



首钢福山资源集团有限公司
SHOUGANG FUSHAN RESOURCES GROUP LIMITED

(Stock code: 0639.HK)

2017 Interim Results

August 2017

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Agenda

- **2017 Interim Results Highlights**
- **2017 Interim Operations Review**
- **2017 Interim Financial Review**
- **Business Outlook**



2017 Interim Results Highlights

Revenue

Revenue increased sharply by 183% to HK\$ 1,918 million

EBITDA

EBITDA* increased by 540% to HK\$ 1,235 million

Profit

Profit Attributable to Company Owners was approximately HK\$662 million, turnaround from loss to considerable profit

Cash

Free cash and bill receivables was approximately HK\$ 5,700 million

Dividend

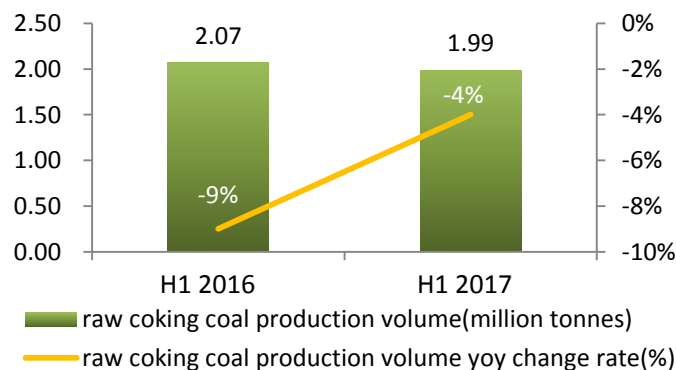
Announced interim dividend of HK 3 cents per ordinary share

* Note: EBITDA is defined as profit/ (loss) before income tax plus impairment loss on goodwill, mining rights and property, plant and equipment, finance costs, change in fair value of derivative financial instruments, share of loss of an associate, depreciation and amortisation

