



首鋼福山資源集團有限公司

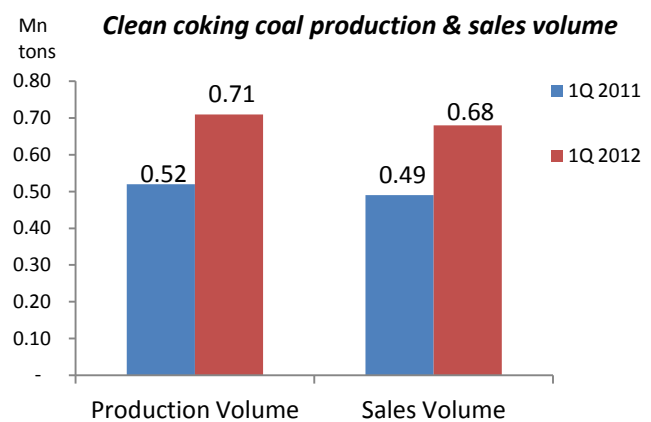
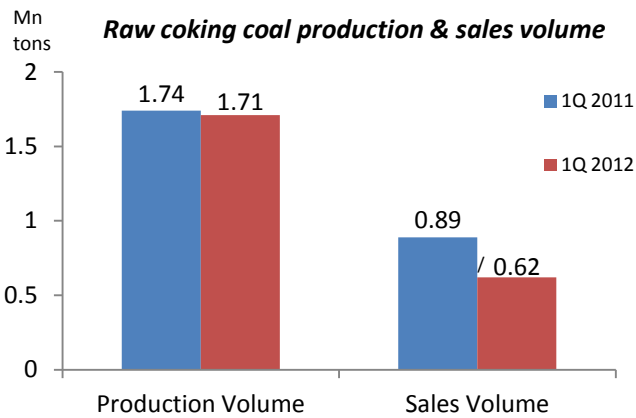
SHOUGANG FUSHAN RESOURCES GROUP LIMITED

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2012
1Q

HKEX : 00639



■ 1Q Raw coal production of 1.71 million tons similar to 1Q 2011. Our continuous efforts to expand our clean coal operation remained, 1Q clean coal production soared 36% y-o-y to 0.71 million tons

■ ASP of raw coal in the 1Q was RMB1,139/ ton; ASP of clean coal was RMB 1,776/ ton

1Q sector performance for steel and coking coal sector:

Steel sector:

- Total crude steel production in 1Q was 174.218 million tons, YOY growth by 2.5%
- Daily crude steel production in 1Q was 1.9145 million tons, YOY growth by 1.4%
- 1Q GDP growth rate in China at 8.1% slower than 8.9% in Q411

Coal sector:

- 1Q total coal produced in China was 838mt YOY growth by 5.8%
- International coking coal spot price- downward trend: US\$ 235/ton in Q1; US\$ 206/ton in Q2
- Total coal import in 1Q was 61.73 million tons YOY growth by 63%; of which coking coal amounted to 17.09 million tons, YOY growth by 88.8%

Sector update:

《12th Five- Year Development Plan for Coal Industry》 :

On March 22, National Energy Bureau conference announced the objectives of coal industry by 2015, production capacity of 4.1 billion tons and coal production at about 3.9 billion tons. Forming 10 largest producers with annual production to hundred million tons and 10 producers with annual production of 50 million tons, their total production accounts for more than 60% of the country's total production. Through coal enterprise mergers and consolidations to create large enterprise to ensure these coal operators provide stable supply of coal.

Premium coking coal and anthracite classified as highly protected resources :

In addition, during the "12th Five-Year" period, the "Regulations on managing the development and utilization of the special and scarce coal resources" will be developed, where the total production volume will be controlled. For all newly built mines in the next 10 years they will not be able to enhance production volume through technical upgrade, consolidation to increase productivity. As a result of this new regulation, it is expected in the foreseeable future, the imbalance of supply and demand for premium quality coking coal will be further expanded.