

INDUSTRY OVERVIEW

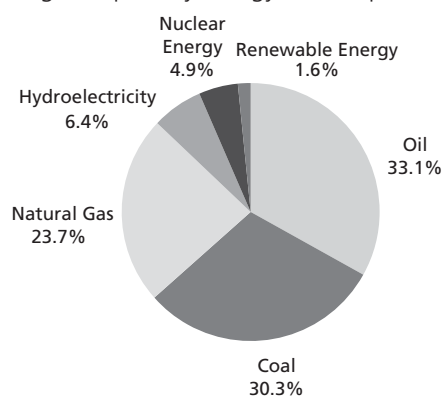
This and other sections of this Prospectus contain information relating to the PRC economy and the PRC coal industry and international coal markets. Such information was derived from various government publications, market data providers and other independent third-party sources. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. We have reproduced the data and statistics extracted from such publications in a reasonably cautious manner. Neither we, the Underwriters nor any of their respective associates or advisers or any party involved in the Global Offering has independently verified the information directly or indirectly derived from these sources, and such information may not be consistent with other information compiled within or outside China. No representation is given as to its accuracy. Accordingly, such information should not be unduly relied upon.

Unless otherwise specified, references to coal production data in this section are to raw coal production.

OVERVIEW OF GLOBAL COAL INDUSTRY

Coal is one of the most important energy resources in the world. According to the BP Statistical Review 2012, worldwide primary energy consumption totalled 12.3 billion tonnes of oil equivalent in 2011, of which coal represented 30.3%, and oil and natural gas represented 33.1% and 23.7%, respectively.

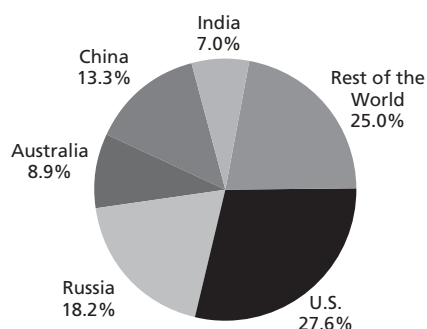
The following chart illustrates the global primary energy consumption in 2011:



Source: BP Statistical Review 2012

World coal reserves are abundant. According to the BP Statistical Review 2012 estimates, the world's total proved coal reserve base represents approximately 112 years of production at current mining rates. Coal reserves have a wide distribution pattern, with particular concentration in countries including the United States, Russia, China, Australia and India. According to the BP Statistical Review 2012, these countries controlled 27.6%, 18.2%, 13.3%, 8.9% and 7.0%, respectively, of the proved worldwide coal reserves at the end of 2011.

The following chart illustrates the global distribution of proved coal reserves at the end of 2011:



Source: BP Statistical Review 2012

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The continuous rise in global coal consumption in recent years has resulted from various macro factors, including global economic growth, price increases of other energy sources such as oil and natural gas, and improvements in coal mining and processing technologies and productivity.

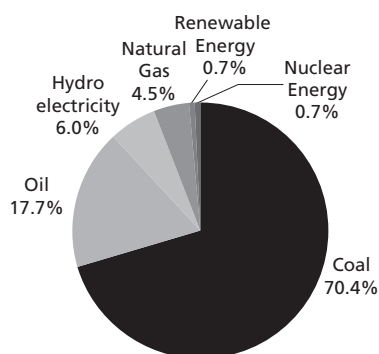
The Asia-Pacific region is one of the fastest growing economic regions and the largest and fastest growing energy market in the world. According to the BP Statistical Review 2012, the region's total primary energy consumption increased from 4,254.1 million tonnes of oil equivalent in 2009 to 4,803.3 million tonnes of oil equivalent in 2011, representing a CAGR of 6.3%. This growth rate was much higher than the growth rates in North America and Europe (including Eurasia), which were 1.6% and 1.6%, respectively, for the same period. In 2011, the Asia-Pacific region's primary energy consumption accounted for 39.1% of the worldwide total, higher than North America and Europe (including Eurasia), which accounted for 22.6% and 23.8% of the worldwide total, respectively, in the same year. Demand for energy, including coal, in the Asia-Pacific region is therefore considered to be high.

