



兖矿能源集团股份有限公司

YANKUANG ENERGY GROUP COMPANY LIMITED

**Interim Results 2022
Presentation**

Disclaimer

The information contained in this presentation is intended solely for your reference only. In addition, such information contains projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on assumptions subject to various risks. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct. Actual results may differ materially from those projected. Past track record cannot be used as guidance for future performances.

Agenda

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Operation Strategies for 2H2022

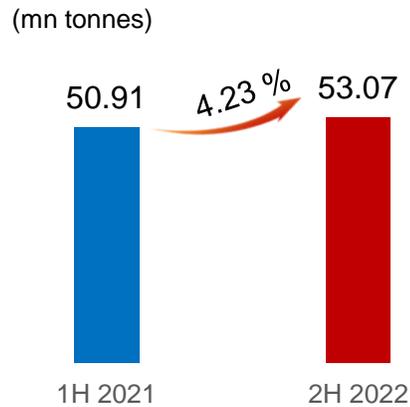
Part 1 Operation Review for 1H2022

-  **Operating results reach new highs**
-  **Intelligent marketing boosts revenue**
-  **Lean management remains effective**
-  **Solid progress on key projects**
-  **Continue to enhance returns for shareholders**

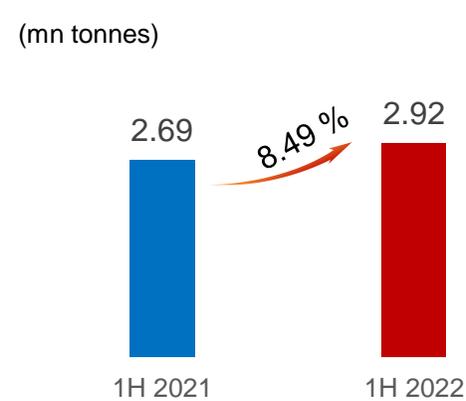
Operating results reach new highs

(Prepared in accordance with International Financial Reporting Standards)

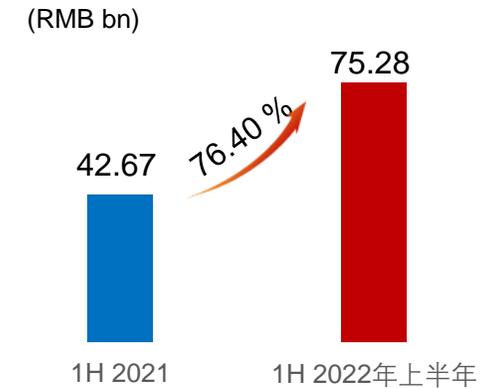
**Sales volume of salable coal:
53.07 mn tonnes**



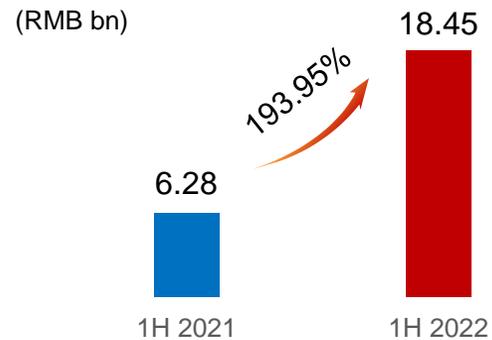
**Sales volume of coal chemicals:
2.92 mn tonnes**



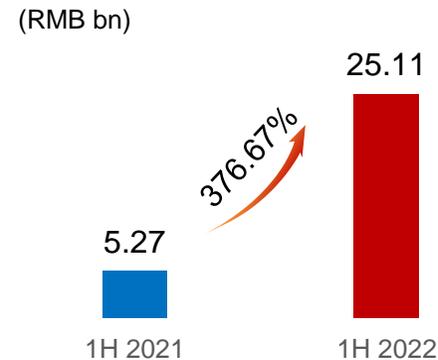
**Sales revenue:
RMB75.3 bn**



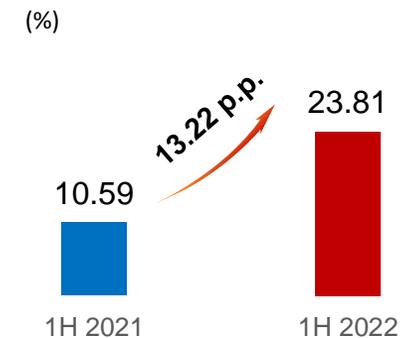
**Net profit attributable to shareholders:
RMB18.5 bn**



