



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

(Stock Code : 0639.HK)

2019 Interim Results

22 August 2019





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Steady Development

Financial Performance

EBITDA

HK\$ 1.185 billion

EBITDA* ratio is 60.5%
Up 2% YoY

Earning per share

12.08 cents

Up 0.4% YoY

Dividend per ordinary share

Interim HK\$ 8.5 cents

Interim payout ratio 70 %

Financial Position

Free cash and bill receivables

HK\$ 5.6 billion

**Shareholders
Return**

Profit attributable to
shareholders

HK\$ 640 million

Up 0.3% YoY

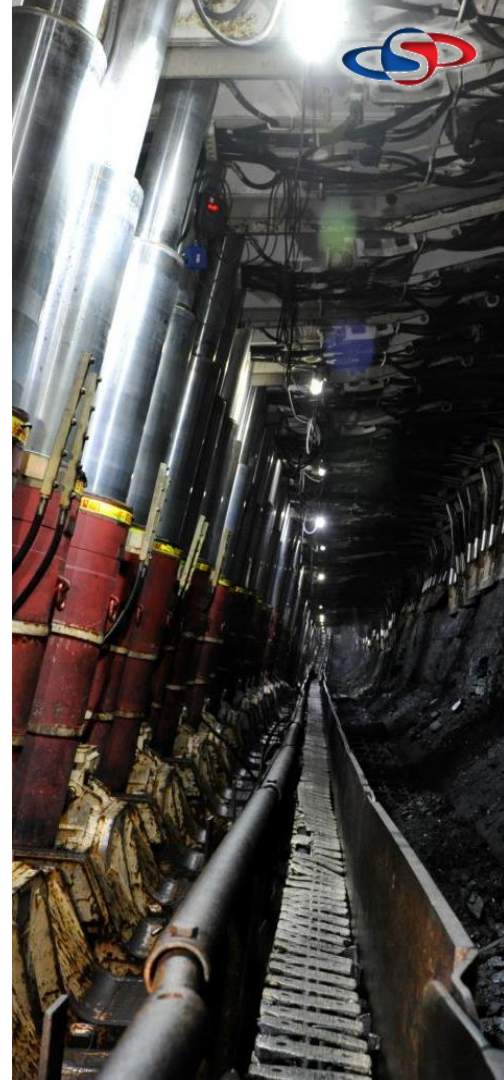
Excluding the one-off effect of written off of assets in the upper coal seam of Jinjiazhuang Coal Mine, the profit attributable to shareholders was 685 million, up 7.4% YoY