Many major coal consumers and producers are located in the Asia-Pacific region. According to the BP Statistical Review 2012, coal consumption and production in this region in 2011 accounted for 68.6% and 67.9%, respectively, of global coal consumption and production. From 2009 to 2011, coal consumption and production in the Asia-Pacific region increased by a CAGR of 7.3% and 7.7%, respectively, exceeding the CAGRs of worldwide coal consumption and production during the same period, which were 5.5% and 6.0%, respectively.

OVERVIEW OF PRC COAL INDUSTRY

According to the BP Statistical Review 2012, China is the world's largest producer of coal, with 3,520.0 million tonnes of output in 2011, which corresponds to 1,956.0 million tonnes of oil equivalent and accounts for 49.5% of global coal production. China is also the world's largest consumer of coal, with domestic coal consumption amounting to 1,839.4 million tonnes of oil equivalent in 2011, accounting for 49.4% of global consumption. BP Statistical Review 2012 considers coal to be China's most important energy resource, accounting for 70.4% of the country's total primary energy consumption in 2011.

The following chart illustrates China's total primary energy consumption in 2011:



Million tonnes of oil equivalent

Oil	461.8
Natural Gas	117.6
Coal	1,839.4
Hydroelectricity	157.0
Nuclear Energy	19.5
Renewable Energy	17.7

Source: BP Statistical Review 2012

According to the BP Statistical Review 2012, China's coal consumption increased from 720.8 million tonnes of oil equivalent in 2001 to 1,839.4 million tonnes of oil equivalent in 2011, representing a CAGR of 9.8% over the period. Coal production and consumption in China continued to increase from 2009 to 2011. In 2011, according to the NBSC, China produced 3,520 million tonnes of raw coal, imported 182.4 million tonnes

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of coal and exported 14.7 million tonnes of coal, resulting in net imports of 167.7 million tonnes. China has therefore been a coal net-importing country for three consecutive years since 2009.

The PRC coal industry is characterized by (i) abundant coal reserves and uneven distribution; (ii) geographic separation of the principal regions of supply and demand; (iii) rapid growth in coal transportation capacity; (iv) thermal coal as the dominant source of energy; (v) a market-driven pricing mechanism and competition; (vi) a fragmented market in the process of consolidation; and (vii) stricter regulations on safety and environmental protection.

With increased transportation capacities, improved production technologies, increasing industry consolidation and more extensive usage, we believe that coal will maintain its strategic importance as the primary energy source and raw material in China.

The foregoing characteristics and challenges are discussed and analyzed in more detail below:

Abundant Coal Reserves and Uneven Distribution

Coal reserves in China are abundant but unevenly distributed. According to the BP Statistical Review 2012, China had 114.5 billion tonnes of proved coal reserves at the end of 2011, representing 13.3% of world proved coal reserves, and is ranked third in the world in terms of proved coal reserves following the United States and Russia. According to the China Coal Resources website, the coal reserves in China are mainly deposited in northern China and north-western China, with 60% deposited in the area referred to as the “Tri-West Area,” which consists of Shanxi, western Inner Mongolia and Shaanxi.

Geographic Separation of the Principal Regions of Supply and Demand

Coal production in the Tri-West Area accounts for a significant portion of the total coal production in the PRC. This area holds high quality coal reserves, and favourable geological conditions contribute to high coal production volume.

The table below sets out coal production in Shanxi, Inner Mongolia and Shaanxi:

	2009 (million tonnes)	% of total coal production in PRC	2010 (million tonnes)	% of total coal production in PRC	2011 (million tonnes)	% of total coal production in PRC
Shanxi	594	19.5	730	22.5	872	24.8
Inner Mongolia	601	19.7	787	24.3	979	27.8
Shaanxi	296	9.7	361	11.1	411	11.7
PRC Total	3,050	100.0	3,240	100.0	3,520	100.0

Source: CEIC, NBSC

Inner Mongolia has the largest total proved coal reserves among all provinces in China according to the MLR. The coal production in Inner Mongolia experienced significant growth in recent years. According to the NBSC, the coal production volume in Inner Mongolia further increased to 979 million tonnes for 2011, ranking first among all provinces in China since 2009.

