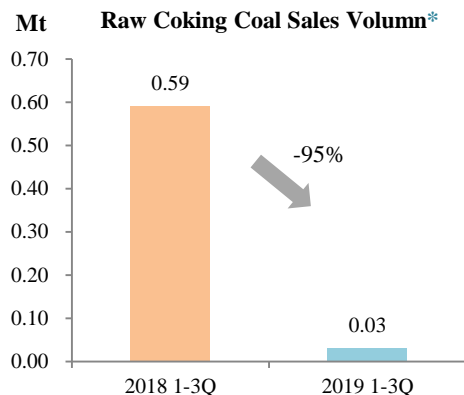
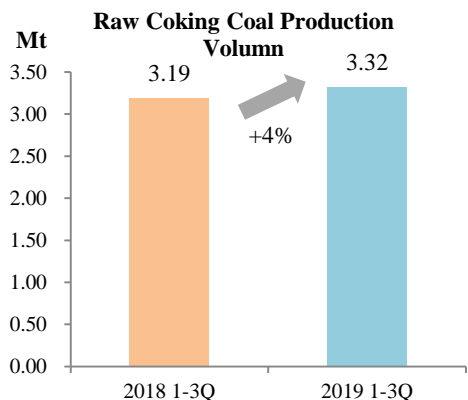
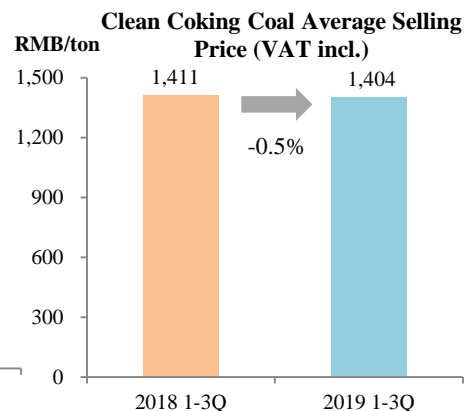
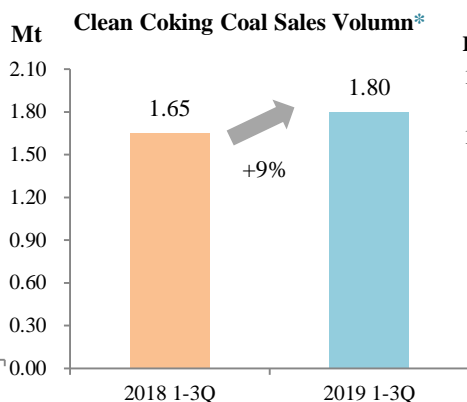
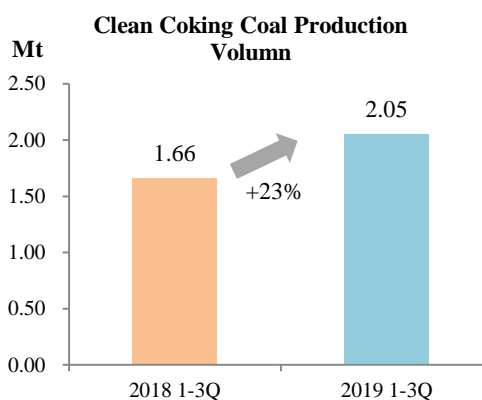




2019  
1-3Q



\*Note: The Group basically did not sell raw coking coal in the third quarter of 2019.



\*Note: There was 0.28 Mt clean coking coal sale in-transit at the end of September 2019, in which 0.17 Mt was #1 clean coking coal.

## 1-3Q Sector Overview

### Macroeconomic Data:

From January to September, 2019

- GDP of China increased by 6.2% YOY
- PPI of China decreased by 1.2% YOY
- Investment in Fixed Assets (peasants excluded) of China increased by 5.4% YOY
- Investment in Infrastructure Construction of China increased by 4.5% YOY
- Investment in Real Estate Development of China increased by 10.5% YOY

### Steel Sector:

From January to September, 2019

- National crude steel production was approximately 747 million tons, increased by 8.4% YOY
- National pig iron production was approximately 612 million tons, increased by 6.3% YOY
- National automobile production was approximately 18.15 million, decreased by 11.4% YOY
- National excavator sales was 180 thousands, increased by 14.7% YOY

### Coal Sector:

From January to September, 2019

- National coal production was approximately 2.736 billion tons, increased by 4.5% YOY
- Coking coal price decreases at accelerated rate since the beginning of second half 2019
- National imports of coking coal was approximately 60.95 million tons, increased by 19.9% YOY

(Source: National Bureau of Statistics of China, General Administration of Customs, China Iron and Steel Association, China Association of Automobile Manufacturers, China Construction Machinery Association)

### Outlook:

In the first three quarters, China's GDP grew by 6.2% YOY, and the third quarter GDP growth of 6.0% was below market consensus. Despite weak economic data (including the slowdown in real estate and manufacturing industry FAI growth), the Central Government has already deployed ensuring steady growth policies and the Chinese economy is expected to stabilize in the fourth quarter. We believe under a weak market sentiment, there is a downward pressure on coking coal market price, but we expect it will remain within a reasonable range.

### Disclaimer

The information contained in this document is for general informational purposes only and does not constitute legal or financial advice. This document contains forward-looking statements which are based on the current expectations, estimates, projections, beliefs and assumptions of Shougang Fushan Resources Group Limited (the "Company") about the businesses and the markets in which it and its subsidiaries operate. These forward-looking statements are not guarantees of future performance and are subject to market risk, uncertainties and factors beyond the control of the Company. Therefore, actual outcomes and returns may differ materially from the assumptions made and the statements contained in this document. The Company shall not be responsible or liable for any loss or damage, directly or indirectly, arising from the use of or reliance upon any information provided in this document.