Limited
(639.HK)

Corporate Presentation

November 2009



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Company Positioning

A Leading Metallurgical Resources Supplier in China

to provide full-range high quality products to steel sector

COKING COAL

- Home-based in China Shanxi
- Operating 3 coking coal mines with annual output 6.3Mt
 - Constructing and developing a green-field coalmine
- Participates in resource consolidation to acquire new resources

FAT COAL

- Key component in coking process; as valuable as high grade coking coal
- To acquire 60% Inner Mongolia Qipanjing Coking Company Limited
- Operates 3 mines with annual capacity 1.8Mt
- Platform for further acquisition of fat coal resources in Inner Mongolia

IRON ORE

- Key materials for steel manufacturing
- To acquire 18.7% Mount Gibson Iron Limited in Australia
- Operates 3 mines with annual capacity 10Mt
- Platform for further acquisition of iron ore resources in Australia



Mines Capacity & Reserves

	Liulin	Qipanjing	MGX
Location	Shanxi	Inner-Mongolia	Australia
Type	Coking Coal	Fat Coal	Iron Ore
No. of operating mines	THREE (plus one green-field under construction)	THREE	TWO (3rd mine producing by Jun 2010)
Resources & Reserves	In-place: 205Mt Recoverable 142Mt (JORC standard)	In-place: 58.9Mt Recoverable 41Mt (PRC standard)	Resources: 105.8Mt Reserves: 56.8Mt (will increase subject to further exploration)
Capacity	6.3Mt/a (will upgrade to 10.3Mt/a)	1.8Mt/a (will upgrade to 2.5Mt/a)	7Mt/a (will upgrade to 10Mt/a)
Remarks	Four washing plants of processing capacity 11Mt/a	One washing plant of processing capacity 0.9Mt/a	



