



**Corporate Profile**  
January 2007

**Sector:** Technology  
**Industry:** Communications  
**Equipment**

**Dalian Fushi Bimetallic Manufacturing Co., LTD.**  
1 Shuang Qiang Road, Jinzhou  
Dalian, P.R. China 116100

www.fushiinternational.com

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**SELECT FINANCIALS**

**OTCBB:FSIN**

**Fiscal Year End:** Dec. 31

**Price (as of 12/29/06):** \$5.10

**52-Week Range:** \$3.30-\$10.50

**Weighted Diluted Shares Outstanding:** 22.8 Million

**Market Cap:** \$116 Million

**Revenues (TTM):** \$61.5 Million

**Net Income (TTM):** \$15.3 Million

Fushi International, Inc. manufactures and sells bimetallic composite wire products, primarily Copper Clad Aluminum Wires, or "CCA", and Copper Clad Aluminum-Magnesium, termed "CCA-M". Fushi's production capabilities leverage a patented and proprietary "rolling bond welding" manufacturing technology, which originally emanated from a research project under the National Torch Program in the PRC. Fushi's products combine the conductivity performance and corrosion resistance of copper with the light weight and relatively low cost of aluminum and/or magnesium which serve as a cost effective substitute for single copper wire in a wide variety of applications such as coaxial cable for cable television, signal transmission lines for telecommunication networks, and distribution lines for electricity. The Company is significantly expanding its recently launched fine wire manufacturing capacity, which is utilized for electronic instruments and devices addressing a broad array of end vertical markets, including the automotive sector.

**Investment Highlights**

- FSIN revenues for the 2006 third quarter increased by 52.0 percent to \$13.0 million while pro forma net income increased 22.7 percent to \$2.9 million versus Q305. Gross margins for the quarter were 30.9%.
- Fushi is China's leading manufacturer of bimetallic products with an estimated 50% market share among domestic manufacturers.
- Competitive advantages include: Fushi's patented "bond-welding" process, significant cost advantages vs. other international manufacturers, expanded production capacity and Fushi Brand Name.
- Rapidly increasing copper prices have made bimetallic products significantly more cost effective and helped facilitate rapid customer adoption among an increasing number of end markets served.
- New production facility with 500,000 sq. ft. of factory space. Company has increased capacity four fold from five production lines to 20 with annual capacity of 12,000 tons (25 effective working days or two shifts per day) or 14,400 tons (30 effective working days or three shifts per day). (ASP per ton: CCA-\$6,160 CCA-M-\$6,300). Ample factory space available to continue line expansion.
- In addition, the Company is expanding its fine wire production capacity by 150% to 10 lines this year with 3,600 tons of annual capacity (ASP per ton: blended CCA/CCA-M—\$6,600).

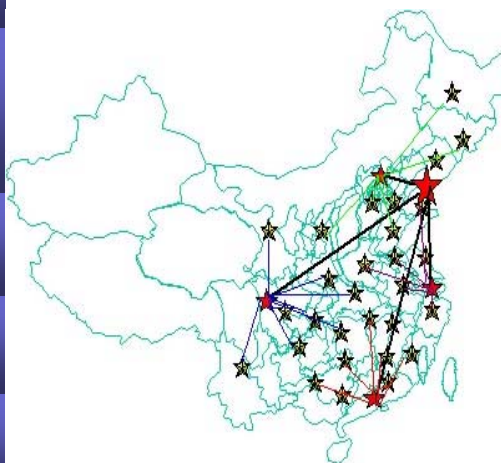


**What are Bimetallic Composites?**

- A viable, low-cost alternative to solid copper wires and other conductive metals which are used in multiple cable and wire applications.
- Bimetallic wire combines the beneficial properties of two distinct metals in a single composite conductor offer similar conductivity, corrosion-resistance and strength



**Extensive Distribution Network of 27 Distributors throughout China**



**Key Financial Metrics**

	<b>2005</b>	<b>9 mo 2006</b>
<b>Revenue Growth</b>	115.2%	153.9%
<b>Gross Margins</b>	36.5%	37.9%
<b>Op Income Growth</b>	111.2%	138.2%
<b>Operating Margin</b>	29.6%	32.1%
<b>Net Income Growth</b>	105.0%	153.1%
<b>EPS</b>	\$0.50	\$0.55
<b>EPS Growth</b>	100.0%	71.9%

