



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** | 全年业绩发布  
Annual Results

24 March 2022



# Disclaimer

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## Seize Market Opportunities The Company Achieved a Record High Performance

**HK\$ 7.076Bn** ▲ **77%**  
Revenue

**HK\$ 8.409Bn** ▲ **65%**  
Free Cash (Compare to 2020.12.31)

**HK\$ 4.736Bn** ▲ **117%**  
EBITDA

**HK\$ 3.858Bn** ▲ **361%**  
Operating Cash Inflow

**HK\$ 2.538Bn** ▲ **135%**  
Profits Attributable  
to Shareholder

**Final Dividend HK 32 cents**  
Shareholder Return  
(2021 Payout Ratio: 80%)

**HK\$ 0.5025** ▲ **144%**  
Earning per Share

\*EBITDA is defined as: Profit before income tax plus finance costs, share of losses of an associate, depreciation and amortization





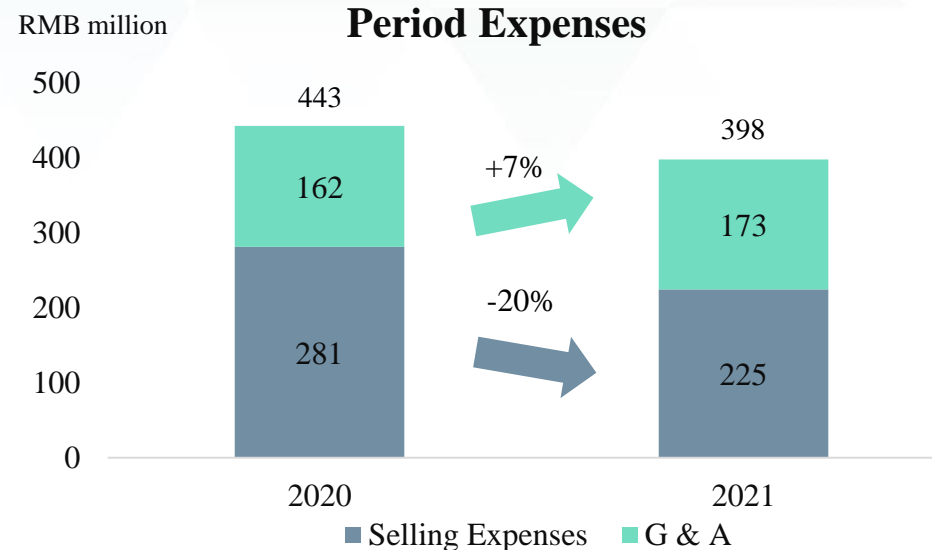
