



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

Annual Results Presentation 2022

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

1 **Operation Review of 2022**

2 **Market Analysis of Key Products**

3 **Operation Objectives for 2023**

4 **Operation Strategies for 2023**

Part 1 Operation Review of 2022

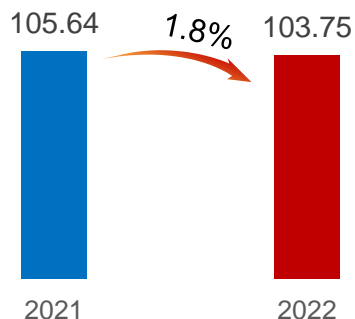
-  **Operating results reaching new highs**
-  **Effective control and management**
-  **Solid progress in strategic transformation**
-  **Outstanding performance of overseas businesses**
-  **Fulfilling ESG responsibilities**
-  **Fruitful shareholder returns**

Operating Results Reaching New Highs

(Prepared in accordance with IFR Standards)

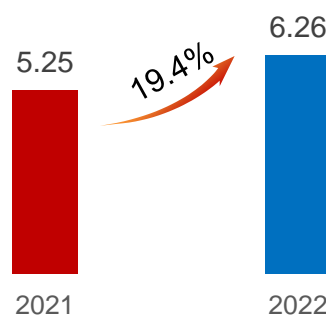
**Sales volume of salable coal:
104 mn tonnes**

(mn tonnes)



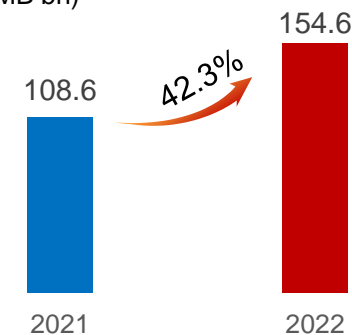
**Sales volume of coal chemicals:
6.26 mn tonnes**

(mn tonnes)



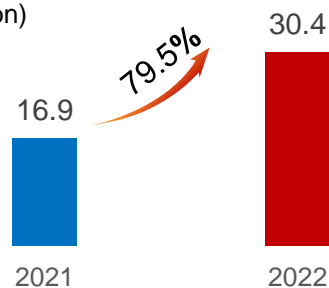
Sales revenue: RMB154.6 bn

(RMB bn)



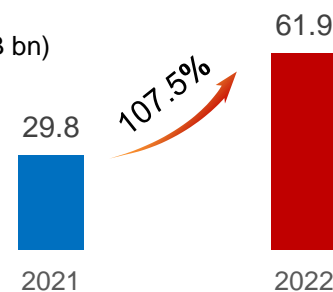
**Profit attributable to shareholders:
RMB30.4 bn**

(RMB bn)



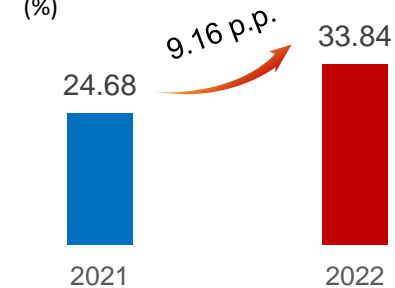
**Net Operating Cash Flow:
RMB61.9 bn**

(RMB bn)



ROE: 33.84%

(%)



Effective Control and Management

Major Financial Indicators

(Prepared in accordance with IFR Standards)

(RMB bn)

	2022-12-31	2021-12-31	Change	Change (%)
Cash at bank and in hand	38.6	40.0	-1.4	- 3.5
Total borrowings	76.2	103.4	-27.2	- 26.3
Debt-to-asset ratio (%)	54.89	64.25	-	- 9.36 p.p.
	2022	2021	Change	Change (%)
Avg. cost of financing (%)	4.01	4.23	-	- 0.22 p.p.
Net operating cash flow	61.9	29.8	32.1	107.5
Interest expenses	6.0	5.3	0.7	12.5

Effective Control and Management

- ASP of self-produced coals increased by 63.2% YoY

Sales Volume & ASP of Major Products

(Prepared in accordance with IFR Standards)

000' tonnes; RMB/tonne

	Volume		Y-o-Y Change (%)	Price		Y-o-Y Change (%)
	2022	2021		2022	2021	
Self-produced salable coals	91,173	93,832	-2.8	1,169	717	63.2
Methanol	3,380	2,340	44.5	2,037	1,947	4.6
Acetic acid	712	757	-6.0	3,448	5,646	- 38.9

Effective Control and Management

Unit Cost & GP Margin of Major Products

(Prepared in accordance with IFR Standards)

RMB/tonne

		2022	2021	Y-o-Y change (%)
Self-produced coals	Unit Cost	360	335	7.7
	GP Margin (%)	69.19	53.32	15.87 p.p.
Methanol	Unit Cost	1,935	1,517	27.6
	GP Margin (%)	5.02	22.10	- 17.08 p.p.
Acetic acid	Unit Cost	2,663	2,617	1.8
	GP Margin (%)	22.76	53.64	- 30.88 p.p.

