兖矿能源集团股份有限公司
YANKUANG ENERGY GROUP COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code : 01171

2023
ANNUAL REPORT

Important Notice

The Board, Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant the authenticity, accuracy and completeness of the information contained in the annual report and there are no misrepresentations, misleading statements contained in or material omissions from the annual report for which they shall assume joint and several responsibilities.

The 2023 Annual Report of Yankuang Energy Group Company Limited has been approved by the sixth meeting of the ninth session of the Board. The quorum of the meeting is 11, and 11 Directors attended the meeting. All Directors attended the meeting.

SHINEWING (HK) CPA Limited issued the standard independent auditor report with clean opinion for the Company.

Mr. Li Wei, Chairman of the Board, Mr. Zhao Zhiguo, Chief Financial Officer, and Mr. Yu Qiang, head of Finance Management Department, hereby warrant the authenticity, accuracy and completeness of the financial statements contained in this annual report.

The Board of the Company proposed to distribute 3 bonus shares per 10 shares and a cash dividend of RMB14.9 per 10 shares (tax inclusive) for the year 2023 based on the number of shares on the record date of the dividend and equity distribution.

The forward-looking statements contained in this annual report regarding the Company's future plans do not constitute any substantive commitment to investors and investors are reminded of the investment risks.

There was no appropriation of funds of the Company by the Controlling Shareholder or its related parties for non-operational activities.

There was no guarantee granted to external parties by the Company without complying with the prescribed decision-making procedures.

There was no situation where the majority of the Directors cannot warrant the authenticity, accuracy and completeness of the information contained in the annual report.

The Company has disclosed the main risks faced by the Group, the influences and the countermeasures in this annual report. For details, please refer to the relevant content in "Chapter 4 Board of Directors' Report", to which the investors please pay attention.

All data contained in this report are rounded off, and the increase and decrease percentage were calculated based on the original data before rounding off. For this reason, the total of the data in every table in the report may be different from the actual mathematic total.

Contents

Chapter 01

Definitions

I. DEFINITION

In this annual report, unless the context requires otherwise, the following terms have the following meanings:

"Yankuang Energy", "Company" or "the Company"	Yankuang Energy Group Company Limited, a joint stock limited company incorporated under the laws of the PRC in 1997 and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively;
"Group" or "the Group"	The Company and its subsidiaries;
"Shandong Energy" or "the Controlling Shareholder"	Shandong Energy Group Co., Ltd., a company with limited liability reformed and established under the laws of the PRC in 1996, is the controlling shareholder of the Company, directly and indirectly holding 54.69% of the total share capital of the Company as at the end of the reporting period;
"Heze Neng Hua"	Yanmei Heze Neng Hua Company Limited, a company with limited liability incorporated under the laws of the PRC in 2002 and a 98.33% owned subsidiary of the Company as at the end of the reporting period, which is mainly engaged in the development and operation of coal resources and electric power business of Zhaolou coal mine and Wanfu coal mine in Heze City, Shandong Province;
"Luxi Mining"	Shandong Energy Group Luxi Mining Company Limited, a company with limited liability incorporated under the laws of the PRC in 2021 and a 51% owned subsidiary of the Company as at the end of the reporting period, which is mainly engaged in coal mining, coal washing, coal products sales and etc.;
"Tianchi Energy"	Shanxi Heshun Tianchi Energy Company Limited, a company with limited liability incorporated under the laws of the PRC in 1999 and a 81.31% owned subsidiary of the Company as at the end of the reporting period, which is mainly engaged in operation of Tianchi coal mine in Jinzhong, Shanxi Province;
"Ordos Company"	Yankuang Energy (Ordos) Company Limited, a company with limited liability incorporated under the laws of the PRC in 2009 and a wholly-owned subsidiary of the Company, is mainly engaged in the development and operation of coal resources and coal chemical projects;
"Haosheng Company"	Inner Mongolia Haosheng Coal Mining Company Limited, a company with limited liability incorporated under the laws of the PRC in 2010 and a 59.38% owned subsidiary of the Company as at the end of the reporting period, is mainly engaged in the production and operation of Shilawusu coal mine in Ordos, Inner Mongolia Autonomous Region;

"Inner Mongolia Mining"	Inner Mongolia Mining (Group) Co., Ltd., a company with limited liability incorporated under the laws of the PRC in 2013 and a 51% owned subsidiary of the Company as at the end of the reporting period, is mainly engaged in the investment and management of mineral resources, coal mining and preparation, mineral products sales, import and export trade and other businesses;
"Future Energy"	Shaanxi Future Energy Chemicals Co. Ltd., a company with limited liability incorporated under the laws of the PRC in 2011 and a 73.97% owned subsidiary of the Company as at the end of the reporting period, is mainly engaged in the R&D, production and sales of chemical products, coal mining and sales, etc.;
"Xinjiang Neng Hua"	Yankuang Xinjiang Neng Hua Company Limited, a company with limited liability incorporated under the laws of the PRC in 2007 and a 51% owned subsidiary of the Company as at the end of the reporting period, is mainly engaged in coal mining and preparation, coal chemicals production, sales of coal and coal products, etc.;
"Lunan Chemicals"	Yankuang Lunan Chemicals Co., Ltd., a company with limited liability incorporated under the laws of the PRC in 2007 and a wholly-owned subsidiary of the Company, is mainly engaged in the development, production and sales of chemical products, etc.;
"Yulin Neng Hua"	Yanzhou Coal Yulin Neng Hua Company Limited, a company with limited liability incorporated under the laws of the PRC in 2004 and a wholly-owned subsidiary of the Company, is mainly engaged in the production and operation of coal chemical projects;
"Donghua Heavy Industry"	Yankuang Donghua Heavy Industry Company Limited, a company with limited liability incorporated under the laws of the PRC in 2013 and a wholly-owned subsidiary of the Company, is mainly engaged in the design, manufacture, installation, repair and maintenance of mining equipment, electromechanical equipment and spare parts;
"Yankuang Leasing"	Yankuang Financial Leasing Company Limited (the former "Zhongyin Financial Leasing Co., Ltd" renamed as "Yankuang Financial Leasing Co., Ltd" in March 2023), a company with limited liability incorporated under the laws of the PRC in 2014 and a wholly-owned subsidiary of the Company, is mainly engaged in the financial leasing, leasing, leasing trade consultation and guarantees, commercial factoring related to its main business, etc.;

"Shandong Energy Finance Company"	Shandong Energy Group Finance Co., Ltd., a company with limited liability incorporated under the laws of the PRC in 2013, which merged Yankuang Group Finance Co., Ltd. ("Yankuang Finance Company", deregistered already") in 2023, and a 53.92% owned subsidiary of the Company as at the end of the reporting period;
"Yancoal Australia"	Yancoal Australia Limited, a company with limited liability incorporated under the laws of Australia in 2004 and a 62.26% owned subsidiary of the Company as at the end of the reporting period, the shares of which are listed on the Australian Securities Exchange and the HKEX respectively;
"Yancoal International"	Yancoal International (Holding) Company Limited, a company with limited liability incorporated under the laws of Hong Kong in 2011 and a wholly-owned subsidiary of the Company;
"Yancoal International Resources"	Yancoal International Resources Development Company Limited, a company with limited liability incorporated under the laws of Hong Kong in 2011 and a wholly-owned subsidiary of Yancoal International;
"H Shares"	Overseas listed foreign invested shares in the ordinary share capital of the Company, with nominal value of RMB1.00 each, which are traded on the HKEX;
"A Shares"	Domestic shares in the ordinary share capital of the Company, with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange;
"PRC"	The People's Republic of China;
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC;
"CASs" or "ASBEs"	Accounting Standards for Business Enterprises and the relevant regulations and explanations issued by the Ministry of Finance of the PRC;
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standards Board;
"CSRC"	China Securities Regulatory Commission;
"Hong Kong Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"HKEX" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited;

"Shanghai Stock Exchange"	The Shanghai Stock Exchange;
"Company Law"	Company Law of the PRC;
"Securities Law"	Securities Law of the RPC;
"Articles"	The Articles of Association of the Company;
"JORC "	Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientist and Minerals Council of Australia;
"JORC Code"	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition;
"Shareholders"	The shareholders of the Company;
"Directors"	The directors of the Company;
"Board"	The board of directors of the Company;
"Supervisors"	The Supervisors of the Company;
"Supervisory Committee"	The Supervisory Committee of the Company;
"RMB"	Renminbi, the lawful currency of the PRC, unless otherwise specified;
"AUD"	Australian dollars, the lawful currency of Australia;
"USD"	United States dollars, the lawful currency of the United States;
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong.

Chapter 02

Company Information and Major Financial Indicators

I. INFORMATION OF THE COMPANY

Statutory Chinese Name:	兖礦能源集團股份有限公司
Abbreviation of Chinese Name:	兖礦能源
Statutory English Name:	Yankuang Energy Group Company Limited*
Abbreviation of English Name:	YANKUANG ENERGY
Legal Representative:	Li Wei
Authorized Representatives of the HKEX:	Su Li, Huang Xiaolong

* For identification purpose only

II. CONTACT DETAILS

	Secretary to the Board	Securities Representatives
Name:	Huang Xiaolong	Shang Xiaoyu
Address:	Secretariat to the Board, Yankuang Energy Group Company Limited 949 Fushan South Road, Zoucheng City, Shandong Province, the PRC	Secretariat to the Board, Yankuang Energy Group Company Limited 949 Fushan South Road, Zoucheng City, Shandong Province, the PRC
Tel:	(86 537)538 2319	(86 537)539 2377
Fax:	(86 537)538 3311	(86 537)538 3311
E-mail	yzc@yanzhoucoal.com.cn	xyshang.yzc@163.com

III. GENERAL INFORMATION

Registered Address	949 Fushan South Road, Zoucheng City, Shandong Province, the PRC
Office Address	949 Fushan South Road, Zoucheng City, Shandong Province, the PRC
Postal Code	273500
Official Website	http://www.ykenergy.com/ http://www.yanzhoucoal.com.cn/
E-mail Address	yzc@yanzhoucoal.com.cn

IV. INFORMATION DISCLOSURE AND PLACE FOR DOCUMENT INSPECTION

Newspapers for information disclosure in the PRC:	China Securities Journal(https://www.cs.com.cn) Shanghai Securities News(https://www.cnstock.com) Securities Times(https://www.stcn.com) Securities Daily(http://www.zqrb.cn)
Website designated by the CSRC for publishing annual report:	Website for publishing A Shares annual report: http://www.sse.com.cn Website for publishing H Shares annual report: http://www.hkexnews.hk
The annual report is available at:	Secretariat to the Board of Yankuang Energy Group Company Limited, 949 Fushan South Road, Zoucheng City, Shandong, the PRC.

V. CORPORATE STOCKS

Stock type	Place of Listing	Stock Abbreviation	Stock Code
A Share	Shanghai Stock Exchange	Yankuang Energy	600188
H Share	HKEX	Yankuang Energy	01171

VI. OTHER INFORMATION

Certified Public Accountants (A Shares)

Name	Shine Wing Certified Public Accountants LLP
Office Address	8/F, Block A, Fuhua Mansion, 8 Chaoyangmen Beidajie, Dongcheng District, Beijing, PRC
Accountant of signature	Ji Sheng, Zhao Xiaoyu

Certified Public Accountants (H Shares)

Name	SHINEWING (HK) CPA Limited
Office Address	17/F, Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong
Accountant of signature	Arthur Pang

Legal advisor (A shares)

Name	King&Wood Mallesons, PRC Lawyers, Beijing
Office Address	17/F-18/F East Tower World Financial Center 1 East 3rd Ring Middle Road Chaoyang District Beijing PRC

Legal advisor (H shares)

Name	Baker & McKenzie
Office Address	14th Floor, One Taikoo Place 979 King's Road, Quarry Bay Hong Kong SAR

A shares transfer registry

Name	China Securities Depository and Clearing Corporation Limited Shanghai Branch
Office Address	188 Yanggao South Road, Pudong, Shanghai PRC

H shares transfer registry

Name	Computershare (HK) LTD
Office Address	1712-1716 17/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Liaison Office in Hong Kong

Office Address	40/F Dah Sing Financial Centre, 248 Queen's Road East, Wanchai Hong Kong
Contact Person	Wong Wai Chiu
Tel	(852) 3912 0800
Fax	(852) 3912 0801

VII. FINANCIAL HIGHLIGHTS OF THE LAST FIVE YEARS

(Prepared in accordance with the IFRS)

The financial highlights were prepared based on the financial information set out in the audited consolidated income statements, consolidated balance sheets and the consolidated cash flow statements of the Group from 2019 to 2023.

(I) Operating Results

Unit: RMB'000

	Year ended 31 December				
	2023	2022	2021	2020	2019
Sales income	**118,434,270**	154,601,505	108,615,647	69,123,020	67,804,644
Gross profit	**43,914,997**	73,786,658	39,935,159	14,092,367	21,029,486
Financing cost	**-3,563,014**	-5,983,260	-5,319,334	-2,867,029	-2,751,234
Profit before tax	**30,985,705**	53,688,193	24,288,809	7,372,354	14,986,842
Net profit attributable to Shareholders	**17,778,972**	30,418,222	16,941,435	6,318,000	9,388,645
Earnings per share③	**RMB2.39**	RMB4.10	RMB2.28	RMB0.85	RMB1.26
Dividend per share ④	**RMB1.49**	RMB4.30	RMB2.00	RMB1.00	RMB0.58

Notes:

① In 2023, the Company consolidated the financial statements of Luxi Mining, Xinjiang Neng Hua, Shandong Energy Finance, Shandong Energy Tower Shanghai Company Limited and Yankuang Coal Chemicals Engineering Company Limited ("Coal Chemicals Engineering Company"); In 2022, the Company consolidated the financial statements of Yankuang Railway Logistics Company Limited. In 2020, the Company consolidated the financial statements of Qingdao Duanxin Asset Management Co., Ltd., Yankuang Intelligent Ecology Co., Ltd., Future Energy, Yankuang Yulin Fine Chemicals Co., Ltd. ("Fine Chemicals"), Lunan Chemicals, Yankuang Jining Chemical Equipment Co., Ltd. ("Chemical Equipment"), Yankuang Coal Chemical Supply & Marketing Co., Ltd. ("Supply & Marketing Company"), Shandong Yankuang Jining No.3 Power Co., Ltd. ("Jinsan Power") and Inner Mongolia Mining.

② Since 31 October, 2023, the Company would not consolidate the financial statements of Yankuang Finance Company; since 31 December 2020, the Company had no longer consolidated the financial statements of the former Yankuang (Hainan) Intelligent Logistics Technology Co., Ltd. (Now renamed as Shandong Energy (Hainan) Intelligent International Technology Co., Ltd.); and since 2020 the Company had no longer consolidated the financial statements of Jinan Duanxin Mingli Financial Consulting Partnership (Limited) and Zoucheng Beisheng Industry Trade Company Limited.

③ As at the end of the reporting period, the option exercising of the third exercising period of 2018 A Share Incentive Scheme and relevant shares transfer registration were completed, the profit distribution of bonus shares of year 2022 was paid off, and the repurchase and cancellation of partial restricted shares was fulfilled. As at 31 December 2023, the Company's total share capital increased to 7,439,370,720 shares from 4,948,703,640 shares, and the earnings per share and other indicators were calculated on the weighted average number of issued ordinary shares. During the reporting period, the Company distributed stock dividends, and adjusted the accounting methods for deferred income tax in reference to the newly issued accounting standards. In according to the IFRS, the Company made retroactive adjustments to the earnings per share and net asset per share of previous reporting periods.

④ The dividend per share for the year 2023 is the recommended dividends to be declared. For details, please refer to the section Profit Distribution or Capital Reserve Increase Plan in "Chapter 5 Corporate Governance" in this report.

(II) Assets and Liabilities

Unit: RMB'000

	As at 31 December				
	2023	2022	2021	2020	2019
Net current assets	**-23,984,477**	4,662,895	-7,329,284	-45,023,397	-4,052,846
Net value of property, plant and equipment	**115,160,290**	82,430,170	75,270,589	65,516,221	44,995,450
Total assets	**414,317,629**	310,075,169	301,959,007	273,009,258	210,760,571
Total borrowings	**100,187,984**	76,163,662	103,400,097	92,291,944	65,375,491
Equity attributable to Shareholders	**86,901,568**	89,852,300	68,657,660	57,894,751	54,119,800
Net asset value per share	**RMB11.68**	RMB12.08	RMB9.23	RMB7.78	RMB7.27
Return on net assets (%)	**20.46**	33,85	24.68	10.91	17.35

(III) Summary of Cash Flow Statement

Unit: RMB' 000

	Year ended 31 December				
	2023	2022	2021	2020	2019
Net cash from operating activities	**22,615,510**	61,873,689	29,815,724	6,958,798	16,411,202
Net increase (decrease) in cash and cash equivalents	**-8,568,732**	-2,396,330	23,316,286	-5,462,167	-4,885,829
Net cash flow per share from operating activities	**RMB3.04**	RMB8.32	RMB4.01	RMB0.94	RMB2.21

Chairman's Statement

Mr. Li Wei
Chairman

Respectable Shareholders:

On behalf of the Board, I would like to present the 2023 annual results of Yankuang Energy and the development plan for year 2024 to all Shareholders.

The year 2023 has witnessed a complex and severe situation for the global economy with huge volatility in the energy market. With the advantageous coal production capacity being rapidly released, the global coal imports significantly increased amid the improved international supply. Although the market features a loose supply, coal prices still fall into a comparatively high range in historic records.

Throughout 2023, facing the fundamental adjustment in macro economy, the downward and volatile development of the market and other severe challenges, Yankuang Energy stayed committed to its development strategy with strong resolution, spared no efforts in advancing the transformation of development modes, and was devoted to the enhancement of business scale, quality and efficiency. The result is Yankuang Energy has achieved the leapfrog improvement in terms of its comprehensive power, development quality, brand image and industrial influence. In 2023, the Company won multiple awards including "Golden Bull Award the Top 100 Companies Most Worthy of Investment" and the SSE Information Disclosure A Rating Award. In addition, the Company also obtained the "China National Quality Award", making it one of the few companies that has won such award for three times. In 2023, the Company was ranked 68th among the Fortune China Top 500 Listed Companies. In order to sincerely reward investors, the Company plans to award 3 bonus shares and distribute cash dividends of RMB14.9 (tax inclusive) for every 10 shares, with the total dividend reaching RMB11.085 billion, accounting for 62.3% of total net profit.

I. **Maintaining the historical high in both business scale and economic performance.** For year 2023, the Company produced a total of 110 million tons' saleable coal, ranking in the top tier of the industry. The production of chemicals stood as 7.89 million tons, hitting a record high. The sales income was RMB118.4 billion, the net income attributable to the Shareholders reached RMB17.8 billion with profitability Leading Industrial level. With continuous improvement in both business scale and asset quality, the Company realized a total asset of RMB414.3 billion and a 20.5% return on the net asset.

II. **Taking solid steps in industrial transformation and upgrading.** The Company adheres to the development directions in five industries, launches science-based and well-targeted methodologies, and invariably makes the first moves amid industrial transformation. **Incremental improvements in mining.** The Company is accelerating intelligent and green development, with its 7 national first batch of intelligent demonstration mines passing acceptance; 59 new intelligent working faces have been installed, with intelligent mining rate reaching 94%. 26.6 billion tons of coal resources has been added through the acquisitions of Luxi Mining and Xinjiang Neng Hua, and the obtainment of exploration rights for the No.1 field at Huolinhe Mining Area in Inner Mongolia. Production at the Australian base has strongly recovered, with great synergy produced between domestic and overseas sites. **Industrial chain extension in high-end chemicals and new materials to increase added value.** Future Energy's coal to oil production exceeded 1 million tons. The Lunan Chemicals's Caprolactam integration project has finished testing, with construction commencing on a 60,000-ton/year POM project. The industrial chain is being extended towards higher added value. **New advantages cultivated in high-end equipment manufacturing.** The Luxi Intelligent Manufacturing Industrial Park has started operations, with projects such as hydraulic support electro-hydraulic control systems, high-performance conveyor belts, and intelligent conveyors being put in production and running. Through the acquisition of Germany's SMT Scharf AG has extended the industrial chain of underground mining and auxiliary transportation equipment, successfully setting up a high-end equipment manufacturing R&D platform in Europe. **Increase the value in intelligent logistics.** The Tai'an Port Rail-River Transport Logistics Park has been put into operation, internal logistics assets integrated, with a "5-sphere" development pattern taking shape incorporating railways, highways, waterways, parks and platforms, The logistics freight capacity increased up to 300 million tons/year. **Steady development in new energy.** The Company strives to coordinate resource acquisition and project construction, kick off construction for a batch of distributed PV projects within Shandong, and advance the projects such as source-grid-loading-storage integration in Shaanxi and Inner Mongolia, and Xinjiang.

III. **Deepening lean management to enhance profitability.** Around "improving management efficiency and enhancing asset quality," targeted measures have been formulated to tap into potential, reduce costs, and increase profits, so as to refine lean management and control. Boost efforts to cut internal costs. The Company implements measures such as budget control, material management, and labour efficiency improvement, resulting in a 5% reduction year-on-year in the energy consumption of major products. It works hard to expand financing channels, flexibly use financing instruments, conduct low-interest-rate debts to replace high-interest-rate ones and long-term debts to replace short-term ones, with the average financing interest rate reduced to below 3.6%. **Improve efficiency by smart marketing.** The Company analyzed and predicted any possible changes in market conditions, and optimize layouts, products, customers, and flows accordingly maximize profits. It is also exploring value-added space, with the 53% market share of clean coal sold within Shandong. **Cut prices through lean supply.** The Company leverages the advantages of commodity centralized procurement platforms and integrated procurement, and achieves the 94% of direct supply rate for commodities, so that the procurement prices drop by 5% year-on-year. **Put idle assets to good use.** The Company is actively disposing of inefficient and ineffective assets, repairing and revitalizing old assets, and reducing inventory backlog, so that assets worthy of RMB1.4 billion has been revitalized.

IV. **Upholding social responsibility to polish brand image.** The Company prioritize the standardization of safety production, and cement the industry-leading position. 7 mines have been selected into the "National Green Mine Directory". Coal supply system construction is being reinforced to ensure energy security and stable supply, with coal storage capacity reaching 4 million tons. 8 million m^2 of subsidence areas has been managed, with a 100% of treatment rate. It is actively responding to the UN SDGs by increasing investment in education, environmental protection, community care, and other fields, with a RMB50.49 million of total investment in donations and public welfare projects. ESG management is threaded into all aspects of corporate governance and entire production and operation. ESG reports has been disclosed for 16 consecutive years. Yankuang Energy has become the first Chinese company to be certified by ESG management system and ranked first across the industry in China in terms of the international Carbon Disclosure Program (CDP).

Looking forward into 2024, the global macroeconomic environment still faces numerous risks and challenges, while the international energy industry will accelerate transformation. China's fundamentals for steady development remain unchanged, and coal still plays a prominent role in ensuring energy stability. As projected, in 2024, the overall balance of coal supply and demand will be maintained, with prices narrowly fluctuating at moderate to high levels. The supply and demand in the chemicals market is expected to improve slightly, maintaining a loose pattern. In 2024, based on a comprehensive analysis of internal and external environments and considering the Company's operation reality, Yankuang Energy plans to produce nearly 140 million tons of saleable coal and around 8 million tons of chemical products.

In pursuit of the annual operating goals, the following measures will be taken:

I. **Strengthen the core business to lay a solid foundation for sustainable development.** The Company will accelerate the upgrading of the two core industries of mining and high-end chemicals & new materials, optimize the layout and structures, and pick up development momentum. **The mining industry** will play a leading role in accelerating incremental growth. Efforts will be made at the **Shaanxi-Mongolia base** to release capacity, acquire resources, and improve efficiency. **The Australian base** will strengthen production and operation management, and leave no stone unturned to elevate output. **The Shandong base** will ensure stable production through fine mining and backfilling. **The Xinjiang base** will expedite permit-applying procedures and project construction. **The high-end chemicals & new materials** industry will play out the advantages of the industrial chain, intensify resilience, expand flexible multi-pronged production, and accelerate extension into high-tech, high-value-added sectors. Five high-end fine chemicals industrial parks, including Lunan Chemicals, Future Energy, Rongxin Chemical, Yulin Neng Hua, and Xinjiang Neng Hua, will be constructed with high quality and the alcohol-based and amino-based new material industrial chains will be extended.

II. **Accelerate the development of emerging industries to expedite the gathering of competitive advantages.** The Company will innovate the "resource + capital" development model, enhance efficient resource allocation capabilities, and continuously foster new competitive advantages. For the high-end equipment manufacturing industry, the Company will strengthen the Luxi High-end Intelligent Manufacturing Park, and try all means to guarantee that the first batch of enterprises placed in the park achieve up-to-target production; The Company will continuously introduce high-quality enterprises, top talents, and leading technologies, and promote the upgrading of equipment manufacturing through building joint ventures. It will enhance the competitiveness of advantageous products such as high-end hydraulic supports and strive to achieve breakthroughs in international export market. For smart logistics industry, it has completed and commissioned the special-use railway line in the Shaanxi-Mongolia region from Caojiahuochang to Niujialiang, acquire key logistics projects in a timely manner, kick off the construction of the Uxin Banner, Inner Mongolia, Yulin Shaanxi, Linxian, Shanxi railway, complete the second phase of the Tai'an Port transportation logistics park and Jisansihe Port, in a bid to continuously expand product transportation channels. It will integrate logistics resources in Luxi and Xinjiang regions, advance strategic cooperation projects with industry-leading logistics companies, and expand platforms' size. For new energy industry, it will value the two-drive of self-construction and acquisitions, driving resource acquisition through industrial investment, promoting diversified & complementary development and source-grid-loading-storage integration, as well as accelerating incremental breakthroughs.

