



CHINA ORIENTAL GROUP COMPANY LIMITED
中國東方集團控股有限公司

Listed on the Hong Kong Stock Exchange (Stock Code: 581)

Corporate presentation

October 2011



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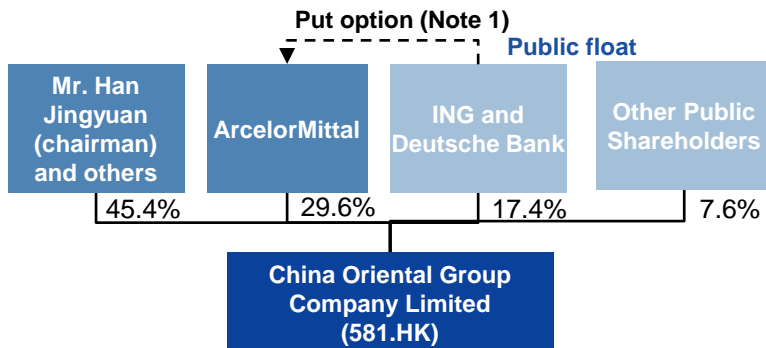


China Oriental – A leading steel producer in China

Overview

- An integrated iron and steel manufacturer with crude steel capacity of 11mtpa mainly based in Tangshan City, Hebei Province
- One of the most efficient and profitable steel manufacturers in China with excellent track record of growth
- Evolving product mix focusing on infrastructure and machinery; Leader in the H-section steel market in China
- Technology, management and corporate governance support from strategic shareholder – ArcelorMittal

Shareholding structure



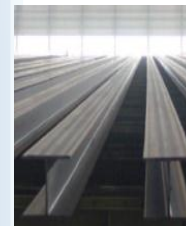
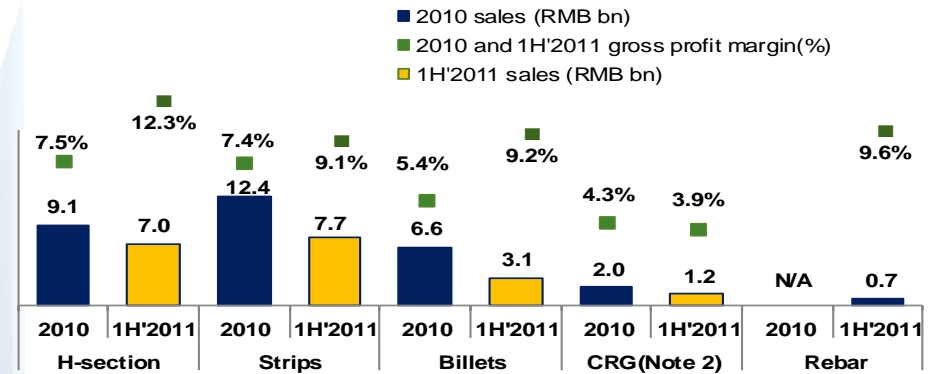
Tangshan, Hebei



Foshan, Guangdong



Products



Widely used in infrastructure and large-scale non-residential construction as structural supports



Mainly used in machinery and electrical appliance as shell or component



First product in the steel manufacturing chain



Processed from strips; mainly used in electrical appliance and pipes



Widely used in residential and non-residential projects

Focus on infrastructure, non-residential construction and machinery

Note:

(1) The agreement was extended for another 3 years form 30 April 2011

(2) CRG: Cold rolled sheets and galvanized sheets



1H 2011 highlights

Profitability

- Strong margins in 1H'2011 driven by higher sales price and strong demand from construction sector coupled with effective cost management

Production

- Rolling capacity utilization close to 100% for 1H'2011 on back of strong demand in construction sector (non residential, infrastructure and residential)

Product mix

- Added high margin rebars to the product portfolio with production commencing in Q2 2011 initially at 2,500 t/day and gradually scaling to 800,000 mtpa by Q3 2011

Cost management

- Stable input costs during 1H'2011 as a result of effective cost management and sourcing strategies

