



兖州煤业股份有限公司

Yanzhou Coal Mining Company Limited



3Q 2021

Corporate Presentation

The information contained in this presentation is intended solely for your reference only. In addition, such information contains projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on assumptions subject to various risks. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct. Actual results may differ materially from those projected. Past track record cannot be used as guidance for future performances.

1

Operation Review

2

Market Analysis of Key Products

3

Strategic Transformation in Full Swing

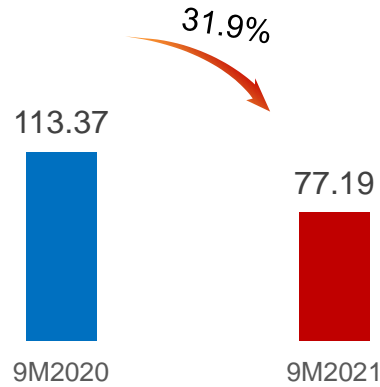
Part 1 Operation Review

- 🔥 Significant improvement in operating results
- 🔥 Financial position remained stable
- 🔥 Pressing on with cost control
- 🔥 Intelligent marketing and sales proved effective
- 🔥 Increase in sales volume and ASP in Australia
- 🔥 Newly acquired assets performed outstandingly

(Prepared in accordance with the Chinese Accounting Standards)

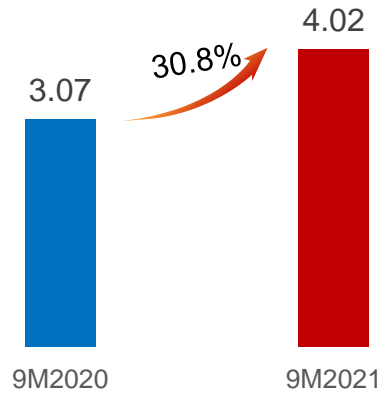
Sales volume of salable coal 77.19 mn tonnes

mn tonnes



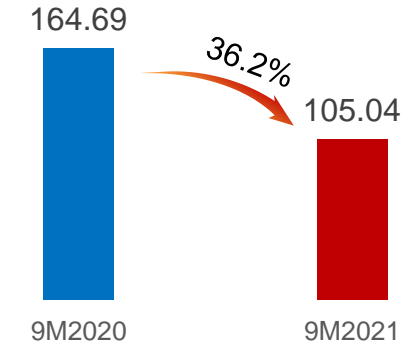
Sales volume of coal chemical products 4.02 mn tonnes

mn tonnes



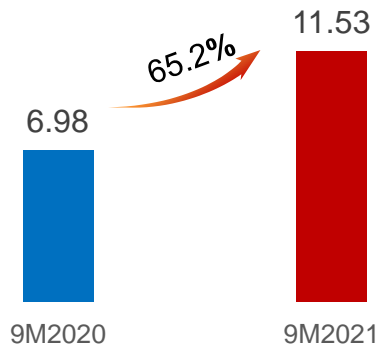
Sales revenue RMB105.04 bn

RMB bn



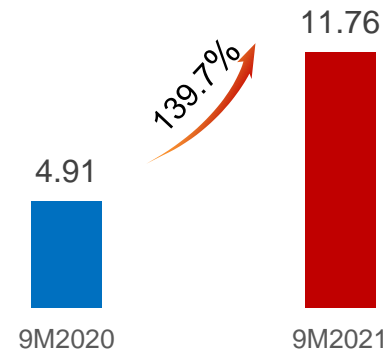
Net profit attributable to shareholders of the company RMB11.53 bn

RMB bn

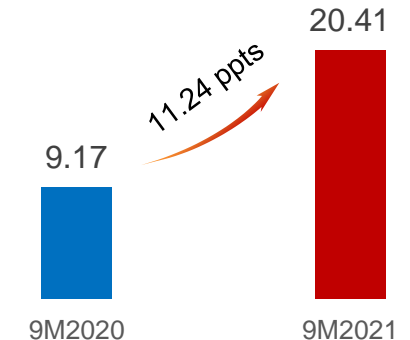


Net profit attributable to shareholders of the company after deducting non-recurring profit/loss RMB11.76 bn

RMB bn



ROE 20.41%



Key Financial Indicators

(Prepared in accordance with the Chinese Accounting Standards)

