



SHOUGANG FUSHAN RESOURCES GROUP LIMITED

首钢福山资源集团有限公司

Stock Code 股份代号 : 639

2021

中期业绩发布
Interim Results

26 August 2021



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1H 2021 Financial and Operation Performance



HK\$ 2.444Bn ▲ 34%
Revenue

HK\$ 6.2Bn ▲ 22%
Free Cash (Compare to 2020.12.31)

HK\$ 1.358Bn ▲ 32%
EBITDA

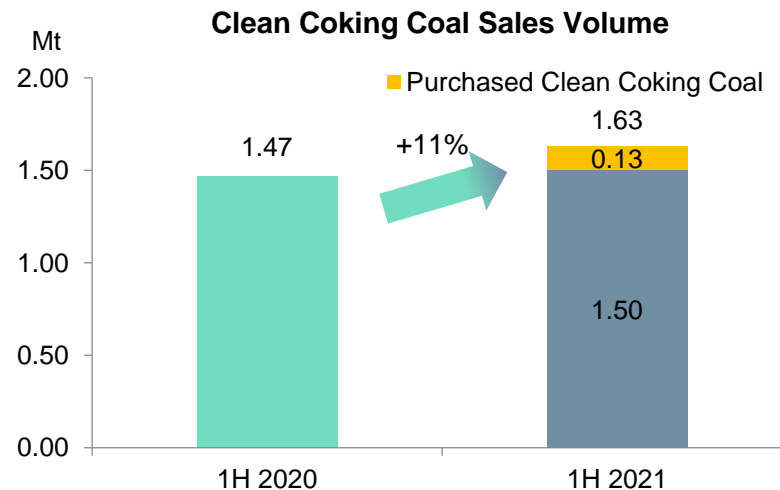
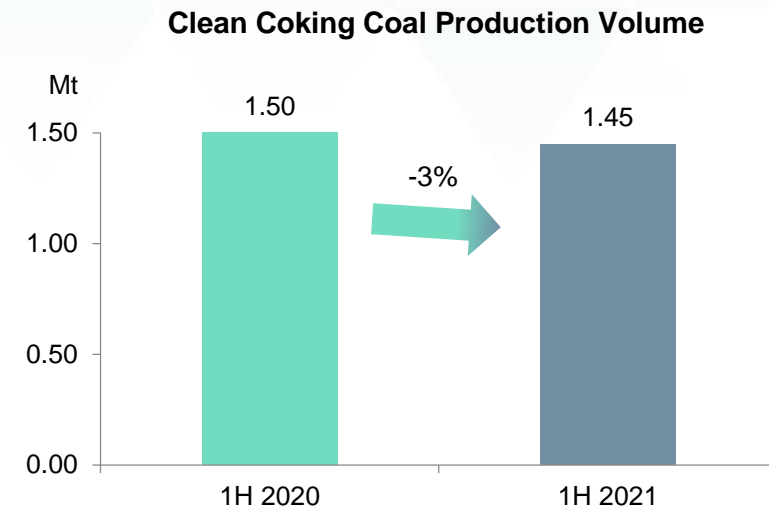
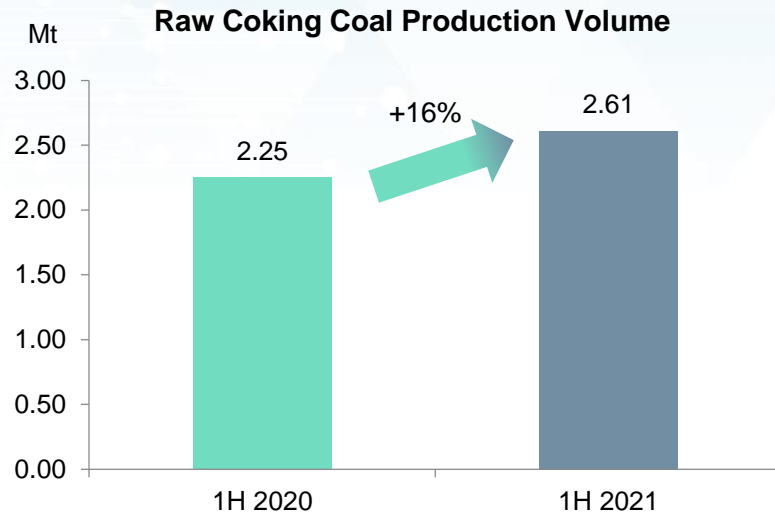
HK\$ 1.046Bn ▲ 102%
Cash Flow from Operation

