



兖矿能源集团股份有限公司
YANKUANG ENERGY GROUP COMPANY LIMITED

**Interim Results 2024
Presentation**

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C ontents

- **01** **Operation Review**
- **02** **Market Analysis of Key Products**
- **03** **Operational Measures in 2H2024**

Operation Review

- Operating results remain strong
- Three initiatives yield significant results
- Five mainstay businesses develop in leaps and bounds
- Sustainable shareholder return




Results Overview

(Prepared in accordance with IFRS)



Production volume of
salable coal

69.08 mn tonnes

+ 19.85 mn tonnes
YoY 



Production volume of
coal chemicals

4.18 mn tonnes

+ 0.46 mn tonnes
YoY 



Sales revenue

RMB62.2 bn

- RMB3.2 bn
YoY



Net profit attributable to
shareholders of the Company


RMB7.4 bn

- RMB2.9 bn
YoY



Total assets

RMB418.8 bn

+ RMB4.5 bn
from 1/1/2024 



Equity attributable to
shareholders

RMB87.0 bn



Net operating
cash flow

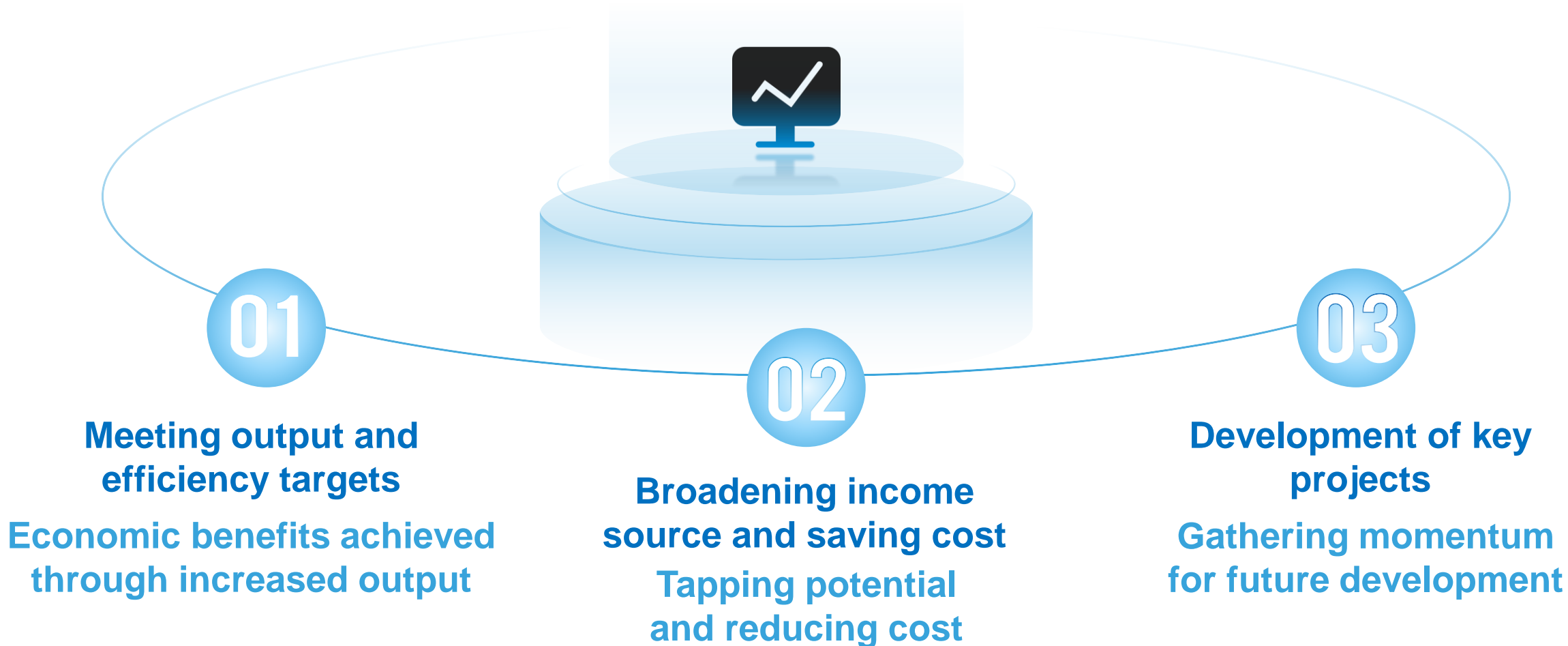
RMB9.6 bn



Operating cash flow
ratio

15.5%

Three initiatives yield significant results



Three initiatives yield significant results

Production added mines achieved safe and efficient operations, ensuring stable production and reaching output targets

