



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



2010 Interim Results

Presentation

August 2010



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- Results and Events Highlights
- Financial Review
- Market and Business Review
- Business Outlook



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Results Highlights



2010 Interim Results Highlights



Operations experienced steady growth in interim 2010:

- Revenue up by 28% to HK\$2,659 million
- Net Profit up by 15% to HK\$1,060 million
- EBITDA up by 12% to HK\$1,586 million
- Excluding non-cash share-base compensation expense¹, the Group's net profit would be HK\$1,207 million, substantially increased 31% over the same period of 2009
- Recommended interim dividend of HK5 cents per share
- Change of long wall units in 2nd Quarter to upgrade production efficiency and working environment

Note : 1. Granted share options in August 2009 resulted in incurred a non-cash share-base compensation expense of HK\$147 million



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Financial Review

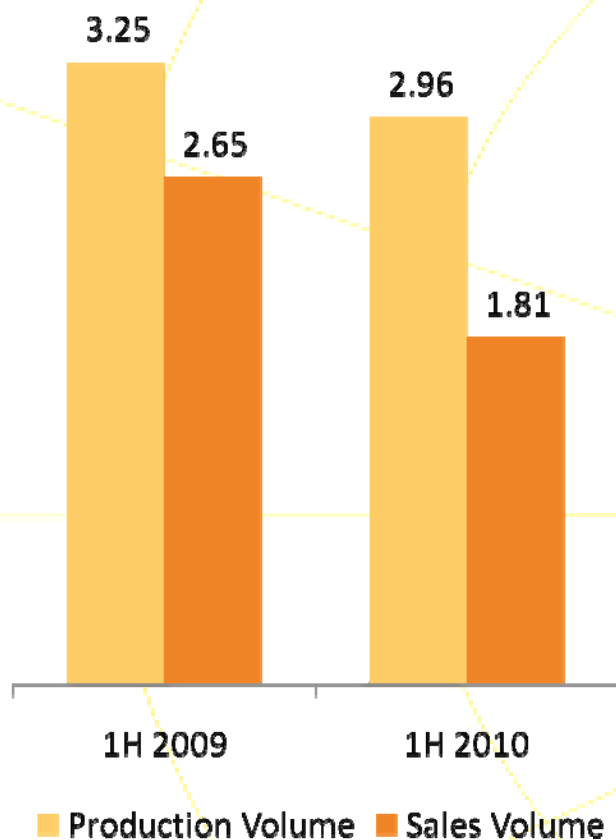


Operating Data



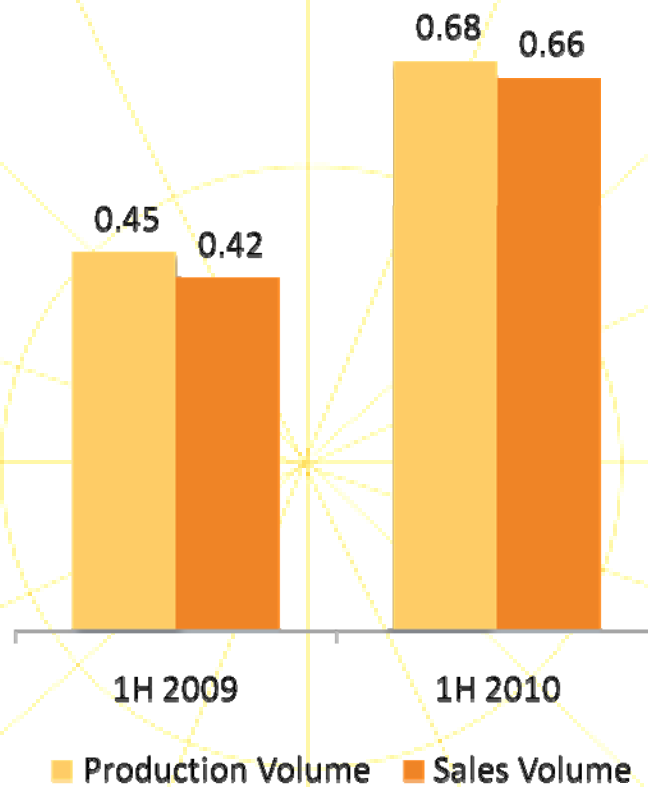
Production and Sales Volumes of Raw Coking Coal

(million tonnes)



Production and Sales Volume of Clean Coking Coal

(million tonnes)