HK\$ 673M ▲ 23%
Profits Attributable to Shareholder

Interim Dividend 8 cents
Shareholder Return

*EBITDA is defined as profit before income tax plus finance costs, depreciation and amortization

Production Advances as Planned Sales Strategy Adjusted with the Market

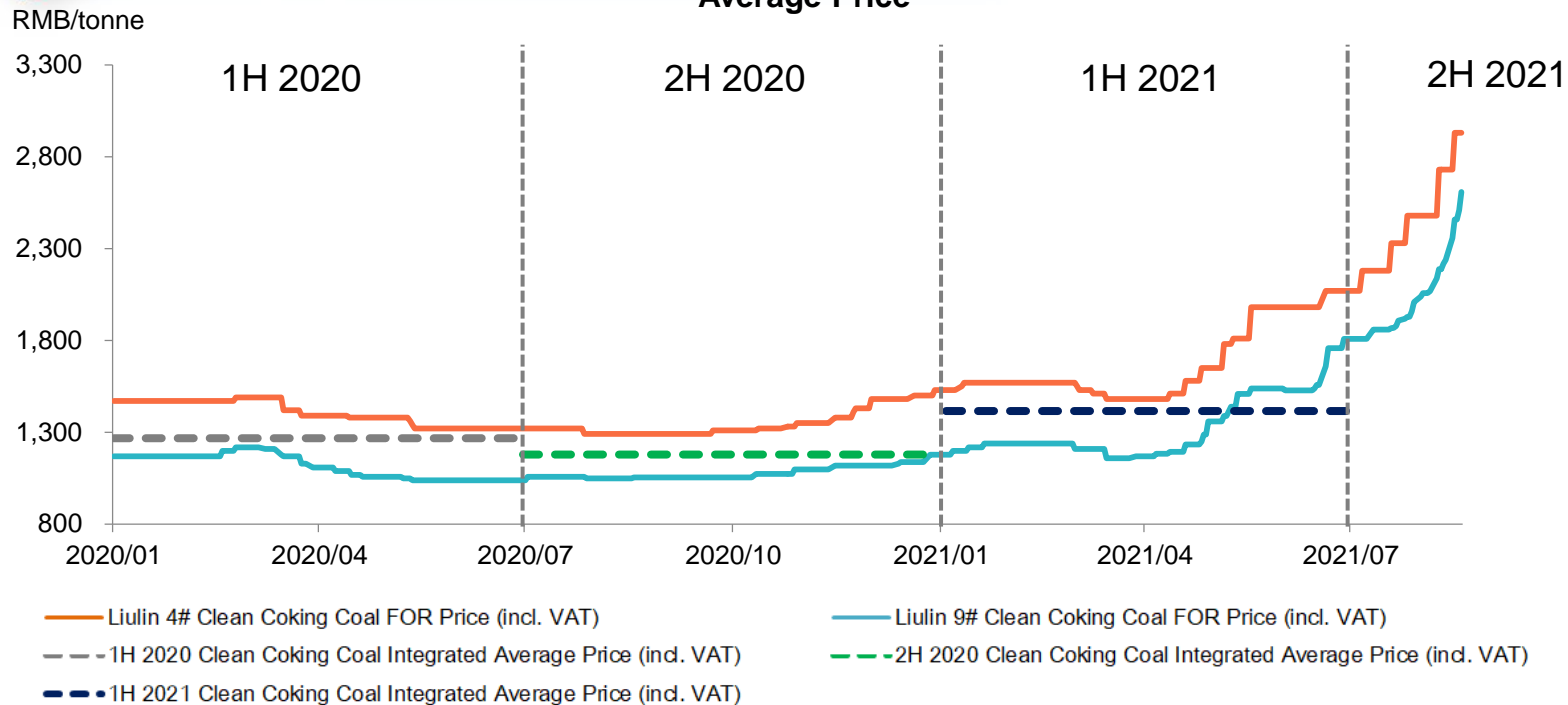


- Accomplished 50% of our annual raw coking coal production target
- Due to geological condition, quality of the mined raw coking coal varies and hence lowered the clean coking coal washing yield during the period. Clean coking coal production volume dropped slightly. It is expected that clean coking coal washing yield will pick up in 2H 2021
- The Company saw market opportunity and adjusted our sales strategy in timely manner. The sales volume of clean coking coal increased by 11% YoY