Solid Progress in Strategic Transformation



Mining

Sped up the application procedures for key coal mines

Upgraded and revamped the intelligent demonstration mines



High-end chemicals and new materials

Focused on a high-end, refined, low-carbon approach

Pressed ahead with the enhancement, extension and supplementation of the industry value chain

Promoted the cluster development of the industry value chain of coal-based, amino-based and alcohol-based new materials

Solid Progress in Strategic Transformation

New Energy

- Completed the draft of the *New Energy Business Development Plan*
- Persisted in both obtaining the production quotas and advancing the construction of projects



High-end equipment manufacturing

- Constructed a "Smart Industrial Park" in accordance with high standards
- Accelerated the implementation of high-end manufacturing projects such as electro-hydraulic control system for hydraulic supports and intelligent coal washing and sorting equipment



Smart logistics

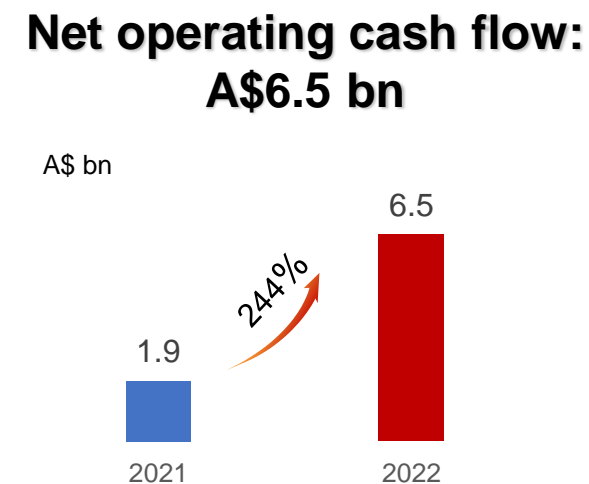
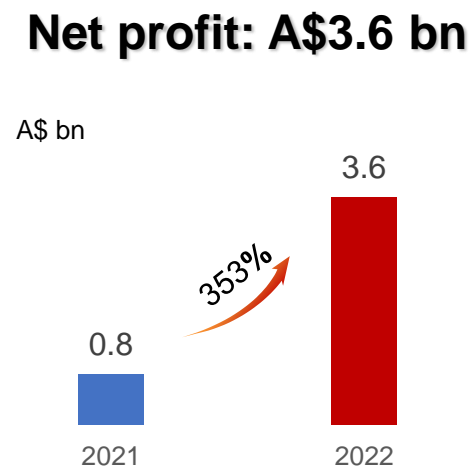
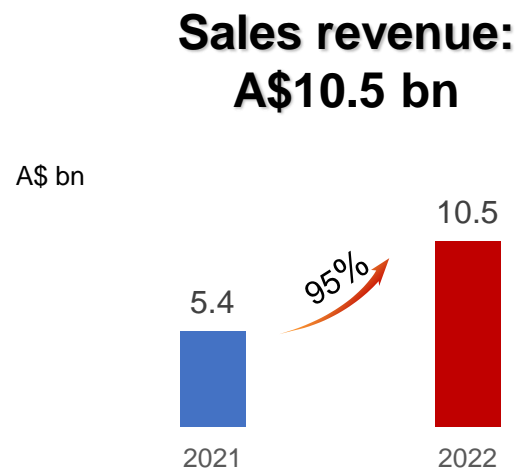
- Pressed ahead the development of an integrated system of production, sales, storage, distribution and transportation
- Developed a "five-in-one" modern logistics service system



