



# 首鋼福山資源集團有限公司

## SHOUGANG FUSHAN RESOURCES GROUP LIMITED

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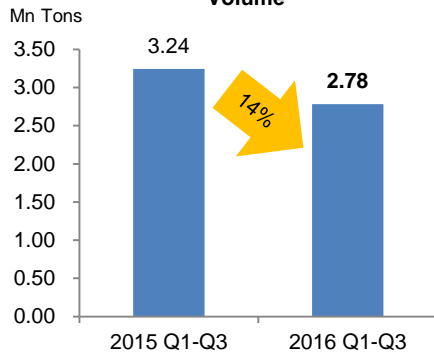
[www.shougang-resources.com.hk](http://www.shougang-resources.com.hk)

HKEX : 00639

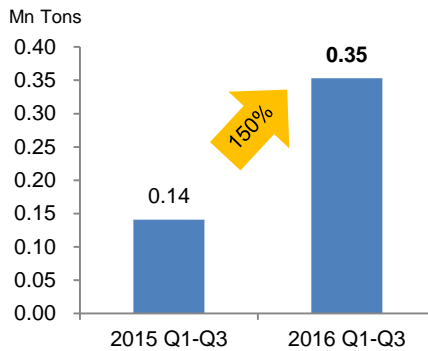
2016  
Q3

### 1. Production and Sales ( 2016 Q1-Q3)

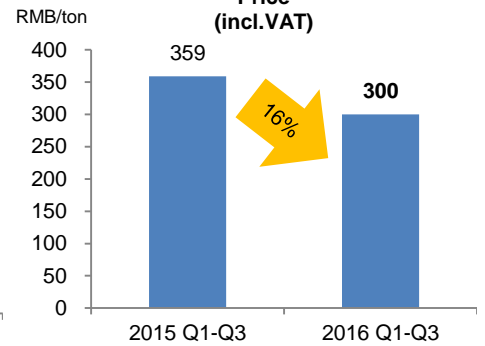
Raw Coking Coal Production Volume



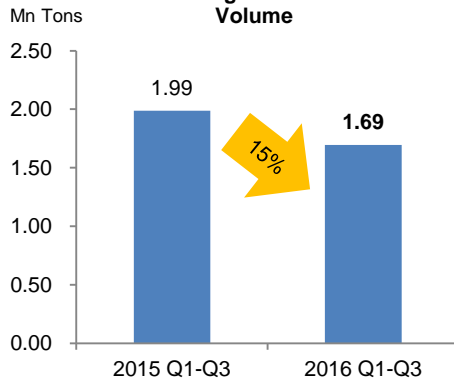
Raw Coking Coal Sales Volume



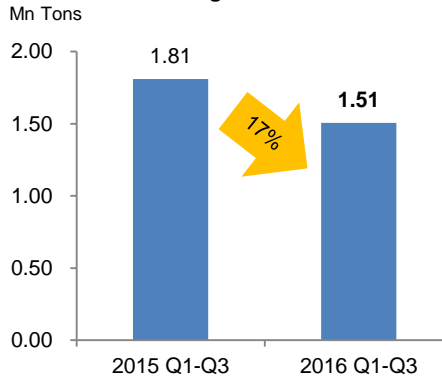
Raw Coking Coal Average Selling Price (incl.VAT)



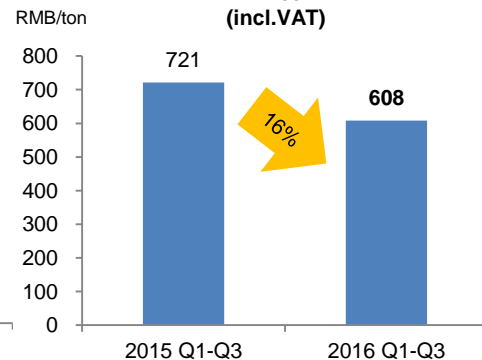
Clean Coking Coal Production Volume



Clean Coking Coal Sales Volume

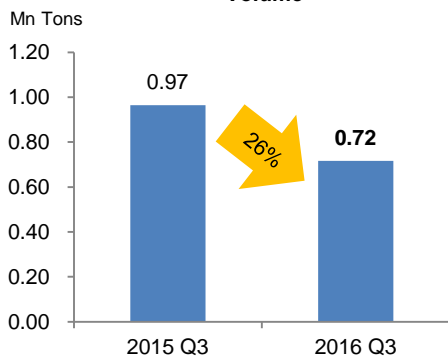


Clean Coking Coal Average Selling Price (incl.VAT)