Major Development

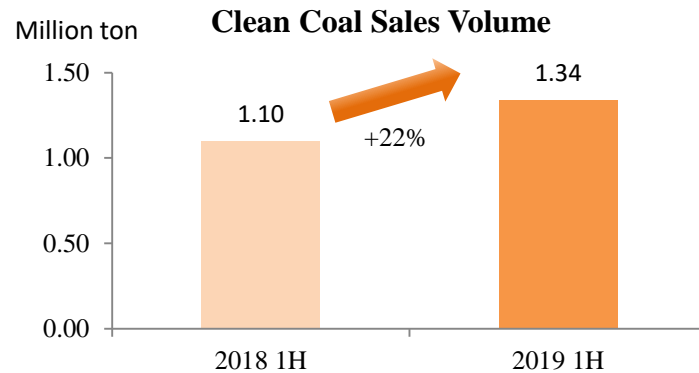
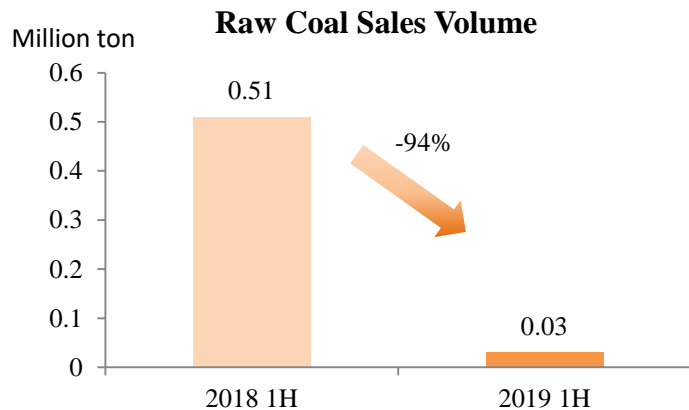
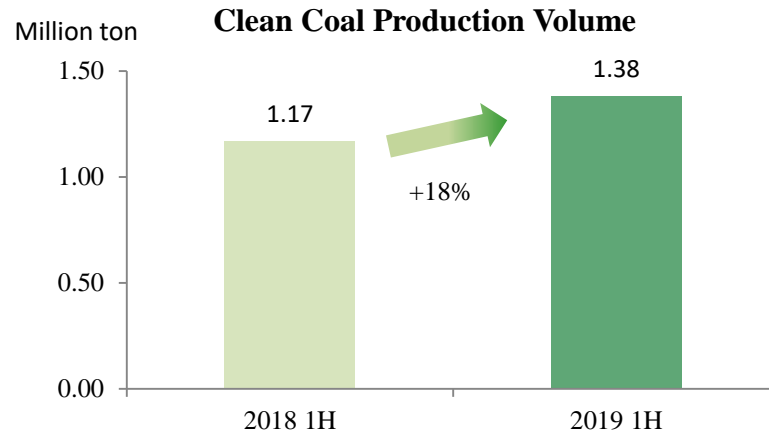
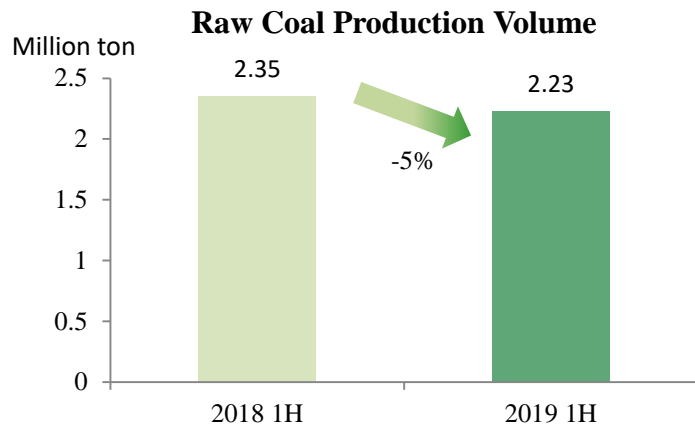
**Jinjiazhuang Coal Mine
has commenced in
production**

- Average RMB exchange rate depreciated 6% in the first half of 2019

*EBITDA is defined as profit before income tax plus finance costs, share of loss of an associate, depreciation, amortization and written off of property, plant and equipment



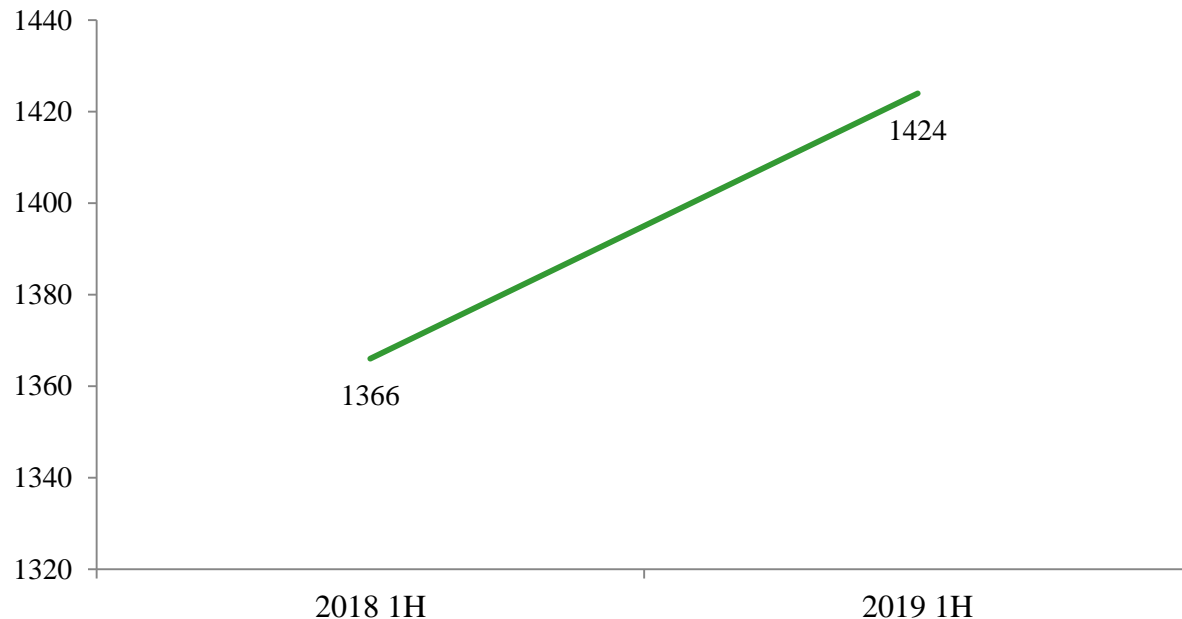
2019 Interim Operational Review - Production and Sales Volume