III. **Deepen lean management to enhance profitability and efficiency.** The Company strives to thread lean management throughout the whole production and operation, and deepen the "two increases, three reductions, four improvements" initiative. Emphasis will be placed on increasing product output and effectiveness of projects. The Company will optimize the production organization, working face design, and coal mining technology at Shilawusu and Yingpanhao coal mines to achieve full capacity production as soon as possible. It will accelerate the construction of key incremental projects to ensure the stripping of first coal from Wucaiwan No.4 Open-pit Mine by the end of the year. The Company will resolutely reduce the "three lows" of debt ratio, cost expenses, and capital occupation. It will strengthen financing-continuity management, appropriately replace interest-bearing liabilities, and reasonably reduce the scale of interest-bearing debts. Comprehensive budget management will be enhanced, with strict control over the production consumables, and efforts made to achieve effective reduction in the production consumables of major products. Lean material supply will be implemented, with intensified efforts in clearing idle assets and inspecting assets, aiming to reduce inventory fund occupation by 10%, and procurement costs by over RMB200 million. The Company will steadily drive up profitability, overall labor productivity, investment in R&D, and operating cash ratio. Product structure, regional structure, and user structure will be optimized, with the implementation of the "clean coal + customization" strategy, and a steady increase in the proportion of clean-coal products. Human resources allocation shall be dynamically optimized, with the purpose to maintain industry-leading levels of overall labor productivity. Major Sci-tech special projects will be launched, while seeking breakthroughs in high-end fine chemicals, high-end equipment manufacturing R&D, so as to develop a batch of high value-added, high-tech cutting-edge products. The Company will boost innovation in business models, refine fund flows, and maximize cash inflows.

IV. **Conduct value creation campaigns to foster competitive advantages for high-quality development.** The Company will uphold a global perspective and international standards, carry out benchmarking against top-tier value creation practices, and enhance the quality and momentum of development across the board. **It will continue to improve its resource allocation capabilities**, promote outward expansion, target advantageous projects both domestically and internationally, and seek joint ventures and strategic M&A at an opportune time. Acquire high-quality assets from the controlling shareholders in batches and by regions. **The Company will continuously boost its value management capabilities.** With improving the quality of listed companies as the main focus, it will strengthen the "three supports" of standardized governance, value sharing, and efficient communication, solidify the "three guarantees" of core business, capital operation, brand enhancement, overseas synergy, and instrument application, construct the distinctive "135" value management mechanism with Yankuang's feature to enlarge the corporate overall value. **The Company also seeks to improve brand influence**, take actions to enhance quality across the entire industry chain, and increase the brand's added value and leadership. Additionally, it will persistently carry out ESG construction, fulfill social responsibilities, and fully demonstrate the good image of a responsible listed company.

In the competitive world, the diligent rowers take the lead; in the sailing race, the brave ones always win. In 2024, the Company will deeply grasp the global energy transformation trends, focus on green, low-carbon, and high-quality development, deepen reform and innovation, accelerate the cultivation of new-quality production forces, and move towards "environmental friendly", "new" and "intelligent" development. Step by step, we will turn corporate strategic goals and development blueprints into beautiful realities, and create more value returns for Shareholders and Stakeholders with outstanding achievements.

On behalf of the Board
Chairman: **Li Wei**
Zoucheng, China, 28 March 2024

Chapter 04
Board of Directors' Report

Mr. Xiao Yaomeng
General Manager

I. MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

	Unit	2023	2022	Increase/ Decrease	Increase/ Decrease (%)
1. Coal Business					
Salable coal production volume	kiloton	**110,020**	99,528	10,492	10.54
Salable coal sales volume	kiloton	**102,905**	103,746	-841	-0.81
2. Coal Chemicals Business					
Chemical products production volume	kiloton	**7,891**	6,813	1,079	15.83
Chemical products sales volume	kiloton	**7,134**	6,262	872	13.93
3. Power Generation Business					
Power generation	10,000KWh	**840,351**	837,252	3,099	0.37
Electricity sold	10,000KWh	**710,722**	726,428	-15,706	-2.16

Note: The Group's saleable coal includes thermal coal, PCI coal and coking coal.

As disclosed in the 2022 Annual Report of the Company, the Company planned to sell a total of 103 million tons self-produced saleable coal. In 2023, the Group actually sold a total of 98.58 million tons saleable coal.

II. INDUSTRY SITUATION DURING THE REPORTING PERIOD

In 2023, China's advantageous coal production capacity has been released continuously, combined with improved international supply and significant increase in imported coal, China's overall supply relatively sufficient, and coal prices maintained at a historically high level. In the mean time, the coal chemical industry saw simultaneous growth in both supply and demand, causing a loose balance, and the overall products prices were weak.

III. MAIN BUSINESS DURING THE REPORTING PERIOD

(I) Main Business

1. Coal business

The Group's coal business are mainly distributed in Shandong province, Shaanxi province, and Inner Mongolia Autonomous Region, Xinjiang Uygur Autonomous Region and Australia. Its main products include thermal coal, PCI coal and coking coal applicable to electric power, metallurgy and chemical industry, etc., which are mostly sold to East China, South China, Central China, North China, Northwest China and other regions of China, as well as Japan, South Korea, Australia, Thailand and other countries.

2. Chemical Business

The Group's coal chemical business is mainly distributed in Shandong Province, Shaanxi Province, Inner Mongolia Autonomous Region and Xinjiang Uygur Autonomous Region. The main products consist of methanol, acetic acid, ethyl acetate, caprolactam, naphtha, crude liquid wax etc. are mostly sold to North China, East China and Northwest China.

(II) Market Position, Competitive Strengths & Results Driving Factors

The Group is one of the major coal producer, supplier and trader in China and Australia, the largest coal producer in East China, and also takes a lead in thermal coal industry in China. And Yancoal Australia is the largest pure coal player in Australia. The Group owns several complete coal chemical production lines by use of coal gasification and coal liquefaction, and the China first 1Mt/a coal indirect liquefaction demonstration unit. Its acetic acid production capacity ranks leading in China.

In 2023, the coal market fluctuated, and the price remained at a medium to high level. The Group firmly implemented its development strategy, deepened lean management, and adopted unconventional measures such as overall planning optimization and project mergers and acquisitions, achieving remarkable results in industrial development and maintaining a historically high operating performance.

IV. CORE COMPETITIVENESS ANALYSIS DURING THE REPORTING PERIOD

First, Large scale in size and strong in enterprise strength. The Group's assets are distributed in Shandong, Shaanxi, Inner Mongolia, Xinjiang and Australia, and the in-situ coal resources have reached 47.1 billion tons (JORC), ranking among the top in the industry. The Group has four domestic and overseas listing platforms, and is one of the most internationalized energy companies in China, which highly utilizing capital market. The Group was ranked 68th in the 2023 Fortune China 500 Listed Companies.

Second, Competitive pillar industries. During the Reporting Period, the Group adhered to strategic guidance, firmly adhered to the development direction of the five pillar industries, continued to optimize the regional planning and resource allocation, and consolidate the foundation for high-quality development. The mining industry has developed with high quality and efficiency, and the saleable coal output ranks among the top in the industry. Newly-added 26.6 billion tons of new coal resources has strengthened the support for high-quality development. The construction of intelligent mines has achieved remarkable results, and the proportion of intelligent mining in mines has reached 94%. The high-end chemicals and new materials industry has extended the industrial chain and increased added value, the energy saving and carbon reduction of caprolactam project as well as the production increased and expansion of polyoxymethylene have been accelerated.And the chemical industry has transformed to extend and supplement the industrial chains and cluster development. In term of high-end equipment manufacturing, Luxi Smart Manufacturing Park was completed construction and put into operation, and acquired an European equipment manufacturing company to establish technology R&D platform, in which way to accelerate gathering of technology and resources. The intelligent logistics industry implements resource integration and improves the logistics system of "production, marketing, storage, distribution and transportation", with a freight capacity of 300 million tons per year. The new energy industry adheres to the simultaneous promotion of quota approval and project construction, so as to expedite the distributed photovoltaic and source-grid-load-storage integration projects.

Third, remarkable progress in international development. The Group owns a huge amount, high quality and competitive mineral resources overseas. And it has 8 coal mines under production, with in-situ coal resource of 8,700 million tons (JORC) and annual production of saleable coal amount to 38.87 million tons, making itself the largest pure coal player in Australia.

Fourth, strong in technological R&D. The Group has advanced coal gasification and liquefaction technologies, and the "4,000-ton Coal Gasification Demonstration Plant", a major research project of the Ministry of Science and Technology, is internationally leading. The world's first set of 8.2-meter super-high mining height fully mechanized mining equipment has been developed and applied, and the world's most complete function and largest loading capacity of 50,000 kN hydraulic support complete test bench has been built, which filling the gap in the loading test of large-scale hydraulic support over 10 meters in China. Moreover, it has postdoctoral research workstations, Coal Mine Intelligent Mining R&D Center and the other 2 National R&D Centers, 14 provincial and ministerial R&D platforms, and 17 high-tech enterprises.

V. MAIN OPERATION DURING THE REPORTING PERIOD

(I) Business Operation by Segments

1. Coal business

(1) Coal production

In 2023, the Group produced 110.02 million tons of salable coal, representing an increase of 10.49 million tons or 10.5% as compared with that of the previous year.

The following table sets out the salable coal production of the Group for the year 2023:

	2023 (kiloton)	2022 (kiloton)	Increase/ Decrease (kiloton)	Increase/ Decrease (%)
1. The Company	**23,978**	24,947	-969	-3.88
2. Heze Neng Hua	**2,645**	1,686	959	56.88
3. Luxi Mining	**2,646**	–	–	–
4. Tianchi Energy	**1,201**	1,086	115	10.59
5. Future Energy	**17,218**	17,368	-150	-0.86
6. Ordos Company	**9,614**	11,711	-2,097	-17.91
7. Haosheng Company	**4,601**	4,284	317	7.40
8. Inner Mongolia Mining	**3,826**	4,090	-264	-6.45
9. Xinjiang Neng Hua	**5,427**	–	–	–
10. Yancoal Australia	**33,412**	29,435	3,977	13.51
11. Yancoal International	**5,453**	4,922	531	10.79
Total	**110,020**	99,528	10,492	10.54

Note:

① The saleable coal production of Heze Neng Hua increased year-on-year, which was mainly because the production condition of the mine working face was improved during the reporting period as compared with the same period of the previous year, and the production of saleable coal increased year-on-year.

② During the reporting period, Yanzhou Coal Shanxi Neng Hua transferred its equity shares in Tianchi Energy to Yankuang Energy for free, and Tianchi Energy continues to operate Tianchi coal mine.

(2) Coal prices and marketing

In 2023, the Group sold a total of 102.91 million tons of coal, representing a decrease of 0.84 million tons or 0.8% as compared with that of the previous year.

In 2023, the Group realized sales income of coal business of RMB89.144 billion, representing a decrease of RMB36.700 billion or 29.2% as compared with that of the previous year. The reason is because the sales price of coal decreased year-on-year.

The following table sets out the Group's coal production and sales by coal types for the year 2023:

	2023				2022			
	Production Volume (kiloton)	Sales Volume (kiloton)	Sales Price (RMB/ton)	Sales Income (RMB million)	Production Volume (kiloton)	Sales Volume (kiloton)	Sales Price (RMB/ton)	Sales Income (RMB million)
1. The Company	23,978	22,956	909.06	20,868	24,947	25,058	1,134.32	28,424
No.1 clean coal	450	457	1,419.01	649	729	764	1,733.28	1,324
No.2 clean coal	7,679	7,636	1,368.22	10,447	8,060	8,492	1,670.59	14,186
No.3 clean coal	2,487	2,625	1,138.94	2,990	3,038	3,756	1,438.24	5,402
Sub-total of clean coal	10,617	10,719	1,314.22	14,087	11,827	13,012	1,607.20	20,912
Screened raw coal	13,362	12,237	554.17	6,781	13,120	12,046	623.55	7,512
2. Heze Neng Hua	2,645	2,334	1,394.22	3,254	1,686	1,591	1,957.54	3,114
No.2 Clean Coal	1,972	1,989	1,540.86	3,065	1,390	1,591	1,957.54	3,114
Screened raw coal	673	345	548.51	189	296	–	–	–
3. Luxi Mining	2,646	2,658	1,245.26	3,310	–	–	–	–
clean coal	2,002	2,000	1,508.75	3,018	–	–	–	–
clean blended coal	644	658	444.25	292	–	–	–	–
4. Tianchi Energy	1,201	1,206	558.93	674	1,086	1,086	657.38	714
Screened raw coal	1,201	1,206	558.93	674	1,086	1,086	657.38	714
5. Future Energy	17,218	11,242	598.16	6,725	17,368	11,285	796.23	8,986
No.3 Clean Coal	2,061	1,719	792.56	1,362	2,052	2,037	949.19	1,933
Lump coal	3,332	3,068	791.32	2,428	3,930	3,760	960.19	3,610
Screened raw coal	11,826	6,455	454.58	2,934	11,385	5,489	627.17	3,443
6. Ordos Company	9,614	5,900	398.15	2,349	11,711	9,859	602.84	5,943
Screened raw coal	9,614	5,900	398.15	2,349	11,711	9,859	602.84	5,943
7. Haosheng Company	4,601	4,607	562.34	2,591	4,284	4,215	772.18	3,255
Screened raw coal	4,601	4,607	562.34	2,591	4,284	4,215	772.18	3,255
8. .Inner Mongolia Mining	3,826	3,931	521.21	2,049	4,090	3,946	633.51	2,500
Screened raw coal	3,826	3,931	521.21	2,049	4,090	3,946	633.51	2,500
9. Xinjiang Neng Hua	5,427	5,309	165.72	880	–	–	–	–
Screened raw coal	5,427	5,309	165.72	880	–	–	–	–
10. Yancoal Australia	33,412	33,102	1,063.73	35,212	29,435	29,253	1,647.20	48,185
Semi-hard coking coal	160	159	1,708.09	271	237	235	1,463.28	344
Semi-soft coking coal	2,457	2,434	1,731.78	4,216	2,578	2,562	1,783.79	4,570
PCI coal	2,124	2,105	1,675.45	3,526	1,928	1,916	2,084.14	3,993
Thermal coal	28,671	28,405	957.56	27,199	24,692	24,539	1,600.58	39,277
11. Yancoal International	5,453	5,330	830.01	4,424	4,922	4,880	1,127.94	5,504
Thermal coal	5,453	5,330	830.01	4,424	4,922	4,880	1,127.94	5,504
12. Traded coal	–	4,329	1,572.66	6,808	–	12,573	1,528.55	19,219
Total for the Group	110,020	102,905	866.27	89,144	99,528	103,746	1,213.00	125,844

Factors affecting the changes in sales income of coal business are analyzed in the following table:

	Impact of Changes on Coal Sales Volume (RMB million)	Impact of Changes on the Sales Price of Coal (RMB million)
The Company	-2,384	-5,171
Heze Neng Hua	1,455	-1,315
Luxi Mining	3,310	–
Tianchi Energy	79	-119
Future Energy	-34	-2,227
Ordos Company	-2,386	-1,208
Haosheng Company	302	-967
Inner Mongolia Mining	-9	-441
Xinjiang Neng Hua	880	–
Yancoal Australia	6,341	-19,314
Yancoal International	508	-1,588
Traded coal	-12,602	191

The Group's coal products are mainly sold in markets such as China, Japan, South Korea, Australia, Thailand, etc.

The following table sets out the Group's coal sales by geographical regions for the year 2023:

	2023		2022	
	Sales Volume (kiloton)	**Sales Income (RMB million)**	Sales Volume (kiloton)	Sales Income (RMB million)
1. China	**78,606**	**63,377**	74,138	82,500
East China	**40,724**	**39,079**	43,669	54,463
South China	**11,044**	**7,963**	2,507	2,399
Central China	**5,138**	**4,764**	6,193	6,699
North China	**8,465**	**5,877**	14,437	12,948
Northwest China	**11,814**	**4,307**	5,769	3,736
Other regions	**1,422**	**1,387**	1,563	2,255
2. Japan	**8,470**	**12,735**	10,286	21,961
3. South Korea	**4,386**	**5,641**	4,186	7,036
4. Australia	**4,080**	**2,288**	3,214	1,250
5. Thailand	**3,594**	**1,740**	4,118	1,991
6. Others	**3,769**	**3,362**	7,805	11,105
7. Total for the Group	**102,905**	**89,144**	103,746	125,844

Most of the Group's coal products were sold to industries such as power, metallurgy, chemical industries, trade business, etc.

The following table sets out the Group's coal sales by consuming industries for the year 2023:

	2023		2022	
	Sales Volume (kiloton)	**Sales Income (RMB million)**	Sales Volume (kiloton)	Sales Income (RMB million)
1. Power	**59,717**	**44,845**	50,352	59,502
2. Metallurgy	**9,334**	**14,466**	10,875	17,785
3. Chemical	**10,879**	**9,595**	14,706	16,912
4. Trade business	**20,778**	**18,484**	22,106	24,615
5. Others	**2,197**	**1,754**	5,707	7,030
6. Total for the Group	**102,905**	**89,144**	103,746	125,844

(3) The Cost of Coal Sales

In 2023, the Group's cost of coal sales amounted to RMB44.315 billion, representing a decrease of RMB7.266 billion or 14.1% as compared with that of the previous year.

The following table sets out the cost of coal sales by business entities:

		Unit	2023	2022	Increase/ Decrease	Increase/ Decrease (%)
The Company	Total cost of sales	RMB million	**9,743**	10,822	-1,079	-9.97
	Cost of sales per ton	RMB/ton	**395.97**	405.23	-9.26	-2.29
Heze Neng Hua	Total cost of sales	RMB million	**1,755**	1,713	42	2.47
	Cost of sales per ton	RMB/ton	**752.09**	910.07	-157.98	-17.36
Luxi Mining	Total cost of sales	RMB million	**2,357**	–	2,357	–
	Cost of sales per ton	RMB/ton	**886.72**	–	886.72	–
Tianchi Energy	Total cost of sales	RMB million	**502**	510	-8	-1.48
	Cost of sales per ton	RMB/ton	**416.29**	469.20	-52.91	-11.28
Future Energy	Total cost of sales	RMB million	**3,250**	3,417	-167	-4.88
	Cost of sales per ton	RMB/ton	**234.87**	232.63	2.25	0.97
Ordos Company	Total cost of sales	RMB million	**2,217**	2,389	-172	-7.21
	Cost of sales per ton	RMB/ton	**290.07**	242.32	47.75	19.71
Haosheng Company	Total cost of sales	RMB million	**2,033**	2,131	-99	-4.63
	Cost of sales per ton	RMB/ton	**441.27**	505.62	-64.35	-12.73
Inner Mongolia Mining	Total cost of sales	RMB million	**1,647**	1,254	392	31.29
	Cost of sales per ton	RMB/ton	**418.87**	317.86	101.01	31.78
Xinjiang Neng Hua	Total cost of sales	RMB million	**759**	–	759	–
	Cost of sales per ton	RMB/ton	**142.98**	–	142.98	–
Yancoal Australia	Total cost of sales	RMB million	**15,496**	13,160	2,337	17.75
	Cost of sales per ton	RMB/ton	**468.13**	449.87	18.27	4.06
Yancoal International	Total cost of sales	RMB million	**1,889**	1,644	246	14.94
	Cost of sales per ton	RMB/ton	**354.42**	336.84	17.58	5.22
Traded coal	Total cost of sales	RMB million	**6,722**	18,730	-12,009	-64.11
	Cost of sales per ton	RMB/ton	**1,552.64**	1,489.69	62.95	4.23

Causes for changes in cost of sales per ton of Inner Mongolia Mining: ① Increased investment in new work faces lead to a year-on-year increase of the cost of coal per ton by RMB38.41; ② The year-on-year rise in taxes and surcharges lifted the cost of coal per ton by RMB28.02 year-on-year; ③ The accrual of depreciation led to an increase of the cost of coal per ton by RMB38.03 year-on-year.

2. *Coal chemicals business*

The following table sets out the Group's coal chemical business for 2023:

	2023				2022			
	Production Volume (kiloton)	Sales Volume (kiloton)	Sales Income (RMB million)	Cost of Sales (RMB million)	Production Volume (kiloton)	Sales Volume (kiloton)	Sales Income (RMB million)	Cost of Sales (RMB million)
Methanol	3,738	3,673	6,695	6,308	3,379	3,380	6,885	6,540
Acetic acid	1,139	738	2,057	1,758	1,036	712	2,453	1,895
Ethyl acetate	423	426	2,421	2,329	368	364	2,292	2,066
Caprolactam	297	297	3,224	3,137	273	273	3,067	2,846
POM①	74	74	776	624	74	74	1,124	658
Crude liquid wax②	162	146	995	359	242	252	1,710	1,255
Diesel oil②	277	269	1,800	1,053	158	154	1,144	737
Naphtha②	256	254	1,697	1,212	84	81	530	420
Ethylene glycol	360	391	1,332	1,092	311	321	1,252	1,135
Urea	173	169	314	218	–	–	–	–
Others	991	697	3,654	3,273	889	652	3,815	3,534
Total	7,891	7,134	24,965	21,360	6,813	6,262	24,273	21,085

Notes:

① The sales income of POM decreased year-on-year, which is because the selling price fell year-on-year.

② The changes in production volume, sales income and cost of sales of crude liquid wax, diesel oil and naphtha is mainly due to the fact that Future Energy proactively took flexible production, optimize product mix in respond to the market, causing changes in production volume, sales volume, sales income and cost of sales.

3. *Power Generation Business*

The following table sets out the operation of the Group's power business for the year 2023:

	2023				2022			
	Power Generation (10,000KWh)	Power Sold (10,000KWh)	Sales Income (RMB million)	Sales Cost (RMB million)	Power Generation (10,000KWh)	Power Sold (10,000KWh)	Sales Income (RMB million)	Sales Cost (RMB million)
1. Jining No.3 Power①	148,645	128,226	539	406	149,911	133,313	563	423
2. Heze Neng Hua	152,175	135,961	538	448	155,843	140,969	579	439
3. Lunan Chemicals②	33,170	25,167	88	74	36,894	30,812	112	46
4. Yulin Neng Hua	19,369	17,074	42	42	19,971	16,389	39	39
5. Future Energy	111,659	39,636	112	144	105,527	35,839	96	134
6. Inner Mongolia	375,333	364,657	1,269	1,239	369,107	369,106	1,334	1,156
Total for the Group	840,351	710,722	2,589	2,354	837,252	726,428	2,724	2,238

Note:

① Jining No.3 Power refers to Shandong Yankuang No. 3 Electric Power Company Limited.

② The sales cost of the power business of Lunan Chemicals increased year-on-year, which was mainly because the power generation units went into maintenance during the reporting period, causing the sales cost increased year-on-year.

(II) Main Business Analysis

1. Analysis of changes in consolidated income statement items and consolidated statement of cash flow items

Unit: RMB million

Items	2023	2022	Increase/ Decrease (%)
Sales income	**118,434**	154,602	-23.39
Sales cost	**69,710**	76,528	-8.91
Selling, general and administrative expenses	**15,079**	19,718	-23.53
Net cash flow from operating activities	**22,616**	61,874	-63.45
Net cash flow from investment activities	**-29,315**	-15,171	–
Net cash flow from financing activities	**-1,869**	-49,099	–

Elaboration for the changes of sales income: The sales income from coal business decreased by RMB36.700 billion.

Elaboration for the changes of net cash flow from operating activities: The sales price of coal products decreased year-on-year, leading to the downfall of net cash flow generated from the operating activities.

Elaboration for the changes of net cash flow from investment activities: The expenditure on the acquisition of subsidiaries increased by RMB15.234 billion year-on-year.

Elaboration for the changes of net cash flow from financing activities: ① The loans increased by RMB54.123 billion year-on-year. ② Debt repayment increased by RMB16.08 billion year-on-year.

Elaboration for significant changes in business segments, profit composition and sources (prepared under CASs)

Not applicable.

