

Dagong Credit Rating Bulletin

No. D [2008] 109 Bulletin

Dagong Global Credit Rating Co., Ltd. (Dagong) assigned A-1 credit rating to 1.0 billion yuan short-term financing bonds issued by Yangquan Coal Industry (Group) Co., Ltd. (the Company) in 2008 and AA issuer credit rating to the Company. The rating reflects the Company's rich coal reserves, good coal quality, strong coal production capacity, constant increase in revenue and fairly good cash flow generating ability; at the same time, the Company also faces some negative factors such as escalating coal production costs and rather high debt-to-asset ratio. In general, the Company has very strong ability to repay the short-term financing bonds.

Dagong reserves the right for reviewing the credit condition of the short-term financing bonds and announcement of change to the credit rating.

Jun. 16th, 2008

Dagong Global Credit Rating Co., Ltd.