RMB bn

	2021-9-30	2020-12-31	Change	Change (%)
Cash and cash equivalents	35.08	24.54	10.54	42.93
Average financing cost (%)	4.30	4.55	-	- 0.25 pts
Gearing ratio (%)	68.31	69.19	-	- 0.88 pts
	9M2021	9M2020	Change	Change (%)
Net cash flows from operating activities	19.33	9.24	10.09	109.21
Net cash flows from operating activities after deducting the impact from Yankuang Finance Company	15.76	12.74	3.01	23.66
Interest expense	4.02	2.47	1.55	62.59

Cost of coal sold per tonne by business entity

(Prepared in accordance with the Chinese Accounting Standards)

RMB/tonne

	9M2021	9M2020	Change	YoY Change (%)
The Headquarters	318.54	254.98	63.57	24.93
Heze Neng Hua	520.77	407.38	113.39	27.83
Shanxi Neng Hua	339.91	211.21	128.70	60.93
Future Energy	135.91	111.07	24.84	22.36
Ordos Neng Hua	155.60	159.91	-4.30	-2.69
Haosheng Company	358.29	162.71	195.58	120.20
Inner Mongolia Mining	430.05	-	-	-
Yancoal Australia	398.19	288.00	110.19	38.26
Yancoal International	355.02	245.38	109.64	44.68
Total	304.19	229.71	74.48	32.42

Unit Cost of Major Coal Chemical Products

(Prepared in accordance with the Chinese Accounting Standards)

RMB/tonne

	9M2021	9M2020	Change	YoY	Change (%)
Lunan Chemical	3,831.70	2,882.80	948.90		32.92
- Acetic acid	2,337.54	1,787.26	550.28		30.79
- Acetic ether	5,577.80	4,561.49	1,016.31		22.28
Future Energy	2,996.69	3,400.43	-403.75		-11.87
- Crude liquid wax	2,607.99	3,345.25	-737.26		-22.04
Yulin Neng Hua	1,569.27	1,100.23	469.04		42.63
- Methanol	1,569.27	1,100.23	469.04		42.63
Ordos Neng Hua	1,318.27	694.57	623.70		89.80
- Methanol	1,148.71	694.57	454.14		65.38
- Ethylene glycol	2,363.22	-	-		-
Fine Chemicals	924.86	845.47	79.39		9.39

Coal

- Sales volume of clean coal in Shandong province accounted for 56% of total sales volume. The Company maintains its position as the largest clean coal producer and supplier in the Eastern China.

Sales volume by business entity

(Prepared in accordance with the Chinese Accounting Standards)

000' tonnes, RMB/tonne

	Sales Volume		YoY Change (%)	Price		YoY Change (%)
	9M2021	9M2020		9M2021	9M2020	
The Headquarters	16,468	23,073	-28.62	776.69	520.39	49.25
Heze Neng Hua	1,386	2,346	-40.94	1,323.23	866.55	52.70
Shanxi Neng Hua	943	1,193	-20.96	415.67	270.69	53.56
Future Energy	9,659	10,320	-6.41	624.64	341.42	82.95
Ordos Neng Hua	6,101	9,186	-33.58	467.62	239.48	95.27
Haosheng Company	2,665	6,050	-55.95	550.32	283.29	94.26
Inner Mongolia Mining	549	-	-	384.83	-	-
Yancoal Australia	27,381	27,847	-1.67	566.61	424.14	33.59
Yancoal International	3,896	4,088	-4.71	478.13	348.70	37.12
Total	69,049	84,104	-17.90	622.14	416.59	49.34

Coal Chemicals

☐ Coal chemical products recorded YoY growth in both selling price and sale volume, boosting the growth of the Company's profit

Sales of major coal chemical products

(Prepared in accordance with the Chinese Accounting Standards)

000' tonnes, RMB/tonne

	Sales Volume		YoY Change (%)	Price		YoY Change (%)
	9M2021	9M2020		9M2021	9M2020	
Lunan Chemical	1,301	1,222	6.40	6,644.97	3,131.39	112.21
- Acetic acid	564	567	-0.60	5,492.94	2,054.70	167.34
- Acetic ether	298	265	12.47	7,489.40	4,739.95	58.01
Future Energy	643	491	30.97	4,092.40	3,247.72	26.01
- Crude liquid wax	324	281	15.03	4,417.35	3,639.42	21.38
Yulin Neng Hua	501	530	-3.33	1,807.71	1,260.92	43.36
- Methanol	501	530	-3.32	1,807.71	1,260.92	43.36
Ordos Neng Hua	1,563	818	90.92	2,133.93	1,250.70	70.62
- Methanol	1,344	818	64.27	1,822.29	1,250.70	45.70
- Ethylene glycol	218	-	-	4,054.44	-	-
Fine Chemicals	10	9	13.87	1,809.81	1,597.37	13.30
Total	4,017	3,070	30.84	-	-	-

