



福山國際能源集團有限公司
Fushan International Energy Group Limited

Corporate Presentation



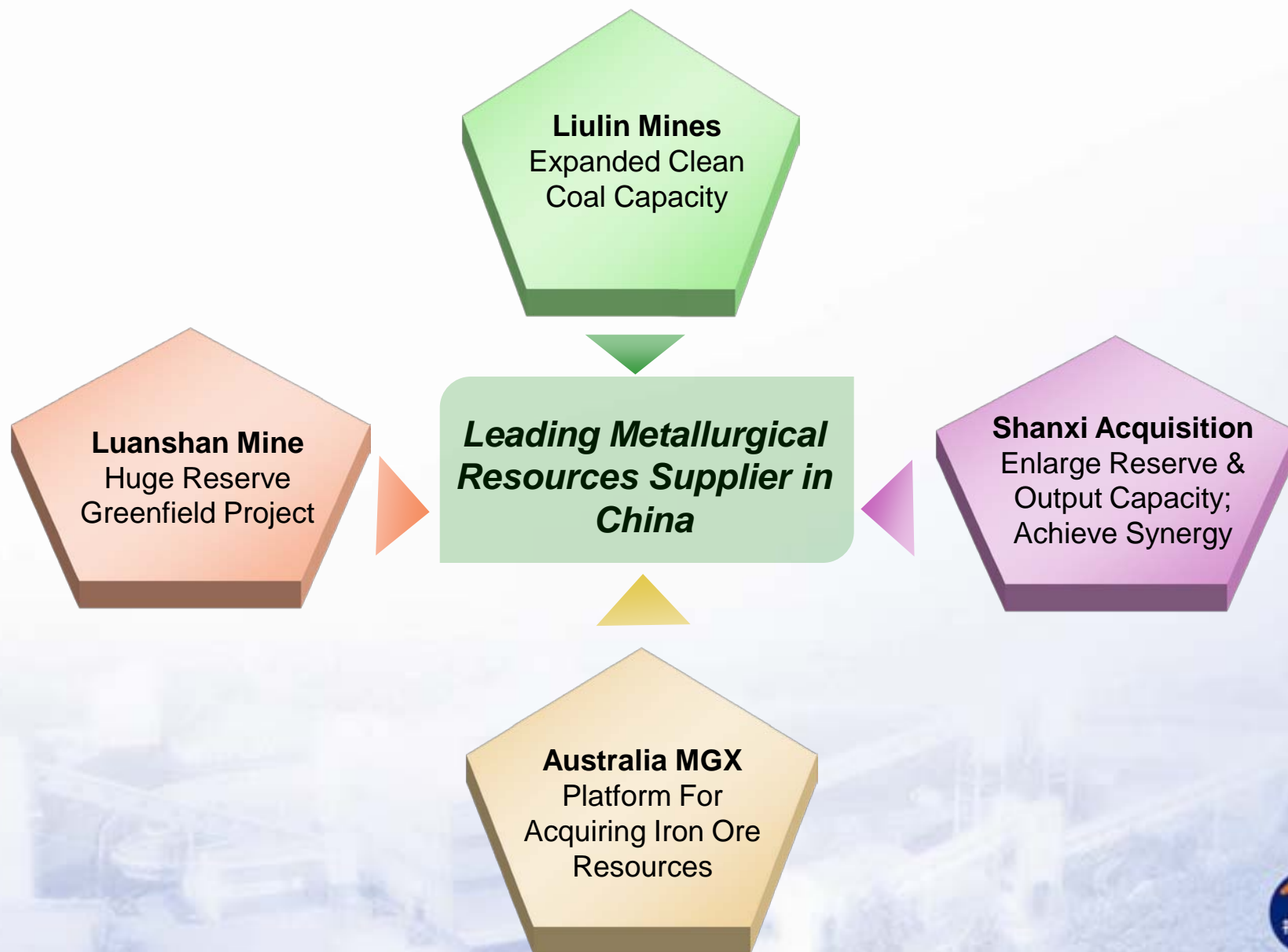
January 2010

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Growth Dynamics



Mines Capacity & Reserves

	Liulin	M&A in Shanxi	MGX
Location	Shanxi	Shanxi	Australia
Type	Coking Coal	Coking Coal	Iron Ore
No. of operating mines	THREE (plus one green-field under construction)	TWELVE (will consolidate into seven mines)	TWO (3rd mine producing by Q1 2011)
Resources & Reserves	In-place: 205Mt Recoverable 142Mt (JORC standard)	Reserves: 442Mt (to be verified)	Resources: 105.8Mt Reserves: 56.8Mt (will increase subject to further exploration)
Capacity	6.3Mt/a (will upgrade to 10.3Mt/a)	6Mt/a (will upgrade to 9Mt/a)	7Mt/a (will upgrade to 10Mt/a)
Remarks	Four washing plants of processing capacity 11Mt/a	Estimated completion time: end of 2010 Q2	