Net Operating Cash Flow: RMB25.1 bn



ROE: 23.81%



Intelligent marketing boosts revenue

Mining

□ Maintain our position as the largest clean coal producer and supplier in the Eastern China

Sales Breakdown of Self-produced Coal by Business Entity

(Prepared in accordance with International Financial Reporting Standards)

(000' tonnes; RMB/tonne)

	Volume		Y-o-Y Change (%)	Price		Y-o-Y Change (%)
	1H 2022	1H 2021		1H 2022	1H 2021	
The Company	13,569	10,571	28.36	1,155	696	65.94
Heze Neng Hua	823	777	5.94	1,996	1,178	69.50
Shanxi Neng Hua	605	627	-3.56	581	389	49.42
Future Energy	5,281	6,538	-19.22	789	534	47.74
Ordos Company	5,521	4,443	24.28	593	408	45.39
Haosheng Company	1,106	1,910	-42.09	742	489	51.60
Inner Mongolia Mining	1,772	537	229.83	636	376	69.25
Yancoal Australia	15,653	17,100	-8.46	1,394	471	196.29
Yancoal International	2,513	2,389	5.18	879	415	111.79
Total	46,843	44,892	4.35	1,091	534	104.05

Intelligent marketing boosts revenue

Sales Breakdown of Major Coal Chemical Products

(Prepared in accordance with International Financial Reporting Standards)

(000' tonnes; RMB/tonne)

	Volume		Y-o-Y Change (%)	Price		Y-o-Y Change (%)
	1H 2022	1H 2021		1H 2022	1H 2021	
Lunan Chemicals	786	874	-10.07	7,227	6,450	12.05
- Acetic acid	327	370	-11.42	4,194	5,529	-24.15
- Ethyl acetate	157	211	-25.97	7,022	7,494	-6.30
- Polyformaldehyde	36	34	6.22	18,526	11,257	64.58
- Caprolactam	124	-	-	12,008	-	-
Future Energy	382	414	-7.72	6,187	3,927	57.54
- Crude liquid wax	173	212	-18.21	6,755	4,207	60.56
- Stabilized light hydrocarbons	104	104	0.09	5,830	3,761	55.00
Yulin Neng Hua	551	353	55.80	2,037	1,739	17.15
- Methanol	551	353	55.80	2,037	1,739	17.15
Ordos Company	1,191	1,039	14.60	2,343	2,122	10.44
- Methanol	1,017	885	14.99	2,016	1,752	15.08
- Glycol	173	154	12.40	4,265	4,245	0.47
Fine Chemicals	5	6	-13.77	2,501	1,699	47.19
Total	2,915	2,687	8.49	-	-	-

Lean management remains effective

Unit Cost & GP Margin of Major Products

(Prepared in accordance with International Financial Reporting Standards)

RMB/tonne

		1H 2022	1H 2021	Y-o-Y Change (%)
Self-produced coal	Unit Cost	328	300	9.04
	GP Margin (%)	69.96	43.79	+26.17 p.p.
Acetic acid	Unit Cost	2,703	2,296	17.73
	GP Margin (%)	35.55	58.48	-22.93 p.p.
Polyformaldehyde	Unit Cost	9,364	8,862	5.66
	GP Margin (%)	49.46	21.27	+28.18 p.p.
Crude liquid wax	Unit Cost	3,495	2,754	26.90
	GP Margin (%)	48.27	34.54	+13.72 p.p.
Stabilized light hydrocarbons	Unit Cost	4,151	2,923	42.04
	GP Margin (%)	28.79	22.30	+6.50 p.p.