Sales volume of salable coal in Australia

(mn tonne)

	1Q	2Q	3Q	Total
Yancoal Australia	8.60	8.50	10.28	27.38
Yancoal International	1.21	1.18	1.51	3.90

ASP of coal in Australia

(RMB/tonne)

	1Q	2Q	3Q	9M'21
Yancoal Australia	446.64	494.82	726.30	566.61
Yancoal International	395.93	434.56	578.12	478.13

- Newly acquired assets realized a net profit of RMB6.80 bn and a net operating cash inflow of RMB8.03 bn.

Net profit and operating cash flow

(Prepared in accordance with the Chinese Accounting Standards)

RMB mn

	9M2021 Net profit	9M2021 Net operating cash inflow
Future Energy	3,862	5,179
Lunan Chemicals	2,919	2,762
Fine Chemicals	26	47
Chemical Equipment	1	2
Jisan Power	-5	25
Coal Chemicals Supply and Sales Company	1	14
Total	6,803	8,029

Part 2 Market Analysis of Key Products

 **Analysis of Coal Market**

 **Analysis of Coal Chemical Products**

In the first three quarters of 2021,
coal price hit new highs

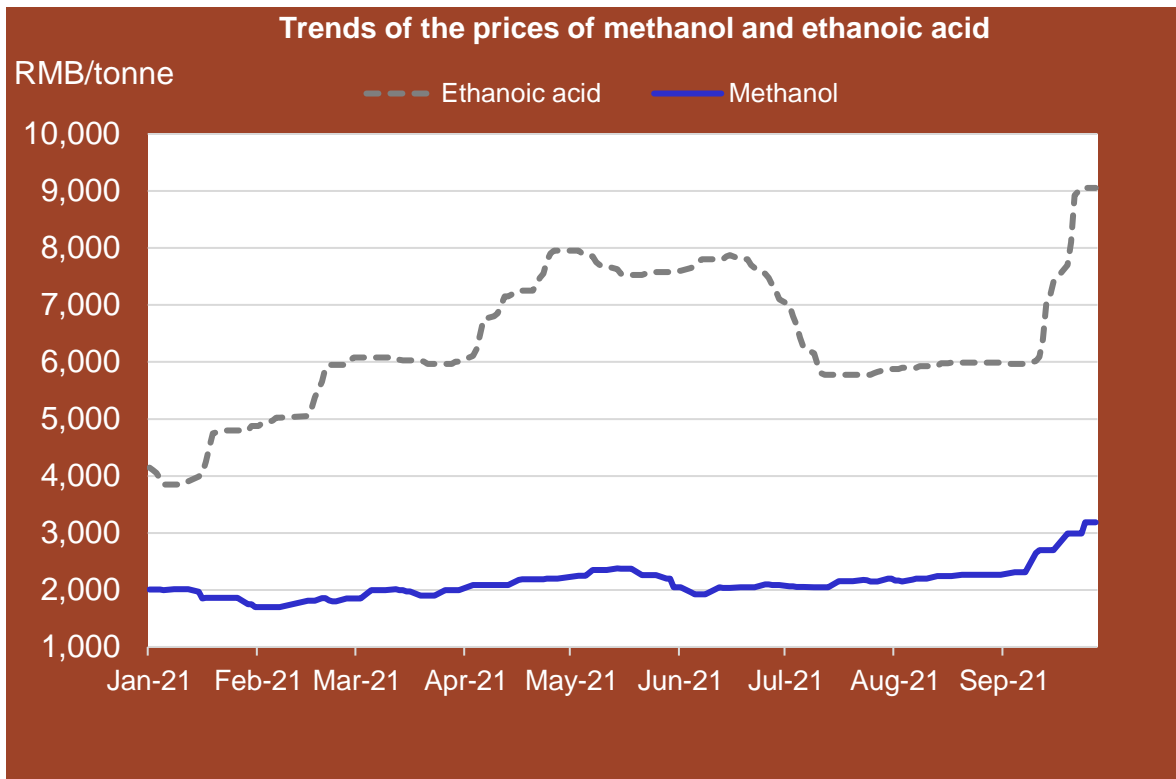
RMB/tonne Trend of CCTD Qinhuangdao port thermal coal (5,500 Kcal)
composite transaction prices