Most of China’s coal resources are concentrated in the inland provinces of northern and north-western China, especially in the Tri-West Area. In contrast, most industrial centers and many of China’s coal-consuming enterprises are concentrated in the eastern and southern regions. The majority of coal production in the Tri-West Area was transported to places outside the area. The Tri-West Area will remain the major coal supplying region for other regions in China.

Rapid Growth in Coal Transportation Capacity

As a result of the uneven geographic distribution between coal production and consumption, transportation of coal to the eastern parts of China has been critical to China’s coal industry. For most coal

producers located in the inland areas of China, the railway system has been the most important means of coal transportation.

According to the NDRC, coal transported by railways reached 2.3 billion tonnes in 2011, representing a year on year increase of 13.4%. Coal is transported via a railway system that mainly consists of the Daqin Line, Shuohuang Line, Shitai Line, Houyue Line, Longhai Line and Ningxi Line. The Daqin Line, 653 km long, is China's largest railway line in terms of transportation capacity dedicated to coal transportation. It connects the major coal production bases in the Tri-West Area with the major ports in eastern parts of China, where coal is further transported by sea to customers in eastern and southern China. The Daqin Line achieved a total transportation volume of 440 million tonnes in 2011 and the PRC government plans to further increase its annual transportation capacity in 2012.

The NDRC sets railway freight charge rates for coal transportation on the national railway system. The freight charge of the national railway system for coal transportation consists of two rates: one based on both tonnage and transportation distance plus one based on tonnage only regardless of transportation distance. The NDRC has increased the charge rates of the national railway system five times since 2007, from RMB0.0434 per tonne per kilometer plus RMB9.30 per tonne to RMB0.0454 per tonne per kilometer plus RMB9.30 per tonne effective November 5, 2007, further to RMB0.0484 per tonne per kilometer plus RMB9.60 per tonne effective July 1, 2008, further to RMB0.0537 per tonne per kilometer plus RMB10.50 per tonne effective December 13, 2009, further to RMB0.0553 per tonne per kilometer plus RMB10.80 per tonne effective April 1, 2011, and further to RMB0.0629 per tonne per kilometer plus RMB12.20 per tonne effective May 20, 2012.

Thermal Coal as the Dominant Source of Energy

China's economic growth in recent years has led to a surge in the demand for energy. From 2009 to 2011, China's total primary energy consumption grew at a CAGR of 8.7% according to the BP Statistical Review 2012.

China's large-scale and fast-growing power industry relies heavily on thermal coal. According to the U.S. Energy Information Administration, China's power industry is the second largest in the world after that of the United States. According to the China Electricity Council, at the end of 2011, China's total installed capacity was 1,055.8 GW, 72.5% of which was generated by thermal power plants.

Therefore, the rapid growth in the PRC power industry has been driving demand for thermal coal. According to the NBSC, the thermal power industry in China generated a total of 2,982.8 billion Kwh in 2009 and 3,825.3 billion Kwh in 2011. From 2009 to 2011, thermal power generation in China grew at a CAGR of 13.2%.

The table below sets out China's power generation and coal consumption:

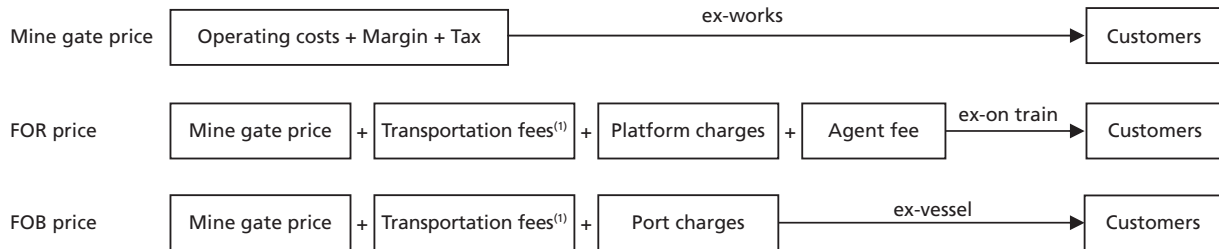
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Coal-fired power generation (billion Kwh)	2,982.8	3,330.1	3,825.3
Total power generation (billion Kwh)	3,714.7	4,206.5	4,700.0
Coal consumption for power generation (million tonnes)	1,468.1	1,615.0	1,868.7

Source: NBSC, China Coal Resources website

A Market-driven Pricing Mechanism and Competition

Market pricing mechanism

There are three common coal pricing mechanisms in China: mine gate (also called mine mouth), free-on-rail ("FOR") and free-on-board ("FOB"). Mine gate price refers to the sales price of coal sold at the producing mines. FOR price refers to the sales price when the coal is loaded onto trains, which is mainly impacted by the mine gate price, freight charges (usually short-distance trucking), platform fee and agent fee. FOB price refers to the price of coal loaded onto ships for export markets.