2. Analysis on income and cost

(1) Main business analysis by industries, products, regions or sales modes

Unit: RMB million

Main business by industries

By industries	Sales Income	Sales Cost	Gross Profit (%)	Increase/ Decrease in sales income as compared with that of the previous year (%)	Increase/ Decrease in sales cost as compared with that of the previous year (%)	Increase/Decrease in gross profit as compared with that of the previous year (%)
1. Coal business	89,144	44,315	50.29	-29.16	-14.09	Decreased by 8.72 percentage points
Of which: self-produced coal business	82,336	37,593	54.34	-22.78	14.44	Decreased by 14.85 percentage points
Traded coal business	6,808	6,722	1.27	-64.58	-64.11	Decreased by 1.27 percentage points
2. Coal chemical business	24,965	21,360	14.44	2.85	1.30	Increased by 1.31 percentage points
3. Electricity power business	2,589	2,354	9.08	-4.96	4.50	Decreased by 8.23 percentage points
4. Other business	1,733	1,681	2.98	-1.64	4.46	Decreased by 5.67 percentage points

Main business by products

Main business by products	Sales Income	Sales Cost	Gross Profit (%)	Increase/ Decrease in sales income as compared with that of the previous year (%)	Increase/ Decrease in sales cost as compared with that of the previous year (%)	Increase/Decrease in gross profit as compared with that of the previous year (%)
1. Coal business	89,144	44,315	50.29	-29.16	-14.09	Decreased by 8.72 percentage points
Of which: self-produced coal business	82,336	37,593	54.34	-22.78	14.44	Decreased by 14.85 percentage points
Traded coal business	6,808	6,722	1.27	-64.58	-64.11	Decreased by 1.27 percentage points
2. Coal chemical business	24,965	21,360	14.44	2.85	1.30	Increased by 1.31 percentage points
3. Electricity power business	2,589	2,354	9.08	-4.96	4.50	Decreased by 8.23 percentage points
4. Other business	1,733	1,681	2.98	-1.64	4.46	Decreased by 5.67 percentage points

Main business by regions

By Regions	Sales Income	Sales Cost	Gross Profit (%)	Increase/ Decrease in sales income as compared with that of the previous year (%)	Increase/ Decrease in sales cost as compared with that of the previous year (%)	Increase/Decrease in gross profit as compared with that of the previous year (%)
Domestic	77,920	51,548	33.85	-22.11	-15.29	Decreased by 5.33 percentage points
Overseas	40,510	18,162	55.17	-25.75	15.87	Decreased by 16.10 percentage points

Main business by sales modes

By Marketing Pattern	Sales Income	Sales Cost	Gross Profit (%)	Increase/ Decrease in sales income as compared with that of the previous year (%)	Increase/ Decrease in sales cost as compared with that of the previous year (%)	Increase/Decrease in gross profit as compared with that of the previous year (%)
Direct sales	118,430	69,710	41.14	-23.40	-8.91	Decreased by 9.36 percentage points

Explanation on main business by industries, products, regions or sales modes

For details of the sales of the above business segments, please refer to the Note Other Significant Matters-Segment Information to the financial statement prepared in accordance with the CASs.

(2) *Production and sales volume analysis*

Unit: kilotons

Main products	Unit	Production Volume	Sales Volume	Inventory	Increase/ Decrease in production volume as compared with that of the previous year (%)	Increase/ Decrease in sales volume as compared with that of the previous year (%)	Increase/ Decrease in inventory as compared with that of the previous year (%)
Self-produced saleable coal	Kiloton	110,020	98,576	6,393	10.54	8.12	43.73
Methanol	Kiloton	3,738	3,673	66	10.62	8.69	-46.83
Ethylene glycol	Kiloton	360	391	18	15.87	21.87	-63.47
Acetic acid	Kiloton	1,139	738	5	10.00	3.77	4.60
Ethyl acetate	Kiloton	423	426	4	15.04	17.14	-42.29
POM	Kiloton	74	74	1	-0.09	0.16	10.00
Caprolactam	Kiloton	297	297	2	8.76	8.72	-7.50
Crude liquid wax	Kiloton	162	146	13	-32.99	-42.10	–
Diesel	Kiloton	277	269	9	75.78	75.03	131.85
Naphtha	Kiloton	256	254	5	204.74	214.44	63.00
Urea	Kiloton	173	169	1	–	–	–

Explanation on production and sales volume

For details of the production and sales volume changes of main products, please refer to the section headed The Operation of Business Segments in this chapter.

(3) Performance of major procurement contract and sales contract

Not applicable.

(4) Cost analysis

Unit: RMB million

By industry

Cost components	Current amount	Percentage of total cost in 2022 (%)	The amount of the previous year	Percentage of total cost in 2021 (%)	Percentage increased or decreased in current amount as compared with the amount of the previous year (%)
I. Cost of self-produced coal	37,593	100.00	32,851	100.00	14.44
1. Materials	5,039	13.40	4,280	13.03	17.73
2. Employees' wages and welfare	8,745	23.26	8,369	25.48	4.48
3. Electric power	1,516	4.03	1,087	3.31	39.49
4. Depreciation	4,523	12.03	3,320	10.11	36.22
5. Land subsidence expenses	2,003	5.33	2,153	6.55	-6.95
6. Maintenance expenses	2,584	6.87	1,937	5.90	33.39
7. Amortization of mining rights	2,298	6.11	1,797	5.47	27.89
8. Sales taxes and surcharges	4,247	11.30	5,017	15.27	-15.34
9. Other expenses	6,638	17.66	4,890	14.89	35.75
II. Cost of traded coal	6,722	–	18,730	–	-64.11
III.Total	44,315	–	51,581	–	-14.09

Other explanations

Since cost of coal sales account for 63.6% of the Group's main business cost (other business mainly belongs to trading business), the cost component by industries listed in the table above only refers to the cost component of the Group's coal sales during the reporting period.

(5) Changes in scope of consolidation due to the changes in shareholding of main subsidiaries during the reporting period.

For details of the changes in scope of consolidation, please refer to the note headed "Changes in Scope of Consolidation" to the financial statements prepared in accordance with the CASs.

(6) *Information on significant changes or adjustments in business, products or services during the reporting period.*

Not applicable.

(7) *Major Customers and Suppliers*

A. Major customers

(Prepared under CASs)

The sales revenue attributable to the biggest customer is RMB10.458 billion, accounting for 8.3% of the total annual sales revenue; the sales revenue attributable to the top five customers is RMB22.568 billion, accounting for 18.0% of total annual sales revenue; the sales revenue attributable to connected parties among the top five customers is RMB15,245 million, accounting for 12.1% of the total annual sales revenue.

The cases where the proportion of sales revenue attributable to a single customer exceeded 50% of the total annual sales revenue, there was a new customer among the top five customers or the Group heavily relied on a few customers.

Unit: RMB100 million

Number	Customer	Sales revenue	Proportion in the total annual sales revenue (%)	Cases
1	Shandong Energy Group Coal Marketing Company Limited	104.58	8.3	newly-added
2	Xinwen Mining Group Company Limited	47.87	3.8	newly-added
3	Nippon Steel Corporation	24.37	1.9	newly-added
4	Taiwan Power Company	21.67	1.7	newly-added

Note: Luxi Mining sold coal externally through Shandong Energy Group Coal Marketing Company Limited and Xinwen Mining Group Company Limited in 2023 in accordance with signed sales agreement; while it started to sell coal product externally by itself in 2024.

B. Major suppliers of the Company

The procurement from the largest supplier is RMB2.673 billion, accounting for 8.6% of the total annual procurement; the procurement of the top five suppliers is RMB6.457 billion, accounting for 20.8% of the total annual procurement; among the top five suppliers' procurement, that of the related parties is RMB0 million, accounting for 0% of the total annual procurement.

The cases where the proportion of procurement attributable to a single supplier exceeded 50% of the total amount, there was a new supplier among the top five suppliers or the Group heavily relied on a few suppliers during the reporting period.

Unit: RMB100 million

Number	Suppliers	Procurement amount	Proportion in the total annual procurement (%)	Cases
1	NCIG	12.71	4.1	newly-added
2	Shaanxi Zhongtai Energy Investment Company Limited	8.67	2.8	newly-added
3	Inner Mongolia Yitai Coal Company Limited	8.42	2.7	newly-added
4	Westrac Pty Ltd	8.04	2.6	newly-added

Other Explanations:

① The biggest customer, the top five customers, the biggest supplier, and the top five suppliers are mainly the customers and suppliers relating to the self-produced products of main businesses of the Group.

② The above customers and suppliers are domestic and overseas companies with stable operation. The Group has specialized entities to conduct qualification examination, credit management and other dynamic monitoring and control on customers and suppliers to protect itself from risks.

3. *Expenses*

For details of the analysis of changes in expenses and others, please refer to the section "Analysis of changes in the income statement and related accounts in the cash flow statement".

4. *R&D investment*

(1) *R&D investment*

Unit: RMB million

Expensed R&D investment during the reporting period	2,907
Capitalized R&D investment during the reporting period	0
Total R&D investment	2,907
Total R&D investment to sales income(%)	1.94
Share of capitalized R&D investment(%)	0

(2) *R&D personnel*

Number of R&D personnel in the Company	4,495
The number of R&D personnel to the total number of employees in the Company (%)	5.67
Educational background of the R&D personnel	
Category	Number
Personnel with PhD degree	4
Personnel with Master's degree	237
Personnel with Bachelor's degree	3,308
Personnel with Professional diploma	707
Personnel with High school diploma or below	239
Age structure of the R&D personnel	
Category	Number
Below 30 years old (30 years old excluded)	531
30-40 years old (30 years old included, 40 years old excluded)	1,835
40-50 years old (40 years old included, 50 years old excluded)	1,715
50-60 years old (50 years old included, 60 years old excluded)	413
60 years old and above	1

(3) Explanation

Viewing as technology as the top driving force to enhance productivity, the Group has expedited the promotion of major scientific and technological research centered on "seizing strategic opportunities, driving industrial breakthroughs, and solving production problems", comprehensively improved independent innovation capabilities, mastered a number of key core technologies, and continuously enhance industrial competitive advantages, so as to provide strong support for accelerating the construction of a leading demonstration enterprises in world-class and sustainable clean energy. The Group has established the National Enterprise Technology Center, the Postdoctoral Research Station Coal Mine Intelligent Mining R&D Center and the other 2 National R&D Centers and 17 high-tech enterprises. In 2023, 276 patents were granted to the Group, including 58 inventions, 204 utility models and 14 external designs. And the Group has also obtained 19 software copyrights and 48 provincial and ministerial awards.

(4) Reasons for the significant changes in the composition of R&D personnel and its impact on the future development of the Company

Not applicable.

5. Cash flow

For details of the analysis of changes in cash flows, please refer to the section "Analysis of changes in the income statement and related accounts in the cash flow statement".

Source and use of fund

For the year 2023, the Group's source of fund was mainly from operating cash flow, bond issuance and bank loans. And the fund was mainly used for operating expenses, purchasing of property, machines and equipment, dividends payment to shareholders, bank loans repayment, assets and equity acquisition payment, etc.

In 2023, the Group's capital expenditure on property, machines and equipment was RMB18.123 billion.

(III) Elaboration on Significant Changes of Profit Due to Non-core Business

(Prepared in accordance with the CASs)

Not applicable.

(IV) Analysis on Assets and Liabilities

1. *Assets and liabilities*

Unit: RMB million

Items	Closing amount as at 31 December 2023	Percentage to the total assets as at 31 December 2023 (%)	Closing amount as at 31 December 2022	Percentage to the total assets as at 31 December 2022 (%)	Percentage of increase/ decrease in closing amount (%)	Notes
Prepayment and other account receivables	**36,492**	8.81	19,208	6.19	89.98	① Loans and advances facilitated by Shandong Energy Finance Company increased by RMB7.729 billion as compared with that of the beginning of the 2023; ② The expenditures on land subsidence treatment, rehabilitation, and environment protection increased by RMB7.065 billion as compared with that of the beginning of 2023.
Long-term receivables due within one year	**2,279**	0.55	4,591	1.48	-50.35	During the reporting period, the Shandong Energy Finance Company recovered a total of RMB1.95 billion external loan due within one year.
Intangible assets	**116,076**	28.02	72,605	23.42	59.87	During the reporting period, the Company consolidated the financial statements of Luxi Mining and Xinjiang Neng Hua, which increased the intangible assets by RMB43.471 billion as compared with that of the beginning of 2023.
Property, machinery and equipment	**115,160**	27.80	82,430	26.58	39.71	During the reporting period, the Company consolidated the financial statements of Luxi Mining and Xinjiang Neng Hua, which increased property, machinery and equipment by RMB32.73 billion as compared with that of the beginning of 2023.
Asset of right of use	**5,867**	1.42	3,758	1.21	56.10	During the reporting period, the Company consolidated the financial statement of Shandong Energy Tower Shanghai Company Limited, which led to an increase of RMB2.108 billion in right-of-use asset as compared with that of the beginning of 2023.
Long-term receivables due more than one year	**5,566**	1.34	3,089	1.00	80.17	The financial leasing payment collected by Yankuang Financial Leasing increased as compared with that of the beginning of 2023.

Items	Closing amount as at 31 December 2023	Percentage to the total assets as at 31 December 2023 (%)	Closing amount as at 31 December 2022	Percentage to the total assets as at 31 December 2022 (%)	Percentage of increase/ decrease in closing amount (%)	Notes
Tax-deferred assets	**4,746**	1.15	3,508	1.13	35.29	During the reporting period, the Company consolidated the financial statements of Luxi Mining and Xinjiang Neng Hua, which led to an increase in tax-deferred assets as compared with that of the beginning of 2023.
Other receivables and withholding expenses	**59,405**	14.34	21,693	7.00	173.85	① The payment for the acquisition of subsidiaries increased by RMB11.072 as compared with that of the beginning of 2023; ② Shandong Energy Finance Company attracted new deposits of RMB15.012 billion as compared with that of the beginning of 2023.
Payables to the parent company and its subsidiaries	**5,399**	1.30	3,331	1.07	62.11	During the reporting period, the Company consolidated the financial statements of Luxi Mining and Xinjiang Neng Hua, which generated a total of RMB2.069 billion for payables to the parent company and its subsidiaries.
Borrowings, due within one year	**24,108**	5.82	15,350	4.95	57.05	① During the reporting period, the Company consolidated the financial statements of Luxi Mining and Xinjiang Neng Hua, which caused the borrowings due within one year increased by RMB2.582 billion; ② The RMB6.5 billion of bonds due within one year was reclassified into borrowings due within one year.
Taxes payable	**2,623**	0.63	10,072	3.25	-73.96	The corporate income taxes payable of the Group decreased by RMB8.009 billion as compared with that of the beginning of 2023.
Withholding expenses for land subsidence, restoration, rehabilitation and environmental protection	**13,470**	3.25	9,189	2.96	46.58	During the reporting period, the Company consolidated the financial statements of Luxi Mining and Xinjiang Neng Hua, which caused an increase of RMB4.038 billion in withholding expenses for land subsidence treatment, rehabilitation, and environment protection as compared with that of the beginning of 2023.
Reserve Funds	**6,102**	1.47	776	0.25	686.03	During the reporting period, the Company consolidated the financial statements of Luxi Mining and Xinjiang Neng Hua, which caused the employee dimission and termination benefits to increase by RMB5.317 billion as compared with that of the beginning of 2023.

Items	Closing amount as at 31 December 2023	Percentage to the total assets as at 31 December 2023 (%)	Closing amount as at 31 December 2022	Percentage to the total assets as at 31 December 2022 (%)	Percentage of increase/ decrease in closing amount (%)	Notes
Long-term payables, due more than one year	**6,733**	1.63	5,032	1.62	33.80	During the reporting period, the Company consolidated the financial statements of Luxi Mining and Xinjiang Neng Hua, which lifted the exploration rights payables by RMB1.094 billion as compared with that of the beginning of 2023.
Tax-deferred liabilities	**21,206**	5.12	10,937	3.53	93.90	During the reporting period, the Company consolidated the financial statements of Luxi Mining and Xinjiang Neng Hua, which caused the tax-deferred liabilities to increase by RMB10.269 billion as compared with that of the beginning of 2023.
Share capital	**7,439**	1.80	4,949	1.60	50.33	During the reporting period, the Company completed profit distribution of year 2022 by issuing bonus shares, due to which, the share capital increased as compared with that of the beginning of the year.

Other information

(1) Debt to equity ratio

As at December 31, 2023, the equity attributable to the shareholders of the Company was 86.902 billion and the total borrowings amounted to RMB100.188 billion, representing a debt-to-equity ratio (equals to total borrowings divided by shareholders' interests attributable to shareholders) of 115.3%.

For detailed information on borrowings, please refer to the Note "Borrowing" to the Financial Statements prepared under the IFRS.

(2) Contingent liabilities

For details of the contingent liabilities, please refer to the Note "Contingent liabilities" to the financial statements prepared under the IFRS.

(3) Pledge of assets

For details of pledge of assets, please refer to Note "Notes to The Consolidated Financial Statements – Assets Subject to Restriction on Ownership or Right of Use" to the financial statements prepared under the CASs.

2. Overseas assets

(Prepared under CASs)

(1) Assets scale

As at 31 December 2023, the Group's overseas asset is RMB71.167 billion, representing 20.1% over the total asset.

(2) Elaboration on the high ratio of overseas assets to the total

Unit: RMB million

Overseas assets	Reasons of formation	Operation mode	Sales income as at the end of the reporting period	Net profits as at the end of the reporting period
Yancoal Australia	Through capital contribution to establish a new company	Self-operation	36,752	8,697
Yancoal International	Through capital contribution to establish a new company	Self-operation	4,545	1,427

3. Major asset subject to restrictions as at the end of the reporting period

(All data was prepared under the CASs)

As at 31 December 2023, the Group's asset subject to restriction was RMB97.713 billion, which mainly includes monetary fund, receivables financing and other related pledged asset for borrowings. For details, please refer to the Note "Notes on Major Items of Consolidated Financial Statements–Assets Subject to Restriction on Ownership or Right of Use" to the financial statements prepared under CASs.

4. Other explanation

Not applicable.

(V) Analysis on Business Operation

For details of coal business operation of the Group in 2023, please refer to the relevant contents in the section "Business Operation by Segments" in this Chapter.

1. *Coal reserves*

			China national standard (CNS)①			JORC Standard②	
Major mining sites	Location	Main types	Resources (million tons)	Proved reserve (million tons)	Reliable reserve (million tons)	In-situ resources (million tons)	Recoverable reserve (million tons)
Coal mines owned by the Company④	Jining, Shandong, Tongliao City, Inner Mongolia	Thermal coal	4,143	288	140	1,808	260
Coal mines owned by Heze Neng Hua	Heze City, Shandong	1/3 Coking coal	646	163	106	163	81
Coal mines owned by Luxi Mining	Heze City, Shandong	1/3 Coking coal, thermal coal	3,788	476	384	1,822	211
Coal mines owned by Tianchi Energy	Heshun county, Shanxi	Thermal coal	103	33	15	45	20
Coal mines owned by Future Energy	Yulin, Shaanxi	Thermal coal	1,611	632	226	943	478
Coal mines owned by Ordos Company	Ordos, Inner Mongolia	Thermal coal	492	196	36	307	205
Coal mines owned by Haosheng Company	Ordos, Inner Mongolia	Thermal coal	2,310	679	386	729	570
Mining areas owned by Inner Mongolia Mining③	Ordos, Inner Mongolia	Thermal coal	6,430	1,039	447	6,113	1,415
Mining Area owned by Xinjiang Neng Hua	Xinjiang Ili Prefecture, Changji Prefecture	Thermal coal	27,285	1,356	987	26,418	1,349
Subtotal of domestic reserves	–	–	46,807	4,862	2,728	38,349	4,588
Coal mines owned by Yancoal Australia	Queensland and New South Wales	PCI coal, thermal coal, semi-soft coking coal, semi-hard coking coal	/	/	/	7,207	1,440
Coal mines owned by Yancoal International	Queensland and Western Australia	PCI coal, thermal coal	/	/	/	1,541	130
Subtotal of overseas reserves	–	–	/	/	/	8,748	1,570
Total	–	–	46,807	4,862	2,728	47,097	6,158

Notes:

① Based on the standard of Solid Mineral Resources/Reserves Classification (China National Standard GB/T 17766-2020), resource reserves refer to solid mineral resources that could be exploited economically as projected after the mineral resources being explored, verified and studied. Its quantity, grading or quality are estimated in reference to the geographic conditions and relevant technical requirements. Proved reserves refer to the reserves estimated on the basis of proved resources after a pre-feasibility study, feasibility study, or equivalent technical and economic evaluation. Reliable reserves refer to the reserves estimated based on the amount of controlled resources after a pre-feasibility study, feasibility study or equivalent technical and economic evaluation; or estimated reserves based on proved resources when there exists uncertain conversion factors.

② According to the requirements of the Hong Kong Stock Exchange, the Group has carried out a unified resource reserve assessment of its coal mines in China in accordance with the international standard (JORC).

The In-situ Resources and Recoverable Reserves of coal are estimated in accordance with 100% equity and JORC standard as at 31 December 2023, of which, In-situ Resources and Recoverable Reserves from China domestic coal mines are based upon the competent person's report prepared by John T. Boyd Company in March 2024 and overseas In-situ Resources and Recoverable Reserves are based on the report prepared by competent persons appointed by overseas subsidiaries.

③ In addition to Yingpanhao Coal Mine, Inner Mongolia Mining holds the exploration rights of coal fields of Liusan Ge Dan and Galutu, the coal resources of Liusan Ge Dan coalfield and Galutu coalfield was about 4,173 million tons (China national standard), or in-situ coal resources was 4,262 million tons (JORC) as at 31 December 2023.

④ On 8 December 2023, the Company won the bid for the exploration right of Huolinhe No.1 coalfield. As at 31 December 2023, its coal resource was 1,041 million tons (China National Standard), or the in-situ coal resource is about 1,028 million tons (JORC).

⑤ The Group did not make assessment on the resources/reserves of the coal mines affiliated to Yancoal Australia and Yancoal International in accordance with China National Standard of Resource Reserve.

2. *Other explanations*

(1) Coal exploration, development and mining during the reporting period

In 2023, the coal exploration expenditure of the Group was RMB9,460 thousand, mainly including expenditures on optimizing exploration of Moolarben coal mine and Premier coal mine in Australia and exploration expenditure for Yancoal International; the capital expenditure for coal development and mining was RMB8.301 billion, mainly including the fixed asset expenditure on the existing coal mines as well as the coal development and mining costs generated from Wanfu coal mine, coal mines affiliated to Yancoal Australia and Yancoal International.

(2) Major mine construction project

As at the end of this reporting period, the progress of the Group's major mine construction project is as follows:

No.	Project	Designed capacity (10,000t/a)	Investment as at the end of the reporting period (RMB100 million)	Construction progress
1	Wanfu Coal Mine	180	58.28	projected production in 2024
2	Wucaiwan No.4 Coal Mine	1,000	0.67	projected production in 2025
	Total	1,180	58.95	–

(VI) Investment Analysis

(Prepared under the CASs)

Overall analysis on external equity investment

Not applicable

1. *Major equity investment*

Unit: RMB100 million

Invested company	Major businesses	Mainly engaged in the major investment business	Investment method	The amount invested	Share holding	Whether consolidating the financial statements	Statement account (if applicable)	Source of capital	Collaborator (if applicable)	Investment horizon (if applicable)	Progress as of the balance sheet date	Estimated earnings (if any)	Impact on the profit and loss during the reporting period	Whether involved in litigation	Disclosure date (if any)	Disclosure index(if any)
Luxi Mining	Mainly engaged in coal mining, coal handling and preparation, the sales of coal and coal related products.	No	Acquisition	183.19	51%	Yes	Long-term equity investment	Self-owned funds	-	-	Equity transfer and industrial and commercial change procedures completed.	-	16.27	No	28 April 2023	For details, please refer to the Major Connected/Related Transactions under Chapter 7 Significant Events in this report.
Xinjiang Neng Hua	Mainly engaged in coal mining, coal handling and preparation, chemical productions, and the sales of coal and coal related products	No	Acquisition	81.12	51%	Yes	Long-term equity investment	Self-owned funds	-	-	Equity transfer and industrial and commercial change procedures completed.	-	4.26	No	28 April 2023	For details, please refer to the Major Connected/Related Transactions under Chapter 7 Significant Events in this report.
Total	/	/	/	264.31	/	/	/	/	/	/	/	-	20.53	/	/	/

Note: The above table "the influence on the profit and loss" was prepared based on the net profit from the consolidated financial statement of the invested entities (100% equity).

2. *Major non-equity investment*

Not applicable.

3. *Financial assets measured at fair value*

Unit: RMB'000

Assets categories	Amount at the beginning of the reporting period	Profit and loss due to changes in the fair value during the reporting period	Accumulated fair value changes included in equity	Impairment accrued during the reporting period	Purchase amount during the reporting period	Sales/ redemption amount during the reporting period	Other changes	Amount at the end of the reporting period
Stocks	866	-200	-74	–	–	–	–	592
Trust products	70,520	–	–	–	–	–	–	70,520
Derivative instruments	31,329	–	–	–	–	31,329	–	–
Others	1,689,875	42,886	-145	–	–	10,911	-65,228	1,656,478
Total	1,792,590	42,686	-219	–	–	42,240	-65,228	1,727,590

Stock investment

Unit: RMB'000

Stock varieties	Stock code	Stock abbreviation	Initial investment amount	Source of capital	Book value as at the beginning of the reporting period	Profit and loss due to changes in the fair value during the reporting period	Accumulated fair value changes included in equity	Purchase amount during the reporting period	Sales amount during the reporting period	Investment profit and loss during the reporting period	Book value as at the end of the reporting period	Accounting accounts
Stock	601777	Lifan Technology	–	Debt restructure	425	-200	–	–	–	–	225	Tradable financial asset
Stock	601008	Lianyungang	89	Monetary fund	440	–	-74	–	–	–	366	Other equity instrument investment
Wealth Management Fund	4968	Hongtu Innovative Monetary B	5,000	Monetary fund	1,012	-12	–	–	1,000	–	–	Tradable financial asset
Trust products	–	CCB Trust – Caidie 6 Property Rights Trust Plan	43,731	Debt restructure	70,520	–	–	–	–	–	70,520	Other equity instrument investment
Total	/	/	48,820	/	72,396	-212	-74	–	1,000	–	71,110	/

Explanation on stock investment

Not applicable.