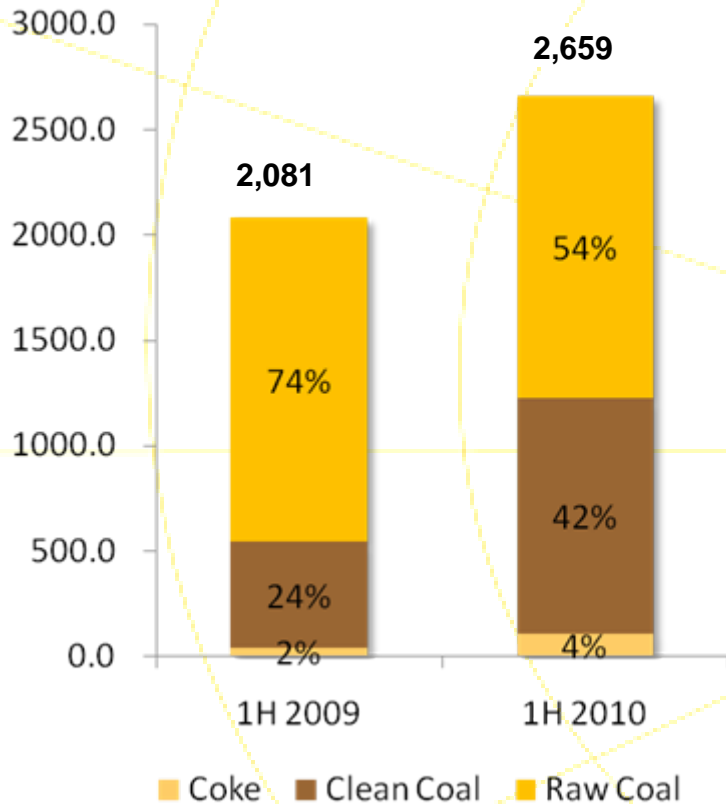


Efficient Operations leads to a Huge Profit



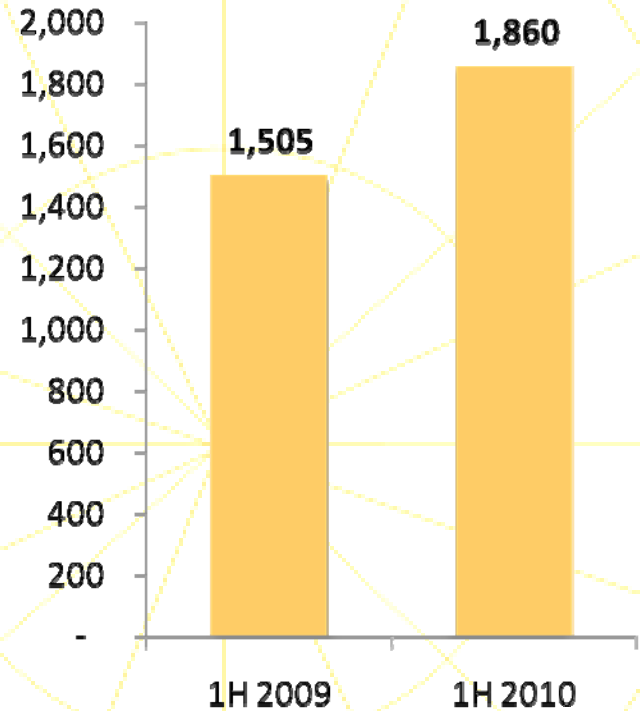
Revenue

(HK\$ million)



Gross Profit

(HK\$ million)