(1) including trucking fees and railway charges.

In China, the price of thermal coal is primarily determined by the energy content, and affected by sulphur content and volatile matter content. Generally, when the sulphur content and the volatile matter content are within the acceptable range, thermal coal with higher energy content commands a higher price.

Domestic coal prices have been mainly market-driven since 2002, when the PRC government eliminated the price control measures for coal used in electric power generation. Prior to 2006, however, the PRC government implemented temporary measures to intervene and control unusual fluctuations in thermal coal prices. This, among other reasons, caused thermal coal contract prices for major users to be generally lower than spot market prices during the period. On December 27, 2005, the NDRC announced the elimination of this temporary thermal coal price intervention practice, thus completely removing control over thermal coal prices, including contract prices for major users.

However, on November 30, 2011, to stabilize the coal market and the market prices of thermal coal, the NDRC announced new temporary thermal coal price intervention measures, the *NDRC Notice on Enhancing of Administration and Regulation of Thermal Coal Price*, promulgated by the NDRC ([2011]No.299) ("Notice No. 299"), which provides for (i) controlling the increase in contract thermal coal prices: (a) for the annual crucial contract coal to be transited for national trans-provincial product transportation, the increase in contract prices in 2012 should be capped at 5% of the prices in 2011; (b) for the thermal coal generated and used by the province (district, city) which itself generates coal, the annual increase in contract prices should not exceed 5% of contract prices of last year; (ii) implementing capped prices for the thermal coal in market transactions. Since January 1, 2012, the FOB price of thermal coal with a calorific value of 5,500 kcal/kg at nine ports including Qinhuangdao port, Tian Jin port and Jingtang port should not exceed RMB800 per tonne. FOB price of other thermal coal should be calculated correspondingly based on the capped price of thermal coal with a calorific value of 5,500 kcal/kg. The market transaction price of thermal coal transported by railway and highway by the parties should not exceed the actual accounting settlement price of the end of April 2011, and should not increase the price by way of changing accounting settlement means.

Notice No. 299 has no material adverse effect on our Group's business and operation. The contract price for thermal coal of the calorific value of 5,500 kcal/kg was RMB620 per tonne under the contracts entered into by our Group in 2011, lower than RMB 800 per tonne specified in the Notice No. 299, representing certain room for price increase. In addition, the majority of the coal products of our Group are not sold at the abovementioned nine ports and therefore, is not subject to Notice No. 299. Furthermore, the contract price for thermal coal of calorific value of 5,500 kcal/kg of our Group was RMB651 per tonne in 2012, presenting a 5% price increase over that of 2011, which is in compliance with the above Notice No. 299. The Directors confirm that, from November 2011 to the Latest Practicable Date, our Group has strictly observed and abided by the Notice No. 299 and no violations thereof have occurred.

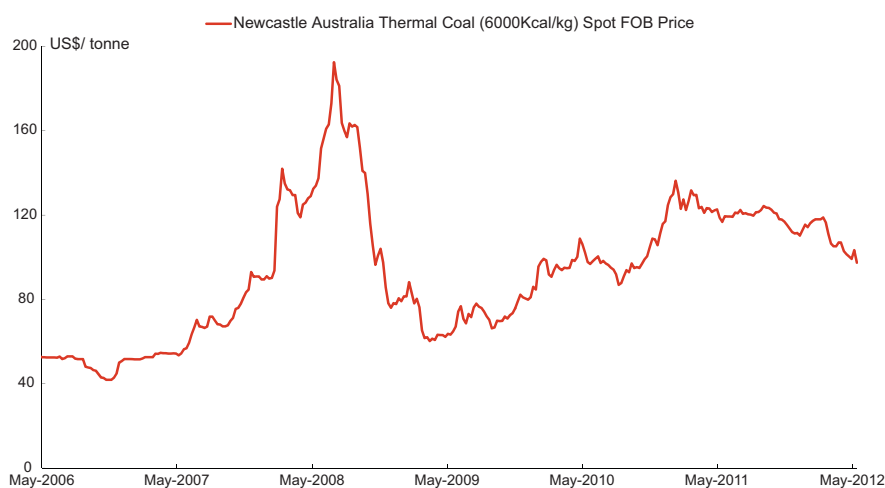
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The following chart sets forth historical coal prices at Qinhuangdao Port in China, which were representative indicators for the PRC coal prices.