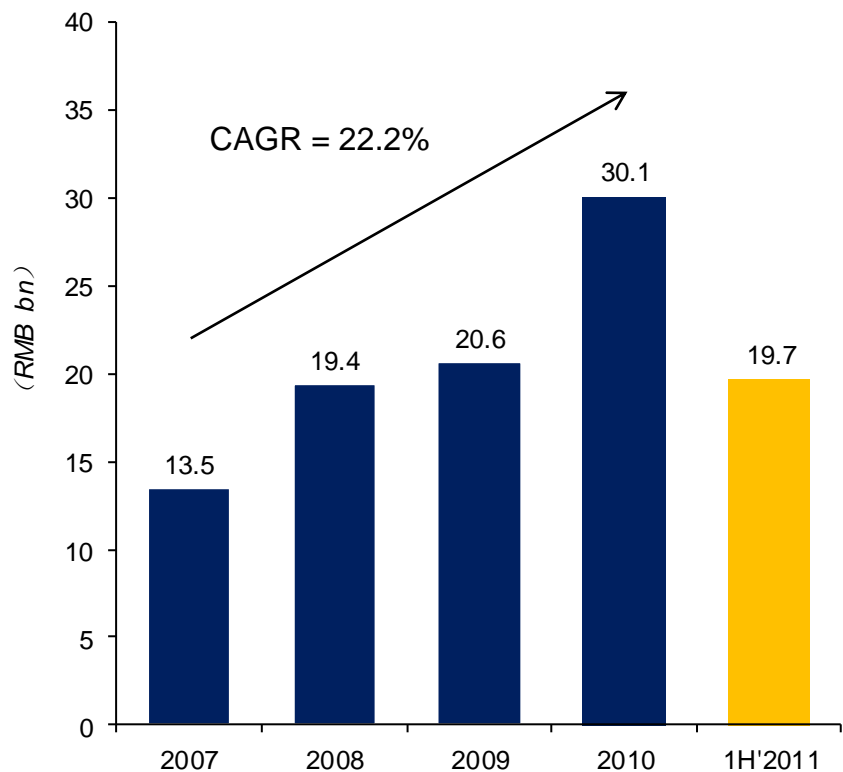
Liquidity

- Efficient cash management policies with regards to notes receivables & trade financing have helped maintain strong liquidity position