# Strict Management

## The Company's Assets Keep Growing

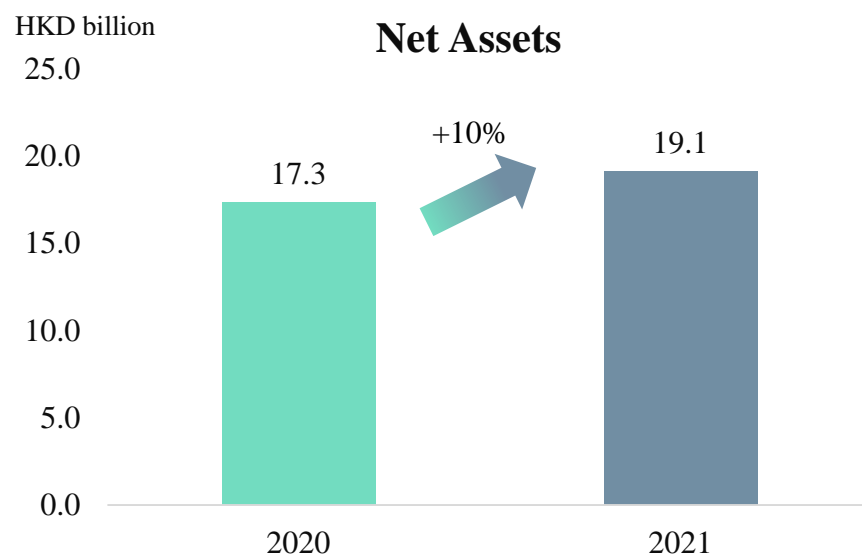
RMB/HKD Average Exchange Rate Trend



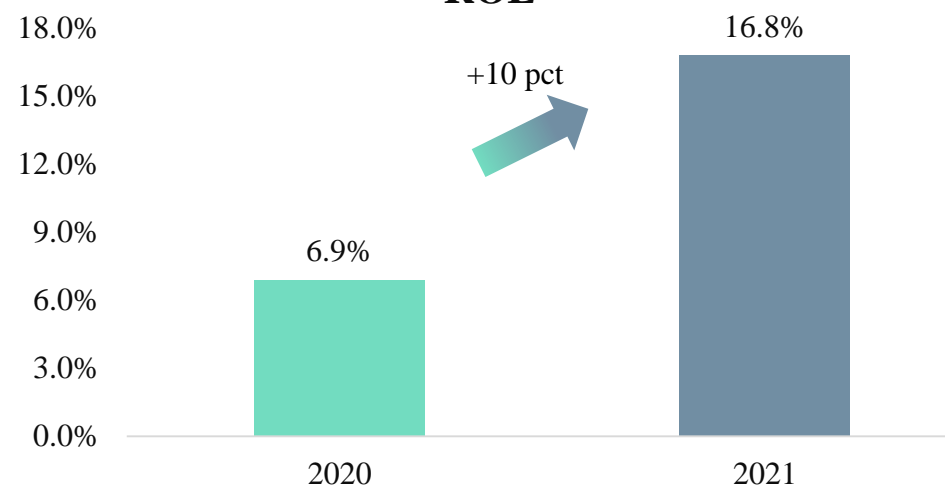
Period Expenses



Net Assets



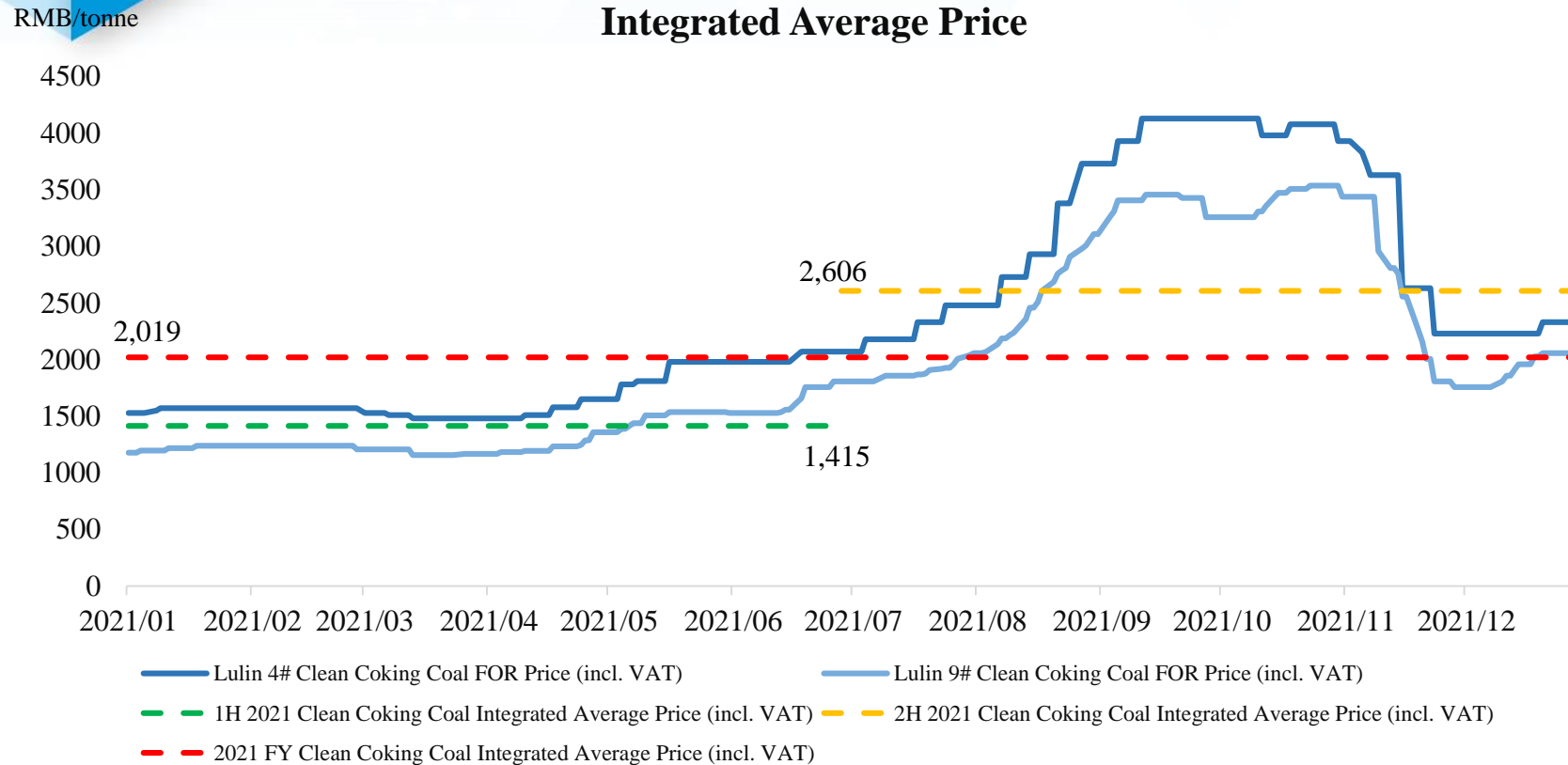
ROE



# Tight Supply, Demand Dynamics Product Prices Exceeded Expectations

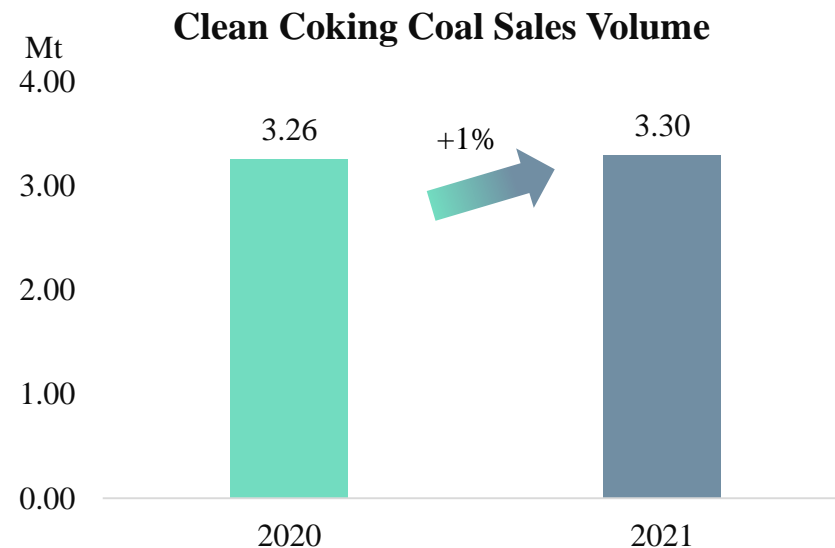
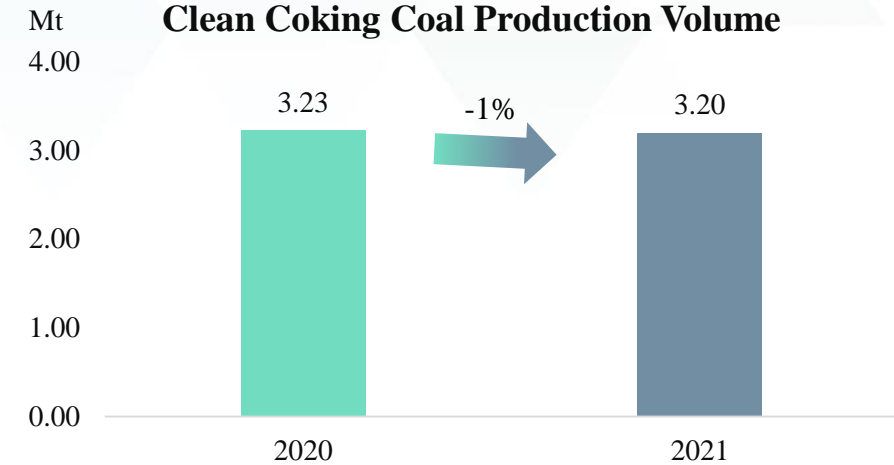
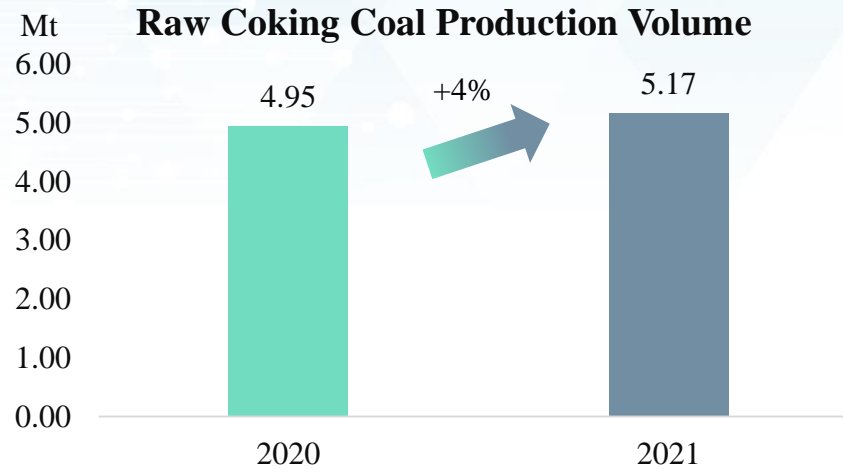


