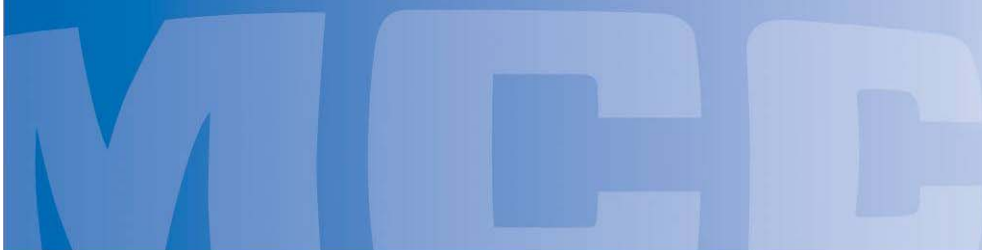




**中国冶金科工股份有限公司**  
METALLURGICAL CORPORATION OF CHINA LIMITED

# 2011 1Q Result Review (A Share)

April 2011





# Disclaimer

- This presentation does not constitute an offer or invitation to purchase or subscribe for any shares of Metallurgical Corporation of China Ltd. (“MCC”) to investors
- This presentation contains forward-looking statements, these forward-looking statements are subject to risks and uncertainties, and based on Company’s expectations, assumptions, estimations and forecasts of the industries. Unless required by law, the Company does not undertake to update or revise any forward-looking statements for subsequent circumstances. Accordingly, investors should not place undue reliance on any forward-looking information
- The Company believes those expectations implied by forward-looking statement are reasonable, but no reliance should be placed on the fairness, accuracy, or correctness of such information. Actual results may differ from those anticipated in the forward-looking statements
- The financial information for the first quarter of 2011 is prepared in accordance with the PRC GAAP and has not been audited



# Agenda

<b>Section 1</b>	<b>Company Overview</b>	<b>3</b>
<b>Section 2</b>	<b>Financial Performance Review</b>	<b>7</b>
<b>Section 3</b>	<b>Segment Analysis</b>	<b>13</b>
<b>Section 4</b>	<b>Future Outlook</b>	<b>18</b>



**中国冶金科工股份有限公司**  
METALLURGICAL CORPORATION OF CHINA LIMITED

## **Section 1**

### **Company Overview**





# Steady Growth of Operation

## Operation Performance

- Steady revenue growth
- Gross profit and gross margin improved in 2010 and maintained stable in 2011 1Q
- Continuous net income increase

## Key Operation Indicators

- Revenue was RMB206.8 billion in 2010 and RMB43.0 billion in 2011 1Q, representing a YoY growth of 17.3%
- Gross profit was RMB26.9 billion in 2010, gross margin was 13.0%. Gross profit was RMB5.3 billion in 2011 1Q, gross margin was 12.4%
- Net profit attributable to equity holders was RMB5.3 billion in 2010 and RMB1.2 billion in 2011 1Q, representing a YoY growth of 3.45%

## Business Transformation in 2011 1Q




- E&C: Successful business transformation, increase in new contracts & backlog
- Equipment Manufacturing: Strong revenue growth, production capacity to be released
- Resources Development: Strong performance of polysilicon, steady development of overseas resources
- Property Development: Strong development of social welfare housing

## Key Business Indicators

- Non-metallurgical business accounted for 52% of total E&C revenue and 64% of total company revenue
- New contract value of E&C amounted to RMB59.4 billion, representing a YoY growth of 18.6%, including RMB6.9 billion <sup>(1)</sup> of overseas projects, representing a YoY growth of 174.6%; Backlog amounted to RMB233.9 billion, representing a YoY growth of 15.3%, including RMB43.4 billion of overseas projects
- Equipment manufacturing revenue increased by 57.4% compared with 2010 1Q, and the production capacity is to be released
- Polysilicon's production volume was 1,667 tonnes, gross margin was 54.9%
- Total planned GFA for social welfare housing was 30.5 million sq.m.; Total planned GFA for commercial residential properties was 23.1 million sq.m.



# Improving Market Position

Overall	Industry	Capital Market
 <ul style="list-style-type: none"> <li>• No. 315 of "Fortune Global 500 Companies" (Up by 65)</li> </ul>	<ul style="list-style-type: none"> <li>• No. 8 among 225 global contractors by The Engineering News-Record</li> <li>• One of the largest metallurgical equipment manufacturers in China</li> <li>• One of the largest steel structure manufacturers in China</li> <li>• One of the five overseas resources developers supported by the central government with rich copper, iron ore and nickel resource base</li> <li>• One of the 21 central-level SOE real estate developers</li> <li>• One of the largest social welfare housing developers</li> </ul>	<ul style="list-style-type: none"> <li>• Best investor relationship award among IPO companies in 2009</li> <li>• Outstanding board secretary of listed companies</li> <li>• Shanghai Composite 50 index, Shanghai Exchange 180 index, Shanghai and Shenzhen 300 index</li> </ul>
 <ul style="list-style-type: none"> <li>• No. 399 of Global Listed Companies</li> </ul>		.....
 <ul style="list-style-type: none"> <li>• No. 13 of "Top China 500 Companies"</li> </ul>		
 <ul style="list-style-type: none"> <li>• National Innovative Enterprise</li> </ul>		
.....	.....	



# Strong Support from Technology Advantage

## Three Levels of Technology and Innovation Platforms



### Key R&D Achievements in 2010

- 1 National Engineering Technology Research Center approved
- 1 National Engineering Lab approved
- More than 10 National Research Projects
- More than 10 National, Provincial Awards
- 2,415 new applications for patents
- 1,669 patents granted approvals, including 245 invention patents and 4 patents with overseas authorization

.....

### Subsidiaries among Top 100 China Engineering, Surveying and Design Companies in 2009

Rank	Subsidiary
2	MCC Capital Engineering & Research Incorporation Limited
5	WISDRI Engineering & Research Incorporation Limited
7	CISDI Engineering Company Limited
14	ACRE Coking & Refractory Engineering Consulting Corporation
15	China Enfi Engineering Co., Ltd.
41	Zhong Ye Chang Tian International Engineering Co., LTD
51	Huatian Engineering & Technology Corporation, MCC
55	Northern Engineering & Technology Corporation, MCC
71	BERIS Engineering & Research Corporation