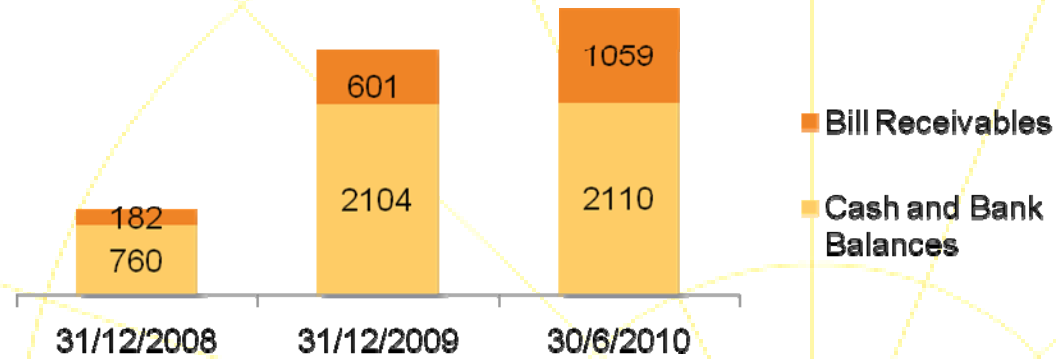


Strong Financial Position



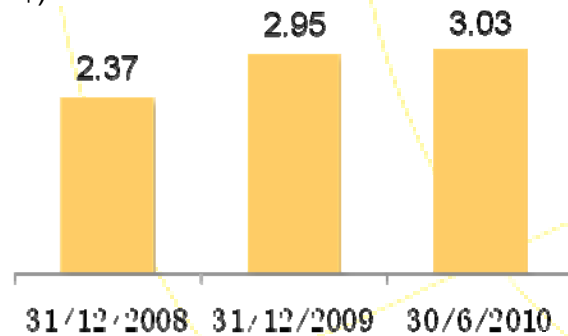
Cash and Cash Equivalents

(HK\$ million)

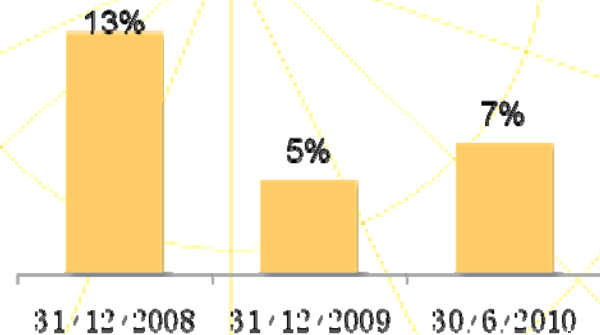


Net Asset Value Per Share

(HK\$)



Gearing Ratio





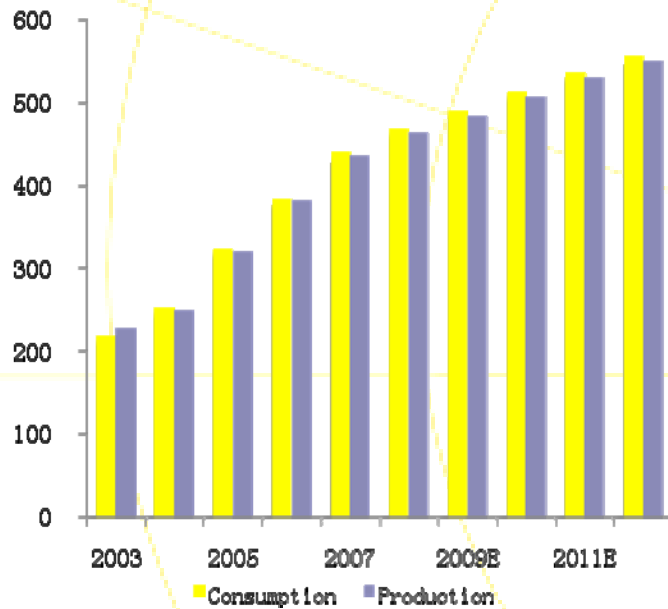
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Market and Business Review



China Coking Coal Production and Consumption

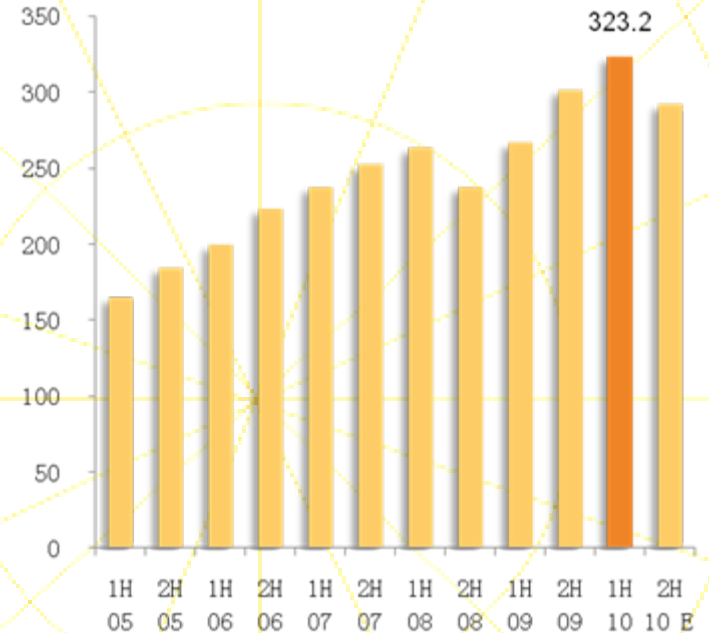
(million tonnes)



