



兖矿能源集团股份有限公司

YANKUANG ENERGY GROUP COMPANY LIMITED

**Annual Results 2023
Presentation**

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- 04 Operational Measures in 2024

Operation Review

- Operating results remain at high levels
- Business development yields significant results
- Good results in value creation



Results Overview

(Prepared in accordance with IFRS)



Production volume of
salable coal

110 mn tonnes

+10.49 mn tonnes ↗
YoY



Production volume of
coal chemicals

7.89 mn tonnes

+1.08 mn tonnes ↗
YoY



Sales revenue

RMB118.4 bn

23.4% YoY ↘



Net profit

RMB17.8 bn

41.6% YoY ↘



Total assets

RMB414.3 bn

33.6% YoY ↗



Equity attributable to
shareholders

RMB86.9 bn

ROA
20.5%



Net operating
cash flow

RMB22.6 bn



Operating cash flow
ratio

19.1%

Business development yields significant results



Mining

Strengthening outstanding business

Coal business increases output and improves quality

- Production base in Australia increased output by **4.5 mn tonnes** YoY
- Acquisition of Luxi Mining and Xinjiang Neng Hua increased coal reserves by **25.6 bn tonnes**, with a demonstrated production capacity of **39.89 mn tonnes**
- Successful bid for Huolinhe No.1 Coalfield in Inner Mongolia added **1.04 bn tonnes** to the Group's coal reserves
- Intelligent mining accounted for **94%** of coal output

Selling price fluctuates at middle to high levels

- ASP of self-produced coals was **RMB835/tonne**
Domestic: **RMB710/tonne**; Overseas: **RMB1,031/tonne**



High-end chemicals and new materials

Breakthroughs in various aspects

Production of coal chemicals reached record high

- Coal-to-liquid production reached **1 mn tonnes** for the first time
- Coal-to-gas production exceeded **2 bn m³**

Accelerated the construction of high-end coal chemical projects

- Conducted a trial run of the caprolactam integration project, where a 3000-tonne OMB pulverized coal gasification device, the largest single unit in the world, is adopted
- Commenced construction of a 60,000-tonne/year POM project



High-end equipment manufacturing

Growing stronger and faster

Luxi Intelligent Manufacturing Industrial Park put into operation

- 6 JV enterprises settled in the industrial park

Set up an international equipment manufacturing platform in Europe through acquisition

- Strategically acquired Germany's SMT Scharf AG
- Established an advanced R&D platform and a talent recruitment base



Smart logistics

Integrating operations to add value

“5-in-1” development manifests competitive advantage

- Integrating 6 railways with a combined length of over **1,300 km**
- Tai'an Port Transportation Logistics Park was completed, with annual throughput capacity of **32 mn tonnes**
- Throughput reached **300 mn tonnes/year**

The logistics system of “production, sales, storage, distribution and transportation” takes shape

- Synergy between various businesses through the combination of various means of transportation, the coordination between logistics and sales operations, and the integration of logistics and trade
- Forming strategic partnerships with leading companies in the industry



New energy Progressing steadily

- Advancement of quota approval and project construction
- 3 photovoltaic power stations have been connected to the grid and put into operation
- Pushing forward the source-grid-load-storage integration projects in Shaanxi, Inner Mongolia and Xinjiang






Lean management gives room for profit growth

Continued to expand financing channels

- Average financing interest rate  **Below 3.6%**
- Finance cost  **36%**
- Yancoal Australia paid off all interest-bearing debts and realized “zero-debt” operation
- Debt-to-asset ratio  **Down to 25%**

Adopted precise cost reduction measures

- Unit cost of coal sold **RMB381/tonne**
2H2023 VS 1H2023  **RMB16/tonne**
Yancoal Australia’s costs remain the lowest in Australia’s coal mining industry
- Unit cost of methanol sold **RMB1,715/tonne**
 **11.4% YoY**
- Unit cost acetic acid sold **RMB2,380/tonne**
 **10.6% YoY**