Privately offered funds investment

Not applicable.

Derivatives investment

Not applicable

4. Merger and reorganization of material assets during the reporting period

Not applicable.

(VII) Disposal of Material Assets and Equity

Not applicable.

(VIII) Analysis of Major Controlled Companies and Invested Companies

(All financial data in this section are prepared under CASs)

1. Major controlled companies

(1) The following table sets out the major controlled companies that have significant impact on the Group's net profits attributable to the listed company.

Unit: RMB million

Company name	Registered capital	31 December 2023 Total asset	Net asset	Net profit for the year 2023
Future Energy	5,400	31,394	24,841	5,650
Yancoal Australia	AUD6,027 million	54,279	40,941	8,697

Note: For more information about the main businesses, main financial indicators of the Group's major controlled subsidiaries, please refer to the note "Interests in Other Entities-Interests in Subsidiaries" to the financial statement prepared under CASs.

(2) The followings are the major controlled subsidiaries whose operating performance fluctuated significantly as compared with that of the same period of the previous year.

Yancoal Australia

In Year 2023, Yancoal Australia realized a net profit of RMB8.697 billion, representing a year-on-year decrease of RMB8.042 billion or 48.0%, which was mainly due to the year-on-year decrease of sales price for coal products.

2. Major invested companies

For more information about the main businesses and main financial indicators of the Group's major invested companies, please refer to the note "Interests in Other Entities-Interests in Joint Venture and Associated Companies" to the financial statement prepared under CASs.

(IX) Structures of Entities Controlled by the Company

Not applicable.

VI. DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY

(Information in this section are prepared under CASs)

(I) Industrial Pattern and Trend

For details of the industry competition pattern and development trend of the Company, please refer to the relevant contents in "Chapter 3 Chairman's Statement".

(II) Development Strategy of the Company

Amid undergoing profound changes in the global energy sector, the Company followed the development trend, comprehensively inspected its future development paths and approved the "Outline for the Company's Development Strategy" at the 18th meeting of the eighth session of the Board on 1 December 2021 after consideration. In the outline, the Company has made strategic plannings for the low-carbon transformation under the "Carbon Peaking & Carbon Neutrality" goals as well as for its industrial layout for the coming 5-10 years. In addition, the Company clearly pinpoints its vision of building itself into a world-class clean energy supplier that leads the industry and features sustainable development, identified mining, high-end chemicals and new materials, new energy, high-end equipment manufacturing and intelligent logistics as its five major industries, and spares no effort in cultivating new technologies, new businesses, and new models in an attempt to transform into a brand new energy enterprise that has achieved high-quality, high-efficiency, and low-carbon development.

1. Mining: Intelligent, efficient, excellent & Strong. The Company strives to reach a 300 Mt/a coal production, and build over eight green intelligent mines with production capacity exceeding 10 million tons. On the basis of the existing non-coal mineral assets, the Company will further explore the development of emolybdenum, gold, copper, iron, potash and others so as to achieve the transformation from pure coal mining to multi-mineral development.

2. High-end chemicals and new materials: Extend and strengthen industrial chain & improve added-value. Heading towards the goal of high-end, green and low carbon development, the Company will extend the existing chemical industry chain and build a R&D and production base for new chemical materials. In addition, the Company strives to achieve an annual output of over 20 Mts chemicals, of which new chemical materials and high-end chemicals account for more than 70%.

3. New energy: Prioritize strategy & accelerate development. The Company will promote the development and construction of new energy projects such as the generation & storage of wind power and photovoltaic power. The Company also strives to reach an installed capacity of more than 10 GW of new energy power generation.

4. High-end equipment manufacturing: Secure breakthroughs in key areas and pursue specialized and innovative development. On the basis of the existing equipment manufacturing industry, the Company focuses on the development of high-end coal machinery manufacturing and other traditional advantageous products, expand business scope by manufacturing new energy equipment such as electric fan motors, and cultivate medium and high-end product series.

5. Intelligent logistics: Seek digital development and increase synergistic efficiency. The Company will strive to integrate products, users and third-party service providers with purpose of building a intelligent logistics system.

For details of the Group's development strategy, please refer to the Resolution of the Board announced on 15 December 2021. Such information is available on the website of the SSE, HKEX, the Company's website and/or the China Securities Journal, the Shanghai Securities News, the Securities Times and the Securities Daily in the PRC. For details of the update of the 2023 Development Strategy, please refer to the relevant contents in "Chapter 3 Chairman's Statement" in this report.

(III) Operation Plan

For details of operation plan of the Group, please refer to the relevant contents in "Chapter 3 Chairman's Statement".

Relevant operation plan shall not be deemed as the Company's performance commitments to investors. Investors shall be reminded to be risk-aware and understand the difference between operation plan and performance commitments.

(IV) Capital Expenditure Plan

The Group's capital expenditure for the year 2024 is projected to be RMB19.702 billion, which is mainly sourced from the Group's self-owned funds, bank loans, bond issuance, etc.

The capital expenditure for the year 2023 and the estimated capital expenditure for the year 2024 of the Group (grouped by business entities) are set out in the following table:

Unit: RMB100 million

	2024 (Budget)	2023	Main Items
The Company	**46.93**	75.45	Mine equipment upgrading, data center, intelligent manufacturing park, maintenance for simple reproduction, safety and other inputs
Donghua Heavy Industry	**3.39**	1.05	Input in project construction
Rail and Logistics Company	**3.64**	4.00	Input in rail road project and others
Heze Neng Hua	**14.86**	2.09	Input in the construction of Wanfu Coal Mine and others.
Luxi Mining	**8.08**	22.83	Input in mine equipment upgrading, support facilities, intelligent transformation, maintenance for simple reproduction, safety and others.
Lunan Chemicals	**7.86**	12.51	Input in caprolactam project and supporting facilities, POM project and others.
Future Energy	**7.95**	3.18	Input in Coal mine supporting facilities and high-temperature Fischer-Tropsch chemicals related projects and others.
Ordos Company	**7.89**	4.36	Input in chemical projects.
Haosheng Company	**2.57**	1.90	Input in the development of new coal seams.
Inner Mongolia Mining	**2.36**	2.46	Input in the preparation for mining rights, technical revamp and others.
Xinjiang Neng Hua	**43.44**	10.41	Input in Wucaiwan open cut coal mine and supporting facilities, olefin and melamine and other chemical projects.
Yancoal Australia	**35.34**	24.25	Input in the maintenance for simple reproduction, safety, environment protection, prospect and others.
Yancoal International	**8.41**	12.30	Input in Tai'an highway, rail and water integrated logistic project, maintenance for simple reproduction, safety, environment protection and others.
Other Subsidiaries	**4.30**	4.43	–
Total	**197.02**	181.23	–

The capital expenditure for the year 2023 and the estimated capital expenditure for the year 2024 of the Group (grouped by fund uses) are set out in the following table:

Unit: RMB100 million

	2024 (Budget)	2023
Infrastructure Construction Projects	**79.5**	82.28
Coal mine construction	**47.94**	48.94
Chemical projects	**18.1**	18.32
Logistics and warehouse projects	**8.7**	9.83
Other infrastructure projects	**4.75**	5.19
Maintenance of simple reproduction	**101.64**	82.35
Planned expenditure on safety production	**12.84**	13.54
Planned expenditure on scientific and technological development	**2.08**	–
Planned expenditure on technology revamp	**0.96**	3.06
Total	**197.02**	181.23

The Group currently possesses relatively sufficient cash and financing facilities, which are expected to meet its operation and development demands.

(V) Possible Risks

Risks arising from safety management

The two business segments of the Company, namely "coal mining and coal chemicals", are of high hazardous nature and of complex uncertainties, thus the risk of safety management can easily arise.

Counter Measures: The Company improves the dual-prevention information system, enhances report, management, and supervision procedures for the safety hazards, and comprehensively advances the treatment of hidden disasters in the coal mining and coal chemical industries.

Risks arising from environmental protection

With China's environmental policy getting much stricter and the whole society increasingly valuing environmental protection, the Group is facing more stringent environmental restrictions. China has made a solemn commitment to the world to achieve "carbon peaking and carbon neutrality", which brings significant impact on the operation and development of the Company's coal business.

Counter measures: The Group will strictly implement the requirements of environmental protection regulations, actively promote the upgrading of facilities and improve the operation and management of facilities to ensure that pollutants are discharged in accordance with the standards. The Group will also implement strategic transformation, actively promote the transformation of traditional industries, boost the development of new industries, and follow the path of green and low-carbon development. In addition, the Group will promote the efficient and clean utilization of coal and maintain the coal's fundamental role in the energy structure.

Risks arising from exchange rates

As a multinational company, the Group's business, such as overseas investment, overseas financing, international trade and etc., are subject to the fluctuation of foreign exchange rates, which in turn bring uncertainties to the operation results and strategic development of the Group.

Counter measures: The Group strengthens the study and analysis on the trend of foreign exchange, and take advantage of comprehensive financial instruments to lower the risks brought by the fluctuation of foreign exchange rates; According to the development trend of exchange rates, the Group will conclude the appropriate preservation clause in the trading contract. The Group will flexibly use foreign exchange derivatives tools, sign forward foreign exchange contracts and lock exchange rate.

Risks arising from geopolitics

The Group's business across different regions and countries will be affected by factors such as local government policy, economic and international relations. If any major adverse changes occur, the business, financial situation and business performance of the Group may be adversely affected.

Counter measures: First, the Group should pay close attention to the international trends, strengthen the analysis of political and economic changes in regions where the Group runs its business, timely identify and foresee the geopolitical risks for its overseas businesses, and formulate counter measures. Second, the Group will continue to adhere to the localization strategy, comply with the local laws and regulations and actively integrate into the local economic and social development.

(VI) Others

1. *The impact from changes in exchange rate*

The impacts of exchange rate fluctuations on the Group were mainly reflected in:

(1) The overseas coal sales are priced in USD and AUD respectively, generating an impact on the overseas coal sales income;

(2) The exchange gains and losses of the foreign currency deposits and borrowings;

(3) The cost of imported equipment and accessories of the Group.

Affected by the fluctuations in foreign exchange rates, the Group had a book exchange gain of RMB85million during the reporting period.

To manage foreign currency risks arising from the expected sales income, Yancoal Australia has entered into foreign exchange hedging contracts with banks.

To hedge the exchange losses of USD debts arising from the fluctuation of foreign exchange, Yancoal Australia and Yancoal International have adopted foreign exchange hedging measures to such debts on the accounting basis, which effectively mitigated the impact of exchange loss on the current profit. At present, Yancoal Australia USD loans has been fully settled, but according to the accounting natural hedge rule, the exchange profit and loss caused by the early repayment of the loan will still be recognized on the maturity date of the loan, which will have a non-cash impact on the future fiscal year.

Save as disclosed above, the Group did not take foreign exchange hedging measures on other foreign currencies and did not further hedge the exchange rate between RMB and other foreign currencies in the reporting period.

2. Taxation

In 2023, except for some domestic subsidiaries of the Company incorporated in the PRC that are subject to an income tax rate of 15% on their taxable profits under preferential income tax policy, the Company and the other subsidiaries incorporated in the PRC are subject to an income tax rate of 25% on their taxable profits. Yancoal Australia and Yancoal International are subject to a tax rate of 30% and 16.5%, respectively, on their taxable profits.

For details of the preferential income tax policies and tax rates of the subsidiaries in China, please refer to Note "Tax Preference" to the financial statements prepared under the CASs.

3. Employees' pension scheme

For details of the employees' pension scheme of the Company, please refer to Note "Retirement Benefits" to the consolidated financial statements prepared in accordance with the IFRS.

4. Reserves

Please refer to Note "Shareholders' Equity" to the consolidated financial statements prepared in accordance with the IFRS for the changes of reserves during the year and the distributable reserves as of 31 December 2023.

5. Donation

The Group's donation expenditure in 2023 amounted to RMB50,486 thousand.

6. Environmental policy and performance

For relevant contents, please refer to "Chapter 6 Environmental and Social Responsibilities" of this report.

7. Compliance with laws, regulations and rules

The Company is aware of the importance of complying with the requirements of laws, regulations and rules and has established a well-developed system to ensure continuous compliance with the applicable laws, regulations and rules. During the reporting period, the Company has complied with the applicable laws, regulations and rules in all material matters, which include, but are not limited to, the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other laws and regulations that are significant or have an impact on the Company's operations in its principal business. As a listed company on the SSE and the HKEX, the Company also complied with the listing rules the places of listing during the reporting period.

8. Significant events after the reporting period

Please refer to the section "Other significant matters that have a significant impact on the value judgments and investment decision-making of investors" under "Chapter 7 Significant Events" of this report.

VII. EXPLANATIONS AND REASONS FOR FAILED DISCLOSURE DUE TO NON-COMPLIANCE OR LEAKAGE OF NATIONAL OR BUSINESS SECRETS

Not applicable

Chapter 05

Corporate Governance

I. RELATED INFORMATION ON CORPORATE GOVERNANCE

The Company has closely monitored updates on the securities market standards and rule of law, and actively improved its corporate governance structure based on the reality. During the reporting period, the Company further enhanced its corporate governance. In accordance with the latest laws, regulations and regulatory rules such as the "Measures for the Management of Independent Directors of Listed Companies", the Company has formulated the "Work Rules for Special Meetings of Independent Directors", "Measures for the Management of Equity Investment", "Decision-making Process Table of the Party Committee, the General Meeting of Shareholders, the Board of Directors and the General Manager's Work Meeting", etc. In addition, the Company also revised and improved the "Articles of Association", the "Rules of Procedure of the Party Committee", "Rules of Procedure of the General Meeting of Shareholders", "Rules of Procedure for the Board of Directors', "Rules of Procedure for the Supervisory Committee", "Rules of Procedure of the General Manager' Work Meeting", "Rules of Procedure of the Audit Committee", "Rules of the Remuneration Committee", "Rules of the Sustainable Development Committee", "Work System for Independent Directors", and "Work System for the Board Secretary" and others. The goal is to improve the corporate governance system with the "Articles of Association" as the core and to ensure the standard and efficient operation of the Company.

After deliberation and approval at the 2022 Annual General Meeting of shareholders held on 30 June 2023, the Company amended the "Articles of Association" and related rules of Procedure in accordance with the latest revised laws, regulations and regulatory requirements, and in light of actual operational needs. For further details, please see the Company's announcement Work dated 28 October 2022 and the announcement dated 24 April 2023, the Circular dated 9 June 2023 and the Materials for the General Meeting of Shareholders dated 20 June 2023.

After deliberation and approval at the 2023 First Extraordinary General Meeting of Shareholders held on 27 October 2023, the Company amended the "Articles of Association" to reflect the changes in the share capital structure and registered capital, comply with the newly promulgated "Measures for the Management of Independent Directors of Listed Companies" by the China Securities Regulatory Commission, and further improve the relevant expressions of the "Party Building Segment". For further details, please refer to the Company's Announcement dated 25 August 2023, the Circular dated 28 September 2023 and the Materials for the General Meeting of Shareholders dated 19 October 2023.

Please clarify whether there are significant differences between corporate governance of the Company and the provisions of laws, administrative regulations and the requirements on the governance of listed companies detailed by the CSRC; If any, the reasons should be stated.

Since its listing, the Company, in accordance with the Company Law, Securities Law and relevant regulatory requirements of the region where the listing took place, following the principles of transparency, accountability and protection of the rights and interests of all Shareholders, has established a regulated and robust corporate governance structure, which does not have significant differences with the requirements in relevant documents detailed by the CSRC.

II. CONCRETE MEASURES TAKEN BY THE COMPANY'S CONTROLLING SHAREHOLDER AND THE ACTUAL CONTROLLER IN ENSURING THE INDEPENDENCE OF THE COMPANY IN ASSETS, PERSONNEL, FINANCE, INSTITUTIONS, BUSINESSES AND OTHER ASPECTS. SOLUTIONS, WORK PROGRESS AND FOLLOW-UP PLANS IN OFFSETTING THE IMPACT ON THE INDEPENDENCE OF THE COMPANY.

Shandong Energy undertakes to ensure the independence of Yankuang Energy and to fully respect Yankuang Energy's operational autonomy.

The impact on the Company due to the fact that the controlling shareholder, the actual controller and other institutions controlled by them are engaged in the same or similar business as the Company, the impact of intra-industry competition on the Company or the impact of its significant changes on the Company as well as the measures taken to solve the problems, its progress and the follow-up plans.

Shandong Energy will continue to fulfill its commitment to resolve intra-industry competition and take various effective measures to avoid intra-industry competition with the Group.

III. SHAREHOLDERS' GENERAL MEETING DURING THE REPORTING PERIOD

Session and Number of Meeting	Date of Meeting	Designated Websites on which Resolutions Posted	The Disclosure Date of the Posted Resolutions	Resolutions
2022 Annual General Meeting of Shareholders	30 June 2023	The website of Shanghai Stock Exchange (http://www.sse.com.cn)	30 June 2023	All proposals approved
The 2023 First Class Meeting of the Holders of A Shares	30 June 2023	The website of Hong Kong Stock Exchange (http://www.hkexnews.hk)	30 June 2023	All proposals approved
The 2023 First Class Meeting of the Holders of H Shares	30 June 2023	The Company's website (http://www.ykenergy.com http://www.yanzhoucoal.com.cn)	30 June 2023	All proposals approved
The 2023 First Extraordinary General Meeting of Shareholders	27 October 2023		27 October 2023	All proposals approved

Note: The "Disclosure Date of the Posted Resolutions" refers to the date of the resolutions disclosed.

Extraordinary General Meeting of Shareholders convened upon request by the holders of preferred shares with voting rights resumed.

Not applicable.

Explanation on General Meeting of Shareholders

Not applicable.

IV. INFORMATION ON DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

(I) Changes in Shareholdings and Remuneration of Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period.

As at the end of this reporting period, except as disclosed below, none of the Directors, supervisors and senior management of the Company had an interest in or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the "Hong Kong Securities and Futures Ordinance"), Such interest and short position (i) shall be recorded in a register which shall be kept in accordance with section 352 of the Hong Kong Securities and Futures Ordinance; Or (ii) to notify the Company and HKEX in accordance with Standard Code for Directors of listed Issuers to conduct securities transactions (the "Standard Code").

Unit: Share

Name	Title	Gender	Age	Start of term of office	End of term of office	Number of shares held at the beginning of 2023	Number of shares held at the end of 2023	Increase/ decrease of shareholding during 2023	Reasons for increase/ decrease	The total remuneration before tax obtained from the Company (RMB'000)	Whether obtained remuneration from the connected parties of the Company
Li Wei	Director, Chairman	Male	57	20 August 2021	30 June 2026	10,000	15,000	5,000	Bonus Share	–	Yes
Xiao Yaomeng	Director General Manager	Male	51	20 August 2021 30 July 2021	30 June 2026 30 June 2026	299,000	525,000	226,000	Exercise Option and Bonus Share	115.14	No
Liu Jian	Director	Male	55	24 May 2019	30 June 2026	85,800	128,700	42,900	Bonus Share	–	Yes
Liu Qiang	Director	Male	51	30 June 2023	30 June 2026	160,000	0	-160,000	Cancellation of restricted shares repurchased	–	Yes
Zhang Haijun	Director	Male	50	30 June 2023	30 June 2026	0	0	0	–	–	Yes
Su Li	Employee Director Employee Supervisor (Resigned)	Male	51	19 April 2023 17 June 2020	30 June 2026 19 April 2023	0	0	0	–	95.82	No
Huang Xiaolong	Director Secretary of the Board	Male	46	20 August 2021 30 July 2021	30 June 2026 30 June 2026	160,000	240,000	80,000	Bonus Share	94.91	No
Peng Suping	Independent Director	Male	64	30 June 2023	30 June 2026	0	0	0	–	7.50	No
Zhu Limin	Independent Director	Male	72	19 June 2020	30 June 2026	0	0	0	–	15.00	No
Woo Kar Tung, Raymond	Independent Director	Male	54	30 June 2023	30 June 2026	0	0	0	–	7.50	No
Zhu Rui	Independent Director	Female	49	30 June 2023	30 June 2026	0	0	0	–	7.50	No

Name	Title	Gender	Age	Start of term of office	End of term of office	Number of shares held at the beginning of 2023	Number of shares held at the end of 2023	Increase/ decrease of shareholding during 2023	Reasons for increase/ decrease	The total remuneration before tax obtained from the Company (RMB'000)	Whether obtained remuneration from the connected parties of the Company
Li Shipeng	Supervisor	Male	46	19 June 2020	30 June 2026	0	0	0	–	–	Yes
	Chairman of the Supervisory Committee			30 June 2023	30 June 2026						
	Vice Chairman of the Supervisory Committee (Resigned)			20 August 2021	30 June 2026						
Zhu Hao	Supervisor	Male	52	20 August 2021	30 June 2026	0	0	0	–	–	Yes
Jin Jiahao	Employee Supervisor	Male	52	19 April 2023	30 June 2026	0	0	0	–	59.26	No
Li Hongguo	Vice General Manager	Male	54	24 March 2023	30 June 2026	0	0	0	–	58.45	No
Zhang Chuanchang	Vice General Manager	Male	55	22 April 2020	30 June 2026	160,000	240,000	80,000	Bonus Share	94.84	No
Ma Junpeng	Chief Engineer	Male	50	30 March 2022	30 June 2026	131,600	273,900	142,300	Exercise Option and Bonus Share	95.49	No
Kang Dan	Chief Safety Officer	Male	44	29 April 2022	30 June 2026	80,000	181,200	101,200	Exercise Option and Bonus Share	94.31	No
Wang Jiuhong	Vice General Manager	Male	47	28 October 2022	30 June 2026	80,000	181,200	101,200	Exercise Option and Bonus Share	87.39	No
Yue Ning	Vice General Manager	Male	45	27 October 2023	30 June 2026	80,000	120,000	40,000	Bonus Share	225.29	No
Zhao Zhiguo	CFO	Male	45	27 October 2023	30 June 2026	0	0	0	–	87.57	No
Gao Chunlei	Chief Engineer (Chemicals)	Male	42	28 March 2024	30 June 2026	80,000	120,000	40,000	Stock option exercise, reduce share holding and distribute bonus shares	85.91	No
Zhang Lei	Chief Investment Officer	Male	51	27 March 2020	30 June 2026	0	0	0	–	454.06	No
Zhu Qingrui	Director (Resigned)	Male	58	20 August 2021	30 June 2023	0	0	0	–	–	Yes
Zhao Qingchun	Director (Resigned)	Male	56	3 June 2016	30 June 2023	331,600	630,000	298,400	Exercise Option and Bonus Share	85.53	No
	CFO (Resigned))			6 January 2016	27 October 2023						
Tian Hui	Independent Director (Resigned)	Male	72	19 June 2020	30 June 2023	0	0	0	–	7.50	No
Cai Chang	Independent Director (Resigned)	Male	52	27 November 2017	30 June 2023	0	0	0	–	7.50	No

Name	Title	Gender	Age	Start of term of office	End of term of office	Number of shares held at the beginning of 2023	Number of shares held at the end of 2023	Increase/ decrease of shareholding during 2023	Reasons for increase/ decrease	The total remuneration before tax obtained from the Company (RMB'000)	Whether obtained remuneration from the connected parties of the Company
Poon Chiu Kwok	Independent Director (Resigned)	Male	61	29 June 2017	30 June 2023	0	0	0	–	7.50	No
Qin Yanpo	Supervisor (Resigned)	Male	49	19 June 2020	30 June 2023	0	0	0	–	–	Yes
Deng Hui	Employee Supervisor (Resigned)	Male	51	30 November 2021	19 April 2023	0	0	0	–	–	Yes
Tian Zhaohua	Vice General Manager (Resigned)	Male	57	9 December 2020	27 October 2023	259,000	465,000	206,000	Exercise Option and Bonus Share	90.59	No
You Jiaqiang	Vice General Manager (Resigned)	Male	53	28 October 2022	27 October 2023	0	0	0	–	44.53	No
Total	/	/	/	/	/	1,917,000	3,120,000	1,203,000	/	1,929.09	/

Notes:

① Due to work adjustment, Liu Qiang did not meet the incentive conditions. Therefore, the Company repurchased and canceled the restricted shares granted but not yet lifted. As the Company awards 0.5 bonus share per share during the reporting period, the restricted shares granted but not yet lifted were adjusted from 160,000 shares to 240,000 shares, and 240,000 shares were actually repurchased and canceled. For the shareholding information of directors and senior management, please refer to the relevant content of "the Company's equity incentive plan, employee shareholding plan or other employee incentive measures and their impact" in this section.

② As at the end of the reporting period, the current and the resigned Directors, Supervisors and Senior Management of the Company held a total of 3,120,000 A shares, representing approximately 0.042% over the total share capital of the Company. All the interests disclosed above represent holdings of long-position shares of the Company.