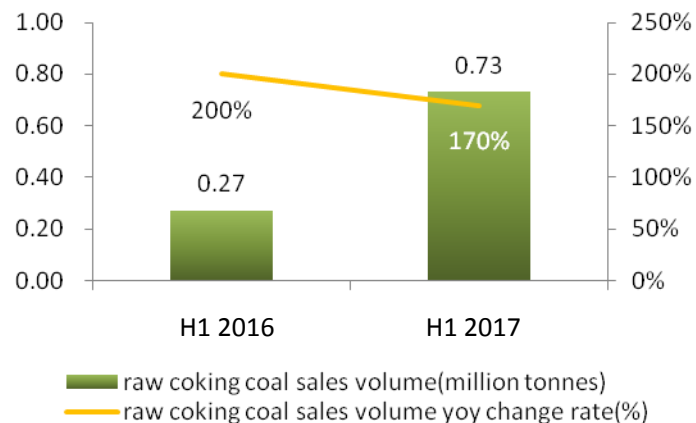


2017 Interim Operations Review - Production and Sales Volume

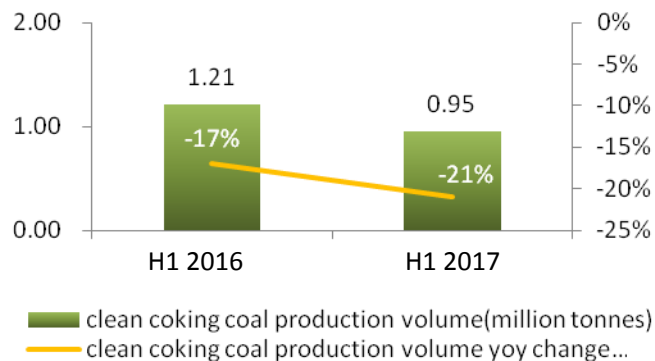
Raw Coking Coal Production Volume



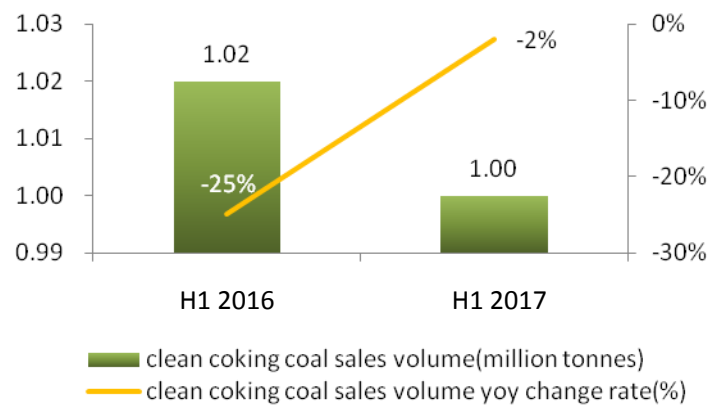
Raw Coking Coal Sales Volume



Clean Coking Coal Production Volume



Clean Coking Coal Sales Volume

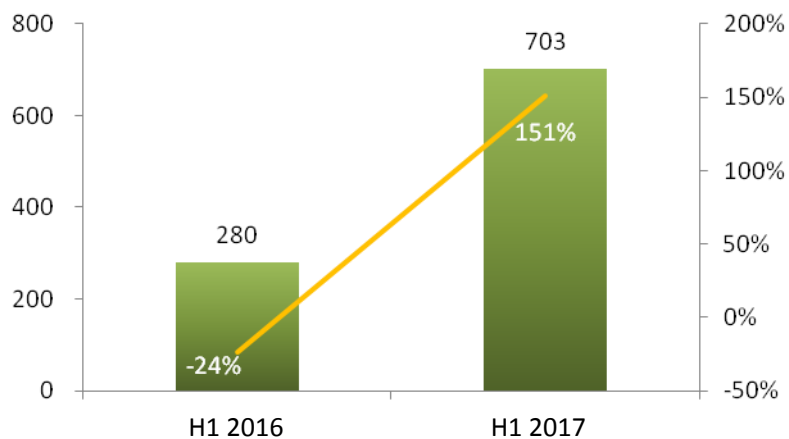


Note : 1# clean coking coal : 2# clean coking coal = 51%:49%



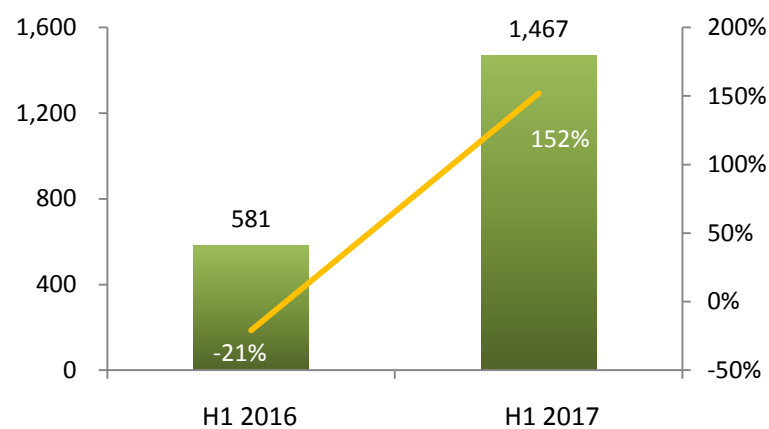
2017 Interim Operations Review- Average Selling Price

Raw Coking Coal Average Selling Price (VAT Incl.)



■ raw coking coal average selling price(VAT incl.,RMB/tonne)
— raw coking coal average selling price(VAT incl.) yoy change rate

Clean Coking Coal Average Selling Price (VAT Incl.)

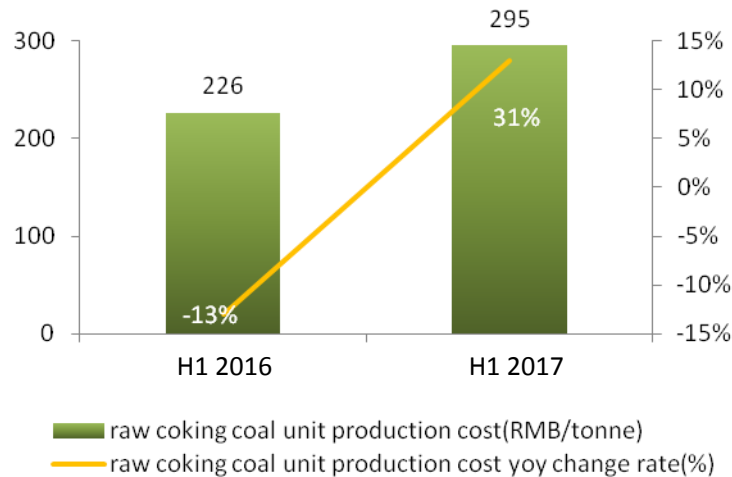


■ clean coking coal average selling price(VAT incl.,RMB/tonne)
— clean coking coal average selling price(VAT incl.) yoy change rate(%)