Mines Location



Investment Strategies

MID TO LONG TERM

- ◆ Organic growth period
- ◆ Expand production capacity of existing operations
- ◆ Improve operation efficiency and margins
- ◆ Enlarge customer base
- ◆ Seize any potential M&A opportunities

NEAR TERM

- ◆ To complete the M&As
- ◆ To acquire more resources in Shanxi Province thru consolidation program
- ◆ Seek for other M&A opportunities in Mainland China and Australia
- ◆ Construct and develop the green-field coalmine

Raw Coal Output

6 Mt

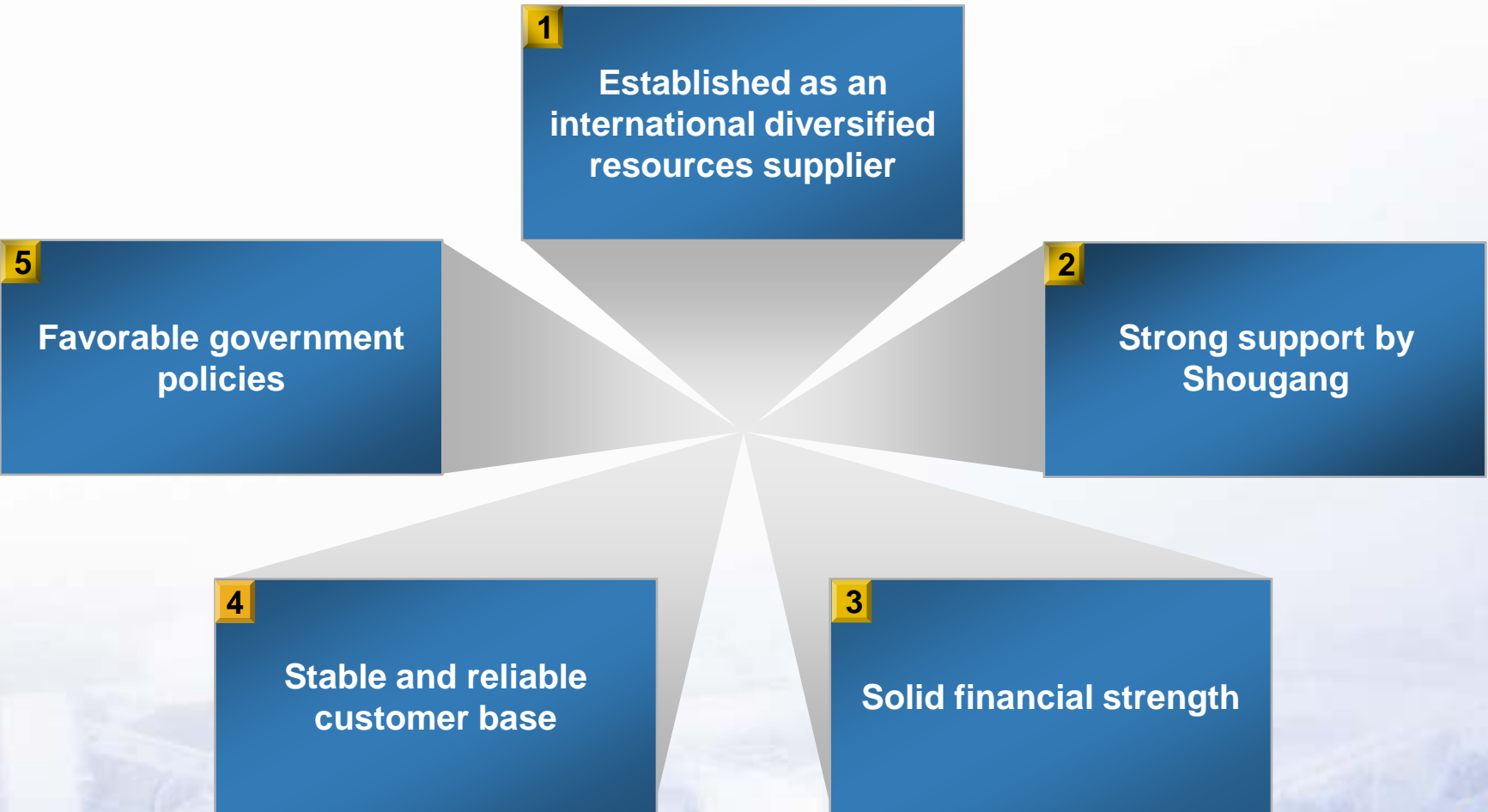
2009

Target 16 Mt

2013

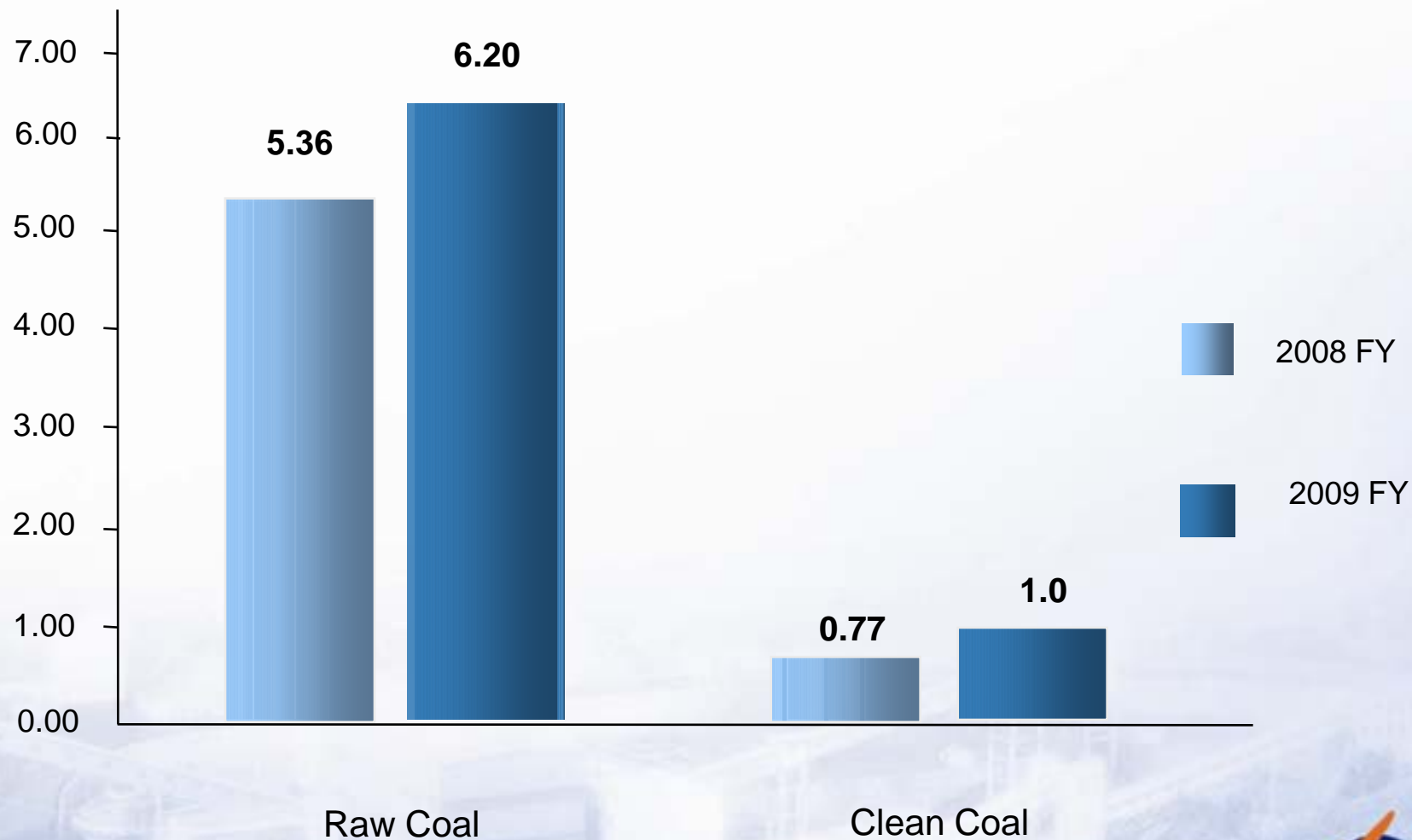


Investment Highlights



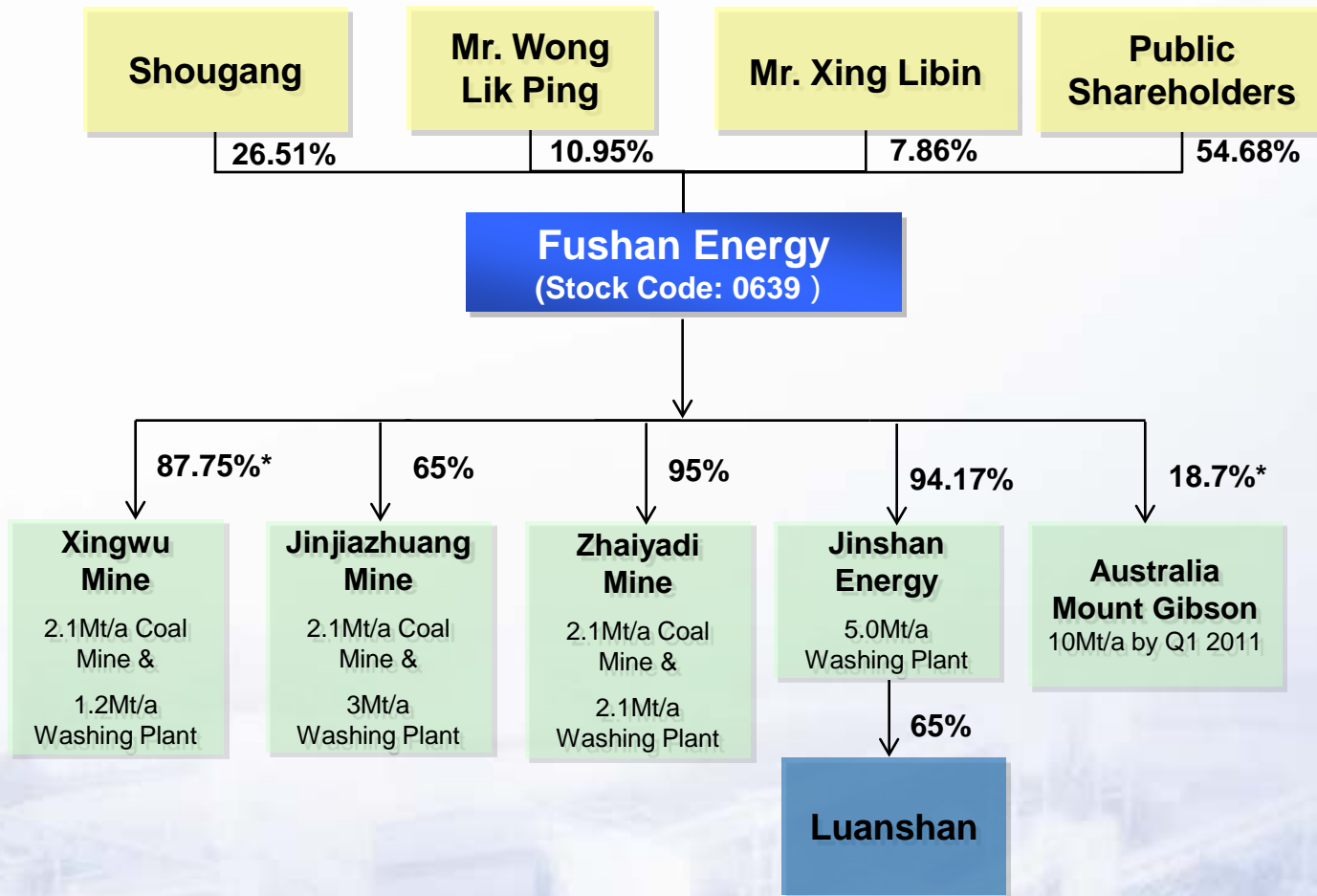
Output

(Mt)



Corporate Structure

(as of 6 Jan 2010)



* Representing both direct and indirect interest of Fushan Energy



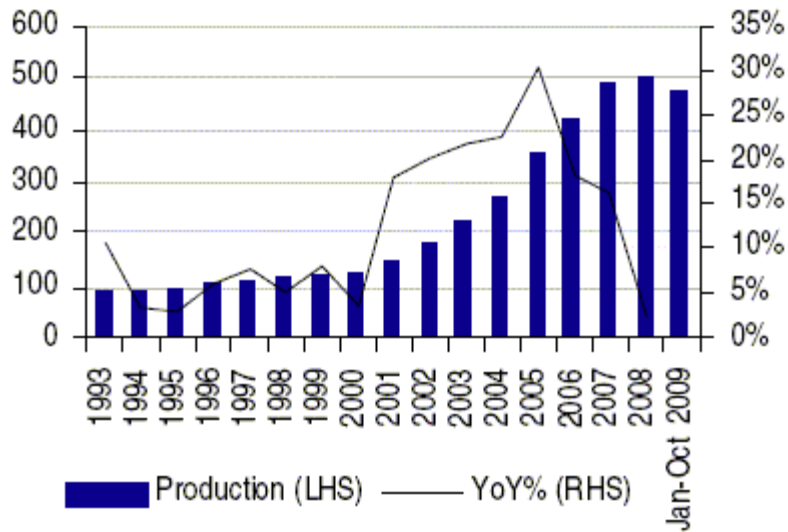
Industry & Market Overview

1. **China recorded 8.9% GDP growth in Q3 which implies strong economic rebound**
2. **Urbanization in China will support demand for steel in next two decades hence support strong demand for coking coal and iron ore**
3. **Property, infrastructure, automobiles and electrical appliances 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. **Inflation will increase production cost which will be passed thru to customers**