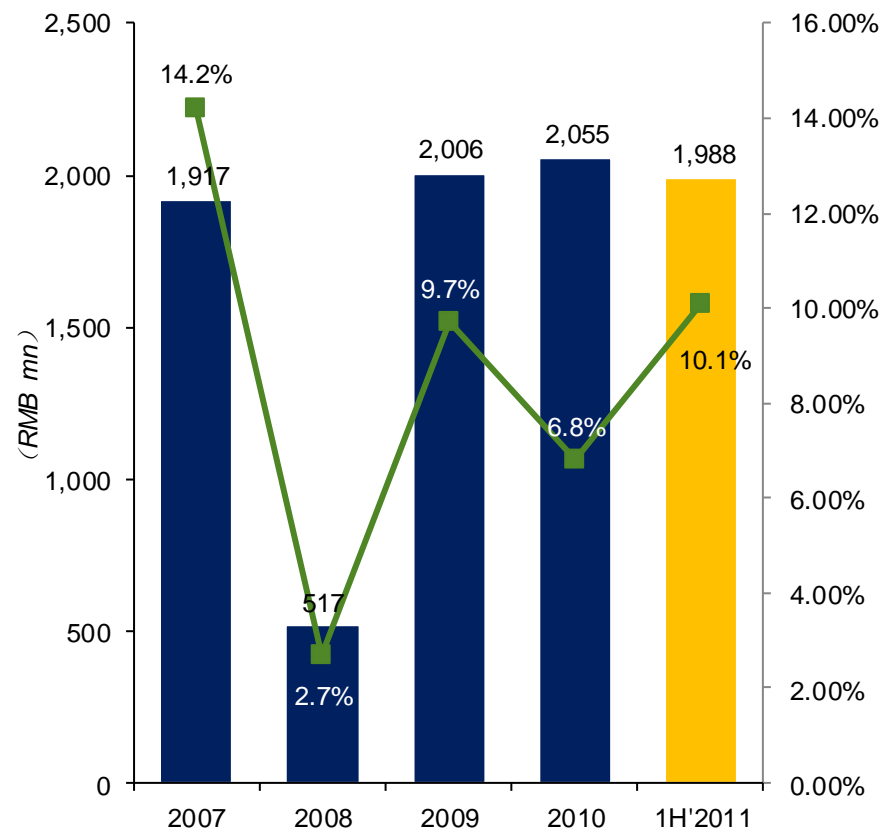


1H 2011 financial highlights

Revenue



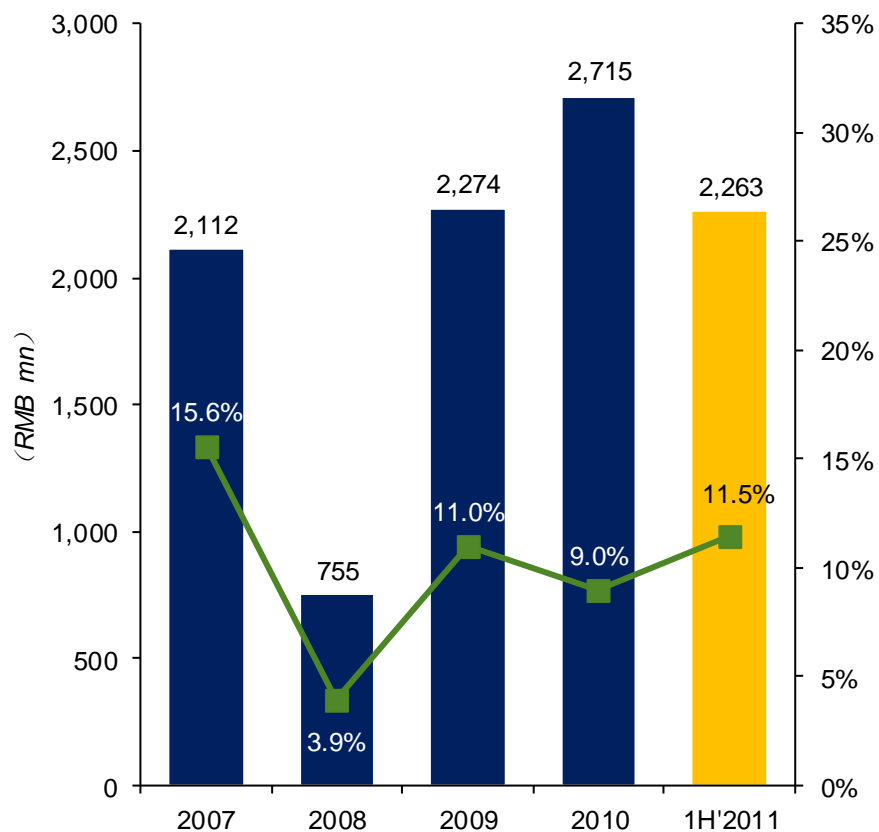
Gross profit and margin



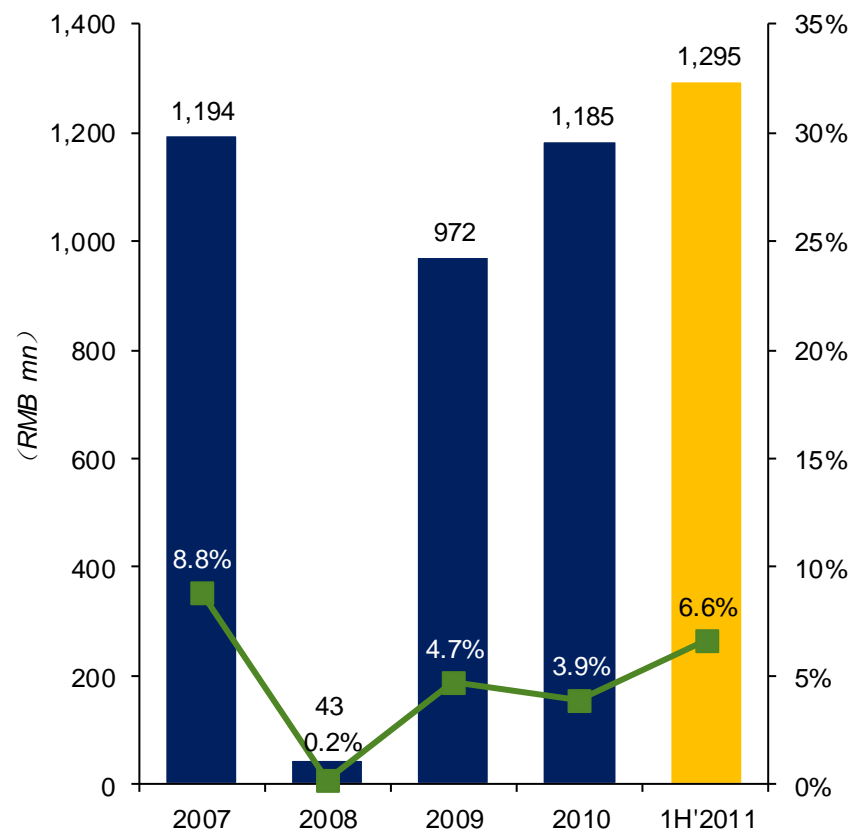


