**Kinetic M&E Announces 2019 Annual Results**

**\* \* \***

**Safe and efficient operations have achieved remarkable results, profitability and dividend payout ratio have remained at a high level**

2020-03-24 PR Newswire

|  |
| --- |
| **2019 Annual Results Financial Highlights:**   * Revenue increased by 12.0% to RMB2,736.1 million * Gross profit amounted to RMB1,067.8 million; gross margin was 39.0% * Net profit amounted to RMB833.3 million, net margin was 30.5% * Basic earnings per share amounted to RMB9.88 cents * Proposed Final Dividend per share amounted to HK3.0 cents |

(24 March 2020, 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 2019.

In 2019, the Group adhered to the modern management philosophy of "safety, environmental protection, energy conservation, greenness and efficiency" and fully completed the tasks of safety production, coal trading, target costs, corporate profits, environmental protection and green mines. For the twelve months ended December 31, 2019, the Group recorded total revenue of approximately RMB2,736.1 million, an increase of approximately 12.0% compared with the same period last year; gross profit was RMB1,067.8 million, and gross profit margin was 39.0% ; Net profit was approximately RMB833.3 million, an increase of approximately 3.3% over the same period last year; net profit margin was 30.5%; basic earnings per share recorded RMB9.88 cents. The board of directors recommends paying a final dividend of HK3.0 cents per share to the company's shareholders, which is the same as the same period last year; together with the already paid interim dividend of HK1.5 cents per share, the full-year dividend will be HK4.5 cents.

In 2019, China's economic performance generally continued its steady development trend. The national coal supply and demand are basically balanced, but the overall oversupply situation still exists. Affected by weak industry demand, coal prices fell throughout the year, and the profit level of the coal industry fell slightly.

During the period, The Group strengthened refined management, 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 mitigated the impact of the decreased selling price on the gross profit margin, which is better than the average level in the industry. By analyzing the data in sea freight and the coal market, the Group took active moves in various business developments such as Free on Board, Delivered Ex Quay and Free on Trains. Besides, the business activities in coal storage and distribution at Qinhuangdao Port and Caofeidian Port expanded smoothly in the reporting period. During the reporting period, the Group newly launched its “Second Port” business and substantially extended the influence of the Group’s brand “Kinetic 2” in the downstream business. Accordingly, the Group successfully completed its annual target in sales volume and revenue. The Group also purchased coal products from other surrounding third-party coal mine operators, transported them to Qinhuangdao via railway and sold them, increasing the Group's sales revenue and profits.

Adhering to safe production has always been the core value of the Group. Besides, we have

been highly recognized by the public for our unsparing contributions to social responsibilities and environmental policies. Our Dafanpu Coal Mine in Inner Mongolia successfully passed the Comprehensive Selection of Green Mines conducted by the Ministry of Natural Resources of the PRC and became the first batch of coal mines being included in the Green Mines Selection List 2019, which fully demonstrated the Group’s comprehensive capability in respect of the eco-environmental protection in mines and the sustainable development of mining industry.

Mr. Zhang Li, Chairman and Executive Director of Kinetic Mines, said, “Looking forward to 2020, the Group will adhere to the goals of “safety and efficiency, cost reduction and efficiency enhancement, standardized management and promoted development”. The Group will continue to refine management, achieve safe production and efficient delivery, proactively control the pace of sales according to the market condition, as well as expand and strengthen new business models, which may effectively enhance the comprehensive competitiveness of the Group and create the greatest value for the society and our shareholders. The Group will adhere to the synchronous advancement of resources development, safe production and environmental protection to achieve the coordinated development of the enterprise and the environment.”

－End－

**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.