Outstanding Performance of Overseas Businesses

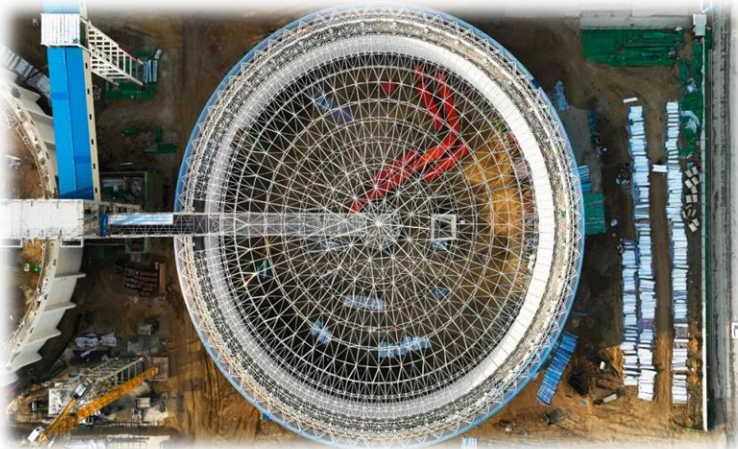
- Yankuang Energy has received cumulative cash dividends of A\$2.2 bn and loan repayments of US\$4.3 bn from Yancoal Australia

Operational Indicators of Yancoal Australia



Note: Cumulative cash dividends received including the proposed final dividend for 2022 from Yancoal Australia

Fulfilling ESG Responsibilities



Green development

Annual emissions of particulates, SO₂ and ammonia nitrogen were significantly below regulatory limits

Total energy consumption for coal production and mine water reuse rates have reached the most advanced levels in the industry



Social responsibility

Secured coal supplies at a time when supplies were tight
Strengthened coal reserve capacity



Corporate governance

Strengthened the board of directors
Facilitated the coordinated and standardized operation of various governance entities

Fruitful Shareholder Returns

1 Proposed bonus issue of shares:

5 bonus shares for
every 10 shares held

2 Proposed cash dividend:




RMB4.3 per share
(tax inclusive)

3 Proposed cash dividend payout
amount:

70% of the net profit
attributable to the shareholders



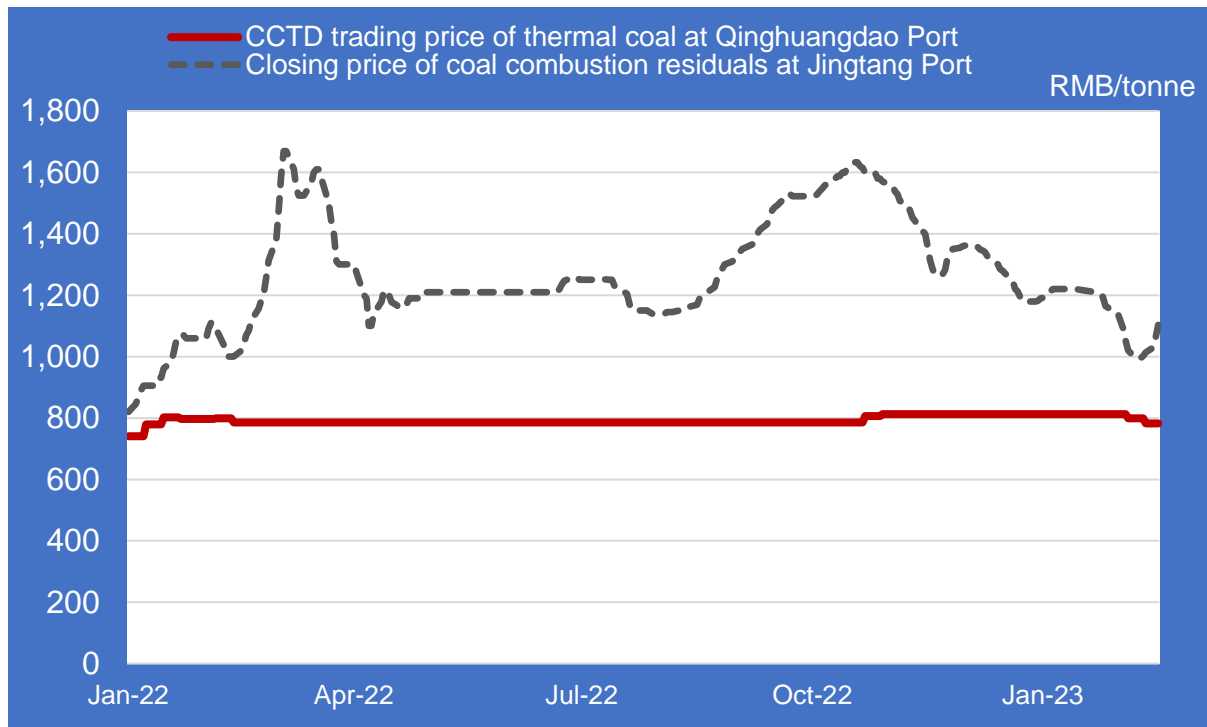
Part 2 Market Analysis of Key Products

-  **Analysis of domestic coal market**
-  **Analysis of overseas coal market**
-  **Analysis of coal chemical market**