1H 2011 financial highlights (cont'd)

EBITDA and margin



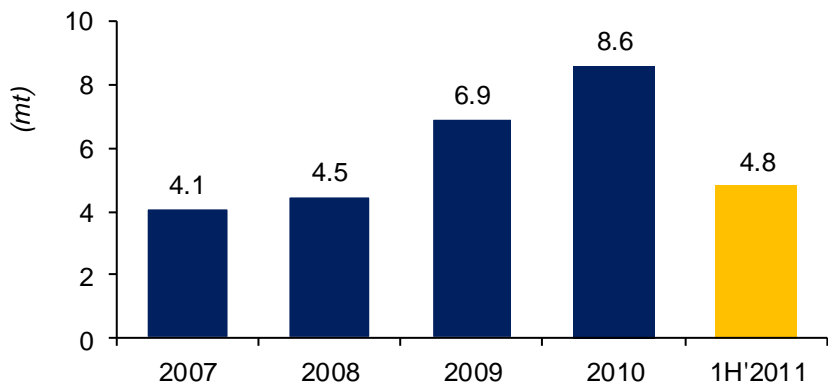
Profit for the year and margin



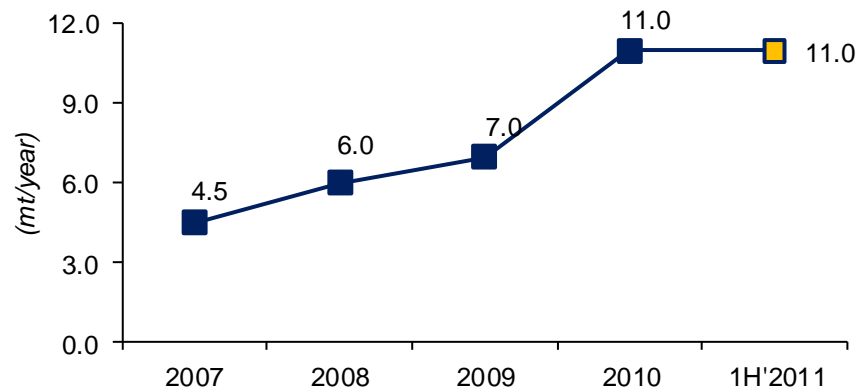


1H'2011 financial highlights (cont'd)