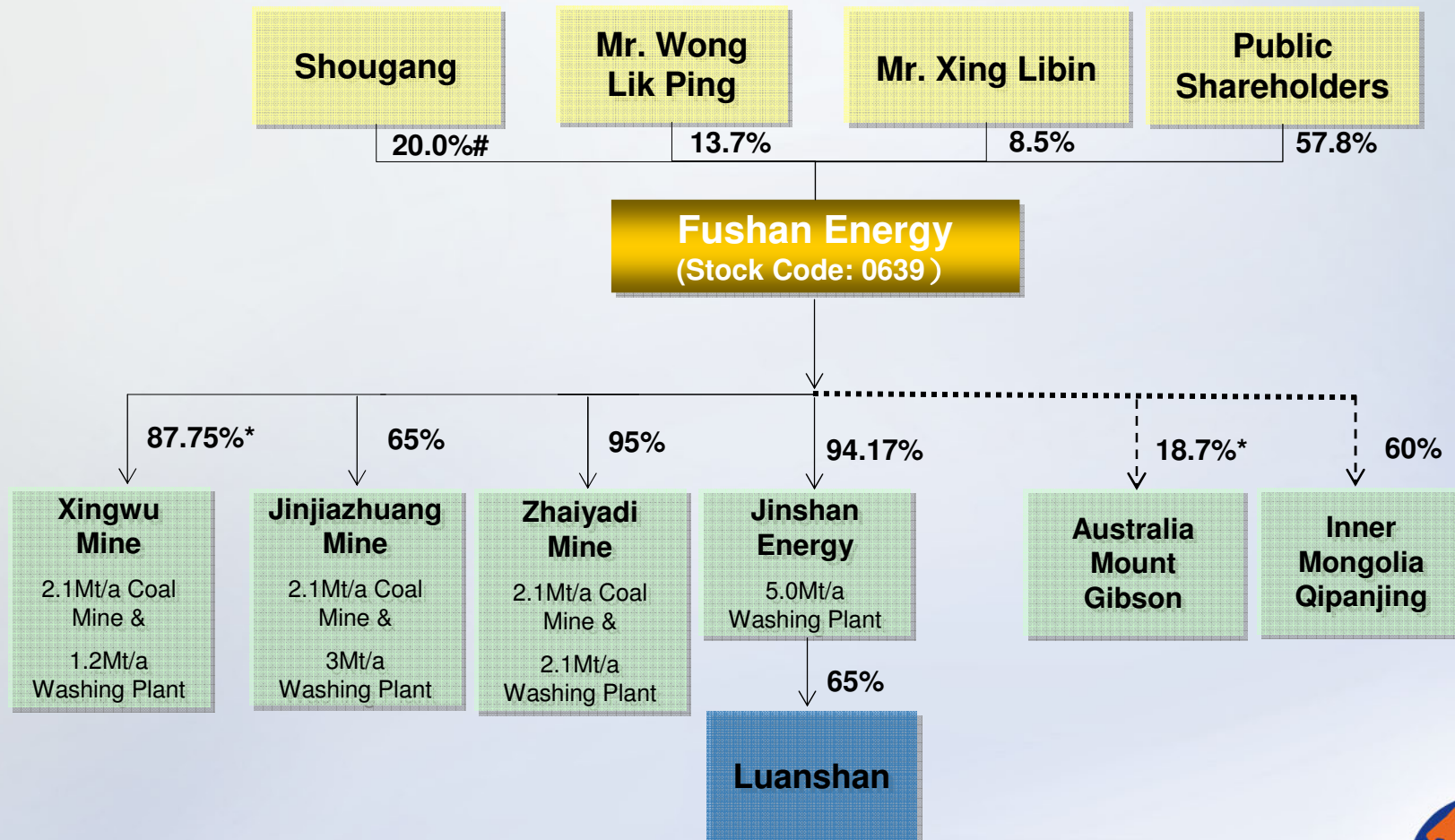
Investment Strategies

Near-term	Mid to long term
<ul style="list-style-type: none">➤ To complete Qipanjing & MGX acquisitions➤ To acquire more resources in Shanxi Province thru consolidation program➤ Seek for other M&A opportunities in Inner Mongolia and Australia➤ Construct and develop the green-field coalmine	<ul style="list-style-type: none">➤ Organic growth period➤ Expand production capacity of existing operations➤ Improve operation efficiency and margins➤ Enlarge customer base➤ Seize any potential M&A opportunities



Corporate Structure

(as of 23 Nov 2009)



