

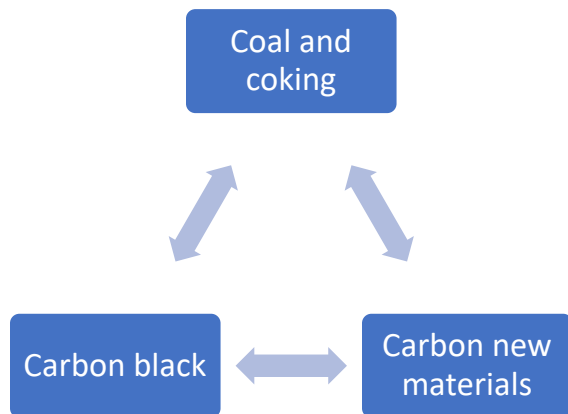
China Coal Markets in the Short Term

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Shanxi Sunlight Coking Group Co., Ltd

Company Profile

- One of the top 3 Chinese merchant coking groups
- Existing coke 5.0Mtpa + 4.0Mtpa under construction
- Coal tar 1.08Mtpa, carbon black 500Ktpa, carbon microspheres 40Ktpa
- Coal 6.0Mtpa of 2 JV mines, CHPP 6.0Mtpa
- Rail station of coal & coke loading/unloading 10Mtpa
- Power 2x2.5MW

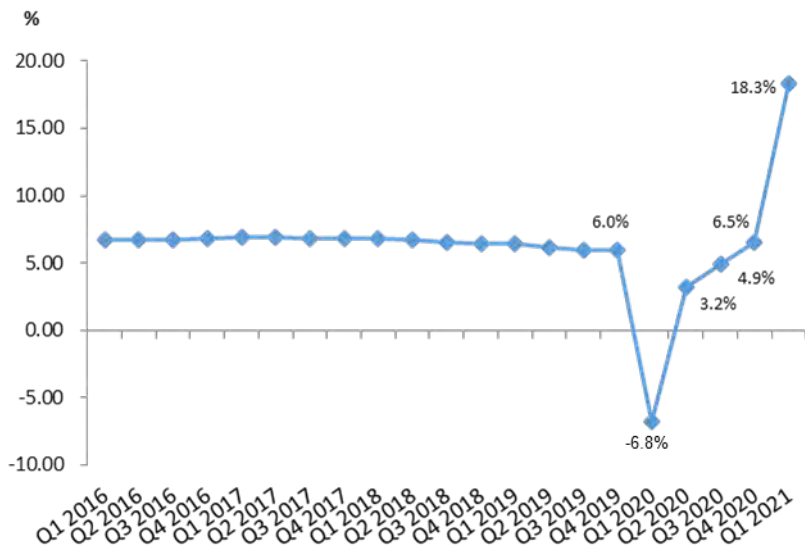


- **China economy recovery**
- **Coal in energy consumption mix**
- **Coal supply and demand**
- **Coal prices**
- **Coal imports**
- **Summary**

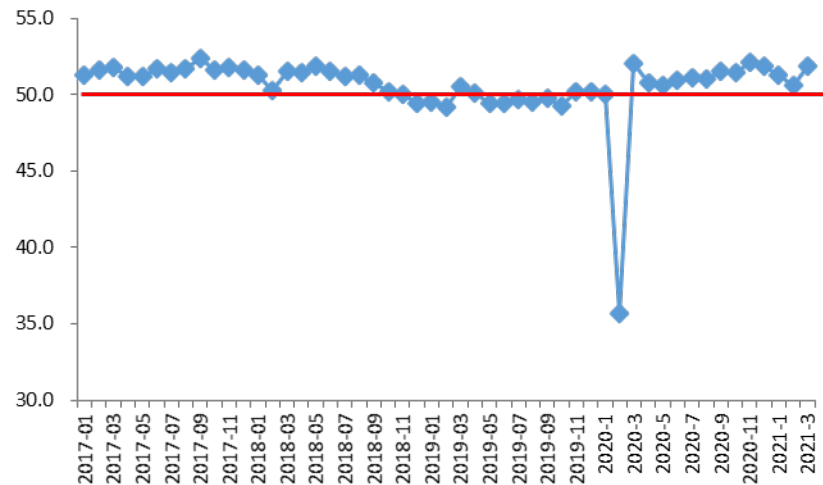
China's economy continues recovering solidly