2017 Interim Operations Review- Unit Production Cost

Raw Coking Coal Unit Production Cost



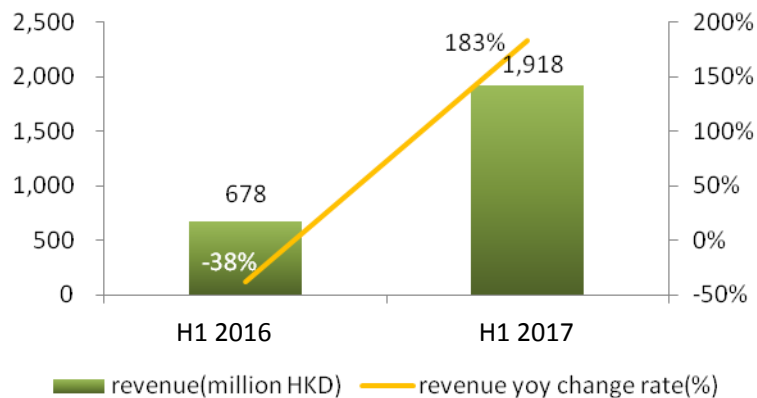
Note: The increase of raw coking coal unit production cost is attributed to the reasons below:

- resources tax and levies increased by 47RMB/tonne, which took 68% of total yoy increasing amount of raw coking coal unit production cost
- general price level of raw materials (i.e. steel, copper, cement etc.) increased more than 50% yoy
- labor cost increased by 10% yoy