Analysis of Domestic Coal Market

Coal price fluctuates at middle and high levels in China in 2022

In 2023, thermal coal price will stabilize while non-thermal coal price will be at middle and high levels

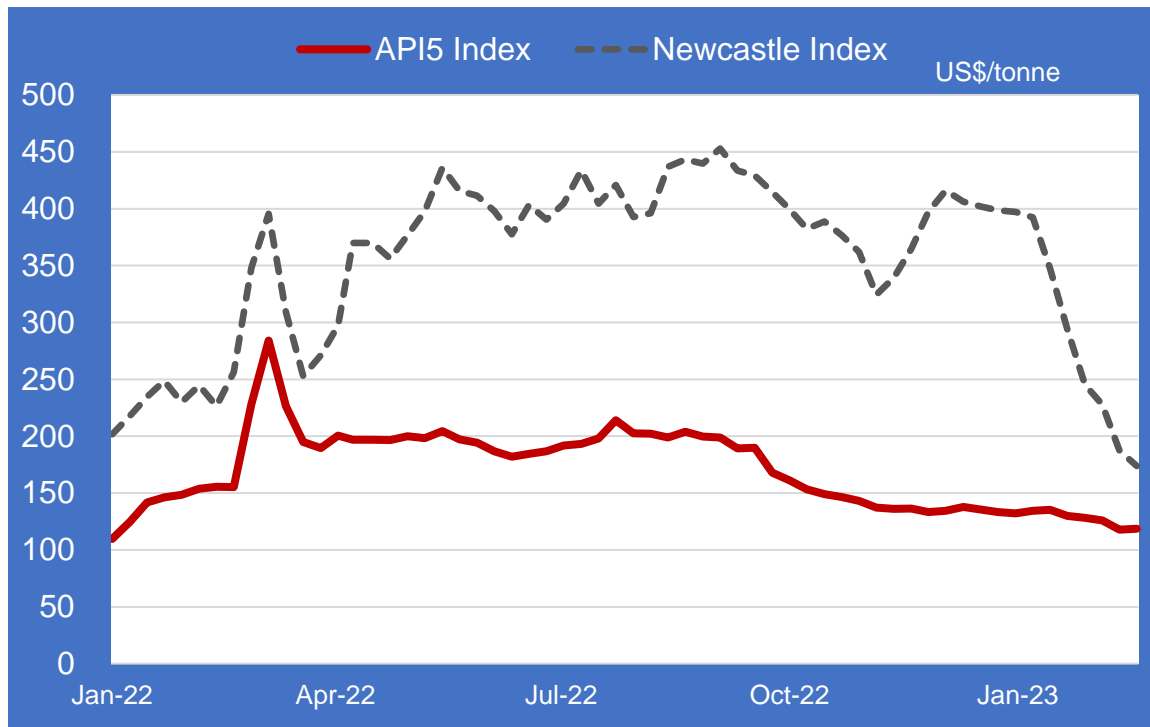


- **Stimulus package yielding effect**
- **Recovery in industrial demand**
- **No noticeable growth in overall coal supply**
- **Supply and demand in balance with growth in both sides**

