**Kinetic M&E Announces 2020 Annual Results**

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**Profitability remains at a high level**

**and dividend payout increases significantly**

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| **2020 Annual Results Financial Highlights:**   * Revenue increased by 8.2% to RMB2,961.4 million * Gross profit amounted to RMB1,282.2 million; gross margin was 43.3% * Net profit amounted to RMB814.8 million, net margin was 27.5% * Basic earnings per share amounted to RMB9.67 cents * Proposed Final Dividend per share amounted to HK4.0 cents. Together with the interim dividend paid of HK1.5 cents per share, the full-year dividend is HK5.5   cents, up approximately 22.2% from last year |

(22 March 2021, Hong Kong) Kinetic Mines and Energy Limited (“Kinetic Mines”, together with its subsidiaries, the “Group”; stock code: 1277), a leading integrated coal enterprise in China, is pleased to announce its annual results for the year ended 31 December 2020.

In 2020, the COVID-19 epidemic had an impact on the global economy and the coal market fluctuated significantly. Relying on its strong crisis response capabilities and solid core competitiveness, the Group's operating performance has been stable and improving. For the year ended December 31, 2020, the group recorded total revenue of approximately 2,961.4 million yuan, an increase of approximately 8.2% from last year; gross profit was 1,282.2 million yuan, an increase of approximately 20.1% from last year, and gross profit margin was 43.3%; the Company Profit attributable to shareholders was approximately 814.8 million yuan, a decrease of approximately 2.2% from last year, with a net profit margin of 27.5%; basic earnings per share recorded 9.67 cents. The board of directors recommends paying a final dividend of HK4.0 cents per share to the company's shareholders; together with the already paid interim dividend of HK1.5 cents per share, the full-year dividend will be HK5.5 cents per share, an increase of approximately 22.2% from last year.

During the period, the Group sought to maximize its sales profit by keeping abreast of and using scientific approach to anticipate the trend in the coal market, employing flexible sales strategy and selling inventory at high price. Taking advantage of the Group’s scientific sales strategy during the year, in the fluctuated coal market, the average selling price of the Group’s 5,000 Kcal low-sulfur eco thermal coal per tonne amounted to approximately RMB509, same as last year. Meanwhile, the Group continued to boost development of end customers and new customers by using its own low-sulphur, high-quality brand products. The Group further expanded its downstream port business, which effectively extended the downstream influence of the Group’s brand “Kinetic 2” and successfully completed its annual target in sales volume and revenue. In addition, the Group actively enriched its sales model and further expanded its business of purchased coal to explore profit drivers.

The Group strengthened refined management and cost control, formulated and optimized the code charters in various operational aspects, and strived to control the expenses and costs in coal production, washing, transportation, ports and administration, which effectively maintained better gross profit margin than the average level in the industry.

Safe production has always been the first priority of the Group. Besides, we have been highly recognized by the public for our unsparing contributions to social responsibilities and environmental policies. The Group’s Dafanpu Coal Mine has maintained the highest accolades of “Class A Coal Mine”, “National Class 1 Safe Production Standardized Mine” and “National Premium Safe and Efficient Mine” for six consecutive years, and was included in the first batch of green mines in China, which fully demonstrated the Group’s comprehensive competence in respect of the sustainable development in mining industry.

Mr. Zhang Li, Chairman and Executive Director of Kinetic Mines, said, “Looking forward to 2021, the Group will continue to adhere to the goal of “safety and efficiency, green and environmental-friendly, scientific and technological innovation and comprehensive development”, focus on safe production, further implement refined operation strategy and actively adjust the pace of sales in light of market condition, so as to effectively enhance the Group’s comprehensive competitiveness. The Group will also fully leverage new market opportunities, promote the Group’s strategic mergers and acquisitions as the opportunities arise, expand the Group’s production capacity, strive for breakthroughs and create greater value for the society and shareholders. The Group will also adhere to its environmental and social responsibilities by seeking the simultaneous promotion of corporate efficiency and environmental protection so as to make contributions to the sustainable development of the coal industry.”

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**About Kinetic Mines and Energy Limited**

Kinetic Mines and Energy Limited is a leading integrated coal enterprise in China covering

in coal production, washing, loading, transportation and coal trading. Well-established

business segments throughout the industry chain can optimize the Group’s profit. In

addition, thanks to the Group’s large capital investment in the previous years, its “Dafanpu”

is built as one of best coal mine in terms of safety and efficiency in China. This ensures the

Group’s production costs per tonne maintained at the lowest industry level. By leveraging

the competitive edge of low cost and industry chain owned by the Group, Kinetic Mines is

able to maintain a strong cash flow and profit in current coal market.