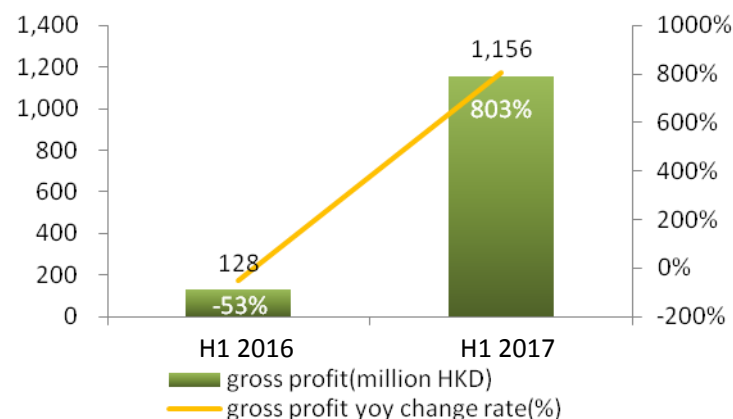


2017 Interim Financial Review- Key Financial Data

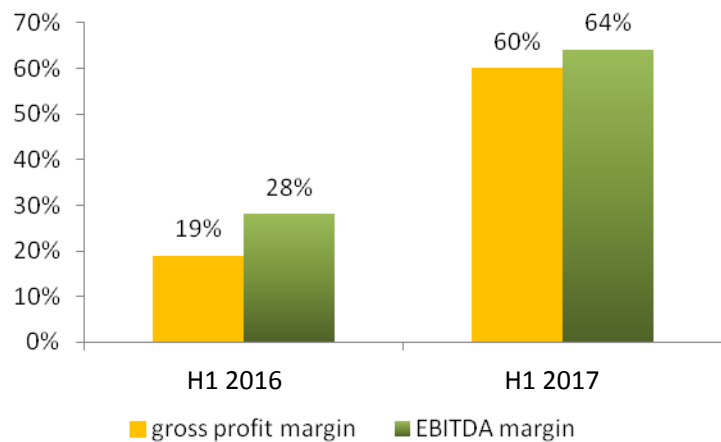
Revenue



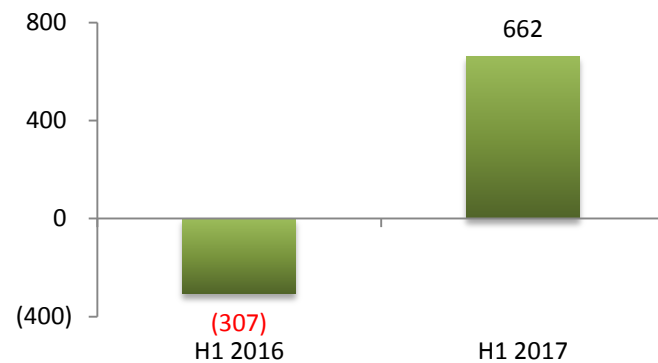
Gross Profit



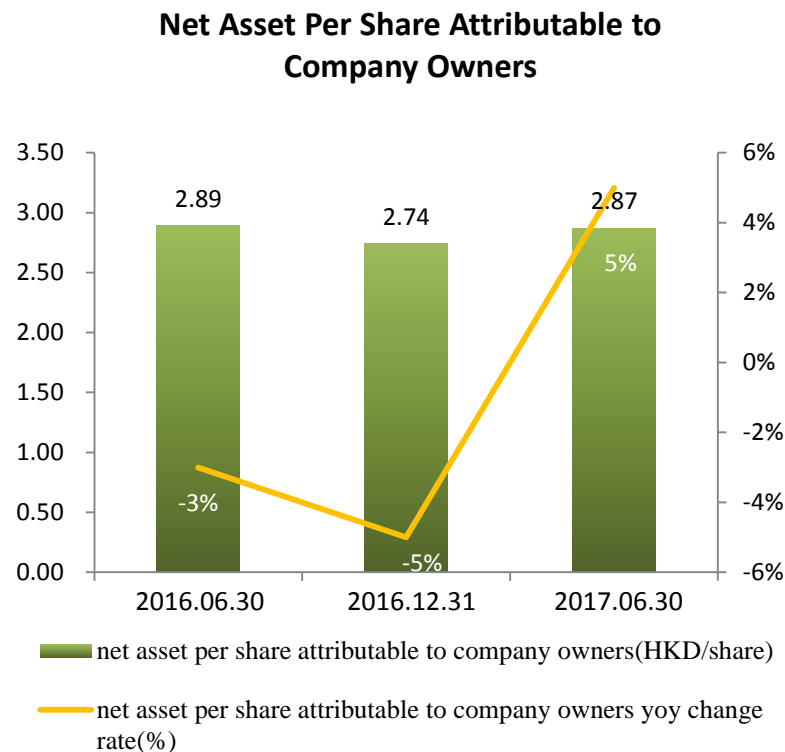
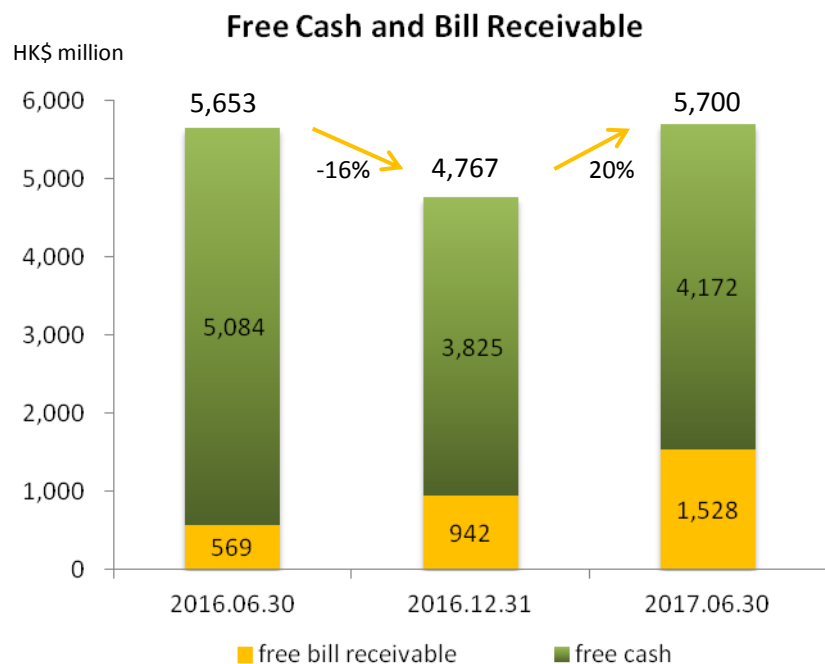
Gross Profit Margin & EBITDA Margin