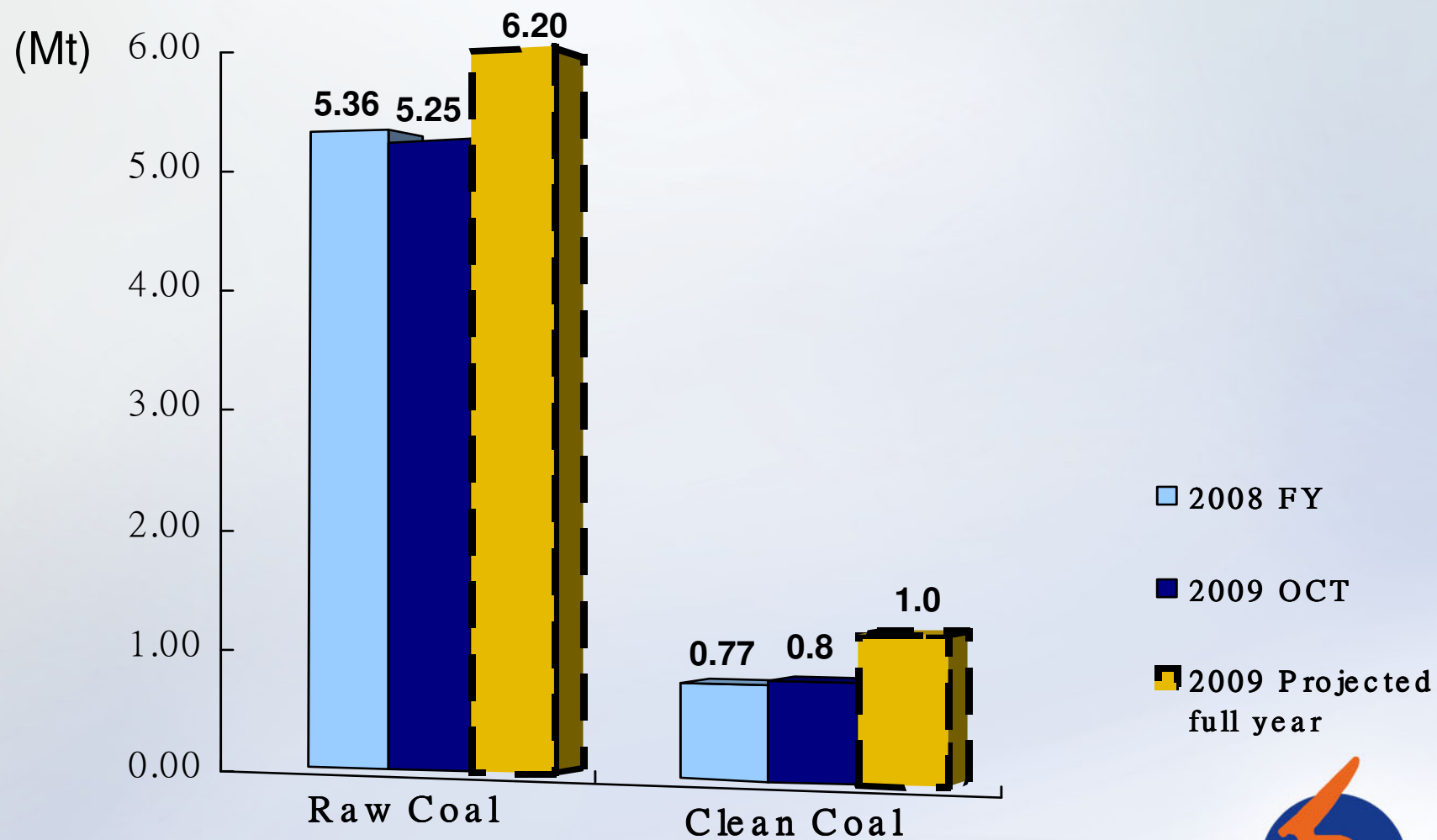
* Representing both direct and indirect interest of Fushan Energy

Will increase to 24.5% upon completion of MGX acquisition

-----> Acquisitions to be completed.