Average Realized Price of Clean Coking Coal Rose while the Supply Remains Tight



Domestic Coking Coal Price vs Company's Clean Coking Coal Integrated Average Price

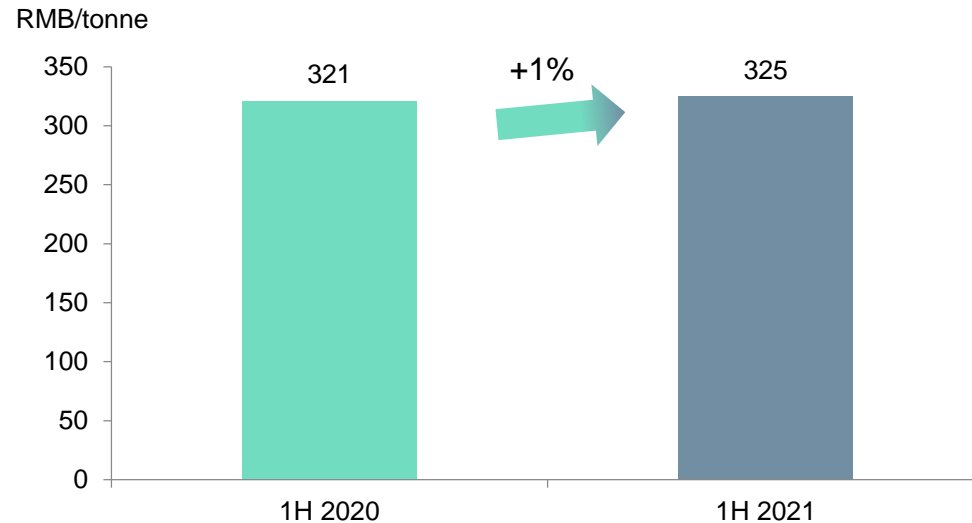


- In 1H 2021, the economy continued to rebound, demand from the steel industry was strong and coking coal supply from home and abroad was disrupted at the same time. Coking coal price in 1H 2021, especially in the second quarter, increased significantly. The benchmark Liulin 4# coking coal average FOR price was RMB 1,677/tonne, nearly up 20% YoY
- The Company's clean coking coal average integrated price (incl. VAT) was RMB 1,415/tonne, up 12% YoY
- Due to the ongoing supply tightening of coking coal, the price of coking coal has soared since July 2021, hitting a new record high

Production Costs are Basically the Same Strive to Reduce Expenditure



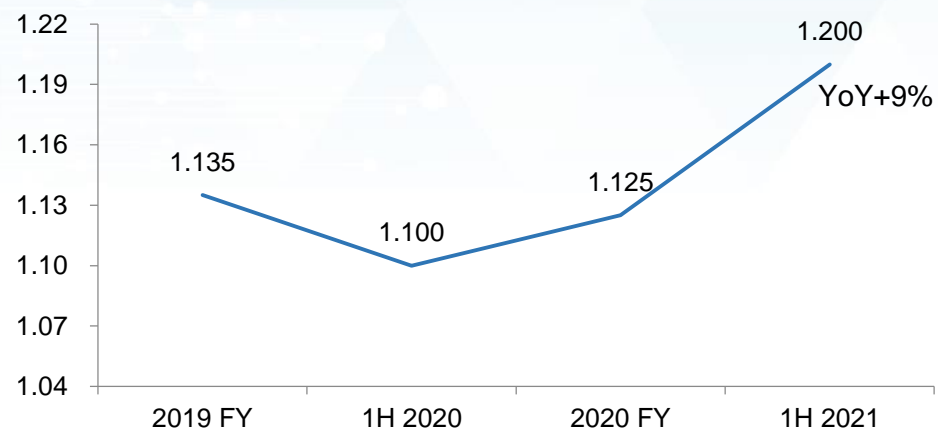
Raw Coking Coal Unit Production Cost



- Raw coking coal unit production cost rose slightly by 1% in 1H 2021, mainly due to:
 - 1) Accrued year-end bonus for the company employees and the government no longer provide social security expenses exemption benefits due to Covid-19; and
 - 2) Rising commodity prices lead to rising material costs
- Our Company continues to do our best to control production cost, including:
 - 1) Increase raw coking coal production
 - 2) Better coal seam gas utilization for heating helps energy conservation and reducing electricity and fuel costs
 - 3) Implemented a series of efficiency enhancing movements