Profit /(Loss) Attributable to Company Owners



2017 Interim Financial Review- Strong Financial Position



Major Clients



H1 2017 Technical Innovation

Gob-side entry retaining

- Decreasing roadway driving, work face formation time to improve production efficiency
- Decreasing the amount of coal pillars to increase coal recovery rate
- Gas is released in advance to improve safety of coal mine

Jinjiashuang coal mine fully utilization of gas heat and power cogeneration project

- None extra expenditure from Shougang Resources is needed because this project is fed by CASIC
- Saving cost of exhausting desulfurization
- Saving cost of outsourcing natural gas
- Sharing revenue of on-grid price
- Benefiting from subsidies of environmental policies

Exploiting thin coal seams

- **Cutting Cost**
- **Increase Profits**

Business Outlook

- *Continue to improve productivity, maximize production of prime hard coking coal and innovate mining technologies*

- *Keep advantage of advanced coal capacity, devoted to protecting the environment and ensuring a safe working environment for employees*

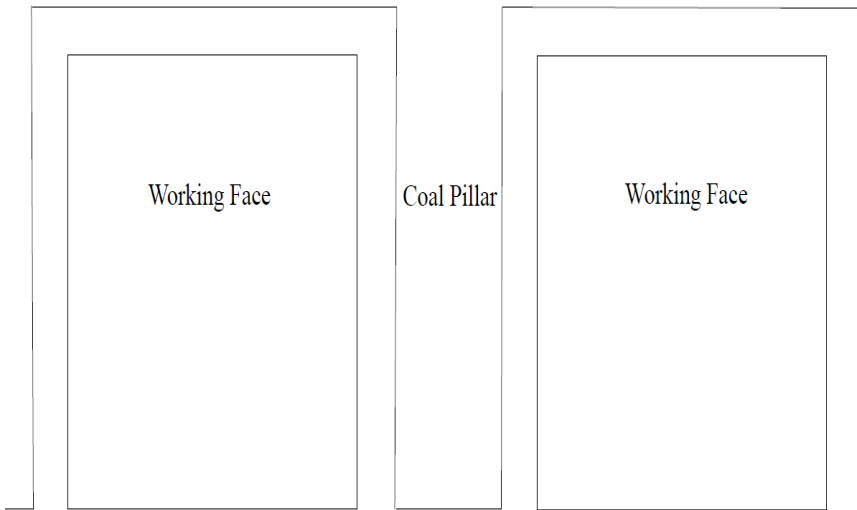
- *Deepen the strategic relationships with Shougang Group and other major steel producers*

- *Continue to seek acquisition opportunities domestic and abroad to enlarge reserves, production capacity and market share*

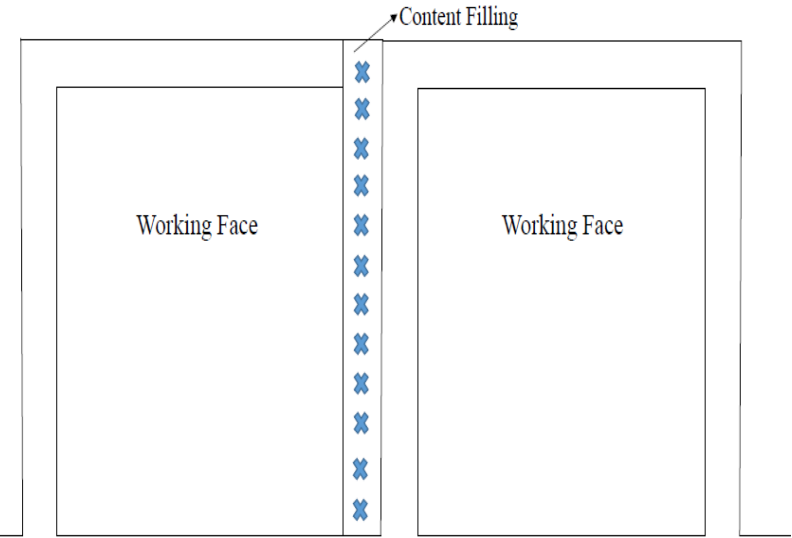


Appendix- Technology of Gob-side entry retaining

Before the implementation of Gob-side Entry Retaining Technology



After the implementation of Gob-side Entry Retaining Technology





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Thank You!

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