**中国冶金科工股份有限公司**  
METALLURGICAL CORPORATION OF CHINA LIMITED

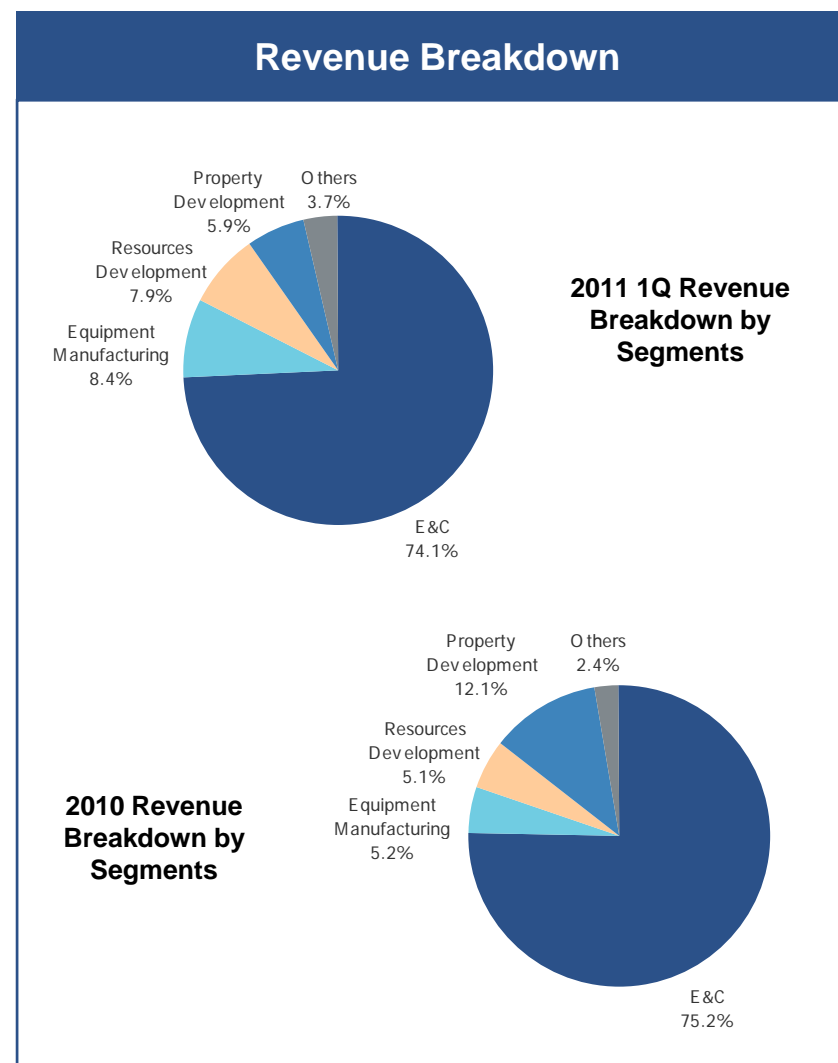
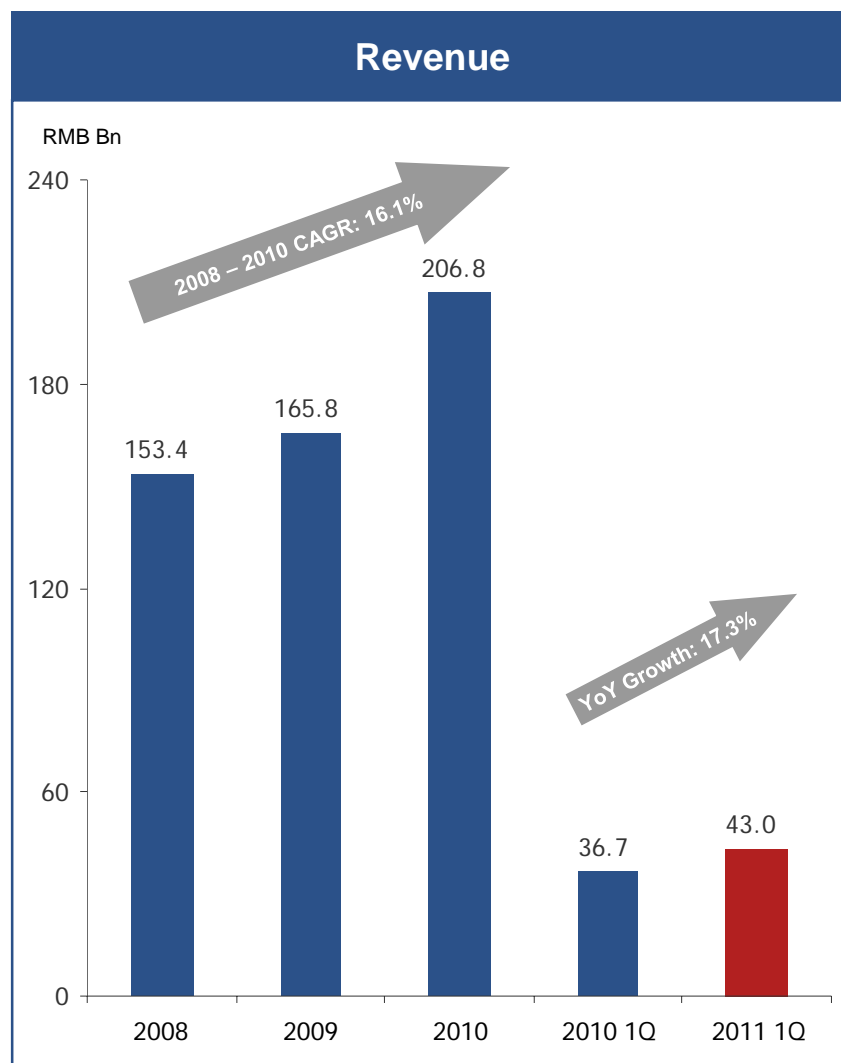
## **Section 2**

### **Financial Performance Review**

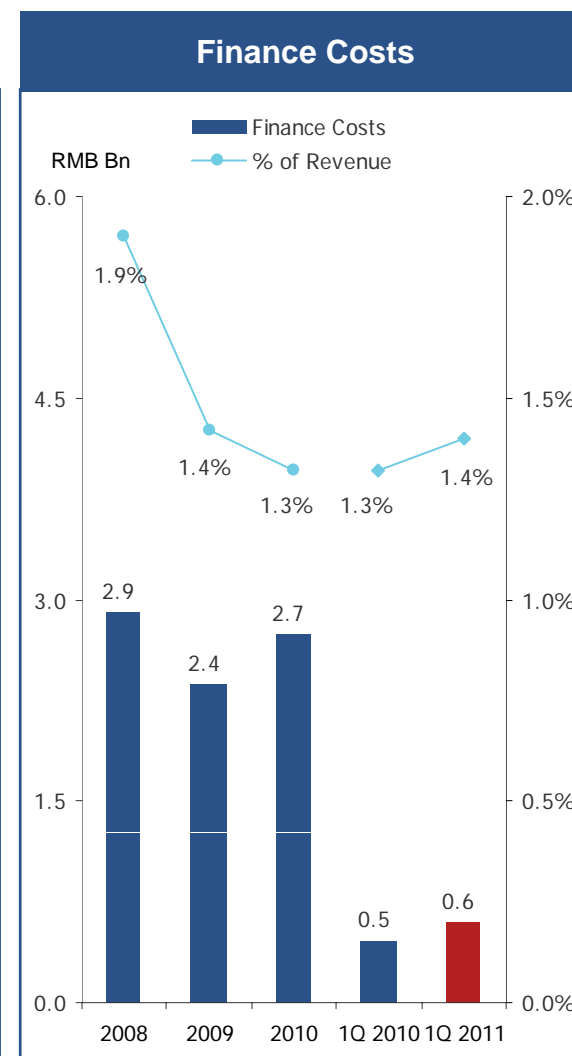
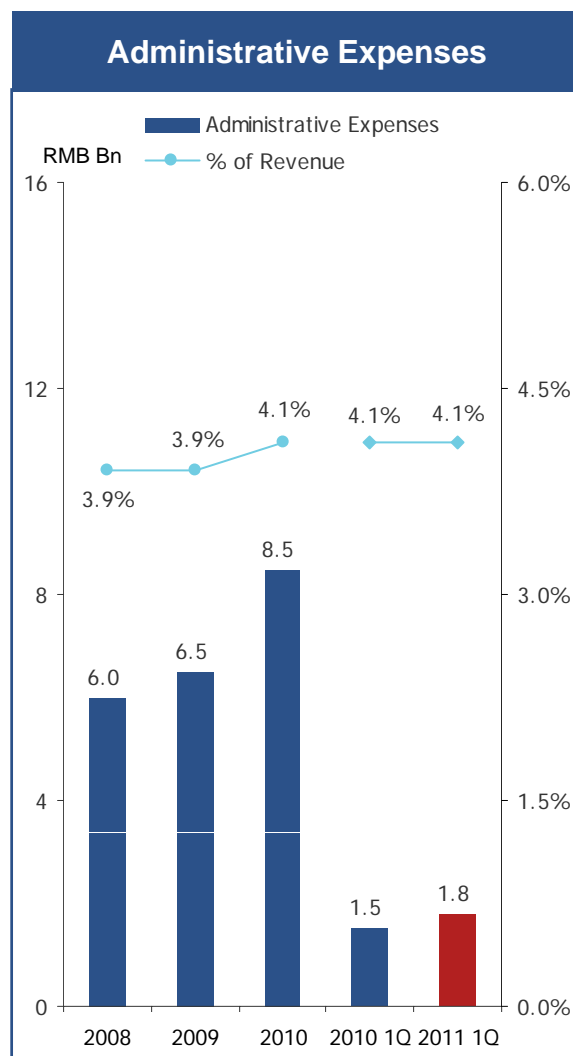
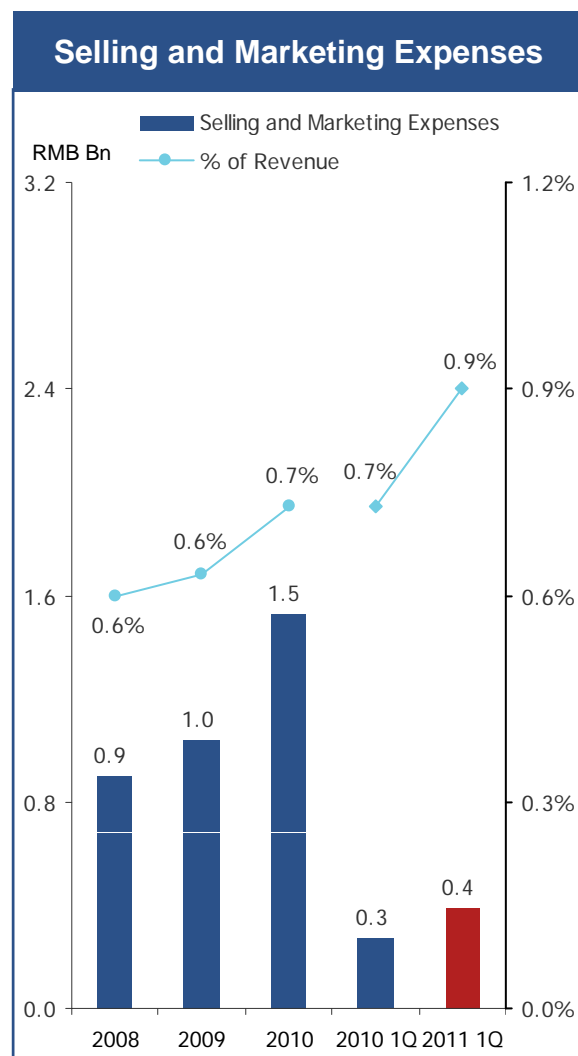




