



首钢福山资源集团有限公司

SHOUGANG FUSHAN RESOURCES GROUP LIMITED

(Stock Code: 0639.HK)

2016 Annual Results Presentation

March 2017

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Agenda

- ◆ 2016 Annual Results Highlights
- ◆ 2016 Annual Operations Review
- ◆ 2016 Annual Financial Review
- ◆ Business Outlook



2016 Annual Results Highlights

Produced 3.85 million tonnes of raw coking coal and 2.32 million tonnes of clean coking coal, decreasing by 15% and 14% YOY respectively

Unit production cost of raw coking coal increased by 6% YOY to RMB 257/tonne

Revenue decreased by 9% to HK\$ 1,810 million

EBITDA increased by 65% to HK\$ 694 million

Profit attributable to Owners was HK\$ 112 million after non-cash net impairment loss on goodwill, mining rights and property, plant and equipment (net of the correspondence deferred tax impact) which was HK\$ 195 million

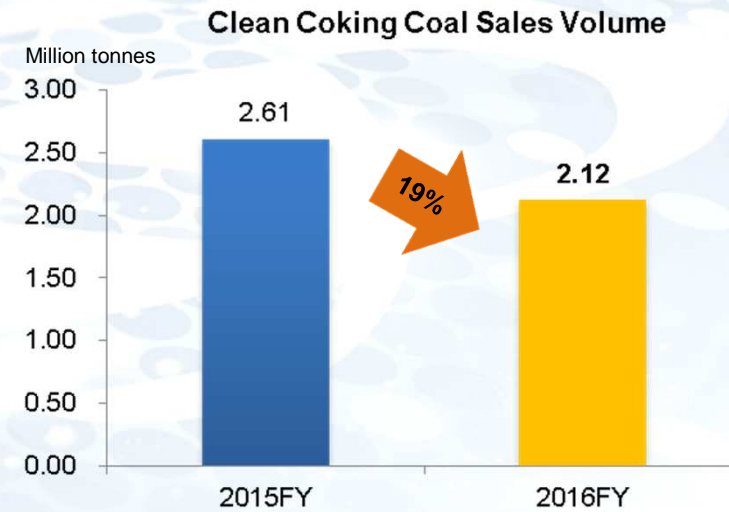
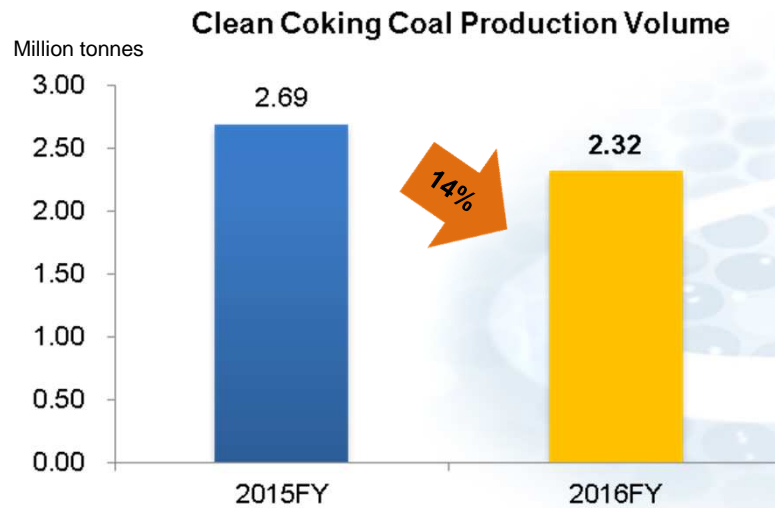
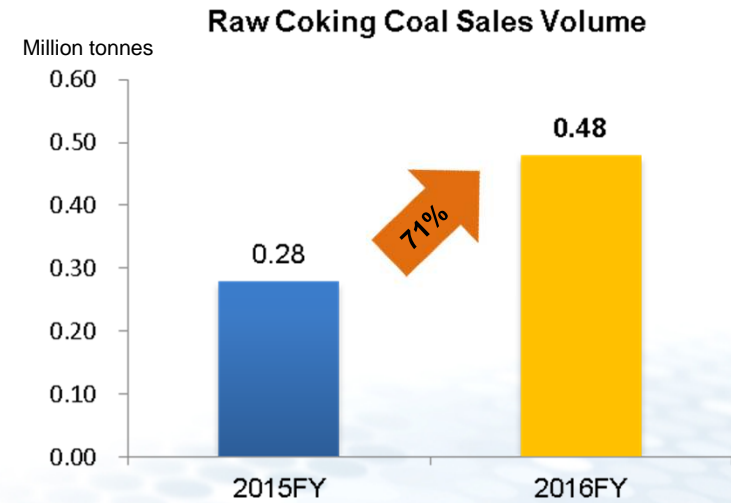
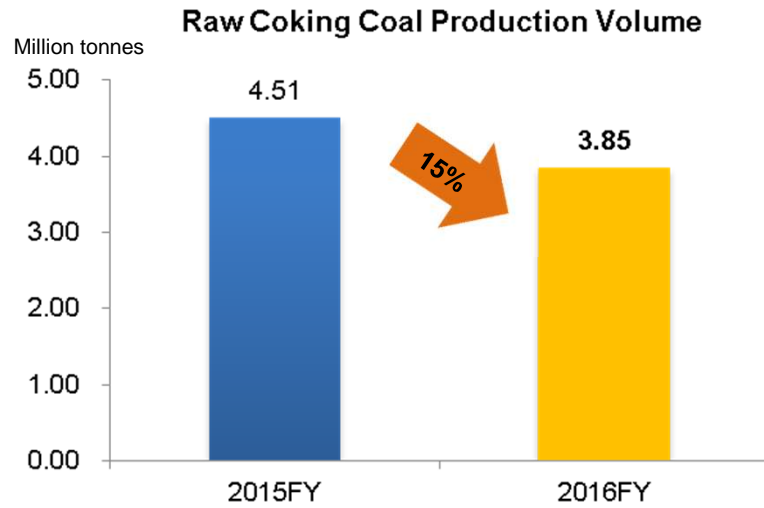
Announced Final Dividend of HK 3 cents per ordinary share