Source: wind

Analysis of Overseas Coal Market

Coal price stays at high levels in overseas markets in 2022



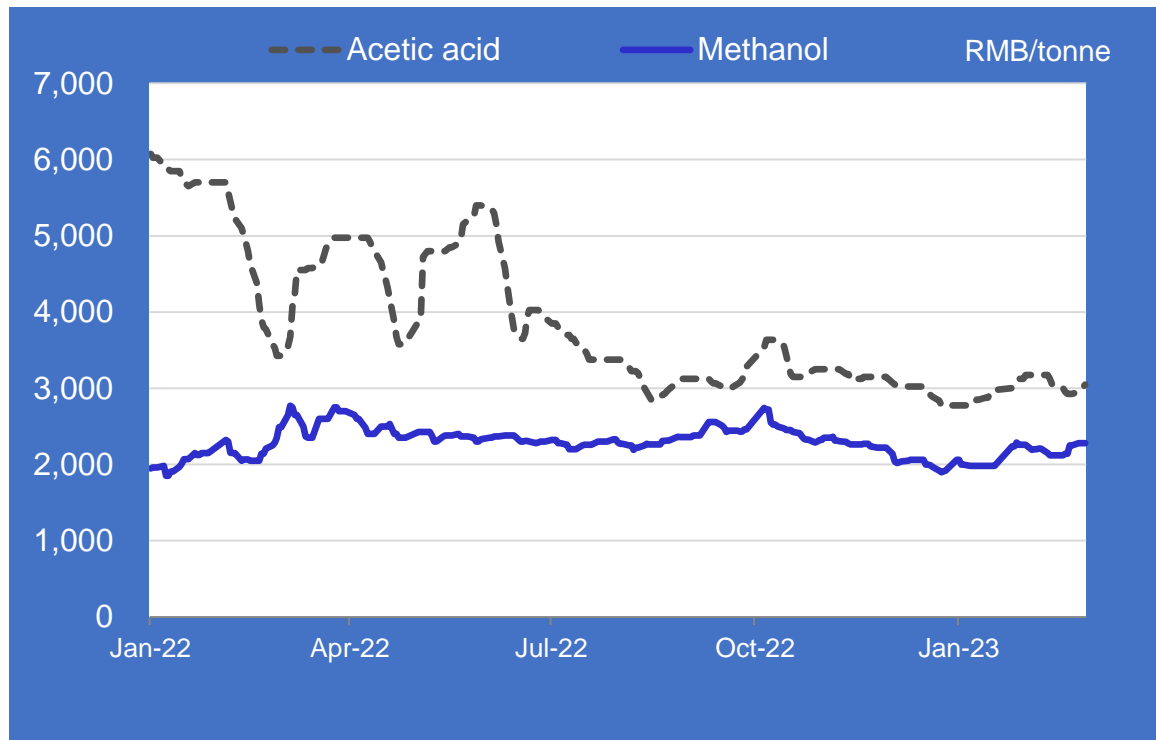
Coal price will move between middle and high levels in overseas markets in 2023

- **Global demand for coal likely to hit a historical high again**
- **Balance between demand and tight supply**
- **Persistently inadequate investment has led to limited growth in capacity for coal supply**

Analysis of Coal Chemical Market

Prices of key chemicals fluctuate wildly in 2022




Prices of methanol and acetic acid will be depressed in 2023



- **Supply keeps increasing**
- **Squeezed profit margins at downstream businesses**
- **Sufficient supply to meet market demand**