2020 GDP grew 2.3% and 2021 target is above 6%.

China quarterly GDP growth



China Manufacturing PMI

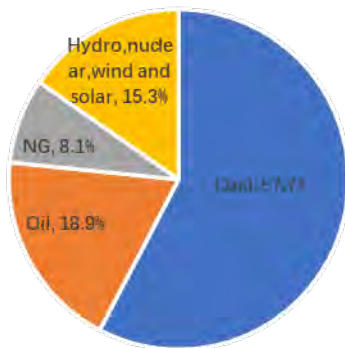


Coal in energy consumption mix continues declining

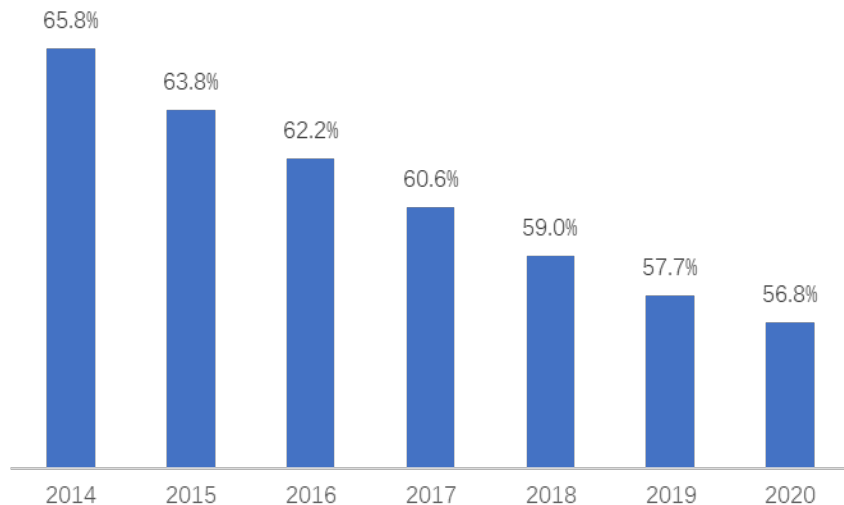
China energy consumption structure and targets

| | 2010 | 2015 | 2019 | 2020T | 2030T | 2050T |
|---|-------|-------|-------|-------|-------|-------|
| Coal | 69.0% | 63.8% | 57.7% | 58.0% | 46.0% | / |
| Oil | 17.0% | 18.4% | 18.9% | 17.0% | 19.0% | / |
| NG | 4.0% | 5.8% | 8.1% | 10.0% | 15.0% | / |
| Hydro、 Nuclear、 Wind and Solar | 9.0% | 12.0% | 15.3% | 15.0% | 20.0% | 50.0% |

2019 China energy consumption structure



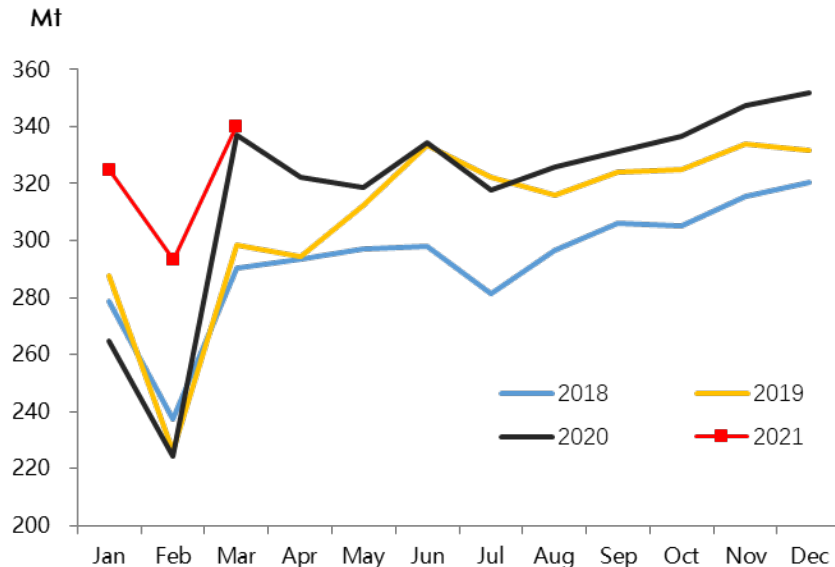
Coal proportion of energy consumption mix