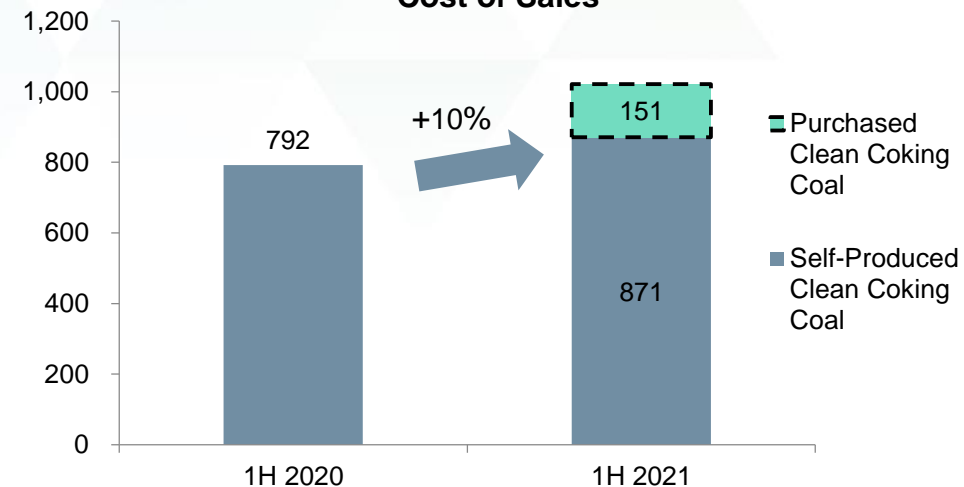


RMB/HKD Average Exchange Rate Trend

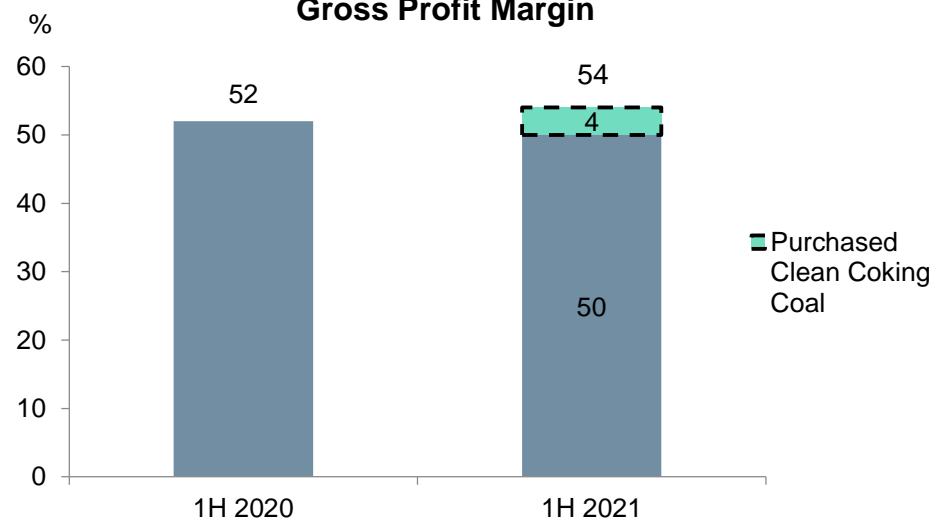


RMB million

Cost of Sales



Gross Profit Margin

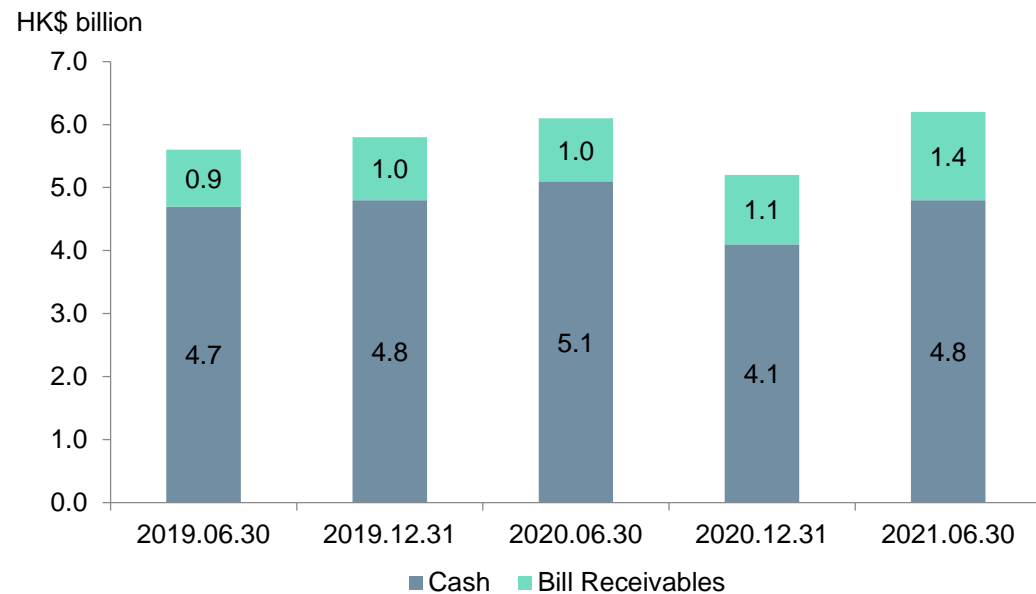


- The increase in cost of sales in 1H 2021 was mainly due to the 16% increase in raw coking coal production volume and the cost of purchased clean coking coal
- Excluding the impact of the exchange rate, the increase in the cost of sales of self-produced coal was less than the increase in raw coking coal output
- Excluding cost for purchased clean coking coal, the gross profit margin of self-produced coal increased YoY
- Purchased clean coking coal contributed about HK\$9 million to net profit