2019 Interim Operational Review – Average Realized Selling Price of Clean Coking Coal

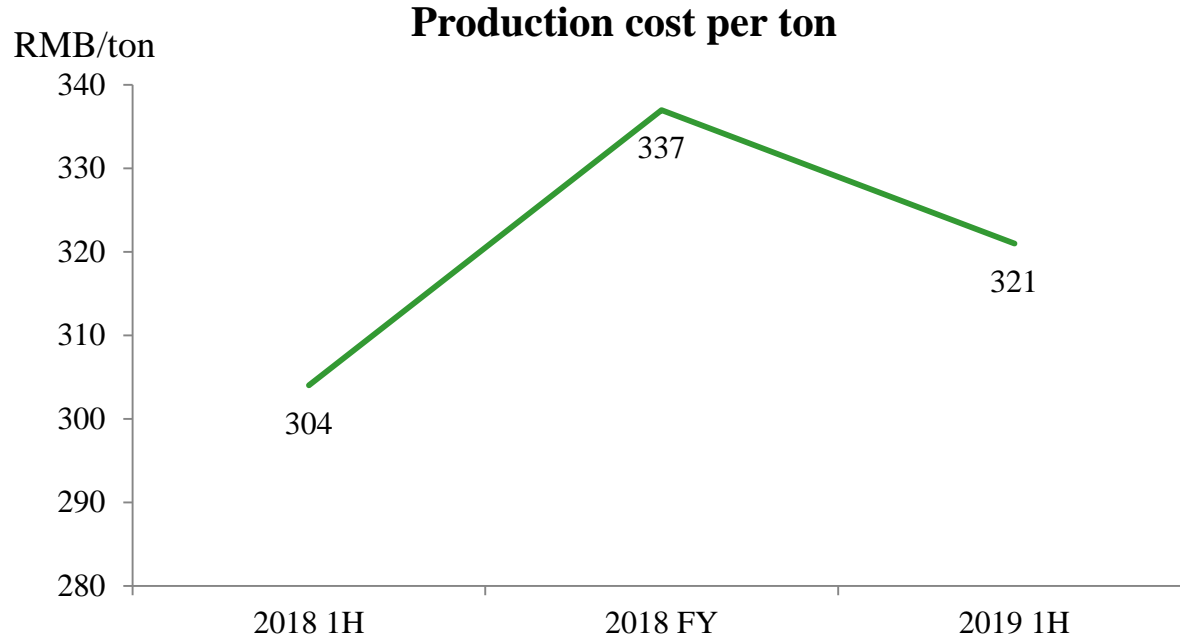


RMB/ton **Average Realized Selling Price of Clean Coking Coal (Including VAT)**



- Coking coal price remained at a relative high position in 2019 1H. It was benefited from the growing demand in steel industry in the same period
- The realized selling price (VAT incl.) for clean coking coal increased 4% YoY to RMB 1,424/ton, in line with the market trend