**Domestic Coking Coal Price vs Company's Clean Coking Coal  
Integrated Average Price**



- In 2021, the economy continued to recover. The demand for steel industry was strong and the supply of coking coal at home and abroad were disturbed by the pandemic and geopolitical relations. The price of coking coal started to soar sharply in the second half of 2021. The average domestic FOR price of 4# clean coking coal was RMB 2,406 tonne, up 70% YoY
- In 2021, the company did not sell raw coking coal, and the clean coking coal integrated average price (incl. VAT) was RMB 2,019 tonne, up 66% YoY, in-line with the market

# Optimized Production Structure Achieved Production Target with Efficiency

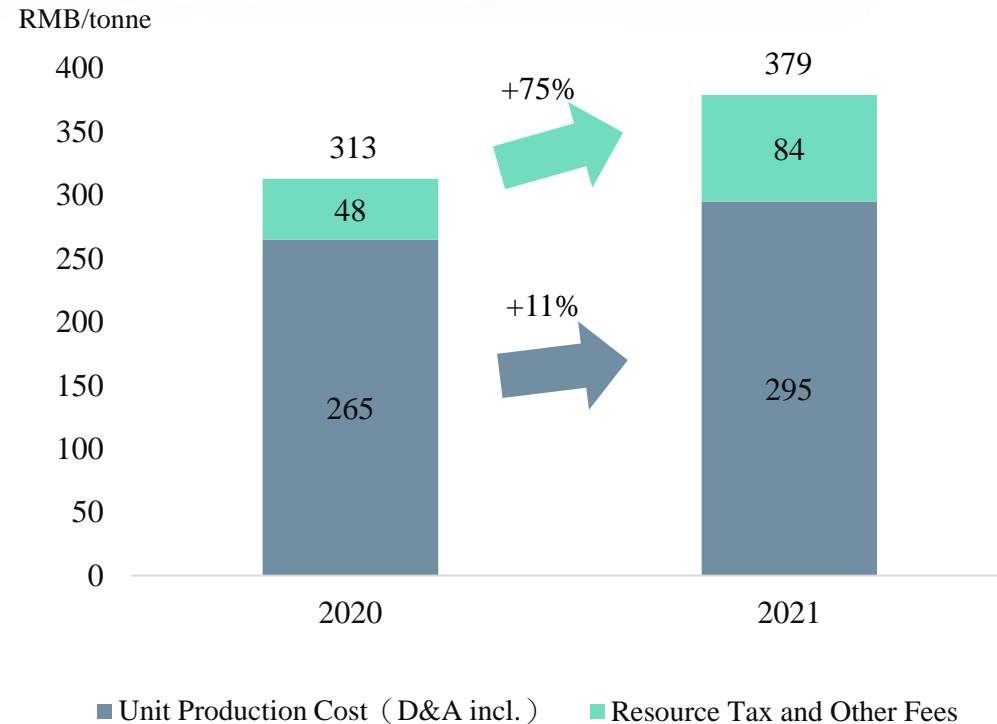


- Raw coking coal production volume hits seven-year high
- Clean coking coal sales volume hits record high
- Jinjiazhuang Coal Mine has fully returned to normal production