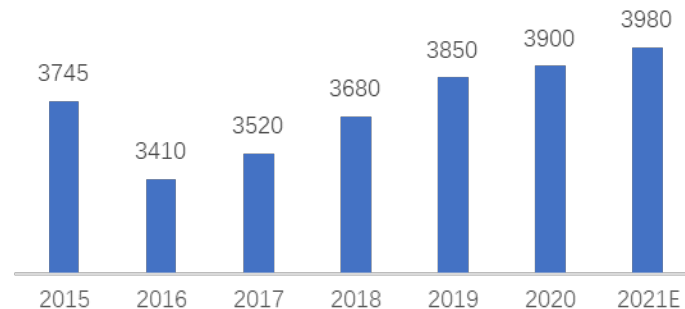
Coal output continues rising and concentrates to the west

Coal supply was limited affected by Covid-19 and continues growing post the pandemic, but remains constrained some extent.

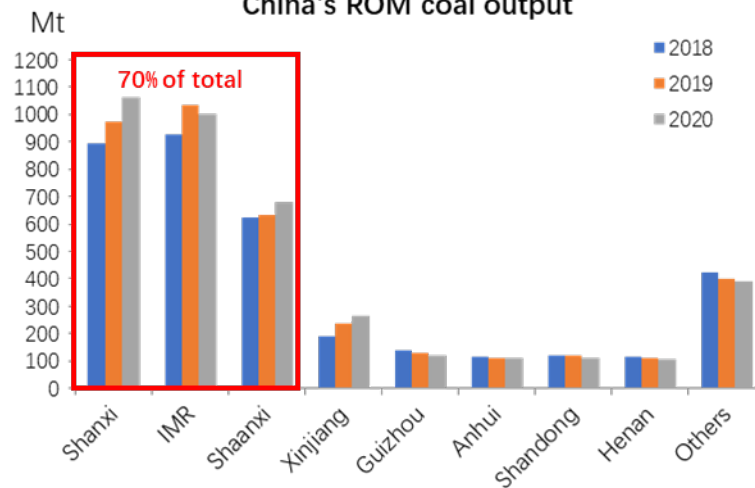
China monthly ROM coal output



China ROM coal output (Mt)