Strong Cash Position Keep High Dividend

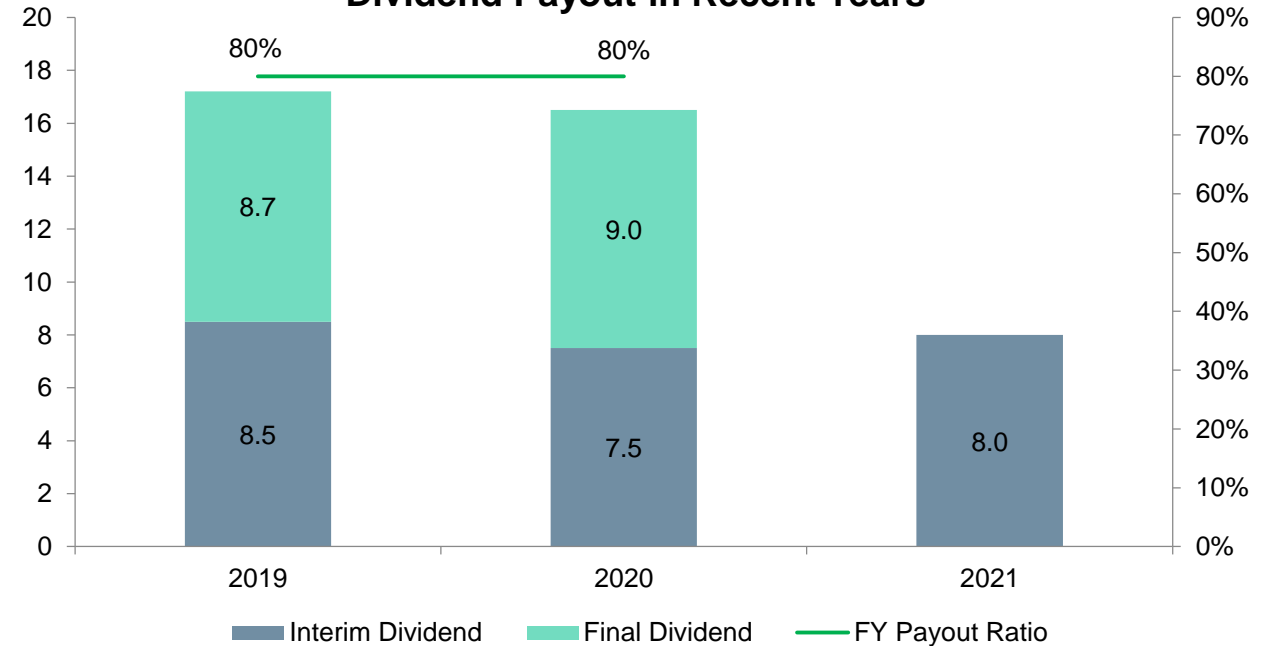


Free Cash and Bill Receivables



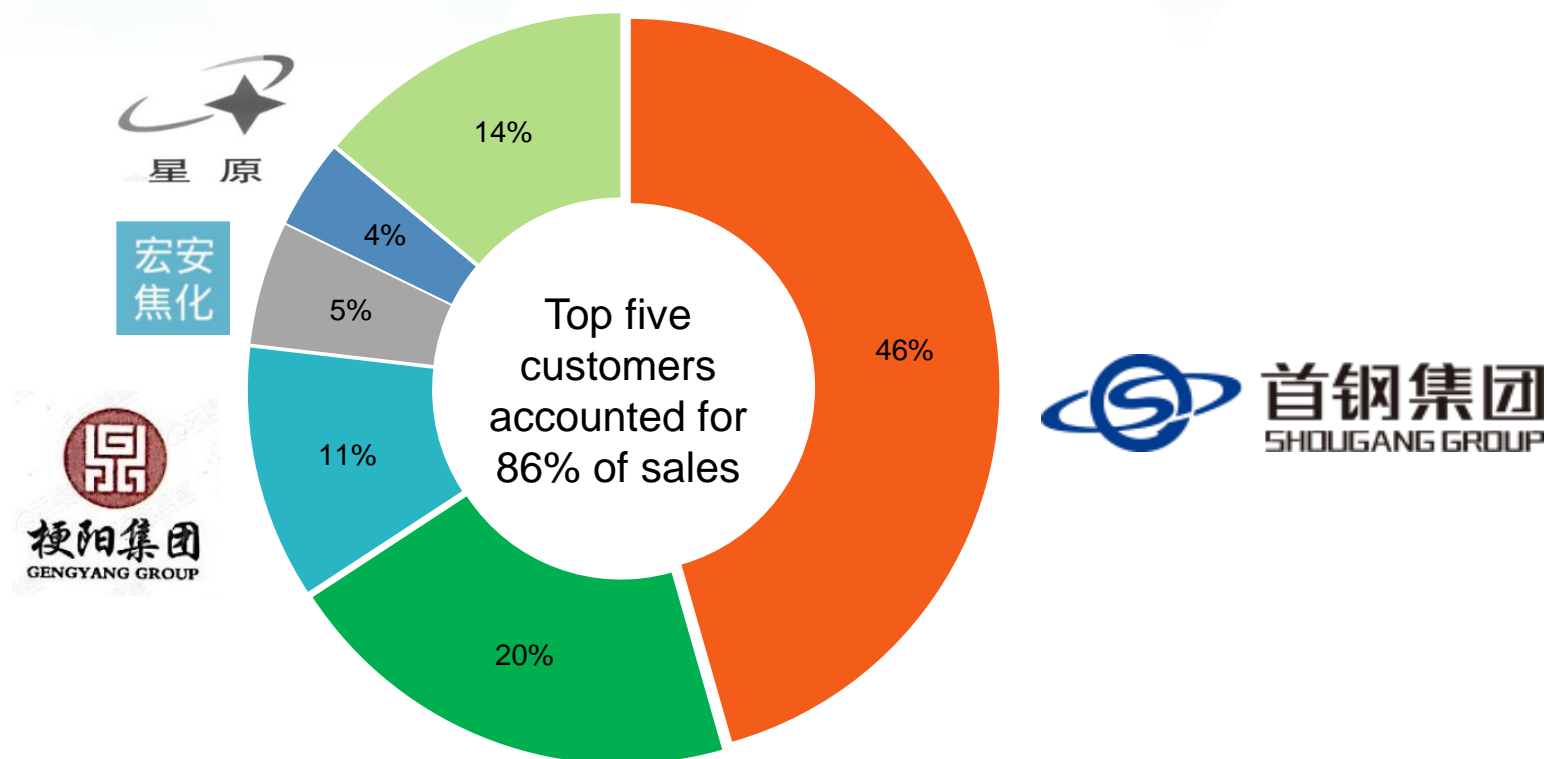
HK cent/share

Dividend Payout in Recent Years





Stable Customers Base





Business Outlook



Investor/Media Enquiry

Tel: +852 2586 0815

Email: ir@shougang-resources.com.hk

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