Free cash and free bill receivables was HK\$ 4,766 million



2016 Annual Operations Review

- Production and Sales Volume

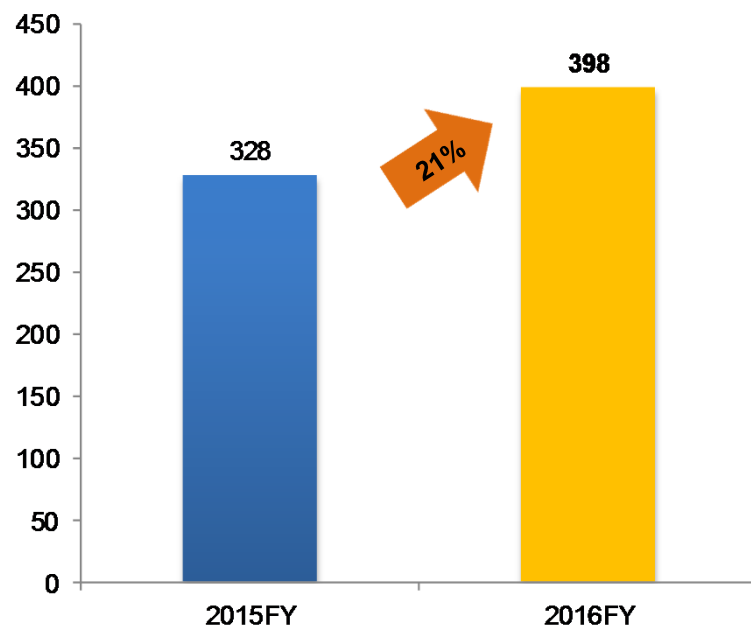


2016 Annual Operations Review

- Average Realised Selling Price

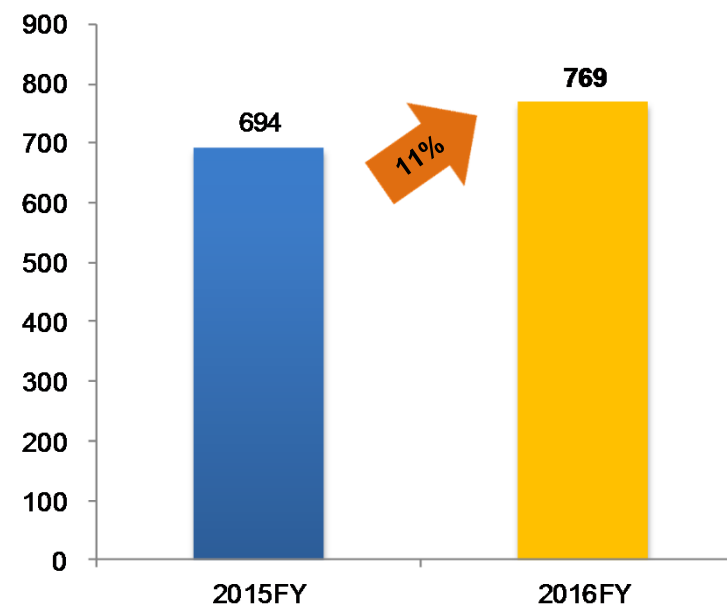
**Average Realised Selling Price(Incl.VAT)
of Raw Coking Coal**

RMB/ tonne



**Average Realised Selling Price
(Incl.VAT) of Clean Coking Coal**

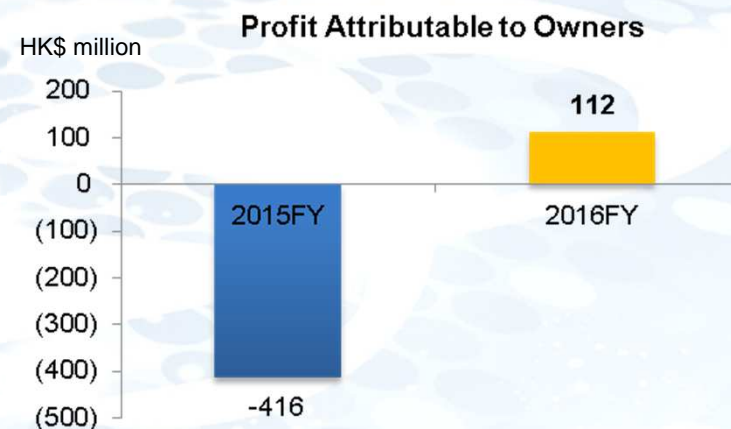
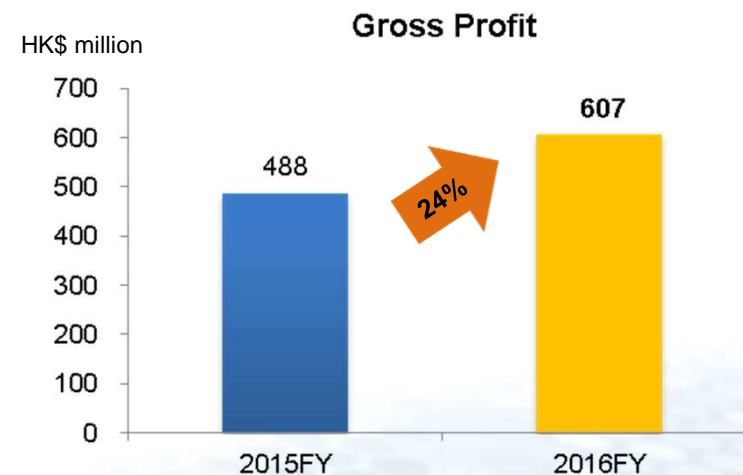
RMB/ tonne



2016 Annual Financial Review

- Key Financial Data

- Gross Profit Margin: 34% (2015FY: 24%)
- EBITDA Margin: 38% (2015FY: 21%)