Solid progress on key projects

Mining



- Yingpanhao Coal Mine entered the stage of joint trial production
- Jinjitan Coal Mine completed the production capacity review and was approved to increase production capacity
- The construction of ultra-long intelligent integrated mine face for the medium-thick coal seams in Zhuanlongwan Coal Mine was completed and put into use

High-end chemicals and new materials



- Lunan Chemicals become a pillar enterprise in the industry chain of coal-based fine chemicals in Shandong Province
- The caprolactam project has reached its annual production capacity target of 300,000 tonnes as well as the efficiency requirements

New energy



- Launched distributed photovoltaic projects at mining sites in Shandong Province
- Carried out preliminary work to obtain the production quota for new energy in Shaanxi Province and Inner Mongolia Autonomous Region

High-end equipment manufacturing



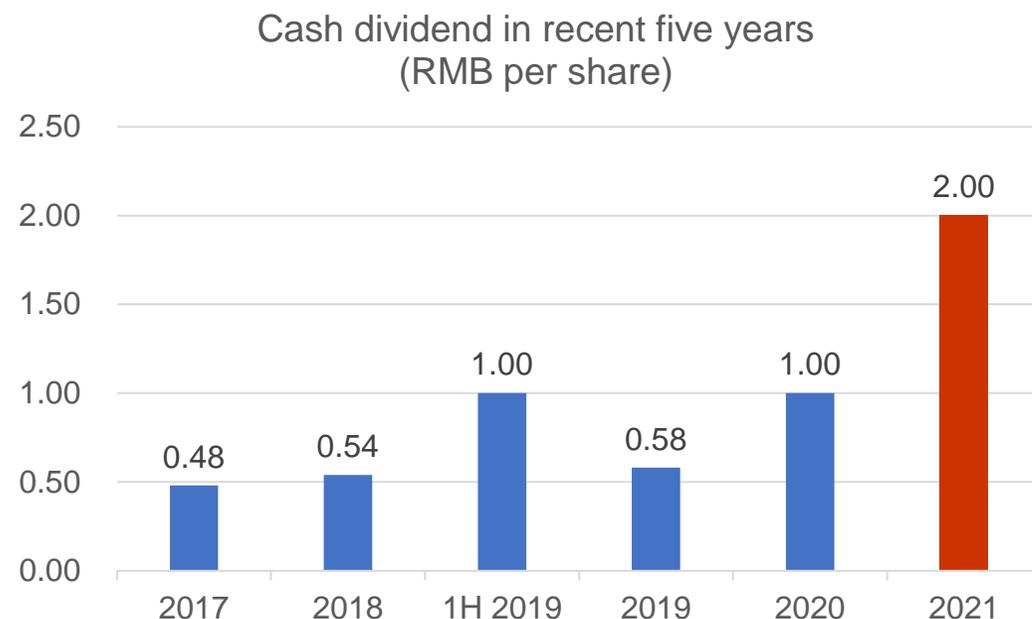
- The parameters of our hydraulic support prototype have reached the world-leading level
- Commenced the construction of intelligent manufacturing parks and pressed ahead with the intelligent equipment projects such as electro-hydraulic control systems and dust-proof fans for hydraulic supports

Smart logistics

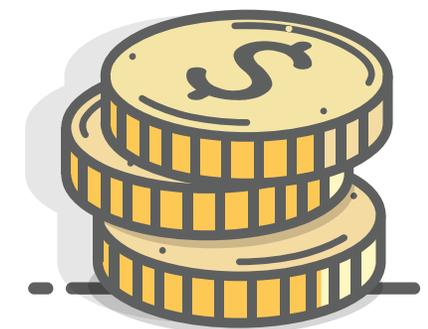


- Commenced the construction of the intermodal logistics park at Tai'an Port that integrates road transportation, railway transportation and waterway transportation
- Pressed ahead with the construction of dedicated railways and container terminals in Shaanxi Province and Inner Mongolia, and expanded our footprint in ports and terminals in Shandong Province

Continue to enhance returns for shareholders



Our dividend policy for FY2020~2024:
The total cash dividends in each financial year shall account for ~50% of the Company's net profit after deducting statutory reserves for that year, and the cash dividend per share shall not be less than RMB0.50