Source: BP Statistical Review of World Energy 2008, World Energy Outlook 2009 (OECD/IEA), CRU

China Crude Steel Production

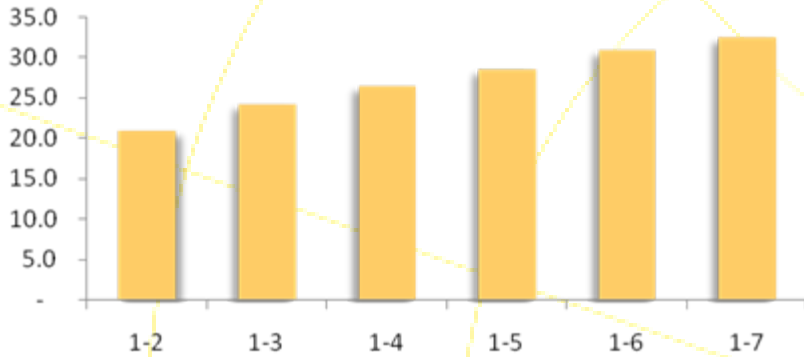
(million tonnes)



Source: National Bureau of Statistics of China, BOA Merrill Lynch

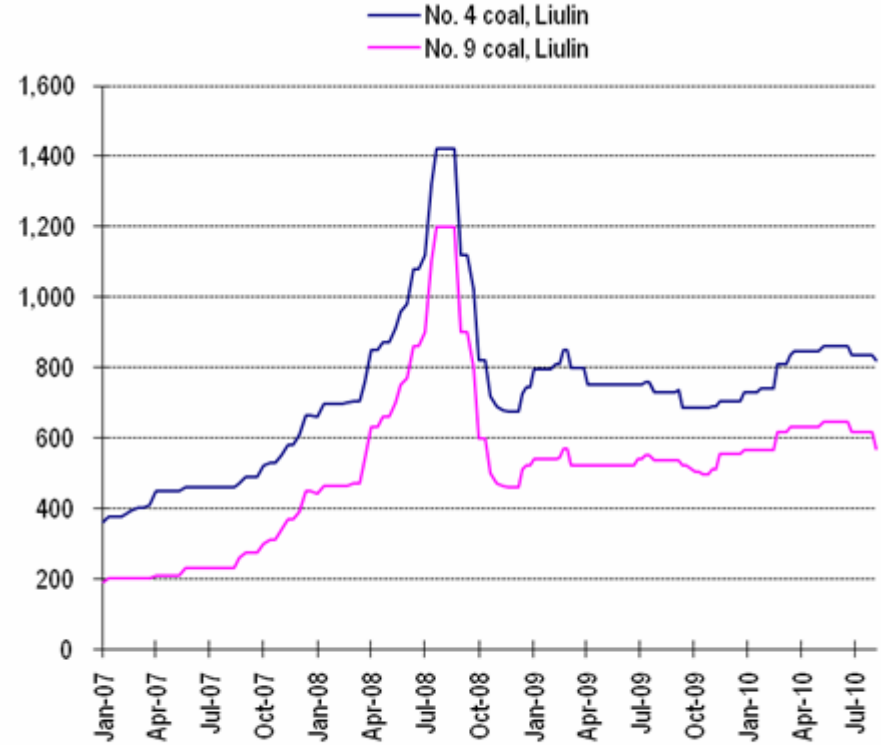
Property Construction by Floor Area in China

(100 million m²)



Source: National Bureau of Statistics of China

Liulin's No. 4 and No. 9 Coal Price



Source: China Coal Resources Net

Automobile Production Volume in China

('000)



Source: China Association of Automobile Manufacturers

Business Review – Coal Mines in Liulin



Jinjazhuang Coal Preparation Plant

- Commenced operation in June 2009
- Annual input processing capacity of 3 million tons
- Uses state-of-the-art dense medium technology for coal processing

(Dense medium technology is currently the most effective means of sorting coal and has a higher sorting accuracy than other processing methods. Besides, it is highly adaptable to handling different volumes of raw coal with diverse qualities.)