Output



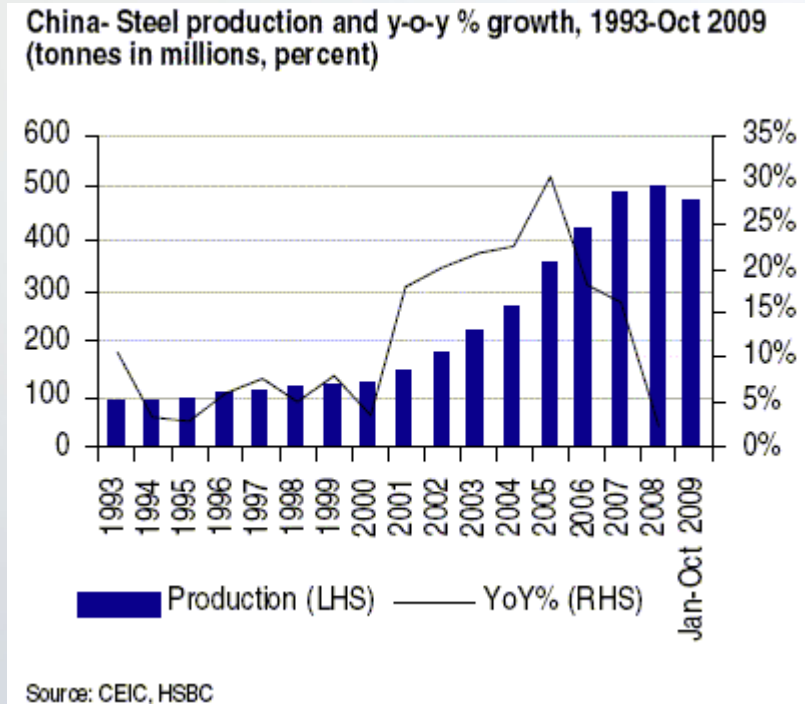
Industry & Market Overview

1. **China recorded 8.9% GDP growth in Q3 which implies strong economic rebound**
2. **Urbanization in China will support demand for iron & steel in next two decades**
3. **Automobiles, electrical appliances, property and infrastructure to be the key drivers of steel demand**
4. **Coking coal supply and quality iron ore resources in China remain tight drawing up prices**
5. **Resource consolidation in China continues**
6. **Resources tax reform and inflation will increase production cost which will be passed thru to customers**