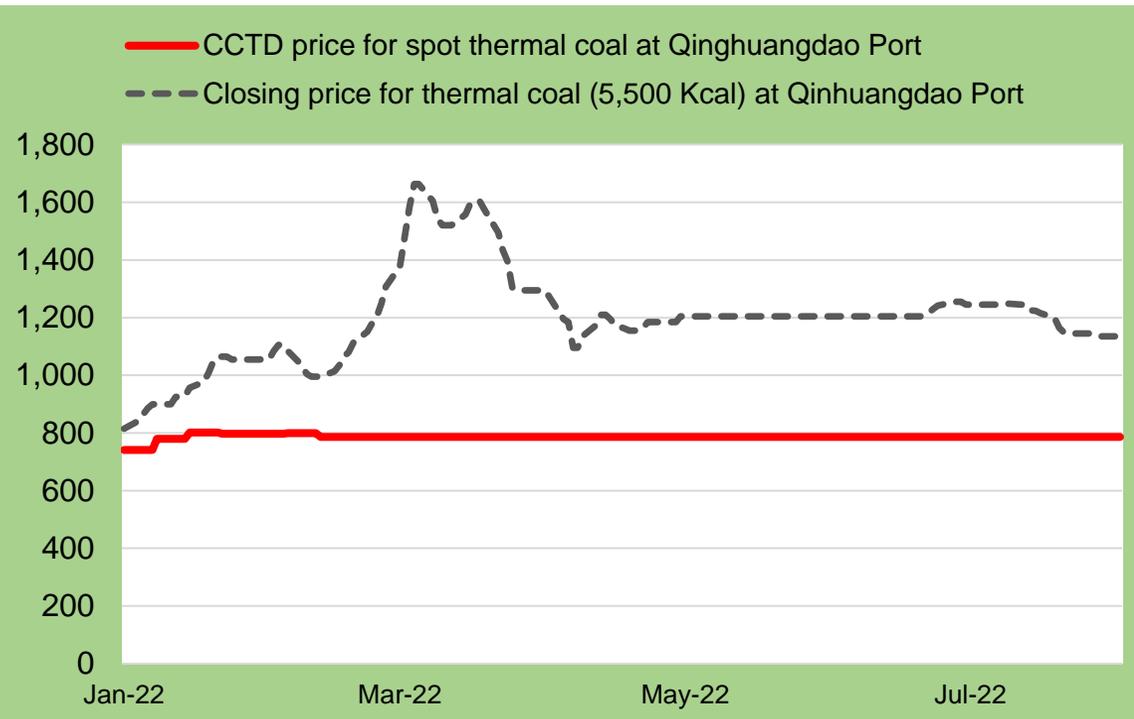
Part 2 Market Analysis of Key Products

 **Analysis of Coal Market**

 **Analysis of Coal Chemical Market**

Analysis of Coal Market

Coal price remained in mid-to-high range in 1H2022



Source: Wind

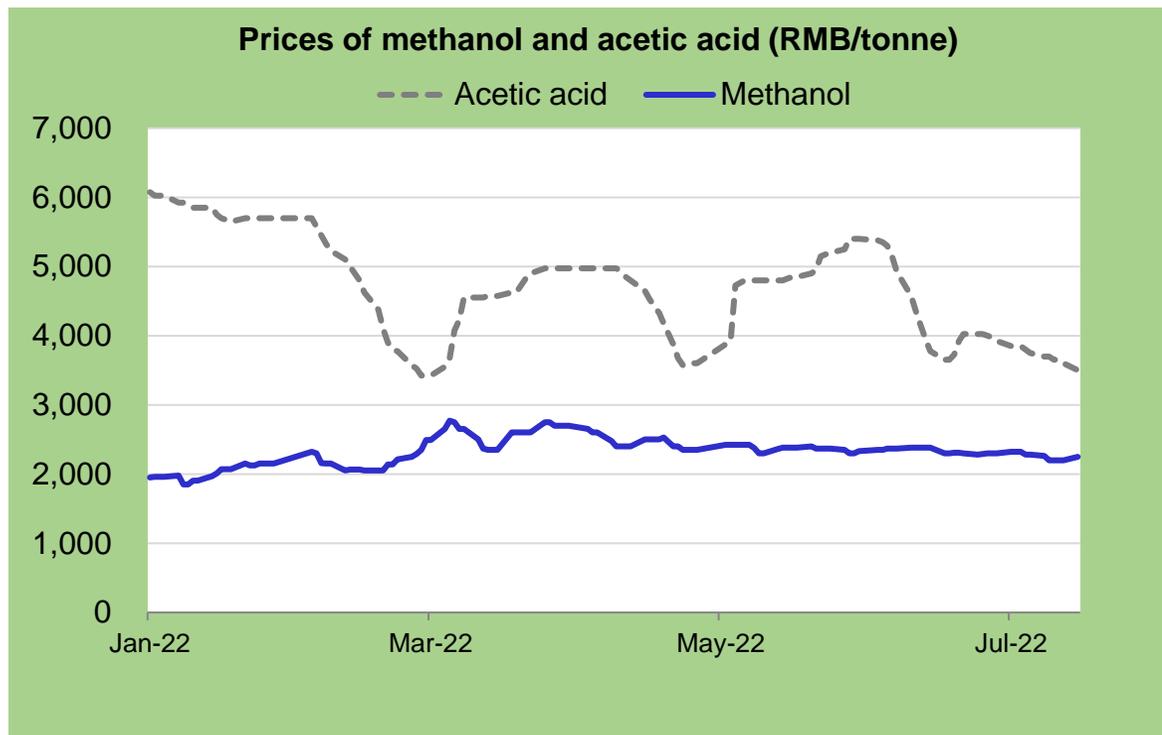
Coal prices are expected to remain stable in 2H2022