Industry & Market Overview – Steel

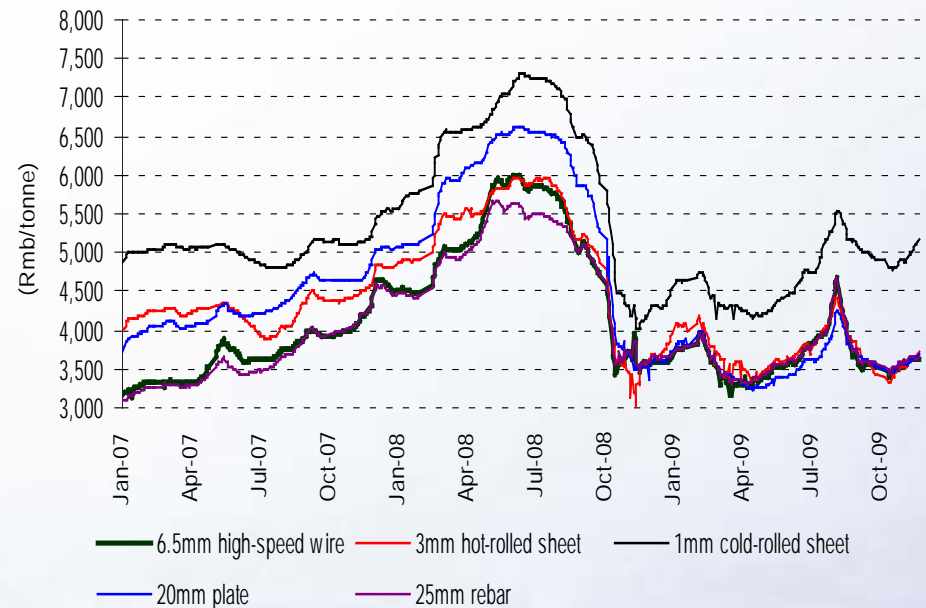
China Steel Production YoY Growth

China- Steel production and y-o-y % growth, 1993-Oct 2009
(tonnes in millions, percent)