- **Shaanxi and Inner Mongolia**

Production volume of salable coal

21.40 mn tonnes

+ 2.26 mn tonnes
YoY

- **Australia**

Production volume of salable coal

19.67 mn tonnes

+ 2.74 mn tonnes
YoY

- **Newly acquired coal mines**
(Luxi Mining and Xinjiang Energy)

Production volume of salable coal **15.56 mn tonnes**

Tapping potential and improving profitability of key mines

- Key mines such as Jinjitan and Baodian
- Stable production and high output; high quality and improved efficiency

Coal chemicals operate safely and steadily with good results

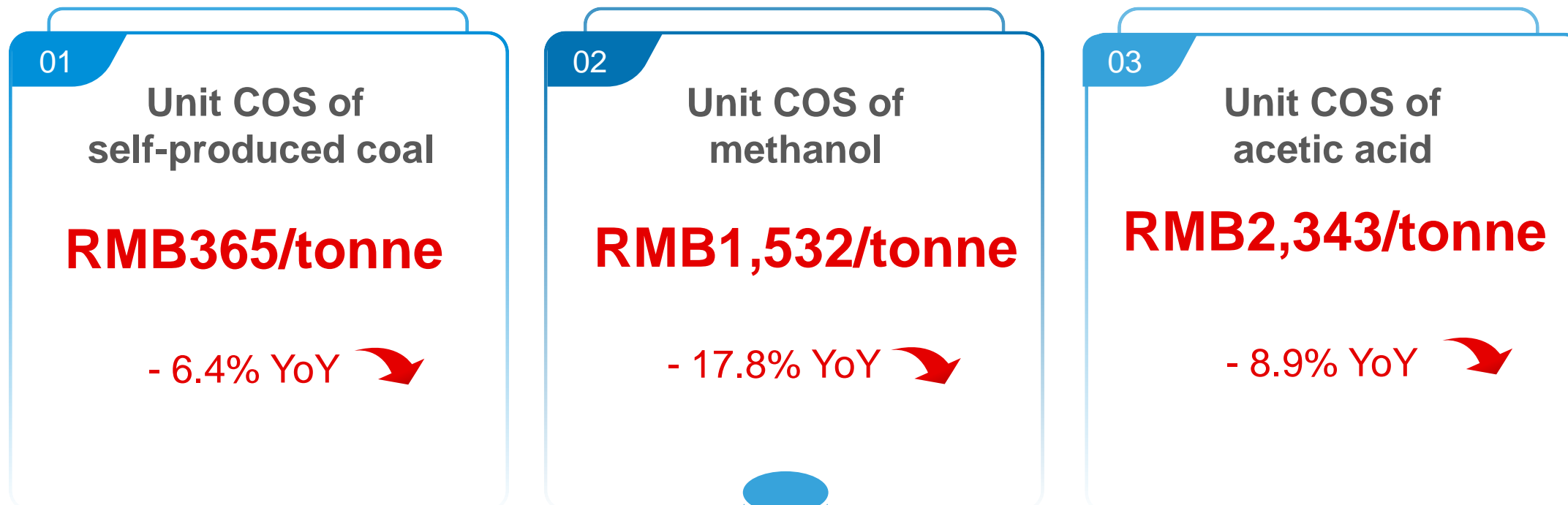
Net Profit **RMB125 mn**

+ RMB1.1 bn
YoY



Three initiatives yield significant results

Broadening income source and saving cost



Rigid measures implemented to reduce costs

Three initiatives yield significant results

Broadening income source and saving cost



Average financing interest rate

Down to **3.2%**

◆ Historical low



Financing cost saved

RMB260 mn



Placing of new H shares

Raised **RMB4.5 bn**

◆ Keep optimizing debt structure



Optimizing debt structure to reduce finance expenses

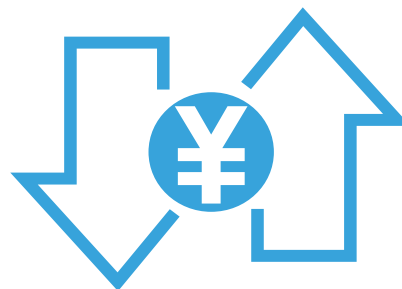
Three initiatives yield significant results