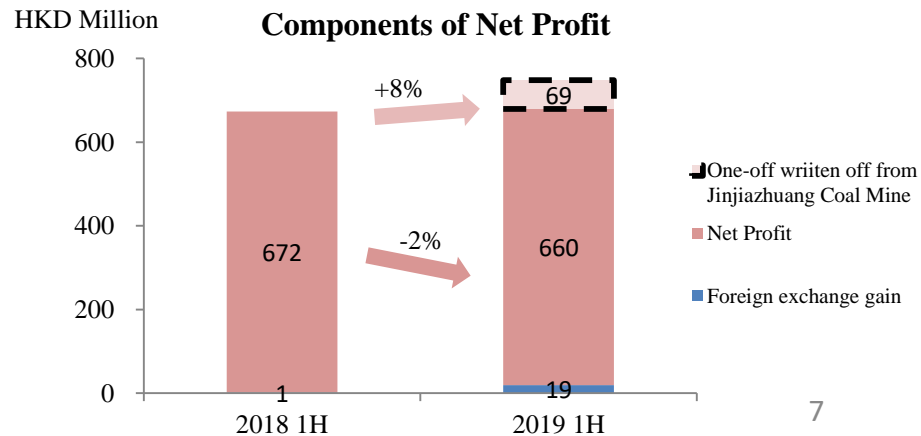
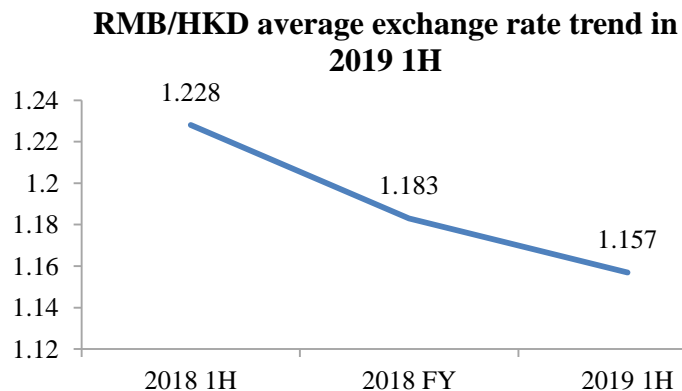
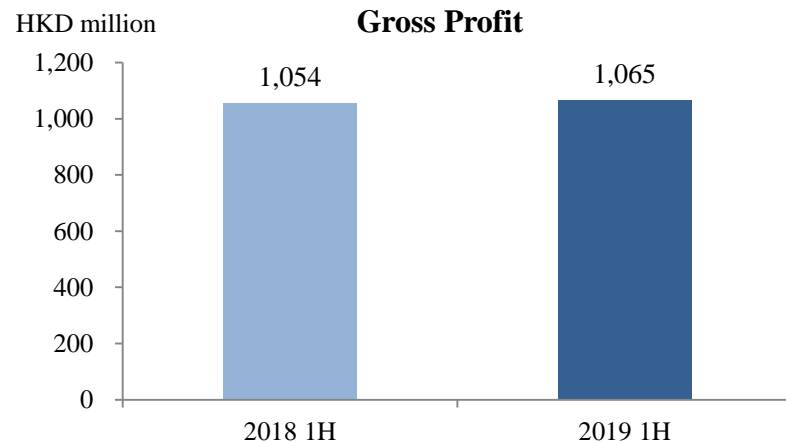
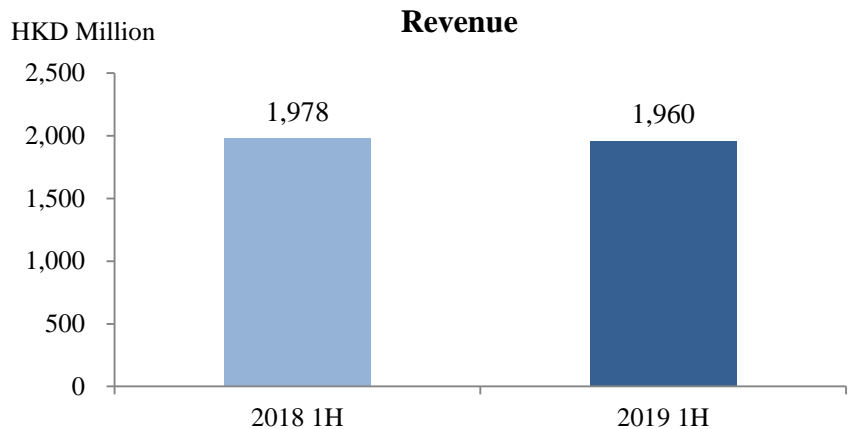
2019 Interim Operational Review – Production cost



Compared to 2018 1H, except for the 5% drop in raw coking coal production volume, production cost per ton raised by 5.6% YoY was due to:

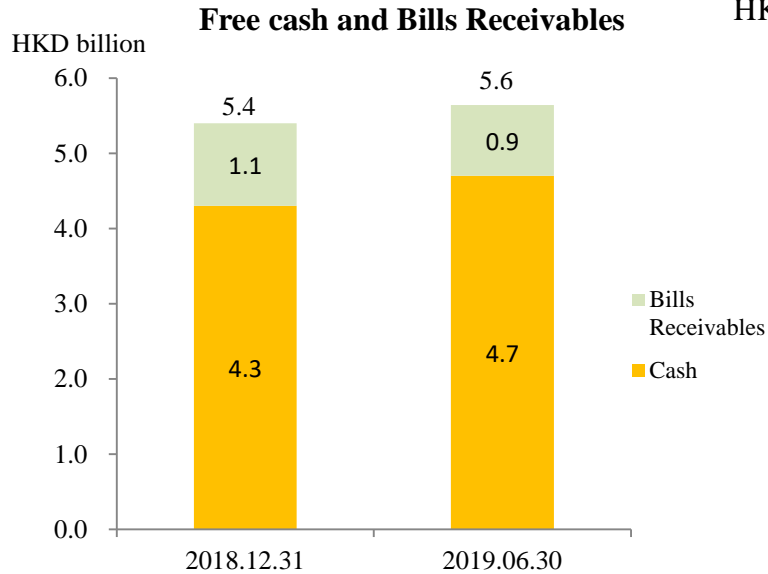
1. the increase in market wages and the benchmark of social security premiums in the 2H of 2018. The overall salary of employees increased by RMB 21/ton
2. at the beginning of 2019, Shanxi government banned burning coal for heating purpose which led to fuel cost in 2019 1H up by RMB 4/ton

2019 Interim Operational Review - Key Financial Data

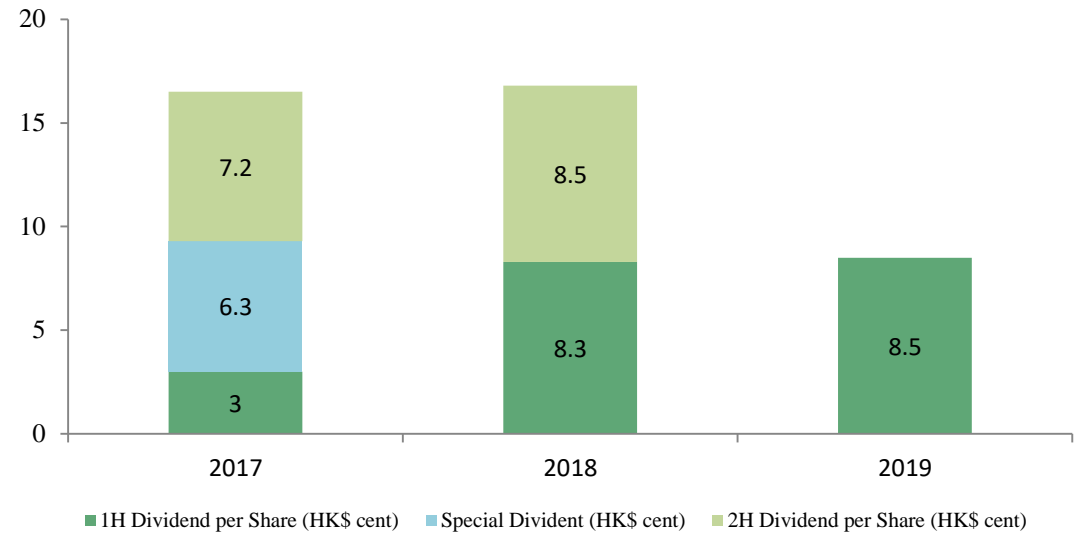




Free cash and dividends



HK\$ cents/share





Major Clients



宏安
焦化

5 major clients contributed 76% of 2019 1H revenue

Jinjiazhuang Coal Mine is fully operational



- After several years of construction, Jinjiazhuang lower seam has been inspected and approved by relevant authorities and officially put into production



Vertical shaft

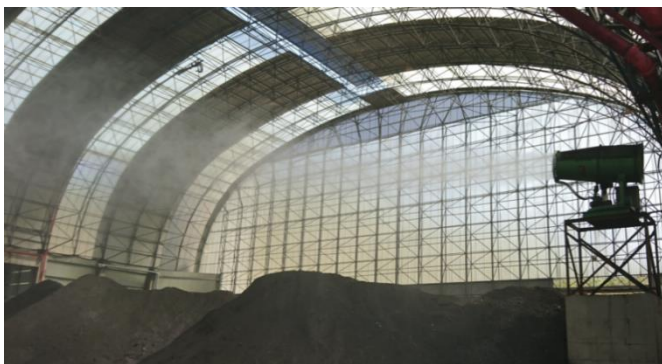


Underground transportation control center



Long-wall mining surface

As an advanced enterprise, we are committed to improve and protect the environment