Source: *China Coal Resources website*

The following chart sets forth historical coal prices at Newcastle Harbour in Australia, which were often quoted as an indicator of coal prices globally.



Source: *globalCOAL*

Leveraging on our self-owned railway and highway transportation network, brand reputation and market-oriented business strategies, we have built up strong sales network of coal and established long-term and stable relationship with major customers. In our view, the foreseeable future coal market will remain the overall balance against supply and demand.

Competition

Affected by factors such as geographical distance between coal mines and coal consumers, supply and demand and government intervention, PRC coal enterprises mainly compete in the following ways:

- *Reserves.* To ensure sustainable growth, coal enterprises compete for new resources, the exploration and development of which are subject to governmental approval.
- *Production capacities.* Coal enterprises compete in expanding production capacities. According to the NBSC, the coal industry's investment in fixed assets reached RMB489.7 billion for 2011, a 25.9% increase over 2010.
- *Transportation capacities.* Coal enterprises, especially those in the Tri-West Area, rely heavily on the national railway system and compete for the transportation quota. They also compete in constructing local railways and roads to assure access to the national railway system.

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- *Long-term customers.* Coal enterprises compete for long-term customers and sales contracts based on product quality and transportation capacities which can better support their production and operations.
- *Pricing.* Since the prices for coal products have become increasingly market-driven, we expect that competition based on price will intensify.
- *M&A opportunities.* Large coal enterprises seek to take advantage of government initiatives to close small coal mines and carry out industry consolidation. They compete for opportunities involving potential mergers with, and acquisitions of, smaller coal enterprises with considerable coal reserves and good coal quality.
- *Industrial chain expansion opportunities.* Coal enterprises compete for opportunities to expand further along the industrial chain to the power industry and the coal-related chemical industry.

A Fragmented Market in the Process of Consolidation

China's coal production is characterized by the existence of a large number of small coal production companies. However, in response in part to safety and efficiency concerns, the PRC government has taken initiatives to consolidate the coal industry and has promulgated a number of policies and regulations since 1999 to encourage the integration and reform of the domestic coal industry. These policies and regulations were implemented to resolve certain problems arising from small local mining operations, such as low resource utilization and the lack of adequate environmental protection and safety measures. As a result, market concentration has increased significantly. In November 2007, the NDRC issued *Coal Industry Policies*, which called for acceleration of consolidation of ownership of coal resources and cultivation of thirteen coal production bases in China by 2010. In October 2010, the State Council approved the NDRC's Opinions on the Acceleration of the Advancement of Mergers and Reorganizations of Coal Enterprises, for details of which see "— Outlook for the PRC Coal Industry."

The table below lists the 20 largest coal production enterprises in terms of output volume in China in 2010:

<u>Ranking</u>	<u>Enterprise</u>	<u>Coal production in 2010</u> (million tonnes)
1	Shenhua Group Corporation Limited	357.0
2	China National Coal Group Corporation Limited	153.7
3	Shanxi Coking Coal Group Company Limited	102.1
4	Shanxi Datong Coal Mine Group Company Limited	101.2
5	Shaanxi Coal and Chemical Industry Group Company Limited	100.4
6	Henan Coal Chemical Industry Group Company Limited	74.0
7	Hebei Jizhong Energy Group Company Limited	73.3
8	Shanxi Lu'an Mining Industry Group Company Limited	71.0
9	Anhui Huainan Mining (Group) Company Limited	66.2
10	Hebei Kailuan Group Company Limited	60.9
11	Shandong Yankuang Group Corporation Limited	60.1
12	CPI Mengdong Energy Group Company Limited	53.4
13	Shanxi Yangquan Coal Industry (Group) Company Limited	51.6
14	Inner Mongolia Yitai Group Corporation Limited	51.1
15	Heilongjiang Longmay Mining Holding Group Company Limited	50.1
16	China Pingmei Shenma Energy and Chemical Group Company Limited	49.7
17	Shanxi Jincheng Anthracite Mining Group Company Limited	46.0
18	Inner Mongolia Yidong Investment Group Corporation Limited	39.5
19	Henan Yima Coal Industry (Group) Corporation Limited	31.2
20	Anhui Huaibei Mining (Group) Company Limited	30.6