● Broadening income source and saving cost ●

ASP of self-produced coal

RMB667.6/tonne

Selling prices are above the industry average



Optimizing marketing strategies to stabilize prices

Three initiatives yield significant results

Development of key projects



Coal Mining

Galutu Coal Mine

- Geological exploration procedure completed

Geological exploration phase

Huolinhe No.1 Coal Mine

- Obtained approval for the overall mining area plan

Overall mining area plan

Liusangedan Coal Mine & Caosiyao Molybdenum Mine

- Accelerating project approval process

Project approval

Mining permit

Construction commencement filing

Wucaiwan No.4 Open-pit Mine

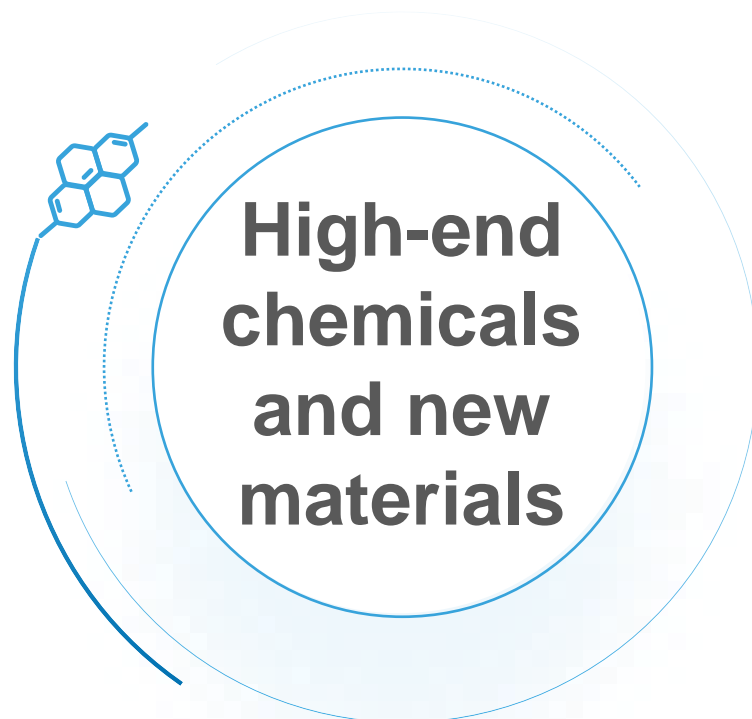
- Procedures completed
Project construction in full swing

Mine construction

Joint trial operation

Three initiatives yield significant results

Development of key projects



**High-end
chemicals
and new
materials**

- **Rongxin Chemicals: 800,000-tonne olefin project**
Construction commenced
- **Future Energy: 500,000-tonne HTFT project**
Accelerating the approval process
- **Xinjiang Zhundong: 800,000-tonne olefin project**
Ready for construction

Transformation and upgrading of mining business

Intelligent upgrading and green development



- Built **21** exemplary pairs of national-level intelligent coal mines
- Intelligent mining accounted for **94%** of output



Awarded the **National Award for Technological Advancement (2nd Class)** for “Technology for intelligent, efficient deep underground coal mining and its application”



Successfully held the national conference for technological exchanges about intelligent shallow coal mine workings



Coal output through green filling mining technology increased by **1.98 mn tonnes**

High-end chemicals and new materials business adds value by extending value chain

Extension and enhancement of the value chain



Lunan Chemicals' caprolactam production integration project started operation



Adopting the world's single largest unit of OMB gasifier of pulverized coal with daily throughput capacity of 3,000 tonnes



Xinjiang Energy's melamine plant with annual production capacity of 60,000 tonnes put into operation

High-end equipment manufacturing business upgraded

Aligning with the nationwide equipment upgrades to become a manufacturing powerhouse



Accelerating export of high-end hydraulic supports to international markets



The first **six** JV projects launched into operation in the “green, high-end, intelligent and zero-carbon” Luxi Smart Manufacturing Park



- Electro-hydraulic control systems for hydraulic support meet internationally advanced standards
- Developed and produced the world’s largest coal crusher with daily processing capacity of 12,000 tonnes