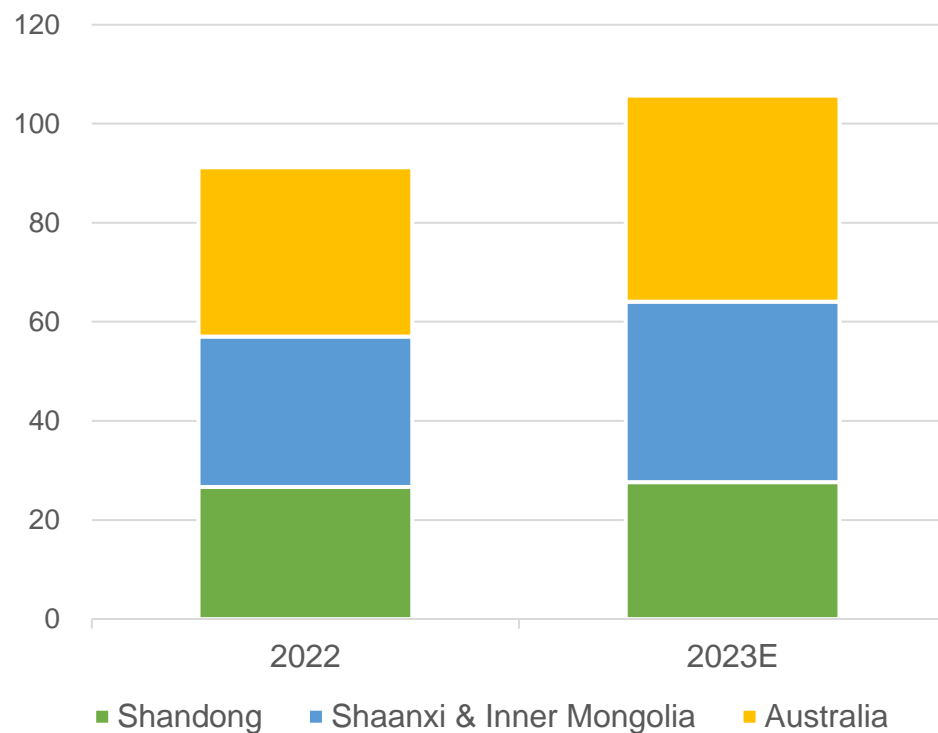
Source: ICIS website

Part 3 Operation Objectives for 2023

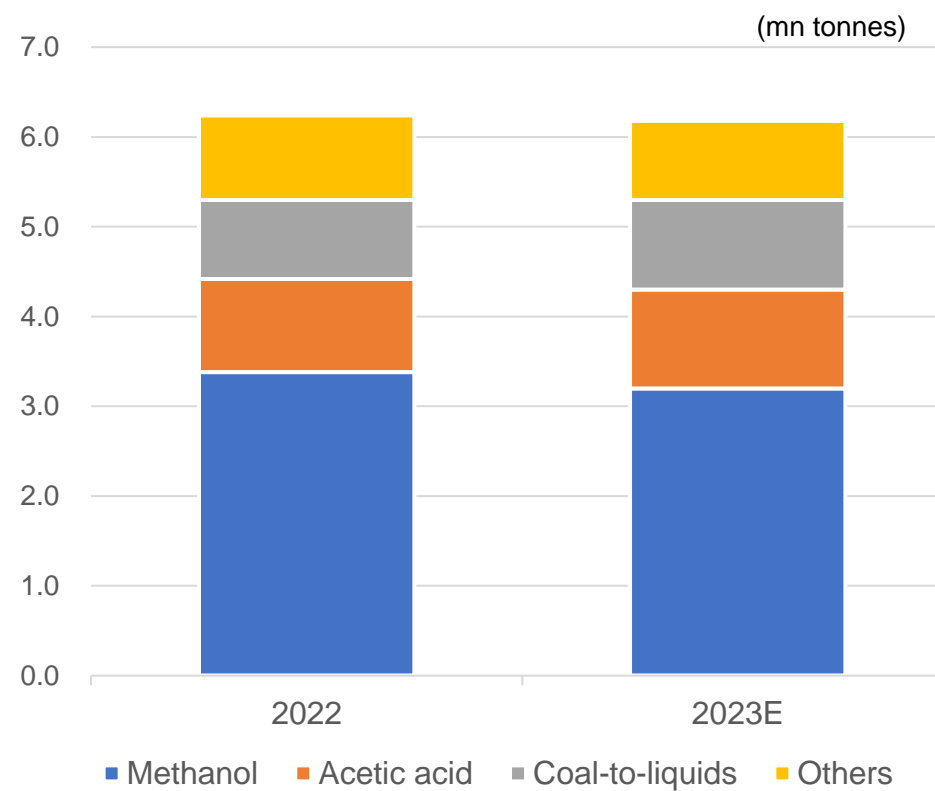
-  **Sales Target**
-  **Cost Control Target**
-  **CAPEX Plan**