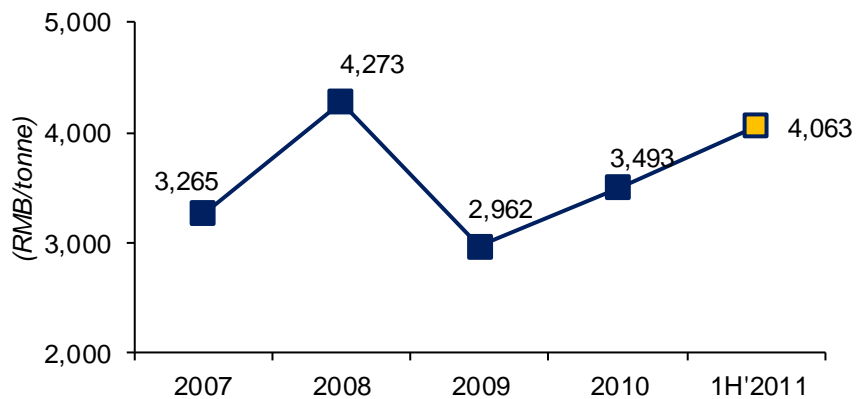
Sales volume



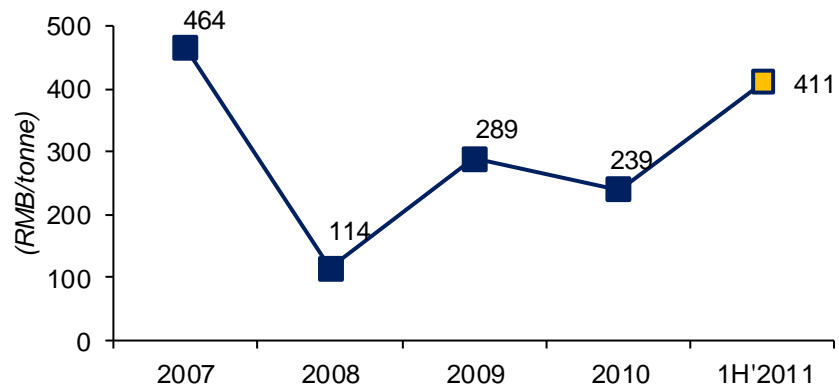
Year end crude steel production capacity



