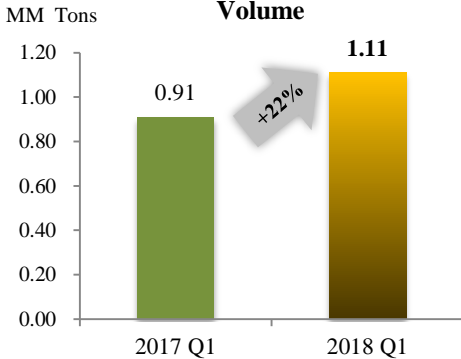


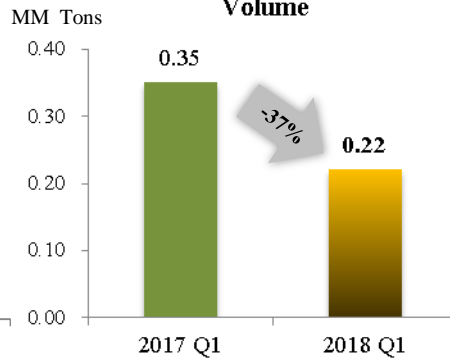


2018  
Q1

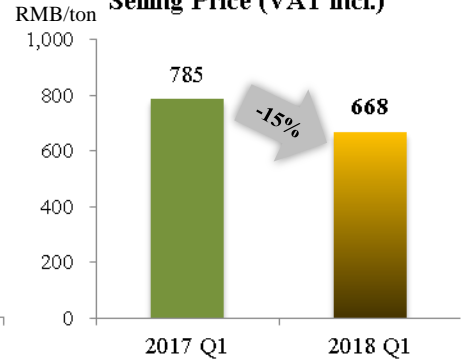
Raw Coking Coal Production Volume



Raw Coking Coal Sales Volume

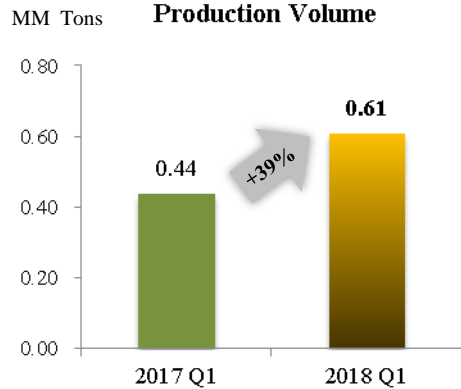


Raw Coking Coal Average Selling Price (VAT incl.)

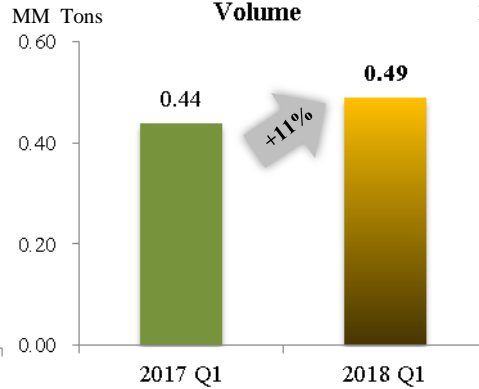


Note: None of #4 raw coking coal had been sold during 2018Q1

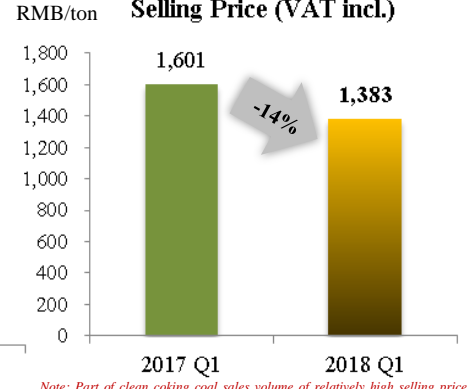
Clean Coking Coal Production Volume



Clean Coking Coal Sales Volume



Clean Coking Coal Average Selling Price (VAT incl.)



Note: Part of clean coking coal sales volume of relatively high selling price which was in transit by the end of 2016 was recognized in 2017Q1, resulting in high base for YOY comparison, and thus, the average selling price of clean coking coal of 2018Q1 comparatively lowered by 14% YOY

## Q1 Sector Overview

### Macroeconomic Data:

From January to March, 2018

- GDP of China increased by 6.8% YOY
- PPI of China increased by 6.0% YOY
- Investment in Fixed Assets (peasants excluded) of China increased by 7.5% YOY
- Investment in Infrastructure Construction of China increased by 13% YOY
- Investment in Real Estate Development of China increased by 10.4% YOY

### Steel Sector:

From January to March, 2018

- National crude steel production was approximately 212 million tons, YOY increased by 5.4%
- National pig iron production was approximately 175 million tons, YOY decreased by 1.2%
- National automobile production was approximately 7.13 million, YOY decreased by 2.6%
- National capacity utilization rate of steel industry was 76.9%, 3.2 ppts higher YOY

### Coal Sector:

From January to March, 2018

- National coal production was approximately 805 million tons, YOY decreased by 3.9%
- National imports of coking coal was 12.05 million tons, YOY approximately decreased by 30%

(Source: National Bureau of Statistics of China)

### Outlook:

We see positive growth in national Real Estate FAI, Infrastructure FAI, Machinery Sales and Automobile Sales in Q1 this year, representing an upside improvement of fundamentals of China's economy, which would be a positive supporting force of the price of coking coal at a relatively high level for the rest of this year.

### Disclaimer

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