- The production team flexibly adjusted production plan to continuously improve efficiency, and the production target was basically completed

# Benchmarking to Tap Potential Improve Quality and Efficiency



## Raw Coking Coal Unit Production Cost



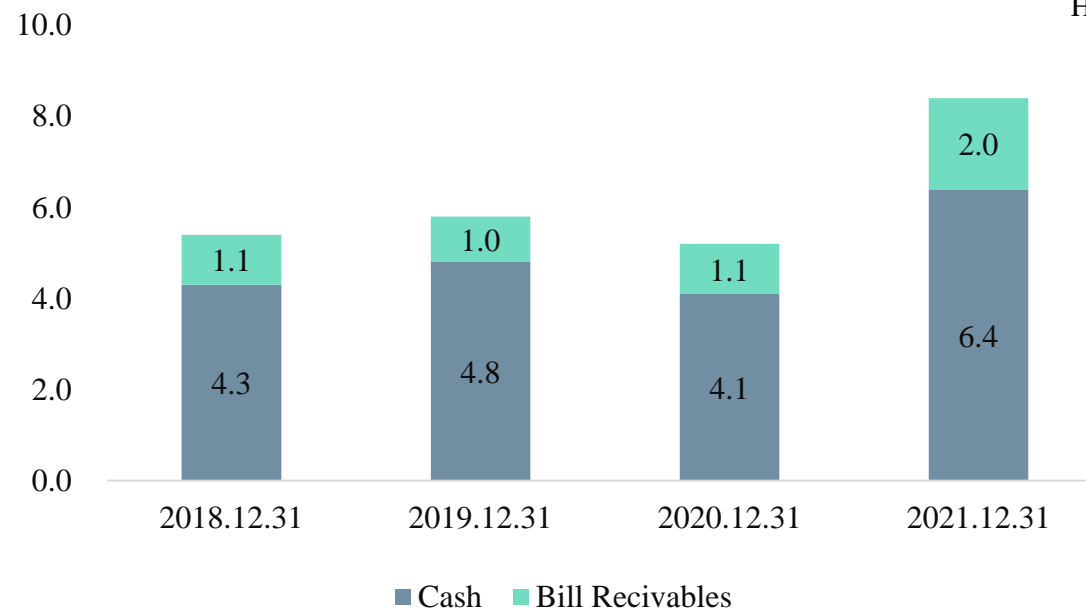
- In 2021, the overall unit production cost of raw coking coal increased by 21%, mainly due to :  
Coking coal prices increased sharply in 2021, and resource tax and other levies based on selling prices were therefore raised significantly accordingly
- During the year, the company continued to make every efforts to control production cost, and carried out a number of measures to improve efficiency to offset the impact of the cancellation of tax and fee reduction policies and the rising electricity and materials costs due to inflation etc.. Raw coking coal unit production cost (D & A incl.) after deducting uncontrollable taxes increased by 11%