- Equipped with advanced monitoring system



Business Review – Coal Mines in Liulin



Zhaiyadi Coal Preparation Plant

- Scheduled to commence operation end of 2010
- Annual input processing capacity of 2.1 million tons
- Also uses dense medium technology for raw coal processing



Business Review – Coal Mines in Liulin



Efforts on improving coal mines

Production safety improvement plan

- Conducting regular on-the-job safety training to workers
- Safety certificate awarded by the China National Coal Association (CNCA) every year
- Large-scale pumps and advanced alert systems to tackle water leakage accidents
- Powerful ventilation and degassing systems
- Significant investments for enhancing safety measures

Environmental protection works

- Investing to build a “green” environment for our employees
- Utilize wastewater recycling system for coal processing
- Gas collected for power generation



Good relationship with key steelmakers



HBIS
河北钢铁集团



Business Review – Mount Gibson Iron (MGX.AU)



- Fushan directly and indirectly owns about 18.14% equity interest in Mount Gibson Iron
- MGX operates iron ore mines in Koolan Island and Talling Peak (hematite ores) of Australia with production volume of about 7 Mtpa
- Extension Hill, the 3rd mine of MGX, scheduled to start shipments in FY2011/12
- Underpinned by strong demand for iron ore in the global market, Mount Gibson recorded revenue of AUD 294 million, an increase of 45% year-on-year; net profit after tax increased more than two fold to AUD 93 million

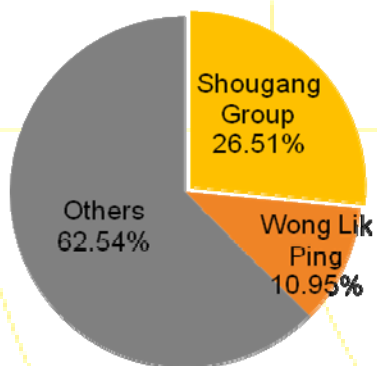
| | | 6 months ended 30-6-2009 (Unaudited) | 6 months ended 31-12-2009 (Unaudited) | 6 months ended 30-6-2010 (Unaudited) |
|--|-----------|--|---|--|
| Tonnes mined | Mil. tons | 3.12 | 3.68 | 3.60 |
| Tonnes sold | Mil. tons | 3.00 | 3.38 | 3.10 |
| Revenue | Mil. AUD | 202.7 | 242.3 | 294.0 |
| Operating profit before interest and tax | Mil. AUD | 49.6 | 64.6 | 141.9 |
| Net profit after tax | Mil. AUD | 29.3 | 39.4 | 93.0 |



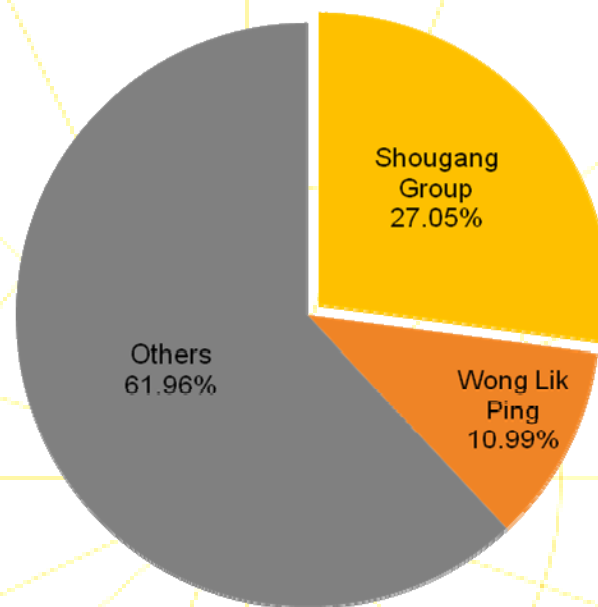
Strong Support from Shougang Group



Shougang Group owns 1,455 million shares of Fushan Energy (equity interest of 27.05%)



As of 31 December 2009



As of 30 June 2010



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Business Outlook



- Focus in Shanxi Province as production base to expand coking coal business
- Continue to provide a green and a safe working environment for staff
- Gradually shifting our product mix to clean coking coal sales
- Strengthen relationships with Shougang and other key domestic steelmakers
- Seeking acquisition opportunities to enlarge production capacity and market share



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Thank you!

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