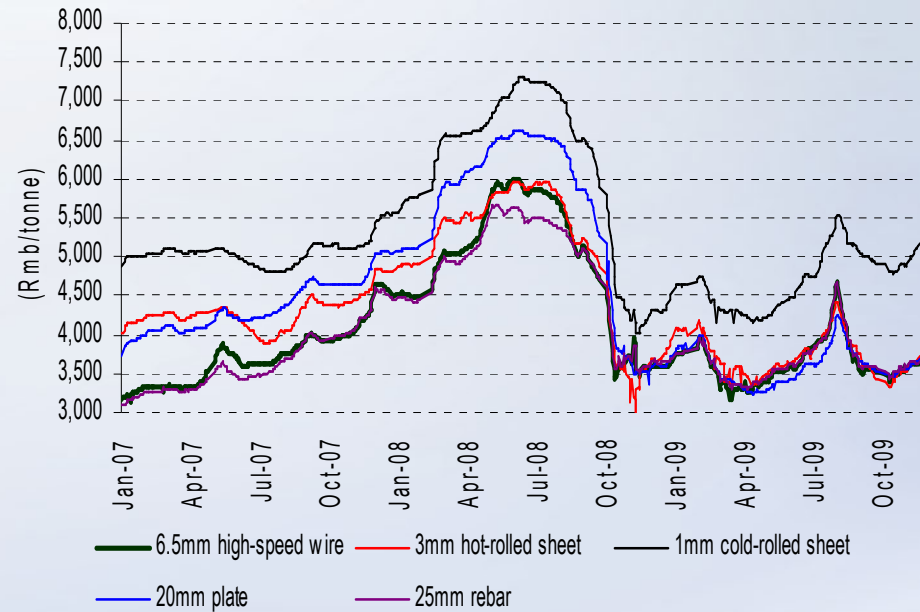


Industry & Market Overview – Steel

China Steel Production YoY Growth

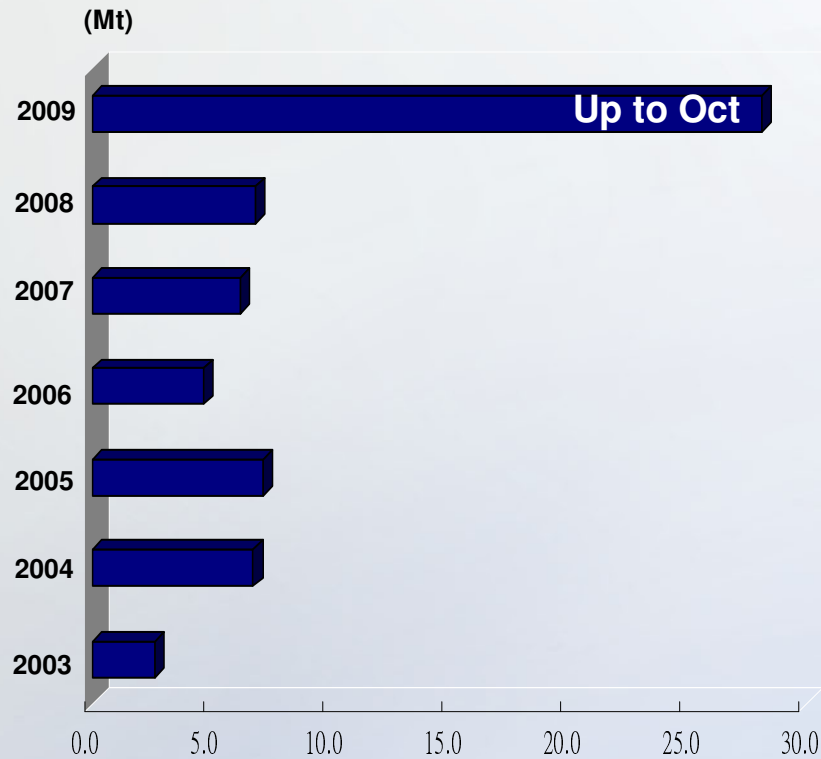


China Domestic Steel Price



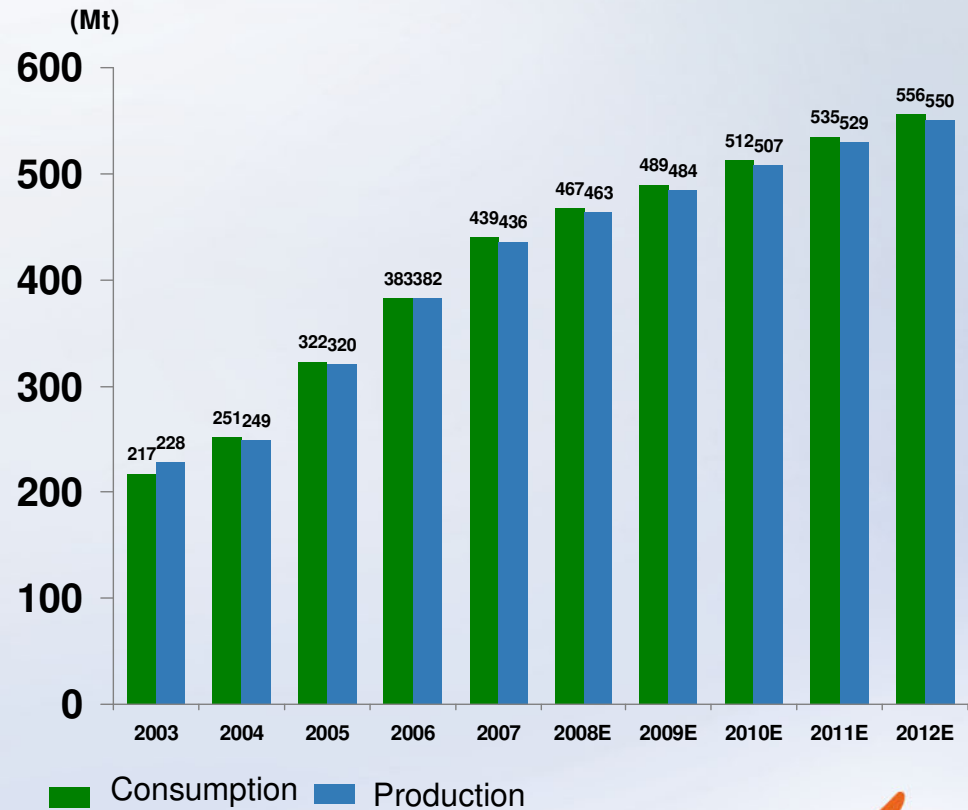
Industry & Market Overview – Coking Coal

China Coking Coal Import



Source: BOCI research

China Coking Coal Consumption and Production



Source: BP Statistical Review of World Energy 2008, World Energy Outlook 2008 (OECD/IEA), CRU



Appendix - Safety & Environment



Safety Production

- Computerized control, direct and oversees operation
- Maintain low concentration gas level
- Large scale water pumps prevent accidents
- Powerful ventilation and de-gas system
- Continuous investment in safety measures upgrade

Environmental Protection

- Measures include land, soil, rock, water, air and noise
- Utilize wastage water recycling system for cleaning the coal
- Gas collected for power generation

Market Recognition

- No material safety incidents historically
- Awarded safety certificates from the China National Coal Association (CNCA) every year