Uncertainty in coal prices in Q4' 21

- Gradual increase in supply
- Demand will remain robust
- Global supply will remain tight
- Uncertainty in state policies

In the first three quarters of 2021, prices of mainstay industrial chemicals kept rising



Coal chemical prices are predicted to fluctuate at high levels in Q4'21

- **Control on both energy intensity and energy consumption will affect the market**
- **Profit will shrink at the downstream businesses**
- **Product prices will be buoyed up by raw material costs**
- **Product prices will fluctuate at high levels**

Part 3 Strategic Transformation in Full Swing

- 🔥 Kicking off another strategic transformation**
- 🔥 Further release of coal production capacity**
- 🔥 Synergy with overseas units is promising for the future**
- 🔥 Coal chemical segment is maturing**
- 🔥 Continued improvement of shareholders' returns**

“Yanzhou Coal Mining Company Limited” will be renamed as “Yankuang Energy Group Company Limited”



Further releasing coal production capacity

Coal chemical segment is maturing



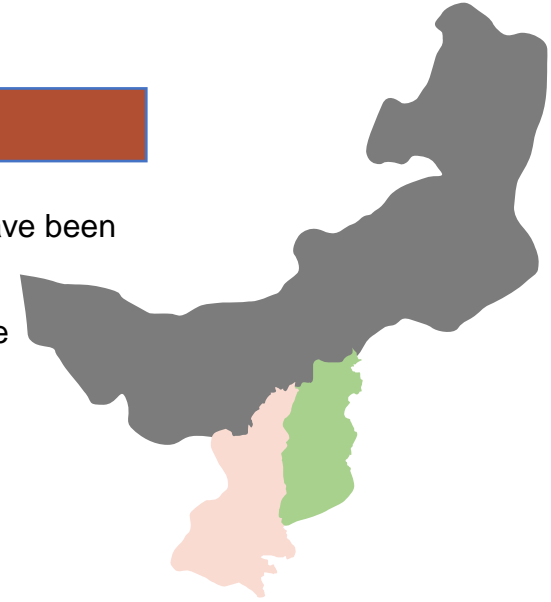
New business structure is in place

Shandong



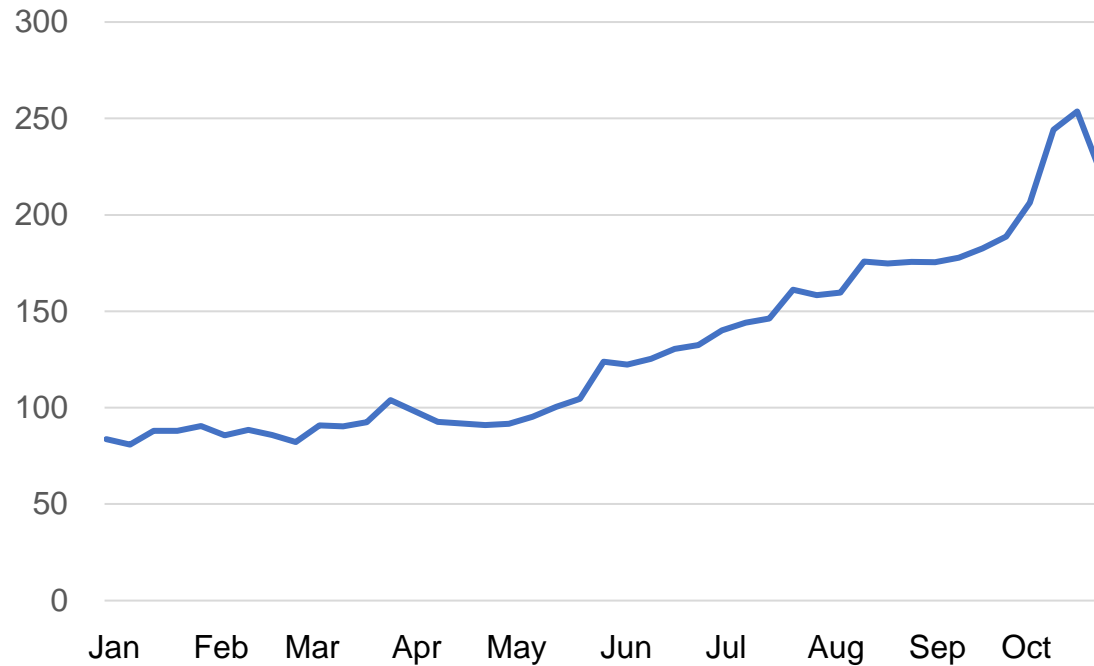
- Optimize structure to realize balanced and stable production
- Production picked up in 3Q'21