Source: CNCA

Stricter Regulations on Safety and Environmental Protection

Safe production

Mining safety has always been an area of major concern in the PRC coal industry. According to the SACMS, there were 1,201 accidents and 1,973 fatalities from coal industry operations in China in 2011.

In China, both the PRC government and the country's coal production enterprises have become increasingly aware of the importance of mining safety. SACMS and SAWS are the main regulators of mining safety and miners' health. See "Regulations — Coal Production — Safety." The PRC government has also established a Cross-Ministry Coordination Force for Prevention of Gas Incidents in Coal Mines to reduce accidents caused by gas in underground coal mines. In addition, the PRC government continues to allocate funding for the improvement of mining safety. The PRC government requires operators of coal mines to regard safe production as their top priority, and requires coal production enterprises to set aside funds to maintain and improve safe production. In addition, coal production enterprises offer various training programs to educate their mining workers to raise their safety awareness.

According to the Guidance Opinion on Deepening the Work of Coal Mine Regulation and Closure issued on August 19, 2009 jointly by 14 PRC government ministries including SACMS and SAWS, the PRC government has shut down over 12,000 relatively small coal mines since 2005 because of the lack of requisite safe production conditions, damage to resources, contamination of environment or contradiction of industry policy. During the same period, the PRC government increased its efforts in consolidating mining operations. A large number of coal mines have passed safety inspections and have progressively enhanced their standards of safe production.

Environmental protection

In recent years, environmental protection has become an increasingly important factor for the PRC government to consider when planning for economic development. The PRC government plans to make further efforts to reduce the discharge and emission of pollutants, such as carbon dioxide and sulphur dioxide, released by certain major industrial sectors. China is a signatory to the Kyoto Protocol and the United Nations Framework Convention on Climate Change.

China is making considerable efforts to develop clean coal technology. The PRC government encourages the development of coal processing, coal blending and coal briquette technologies to improve coal selection and processing, as well as the use of advanced coal-burning and environmentally friendly technologies to increase utilization rates and reduce the emission of pollutants.

Outlook for the PRC Coal Industry

Based on the foregoing, the continued development of the PRC's coal industry depends on the following government and corporate initiatives:

Accelerate the construction of large-scale coal production bases

Under the *Twelfth Five-year Plan on the Development of Coal Industry*, during the five years of 2011 to 2015:

- the coal industry should develop under the principle of "control the east, stabilize the middle and develop the west," and form 14 large coal production bases;
- there should form ten 100-million-tonne-level large coal enterprise groups and ten 50-million-tonnes level large coal enterprise groups, output of which shall constitute more than 60% of the national output;
- the local industry shall vigorously promote mergers and reorganizations among coal mines enterprises and shut down backward production capacity, and develop large coal group companies. Based on the principle of "one developer for one coal mine area," mergers and reorganizations plans shall be made and implemented for each coal mine area, to reduce the number of coal mine developers. For

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major coal production provinces/areas such as Shanxi, Inner Mongolia, He'nan and Shaanxi, the industry concentration level should be further increased by supporting the large coal enterprises so as to promote scaled-up development of coal preserves. Through mergers and reorganizations, the number of coal enterprises should be reduced within 4,000 and the average annual production capacity of a single coal enterprise shall be increased to one million tonnes.