## Core Products



### Copper-Clad Aluminum (“CCA”) and Magnesium (“CCA-M”)

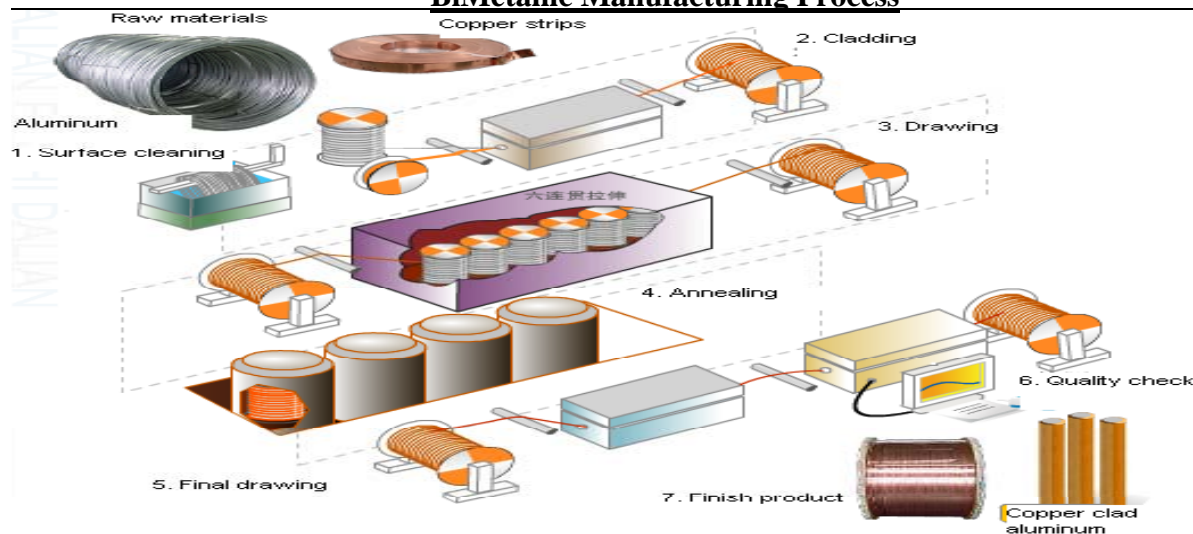
- Patented process fuses a core of aluminum core with external concentric copper cladding.
- Composite structure gives optimum properties for multiple applications.
- Growing and viable alternative to solid copper
- Produced in Coaxial or Thin Wire—use by a diverse customer base for a variety of end market applications.



### Diversified Product Applications for BiMetallic Wire

- Telecommunications:
  - CATV
  - Coaxial drop wire and Antenna Wire
  - Composite cables (coax and twisted pair)
- Telephone:
  - Drop wire and Telephone Conductor
  - Telephone conductor
- Electric Utilities:
  - Transmission Lines and structured ground leads
  - buried counterpoise wire
- Distribution Lines:
  - pole ground wire and transformer grounds
- –Generation Plants
  - building ground wire and lightning protection
- Industrial:
  - Magnet wire and transformer windings
  - Building wire
  - Automotive wiring harnesses
- Electronics:
  - substation, Coax center conductor for LANs
  - Electronic components
  - Lead wire for transistors, resistors, capacitors, and more
- Transit:
  - substation ground grid wire

### BiMetallic Manufacturing Process



## Management Team

**Mr. Fu Li- CEO-** Mr. Li Fu is the founder of Fushi and was appointed as Chairman and President on December 13, 2005. Prior, Mr. Fu had founded and managed Dalian Fushi Enterprise Group Co., Ltd., a holding company owning various subsidiaries in the hotel, process control instrumentation, international trade, automobile maintenance and education businesses. He graduated from PLA University of Science & Technology with a degree in Engineering.

**Mr. Yang Yue, President** - Mr. Yue serves as President and Director of Fushi International. He has served as the President of Fushi since Nov 2004. Mr. Yang is also the Founder of Forward Investment Co., Ltd., and has served as its Chairman since 2000. Prior to that, Mr. Yang worked for Liaoning Province Economic & Trade Collaboration Enterprise Group as an Executive Vice President from 1994 to 1998 and the Export Department of Liaoning Province Chemicals Import & Export Corporation as a Business Manager from 1990 to 1994. Mr. Yang graduated from Shenyang Finance University with a degree in International Trade.

**Mr. Chris Wang- CFO-** Mr. Wang has served as our Chief Financial Officer since March 2005. Previously, Mr. Wang served as an Executive Vice President of Redwood Capital, Inc. from November 2004 with a specific focus on providing strategic and financial advisory services to China based clients seeking access to the U.S. capital markets. Mr. Wang previously served as Assistant VP of Portfolio Management at China Century Investment Corporation from October 2002 to September 2004 and also worked at Credit Suisse First Boston (HK) Ltd in 2001. Fluent in both English and Chinese, Mr. Wang holds an MBA from Simon Business School of University of Rochester and is a Level III candidate of the Chartered Financial Analyst (CFA) Program.

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