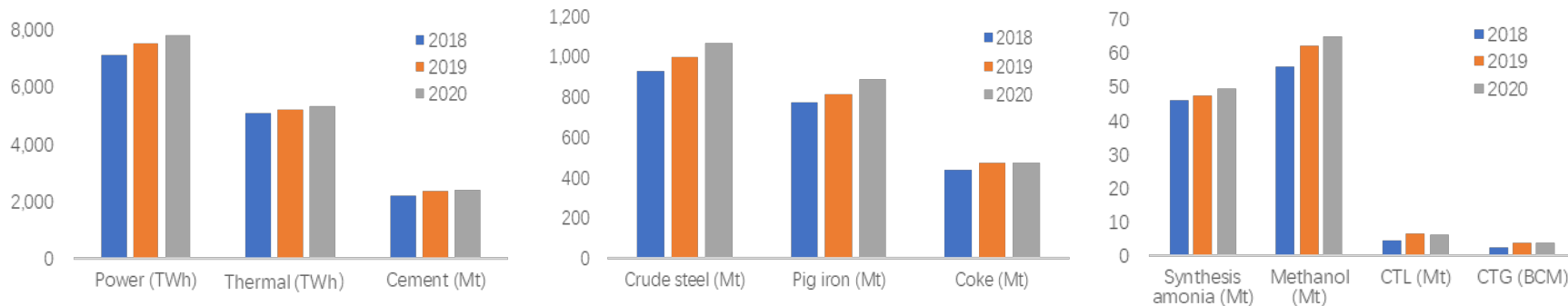


China's ROM coal output

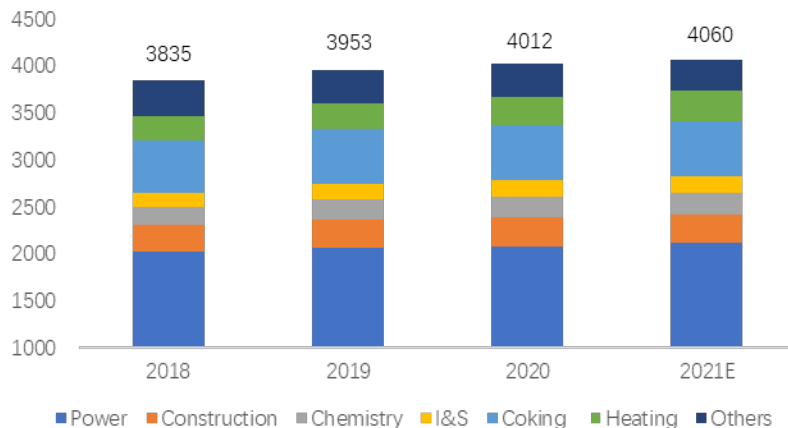


Coal consumption continues rising slightly

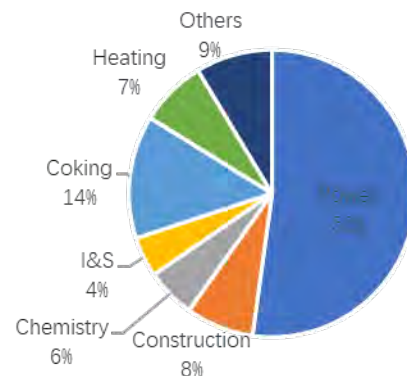
Coal downstream productions (Mt)



Coal consumption by industries (Mt)

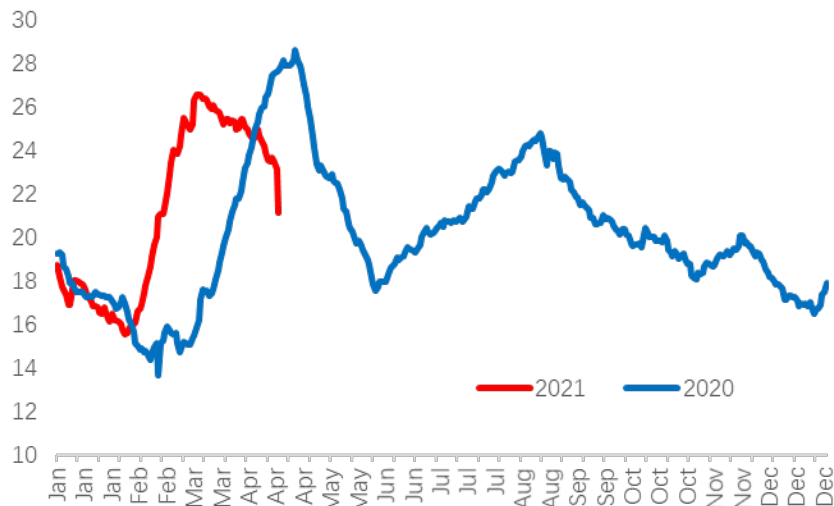


2020 coal consumption structure

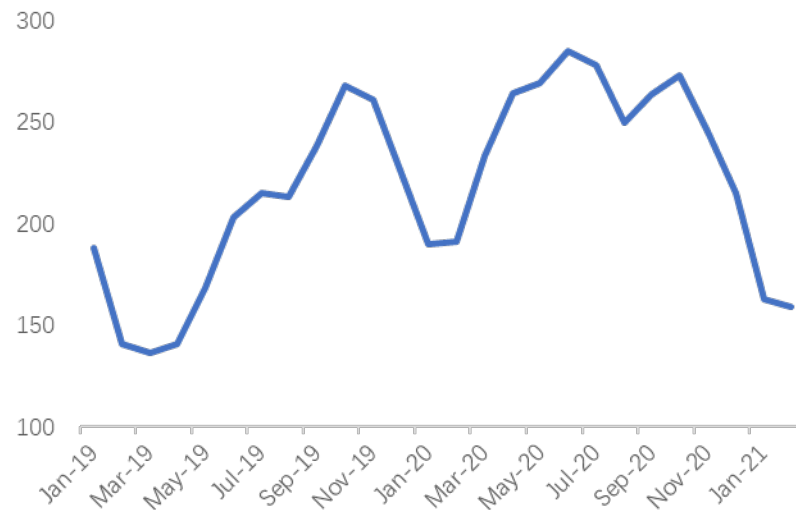


Coal stock continues falling

Coal stock at northern ports (Mt)