Name	Major Work Experiences
Li Wei	Mr. Li Wei, born in September 1966, is a research fellow in engineering technology applications and holds a doctoral degree in engineering. Currently, Mr. Li Wei serves as the Chairman of the Company, the Secretary of the CPC Shandong Energy Committee and Chairman of Shandong Energy Group Co., Ltd. Mr. Li Wei joined the predecessor company in 1988, took office as the Vice General Manager of Baodian coal mine of the former Yankuang Group in December 1996 and was appointed as the Director of Restructuring Division of Strategic Resource Development Department of Yankuang Group in May 2002. In September 2002, he was appointed as the Secretary of the CPC Xilin Neng Hua Committee, Chairman and General Manager of Xilin Neng Hua Co., Ltd. Mr. Li Wei started to preside over party works at Baodian Coal Mine of the Company in March 2004 and later became the Deputy Secretary of the CPC Baodian Coal Mine Committee and the General Manager of Baodian Coal Mine of the Company in September 2004. He became the Deputy Secretary of the CPC Nantun Coal Mine Committee and the General Manager of Nantun Coal Mine of the Company, Deputy Chief Engineer and Deputy Director of the Safety Supervision Bureau of Yankuang Group in August 2007 and August 2009 successively. Mr. Li Wei took positions as the Vice General Manager and Director of the Safety Supervision Bureau of Yankuang Group in April 2010, and was employed as Deputy Secretary of the CPC Yankuang Committee, Director and General Manager of Yankuang Group in May 2015. He was promoted as the Vice Chairman of the Board of the Company in June 2016, the Deputy Secretary of the CPC Hualu Holdings Committee, Director and General Manager of Hualu Holdings Co., Ltd. in August 2020 and the Secretary of the CPC Shandong Energy Group Co., Ltd Committee and the Chairman of Shandong Energy in June 2021. In August 2021, Mr. Li Wei took the position as the Chairman of the Company. Mr. Li Wei graduated from University of Science and Technology Beijing.
Xiao Yaomeng	Mr. Xiao Yaomeng, born in March 1972, is a research fellow in applied engineering technology with a master degree of engineering. Currently, Mr. Xiao Yaomeng serves as the Secretary of the CPC Yankuang Energy Committee, Director and General Manager of the Company. Mr. Xiao Yaomeng joined the Company's predecessor in 1994 and was appointed as the Director of the Safety Inspection Department of Dongtan Coal Mine of the Company in August 2013, and the Secretary of the CPC Guizhou Wulunshan Coal Mining Committee, the Chairman and the General Manager of Guizhou Wulunshan Coal Mining Company Limited in October 2014. In December 2016, he was appointed as the Vice General Manager of Yankuang Guizhou Neng Hua Company Limited, Secretary of the CPC Guizhou Wulunshan Coal Mining Committee and Chairman of Guizhou Wulunshan Coal Mining Company Limited. In July 2018, he was appointed as the Deputy Secretary of the CPC Jining No.3 Coal Mine Committee and the General Manager of Jining No. 3 Coal Mine of the Company. In April 2020, he was appointed as the Vice General Manager of the Company. In July 2021, he took office as the Secretary of the CPC Yankuang Energy Committee and the General Manager of the Company. Mr. Xiao Yaomeng became the Director of the Company in August 2021. Mr. Xiao Yaomeng graduated from China University of Mining and Technology.

Name	Major Work Experiences
Liu Jian	Mr. Liu Jian, born in February 1969, is not only a research fellow in applied engineering technology with a master degree in engineering, but also the Director of the Company, the Vice General Manager and a member of the Standing Committee of CPC Shandong Energy Committee. Mr. Liu joined the Company's predecessor in 1992 and was appointed as the Vice General Manager of Dongtan Coal Mine of the Company in 2009. He was appointed as the Deputy Secretary of the CPC Jining No.3 Coal Mine Committee and the General Manager of Jining No.3 Coal Mine in March 2014. In January 2016, Mr. Liu Jian took positions as the Deputy Secretary of the CPC Dongtan Coal Mine Committee and the General Manager of Dongtan Coal Mine. In December 2016, he was appointed as the Vice General Manager of the Company. In April 2020, he was appointed as the General Manager and the Secretary of the CPC committee of the Company. In February 2021, Mr. Liu Jian took positions as the Vice General Manager of Shandong Energy and a member of the Standing Committee of CPC Shandong Energy Committee. He became the Director of the Company in May 2019. Mr. Liu graduated from Shandong University of Science and Technology.
Liu Qiang	Liu Qiang, born in October 1972, a research fellow in applied engineering technology a master degree in engineering, is the Director of the Company and a member of the standing committee of Shandong Energy Committee and Vice General Manager of Shandong Energy. In October 2008, Mr. Liu was appointed as the vice general manager of Yankuang Cathay Coal Chemical Co., Ltd. In May 2012, he served as the vice general manager of Lunan Chemicals. In March 2014, he was promoted as the party secretary, executive director, general manager of Yankuang Coal Chemical Engineering Co., Ltd. Mr. Liu was appointed as the deputy party secretary, and general manager of Lunan Chemicals in April 2016. And in May 2017, Mr. Liu got promoted as the party secretary, chairman and the general manager of Lunan Chemicals. Mr. Liu was the vice general manager of Yankuang Chemical Company Limited, the party secretary and chairman of Lunan Chemicals in September 2019. He was appointed as Vice General Manager of the Company in September 2021. In March 2022, Mr. Liu started to serve as a member of the standing committee of Shandong Energy Committee and Vice General Manager of Shandong Energy. He assumed as the Director of the Company in June 2023. Mr. Liu graduated from East China University of Science and Technology and Zhejiang University.
Zhang Haijun	Mr. Zhang Haijun, born in December 1973, is a senior accountant, a Director of the Company and the director of the Development Planning Department of Shandong Energy Group. Mr. Zhang joined the Company's Predecessor in 1996. In December 2013, he was appointed as the deputy director of the Finance Department (presiding over the work) of the Electro-Aluminum Branch of Yankuang Group Co. Ltd. In November 2014, he started to serve as the Director of Finance Department of the Electro-Aluminum Branch of Yankuang Group Co. Ltd. In November 2015, he started to serve as CFO and General Legal Consultant of the same company. He started to serve as the Director of the Investment Development Department and Director of the Decision-making Consultation Center at the Former Yankuang Group in May 2018 and the Director of the Investment Development Department of Shandong Energy Group in August 2020. Mr. Zhang became of the Director of the Development Planning Department in May 2022 and started to serve as a Director of the Company in June 2023. Mr. Zhang graduated from the CPC Shandong Provincial Party School.

Name	Major Work Experiences
Su Li	Mr. Su Li, born in July 1972, is a Professor-level Senior Administrative Officer and Senior Economist with a master degree, and currently serves as Deputy Party Secretary, Employee Supervisor and Head of the Trade Union of the Company. Mr. Su joined the Company's predecessor in 1996 and served as the Deputy Director of the General Administrative Office of Yankuang Group Co., Ltd. in October 2008. He was appointed as the Director of Human Resource Division of Yankuang Donghua Group in June 2012. In March 2014, he was appointed as the Director of the Human Resource Department of the Company. In January 2016, Mr. Su was appointed as the General Manager Assistant and served as the Director of Human Resource Department of the Company. He was appointed as the General Manager Assistant and the Director of the Organization Department of the CPC Committee (Human Resource Department) of the Company in June 2016, and the Secretary of the Discipline Inspection Commission of the Company in March 2020. He was further promoted as Employee Supervisor of the Company in June 2020, supervisor of Ordos Company in December 2021 and Deputy Party Secretary and Head of Trade Union of the Company in September 2022. In April 2023, he started to work as the Employee Director, and was appointed as the Chairman of the Trade Union of the Company in May 2023. Mr. Su Li graduated from China University of Mining and Technology.
Huang Xiaolong	Mr. Huang Xiaolong, born in November 1977, a Senior Economist, Master of Laws, is the Director and Secretary of the Board of the Company. Mr. Huang joined the Company in 1999. Mr. Huang became the Securities Affairs Representative of the Company in 2006. In 2008 and 2012, he took office as the Deputy-Director-Level Secretary of the Board Secretariat of the Company and the Deputy Director of the Board Secretariat successively. He served as the Director of the former Shandong Energy Equity Reform and Restructuring Office in 2013, and a Standing-Director of the Board Secretariat of Shandong Energy in August 2020. In July 2021 and August 2021, he became the Secretary of the Board of the Company and a Director of the Company successively. Mr. Huang graduated from the University of International Business and Economics.
Peng Suping	Mr. Peng Suping, born in June 1959, holds doctorate in geology, and is an academician of the Chinese Academy of Engineering and an independent director of the Company. Mr. Peng was the deputy director and director of the Energy Department of the Chinese Academy of Engineering, and an independent director of China Shenhua Company Limited, Tiandi Technology Company Limited, Tibet Huayu Mining Company Limited, Beijing Long Ruan Technology Company Limited and Beijing Haohua Energy Company Limited. Mr. Peng is currently a professor of China University of Mining and Technology (Beijing), an academician of the Chinese Academy of Engineering, the director of the State Key Laboratory of Coal Resources and Safe Mining of China University of Mining and Technology (Beijing), and an Independent Director of SPIC Hydrogen Technology Development Co., Ltd., and has been appointed as an independent director of the Company since June 2023. Mr. Peng graduated from Huainan Mining College and the Graduate School of China University of Mining and Technology (Beijing).

Name	Major Work Experiences
Zhu Limin	Mr. Zhu Limin, born in October 1951, holding a master degree in Economics, is an Independent Director of the Company. Mr. Zhu has assumed the positions as the Deputy Director of the pilot department of former State Commission for Economic Restructuring ("SCER"), the Director of the planning department of the former SCER, the Vice General Manager of the Chinese Joint-Stock Enterprise Consulting Company under the former SCER, the Deputy Director of the Inspection Department of China Securities Regulatory Commission ("CSRC"), the Deputy Director-General of the Inspection Bureau of CSRC, the Director of the Dispatched Offices Work Coordination Department of CSRC and the Director of Investor Education Office of CSRC, the Compliance Director of China Securities, the Chairman of the Supervisory Committee of China Securities. Now, Mr. Zhu serves as a Director of Focus Technology Co., Ltd., the Independent Director of China Resources Chemical Materials Technology Inc., and Nantong Guosheng Intelligence Technology Group. In June 2020, he became an Independent Director of the Company. Mr. Zhu graduated from Nankai University and Renmin University of China.
Woo Kar Tung, Raymond	Mr. Woo Kar Tung, Raymond, born in June 1969, holds a bachelor's degree in Commerce, and serves as a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of CPA Australia and an independent director of the Company. Mr. Woo used to work as a certified public accountant in Arthur Andersen & Co. in Hong Kong, and take positions in the investment banking departments of ING, CITIC Securities and Credit Suisse, and was an Independent Director of Huaneng New Energy Company Limited and Tie Jiang Spot Limited. Mr. Woo is currently an independent director of SMIT Holdings Limited and Yuanda China Holdings Limited, and in June 2023, he was appointed as an Independent Director of the Company. Mr. Woo graduated from the University of New South Wales, Australia.
Zhu Rui	Ms. Zhu Rui, born in February 1975, holds a doctoral degree in business administration and is an Independent Director of the Company. Ms. Zhu was previously an associate professor at the University of British Columbia in Canada and an assistant professor at Rice University in the United States. Ms. Zhu currently serves as a professor of marketing at Cheung Kong Graduate School of Business and the director of the ESG and Social Innovation Research Center, and is an Independent Director of Jiumaojiu International Holdings Co., Ltd. and ATRenew (ATRenew Inc, a company listed on the New York Stock Exchange), and in June 2023, she became an Independent Director of the Company. Ms. Zhu graduated from the University of International Business and Economics and the University of Minnesota.
Li Shipeng	Mr. Li Shipeng, born in February 1978, a Senior Accountant, Master of Engineering, serves as the Chairman of the Company's Supervisory Committee and the Director of the Finance Management Department of Shandong Energy. Mr. Li joined the Company in 2000. Mr. Li was appointed as the Chief Accountant, the Deputy Director of Finance Management Department of Yankuang Group (preside over work) and the Director of Finance Management Department of Shandong Energy in November 2017, January 2020 and August 2020 respectively. He was appointed as a Supervisor of the Company in June 2020. He became the Vice Chairman of the Supervisory Committee of the Company in August 2021. In June 2023, he started to work as the Chairman of the Company's Supervisory Committee. Mr. Li graduated from China University of Petroleum.

Name	Major Work Experiences
Zhu Hao	Mr. Zhu Hao, born in October 1971, a Senior Economist with a bachelor's degree, serves as a Supervisor of the Company and the Director of the Operation Management Department of Shandong Energy. Mr. Zhu was appointed as the Chief Economist of Suncun Coal Mine of Xinwen Mining Group Co., Ltd. in 2001, and served as the Chief Economist and a Member of the CPC Suncun Coal Mine Committee in 2007. He took the position as Deputy Director of the Operation Management Department of Xinwen Mining Group in 2010 and was promoted as the Director of the Operation Management Department of Xinwen Mining Group in 2012 while serving as the head of the Inspection Office. In 2014, Mr. Zhu was appointed as the Deputy Director of the Performance Operation Department of the former Shandong Energy Group and he became the Director of Economic Operation Department of the former Shandong Energy Group in 2017 and the Director of Operation Management Department of Shandong Energy in August 2020. Mr. Zhu started to serve as a Supervisor of the Company in August 2021. Mr. Zhu graduated from Shandong University.
Jin Jiahao	Mr. Jin Jiahao, born in August 1971, is a Senior Economist with a bachelor degree. He currently serves as a member of the Party Committee, an Employee Supervisor and the Secretary of the Discipline Inspection Committee of the Company. Mr. Jin joined the Company in October 2022. Mr. Jin was appointed as the deputy director of the secretariat of the board of directors and the deputy director of the party committee office of Zaozhuang Mining (Group) Co., Ltd. ("Zaozhuang Mining Group") in October 2004. In October 2012, Mr. Jin started to work as the deputy secretary of the party committee of the Railway Transportation Division of Zaozhuang Mining Group and the Chairman of the Trade Union. In August 2013, Mr. Jin started to work as the secretary of the party committee of the Railway Transportation Division of Zaozhuang Mining Group and the Chairman of the Trade Union. He was appointed as the party secretary of Xin'an Coal Mining Company Limited of Zaozhuang Mining Group in September 2015, the Director of the General Office at Zaozhuang Mining Group in April 2017, the Secretary of the Board and the Director of the General Office at Zaozhuang Mining Group in August 2017, the Secretary of the Board, the Director of the General Office and Director of the Policy Research Office Zaozhuang Mining Group in November 2019. In May 2020, Mr. Jin was appointed as a Member of the Standing Committee of the CPC Linyi Mining Committee, and Secretary of the Discipline Inspection Committee of Linyi Mining Group Co., Ltd. ("Linyi Mining Group"). Starting from November 2021, he served as a Member of the CPC Luxi Mining Committee, and the Secretary of the Discipline Inspection Committee of Linyi Mining. In October 2022, Mr. Jin started to work as a Member of the CPC Yankuang Energy Committee, the Secretary of the Discipline Inspection Committee of the Company. In April 2023, Mr. Jin was appointed as the Employee Director of the Company. Mr. Jin graduated from Shandong University of Science and Technology.

Name	Major Work Experiences
Li Hongguo	Mr. Li Hongguo, born in April 1969, a research fellow in applied engineering technology with a bachelor's degree, is a member of the CPC Yankuang Energy Committee, and the Vice General Manager of the Company. In September 2016, Mr. Li was appointed as the Vice General Manager of Suncun Coal Mine affiliated to Xinwen Mining Group Co., Ltd. In February 2018, he became the Vice General Manager of Shandong Xinjulong Energy Co., Ltd. affiliated to Xinwen Mining Group. In June 2019, he served as the General Manager of Xiezhuang Coal Mine of Xinwen Mining Group and the Director and Chairman of Tai'an Baichuan Paper Co., Ltd. He was appointed as the Chief Safety Officer of Xinwen Mining Group in January 2022. In December 2022, he started to serve as a member of the CPC Yankuang Energy Committee. In March 2023, Mr. Li was promoted as the Vice General Manager of the Company. Mr. Li graduated from Shandong University of Science and Technology.
Zhang Chuanchang	Mr. Zhang Chuanchang, born in October 1968, a research fellow in applied engineering technology and a master of engineering, serves as the Vice General Manager of the Company. Mr. Zhang joined the Company's predecessor in 1990. He was appointed as the Vice General Manager of Yushuwan Coal Mine and the General Manager of Jinjitan Coal Mine of Future Energy in 2006 and 2014, respectively. In May 2018, he was appointed as the Vice General Manager of Future Energy and the General Manager of Jinjitan Coal Mine of Future Energy. In April 2020, he served as the Deputy Party Secretary, Chairman and General Manager of Yanzhou Coal Ordos Neng Hua Company Limited. He was further promoted as Vice General Manager of the Company in April 2020. Mr. Zhang graduated from Shandong University of Science and Technology.
Ma Junpeng	Mr. Ma Junpeng, born in March 1973, a research fellow in applied engineering technology with a master degree in engineering, serves as the Chief Engineer of the Company. Mr. Ma was appointed as the Chief Engineer of Xinglongzhuang Coal Mine of the Company in August 2013, the Vice General Manager and the Chief Engineer of Xinglongzhuang Coal Mine of the Company in December 2016 and the Deputy Secretary of the CPC Xinglongzhuang Coal Mine Committee and the General Manager of Xinglongzhuang Coal Mine of the Company in January 2017. In May 2021, Mr. Ma took position as the Deputy Secretary of the CPC Nantun Coal Mine Committee and the General Manager of Nantun Coal Mine of the Company. Mr. Ma started to serve as the Chief Engineer of the Company in March 2022. Mr. Ma graduated from China University of Mining and Technology.
Kang Dan	Mr. Kang Dan, born in March 1980, a Senior Engineer with a master degree in engineering, now serves as Chief Safety Officer of the Company. Mr. Kang served as the Vice General Manager of the Company's Nantun Coal Mine in March 2016, the Deputy Party Secretary and General Manager of the Nantun Coal Mine in April 2020, the Deputy Party Secretary and General Manager of Xinglongzhuang Coal Mine in May 2021. He became the Chief Safety Officer of the Company in April 2022. Mr. Kang graduated from China University of Mining and Technology.

Name	Major Work Experiences
Wang Jiuhong	Mr. Wang Jiuhong, born in June 1976, a Senior Engineer with a bachelor degree in engineering, is a member of the CPC Yankuang Energy Committee and the Vice General Manager of the Company. Mr. Wang was appointed as Chief Engineer of Nantun Coal Mine in September 2014, Secretary of the Party Branch and the General Manager of Anyuan Coal Mine of Yanzhou Coal Ordos Neng Hua Co., Ltd. in December 2016, and the Deputy Director of the Production Technology Department and the Deputy Director of Ventilation and Disasters Prevention Department of the Company in October 2017. He was further promoted as Party Branch Secretary, the Executive Director and the General Manager of Ordos Zhuanlongwan Coal Co., Ltd. in September 2018, the Vice General Manager of Yanzhou Coal Ordos Neng Hua Co., Ltd. and the Party Secretary, Director and the General Manager of Haosheng Company in December 2020. In November 2021, Mr. Wang Jiuhong took positions as the Party Secretary and the General Manager of Yanzhou Coal Ordos Neng Hua Co., Ltd., and the Chairman of Haosheng Company. In June 2022, he became the Director of Haosheng Company. In October 2022, he became the Vice General Manager of the Company and took positions as the Party Secretary, Chairman and General Manager of Ordos Company and served as the Party Secretary and Chairman of Inner Mongolia Mining. In May 2023, he started to serve as the Secretary of the CPC Ordos Company Committee and the Chairman of the Ordos Company. In December 2022, he was appointed as a member of the CPC Yankuang Energy Committee. Mr. Wang graduated from Hebei University of Engineering.
Yue Ning	Mr. Yue Ning, born in August 1978, is a research fellow in applied engineering technology with a bachelor's degree. Mr. Yue Ning is currently the Vice General Manager of the Company. In June 2015, Mr. Yue started to serve as Chief Engineer at Jinjitan Coal Mine of Shaanxi Future Energy Chemicals Co., Ltd. In December 2018, he became the Vice General Manager at Jinjitan Coal Mine and was promoted as the General Manager of Jinjitan Coal Mine in April 2020. Starting from September 2023, Mr. Yue Ning has served as the Executive Director, Chairman of the Executive Committee, Co-Vice Chairman of the Board at Yancoal Australia Limited. Mr. Yue Ning became the Vice General Manager of the Company in October 2023. Mr. Yue Ning graduated of China University of Mining and Technology.
Zhao Zhiguo	Mr. Zhao Zhiguo, born in April 1978, is a Senior Accountant with a bachelor's degree and serves as the CFO of the Company. Staring from August 2016, Mr. Zhao served as a Member of the CPC Heze Coal-fired Power Committee, and the Chief Accountant of Linyi Mining Group Heze Coal-fired Power Co., Ltd. In September 2017, Mr. Zhao was appointed as the Deputy Director of the Finance Department (presided over work), and the Deputy Head of Capital Securitization Leadership Work Office at Linyi Mining Group Co., Ltd. In August 2018, Mr. Zhao served as the Director of the Finance Department, Head of the Big Data Analysis Office, the Deputy Head of Capital Securitization Leadership Work Office at Linyi Mining Group. In October 2021, he was further appointed as a Senior Member of the Finance Management Department of Shandong Energy Group. In February 2022, Mr. Zhao started to work as the Head of the Finance Management Department of Yankuang Energy Group Company Limited. In October 2023, Mr. Zhao took the position as the CFO of the Company. Mr. Zhao Graduated from Shaanxi University of Science & Technology.

Name	Major Work Experiences
Gao Chunlei	Gao Chunlei, born in May 1981, is a senior engineer with a bachelor degree. Mr. Gao is the Chief Engineer (chemicals) of the Company. Mr. Gao was appointed as the member of the party committee and the vice general manager of the Methanol Plant at Yanzhou Coal Mining Yulin Neng Hua Co., Ltd. in November 2011. He later served as the deputy party secretary and general manager of Yanzhou Coal Mining Yulin Neng Hua Co., Ltd. in November 2018. In October 2021, he became the Party secretary, chairman, and general manager of Yanzhou Coal Mining Yulin Neng Hua Co., Ltd. In June 2022, he was appointed as a member of the Party Committee and vice general manager of Shandong Energy Chemical Sub-Branch Company of Yankuang Energy Group. In October 2022, he was appointed as a member of the Party Committee, vice general manager and chief safety officer of Shandong Energy Chemical Sub-Branch Company of Yankuang Energy Group. In October 2023, Mr. Gao became the general manager of the Modern Coal Chemical Industry Department of Yankuang Energy. He started to work as the chief engineer (chemicals) of the Company from March 2024. He graduated from Heilongjiang University of Science and Technology.
Zhang Lei	Mr. Zhang Lei, born in May 1972, an international certified Senior Accountant, Australian certified public accountant, MBA and PhD of Economics, serves as Chief Investment Officer of the Company. Mr. Zhang served as the Vice President of Siemens (China) Co., Ltd. and CFO of Siemens Northeast Asia Real Estate Group Co., Ltd. from September 2008 to September 2010. He served as an Executive Director and CFO of Chinalco Mining International Co., Ltd. and Vice President and CFO of Chinalco Overseas Holdings Co., Ltd. from September 2010 to June 2012. From July 2012 to March 2013, he served as the business finance and acquisition General Manager of Shell Far East. From March 2013 to March 2014, he served as the Senior Vice President, Director and General Manager of Korean SK Greater China. Mr. Zhang joined the Company in 2014 and has served as CFO of Yancoal Australia, CEO of Austar, and General Manager of Yancoal International successively. In March 2020, Mr.Zhang started to work as the Chief Investment Officer of the Company. Mr. Zhang graduated from Guanghua School of Management of Peking University and Graduate School of Chinese Academy of Social Sciences.

Other explanations

Not applicable.