Generous shareholder

••••• return setting an example of •••••
value sharing



Dividend for 2023

Distribution for every 10 shares

Cash dividend of RMB14.9

3 bonus shares

Total dividends

RMB11.08 bn

◆ Cumulative cash dividends distributed since listing

RMB77.0 bn

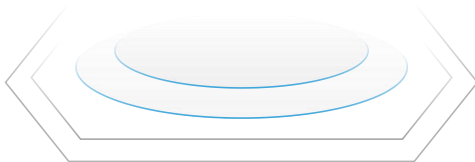
Good results in value creation



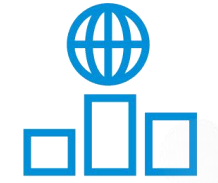
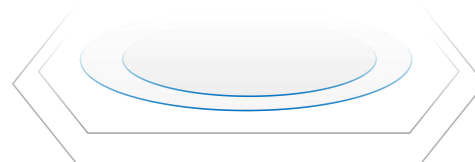
Industry-leading ESG achievements



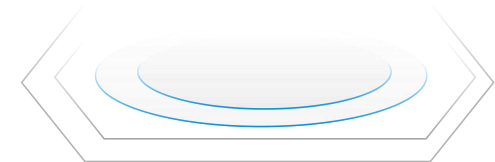
Published ESG reports for 16 consecutive years



The 1st Chinese company to be certified by ESG management system



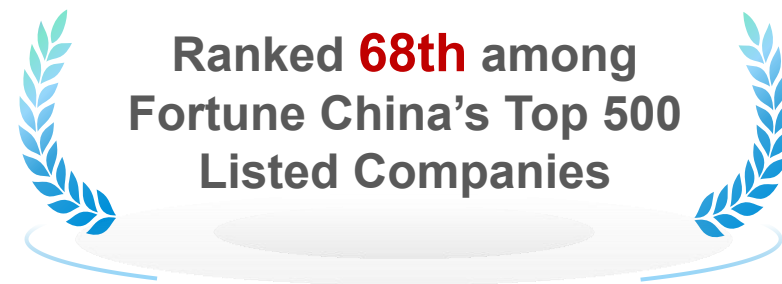
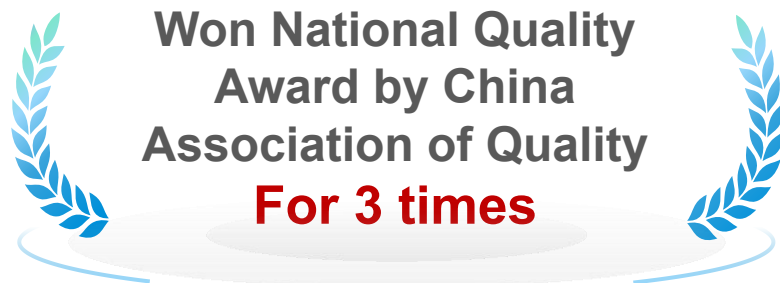
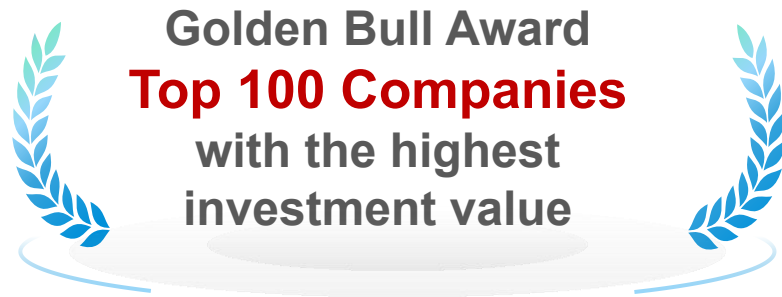
Ranked 1st in China's coal industry by CDP (Carbon Disclosure Project)