Average selling price



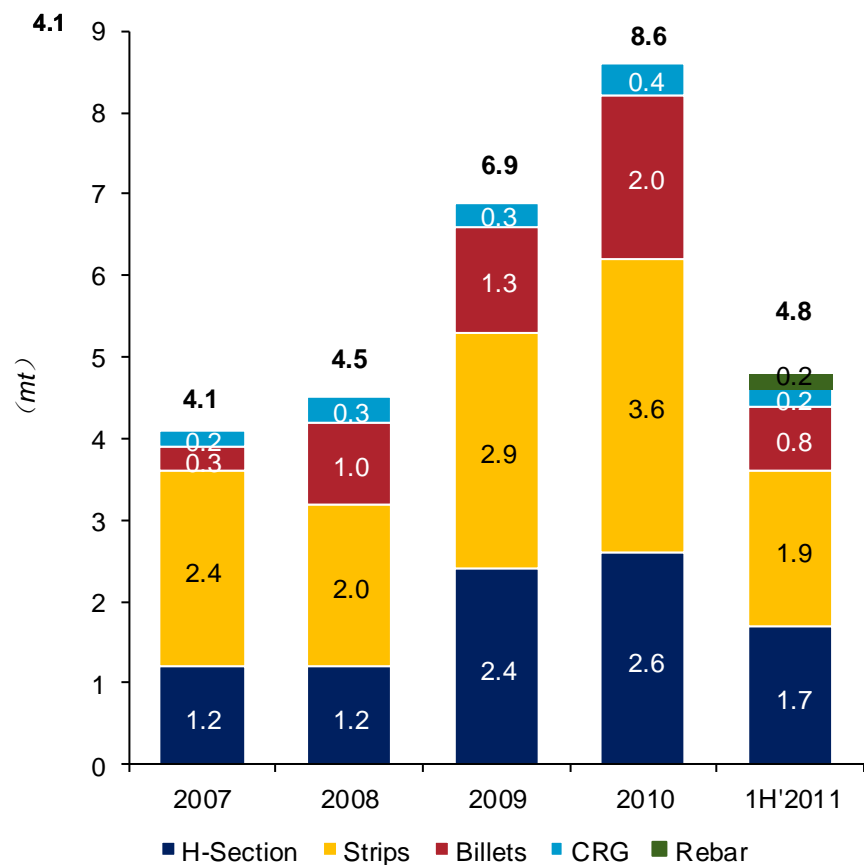
Gross profit per tonne



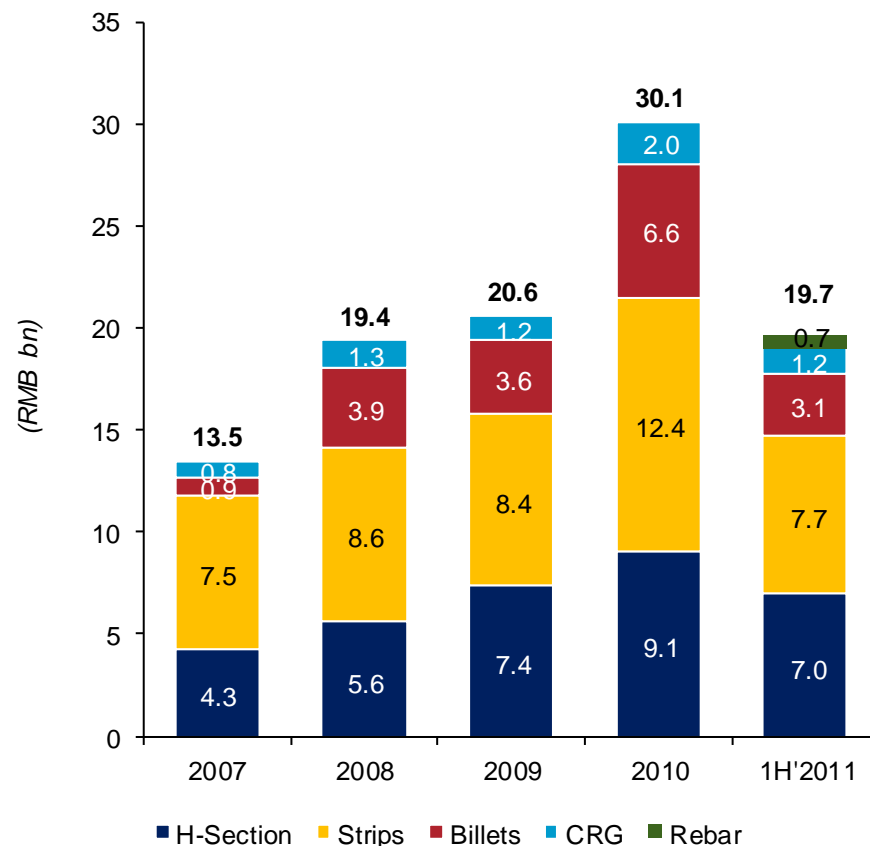


Product segments