(II) The Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period

1. Positions at the shareholding company

Name	The shareholding company	Titles and positions	Start of Tenure
Li Wei	Shandong Energy	Secretary of the CPC Shandong Energy Committee and Chairman of Shandong Energy	29 June 2021
Liu Jian	Shandong Energy	Member of the Standing Committee of the CPC Shandong Energy Committee and Vice General Manager of Shandong Energy	2 February 2021
Liu Qiang	Shandong Energy	Member of the Standing Committee of the CPC Shandong Energy Committee and Vice General Manager of Shandong Energy	14 March 2022
Zhang Haijun	Shandong Energy	Director of the Development Planning Department	5 May 2022
Li Shipeng	Shandong Energy	Director of the Finance Management Department	26 August 2020
Zhu Hao	Shandong Energy	Director of the Operation Management Department	15 August 2020
Zhu Qingrui (Resigned)	Shandong Energy	Chief Engineer (Chemicals)	5 August 2022
Deng Hui (Resigned)	Shandong Energy	Secretary of the CPC Shandong Yankuang International Coking Committee and Vice Chairman of Shandong Yankuang International Coking Co., Ltd.	2 August 2022
You Jiaqiang (Resigned)	Shandong Energy	Deputy Chief Engineer, and Director of the Chemical Industry Development Center	19 October 2023
Explanation on their incumbency at the shareholding company	None		

2. Positions at other entities

Name	Name of other entities	Titles and positions	Start of Tenure
Xiao Yaomeng	Yancoal Australia Limited	Director	30 May 2022
	Yankuang Donghua Heavy Industry Co., Ltd.	Chairman	4 November 2022
	Yancoal International (Holding) Co., Ltd.	Director	4 November 2022
Su Li	Yankuang Energy (Ordos) Company Limited	Supervisor	15 December 2021
Huang Xiaolong	Shandong Huaju Energy Co., Ltd.	Chairman of the Supervisory Committee	4 November 2022
	Yancoal International (Holding) Co., Ltd.	Director	4 November 2022
	Yancoal Australia Limited	Director	31 May 2023

Name	Name of other entities	Titles and positions	Start of Tenure
	Yankuang Xinjiang Neng Hua Co., Ltd.	Director	13 October 2023
Peng Suping	SPIC Hydrogen Technology Development Co., Ltd.	Independent Director	8 July 2020
Zhu Limin	Focus Technology Co., Ltd.	Director	2 March 2020
	China Resources Chemical Materials Technology Inc.	Independent Director	7 April 2020
	Nantong Guosheng Intelligence Technology Group	Independent Director	1 July 2022
Woo Kar Tung, Raymond	Yuanda China Holdings Limited	Independent Director	12 April 2011
	SMIT Holdings Limited.	Independent Director	6 March 2016
Zhu Rui	Jiumaojiu International Holdings Co., Ltd.	Independent Director	16 April 2021
	ATRenew	Independent Director	1 January 2022
Li Shipeng	Shandong Energy Group Finance Co., Ltd.	Chairman	9 November 2021
	Shandong Energy (Hainan) Intelligent International Technology Co., Ltd.	Director	24 October 2022
	Yankuang Financial Leasing Co., Ltd.	Chairman	5 October 2023
Li Hongguo	Shandong Energy Group Luxi Mining Co., Ltd.	Director	8 November 2023
Wang Jiuhong	Inner Mongolia Haosheng Coal Mining Co., Ltd.	Director	28 December 2020
	Yankuang Energy (Ordos) Co., Ltd.	Party Secretary and Chairman	27 October 2022
	Inner Mongolia Mining (Group) Co., Ltd.	Party Secretary and Chairman	27 October 2022
Yue Ning	Shaanxi Future Energy Chemicals Co. Ltd.	Director	27 December 2021
	Yancoal Australia Limited	Executive Director, Co-Vice Chairman, Chairman of the Executive Committee	27 September 2023
Zhao Zhiguo	Inner Mongolia Mining (Group) Co., Ltd.	Director	15 December 2021
	Duanxin Investment Holding (Beijing) Co., Ltd.	Chairman	15 February 2022
	Yankuang Zhongke Clean Energy Technology Co., Ltd.	Head Supervisor	26 April 2022
	Shandong Dongyue Taiheng Development Co., Ltd.	Chairman	4 November 2022
	Qingdao Duanxin Asset Management Co., Ltd.	Managing Director	4 November 2022
	Yankuang Energy (Wuxi) Co., Ltd.	Chairman	4 November 2022
	Duanxin Investment Holding (Shenzhen) Co., Ltd.	Director	4 November 2022
	Shanghai Jujiang Asset Management Co., Ltd.	Chairman	4 November 2022

Name	Name of other entities	Titles and positions	Start of Tenure
	Yankuang Donghua Heavy Industry Co., Ltd.	Director	4 November 2022
	Yankuang Lucky International Company Limited	Chairman	5 January 2023
	Shandong Energy Financial Leasing (Shenzhen) Co., Ltd.	Director	20 March 2023
	Inner Mongolia Haosheng Coal Mining Co., Ltd.	Director	10 April 2023
	Shaanxi Future Energy Chemicals Co., Ltd.	Director	20 April 2023
	Qilu Bank Co., Ltd	Director	11 September 2023
	Shandong Energy Group Luxi Mining Co., Ltd.	Director	8 November 2023
	Shandong Energy Group Finance Co., Ltd.	Director	21 December 2023
Zhang Lei	Yancoal International (Holding) Co., Ltd.	CEO	27 March 2020
Tian Hui (Resigned)	China Galaxy Investment Management Co., Ltd.	Director	2 November 2021
	China Railway Engineering Group Limited	Director	1 February 2022
Cai Chang (Resigned)	Sunshine Assets Management Co., Ltd.	Independent Director	1 January 2018
	Beijing Chexun Internet Co.,Ltd.	Independent Director	19 April 2021
	Zhejiang Hua Rui Technology Co., Ltd.	Independent Director	30 June 2021
	Bossdptech	Independent Director	1 September 2023
Poon Chiu Kwok (Resigned)	Huabao International Holdings Limited	Executive Director, Vice President, Company Secretary	1 May 2006
	Yuanda China Holdings Limited	Independent Director	12 April 2011
	Sunac China Holdings Limited	Independent Director	8 June 2011
	Chongqing Changan Minsheng APLL Logistics Co., Ltd.	Independent Director	30 September 2011
	Sany Heavy Equipment International Holdings Limited	Independent Director	18 December 2015
	AUX International Holdings Limited	Independent Director	15 May 2015
	Green Town Service Group Co., Ltd.	Independent Director	13 June 2016
	Jinchuan Group International Resource Co. Ltd.	Independent Director	21 March 2017
	China Isotope & Radiation Corporation	Independent Director	30 June 2023
Qin Yanpo (Resigned)	Shandong Energy Group Luxi Mining Co., Ltd.	Director and CFO	21 November 2021
	Shandong Energy Group Finance Co., Ltd.	Director	21 December 2023
Explanation on their incumbency at other entities	None		

(III) Remuneration for Directors, Supervisors and Senior Management

Approval Procedures	The remuneration for the Directors, Supervisors and senior management is proposed to the Board by the remuneration committee under the Board. Upon review and approval by the Board, any remuneration proposal for the Directors and Supervisors will be proposed to the Shareholders' General Meeting for approval. The remuneration for senior management is reviewed and approved by the Board.
Whether a director should recuse himself or herself from the Board's discussion of his or her remuneration	Yes
Details of the remuneration committee's recommendations on the remuneration of directors, supervisors and senior managers	1. It is suggested that after the Company completes its business objectives in 2023, the remuneration of non-independent directors and supervisors that receive salaries from the company shall be determined in accordance with the Company's salary assessment policy. 2. It is proposed that the per capita remuneration of the Independent Directors of the Company in 2023 be RMB150,000 (tax included). 3. It is suggested that after the Company completes the business objectives in 2023, the remuneration of non-director senior management should be determined in accordance with the Company's salary assessment policy.
Calculating Basis	The Company adopts an annual remuneration assessing and incentivizing system for the Directors and Senior Management. The annual remuneration consists of annual basic salary and annual performance salary. The annual basic salary is determined according to the operational scale, profitability, operating management difficulty and employees' income of the Company, whereas annual performance salary is determined by the actual operational results of the Company. The annual basic salaries for the Directors and senior management of the Company are pre-paid on a monthly basis and the annual performance salaries are cashed after the audit assessment to be carried out in the following year.
Actual Payment of Remuneration	For Details, please refer to the section headed "Changes in Shareholding and Remuneration for the current and resigned Directors, Supervisors and Senior Management" in this Chapter.
Total Remuneration received	For Details, please refer to the section headed "Changes in Shareholding and Remuneration for the current and resigned Directors, Supervisors and Senior Management" in this Chapter.

(IV) Changes in Directors, Supervisors and Senior Management of the Company

Name	Positions assumed	Changes	Causes for change
Liu Qiang	Director	Election	Other work commitment
Zhang Haijun	Director	Election	Other work commitment
Su Li	Employee Director	Election	Other work commitment
Peng Suping	Independent Director	Election	Other work commitment
Woo Kar Tung, Raymond	Independent Director	Election	Other work commitment
Zhu Rui	Independent Director	Election	Other work commitment
Li Shipeng	Vice Chairman of the Supervisory Committee	Election	Other work commitment
Jin Jiahao	Employee Supervisor	Election	Other work commitment
Li Hongguo	Vice General Manager	Appointment	Other work commitment
Yue Ning	Vice General Manager	Appointment	Other work commitment
Zhao Zhiguo	CFO	Appointment	Other work commitment
Gao Chunlei	Chief Engineer (Chemicals)	Appointment	Other work commitment
Zhu Qingrui	Director	Resignation	Expiration of the term of office
Zhao Qingchun	Director	Resignation	Expiration of the term of office
Tian Hui	Independent Director	Resignation	Expiration of the term of office
Cai Chang	Independent Director	Resignation	Expiration of the term of office
Poon Chiu Kwok	Independent Director	Resignation	Expiration of the term of office
Li Shipeng	Vice-Chairman of the Supervisory Committee	Resignation	Expiration of the term of office
Qin Yanpo	Supervisor	Resignation	Expiration of the term of office
Su Li	Employee Supervisor	Resignation	Expiration of the term of office
Deng Hui	Employee Supervisor	Resignation	Expiration of the term of office
Zhao Qingchun	CFO	Resignation	Other work commitment
Tian Zhaohua	Vice General Manager	Resignation	Other work commitment
You Jiaqiang	Vice General Manager	Resignation	Other work commitment

1. Change of directors

As reviewed and approved at the 2022 Annual General Meeting of Shareholders held on 30 June 2023, Mr. Li Wei, Mr. Xiao Yaomeng, Mr. Liu Jian, Mr. Liu Qiang, Mr. Zhang Haijun, Mr. Huang Xiaolong, Mr. Peng Suping, Mr. Zhu Limin, Mr. Woo Kar Tung, Raymond and Ms. Zhu Rui were elected as non-employee representative Directors of the 9th Session of the Board of the Company. The term of office commences on the date when 2022 Annual General Meeting of Shareholders concludes and expires after the non-employee representative Directors of the Tenth Session of Board are selected and the Annual General Meeting of Shareholders concludes.

As reviewed and approved at the first meeting of the Ninth Session of the Board held on 30 June 2023, Mr. Li Wei was selected as Chairman of the ninth session of the Board.

As elected through democratic voting at the fourth meeting of the third session of the Employee Representative Convention held on 19 April 2023, Mr. Su Li was elected as the employee representative director of the Ninth Session of Board. The term of office shall commence on the date when 2022 Annual General Meeting of Shareholders concludes, and coincide with that of the ninth session of the Board.

During the reporting period, all the newly appointed Directors have confirmed and are aware their respective responsibilities as the Directors of the listed issuer.

As the term of office for the 8th Session of Board expired, Mr. Zhu Qingrui, Mr. Zhao Qingchun, Mr. Tian Hui, Mr. Cai Chang and Mr. Poon Chiu Kwok no longer serve as the Directors of the Company, which shall commence on the date when the 2022 Annual General Meeting of Shareholders concludes.

2. Changes of Supervisors

As reviewed and approved at the 2022 Annual General Meeting of Shareholders held on 30 June 2023, Mr. Li Shipeng and Mr.Zhu Hao were elected as non-employee supervisors of the ninth session of the supervisory committee. The term of office commenced on the date when 2022 Annual General Meeting of Shareholders concluded and will expire after the non-employee supervisors of the tenth session of the supervisory committee are elected and the General Meeting of Shareholders concludes.

As reviewed and approved at the first meeting of the ninth session of the supervisory committee of the Company held on 30 June 2023, Mr. Li Shipeng was elected as the Chairman of the ninth session of the Supervisory Committee.

As elected through democratic voting at the fourth meeting of the third session of the Employee Representative Convention held on 19 April 2023, Mr. Jin Jiahao was elected as the employee supervisor of the Ninth Session of the Supervisory Committee. The term of office commenced on the date when 2022 Annual General Meeting of Shareholders concluded, and coincide with that of Ninth Session of the Supervisory Committee.

As the term of office for the eighth Session of the Supervisory Committee expired, Mr. Qin Yanpo, Mr. Su Li and Mr. Deng Hui no longer serve as the Supervisors of the Company, which commenced on the date when the 2022 Annual General Meeting of Shareholders concluded.

3. *Change of senior management*

(1) *Change of senior management during the 8th Session of the Board*

As reviewed and approved at the 27th meeting of the 8th Session of the Board held on 24 March 2023, Mr. Li Hongguo was appointed as the Vice General Manager of the Company, whose term of office coincides with that of other senior managements appointed by the 8th Session of the Board.

(2) *Change of senior management during the 9th Session of the Board*

As reviewed and approved at the first meeting of the ninth session of the Board held on 30 June 2023, the Company appointed Mr. Li Hongguo, Mr. Zhang Chuanchang, Mr. Tian Zhaohua, Mr. You Jiaqiang and Mr. Wang Jiuhong as the vice general managers of the Company, Mr. Zhao Qingchun as the CFO of the Company, Mr. Huang Xiaolong as the Secretary of the Board and the Company Secretary, Mr. Ma Junpeng as the Chief Engineer, Mr. Kang Dan as Chief Safety Officer and Mr. Zhang Lei as the Chief Investment Officer. The term of office commences on the date when the first meeting of the ninth session of the Board concludes, and expires after the Board meeting concludes where the Senior Management of the tenth session of the Board will be appointed.

As reviewed and approved at the third meeting of the ninth session of the Board held on 27 October 2023, the Company appointed Mr. Yue Ning as the Vice General Manager of the Company, and Mr. Zhao Zhiguo as the CFO of the Company, whose term of office coincide with that of other senior managements appointed by the 9th Session of the Board.

On 27 October 2023, the Board of Directors received the resignation reports from Mr. Zhao Qingchun, the CFO of the Company, Mr. Tian Zhaohua and Mr. You Jiaqiang, the Vice General Managers of the Company. Due to work adjustment, Mr. Zhao Qingchun no longer serves as the CFO of the Company, both Mr. Tian Zhaohua and Mr. You Jiaqiang no longer serve as the Vice General Managers of the Company.

As reviewed and approved at the six meeting of the ninth session of the Board held on 28th March 2024, the Company appointed Mr. Gao Chunlei as the Chief Engineer (Chemicals) of the Company, whose term of office coincides with that of other senior managements appointed by the 9th Session of the Board.

4. *Changes in the Current Positions of the Company's Directors, Supervisors and Senior Management in the Company's Subsidiaries (Prepared in accordance with the Hong Kong Listing Rules)*

Position at the Company	Name	Before Change	After Change	Time of Change
Director and Secretary of the Board	Huang Xiaolong	–	Director of Yancoal Australia Limited	31 May 2023
		–	Director of Yankuang Xinjiang Neng Hua Co., Ltd.	13 October 2023
Supervisor and Chairman of the Supervisory Committee	Li Shipeng	–	Chairman of Yankuang Financial Leasing Co., Ltd.	5 October 2023
Vice General Manager	Li Hongguo	–	Director of Shandong Energy Group Luxi Mining Co., Ltd.	8 November 2023
Vice General Manager	Wang Jiuhong	General Manager of Yankuang Energy (Ordos) Co., Ltd.	–	6 May 2023
Vice General Manager	Yue Ning	–	Executive Director, Co-Vice Chairman, Chairman of the Executive Committee of Yancoal Australia Limited	27 September 2023
CFO	Zhao Zhiguo	–	Chairman of Yankuang Lucky International Company Limited	5 January 2023
		–	Director of Inner Mongolia Haosheng Coal Mining Co., Ltd.	10 April 2023
		–	Director of Shaanxi Future Energy Chemicals Co., Ltd.	20 April 2023
		–	Director of Shandong Energy Group Luxi Mining Co., Ltd.	8 November 2023
		–	Director of Shandong Energy Group Finance Co., Ltd.	21 December 2023

Position at the Company	Name	Before Change	After Change	Time of Change
Director (Resigned) and CFO (Resigned)	Zhao Qingchun	Director of Yancoal Australia Limited	–	31 May 2023
		Director of Yankuang Group Finance Co., Ltd.	–	27 October 2023
		Chairman of the Supervisory Committee of Shaanxi Future Energy Chemicals Co., Ltd.	–	27 October 2023
		Director of Yancoal International (Holding) Co., Ltd.	–	27 October 2023
		Director of Inner Mongolia Mining (Group) Co., Ltd.	–	27 October 2023

(V) Penalty by Security Regulatory Authorities in Recent Three Years

During his tenure as an independent director of Beijing Haohua Energy Co., Ltd. (stock abbreviation: Haohua Energy; stock code: 601101), Mr. Tian Hui, the Independent Director of the Company (now resigned), was warned by the Beijing Regulation Bureau of China Securities Regulatory Commission in November 2021 and was imposed a fine of RMB100,000, because Haohua Energy was involved in information disclosure violations. In February 2022, Mr. Tian Hui was criticized by the Shanghai Stock Exchange in a notice.

(VI) Others

1. Service Contracts of Directors and Supervisors

No Director or Supervisor has entered into any service contract with the Company, which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

2. Interests of Directors, Supervisors and Senior Management in Contracts

None of the Directors, Supervisors or Senior Management of the Company had a direct or indirect material interest in any material contract entered into or performed by the Company, its Controlling Shareholder, any of its subsidiaries or subsidiaries of its controlling shareholder during the year ended 31 December 2023.

3. Directors', Supervisors' and Senior Managements' Interest in Competing Business of the Company

As at 31 December 2023, none of the Directors, Supervisors or Senior Management have interests in any business that competes or is likely to compete, either directly or indirectly, with the business of the Company.

Except for their working relationship, there is no financial, business, family or any other material relationship among the Directors, Supervisors and Senior Management of the Company.

V. BOARD MEETINGS HELD DURING THE REPORTING PERIOD

Session and Number of Meeting	Date of Meeting	Resolutions
The 27th meeting of the eighth session of the Board	24 March 2023	All proposals passed
The 28th meeting of the eighth session of the Board	24 April 2023	All proposals passed
The 29th meeting of the eighth session of the Board	28 April 2023	All proposals passed
The 1st meeting of the ninth session of the Board	30 June 2023	All proposals passed
The 2nd meeting of the ninth session of the Board	25 August 2023	All proposals passed
The 3rd meeting of the ninth session of the Board	27 October 2023	All proposals passed

VI. PERFORMANCE OF DIRECTORS

(I) Directors' Participation in the Board Meetings and General Meetings of Shareholders

Name of Directors	Whether Independent Director or not	Participation in the Board meetings						Attendance at the General Meetings of Shareholders
		Number of board meetings that should be attended during the year	Number of presence in person	Number of presence via telecommunication	Number of presence via proxy	Number of absence	Whether Absent from Two Consecutive Meetings	Number of presence
Li Wei	No	6	6	4	0	0	No	4
Xiao Yaomeng	No	6	6	4	0	0	No	4
Liu Jian	No	6	6	5	0	0	No	3
Liu Qiang	No	3	3	1	0	0	No	1
Zhang Haijun	No	3	3	1	0	0	No	1
Su Li	No	3	3	1	0	0	No	1
Huang Xiaolong	No	6	6	4	0	0	No	4
Peng Suping	Yes	3	3	2	0	0	No	1
Zhu Limin	Yes	6	6	4	0	0	No	4
Woo Kar Tung, Raymond	Yes	3	3	1	0	0	No	1
Zhu Rui	Yes	3	3	2	0	0	No	0
Zhu Qingrui (Resigned)	No	3	3	3	0	0	No	0
Zhao Qingchun (Resigned)	No	3	3	3	0	0	No	3
Tian Hui (Resigned)	Yes	3	3	3	0	0	No	3
Cai Chang (Resigned)	Yes	3	3	3	0	0	No	0
Poon Chiu Kwok (Resigned)	Yes	3	3	3	0	0	No	3

Note: Due to other work arrangement, Director Zhu Rui didn't attend the 2023 First Extraordinary General Meeting of Shareholders and submitted a written request for absence to the Board.

Explanations for not attending the Board meetings in person for two consecutive times

Not applicable.

The number of Board meetings held during the year	6
Of which: the number of on-site meetings	2
The number of meetings held via telecommunication	4
The number of meetings held on-site combined with telecommunication	2

(II) Directors' Opposing Opinions against Relevant Matters of the Company

Not applicable.

(III) Others

Not applicable.

VII. PERFORMANCE OF COMMITTES TO THE BOARD

As approved at the first meeting of the ninth session of the Board held on 30 June 2023, the Company sets up the Audit Committee, the Nomination Committee, the Remuneration Committee, the Strategy and Development Committee and the Sustainable Development Committee under the ninth session of the Board. All the special committees to the Board formulate the terms of reference which set out the role, composition and responsibilities of each committee. During the reporting period, the committees performed their duties in strict accordance with the terms.

As the Company has not established a corporate governance committee, the Board is responsible for matters in relation to corporate governance, mainly including (1) to formulate and review the Company's policies and practices on corporate governance; (2) to review and monitor the training and continuous professional development of Directors and Senior Management; (3) to review and monitor the Company's policies and practices in relation to their compliance with legal and regulatory requirements; (4) to formulate, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and (5) to review the Company's compliance with the "Corporate Governance Code" of the stock exchange on which the Company's securities are listed, and disclosure in the "Corporate Governance Report".

(I) Membership of Special Committees under the Board

Types of Special Committees	Members
Audit Committee	Woo Kar Tung, Raymond , Zhu Limin, Zhu Rui
Nomination Committee	Peng Suping, Li Wei, Woo Kar Tung, Raymond
Remuneration Committee	Zhu Limin, Woo Kar Tung, Raymond , Zhu Rui
Strategy and Development Committee	Li Wei, Xiao Yaomeng, Liu Jian, Peng Suping, Zhu Limin
Sustainable Development Committee	Zhu Rui, Xiao Yaomeng, Zhu Limin

(II) Audit Committee Held 7 Meetings During the Reporting Period

The Audit Committee comprises three Independent Directors, namely Mr. Woo Kar Tung, Raymond, Mr. Zhu Limin and Ms. Zhu Rui. Mr. Woo Kar Tung, Raymond serves as the head of the Audit Committee.

The main responsibilities of the Audit Committee under the Board of Directors are: a. Review the work of the external auditor, and propose the appointment, re-appointment or dismissal of the external auditor; b. Supervise the Company's internal audit system and its implementation; c. Take charge of the communication between the internal auditor and the external auditor; d. Review the Company's financial information and its disclosure; e. Review the Company's internal control system and risk management system; f. study and discuss the appointment and dismissal of financial personnel.

As of the disclosure date of this report, the Audit Committee conscientiously fulfilled the responsibilities specified in the "Terms of Reference of the Audit Committee of the Yankuang Energy Group Company Limited" and conducted various tasks in a strict and regulated manner. The Audit Committee already reviewed the interim results of the Company for the first half of 2023 and the final results of the Company for the year 2023, and also examined the effectiveness of the risk management and the internal control system of the Group for the year 2023. The examination covered financial control, operational control, compliance control and all other material aspects under control. The Audit Committee considered that the risk management and the internal control system of the Group is effective and adequate. During the reporting period, the Audit Committee held 7 meetings. Details are as follows:

Date	Theme	Suggestions	Members	Whether present	Other duties performed
7 February 2023	Hearing the report of the annual audit accountant on the pre-audit matters of the Company's 2022 annual report	The Audit Committee urged the annual audit accountant to issue an audit report as scheduled, to ensure the timeliness, accuracy and completeness of the Company's 2022 annual report.	Cai Chang, Tian Hui, Zhu Limin, Poon Chiu Kwok	√ √ √ √	–

Date	Theme	Suggestions	Members	Whether present	Other duties performed
21 March 2023	Hearing the report of the annual audit accountant on the audit matters of the Company's 2022 annual report; reviewing the Company's 2022 financial and accounting statements	The Audit committee reviewed the 2022 financial and accounting statement of the Company and believed that the financial statements can truly and completely reflect the Company's assets and operation, and agrees to submit them to the Board of Directors for approval.	Cai Chang, Tian Hui, Zhu Limin, Poon Chiu Kwok	√ √ √ √	–
21 March 2023	Hearing the report of the management on the internal control, and reviewing and approving the performance report of the Audit Committee in 2022 as well as comprehensive credit approval and service provision of Yankuang Finance Company.	Reviewing and approving the Audit Committee's Performance Report in 2022, the Internal Control Work Report of the Company in 2022, the Internal Control Assessment Report in 2022 and the Update on the Comprehensive Credit Approval and Service Provision of Yankuang Finance Company and Shandong Energy Group in 2022.	Cai Chang, Tian Hui, Zhu Limin, Poon Chiu Kwok	√ √ √ √	–

Date	Theme	Suggestions	Members	Whether present	Other duties performed
21 April 2023	Hearing the opinions on the reappointment of the accountants in 2023.	Reviewing and approving the Opinion of the Audit Committee of the Board of Directors on the Reappointment of the External Audit Firm and its Remuneration Arrangement for 2023.	Cai Chang, Tian Hui, Zhu Limin, Poon Chiu Kwok	√ √ √ √	–
15 August 2023	Hearing the Annual Audit Accountant's report on the Audit Matters of the 2023 Interim Report of the Company.	Hearing the major problems and improvement suggestions found by accountants in the Company's 2023 interim financial report, and reviewing the Company's 2023 interim financial statements. The committee believes that the financial statements can truly and completely reflect the Company's asset status and operating results, and agrees to submit them to the Board of Directors for review.	Woo Kar Tung, Raymond Zhu Limin Zhu Rui	√ √ √	–

Date	Theme	Suggestions	Members	Whether present	Other duties performed
15 August 2023	Hearing the comprehensive credit approval and service provision of Yankuang Finance Company, and reviewing and approving the Management Measures for the Selection and Recruitment of Auditors for the Annual and Interim Reports (Trial).	Reviewing and approving the Proposal on the Comprehensive Credit Approval and Service Provision of Yankuang Finance Company and Shandong Energy Group for the First Half of 2023 and Yankuang Energy Management Measures for the Selection and Recruitment of Auditors for the Annual and Interim Reports (Trial). The meeting required the Company to conduct the selection and employment work in 2023 in a timely manner in accordance with the regulations on state-owned assets supervision and the selection and employment methods and to ensure that the audit work in 2024 is carried out in a smooth and orderly manner.	Woo Kar Tung, Raymond	√	–
			Zhu Limin	√	
			Zhu Rui	√	

Date	Theme	Suggestions	Members	Whether present	Other duties performed
20 October 2023	Reviewing the approving the appointment of Mr. Zhao Zhiguo as the CFO of the Company.	After reviewing the personal resume and other relevant information, the Audit Committee believes that Mr. Zhao Zhiguo's qualifications meet the relevant provisions of the Company Law, the regulatory rules of the listing place and the Articles of Association, and agrees to submit it to the Board of Directors for further review and approval.	Woo Kar Tung, Raymond	√	–
			Zhu Limin	√	
			Zhu Rui	√	

Notes: As considered and approved at the 1st meeting of the ninth session of the Board held on 30 June 2023 by the Company, the Audit Committee of the ninth Session of the Board was formed with Mr. Woo Kar Tung, Raymond, Mr. Zhu Limin and Ms. Zhu Rui serving as the Members. Also, Mr. Woo Kar Tung, Raymond was appointed as the Director of the Audit Committee.