# Strong Revenue Growth



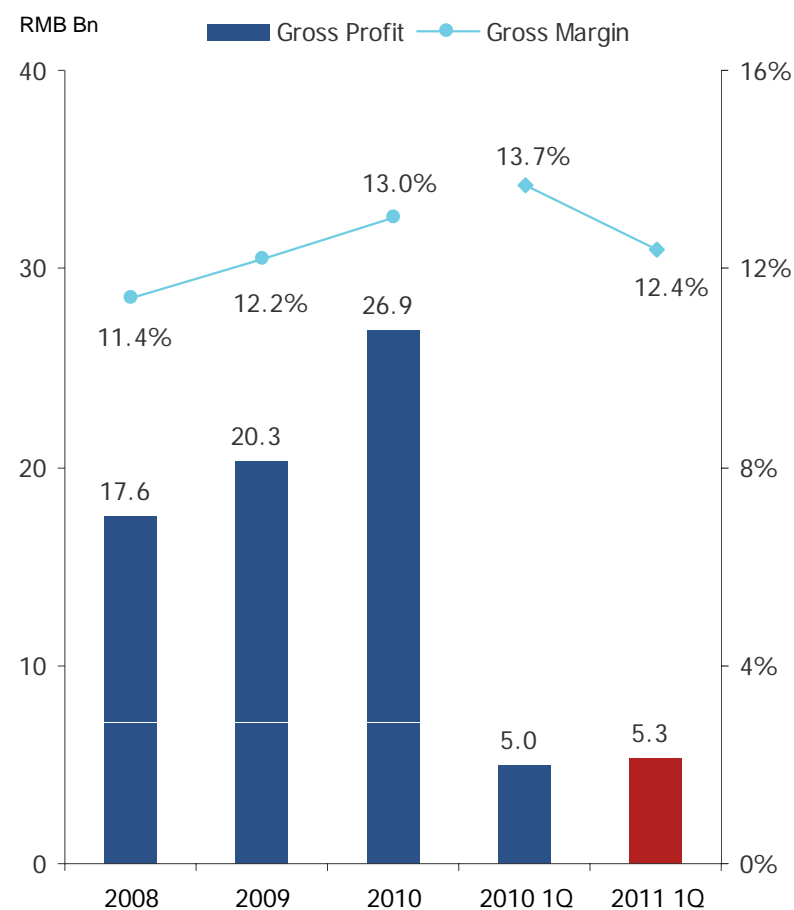
# Stable Costs and Expenses



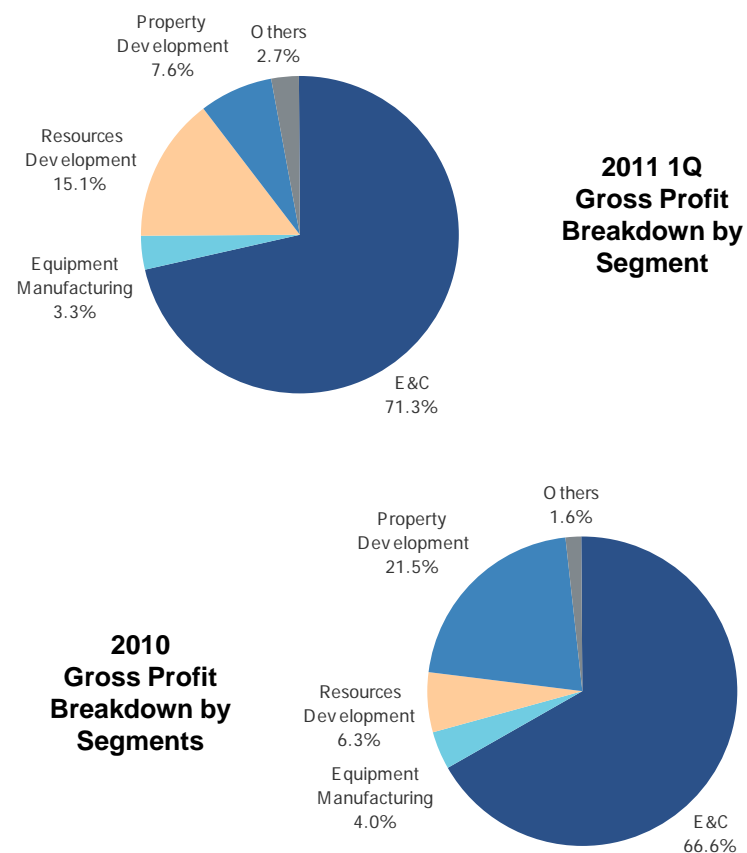
# Gross Profit and Gross Margin Improved in 2010 and Maintained Stable in 2011 1Q