Sales volume



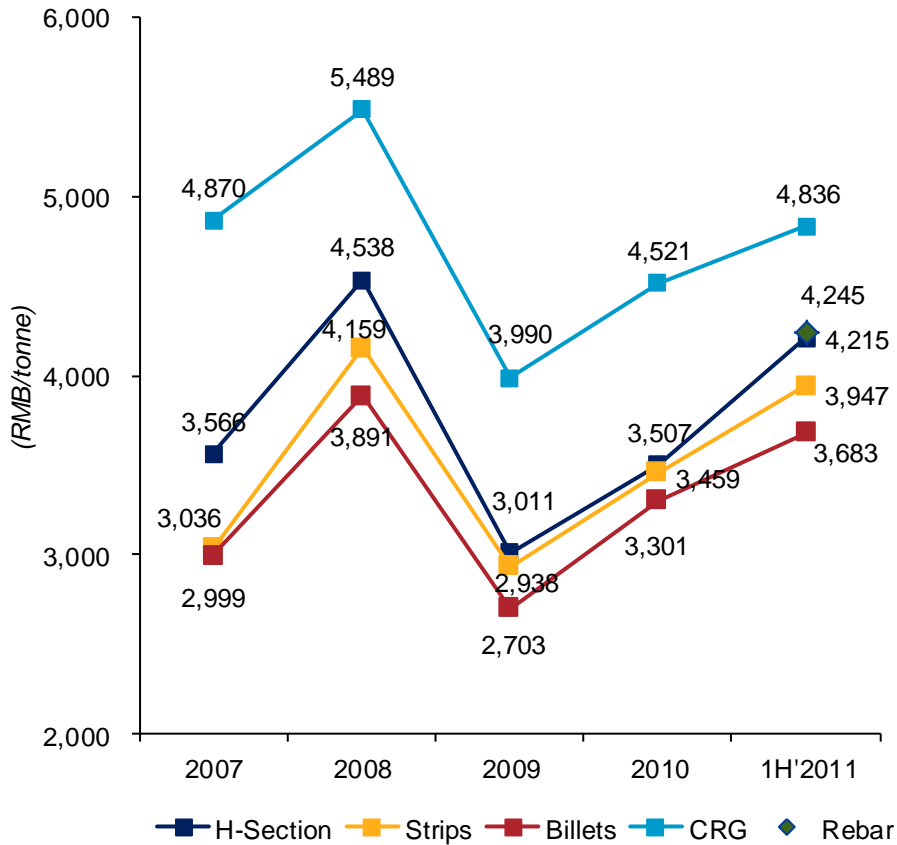
Revenue



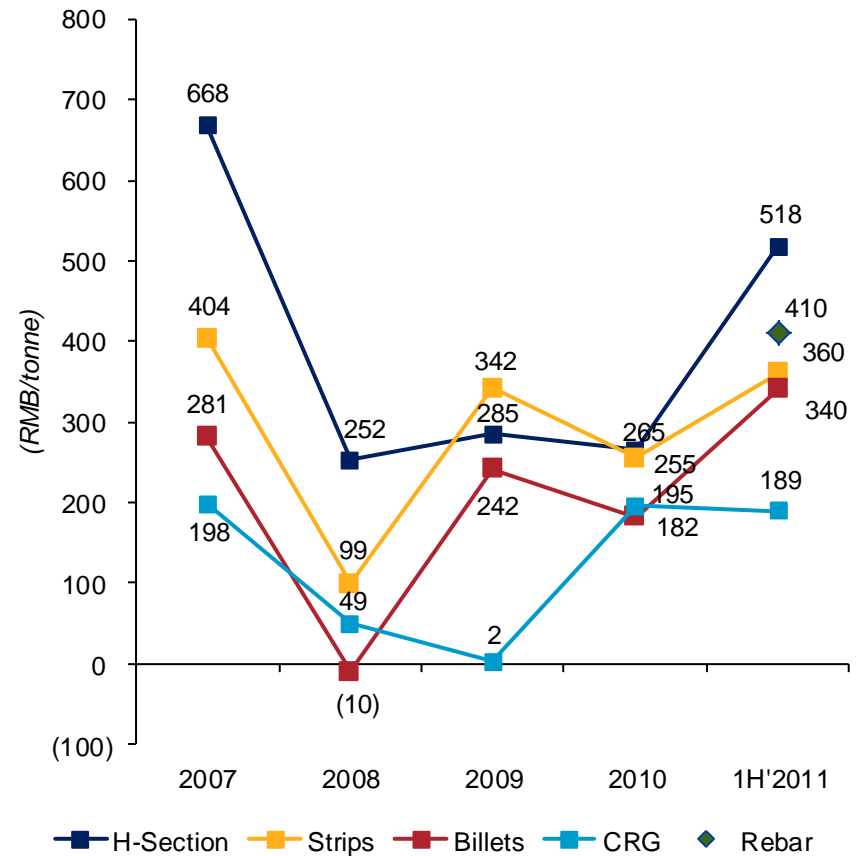


Product segments (cont'd)

