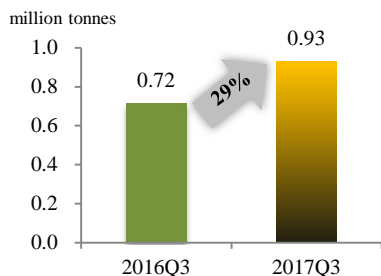




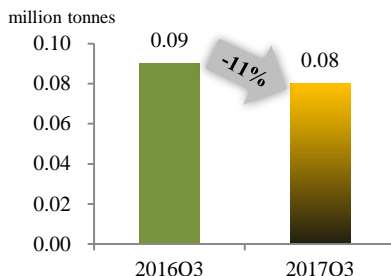
2017
Q3

Operation Data for 2017 Q3

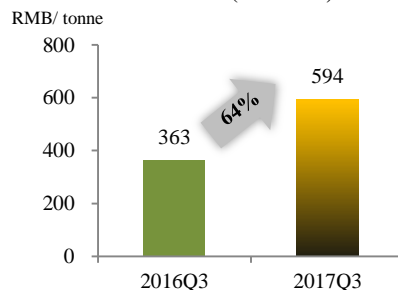
Raw Coking Coal Production Volume



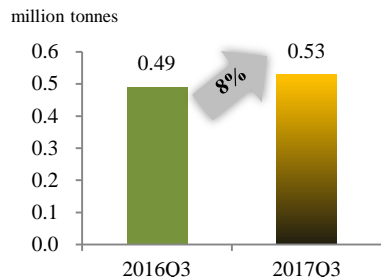
Raw Coking Coal Sales Volume



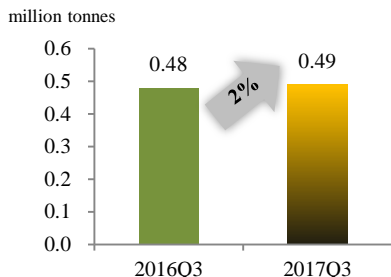
Raw Coking Coal Average Selling Price (VAT incl.)



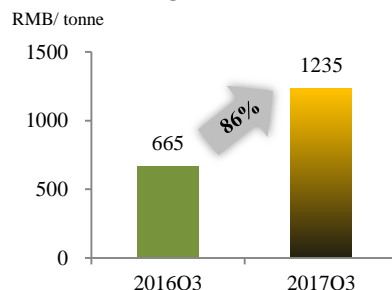
Clean Coking Coal Production Volume



Clean Coking Coal Sales Volume

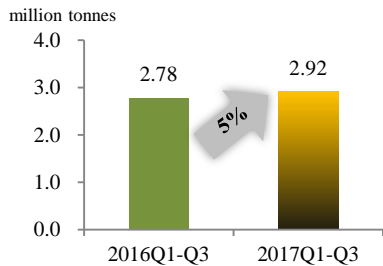


Clean Coking Coal Average Selling Price (VAT incl.)

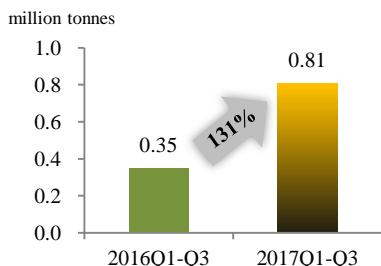


Operation Data for 2017 Q1-Q3

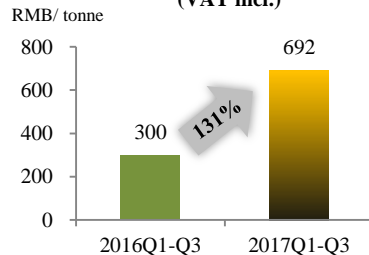
Raw Coking Coal Production Volume



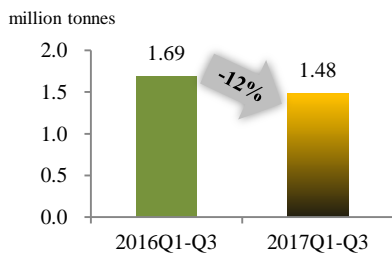
Raw Coking Coal Sales Volume



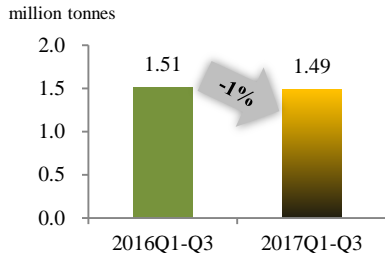
Raw Coking Coal Average Selling Price (VAT incl.)



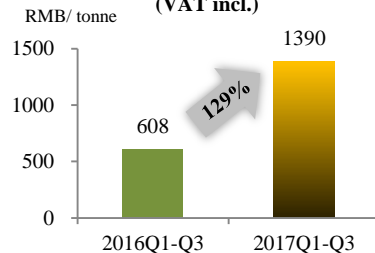
Clean Coking Coal Production Volume



Clean Coking Coal Sales Volume



Clean Coking Coal Average Selling Price (VAT incl.)



Q1-Q3 Sector Overview

Macroeconomic Data:

From January to September 2017, GDP of China increased by 6.9% YOY, PPI increased by 6.5% YOY, Investment in Fixed Assets (peasants excluded) increased by 7.5% YOY, Investment in Infrastructure Construction increased by 19.8% YOY, Investment in Real Estate Development of China increased by 8.1% YOY.

Steel Sector:

From January to September 2017, national crude steel production was approximately 639 million tonnes, YOY increased by 6.3%; national pig iron production was approximately 546 million tonnes, YOY increased by 3.2%; national automobile production was approximately 22.79 million, YOY increased by 4.9%.

Coal Sector:

From January to September 2017, national coal production was approximately 2,590 million tonnes, YOY increased by 5.7%, national coking coal import was approximately 52.8 million tonnes, YOY increased by 21.8%.

(Source: National Bureau of Statistics of P.R.China, SXcoal)

Outlook:

Early this October, World Bank and IMF raised the annual GDP growth forecast of China in 2017 to 6.7% and 6.8% respectively, from the forecasts made this April, which indicated a strong growth expectation of China's economy throughout 2017.

In regard of the coal industry, short term coal supply may be impacted by tighter safety inspection program launched by the Chinese government in July and the prohibited or restricted coal importation business at some customs and ports. On the other hand, the environmental policies, especially the policy targeting on winter production cuts in "2+26" cities in BTH region (Beijing, Tianjin, Hebei, Shandong and neighborhood regions) would be enhanced as the winter heating is around the corner, the coking coal demand would be lowered in short term. The international coal price is also turning down. In all, with the drop on both supply and demand sides, we see coking coal price being relative stable in the fourth quarter.