Source: CEIC, HSBC

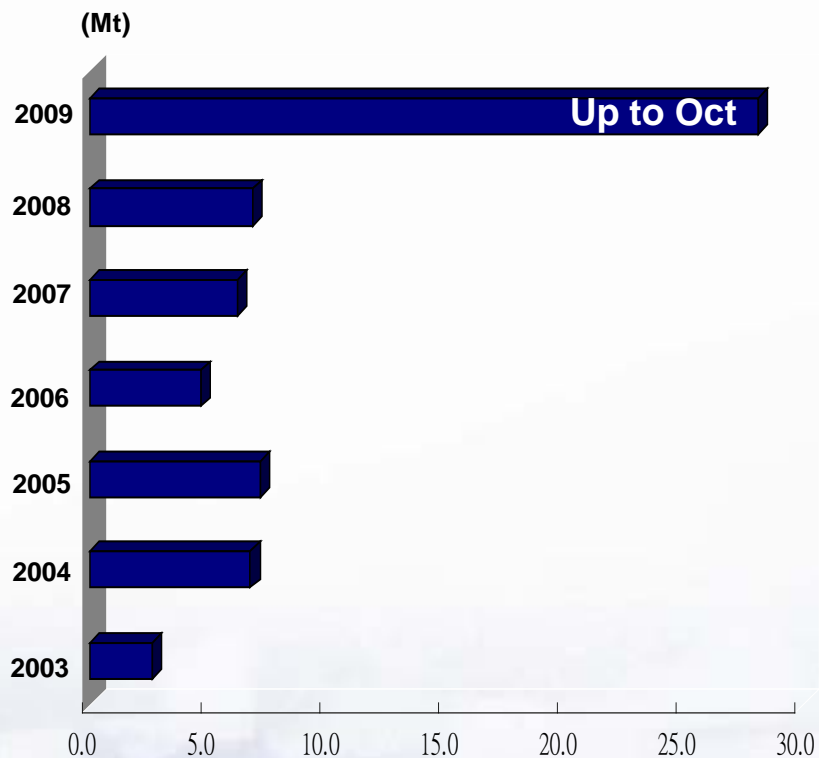
China Domestic Steel Price



Source: BOCI research

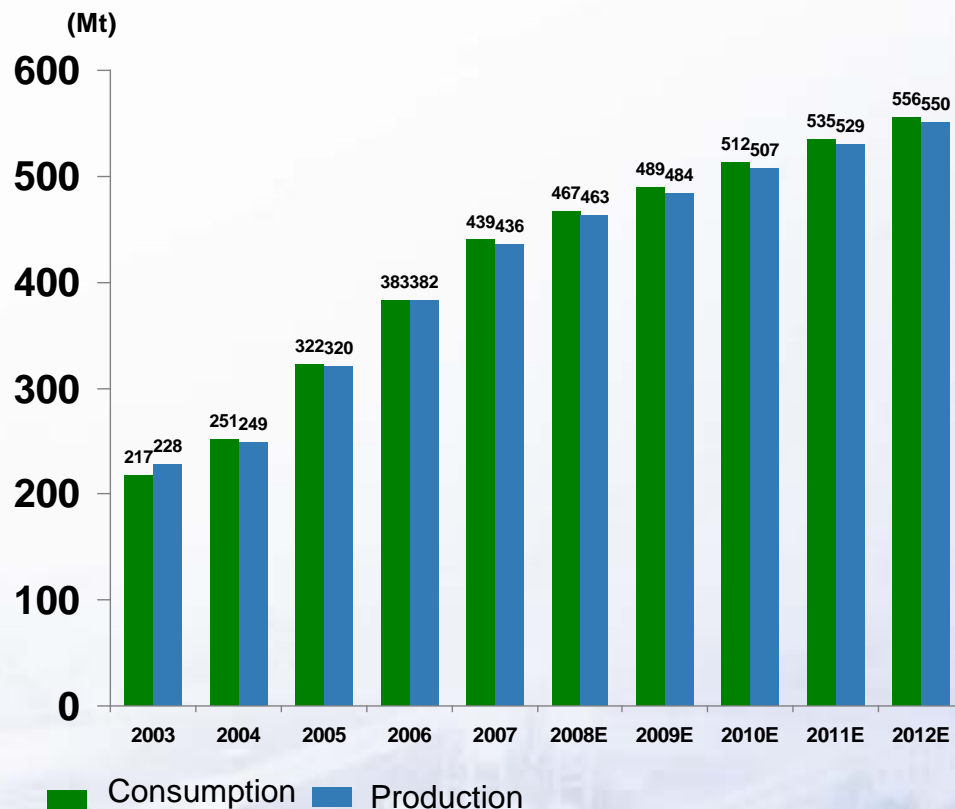
Industry & Market Overview – Coking Coal

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

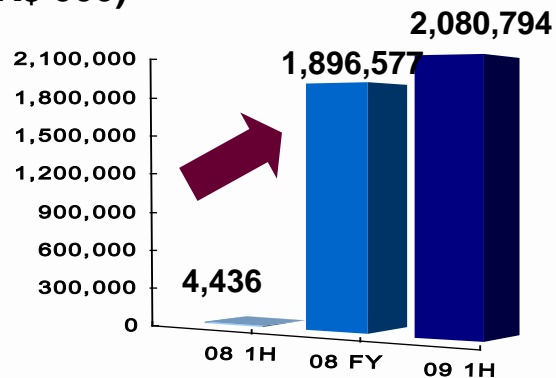
<i>(HK\$'000)</i>	2008 1H	2008 FY	2009 1H
Turnover	4,436	1,896,577	2,080,794
Gross Profit Margin	4%	65%	72%
Net Profit	(30,864)	706,627	920,087
Profit/ (Loss) attributable to Fushan	(19,630)	567,649	768,506
Total Equity	871,139	12,448,997	13,119,304
Earning/ (Loss) per share (HK cents)	(0.80)	16.86	16.82



Profit & Loss Summary

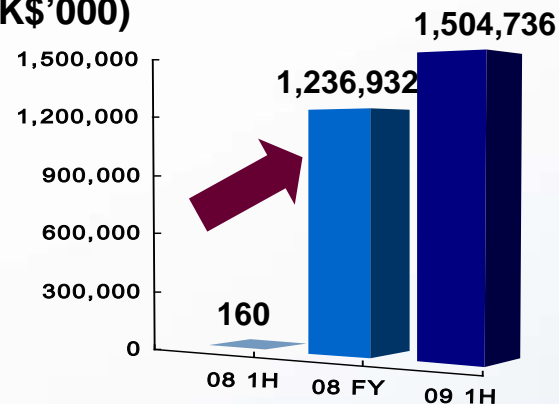
Revenue

(HK\$'000)



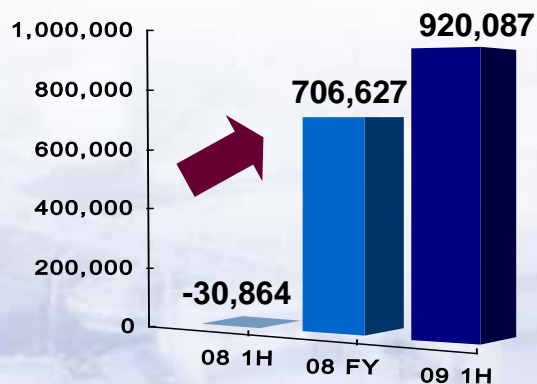
Gross Profit

(HK\$'000)