Smart logistics business cluster grows stronger

“5-in-1” system integrating railways, highways, ports, parks and platforms established



Acquired Wubo Technology to establish the model of “physical logistics + platform” for digitalization



Speeding up construction of the 2nd phase of the Tai'an Port Rail-River Transport Logistics Park



Opening the passage for “coal transportation from western to eastern China”, from Shaanxi and Inner Mongolia to Shandong

New energy business progresses steadily

Quota approval and project construction



Successful obtained the quota of supplying **180,000 kW** of onshore wind power



Making progress in new energy projects such as a JV in Inner Mongolia and PV projects in the subsided wetlands in coal mining areas



Interim Dividend for 2024

Declares cash dividend per share
RMB0.23



Keep creating value through dividend payout

- Sharing development achievements with shareholders



Increasing shareholdings to demonstrate value

- Controlling shareholder increased its holdings with **RMB300 mn**
- Directors and executives collectively increased their holdings



Value creation guided by action plan

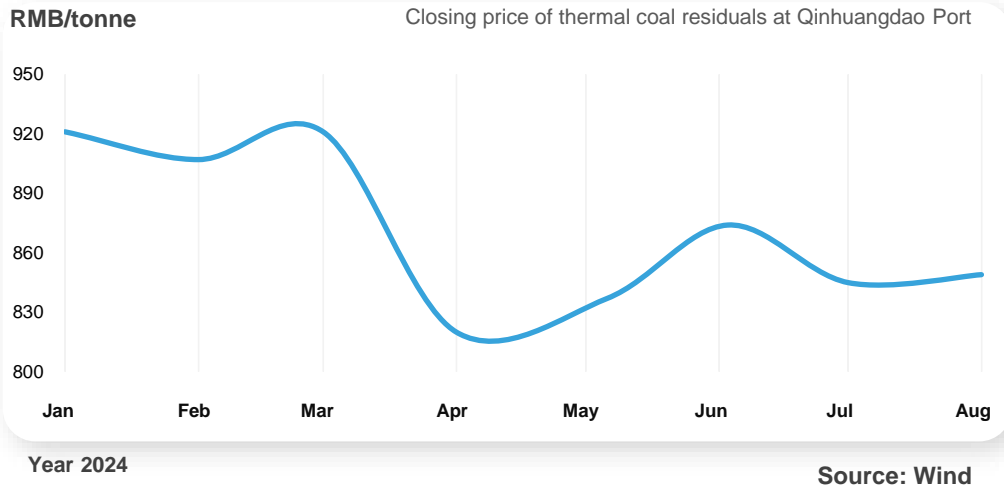
- Published *2024 Quality and Efficiency Enhancement, Return-focused Action Plan*
- Implemented **“135” MarketCap Management Mechanism**

Market Analysis of Key Products

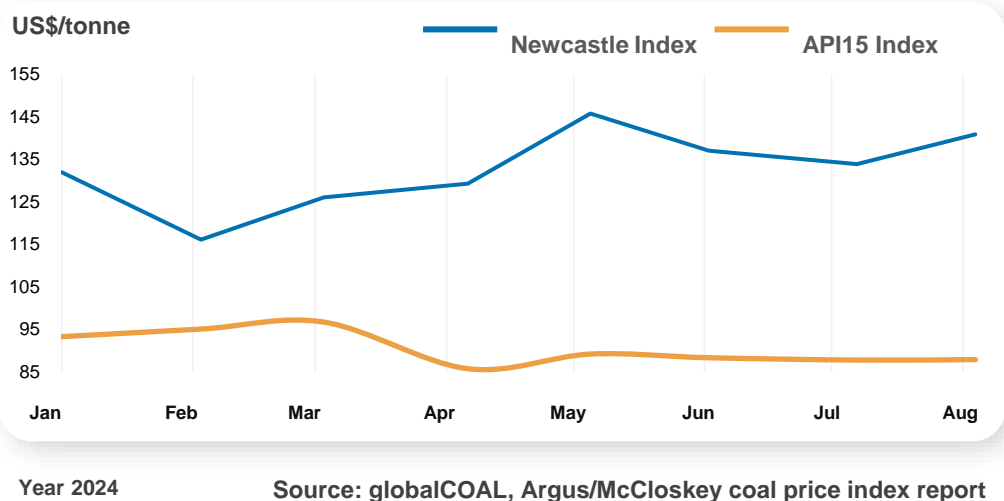
- Analysis of coal market
- Analysis of coal chemical market