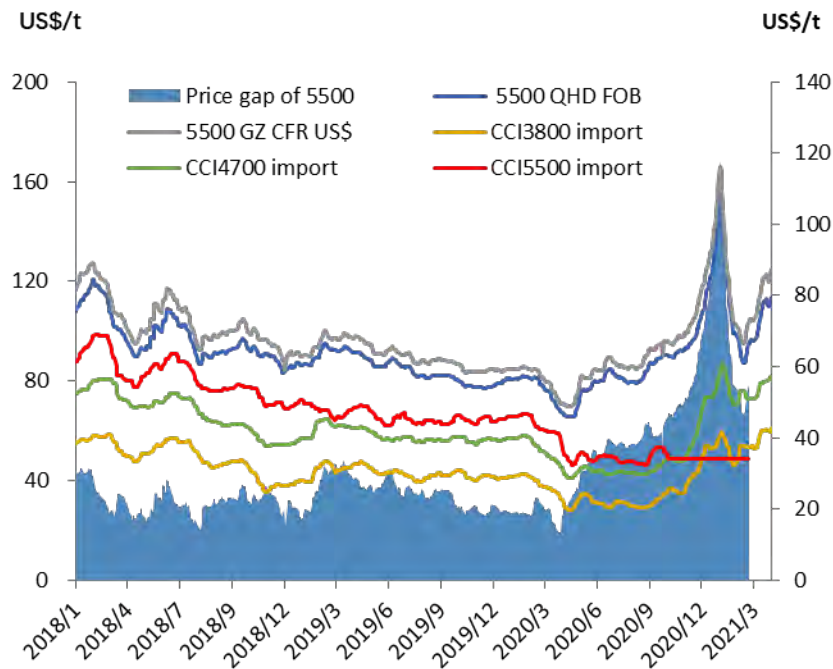


Total coal stock (Mt)