# Maintain High Dividend Payout Ratio Record High Dividend



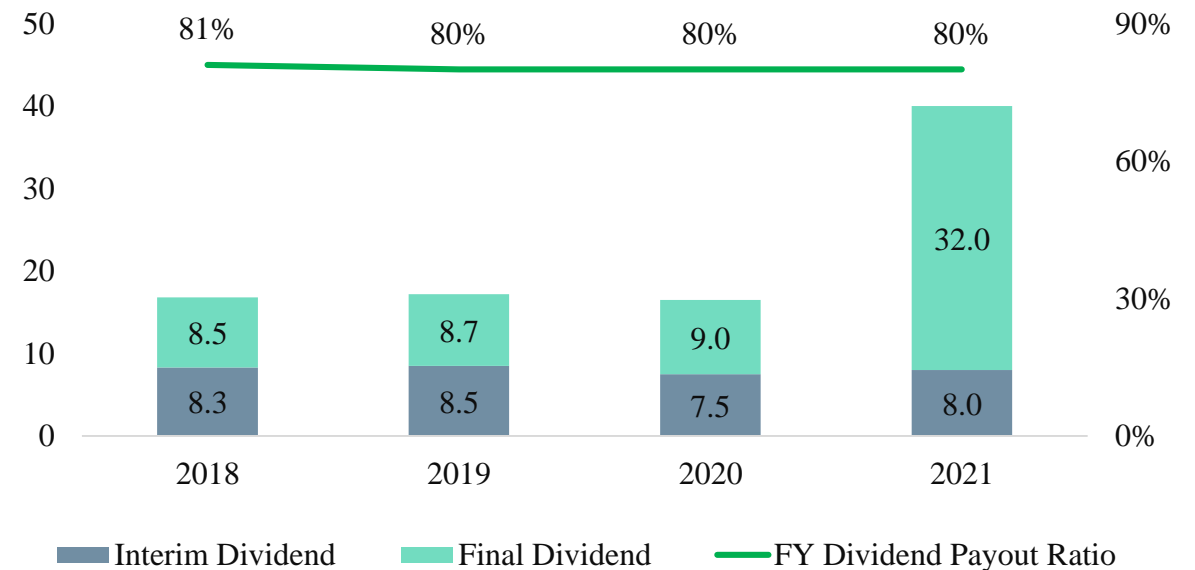
HKD billion

## Free Cash and Bill Receivables



HK cents/share

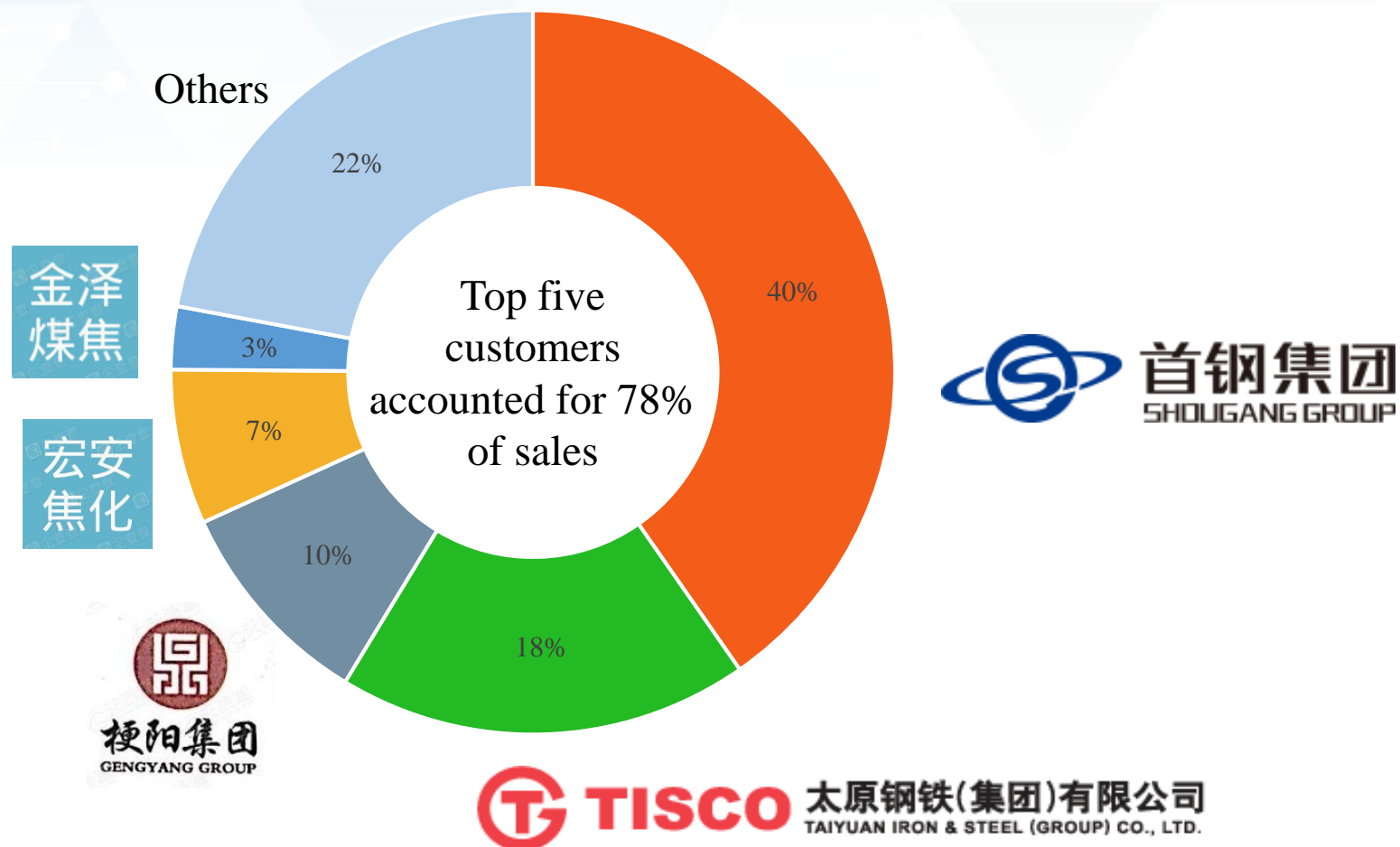
## Dividend Payout in Recent Years







# Stable Core Customers



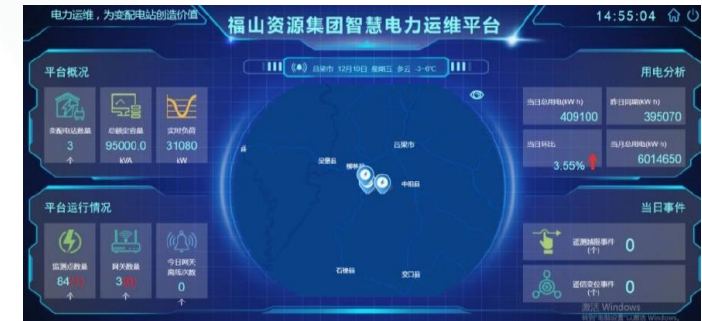
# Value Sustainable Development

## ESG Governance Upgrade



The Company is committed to improve the level of sustainable business practices, establish comprehensive ESG governing mechanism, strive to grow with society and the environment harmoniously, and to create long-term social, environmental and corporate value

- To promote energy management system based on the characteristics of actual production and operation situation
- Work with Ernst & Young to further upgrade our ESG governance framework
- Comprehensively benchmarking with peers on ESG
- Fully comply with the current ESG requirements of HKEx and seek to pursue higher level



Launched a cloud based power grid management platform to monitor the power data of substations, to effectively reduce abnormal power consumption caused by equipment failures and operational errors

### In the Future

- The company will set emission reduction target, actively explore the possibility of alternative energy applications, and introduce electric vehicles fleet and install clean energy power generation source to the company. Continue to promote the transformation of the existing energy structure
- Research to incorporate ESG indicators into supply chain management
- Continuous support community development and to actively participate in community services



Launched coal-seam gas utilization project in our mines, eliminate the possibility of gas outburst accidents from the root, and also prevented greenhouse gas emissions caused by gas escape during mining. At the same time, the use of gas to generate heat and electricity reduces energy consumption from national power grid



# Business Outlook



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**24 March 2022**