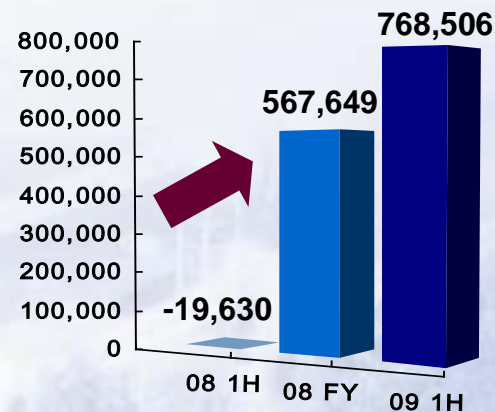
Net Profit

(HK\$'000)



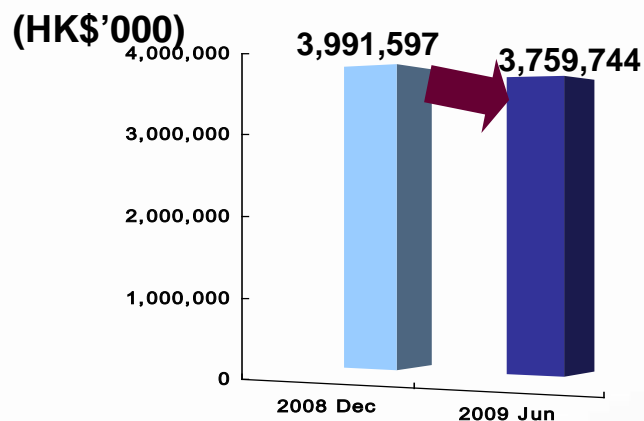
Profit/ (Loss) attribute to Fushan

(HK\$'000)