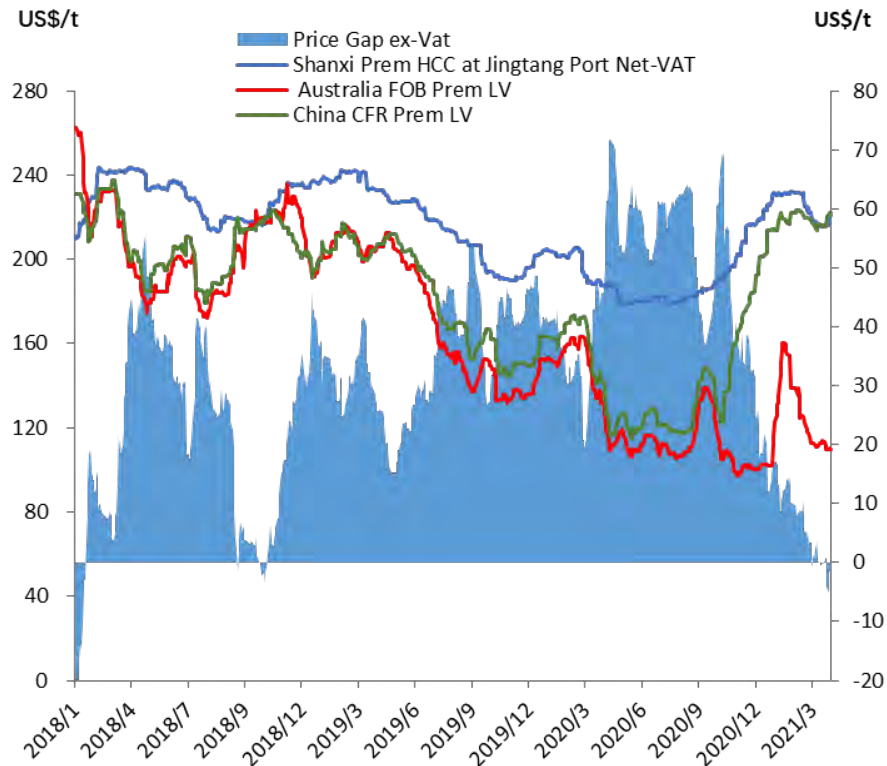


China coal prices are strengthening

China thermal coal prices

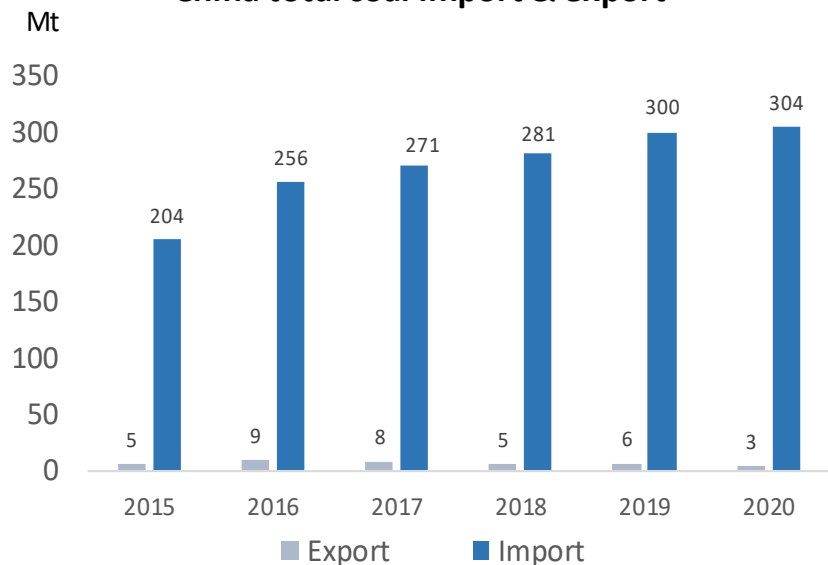


China coking coal prices

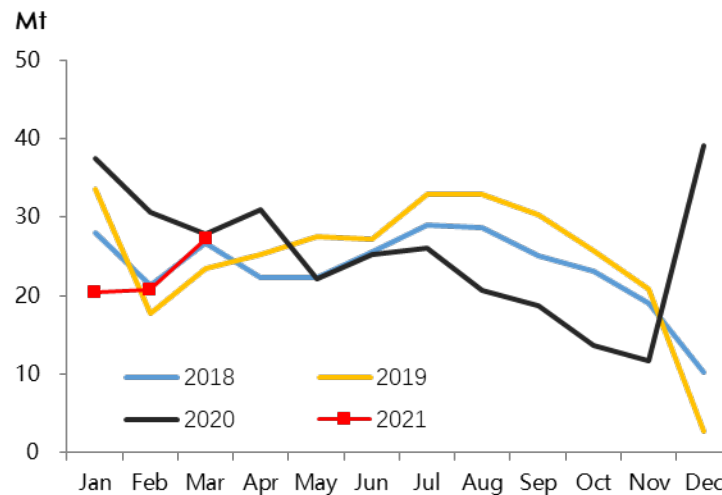


Coal import continues rising despite under policy restriction

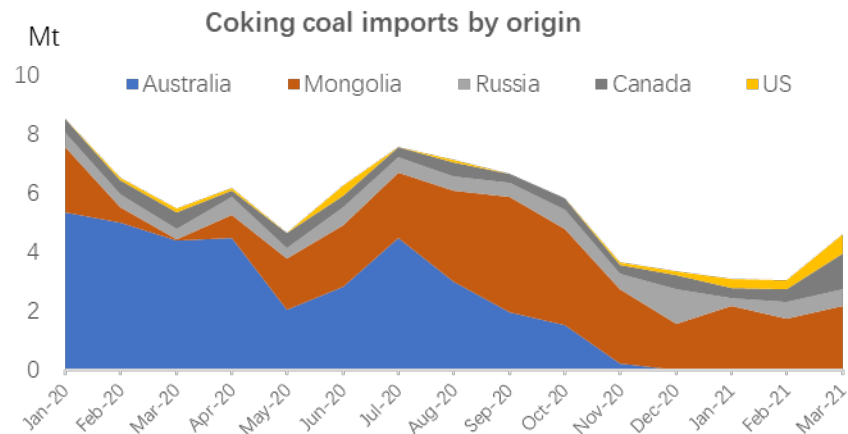
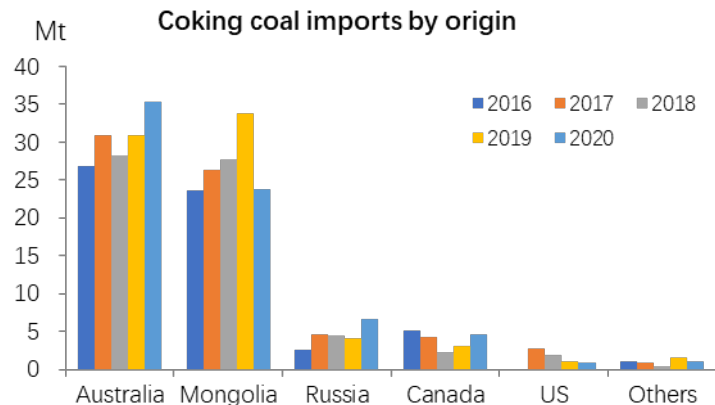
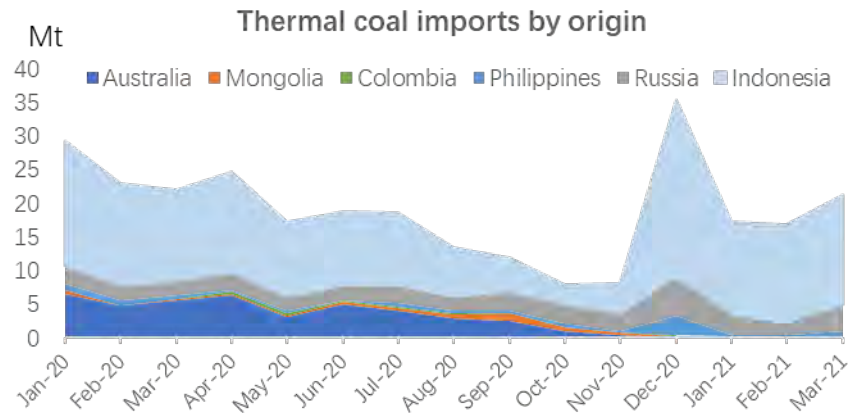
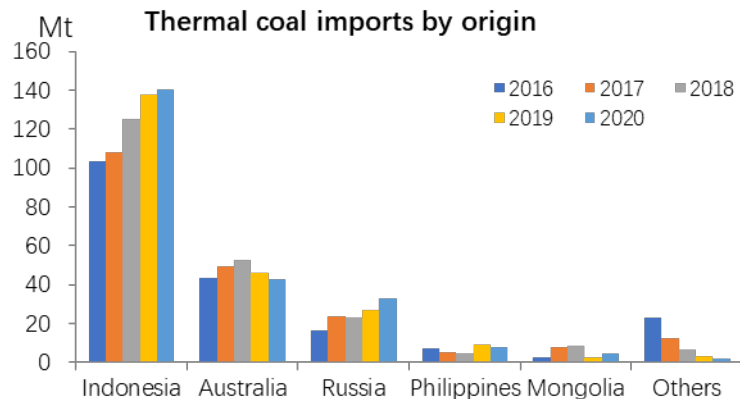
China total coal import & export



China monthly coal imports



Coal imports by origin



Summary

- China economy continues recovering solidly, 2021 GDP growth targeting above 6%.
- Coal in energy consumption mix shows declining trend.
- Coal supply was limited affected by Covid-19 and is growing post the pandemic. While, coal output concentrates to the west and remains constrained.
- Coal demand was hit more but is recovering strongly post the pandemic.
- Coal prices are strengthening backed by growing demand, constrained supply, and low stock.
- China coal imports remain strong despite under restriction.
- Thermal coal imports from Indonesia and Russia fill the absence of Australian coal.
- Australian coking coal is difficult to be fully replaced by other origins from quantity and quality perspective.

Thank You!

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