

**CHINA ORIENTAL GROUP COMPANY LTD:
THIS COMPANY IS ON A ROLL AND
IT IS LIKELY TO CONTINUE ON ITS COURSE**

Actually, China Oriental Group Company Ltd (Code: 581, Main Board, The Stock Exchange of Hongkong Ltd) can hardly lose for trying – because the economy of the People's Republic of China (PRC) is expanding at such a fast pace that this Company is, just about, guaranteed to be on the inside track – all the time.

China Oriental recently brought out its Annual Report for the Financial Year, ended December 31, 2003.

It showed that the Company had scored a record-breaking Bottom Line, with every indication that the Bottom Line for the Current Financial Year would eclipse that of 2003.

On a Turnover of about 5.28 billion renminbi, this Company reported a Net Profit Attributable to Shareholders of about 1.08 billion renminbi.

That is a Net Profit Margin of about 20.39 percent (Please see table below for accurate calculations).

Which is, internationally, unbelievable for a mere producer of steel.

It was not that long ago that the steel producers of the United States (US) were demanding that their government prevent, or limit, imports of foreign-produced steel, and/or whack foreign-steel imports with punitive tariffs in order to protect the US steel industry.

President George W. Bush did just that, but, a year or so ago, after international pressure became too onerous, the President of the most powerful country in the world, today, had to backtrack.

Today, there is an international shortage of steel due, in large part, to the ravenous appetite for it by the many corporate entities of the PRC, proper – in addition to the PRC Government's many requirements for steel in order to create or improve infrastructure – roads, bridges, electric plants, airports, etc.

The PRC just can't get enough.

The Flotation

China Oriental went public on the Main Board of The Stock Exchange of Hongkong Ltd on February 18, 2004, when it made a Global Offering of 700 million, 10-cent Shares, at a Premium of \$HK2.65 per Share.

Only 70 million Shares were Offered to investors of the Hongkong Special Administrative Region (HKSAR) of the PRC, the remainder, 630 million Shares, being Offered, internationally.

The HKSAR part of the flotation was oversubscribed 719.65 times and, as a result, the Company clawed back 280 million Shares in order to satisfy the 'hunger' for its shares by HKSAR investors.

The Company collected about \$HK1.93 billion, gross, from its cash-raising exercise, but only assumed, originally, that it would obtain about \$HK1.60 billion, net of expenses, the initial thinking, being that the Shares would be Offered at \$HK2.425 per share.

The Company was desirous of ... [CLICK TO ORDER FULL ARTICLE](#)

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