Good results in value creation



Enhanced brand image



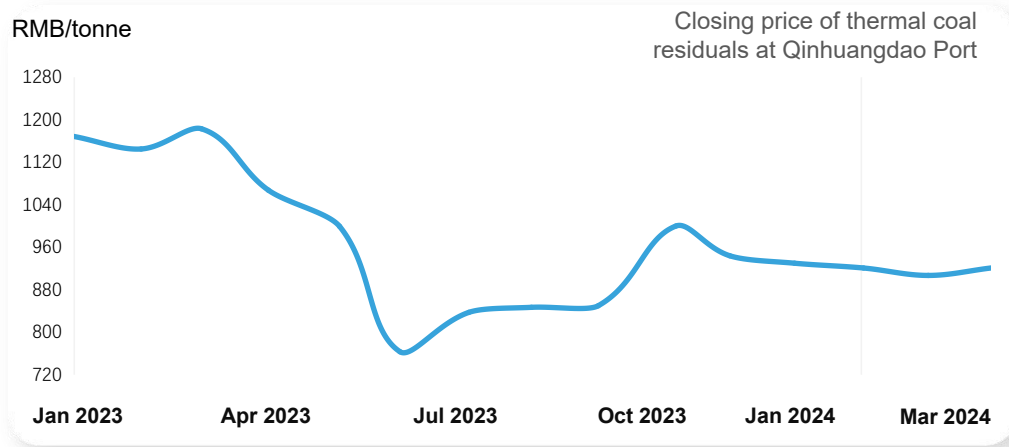
Market Analysis of Key Products

- Analysis of coal market
- Analysis of coal chemical market



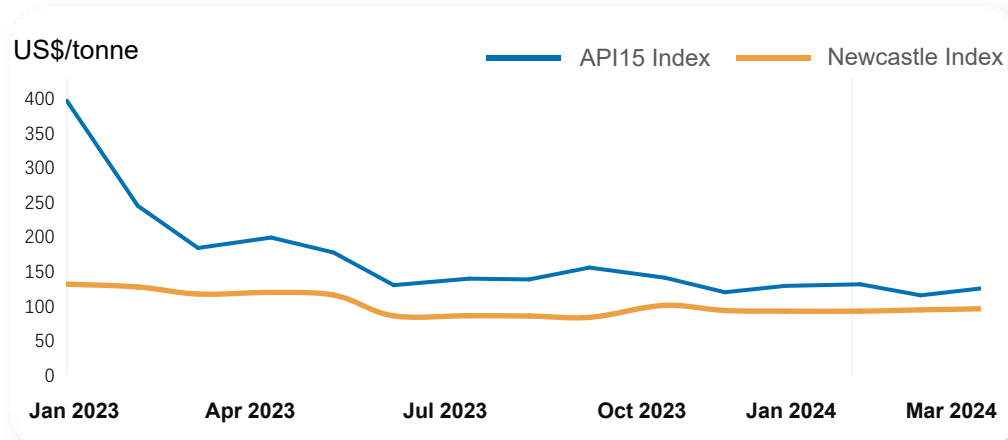
Analysis of Coal Markets

Domestic coal price trend



Source: Wind

Overseas coal price trend



Sources: globalCOAL, Argus/McCloskey coal price index report

- **2024:**
Coal price will fluctuate narrowly at middle level and remain at mid-to-high levels in this long market cycle

Domestic market

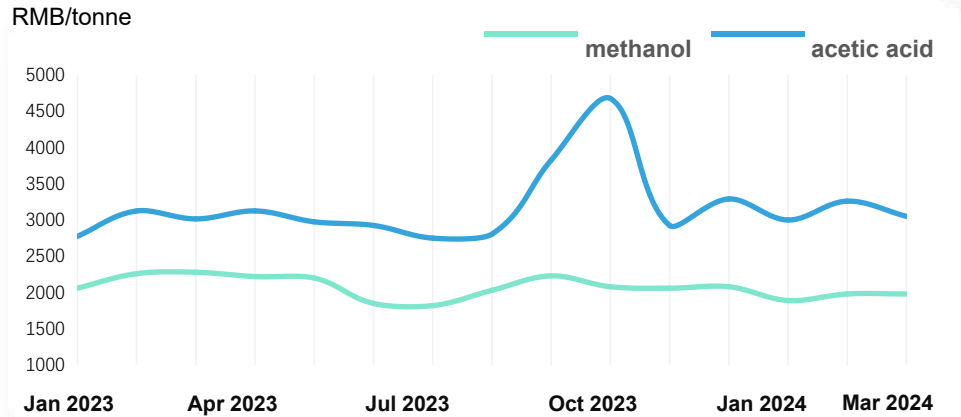
- Growing demand for coal from power sector and chemical industry
- Continued strengthening of production safety supervision in coal industry; expected decrease in imports
- Limited growth in coal supply