Appendix - Financial Highlights

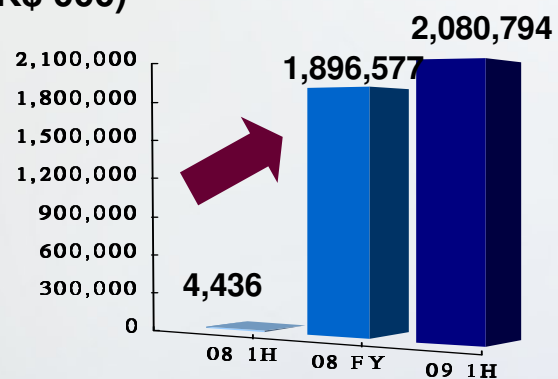
<i>(HK\$'000)</i>	2008 1H	2008 FY	2009 1H
Turnover	4,436	1,896,577	2,080,794
Gross Profit Margin	4%	65%	72%
Net Profit	(30,864)	706,627	920,087
Profit/ (Loss) attributable to Fushan	(19,630)	567,649	768,506
Total Equity	871,139	12,448,997	13,119,304
Earning/ (Loss) per share (HK cents)	(0.80)	16.86	16.82



Profit & Loss Summary

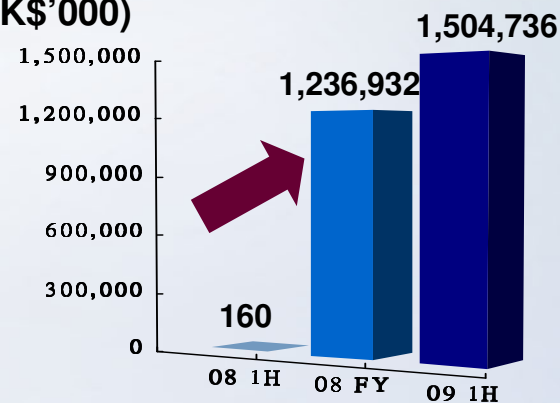
Revenue

(HK\$'000)



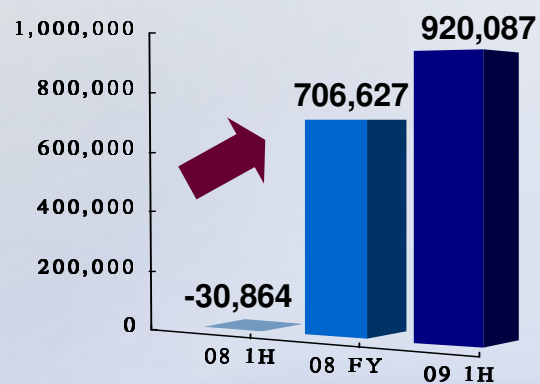
Gross Profit

(HK\$'000)



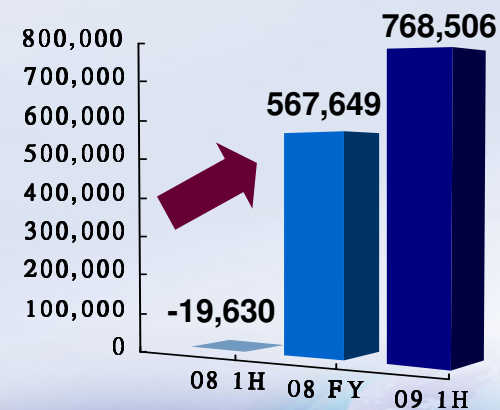
Net Profit

(HK\$'000)



