

Kinetic M&E's green mines construction and lean management achieved remarkable results

As a leading integrated coal enterprise in China, Kinetic M&E (01277 HK), under the leadership of Mr. Zhang Li, has always adhered to safe and efficient production, sparing no effort in making contribution in respect of social responsibility and environmental policies. Benefitted from the Group's substantial capital investment in the early stages, the Group has built its Dafanpu Coal Mine in Inner Mongolia into one of the safest and most efficient coal mines in China, which is widely recognized by the society. In July this year, Dafanpu Coal Mine was officially incorporated into the first batch of green mines catalogue of the Inner Mongolia Autonomous Region, reflecting the comprehensive strength of Kinetic M&E in regard to ecological protection in mines and sustainable development of the mining industry.

The Group insists on both safety and efficiency, making every effort to promote lean management. Thermal coal of the "Kinetic 2" brand produced in Dafanpu Coal Mine is known for its low sulfur content and high quality, and has successfully attracted substantial power plants and trade customers while achieving increasing sales volume in each year. Furthermore, the Group purchases coal products from surrounding third party mine operators, enhancing the overall profitability through sales of purchased coal.

According to the recently published 2019 interim financial report of Kinetic M&E, the Group recorded a revenue of approximately RMB 1,280 million, a profit attributable to shareholders of approximately RMB 380 million, a net profit margin of 29.7% and earnings per share of RMB 4.5 cents in the first half of the year. Given the strong cash flow, Kinetic M&E maintained its high dividend payout policy and proposed an interim dividend of HKD 1.5 cents per share.