On 31 January 2024, the Company convened the 4th meeting of the 9th session of the Audit Committee under the Board, and heard the report on the pre-audit matters for the Company's 2023 Annual Report.

On 31 January 2024, the Company held the 5th meeting of the 9th session of the Audit Committee under the Board, and passed the Proposal on the Adjustment of Remuneration for External Audit Institution for 2023, which has been submitted to the Board for approval.

On 19 March 2024, the Company convened the 6th meeting of the 9th session of the Audit Committee under the Board, and heard the audit report on the 2023 Annual Report conducted by ShineWing Certified Public Accountants (special partnership) and SHINEWING (HK) CPA Limited. The financial statements for 2023 was voted and the resolution was submitted to the Board for review.

(III) Nomination Committee held 3 meetings during the reporting period

The Nomination Committee is comprised of Independent Director Mr. Peng Suping, Independent Director Mr. Woo Kar Tung, Raymond and Chairman Mr. Li Wei. Mr. Peng Suping serves as the head of the Nomination Committee.

1. *The main responsibilities of the Nomination Committee of the Board of Directors include:*

(a) according to the operation, asset scale and share structure of the Company, conduct at least one inspection on the structure, number of members and composition of the Board of Directors (including skills, knowledge and experience) and propose recommendations to changes of the Board in line with the Company's strategy; (b) study the selection criteria, procedures and methods of Directors and senior management members, and make recommendations to the Board; (c) identify and nominate eligible candidates for the positions of Directors and senior management of the Company, and make relevant recommendations to the Board; (d) review the qualifications of candidates for Directors and senior management, and provide appointment suggestions to the Board; (e) recommend to the Board on the proposed appointments and re-appointments or the succession plan of Directors and senior management; (f) evaluate the independence of Independent Directors.

2. *Summary of the Company's diversity policy for Board members:*

The Nomination Committee consider the diversity of the board members from various aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and years of service. After considering the above factors, the Nomination Committee makes a final recommendation to the board of Directors on the merits of the candidates and their potential contribution to the Company and the Board.

3. *The Company's Director nomination policy and implementation:*

The Employee Directors are democratically elected by the staff and workers of the Company through their congresses or other forms.

Candidates for non-employee representative Directors are normally submitted to the Shareholders' Meeting by the Board of Directors in the form of proposals. The Shareholders and the Supervisory Committee of the Company may nominate candidates for non-employee representative Directors in accordance with the Articles.

The Board of Directors, the Supervisory Committee, or the Shareholders holding more than one percent of the Company's issued shares separately or collectively may nominate candidates for Independent Directors, which should be elected and decided by the Shareholders' Meeting.

During the reporting period, the Nomination Committee held three meetings. The details are as follows:

Date	Theme	Suggestions	Members	Whether attending the meeting	Other duties performed
19 March 2023	1. The Proposal on the Nomination of Non-Employee Director Candidates for the Ninth Session of the Board of Directors 2. The Proposal on the Nomination of the Company's Deputy General Manager	1. "The Proposal on Nomination of Non-Employee Director Candidates for the Ninth Session of the Board of Directors" was passed and nominees include Li Wei, Xiao Yaomeng, Liu Jian, Liu Qiang, Zhang Haijun, Huang Xiaolong, Zhu Limin, Peng Suping, Woo Kar Tung Raymond, and Zhu Rui (female) to the Board as the candidates of non-employee directors of the ninth session of the Board 2. "The Proposal on Nomination of the Company's Deputy General Manager" was passed and the nominee was Mr. Li Hongguo	Poon Chiu Kwok Li Wei Tian Hui	√ √ √	After reviewing personal resumes and other materials of the relevant people, their qualifications are in line with the relevant provisions of the "Company Law", the regulatory rules of the place of listing and the Articles

Date	Theme	Suggestions	Members	Whether attending the meeting	Other duties performed
26 June 2023	1. The Proposal on the Nomination of the General Manager of the Company 2. The Proposal on the Nomination of Deputy General Manager and Other Senior Management Members of the Company	1. "The Proposal on Nomination of the General Manager of the Company" was passed and Mr. Xiao Yaomeng was nominated to the Board as the General Manager of the Company 2. "The Proposal on the Nomination of Vice General Manager and other senior management members of the Company" was passed and those nominated to the Board as Vice General Managers were Mr. Li Hongguo, Mr. Zhang Chuanchang, Mr. Tian Zhaohua, Mr. You Jiaqiang, and Mr. Wang Jiuhong; the CFO nominee was Mr. Zhao Qingchun; the nominee for the Board Secretary and Company Secretary was Mr. Huang Xiaolong; the nominee for Chief Engineer was Mr. Ma Junpeng; the nominee for Chief Safety Officer was Mr. Kang Dan; the nominee for Chief Investment Officer was Mr. Zhang Lei	Poon Chiu Kwok Li Wei Tian Hui	√ √ √	After reviewing personal resumes and other materials of the relevant people, their qualifications are in line with the relevant provisions of the "Company Law", the regulatory rules of the place of listing and the Articles

Date	Theme	Suggestions	Members	Whether attending the meeting	Other duties performed
20 October 2023	1. The Proposal on the Nomination of Senior Management Members of the Company	"The Proposal on the Nomination Senior Management Members of the Company" was passed. The nominee to the Board as the Vice General Manager was Mr. Yue Ning; and the nominee for Chief Financial Officer was Mr. Zhao Zhiguo	Peng Suping Li Wei Woo Kar Tung, Raymond	√ √ √	After reviewing personal resumes and other materials of Mr. Yue Ning and Mr. Zhao Zhiguo, their qualifications are in line with the relevant provisions of the "Company Law", the regulatory rules of the place of listing and the Articles

Note: As considered and approved at the 1st meeting of the ninth session of the Board of the Company held on 30 June 2023, the Nomination Committee is comprised of Mr. Peng Suping, Mr. Woo Kar Tung, Raymond, and Mr. Li Wei. Mr. Peng Suping serves as the head of the Nomination Committee.

On 19 March 2024, at the second meeting of the Nomination Committee of the ninth session of the Board, the Company passed the "Proposal on Nominating the Company's Chief Engineer (Chemicals)", and nominated Mr. Gao Chunlei to the Board as the Company's Chief Engineer (Chemicals). Based on Mr. Gao Chunlei's personal resume and other relevant information, it is recognized that Mr. Gao Chunlei's qualifications are in compliance with the relevant provisions of the Company Law, the regulatory rules of the listing place and the Articles, and it is recommended that the Board implements the appointment procedures.

During the reporting period, pursuant to the relevant requirements of the Articles, the Nomination Committee reviewed the structure, the number of Directors and the composition of the Board (including professional skills, knowledge and experience) according to the operation, asset scale and share structure of the Company, and considered that the structure and composition of the current Board were consistent with the Company's development strategy; and the independence of the independent non-executive Directors was in compliance with the regulatory requirements.

(IV) Remuneration Committee held 3 meetings during the reporting period

The Remuneration Committee comprises Independent Director Zhu Limin, Mr. Woo Kar Tung, Raymond and Ms. Zhu Rui. Mr. Zhu Limin serves as the head of the Remuneration Committee.

The main responsibilities of the Remuneration Committee of the Board include: a. Considering the position scopes, responsibilities, time required, the employment conditions of other positions in the group and the salary levels of relevant positions in peer companies, formulate remuneration plans or programs for Directors, Supervisors and senior management personnel, and make suggestions to the Board; The plans or programs mainly include but are not limited to performance evaluation standards, procedures and evaluation systems with reference to corporate goals approved by the Board, and systems for rewards and punishments; b. Supervise the implementation of the remuneration system of Directors, Supervisors and senior management; c. Review the duty performance of the Directors, Supervisors and senior management, with reference to the Company's policies and goals set by the Board, conduct annual performance appraisals, and propose to the Board on the remuneration of Directors, Supervisors and senior management; d. Study the Company's Equity Incentive Scheme and make suggestions. e. Directors and senior managers lay out stock ownership plans in the subsidiaries to be split.

During the reporting period, the Remuneration Committee held three meetings. Details are as follows:

Date	Theme	Suggestions	Members	Whether attending the meeting	Other duties performed
17 March 2023	1. The Proposal on Discussing and Reviewing the Remuneration of Directors and Supervisors in 2023 2. The Proposal on Discussing and Reviewing the 2023 Annual Remuneration of Senior Management	1. "The Proposal on Discussing and Reviewing the Remuneration of Directors and Supervisors in 2023" was approved and submitted to the Board for review and discussion 2. "The Proposal on Discussing and Reviewing the 2023 Annual Remuneration of Senior Management" was approved and submitted to the Board for review and discussion	Zhu Limin Cai Chang Poon Chiu Kwok	√ √ √	1. It is recommended that the per capita remuneration of independent Directors of the Company in 2023 is RMB150,000 (tax included). It is suggested that after the Company completes its business objectives in 2023, the specific remuneration of Non-independent Directors and Supervisors should be determined 2. It is suggested that after the Company Completes its business objectives in 2023, the specific remuneration of non-Director senior management personnel should be determined in accordance with the Company's remuneration assessment policy

Date	Theme	Suggestions	Members	Whether attending the meeting	Other duties performed
21 April 2023	1. The Proposal on Adjusting the Related Matters of the 2018 A-share Stock Option Incentive Scheme 2. The Proposal on the Achievement of the Exercise Conditions for the Third Exercising Period of the 2018 A-share Stock Option Incentive Scheme	1. "The Proposal on Adjusting the Related Matters of the 2018 A-share Stock Option Incentive Scheme" was approved and submitted to the Board for review and discussion 2. The performance appraisal report for the third exercising period of the 2018 A-share Option Incentive Scheme and the assessment results of the incentive participants was approved. The "Proposal on the Achievement of the Exercise Conditions for the Third Exercising Period of the 2018 A-Share Option Incentive Scheme was submitted to the Board for discussion and deliberation	Zhu Limin Cai Chang Poon Chiu Kwok	√ √ √	–
15 August 2023	The Proposal on adjusting matters related to the 2021 A-share Restricted Stocks Incentive Scheme and repurchasing and canceling some restricted stocks	"The Proposal on adjusting matters related to the 2021 A-share Restricted Stocks Incentive Scheme and repurchasing and canceling some restricted stocks" was approved and submitted to the Board for discussion and deliberation.	Zhu Limin Woo Kar Tung, Raymond Zhu Rui	√ √ √	–

Notes: As considered and approved at the first meeting of the ninth session of the Board held on 30 June 2023, Mr. Zhu Limin, Mr. Woo Kar Tung, Raymond and Ms. Zhu Rui acted as the members of the Remuneration Committee. Mr. Zhu Limin served as the head of the Remuneration Committee.

On 23 February 2024, the Company held the second meeting of the Remuneration Committee of the ninth session of the Board, passing the "Proposal on the Repurchase and Cancellation of Restricted Stocks of Some Incentive Participants" and "Proposal on the First Achievement of Lifting the Restriction Period Conditions of the 2021 A-Share Restricted Stocks Incentive Scheme". The two proposals were submitted to the Board for review and deliberation.

On 19 March 2024, the Company held the third meeting of the Remuneration Committee of the ninth session of the Board, passing the "Proposal on Reviewing and Deliberating the Remuneration of Directors and Supervisors in 2024" and "Proposal on Reviewing and Deliberating the Remuneration of Senior Management Members in 2024". The two proposals were submitted to the Board for review and deliberation.

(V) Strategy and Development Committee held 2 meetings during the reporting period

The members of the Strategy and Development Committee are Director Mr. Li Wei, Director Mr. Xiao Yaomeng, Director Mr. Liu Jian, Independent Director Mr. Peng Suping and Independent Director Mr. Zhu Limin. Mr. Li Wei serves as the head of the Strategy and Development Committee.

The main duties and responsibilities of the Strategy and Development Committee include: (a) to conduct research and propose suggestions on the long-term development strategy and significant investment decisions of the Company; (b) to conduct research and propose suggestions on the annual strategic development plan and operational plan of the Company; (c) to conduct research and propose suggestions on other significant issues affecting the development of the Company; (d) to supervise the implementation of above-mentioned matters. During the reporting period, the Strategy and Development Committee held 2 meetings. Details are as follows:

Date	Theme	Suggestions	Members	Whether present	Other duties performed
17 March 2023	Discussing and deliberating the proposal of the Company's 2023 Production, Operation and Capital Expenditure Plan.	"The Proposal on Discussing and Deliberating the Company's 2023 Production, Operation and Capital Expenditure Plan" was passed and submitted to the Board of Directors for discussion and deliberation.	Li Wei Xiao Yaomeng Liu Jian Zhu Limin Poon Chiu Kowk	√ √ √ √ √	–
21 April 2023	The Proposal on the acquisition of 51% equity of Luxi Mining and 51% equity of Xinjiang Neng Hua	"The Proposal on the acquisition of 51% equity of Luxi Mining and 51% equity of Xinjiang Neng Hua" was passed and submitted to the Board of Directors for discussion and deliberation.	Li Wei Xiao Yaomeng Liu Jian Zhu Limin Poon Chiu Kowk	√ √ √ √ √	–

Note: As considered and approved at the 1st meeting of the ninth session of the Board held on 30 June 2023, the Strategy and Development Committee is comprised of 5 members, namely Mr. Li Wei, Mr. Xiao Yaomeng, Mr. Liu Jian, Mr. Peng Suping and Mr. Zhu Limin. Mr. Li Wei serves as the head of the Strategy and Development Committee.

On 19 March 2024, the Company held the first meeting of the Strategy and Development Committee of the ninth session of the Board, passing the "Proposal on Reviewing and Deliberating the Company's 2024 Production, Operation and Capital Expenditure Plan" and submitting it to the Board for further review and deliberation.

(VI) Sustainable Development Committee held 1 meeting during the reporting period

The members of the Sustainable Development Committee are Director Mr. Xiao Yaomeng and two independent Directors, Ms. Zhu Rui and Mr. Zhu Limin. Ms. Zhu Rui serves as the head of the Sustainable Development Committee.

The main duties and responsibilities of the Sustainable Development Committee include: (a) to review policies and strategies on corporate governance, environmental and social responsibilities to ensure that they are in compliance with laws, rules and regulations; (b) to assess and analyze risks and opportunities in relation to corporate governance, environmental and social responsibilities, and propose suggestions to the Board; (c) to make investigations on management of corporate governance, environmental and social responsibilities and internal control system, and offer proposals on its appropriateness and effectiveness to the Board; (d) to review and supervise the objectives and implementation of corporate governance, environmental and social responsibilities of the Company, evaluate the performance and make recommendations to the Board; (e) to review the Company's ESG Report disclosed to the outside, and make recommendations to the Board; (f) to guide the formulation of visions, goals and strategies of corporate governance, environmental and social responsibilities management of the Company, and to make recommendations to the Board. During the reporting period, the Sustainable Development Committee held 1 meeting. The details are as follows:

Date	Theme	Suggestions	Members	Whether present	Other duties performed
17 March 2023	Discussing and deliberating the Company's "2022 Annual ESG Report"	"The Proposal on Discussing and Deliberating the Company's 2022 ESG Report" was passed and submitted to the Company's Board of Directors for discussion and review.	Xiao Yaomeng Tian Hui Zhu Limin	√ √ √	–

Note: As discussed and deliberated at the 1st meeting of the ninth session of the Board held on 30 June 2023, Sustainable Development Committee is comprised of Ms. Zhu Rui, Mr. Xiao Yaomeng, and Mr. Zhu Limin. Ms. Zhu Rui serves as the head of the Sustainable Development Committee.

On 19 March 2024, the Company held the first meeting of the Sustainable Development Committee of the ninth session of the Board, passing the "Proposal on Reviewing and Deliberating the Company's 2023 Environmental, Social and Governance Report" and submitting it to the Board for review and deliberation.

(VII) The Specific Cases of the Objections

Not applicable.

VIII. RISKS IDENTIFIED BY THE SUPERVISORY COMMITTEE OF THE COMPANY

During the reporting period, all Supervisors of the Company have, in accordance with the Company Law, the Articles and the Rules of Procedure for the Supervisory Committee, faithfully performed their duties, safeguarded the rights and interests of the Company and all its shareholders, and finished their due jobs under the principle of good faith.

The Supervisory Committee had no objections to the supervisory items during the reporting period, and confirmed no risks existing in the Company during the reporting period.

IX. EMPLOYEES OF THE COMPANY AND ITS MAIN SUBSIDIARIES

(I) Information of Employees

On-the-job Employees of the Company	35,203
On-the-job Employees of its main subsidiaries	44,039
Total on-the-job Employees	79,242
Total resigned and retired staff whose welfare fees shall be paid by the Company and its main subsidiaries	81,616

Composition by Specialty

Specialty	**Quantity (person)**
Production personnel	43,470
Sales personnel	747
Technical personnel	6,543
Financial personnel	1,056
Administrative staff	4,482
Other support staff	22,944
Total	79,242

Education Level

Education types	**Quantity (person)**
Vocational School and above	37,008
Senior High	26,279
Junior High and below	15,955
Total	79,242

(II) Remuneration Policy

The total wages and allowances of the staff of the Group for the year 2023 amounted to RMB14.7 billion. For the details of remuneration policy for Directors, Supervisors and senior management, please refer to the section headed “Changes in Shareholdings and Remuneration of Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period”.

The remuneration policy for other employees of the Group mainly implements a post-performance system based on job responsibilities and quantified assessment results, and links performance wages to the Company’s overall economic benefits and individual performance.

(III) Training Plan

The Group values employee training in respect of technical skills and professional competence. By making full use of various educational resources, training institutes and various ways of training, the Group focused on the training of professional skills and improved the training of political ideology, management, ongoing education, skills, safety, transfer-employment talent, pre-employment and others. In 2023, it was planned that 100,000 people would participate in off-job training and 143,000 people actually participated, accounting for 143%.

(IV) Labor Outsourcing

Not Applicable

X. PROFIT DISTRIBUTION OR CAPITAL RESERVES TRANSFERRED TO SHARE CAPITAL PLAN

(I) Formulation, Implementation or Adjustment of Cash Dividend Policy

(Filled in accordance with CASs)

The cash dividend policy specified in the Articles is as follows: The dividends shall be paid in the form of cash, shares or a combination of cash and shares. In the event that conditions for distribution of cash dividend are met, cash dividend shall be distributed prior to share dividend. the basis of profit distribution after tax of the Company for an accounting year is the lower of the profit after tax in the financial statements prepared in accordance with the CASs, IFRS or overseas accounting standard. On the condition that the Company distributes profit after tax of that year, 10% of profit shall be withdrawn and recognized as statutory reserve. The Company may not withdraw statutory reserve when the accumulated statutory reserve reaches more than 50% of the registered capital of the Company.

Final dividends shall be distributed and paid once a year with an ordinary resolution passed by the General Meeting of Shareholders authorizing the Board to distribute and pay such dividend. The Company may distribute interim cash dividends upon approval from the Board and the shareholders at general meeting. There should be at least a 6-month accounting period interval between the distributions of cash dividends. On the premise of securing the Company's sustainable development and provided that the Company has recorded a profit in a particular year and that its accumulated undistributed profit is positive, the Company's cash dividends shall account for approximately 35% of the Company's net profit after withdrawing the statutory reserve for that particular year, unless the Company has scheduled significant investments or significant cash requirements. In the scenario that the Company is in sound operation and that the Board considers the distribution of share dividends is beneficial to the overall interest of all Shareholders of the Company due to a mismatch between the Company's stock price and its scale of share capital and in other necessary circumstances, the Company may distribute dividends in the form of shares.

The 2020 second extraordinary general meeting of Shareholders of the Company held on 9 December 2020 approved that the Company's 2020-2024 cash dividend ratio is determined as: the total cash dividends distributed by the Company in each fiscal year shall account for approximately 50% of the Company's net profit for the year after deducting the statutory reserves, and the cash dividend per share shall not be less than RMB0.50.

As reviewed and approved by the Company's 2022 annual general meeting of Shareholders held on 30 June 2023, the Company's equity distribution plan is to issue 5 bonus shares for every 10 shares, and distribute a 2022 cash dividend of RMB30.7 (tax included) for every 10 shares, and a special cash dividend of RMB12.3 (tax included) for every 10 shares, totaling cash dividends of RMB43.0 for every 10 shares (tax included). As of the disclosure date of this report, the equity distribution for 2023 has been completed.

As reviewed and approved by the First Extraordinary General Meeting of Shareholders on 27 October 2023, the cash dividend ratio for 2023-2025 has been set as follows: The total amount of cash dividends distributed by the Company in each year shall be approximately 60% of the Company's net profit after deducting statutory reserves, and the cash dividend per share shall not be less than RMB0.50.

The Board recommends that the total share capital on the record date for equity distribution be used as the base, and awards 3 bonus shares and distributes cash dividends of RMB13.00 (tax inclusive) for every 10 shares, and distributes special cash dividends of RMB1.90 (tax inclusive) every 10 shares. The total cash dividends per 10 shares stood as RMB14.90 (tax inclusive). Such distribution plan will be submitted to the 2023 annual General Meeting of Shareholders for consideration and implemented to shareholders within two months (if passed) after the approval of the annual general meeting. According to the Articles, cash dividends will be calculated and declared in RMB.

If there is a change in the Company's total share capital before the record date of equity distribution, it is proposed to keep the distribution amount per share and the number of bonus shares per share unchanged, and to adjust the total distribution amount accordingly. The specific adjustment details will be announced separately.

The profit distribution plan of the Company, pursuant with the Articles, is formulated after debriefing and fully considering the opinions and demands of the shareholders of the Company, especially minor and medium shareholders, and is executed upon approval by the Independent Directors (Independent Non-executive Directors stipulated in the Hong Kong Listing Rules), the Board meeting and the General Meeting of Shareholders.

(II) Special Explanation of the Cash Dividend Policy

If it complies with the provisions of the Company's Articles or the requirements of the resolution of the General Meeting of Shareholders	Yes
If the dividend standard and ratio are explicit and clear	Yes
If the relevant decision-making procedures and mechanisms are complete	Yes
If the independent Directors performed their duties and played their due role	Yes
If minority shareholders have the opportunity to fully express their opinions and demands, and if their legitimate rights and interests are fully protected	Yes

(III) If the Company is Profitable during the Reporting Period and the Parent Company's Profit Available for Distribution to Shareholders is Positive with No Cash Profit Distribution Plan Proposed, the Company Shall Disclose the Reasons in Detail and the Plan to Use the Undistributed Profits

Not applicable.

(IV) Profit distribution and conversion of capital reserve into share capital during the reporting period

Unit: RMB'000

Number of bonus shares every 10 shares (shares)	3
Dividends every 10 shares (RMB) (tax inclusive)	14.9
Number of shares transferred every 10 shares (shares)	–
Cash dividends every 10 shares (RMB) (tax inclusive)	11,084,662
Net profit attributable to ordinary shareholders of the listed Company in the annual consolidated financial statement of dividends	20,139,502
Ratio of net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)	55.04
Repurchase of shares in cash included in the amount of cash dividends	–
Total dividends (tax inclusive)	11,084,662
The ratio of the total dividends to the net profit attributable to ordinary shareholders of the listed company in the consolidated statement (%)	55.04

(V) Tax and Tax Exemption or Reduction

1. For relevant regulations on the withholding and payment of dividends and tax reduction and exemption for A-Share investors, please refer to the Company's Announcement on the Implementation of the 2022 Annual Equity Distribution dated 7 July 2023, which was published on the websites of the Shanghai Stock Exchange, the Company's website, and/or Securities Journal, the Shanghai Securities News, the Securities Times, and the Securities Daily in China.