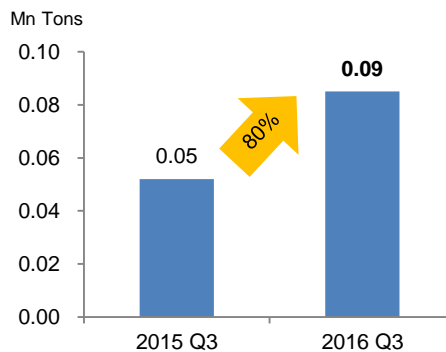


### 2. Production and Sales (2016 Q3)

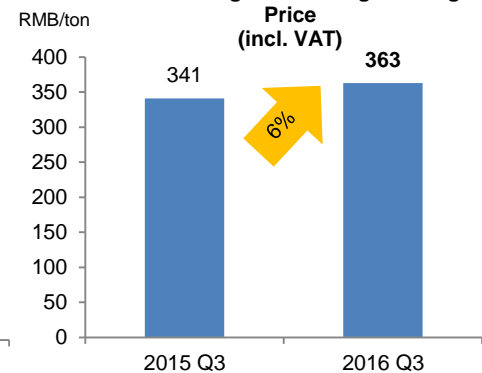
Raw Coking Coal Production Volume



Raw Coking Coal Sales Volume



Raw Coking Coal Average Selling Price (incl. VAT)





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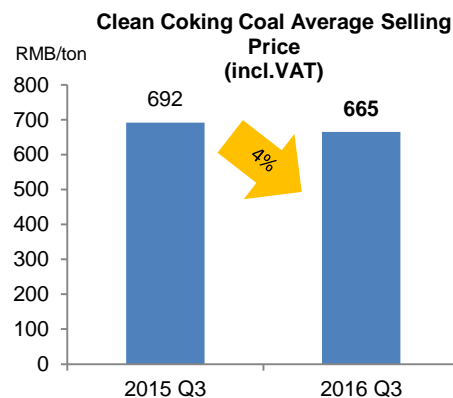
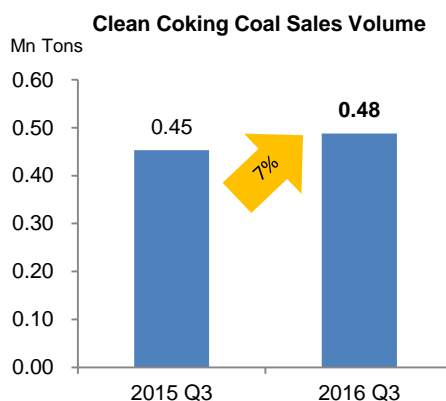
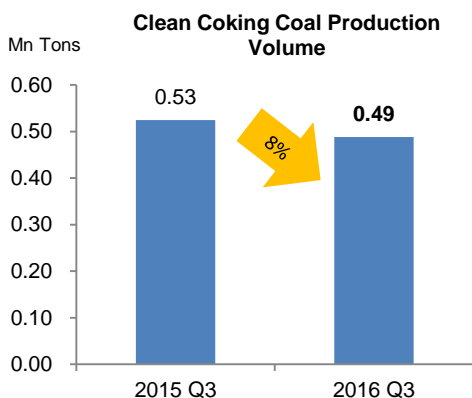
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2016  
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### Steel Sector:

From January to August, 2016

- Total crude steel production in China was 536.32 million tons, YOY decreased by 0.1%;
- Total pig iron production was 469.16 million tons, YOY decreased by 0.8%.

( Source: National Bureau of Statistics of China)

### Coal Sector:

- From January to September, 2016, raw coal production of national industry above designated size was 2.46 billion tonnes, decreased by 290 million tonnes or 10.5% YOY.
- From January to August, 2016, coking coal import was 37.97 million tons, increased by 20.6 % YOY.

( Source: National Bureau of Statistics of China, General Administration of Customs, P.R.China)

### Company's Operation:

#### Background

The policy which was enforced early this year on controlling coal mines production by limiting working days to 276 days per year has resulted in a shortage of supply in the coal market in the short run, and meanwhile the investment in real estate, infrastructure and the Public-private Partnership Projects has pushed up the demand of steel and coking coal.

#### Company's three coal mines are of Safety and High-efficiency which have been approved to be listed to release coal production:

The Central Government of China will still firmly enforce the policy of cutting capacity of coal mines and decreasing of production. To adjust the supply and demand of the coal market, the government has decided to release conditionally of the capacity of coal mines of safety and high-efficiency. Three coal mines of our company are categorized as 1<sup>st</sup> Grade Coal Mine of Safety and Standardized Quality of 2015 by State Administration of Coal Mine Safety, and have been approved to be listed as coal mines which could release advanced capacity conditionally. Only four coal mines within Liulin county, Shanxi province have met the requirement of releasing capacity conditionally, among them three of mines are from our company.

#### Selling Price:

The going up trend of selling price of our coal products was in line with the market, especially since month-end of September the selling price was accelerating, and currently the selling price (incl. VAT) of our clean coking coal product is over 1,000RMB/tonne.

#### Cost Control:

Our company will continuously carry out the cost control policy, especially the controllable parts of cost according to our own established targets.