International market

- Restrictions on production capacity coming on stream in major coal-supplying countries
- Rapidly growing demand in Southeast Asia

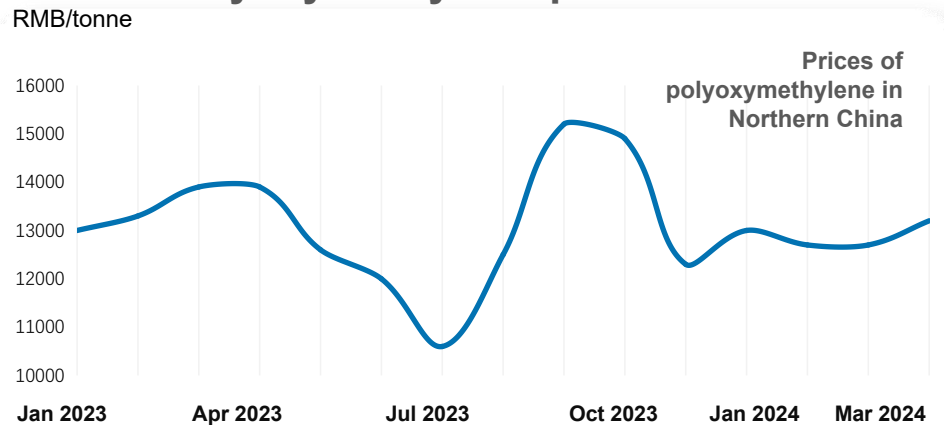
Analysis of Coal Chemical Market

Price trends of methanol and acetic acid



Source: ICIS website

Polyoxymethylene price trend



Source: oilchem.net

- 2024:

Prices are expected to bottom out thanks to the improvement in the oversupply situation

Slight improvement in supply and demand of methanol and acetic acid

Obvious competitive advantage and price advantage in markets for caprolactam and polyoxymethylene

✎ Steady improvement of domestic economy

✎ Growth in market demand driven by the continued economic recovery

Operation Goals for 2024

- Production Plan
- CAPEX Plan
- Unit Cost of Sales Target
- Debt-to-asset Ratio





Operational Measures in 2024

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- Strengthen core businesses; Speed up growth of new businesses
- Foster new businesses to add impetus to development
- Focus on value creation; Increase shareholder return