In October 2010, the State Council approved the NDRC's Opinions on the Acceleration of the Advancement of Mergers and Reorganizations of Coal Enterprises, which pointed out that the government should rely on market mechanisms and should:

- support qualified state-owned as well as private coal enterprises to become principals in mergers and acquisitions mainly through equity participation;
- support enterprises with economic, technological and managerial advantages to merge or reorganize lesser ones across different regions, industries and ownership systems;
- support operations consolidating coal, power and transportation;
- strengthen fiscal and tax policy support by government subsidies and tax concessions in relation to coal enterprise mergers and reorganizations; and
- for mid-sized and large coal enterprises that have merged small coal mines that reached certain number and scale, prioritize the approval of their new coal mines, their conversion or expansion of coal mines, mine-gate power stations and comprehensive utilization power stations, as well as coal processing and conversion projects.

Enhance productivity and eliminate outdated methods of production

The PRC government supports the restructuring of the coal industry and encourages large coal enterprises to acquire small- and mid-sized mines in order to increase production scale and enhance competitiveness in the marketplace. The PRC government's policy is to improve the overall productivity of the industry and the stability of the coal market by closing down small mines that utilize outdated technologies and are not equipped with the necessary facilities to ensure mining safety. The construction of coal mines must comply with governmental policies. To the extent possible, coal producers should expand their coal mining operations through integration of existing mines. And coal producers should actively promote technology progress. It is planned that the mechanization ratio for coal mines shall reach 75% or higher nationally from 2011 to 2015.

To improve the safety and productivity of the coal industry, the PRC government has stated that it will give priority to projects involving the construction of large, modernized open pit mines as well as underground mines that have annual production capacities of over ten million tonnes. The PRC government has stated that it will also give priority to integrated projects of coal mining and power generation, thereby strictly controlling the development of small mining operations. From 2011 to 2015, a total number of 9,616 small-scale mines shall be closed down and 540 million tonnes of production capacity shall be eliminated.

In October 2011, *the Notice on Further Elimination of Outdated Capacities in the Coal Industry during the Twelfth Five-year Plan Period* was issued by the NDRC, the National Energy Bureau, the SAWS, which provided that from 2011 to 2015, the PRC government will eliminate 97.2 million tonnes of outdated coal production capacities and 2,917 small coal mines.

The release of the *Notice on Further Elimination of Outdated Capacities in the Coal Industry during the Twelfth Five-year Plan Period* brings positive influence on our Group, which will earn our Group an advantageous position in the integration of coal industry. For more information, see "Business — Our Competitive Strengths — We have gained high recognition and policy support from the PRC government, and are ideally positioned in the consolidation of the PRC coal industry." As of the Latest Practicable Date, our Group has not received any notice or opinion from any governmental institution which points out or deems that the mines owned by our Group fall or might fall under the category of outdated coal production capacities or small coal mines specified in the *Notice on Further Elimination of Outdated Capacities in the Coal Industry during the Twelfth Five-year Plan Period*.

Intensify, develop and manage coal resources

The PRC government is reforming the coal market based on existing laws and regulations on mineral and coal resources. The PRC government divides coal resources into development, reserve and protection areas in order to establish a preservation mechanism for scarce and high-quality coal resources. Mining rights are controlled and allocated by the central government and the local governments of the respective provinces, autonomous regions or municipalities directly under the central government.

Implement a compensation scheme for the exploitation of coal resources

The PRC government and the PRC coal industry are focused on the preservation and efficient utilization of coal resources. Through the reform of the resource tax system and the implementation of a compensation scheme for coal resource exploitation, the PRC government is committed to raising the entry barrier into the coal industry and further preventing the wasteful exploitation of coal resources. The new resources tax for coal exploitation may no longer be calculated based on production volume but instead must be based on reserve volume and recovery rate. Therefore, the cost of resources is expected to constitute a higher percentage of total mining costs.

Orderly development of advanced and demonstrative projects of modern coal-related chemical operations

In accordance with the *Twelfth Five-year Plan on the Development of Coal Industry*, the Chinese government will steadily promote construction of demonstrative projects of further processing of coal. In selected areas with suitable type of coal products in Inner Mongolia, Shaanxi, Shanxi, Yunnan, Guizhou, Xinjiang and other areas, support will be made available to large enterprises to conduct upgraded and demonstrative coal processing projects such as coal-to-oil production, coal based natural gas production, coal based olefins production, and coal based ethylene glycol production, and to facilitate industrial application of advanced technologies.