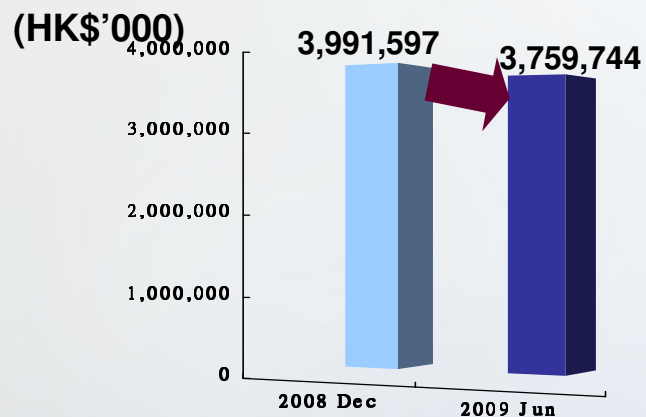
Profit/ (Loss) attribute to Fushan

(HK\$'000)

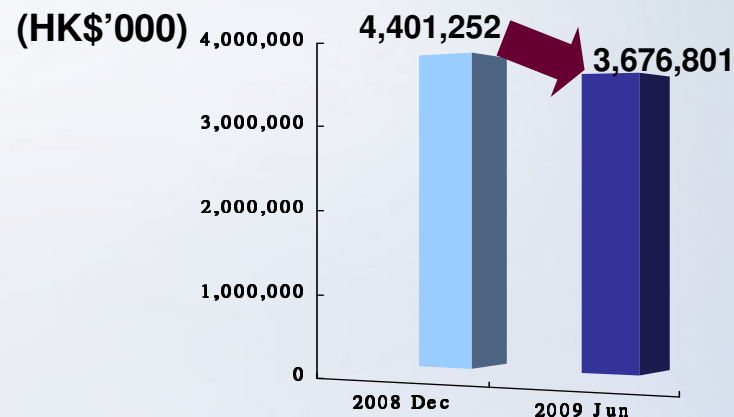


Balance Sheet Summary

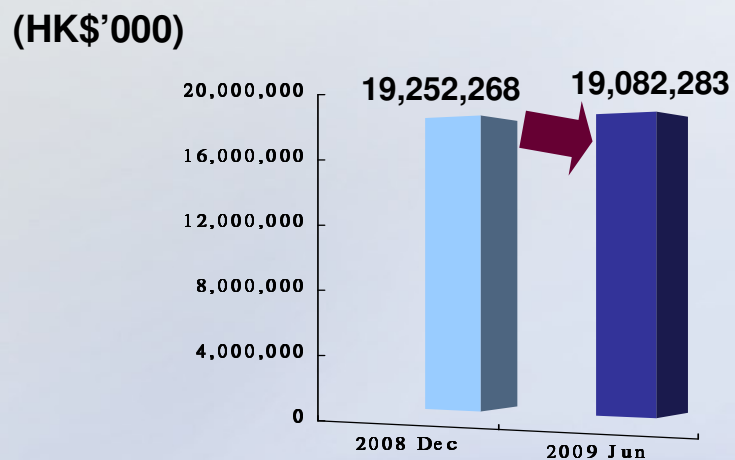
Current Assets



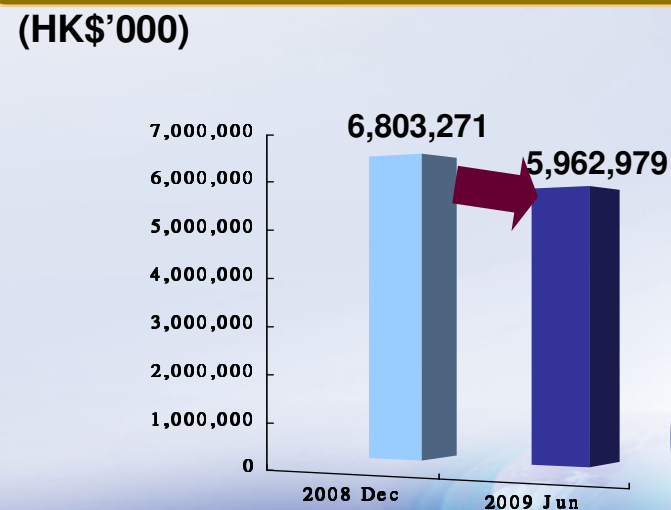
Current Liabilities



Total Assets



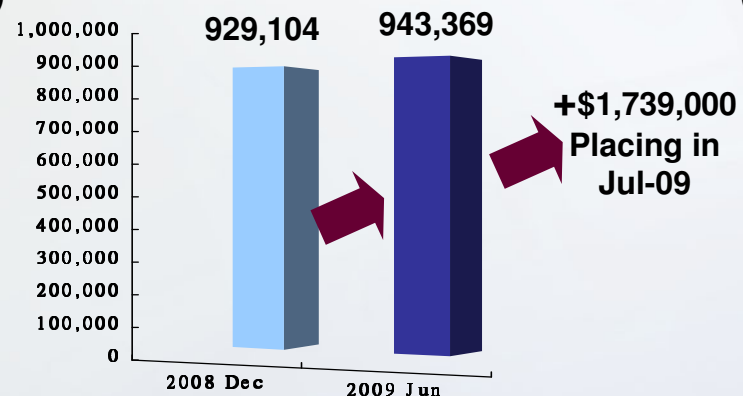