Sales Target

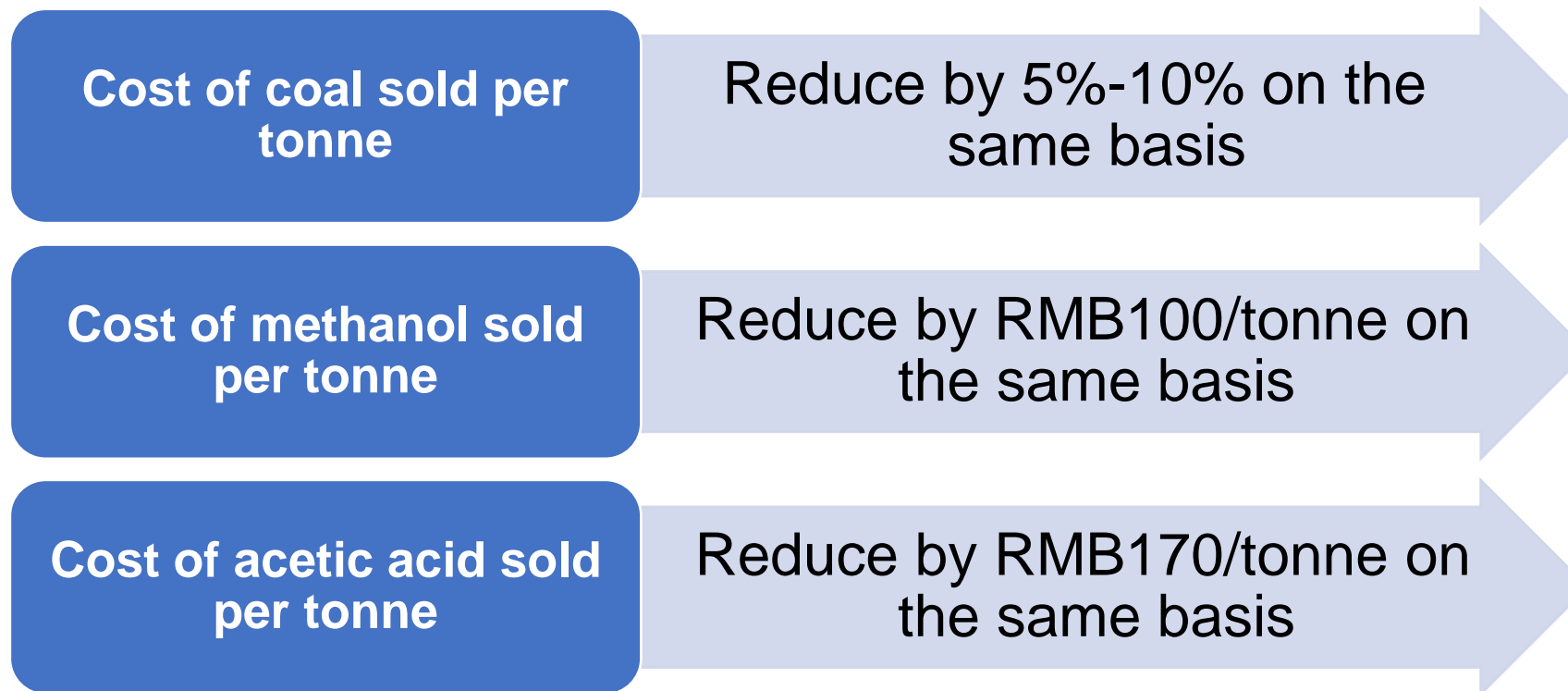
Sales volume of self-produced salable coals in 2022 and 2023 (mn tonnes)



Sales volume of coal chemicals in 2022 and 2023 (mn tonnes)



Cost Control Target



CAPEX Plan




- In 2023, the Group's CAPEX will mainly be used for newly constructed coal mine projects, intelligent exploitation, logistics, storage & distribution infrastructure and coal chemical projects.

CAPEX Plan

Unit: RMB mn

	2023E	2022
Infrastructure projects	5,539	3,518
Construction of coal mines	1,453	1,599
Construction of coal chemical projects	1,658	453
Logistics, storage & distribution	1,751	778
Others	677	687
Maintenance	7,680	5,415
Safety expenses	1,270	719
R&D	177	-
Technological advancement	329	2,052
Others	-	660
Total	14,996	12,363

Part 4 Operation Measures in 2023

-  **Building up advantage in strategic transformation of business**
-  **Enhancing both quality and efficiency by furthering the lean management**
-  **Establishing a global first-class company**

Building up advantage in strategic transformation of business

Mining



- Refined mining and stable production to ensure stable production volume for the coal mines in Shandong Province
- To release the production capacity and enhance equipment for the Shaanxi- Inner Mongolia base
- To increase production volume, improve efficiency and boost the economies of scale for the Australian base

High-end chemicals and new materials



- Focus on a high-end, diversified and low-carbon development approach and strengthen exploration and research on technologies for clean and efficient coal usage
- Steadily increase the proportion of high-end, end-use chemical products in the coal chemical business

New Energy



- Seek opportunities to develop businesses that are at the forefront of the industry, and strive to acquire a batch of centralized photovoltaic resources in Shandong Province
- Implement the "load and storage of wind and solar energy" as well as the integrated project of "source-grid-load-storage" outside Shandong Province