Strengthen core businesses; Speed up growth of new businesses

Meeting production and efficiency targets



Shaanxi and Inner
Mongolia

>39 mn tonnes



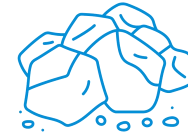
Australia

40~44 mn tonnes



Shandong

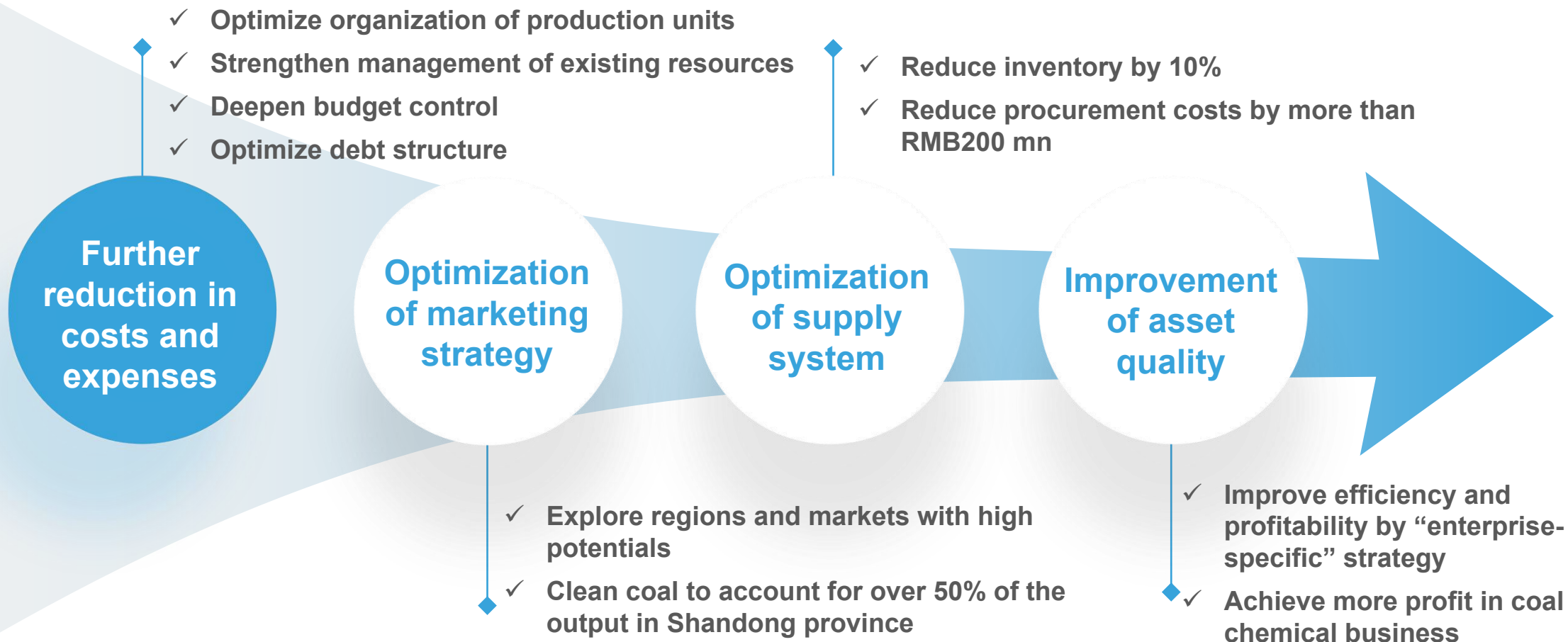
37 mn tonnes



Xinjiang

19 mn tonnes

Increasing revenue and reducing cost



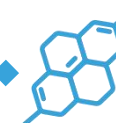
Undertaking 8 key projects in various businesses



- Wucaiwan No.4 Open-pit Mine
- Caosiyao Molybdenum Mine
- Huolinhe No.1 Coal Mine
- Liusan Gedan Coal Mine
- Galutu Coal Mine

Coal
Mining

High-end
chemicals
and new
materials



- Future Energy: 500,000 tonnes of HTFT
- Xinjiang Zhundong: 800,000 tonnes of olefins
- Rongxin Chemical: 800,000 tonnes of olefins



High-end equipment manufacturing

- Optimize and integrate the equipment manufacturing business
- Construct a green and high-end smart industrial park with net zero carbon emissions
- Aim for export of high-end hydraulic supports
- Build up and make good use of the R&D platform in Europe



Smart logistics

- Integrate logistics resources in western Shandong and Xinjiang
- Cooperate with leading companies
- Build an industrial siding of Shaanxi- Inner Mongolia Railway
- Acquire logistics nodes
- Kick off the construction of a railway that links Uxin Banner in Inner Mongolia, Yulin in Shaanxi and Linxian in Shanxi
- Build the Tai'an Port and Sihekou Port



New Energy

- Obtain production quota through industrial investment
- Undertake projects of floating photovoltaics, green power and onshore wind power
- Active participation in the transmission of external electric power into Shandong

Asset Acquisition

- Acquire high-quality assets at home and abroad
- Acquire high-quality assets from our controlling shareholder

Brand Influence

- Consistently carry out ESG initiatives
- Accelerate the development of a world-class corporate brand



MarketCap Management

- **“135” MarketCap Management**
 - 1: Improve the quality of listed company
 - 3: Corporate governance; Value sharing; and Efficient communication
 - 5: Mainstay business; Capital operations; Brand enhancement; International collaboration; and Tool utilization

Thank You