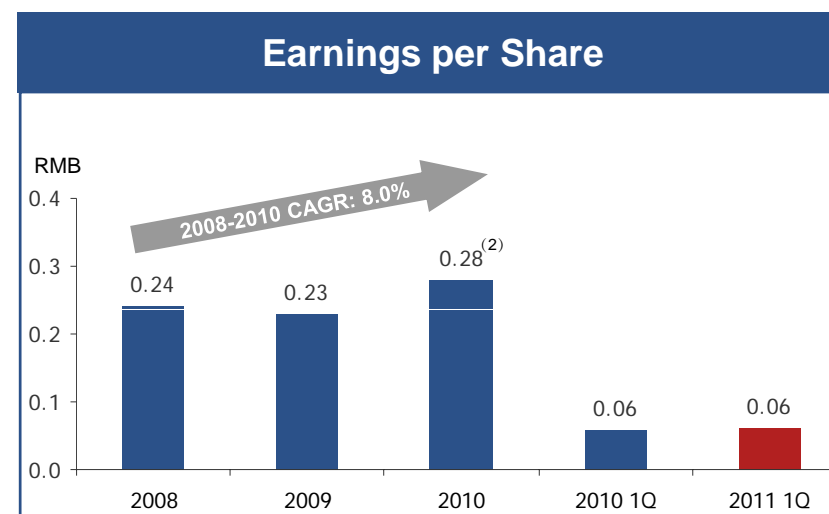
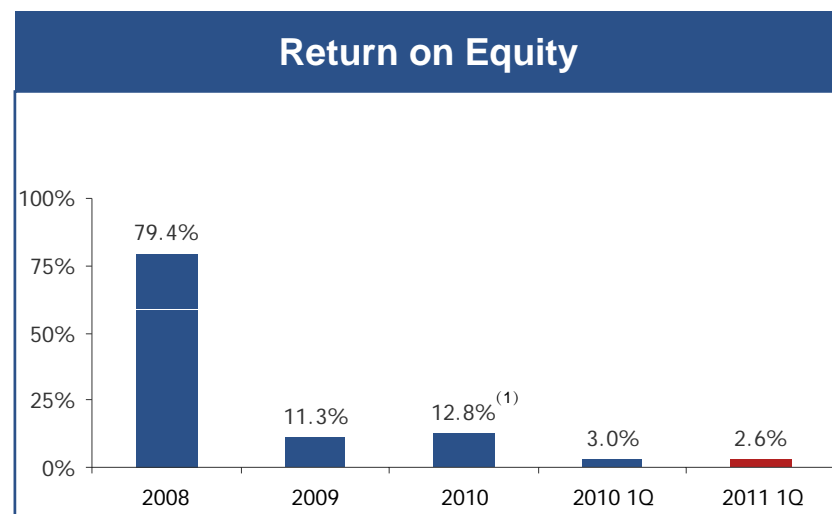
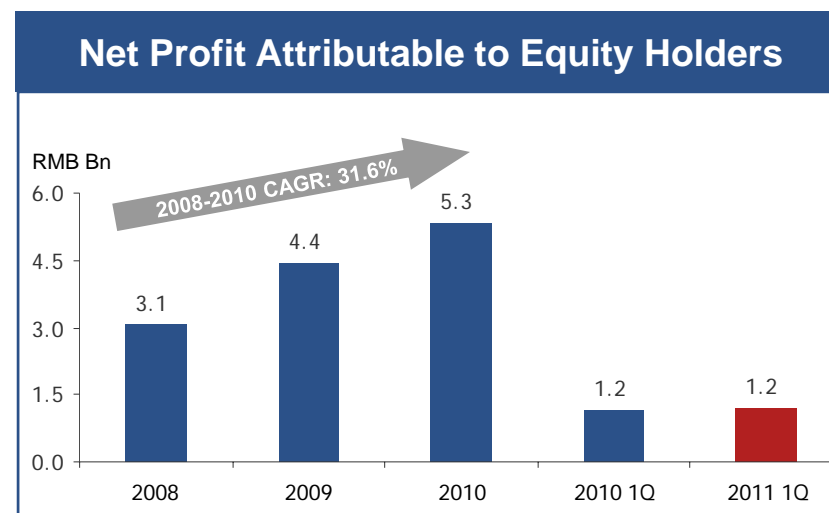
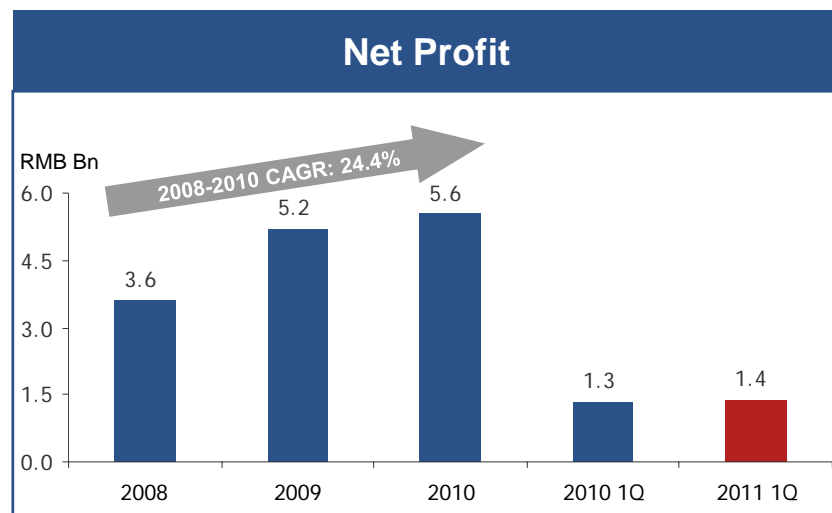
## Gross Profit and Gross Margin



## Gross Profit Breakdown



# Continuous Increase in Net Profit

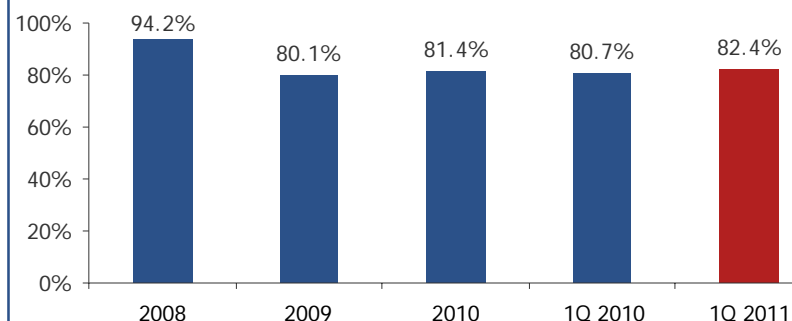


(1) Return on Equity based on Total Equity as of Dec 31, 2009

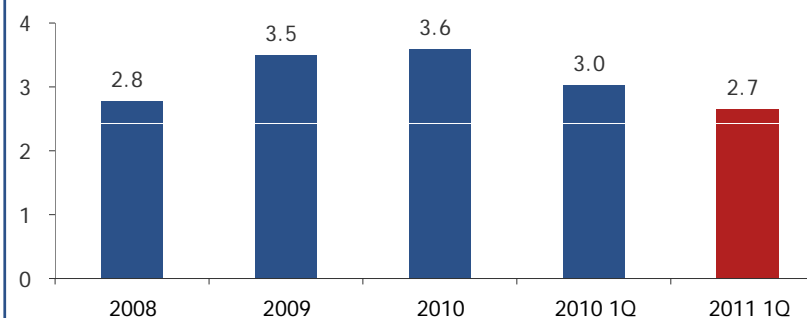
(2) EPS based on total number of shares after IPO (Sep 2009)