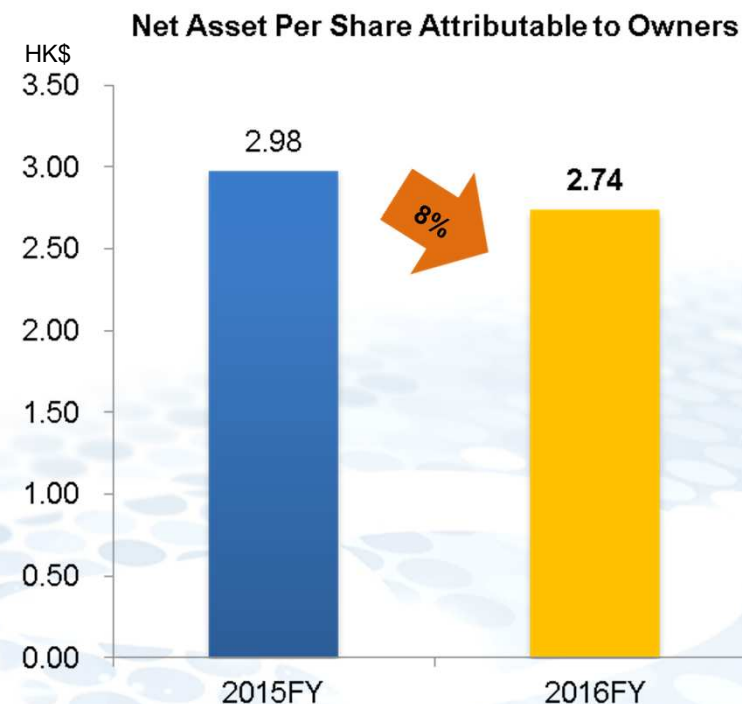
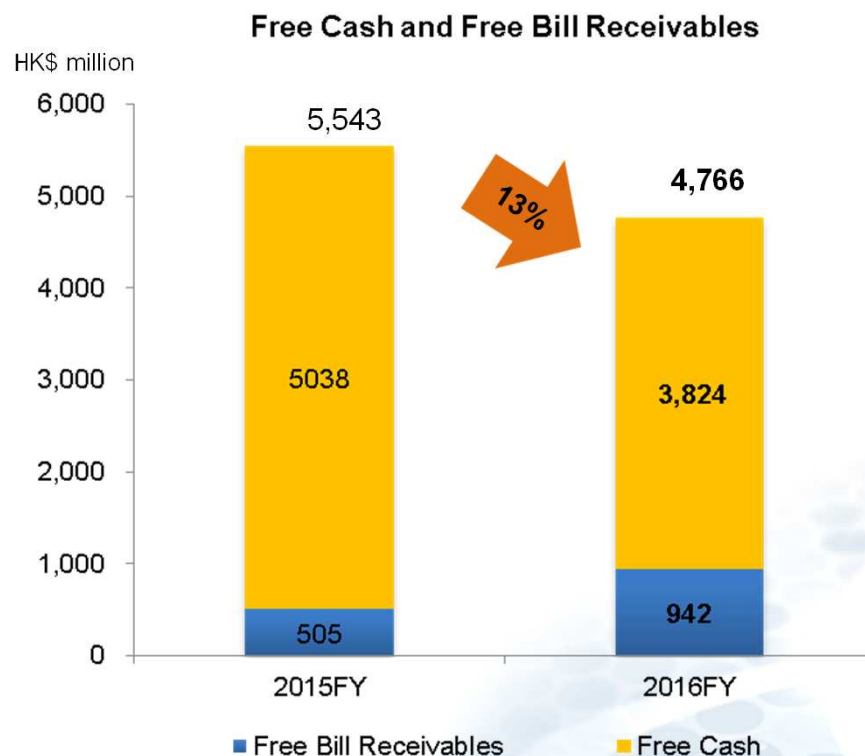


Notes: Profit Attributable to Owners is the one which is after non-cash net impairment loss on goodwill, mining rights and property, plant and equipment (net of the correspondence deferred tax impact).



2016 Annual Financial Review

- Strong Financial Position



Notes: Reason for the YOY decrease of Net Asset Per Share Attributable to Owners-1. the Final Dividend of 2015FY and special dividend of 2016 Interim was totally amounting to 0.2HKD/share; 2. As RMB was depreciated, the Group's net asset value denominated in RMB reduced by 0.095HKD/share.



Major Clients and Single Largest Shareholder

Major Clients



Single Largest Shareholder

Shougang Group owns 1,583 million shares of Shougang Fushan Resources Group Limited (equity interest of 29.86%)



As at 31st December 2016

Business Outlook

- *Continue to improve productivity*

- *Continue to provide green and safe working environment for employees*

- *Continue to strengthen and expand our customer base with key domestic steelmakers including Shougang Group*

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





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Thank You!

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