Domestic coal price trend



Overseas coal price trend



● Forecast for 2H2024

Coal price will remain at historically high levels with a narrower range of fluctuations

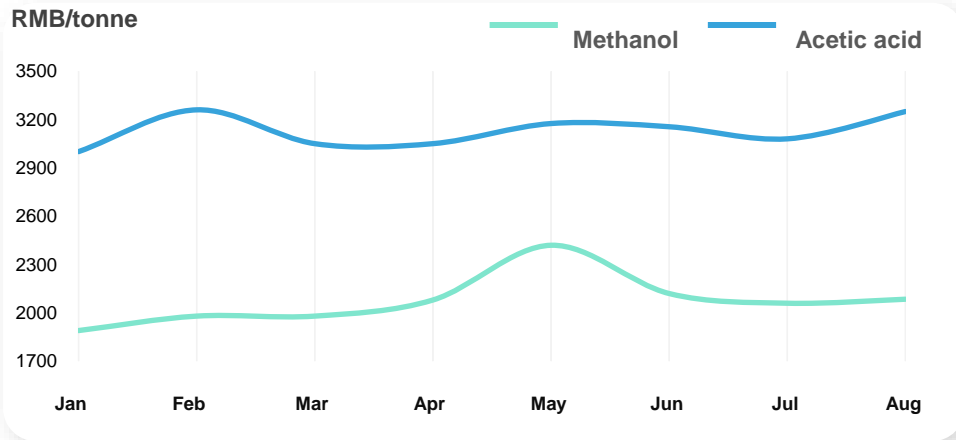
Domestic market

- Measures to expand domestic demand and stabilize growth yield results
- Current decline in coal prices is slowing down
- Supply-demand is expected to shift from slightly imbalanced to balanced

International market

- Growing demand from India and Southeast Asia
- Coal consumption remains at high level
- Slightly imbalanced in supply and demand

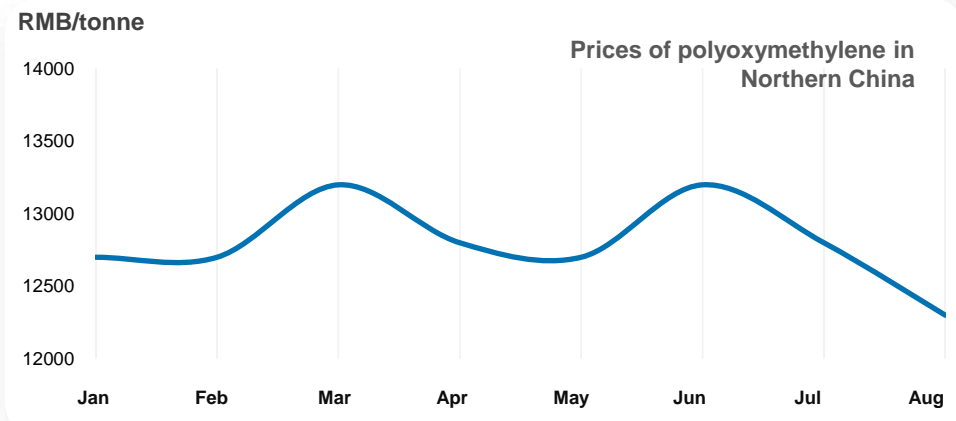
Price trends of methanol and acetic acid



Year 2024

Source: ICIS website

Polyoxymethylene price trend



Year 2024

Source: oilchem.net

● Forecast for 2H2024

Prices of coal chemicals will stabilize overall

✎ Methanol, acetic acid

- Product prices will be supported by the concentrated overhaul of production facilities, expectation of decreased imports and high prices of crude oil