# Stable Capital Structure and Liquidity

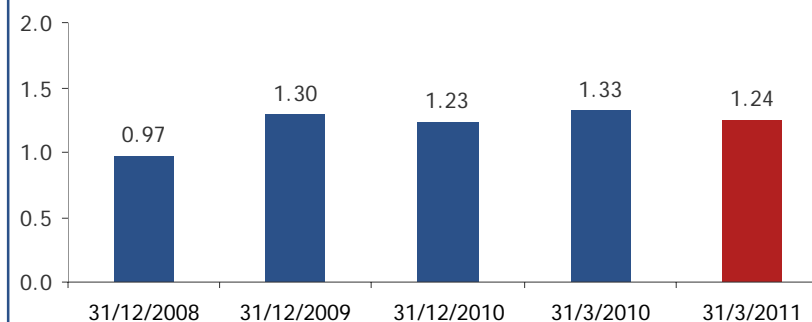
## Total Liabilities / Total Assets



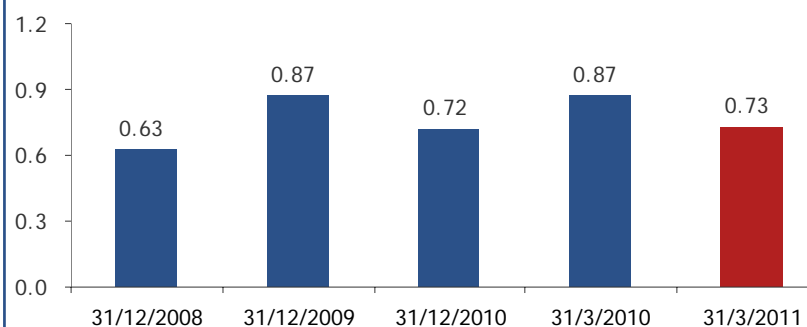
## Interest Coverage Ratio



## Current Ratio



## Quick Ratio





**中国冶金科工股份有限公司**  
METALLURGICAL CORPORATION OF CHINA LIMITED

## **Section 3**

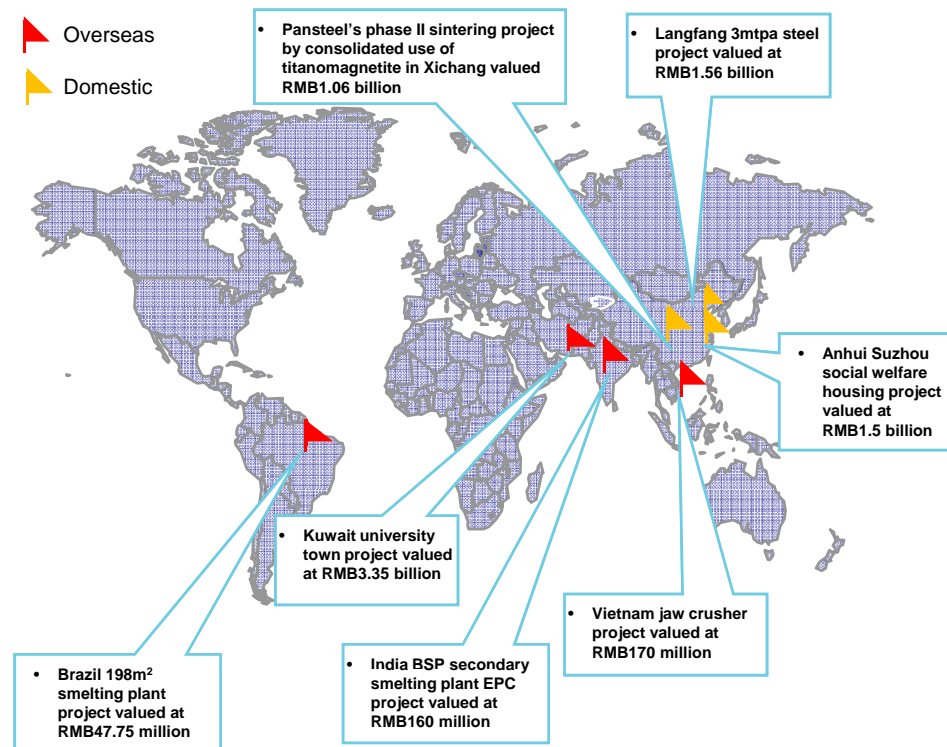
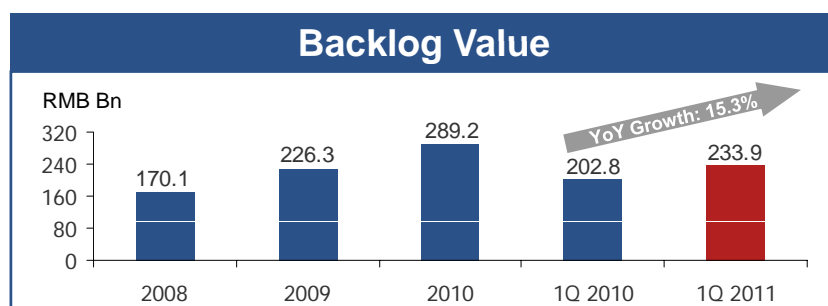
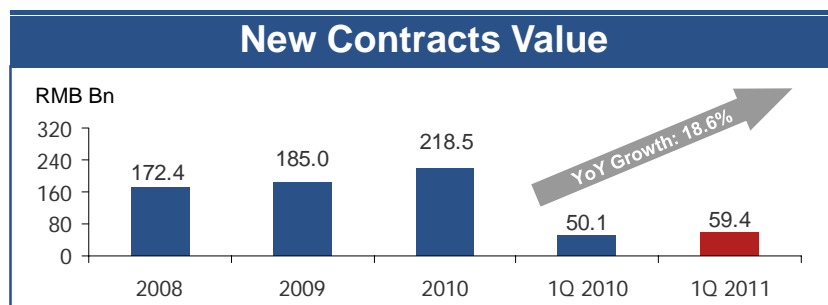
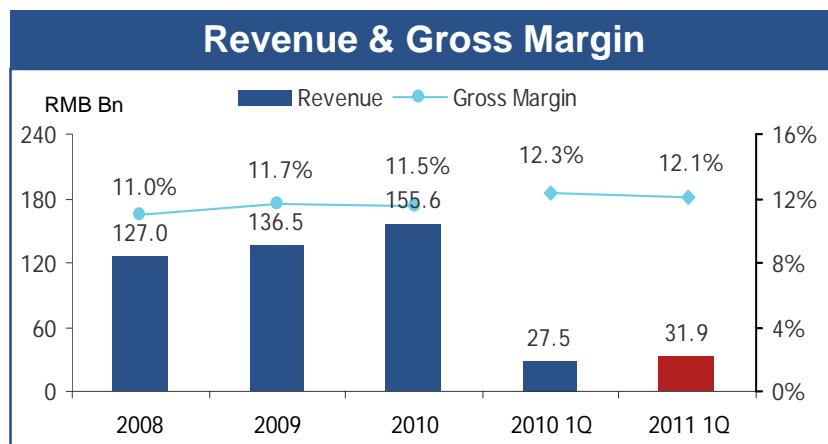
### **Segment Analysis**