Shaanxi and Inner Mongolia

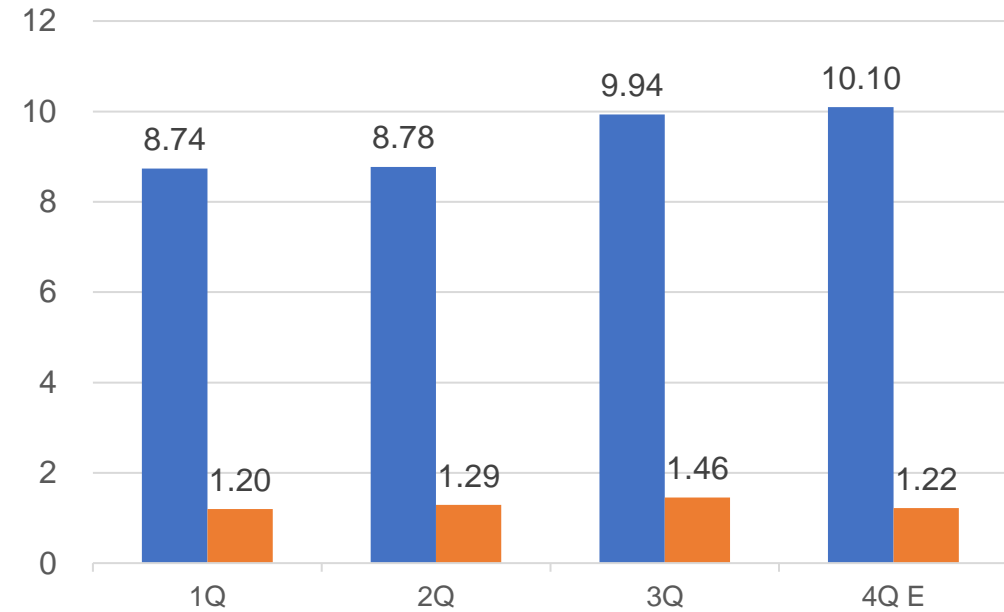


- Restrictions on Shilawusu have been alleviated
- There is still room to increase capacity