✎ Fine chemicals such as caprolactam and polyoxymethylene

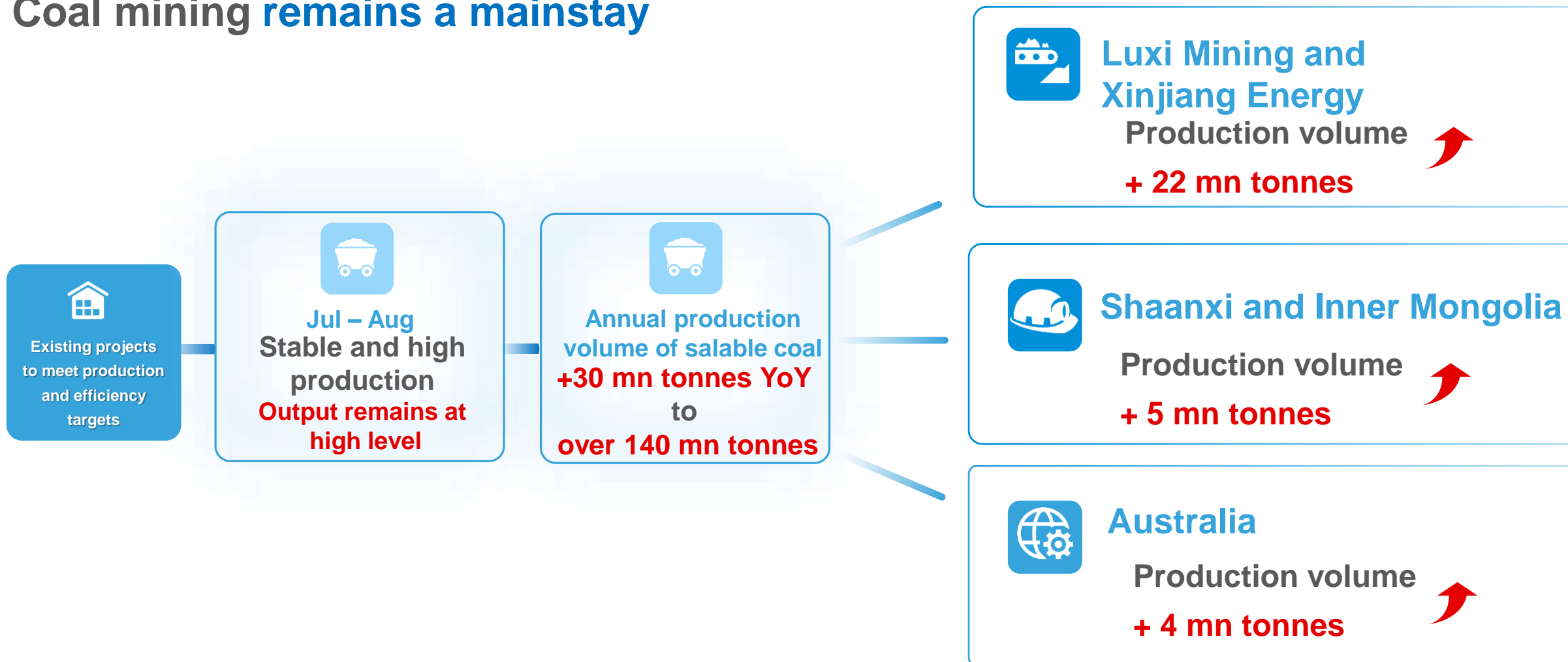
- Prices remain at mid-to-high levels

Operational Measures for 2H2024

- Bolstering core businesses to increase output and ensure good quality
- Developing competitive advantages of emerging businesses
- Deepening lean management to improve both quality and efficiency



Coal mining remains a mainstay



Coal mining remains a mainstay

Accelerate the launch of new projects

- All new projects are planned to commence construction within **3 years**, contributing **over 45 mn tonnes** of production capacity



Wanfu Coal Mine (1.8 mn tonnes)

Wucaiwán No.4 Open-pit Mine
(10 mn tonnes in Phase I; 13 mn tonnes in Phase II)

Huolinhe No.1 Coal Mine (7 mn tonnes)



Caosiyao Molybdenum Mine

(Crude ore 16.5 mn tonnes)

Liusangedan Coal Mine (10 mn tonnes)

Galutu Coal Mine (5 mn tonnes)