# E&C:

## Successful Business Transformation, Increase in New Contracts & Backlog



### Selected Newly Signed Projects in 2011 1Q

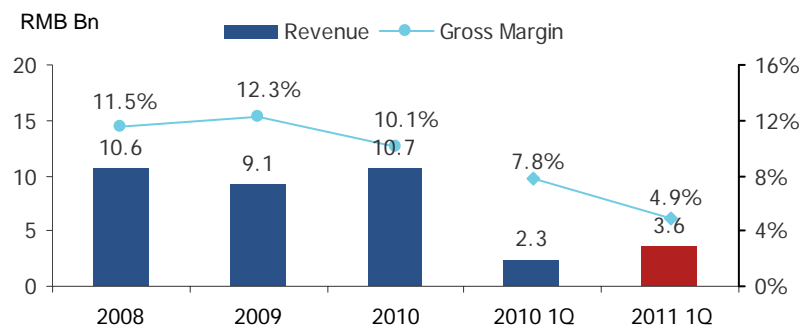


USD / RMB = 6.5586 (31 March, 2011)

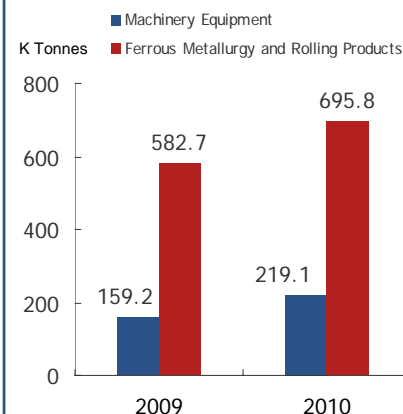


# Equipment Manufacturing: Strong Revenue Growth, Production Capacity to be Released

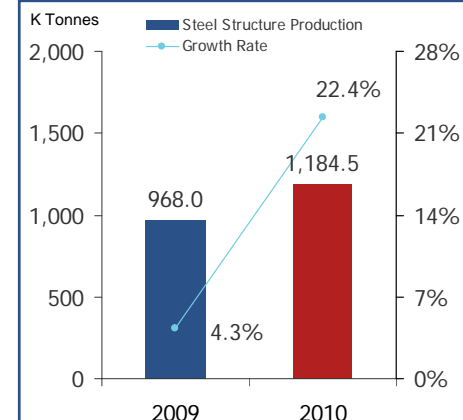
## Revenue & Gross Margin



## Metallurgical Equipment



## Steel Structure



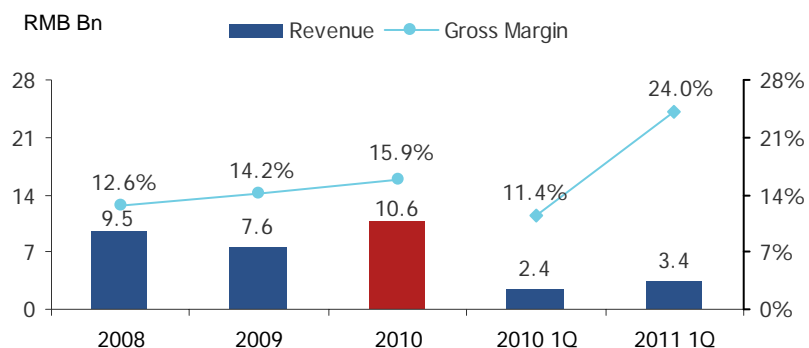
## Introduction

<b>Yingkou Pilot Test Base</b>	Phase 1 and 2 commenced production in May 2009, all production lines began trial production, revenue is expected to reach RMB4.4 billion after full production. Pilot test base is equipped with various large automatic mechanical processing, plug weld equipments and assembly workshops, and is able to achieve the processing and assembly of 400t key domains with an annual assembly capacity of 30,000 tonnes
<b>MCC-SFRE Base</b>	Annual production capacity of rolling equipments and plate equipments reached 45,000 tonnes, major products formed 15 categories. "20,000 tonnes of forged steel rolling strips and heating increase capability" project commenced production, achieving large scale production capacity of forged steel rolling strips, large and small scale forging and casting products to meet the increasing demand from domestic and overseas markets

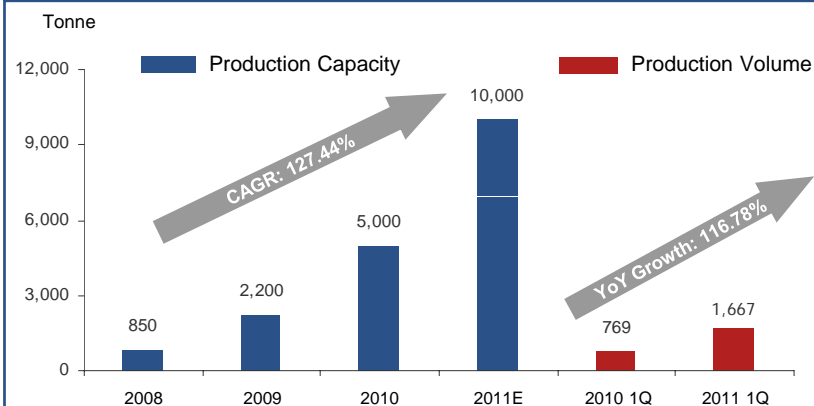
# Resources Development:

Strong Performance of Polysilicon, Steady Development of Overseas Resources

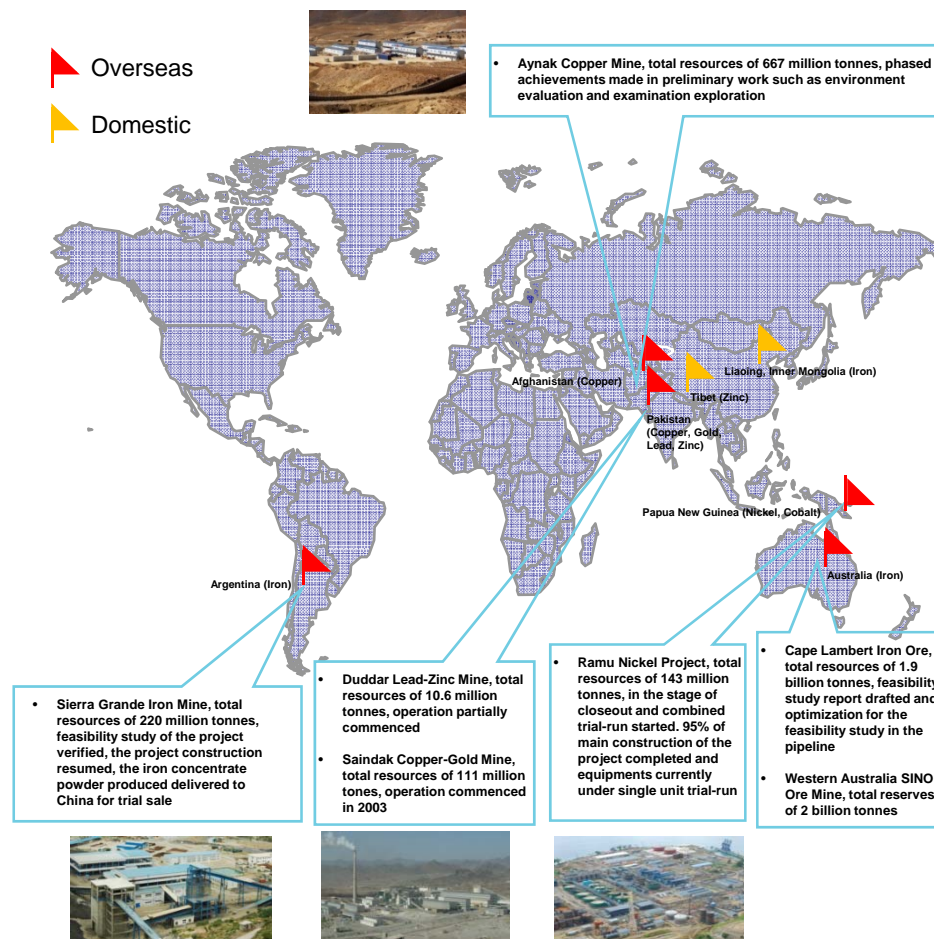
## Revenue & Gross Margin



## Polysilicon Production Capacity & Production Volume



## Mineral Resources Development

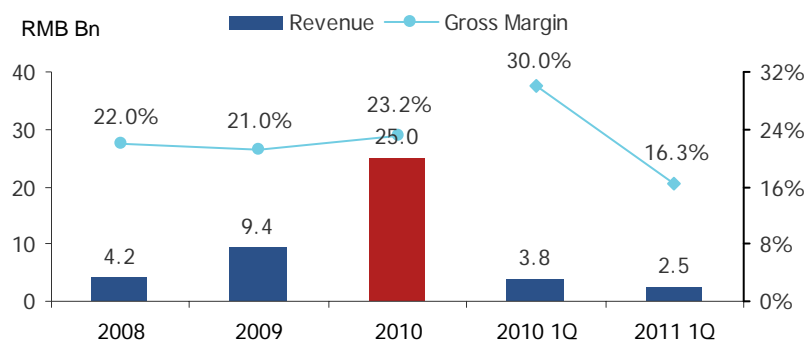


# Property Development:

## Strong Development of Social Welfare Housing



### Revenue & Gross Margin



### Social Welfare Housing (2011 1Q)

	Total Planned Investment (RMB Bn)	Total GFA (MM sq. m.)
Projects with land development rights	53.24	13.24
Projects with development agreement signed but yet to obtain land development rights	20.40	13.27
Projects authorized to development	11.32	4.03
Total	84.96	30.54
Investment Completed (RMB Bn)	1.21	
GFA under Construction (MM sq. m.)	6.78	
Including: Newly Commenced GFA (MM sq. m.)	0.93	
GFA Completed (MM sq. m.)	0.80	

### Commercial Residential Properties (2011 1Q)

Total Planned Investment (RMB Bn)	170.69
Total GFA (MM sq. m.)	23.08
Investment Completed (RMB Bn)	4.95
Total Land Reserve (MM sq. m.)	2.93
Including: New Addition (MM sq. m.)	0.23
GFA under Construction (MM sq. m.)	6.89
Including: Newly Commenced GFA (MM sq. m.)	0.80
GFA Completed (MM sq. m.)	0.21
Sales Area (MM sq. m.)	0.43
Sales (RMB Bn)	3.03

### Primary Land Development (2011 1Q)

Total Planned Investment (RMB Bn)	30.03
Total GFA (MM sq. m.)	13.40
Investment Completed (RMB Bn)	1.25

### Rural and Urban Areas Development (2011 1Q)

Total Planned Investment (RMB Bn)	13.30
Total GFA (MM sq. m.)	5.50
Total Area (MM sq. m.)	4.81
Investment Completed (RMB Bn)	0.1



**中国冶金科工股份有限公司**  
METALLURGICAL CORPORATION OF CHINA LIMITED

## **Section 4**

### **Future Outlook**





# Steady Development in Metallurgical E&C Business, Increasing Contribution from Non-metallurgical E&C Business



## Opportunities from the “Twelfth Five-Year Plan”

### Metallurgical Projects

Domestic Coastal  
Areas and Emerging  
Regions

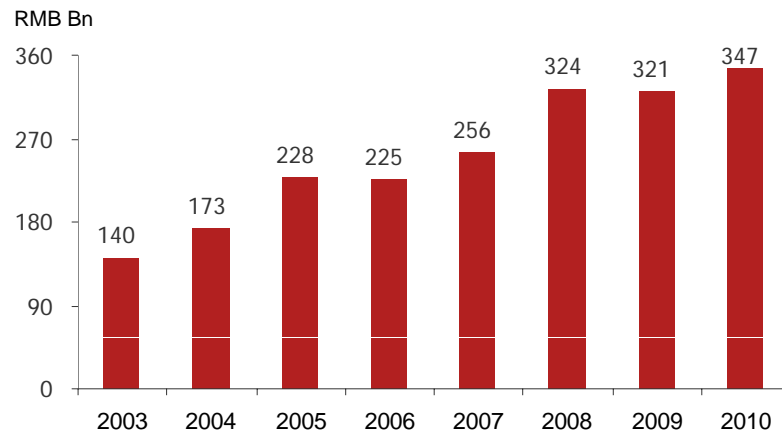
Overseas Iron & Steel  
Projects

Specialized Steel  
Development

Energy conservation, emission  
reduction, Phase-out of Outdated  
Capacity, Technology Upgrade

Maintenance of Current 760 million tonnes  
of Crude Steel Production Capacity

Investment in Ferrous Metallurgy and Rolling Processing Industry in China



### Non-metallurgical Projects

Urbanization

Social Welfare Housing

Fixed Asset Investment in Highways

Urban Railways

Industrial Environmental Protection

Civil Environmental Protection



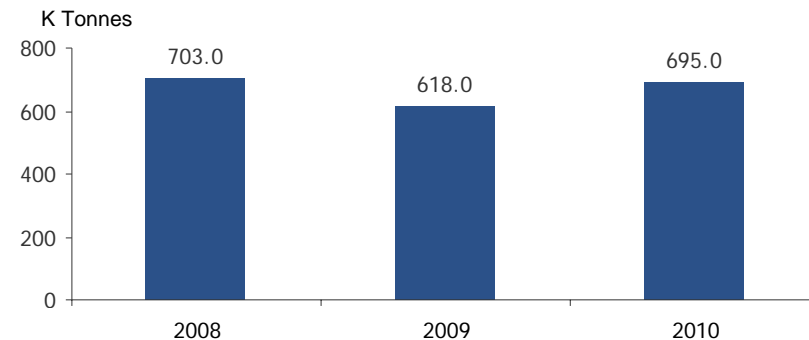
# Metallurgical Equipment Benefit from Industry Upgrade, Significant Upside Potential for Steel Structure



## Metallurgical Equipment

- Significant increase in demand for advanced equipments
- Specialized equipment research and development center dedicated to MCC
- Advanced technology, costs significantly lower than major global competitors

**Metallurgical Processing Equipment Production in China**

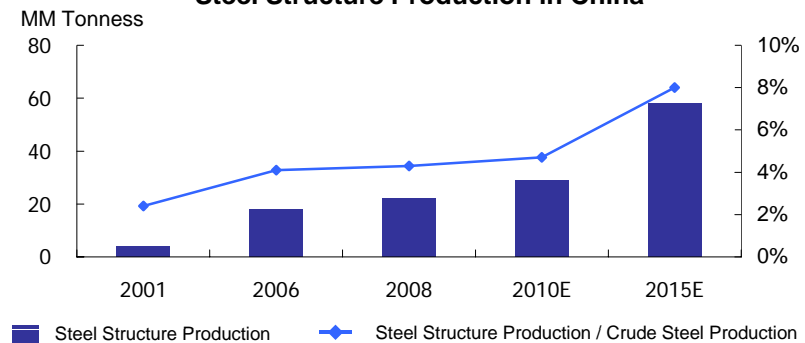


Source: National Bureau of Statistics of China

## Steel Structure

- Leading market position in China with advanced technology
- One of the largest steel structure producers in China
- National level steel structure research center