Average selling price



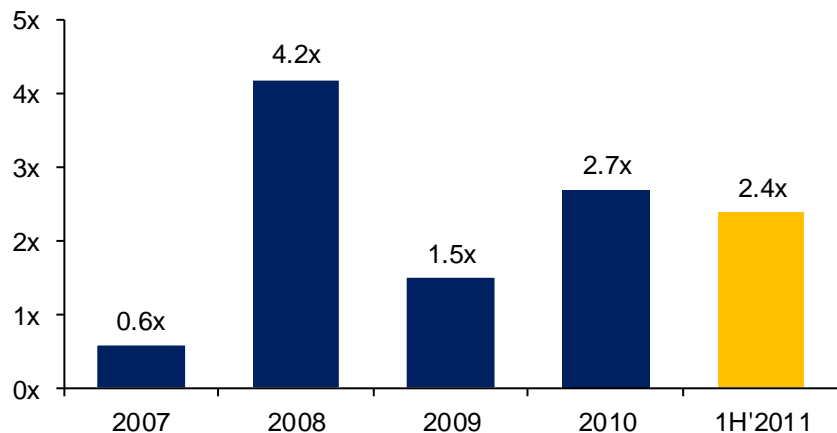
Gross profit per tonne



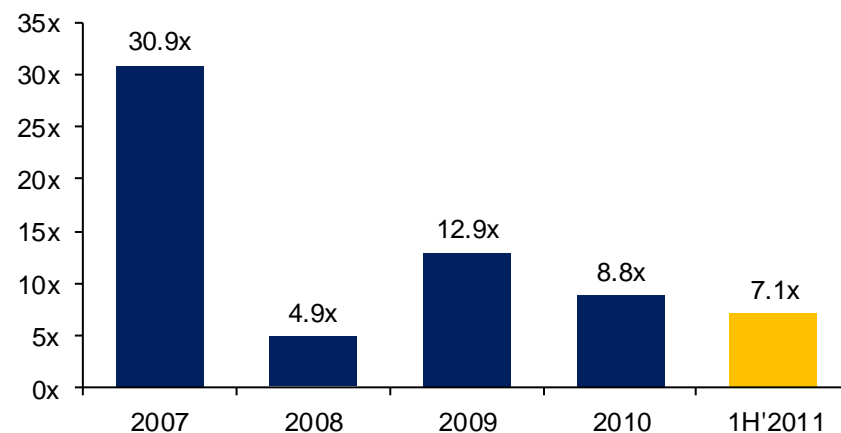


Key financial metrics

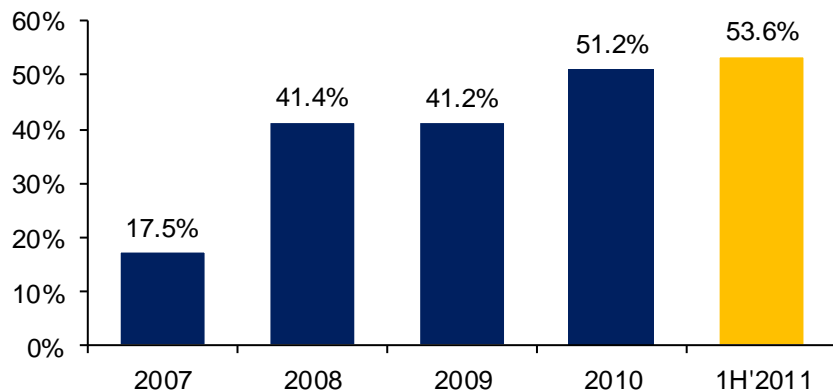
Total debt ⁽¹⁾ / EBITDA



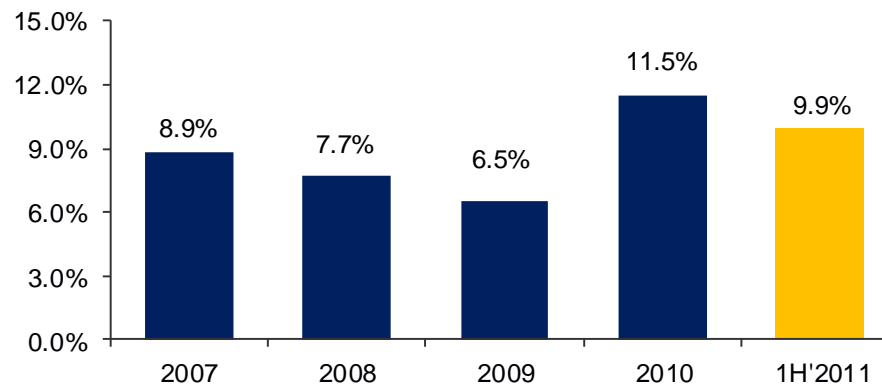
EBITDA interest coverage ⁽²⁾



Total debt ⁽¹⁾ / Total capitalization ⁽³⁾



Cash / Total Assets



Note:

(1) Total debt includes short-term and long-term borrowings, finance lease obligations and borrowings from related parties

(2) Gross interest expense includes interest expenses from borrowings and finance lease obligations and interest capitalized in property, plant and equipment

(3) Total capitalization includes non-current borrowings, non-current portion of finance leases obligations and borrowings from related parties and the equity attributable to owners of the parent