Coal mining remains a mainstay

Enhance efforts to acquire external projects

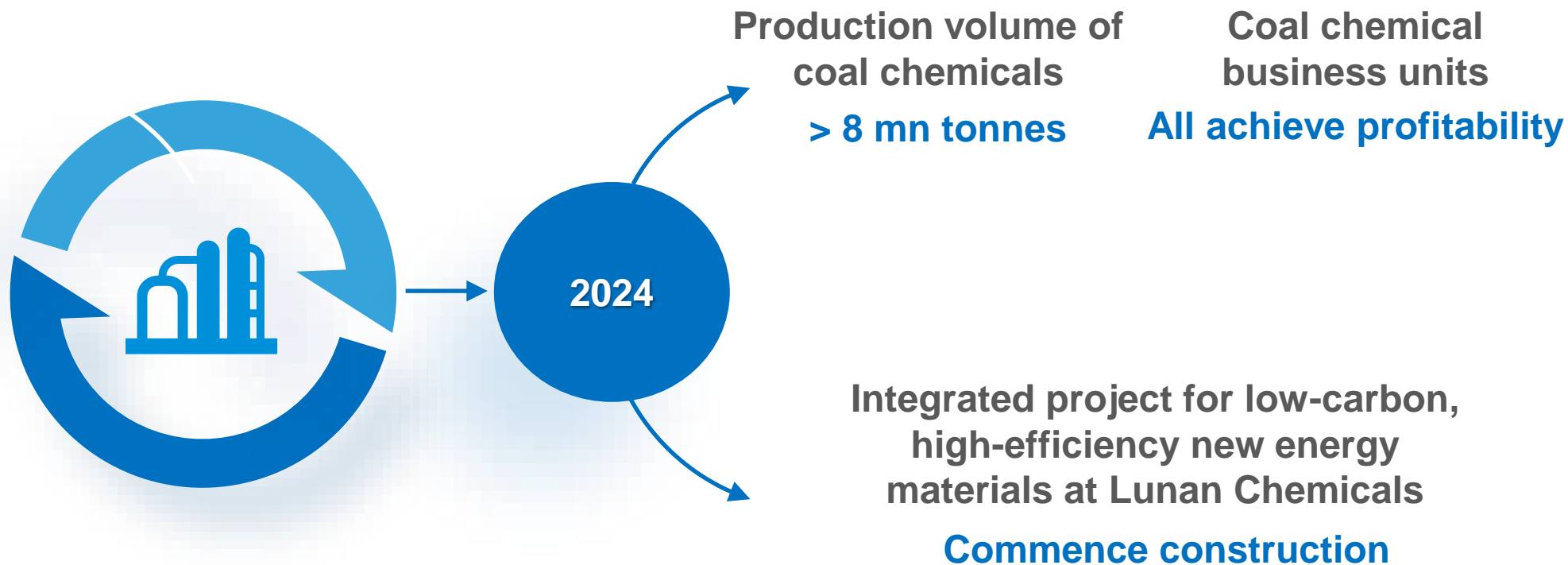


- Plan for asset injection from our controlling shareholder
- Seek opportunities for acquiring high-quality assets at home and abroad



- Plan supporting projects for the “external electricity into Shandong” initiative
- Participate in the construction of national energy bases

High-end chemicals and new materials: **Improve efficiency and profitability**





High-end equipment manufacturing

- Further develop the Luxi Intelligent Manufacturing Park
- Complete the strategic acquisition of Germany's SMT Scharf AG
- Increase exports of hydraulic supports to international markets



Smart logistics

- Integrate logistics resources in Western Shandong and Xinjiang
- Construct a railway line from Caojiahuochang to Niujialiang coal mine
- Participate in the construction of the "Wuyulin" railway
- Develop projects along the railway line, canals and the Yangtze River
- Complete the 2nd phase of the Tai'an Port multimodal logistics park and the Jisansihe Port project



New Energy

- Enhance efforts to secure production quota
- Seek opportunities for M&As, as well as JVs
- Expand into regions such as Inner Mongolia and Xinjiang

01. Strengthen cost control

- Reduce the COS of coal per tonne by **3%-5%**

02. Lower administrative expenses

- Comprehensively strengthen budget control
- Implement six budget management measures

02. Reduce finance expenses

- Lower financing interest rates to **below 3.2%**

05. Implement lean procurement

- Reduce procurement costs by **RMB200 mn**

03. Stringent CAPEX plan

- Annual CAPEX plan: **RMB19.7 bn**
- Focus on quality resources and profit-generating new projects

04. Optimize marketing strategies

- Optimize presence, products, customer structure and sales channels
- Develop the metallurgical, coking and pulverized coal markets
- Expand market share in the southern and northwestern regions
- Strengthen the “premium coal + customized” strategy
- Adjust and optimize customer structure



Thank You