Total Liabilities



Healthy Financial Position

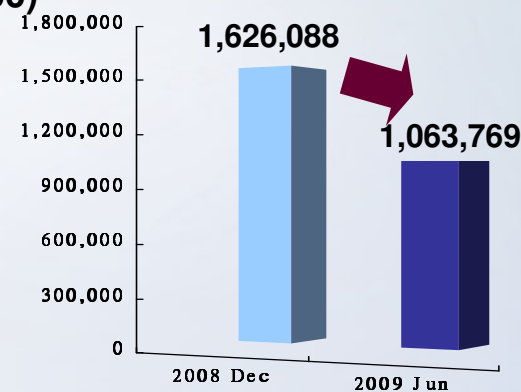
Cash and Bank Balances

(HK\$'000)



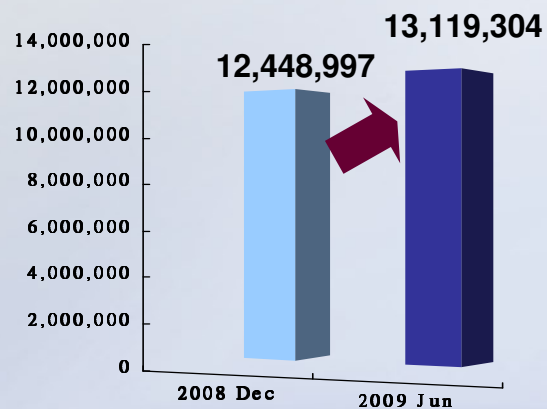
Total Debts

(HK\$'000)

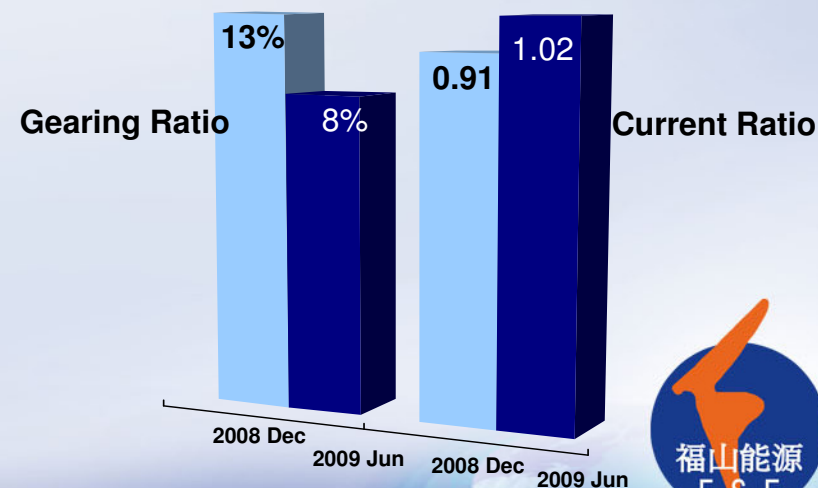


Net Assets

(HK\$'000)



Gearing Ratio & Current Ratio



Q & A

Thank you !