- Limited supply increase in domestic market
- Import volume unlikely to rise
- Stabilized and rebounded macro economy
- Impact of national guiding policies

Analysis of Coal Chemical Market

Prices of key chemicals fluctuated in 1H2022

Prices of methanol expected to rise slightly, prices of acetic acid fluctuate at low levels in 2H2022



Methanol:

- Market rebound
- Prices are expected to rise slightly

Acetic acid:

- Supply exceeds demand in general
- Prices are expected to fluctuate at low levels

Source: ICIS website

Part 1 Operation Strategies for 2H2022

-  **Step up strategic transformation and upgrading**
-  **Enhance lean management to improve quality and efficiency**
-  **Lay a solid foundation for high-quality development**

Step up strategic transformation and upgrading



Mining

Stabilize the production capacity and production volume of coal mines in the headquarters and unleash their potentials

Increase the production capacity and improve the efficiency of coal mines in Shaanxi and Inner Mongolia, and accelerate the release of production capacity of premium mines

Secure the production capacity of coal mines in Australia and improve their quality to hedge the impact of natural disasters

High-end chemicals and new materials

Focus on high-end, fine and low-carbon development, promote the clustered development of coal-based and amino-based new material industrial chains

Press ahead with the development of several projects and build a fine chemical cluster



Step up strategic transformation and upgrading

New energy



Focus on onshore wind power generation, photovoltaic power generation and the upstream and downstream of the photovoltaic industry

Leverage M&A and cooperative development to scale up and promote the intensive development of the business

High-end equipment manufacturing



Accelerate the construction of intelligent manufacturing park, push forward the implementation of the co-developed project and plan to put it into operation by the end of Mar 2023

Smart logistics



Integrate resources in an orderly manner

Accelerate the construction of freight station and logistics parks at Tai'an port, Sihekou port and Yingpanhao mine site, and press ahead with the construction of dedicated railways in Shaanxi Province and Inner Mongolia

Enhance lean management to improve quality and efficiency

Reduce expenditure and costs

- ❑ Further implement the comprehensive budget management
- ❑ Strictly control financing costs and broaden financing channels

Further implement lean marketing

- ❑ Further implement the “clean coal + custom-made coal” strategy
- ❑ Effectively improve the production rate of clean coal

Optimize supply system

- ❑ Optimize the lean management of supply system
- ❑ reduce the inventory



Comprehensively improve the level of lean management and cost control

Lay a solid foundation for high-quality development

Corporate Governance

- ❑ Kick off setting up a benchmark for corporate governance
- ❑ Create a transparent, standardized and efficient corporate governance structure
- ❑ Forge a unique governance system for listed companies

Capital Management

- ❑ Innovate the “resource + capital” model
- ❑ Seek to acquire a number of high-quality resources and target enterprises with good quality and efficiency, strong synergy and low investment cost

Management Model

- ❑ fully promote and implement the performance management model
- ❑ Transform into a quality and efficiency-oriented and innovation-driven enterprise



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Thank you