High-end equipment manufacturing



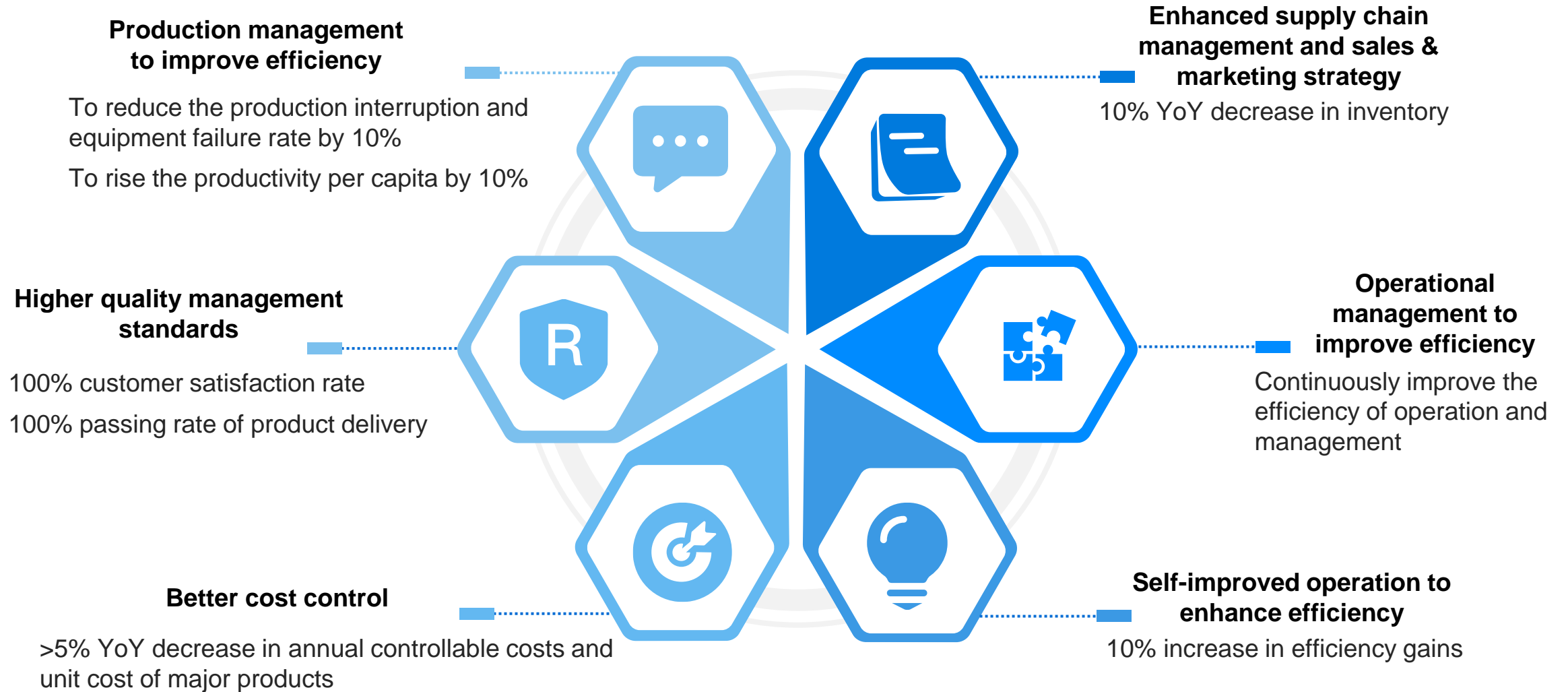
- Develop high-end coal machinery manufacturing and other businesses where the Company has advantages, and refine and improve high-end hydraulic support products
- Step up the construction of smart industrial park, aiming to put it into operation in 1H2023

Smart logistics



- Accelerate the integration of existing logistics capabilities such as railways, ports, airlines and industrial parks, and build new infrastructure facilities to enhance logistics capabilities
- Strengthen the capacity of coal storage and distribution, as well as multimodal transport, to expand business, increase scale and enhance synergies

Enhancing both quality and efficiency by furthering the lean management



Establishing a global first-class company

01 Benchmarking to first-class standards

- Excellent products; outstanding brands; leading innovation; modern management
- Strive to become a global first-class company by the end of the 14th five-year plan

02 Demonstration of corporate governance

- Strengthen the setting up of the board of directors of subsidiaries
- Deepen the implementation of authorization management and property rights representative management of subsidiaries
- Optimize the management and control mechanism of overseas subsidiaries

03 Improvement in value creation

- Implement the “five major supply guarantees” and enhance value creation capabilities
- Establish and organize the “National Quality Awards”



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Thank you