Coal shed together with smart sprinkler system to reduce coal dust flying around



Expansion of the Xingwu Gas Station to enhance the utilization and extraction of underground gas



Mine and domestic sewage treatment station

Business outlook



- Jinjiazhuang Coal Mine has been officially put into operation, and production will gradually increase
- Committed to promote environmental protection and provide employees with a safe working environment is our top priority
- Strive to control costs, discover more internal potential to release growth benefits





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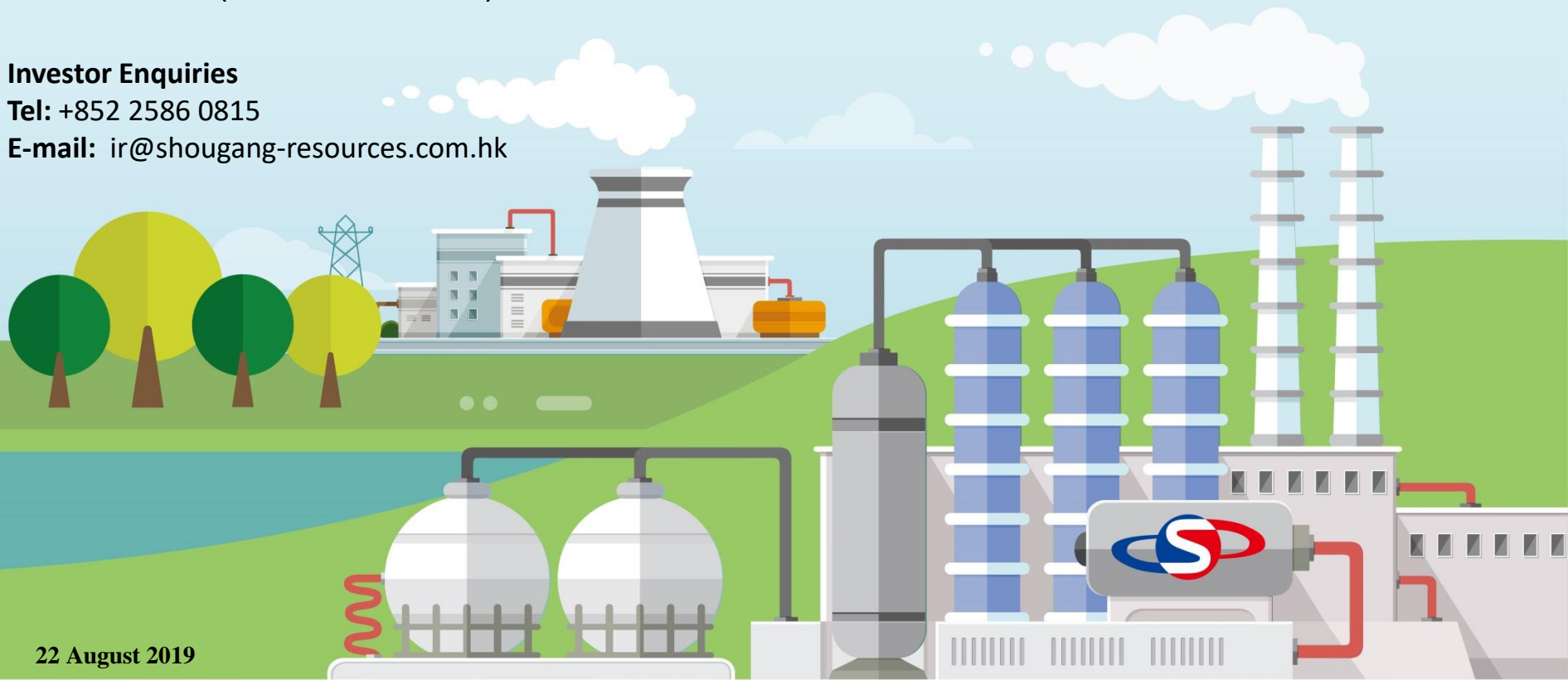
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Investor Enquiries

Tel: +852 2586 0815

E-mail: ir@shougang-resources.com.hk



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