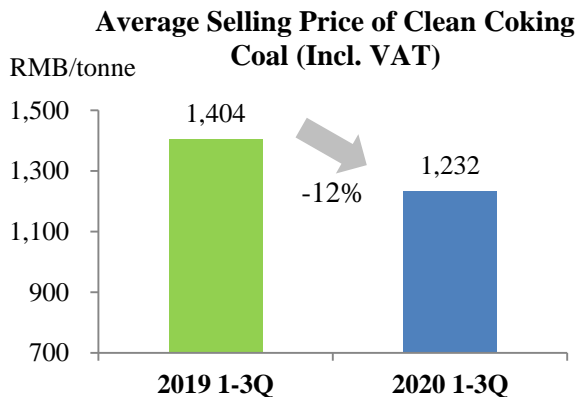
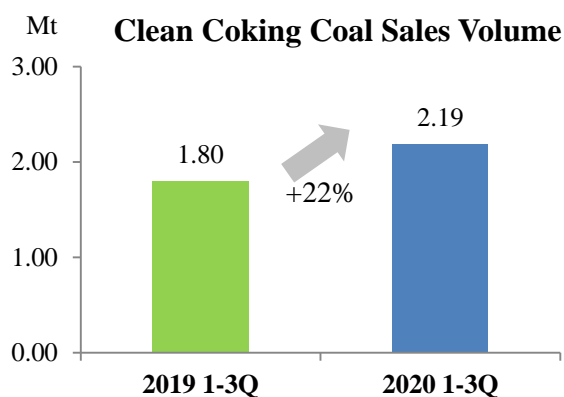
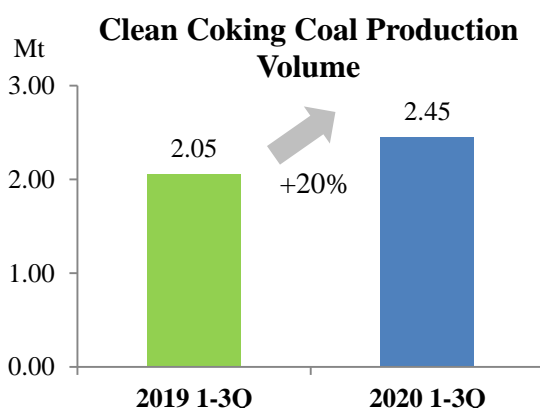
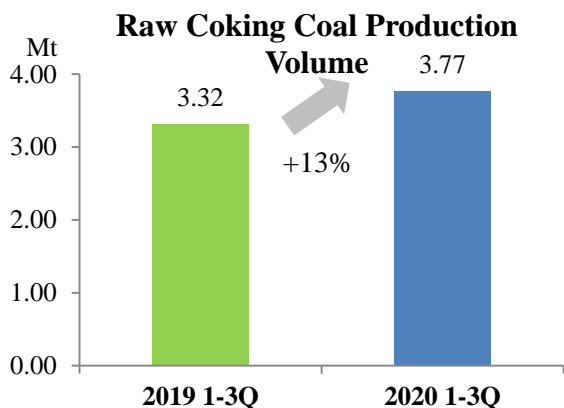




2020  
Q1-3



Our Group timely adjusted our production strategy to mitigate the impact of COVID-19. Our production in 1-3Q has a positive growth YOY. We are confident to achieve our annual production target.

In 2020 1-3Q, average market price of 4# benchmark coal decreased 17% YOY. Integrated average selling price of our clean coking coal products fell modestly than the market price.

## Q1-3 Sector Overview

### Macroeconomic Data:

From January to September, 2020

- GDP of China increased by 0.7% YOY
- PPI of China decreased by 2.1% YOY
- FAI (peasants excluded) of China increased by 0.8% YOY

- Investment in Infrastructure Construction of China increased by 0.2% YOY
- Investment in Real Estate Development of China increased by 5.6% YOY

### Steel Sector:

From January to September, 2020

- National crude steel production volume was approximately 782 million tonnes, increased by 4.5% YOY
- National pig iron production volume was approximately 665 million tonnes, increased by 3.8% YOY

- National automobile production was approximately 16.96 million, decreased by 6.7% YOY
- National excavator sales volume was 156.2 thousands, increased by 53.3% YOY

### Coal Sector:

From January to September, 2020

- National coal production volume was approximately 2.787 billion tonnes, decreased by 0.1% YOY

- National imports of coking coal was approximately 59.38 million tonnes, decreased by 2.8% 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:

China is gradually breaking away from the impact of COVID-19, 3Q GDP of China increased 4.9% YOY and 1-3Q GDP returned to the positive zone, increased 0.7% YOY. All provinces have basically resumed to normal production. The central government further introduced a number of monetary and fiscal measures to stimulate economic growth which helps boosting steel and coking coal demand. Recently, Chinese Customs suspended the import of Australian coal. Under such circumstances where demand is steadily recovering and supply is limited, we expect domestic price of coking coal products will still remain stable in 4Q this year.

### Disclaimer

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