**Steel Structure Production in China**

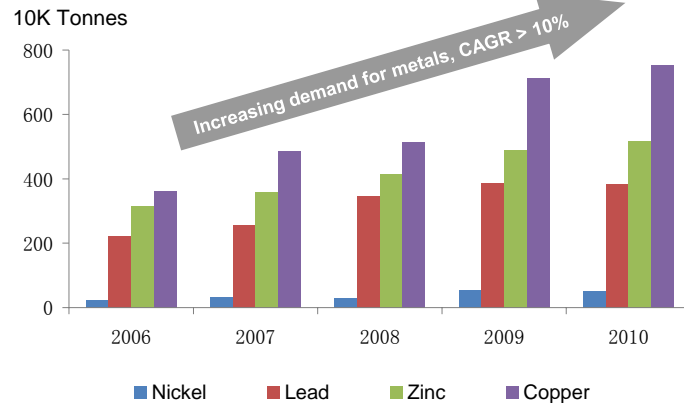


Source: China Institute of Steel Structure

# Continuous Increase of Metal Consumption, Rapid Growth of Demand for Polysilicon

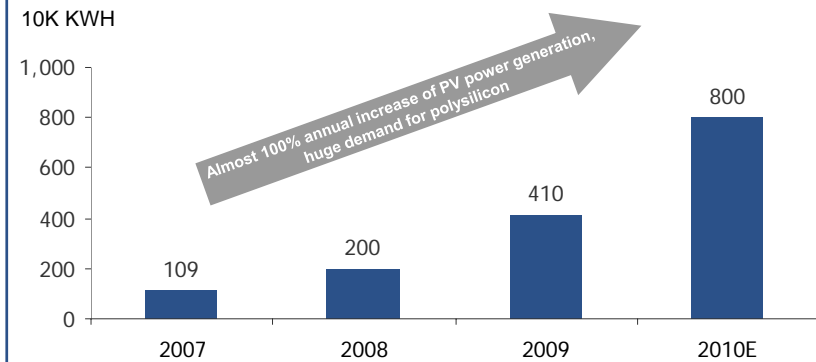


## Major Metal Consumption in China



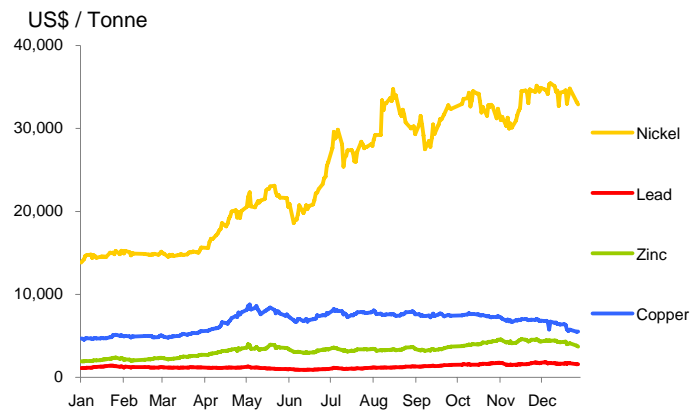
Source: World Metal Statistics

## PV Power Generation in China



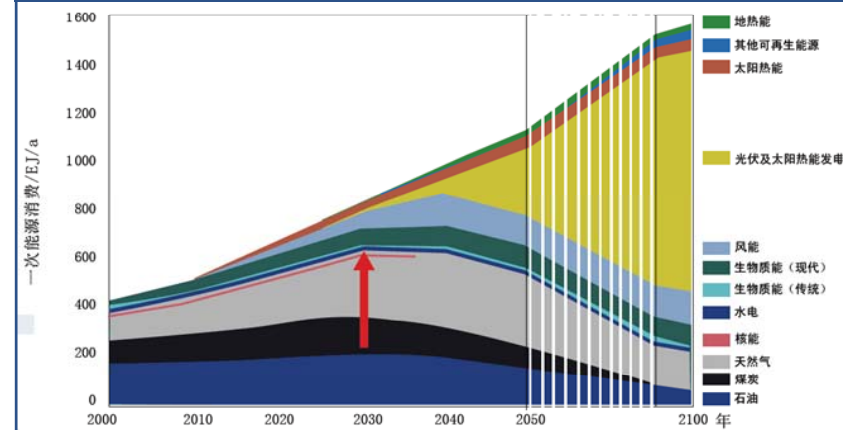
Source: WIND

## Cash Settlement Price Charts of LME



Source: WIND

## Global PV Power Generation Estimate



Source: EU Research Center

# Strong Growth for Social Welfare Housing, Positive Long Term Outlook for Commodity Residential Properties



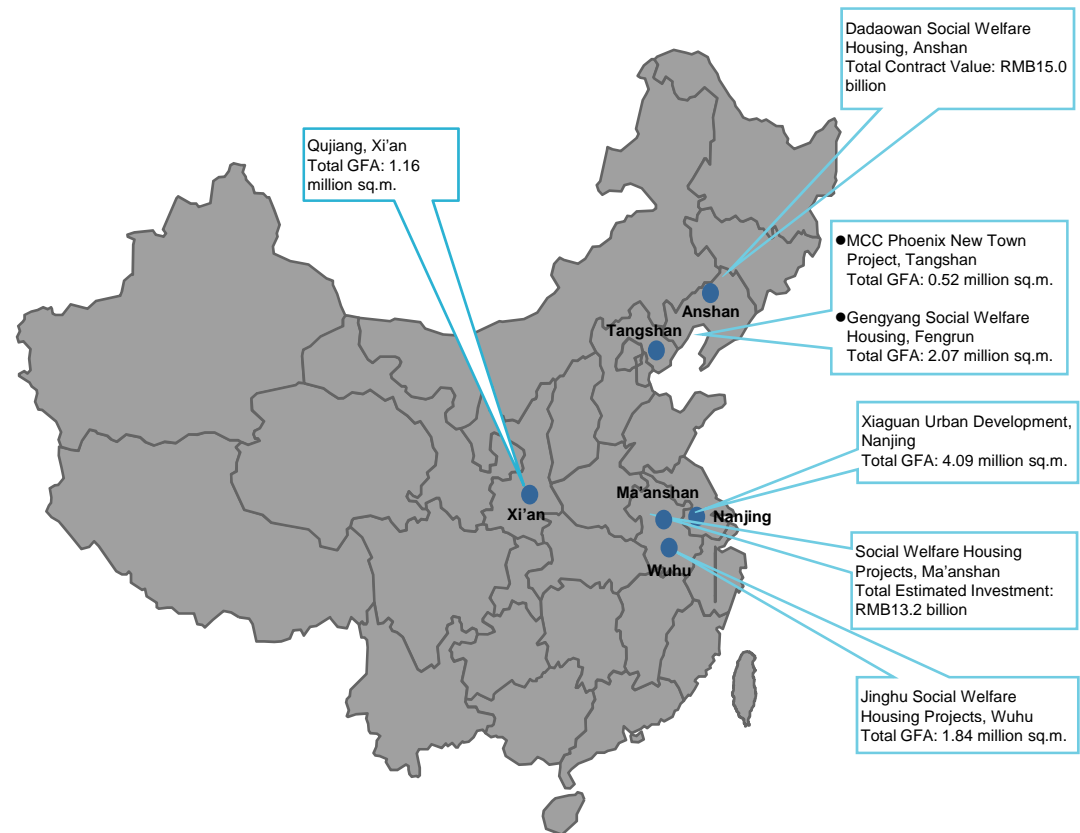
Urbanization

Supply / Demand

Brand Advantage

Social Welfare Housing

Comprehensive Urban Development



Selected Newly Signed Property Development Projects in 2010



# Company Strategy & Vision





## Contact Us

Phone: +86-10-5986 8666

Fax: +86-10-5986 8999

E-Mail: [ir@mccchina.com](mailto:ir@mccchina.com)

Website: [www.mccchina.com](http://www.mccchina.com)

Address: MCC Mansion, 28 Shuguangxili, Chaoyang  
District, Beijing (100028)