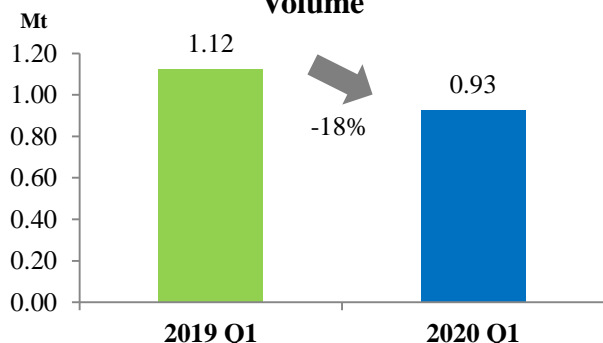


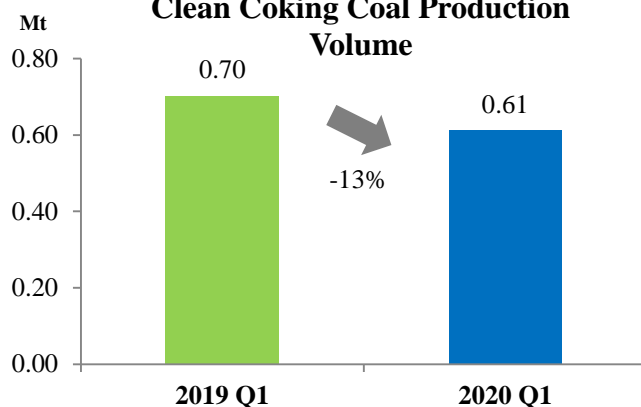


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Q1

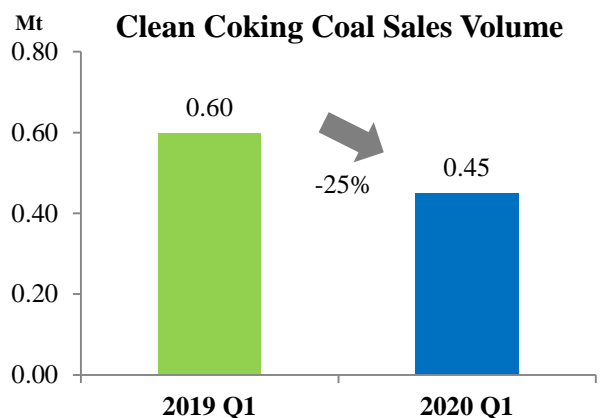
Raw Coking Coal Production Volume



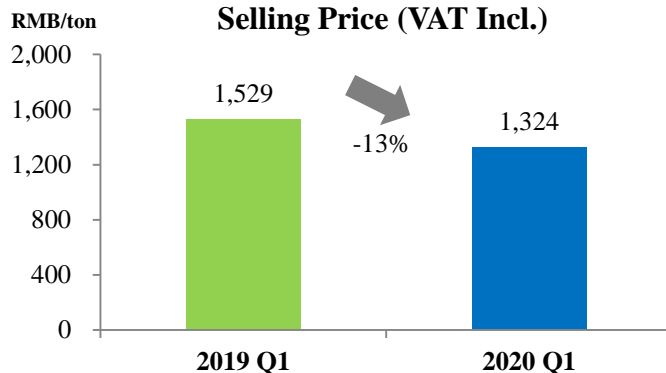
Clean Coking Coal Production Volume



Clean Coking Coal Sales Volume



Clean Coking Coal Average Realized Selling Price (VAT Incl.)



- Affected by the COVID-19, the Group's first quarter production has decreased; our 3 mines in Liulin have taken the lead to pass the inspection and resumed production in mid-February 2020. We will adjust the production plan when needed in response to the situation and policy changes and gradually increase our production

Q1 Sector Overview

Macroeconomic Data:

From January to March, 2020

- GDP of China decreased by 6.8% YOY
- PPI of China decreased by 1.5% YOY
- Investment in Fixed Assets (peasants excluded) of China decreased by 16.1% YOY
- Investment in Infrastructure Construction of China decreased by 19.7% YOY
- Investment in Real Estate Development of China decreased by 7.7% YOY

Steel Sector:

From January to March, 2020

- National crude steel production volume was approximately 234 million tons, increased by 1.2% YOY
- National automobile production was approximately 3.47 million, decreased by 45.2% YOY
- National pig iron production volume was approximately 200 million tons, increased by 2.4% YOY
- National excavator sales volume was 68.6 thousands, decreased by 8.2% YOY

Coal Sector:

From January to March, 2020

- National coal production volume was approximately 810 million tons, increased by 0.4% YOY
- National imports of coking coal was approximately 20.80 million tons, increased by 26.7% 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:

Affected by the COVID-19, China's first quarter GDP contracted by 6.8% YOY. Currently, epidemic in China is basically under control and production in China has been resumed in succession. Market fundamentals is restoring gradually. Meanwhile, the Central Government has also launched various monetary and fiscal measures to support the economy, which has a boosting effect on the demand for steel and coking coal. If the epidemic in overseas can be controlled, countries will also launch economic stimulus to restore the economy as soon as possible. We expect coking coal price remains fluctuating within a reasonable range this year.

Disclaimer

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