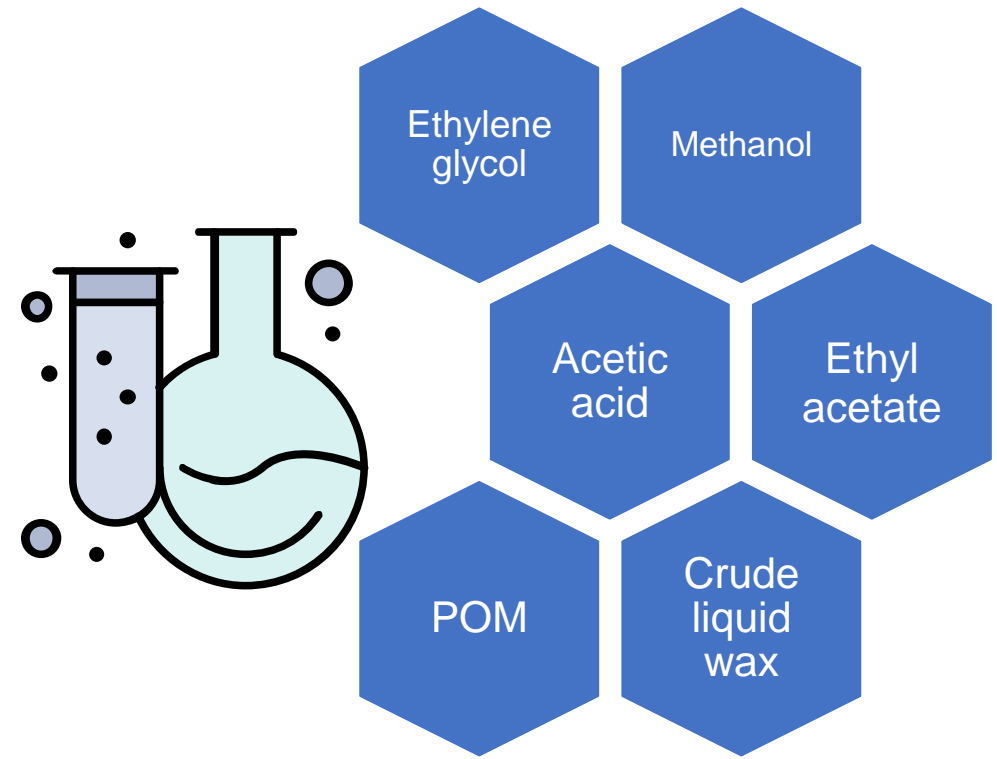
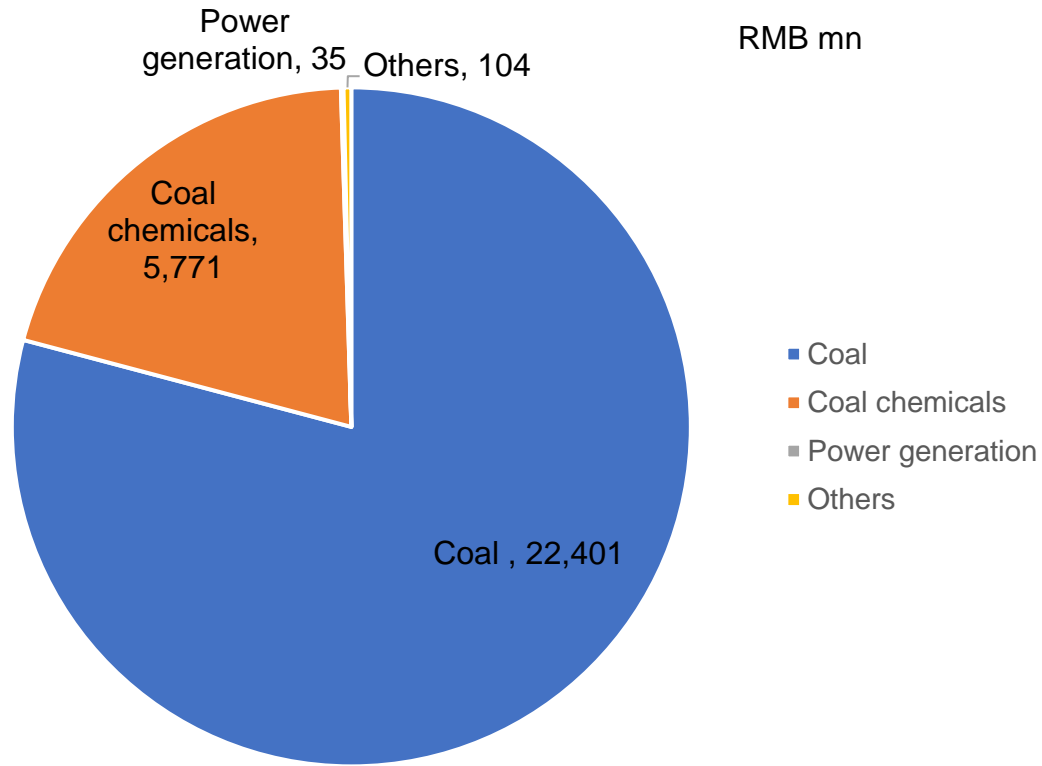
Global Coal Newcastle index (6,000 kcal)
(US\$)



Production volume of salable coal in Australia
(mn tonne)



GP Breakdown for 9M2021



As approved at the Second EGM of 2020 held on 9 Dec 2020, the Company's cash dividend policy for Years 2020-2024 was determined as follows.

The cash dividend distributed in each fiscal year shall account for ~50% of the Group's net profit for that year after deducting statutory reserves, and the cash dividend per share shall not be less than RMB0.50.

According to the financial results of the first three quarters and the company's dividend policy, it is expected that the annual dividend for 2021 will be at least RMB1.15 per share.



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Thank you