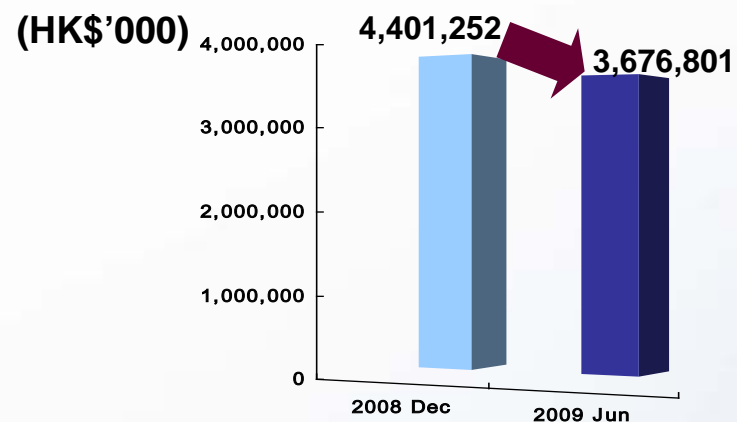


Balance Sheet Summary

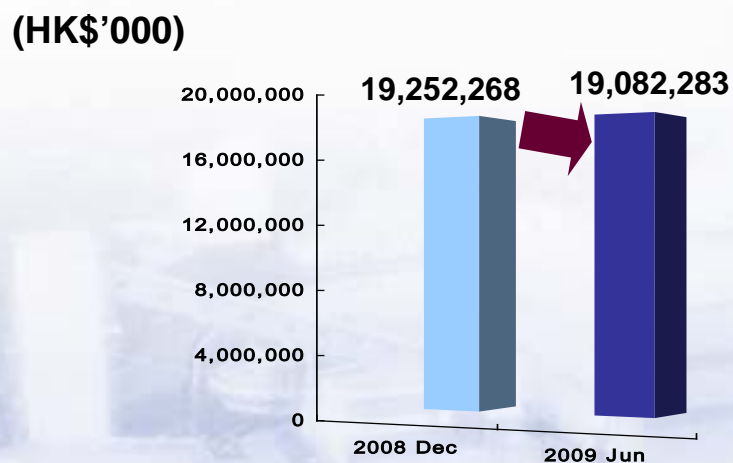
Current Assets



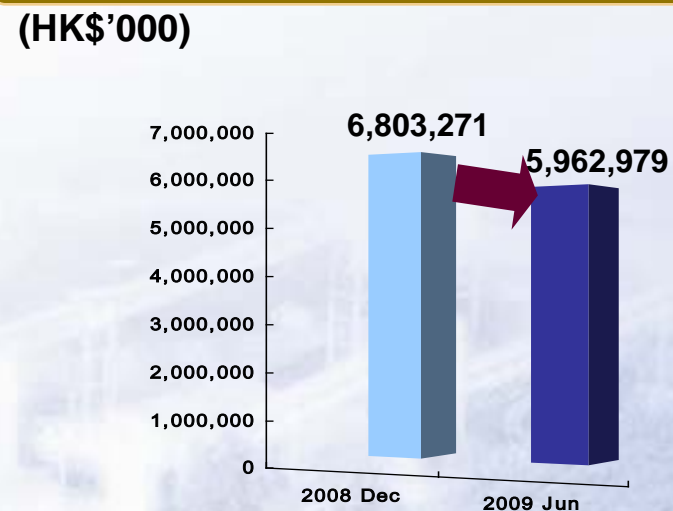
Current Liabilities



Total Assets



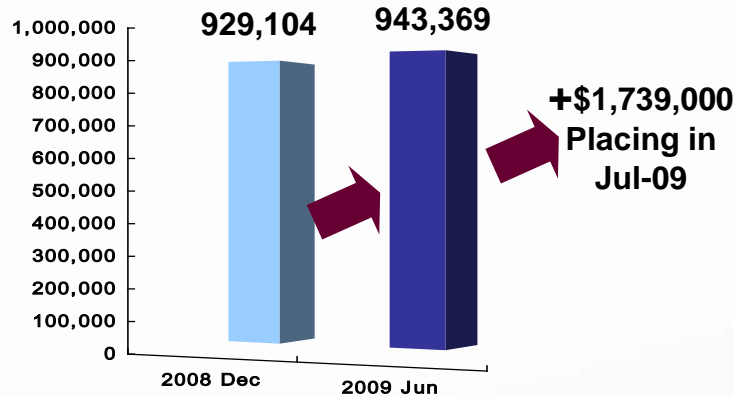
Total Liabilities



Healthy Financial Position

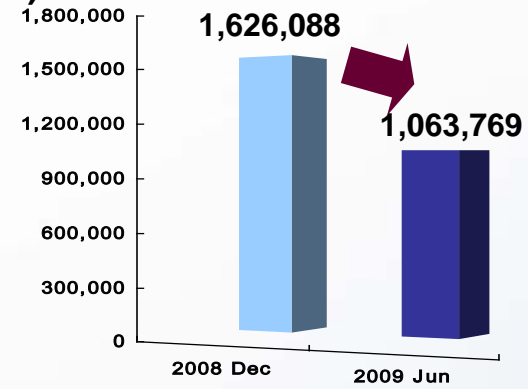
Cash and Bank Balances

(HK\$'000)



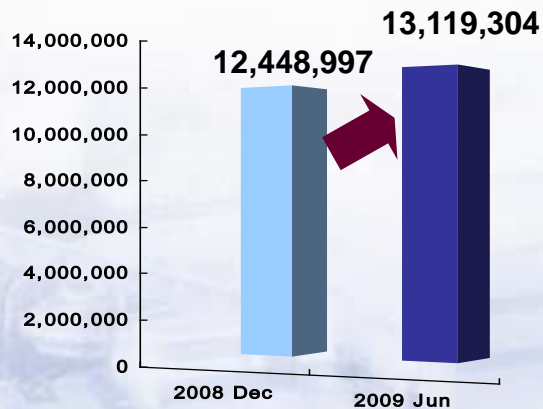
Total Debts

(HK\$'000)

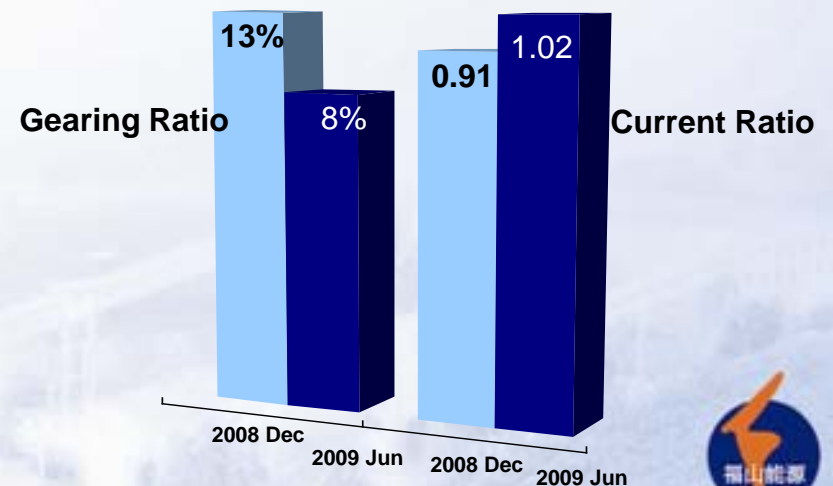


Net Assets

(HK\$'000)



Gearing Ratio & Current Ratio



Q & A

Thank you !