2. Withholding and payment of dividend income tax and tax deduction for investors of H Shares

(1) Withholding and payment of enterprise income tax for overseas non-resident enterprise shareholders

According to the Enterprise Income Tax Law of the People's Republic of China and its implementation regulations and other relevant rules and regulations, the Company is required to withhold and pay enterprise income tax at a rate of 10% before distributing the 2022 final dividend to non-resident enterprise shareholders as shown on the H share register of members of the Company. Any shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, will be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding of the enterprise income tax.

(2) Withholding and payment of individual income tax for individual foreign shareholders

The Company will implement the following arrangements in relation to the withholding and payment of individual income tax for the individual H Shareholders:

① For individual H Shareholders who are Hong Kong or Macao residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a dividends tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual H Shareholders in the distribution of final dividend.

② For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a dividends tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of the individual H Shareholders in the distribution of final dividend. If the applicable tax rate of the country (region) of domicile of individual holders as appeared on the Company's register of members of H Shares are less than 10% under tax treaty, such individual holders must submit to the H Share Register a written authorization and relevant application documents. The Company will forward such application documents to the applicable tax authorities for approval. After receiving such approval, the Company will, for and on behalf of such individual holders, effect the preferential treatments in accordance with the relevant tax treaty and pursuant to the relevant regulations promulgated by the PRC tax authorities.

③ For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a dividends tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty in the distribution of final dividend.

④ For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual H Shareholders in the distribution of final dividend.

(3) Withholding and payment of individual income tax for Hong Kong Stock Connect Investors

Pursuant to the relevant regulations under the "Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect" (Caishui [2014] No. 81) and the "Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect" (Caishui [2016] No.127) jointly issued by the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission, for dividends to be paid to the individual investors in the PRC from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Company shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends to be paid to securities investment funds in the PRC from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The Company will not withhold and pay the income tax of dividends for enterprise investors in the PRC and those domestic enterprise investors shall report and pay the relevant tax themselves.

XI. CIRCUMSTANCES AND IMPACTS OF THE SHARE INCENTIVE SCHEME AND EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER INCENTIVE SCHEME TO EMPLOYEES

(I) Share Incentives Disclosed in Extraordinary Announcement with No Progress or Changes

Not applicable.

(II) Share Option Incentives Not Disclosed in Extraordinary Announcements or with Subsequent Progress

Circumstances of share incentives

1. *2018 A-Share Stock Option Incentive Scheme*

Incentive method: Share options

Source of underlying shares: Issuance of shares to incentive participants

The measurement method of the fair value of equity instruments, the selection criteria of parameters and the results

Calculation method: Black-Scholes Mode(B-S Mode).
Parameter: Underlying share price: RMB8.75; Valid period: 4 years; Historical volatility: 26.44%; Risk-free rate: 2.98%.
Calculation results: The fair value of each share option is RMB2.21 (For details, please refer to the "Announcement on Granting Stock Options to Incentive Participants of the 2018 A-Share Stock Option Incentive Scheme" dated 12 February 2019).

As considered and approved at the Company's 2019 First Extraordinary General Meeting of Shareholders, the First A-share/H-share Shareholders Meeting, and the 23rd meeting of the seventh session of the Board of Directors held on 12 February 2019, the Company grants stock options to incentive participants, in line with 2018 Annual A-share Option Incentive Scheme ("Option Incentive Scheme").

As considered and approved at the 8th meeting of the eighth session of the Board on 13 January 2021, the Company confirms that the conditions for the first exercising period of the "Option Incentive Scheme" are mature, and the exercising period is from 18 February 2021 to 11 February 2022. As of 19 May 2021, 469 incentive participants had exercised a total of 14,184,060 shares.

As considered and approved at the 20th meeting of the eighth session of the Board on 27 January 2022, the Company confirms that the conditions for the second exercising period of the "Option Incentive Scheme" are mature, and the exercising period is from 14 February 2022 to 10 February 2023. As of 29 April 2022, 435 incentive participants had exercised a total of 12,779,580 shares.

As considered and approved at the 28th meeting of the eighth session of the Board on 24 April 2023, the Company confirms that the conditions for the third exercising period of the "Option Incentive Scheme" are mature, and the exercising period is from 13 February 2023 to 8 February 2024. As of 25 May 2023, 419 incentive participants had exercised a total of 12,656,840 shares.

Abstract of the Option Incentive Scheme

(I) Granting of Option Incentive Scheme

1. The purpose of the Option Incentive Scheme

   The Scheme is to further establish and improve the long-term incentive mechanism of the Company, attract and retain talents, fully motivate the Directors, senior management, mid-level management and backbone employees of the Company, effectively align the interests of Shareholders, the interest of the Company and the personal interests of the management, and enable all parties to follow the long-term development of the Company.

2. The scope of participants of the Option Incentive Scheme

   The Participants include the Directors, senior management, mid-level management and core employees of the Company, excluding external Directors (including Independent Directors), Supervisors, Shareholders and actual controllers that individually or jointly hold 5% or above shares of the Company and their spouses, parents and children.

3. The number of underlying shares to be granted under the Option Incentive Scheme

   As considered and approved at the Company's 2019 First Extraordinary General Meeting of Shareholders, the First A-share/H-share Shareholders Meeting, and the 23rd Meeting of the seventh session of the Board of Directors held on 12 February 2019, the 46.32 million stock options were granted to 499 incentive participants (accounting for approximately 0.62% of the company's total issued share capital as of the date of disclosure of this report), and all stock options have been granted on 12 February 2019 (the "Grant Date"). The underlying stocks involved are RMB ordinary shares (A shares).

4. The maximum amount of share options for each Participant under the Option Incentive Scheme

   There is no Participant to whom the aggregate number of A Shares to be issued upon exercise of his or her share options may exceed 1% of the Company's total share capital as at the date of consideration and approval of the Scheme at the Extraordinary General Meeting of Shareholders, and shall not exceed 1% of the Company's total number of A Shares in issue on the same day.

5. The vesting period of the share options granted under the Option Incentive Scheme

   The vesting period will be the period between the date of granting the share options and the exercise date of the share options. The share options will have vesting periods of 24 months, 36 months and 48 months commencing from the date of granting the share options respectively.

6. The date of exercising under the Option Incentive Scheme

Upon expiry of after 24 months from the date of grant, the share options granted under the Option Incentive Scheme can be exercised on any trading day, except during following periods:

(1) Within thirty (30) days before the announcement of periodic report, or from thirty (30) days before the scheduled date of announcement of periodic report to the day before actual date of periodic report in case of postponed announcement due to certain reasons;

(2) Within ten (10) days before the announcement of the Company's results forecast and performance news;

(3) A period commencing from the date of significant events occurred or proposed for review and approval, which may have severe impacts on the trading price of the shares and its derivatives of the Company, till two (2) trading days after the announcement disclosed in pursuant to relevant laws.

(4) Any other period as stipulated by CSRC and Shanghai Stock Exchange.

The exercising period of the options granted this time and the exercise schedule of each period are shown in the following table:

Arrangement for the exercise	Exercising Period	Proportion of exercisable share options to the total number of granted share options
First Exercising Period	Commencing from the first trading day after the expiry of the 24th month from the date of grant, and ending on the last trading day of the 36th month from the date of grant	33%
Second Exercising Period	Commencing from the first trading day after the expiry of the 36th month from the date of grant, and ending on the last trading day of the 48th month from the date of grant	33%
Third Exercising Period	Commencing from the first trading day after the expiry of the 48th month period from the date of grant, and ending on the last trading day of the 60th month period from the date of grant	34%

The incentive participants must exercise their share options during the validity period of the share options. If preconditions for exercising are not fulfilled, the share options for the corresponding period shall not be exercised. If the preconditions for exercising are all fulfilled, the options that are not exercised during the corresponding period shall be canceled by the Company.

7. The exercising price

The exercising price of each option granted under the Option Incentive Scheme is RMB9.64 per share. During the period commencing from the date of announcement of the Option Incentive Scheme to the expiry of the exercising period of the participants, the exercising price shall be subject to adjustment in the event of capitalization of capital reserves, bonus issuance, share subdivision, share allotment or dividend distribution of the Company.

8. The basis of determination of exercising price of the share options granted under the Option Incentive Scheme

The Exercising Price shall not be less than the nominal value of the Company's A Shares or the higher of:

(1) the average trading price of the A Shares quoted on the trading day immediately preceding the date of announcement of the drafted Option Incentive Scheme, being RMB8.92 per share;

(2) the average trading price of the A Shares for the 20 trading days immediately preceding the date of announcement of the drafted Option Incentive Scheme, being RMB9.58 per share;

(3) the closing price of the A Shares on the trading day immediately preceding the date of announcement of the drafted Option Incentive Scheme, being RMB8.75 per share;

(4) the average closing price of the A Shares for the 30 trading days immediately preceding the date of announcement of the drafted Option Incentive Scheme, being RMB9.64 per share.

9. The validity period of the Option Incentive Scheme

The Option Incentive Scheme comes into effect since approval by the 2019 First Extraordinary General Meeting of Shareholders, 2019 First A-share Shareholder Meeting and 2019 First H-share Shareholder Meeting held on 12 February 2019. The validity period of the share options granted under the Option Incentive Scheme shall not exceed 60 months commencing from the date of granting the share options.

(II) Historical adjustments

As deliberated and approved at the eighth meeting of the eighth session of the Board held on 13 January 2021, the Company canceled 3,299,140 stock options for 33 incentive participants due to resignation or insufficient personal performance. After adjustment, the number of stock options granted was revised from 46,320,000 to 43,020,860. Since the Company distributed dividends during the waiting period, the Board adjusted the exercising price of the Option Incentive Scheme. The adjusted exercising price of stock options was RMB7.52 per share.

As deliberated and approved at the 20th meeting of the eighth session of the Board held on 27 January 2022, the Company canceled 2,831,720 stock options for 37 incentive participants due to resignation or insufficient personal performance. The number of options granted but not yet exercised was adjusted from 28,836,800 to 26,005,080. Since the Company distributed dividends during the waiting period, the Company's Board adjusted the exercising price of the Option Incentive Scheme. The adjusted exercising price of stock options was RMB6.52 per share.

As deliberated and approved at the 22nd meeting of the eighth session of the Board held on 29 April 2022, the Company canceled 210,300 stock options for six incentive participants due to their resignation. After adjustment, the number of options granted but not yet exercised was adjusted from 13,225,500 to 13,015,200.

As deliberated and approved at the 28th meeting of the eighth session of the Board held on 24 April 2023, the Company canceled 358,360 stock options due to reasons such as resignation and below-standard personal performance of 12 incentive participants. After adjustment, the number of options granted but not yet exercised was adjusted from 13,015,200 to 12,656,840. Since the Company paid dividends during the waiting period, the Board adjusted the exercising price of the Option Incentive Scheme. The adjusted exercising price of the stock options was RMB4.52 per share.

(III) Use of proceeds

The total proceeds of RMB247.1959 million from the exercising of options will be used to supplement the operation capital of the Company.

2021 A-share Restricted Stocks Incentive Scheme

Incentive method: restricted stocks

Source of underlying shares: Issuance of shares to the incentive participants

The measurement method of the fair value of equity instruments, the selection criteria of parameters and the results

Calculation method: According to "Accounting Standards for Business Enterprises No. 11 – Share-based Payment", the Company takes the difference between the closing price of the stock on the grant date and the grant price as the share-based payment cost per restricted stock. It will finally confirm the share-based payment cost of this incentive plan.
Parameter: Closing price and grant price of the stock on the grant date.
Calculation results: The fair value of each restricted stock is RMB12.80.

As approved at the Company's 2022 First Extraordinary General Meeting of Shareholders, the First A-share/H-share Shareholder Meeting, and the 20th meeting of the eighth session of the Board of Directors held on 27 January 2022, the Company grants restricted shares to the incentive participants, according to the A-Share Restricted Stocks Incentive Scheme ("Restricted Stocks Incentive Scheme").

As reviewed and approved by the fifth meeting of the ninth session of the Board on 23 February 2024, it was confirmed that the conditions for lifting the first lock-up period of the Restricted Stocks Incentive Scheme has been met, and the Company has lifted 29,163,420 shares of 1,201 incentive participants from sale restrictions. On 8 March 2024, restricted stocks that had been lifted from sales restrictions were circulated.

Abstract of the Restricted Stocks Incentive Scheme

(I) Granting of the Restricted Stocks Incentive Scheme

1. The purpose of the Restricted Stocks Incentive Scheme

   The Scheme is to further improve the medium and long-term incentive mechanism, fully mobilize the enthusiasm of the Company's management team and key employees, closely integrate the interests of shareholders, the Company and the core team, and enhance the Company's market competitiveness and sustainable development capabilities.

2. The scope of incentive participants

   The Participants include the Directors, senior management, mid-level management and core employees of the Company, excluding external Directors (including Independent Directors), Supervisors, Shareholders and actual controllers that individually or jointly hold 5% or above shares of the Company and their spouses, parents and children.

3. The number of underlying shares to be granted under the Option Incentive Scheme

   As reviewed and approved by the Company's 2022 First Extraordinary General Meeting of Shareholders, the First A-share/H-share Shareholders' Meeting and the 20th meeting of the eighth session of the Board on 27 January 2022, 61.74 million restricted shares were granted to 1,245 incentive participants (accounting for approximately 0.83% of the Company's total issued share capital as of the disclosure date of this report), and all restricted shares have been granted on 27 January 2022 (the "Grant Date"). The underlying stocks involved are RMB ordinary shares (A shares).

4. Each participant able to receive the maximum benefits

   The number of company shares granted to any incentive participant through all the equity incentive schemes within the validity period shall not exceed 1% of the Company's total share capital on the date of announcement of the drafted restricted stock incentive scheme.

5. Granting date

   As reviewed and approved at the twentieth meeting of the eighth session of the Board of Directors held on 27 January 2022, 27 January 2022 is determined as the granting date.

6. Restricted period

The lock-up periods of the restricted stock incentive scheme are 24 months, 36 months and 48 months since the date when the registration of the grant of restricted shares is completed.

7. The lifting of sales restrictions

The unlocking period of the restricted shares granted by the restricted stock incentive scheme and the release time schedule of each period are shown in the following table:

The lifting of sales restriction	The time to lift sales restriction	The proportion of lifting restrictions
The first unlocking period	From the first trading day after 24 months from the registration date of the restricted stocks to the last trading day within 36 months from the registration date for the restricted stocks	33%
The second unlocking period	From the first trading day after 36 months from the registration date of the restricted stocks to the last trading day within 48 months from the registration date for the restricted stocks	33%
The third unlocking period	From the first trading day after 48 months from the registration date of the restricted stocks to the last trading day within 60 months from the registration date for the restricted stocks	34%

8. Grant price

The grant price of the restricted stock incentive scheme is RMB11.72 per share, that is, after meeting the granting conditions, the incentive object can purchase the Company's additional restricted shares issued by the Company to the incentive participants, at a price of RMB11.72 per share.

9. Method of determining the grant price

The grant price shall not be lower than the par value of the stock and than 50% of the fair market price, and the fair market price shall be determined in line with the higher of the following two prices:

(1) Standard 1: The average trading price of the Company's underlying stocks on the trading day before the announcement of the draft of Restricted Stocks Incentive Scheme;

(2) Standard 2: One of the average trading prices of the Company's underlying stocks during the 20 trading days, 60 trading days or 120 trading days prior to the announcement of the draft of Restricted Stocks Incentive Scheme.

Details are shown in the following table:

Unit:RMB yuan/share

	Standard 1		Standard 2		
	The average trading price of the Company's stock in the previous 1 trading day	The average trading price of the Company's stock in the previous 20 trading days	The average trading price of the Company's stock in the previous 60 trading days	The average trading price of the Company's stock in the previous 120 trading days	Minimum Grant Price
A Share	23.44	23.29	27.03	22.55	11.72

10. Repurchase principle

After completing the share registration of the restricted stocks granted to the incentive participants, if the Company has issues such as converting capital reserves into share capital, distributing stock dividends, splitting shares, allotment of shares, shrinking shares, etc. The repurchased quantities and prices of restricted stocks that have not been released shall be adjusted accordingly. For specific adjustment methods, please refer to the "Yankuang Energy 2021 A-Share Restricted Stock Incentive Scheme" announced on 27 January 2022.

When the incentive participant terminates the labor relationship with the Company due to objective reasons such as transfer, dismissal, retirement, death, loss of civil capacity, etc., the restricted stocks that have not been released shall be repurchased and canceled by the Company at the grant price (adjusted) plus bank deposit interest for the same period.

If the incentive participant resigns or is fired due to personal reasons, the restricted stocks that have been granted but have not been released from sales restrictions shall be repurchased and canceled by the Company. The repurchase price is the lower value of the grant price or the Company's stock market price at the time of repurchase.

If the Company's performance assessment target of a certain restricted stock lifting period is not reached, all the restricted stock held by the incentive object cannot be lifted and shall be repurchased and cancelled by the Company. The restricted stocks that cannot be lifted in the current period due to the results of the performance assessment at the individual level shall be repurchased and cancelled by the Company. The repurchase price shall not be higher than the lower between the grant price and the market price.

11. Validity period

The Restricted Stocks Incentive Scheme will take effect upon the approval of the Company's First Extraordinary General Meeting of Shareholders in 2022 and the First A-share/H-share Shareholders' meeting in 2022 on 27 January 2022. The validity period starts from the date when the registration of the grant of restricted shares is completed to the date when all the restricted shares granted to the incentive participants are lifted and finish repurchase and cancellation. The longest period shall not be beyond 60 months.

12. Grant Completion

On 24 February 2022, the Company completed the registration of granting restricted stocks at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. For details, please refer to the Company's announcement dated 25 February 2022 on the results of the 2021 A-share Restricted Stock Incentive Scheme.

(II) Historical Adjustments

As reviewed and approved at the second meeting of the ninth session of the Board held on 25 August 2023, due to the Company's distribution of profits for two times during the restricted period and an additional distribution of 0.5 share per share as bonus shares, the Board adjusted the repurchase price and quantity of the restricted stocks. After this adjustment, the repurchase price was revised from 11.72 RMB/share to 3.6133 RMB/share, and the quantity of restricted stocks granted but not yet released was adjusted from 61.74 million shares to 92.61 million shares; Due to job transfers and retirement of 26 incentive participants, the Company canceled 2.67 million shares of restricted stocks granted but not yet released.

As reviewed and approved by the fifth meeting of the ninth session of the Board on 23 February 2024, given the fact that 16 incentive participants no longer meet the incentive conditions due to job transfers and other reasons, 2 incentive participants have been assessed as "unqualified" in performance evaluation, and 4 incentive participants have been assessed as "up-to-threshold" in performance evaluation, the Company decides to repurchase and cancel the 1,401,180 restricted stocks granted but not yet released for the above 22 incentive participants.

(III) Use of proceeds:

The total proceeds from the grant of restricted stocks is RMB723,592,900 and will be used to supplement the operation capital of the Company.

Long-term Equity Incentive Scheme of Yancoal Australia

In order to attract and retain the talents, combined the compensation of the management with the shareholders' interests to ensure that employees focus on creating the middle and long-term goals of Yancoal Australia, as approved at the Yancoal Australia 2018 annual general meeting, Yancoal Australia implemented an incentive scheme in 2018.

For details, please refer to resolution announcement of Yancoal Australia's 2018 Annual General Meeting dated 30 May 2018, and financial announcement and remuneration report for the year ended 31 December 2023 dated 23 February 2024, and Yancoal Australia's updated announcement dated 11 March 2024 on 2021 Short-Term Incentive Plan Rights and 2022 Short-term Incentive Plan Rights. Such information is available on the Yancoal Australia website, the Australian Securities Exchange website and/or the Hong Kong Stock Exchange website.

Other Explanation

Not applicable.

Employee Shareholding Scheme

Not applicable.

Other Incentive Schemes

Not applicable.

(III) Equity Incentives Granted to the Directors and Senior Management During the Reporting Period

Option Incentive Scheme

Unit: 10,000 shares

Name	Position	Number of stock options held at the beginning of the year	Number of newly granted stock options during the reporting period	Number of stock options canceled during the reporting period	Number of expired stock options during the reporting period	Exercisable shares during the reporting period	Stock options exercised during the reporting period	Stock option exercising price (RMB)	Number of stock options held at the end of the period	Weighted average closing price on the trading day before the exercise (RMB)
Xiao Yaomeng	Party Secretary, Director and General Manager	5.10	0	0	0	5.10	5.10	4.52	0	19.81
Ma Junpeng	Chief Engineer	5.10	0	0	0	5.10	5.10	4.52	0	19.81
Kang Dan	Chief Safety Officer	4.08	0	0	0	4.08	4.08	4.52	0	19.81
Wang Jiuhong	Deputy General Manager	4.08	0	0	0	4.08	4.08	4.52	0	19.81
Gao Chunlei	Chief Engineer (Chemicals)	5.10	0	0	0	5.10	5.10	4.52	0	19.81
Zhao Qingchun	Director (resigned), Chief Financial Officer (resigned)	8.84	0	0	0	8.84	8.84	4.52	0	19.81
Tian Zhaohua	Deputy General Manager (resigned)	5.10	0	0	0	5.10	5.10	4.52	0	19.81
Sub-total of Directors and Senior Management combined		37.40	0	0	0	37.40	37.40	4.52	0	19.81
Sub-total of other personnel		1,264.12	0	35.836	0	1,228.284	1,228.284	4.52	0	19.81
Total	/	1,301.52	0	35.836	0	1,265.684	1,265.684	/	0	/

Notes:

① As of the disclosure date of this report, the Company has made certain adjustments to its directors and senior management members. The above table is based on the ranking of the Company's Directors and senior management members as of the disclosure date.

② The grant date of the unexercised stock options of each incentive participant in this table at the beginning of 2023 is 12 February 2019.

③ The exercisable period for stock options of each incentive participant in this table at the beginning of the year is from 13 February 2023 to 8 February 2024.

④ As reviewed and approved at the 28th meeting of the eighth session of the Board held on 24 April 2023, the Company canceled 358,360 stock options due to reasons such as resignation and below-standard personal performance of 12 incentive participants.

⑤ According to the Option Incentive Scheme, all the incentive participants were granted stock options on 12 February 2019. The weighted average closing price before the date of granting such stock options was RMB9.20 (price before ex-rights and ex-dividend).

⑥ During the reporting period, the weighted average closing price before the exercise date (23 May 2023) according to the Option Incentive Scheme was RMB34.60 (price before ex-rights and ex-dividend).

Restricted Stocks Incentive Scheme

Unit: 10,000 shares

Name	Position	Number of restricted stocks held at the beginning of the year	Number of newly granted restricted stocks during the reporting period	The number restricted stocks canceled during the reporting period	Number of expired restricted stocks during the reporting period	Grant price of restricted stocks (RMB)	Unlocked stocks	Locked stocks	Number of restricted stocks held at the end of the period	Market price at the end of the reporting period (RMB)
Xiao Yaomeng	Party Secretary, Director, General Manager	20	10	0	0	11.72	0	30	30	19.81
Liu Qiang	Director	16	8	24	0	11.72	0	0	0	-
Zhang Chuanchang	Deputy General Manager	16	8	0	0	11.72	0	24	24	19.81
Huang Xiaolong	Director, Secretary of the Board	16	8	0	0	11.72	0	24	24	19.81
Ma Junpeng	Chief Engineer	8	4	0	0	11.72	0	12	12	19.81
Kang Dan	Chief Safety Officer	8	4	0	0	11.72	0	12	12	19.81
Wang Jiuhong	Deputy General Manager	8	4	0	0	11.72	0	12	12	19.81
Yue Ning	Deputy General Manager	8	4	0	0	11.72	0	12	12	19.81
Gao Chunlei	Chief Engineer (Chemicals)	8	4	0	0	11.72	0	12	12	19.81
Zhao Qingchun	Director (resigned), Chief Financial Officer (resigned)	16	8	0	0	11.72	0	24	24	19.81
Tian Zhaohua	Deputy General Manager (resigned)	16	8	0	0	11.72	0	24	24	19.81
Sub-total of Directors and Senior Management combined		140	70	24	0	11.72	0	186	186	19.81
Sub-total of other personnel		6,034	3,017	243	0	11.72	0	8,808	8,808	19.81
Total		6,174	3,087	267	0	/	0	8,994	8,994	/

Notes:

① As of the disclosure date of this report, the Company has made certain adjustments to its directors and senior management members. The above table is based on the ranking of the Company's Directors and senior management members as of the disclosure date.

② The "Number of Newly Granted Restricted Stocks During the Reporting Period" in the above table reflects the status of bonus shares. Since the Company distributed 0.5 bonus share for each share during the restricted period, the number of restricted stocks granted but not yet released has been adjusted from 61.74 million shares to 92.61 million shares. Additionally, due to work adjustment or retirement of 26 incentive participants, the Company repurchased and canceled 2.67 million restricted shares that have been granted but not yet released (the repurchase price is RMB3.6133 per share). For details, please refer to "(II) Historical Adjustments" in this section of "Abstract of Restricted Stocks Incentive Scheme".

③ According to relevant requirements, the Company shall repurchase and cancel Mr. Yue Ning's restricted stocks.

④ According to the Restricted Stocks Incentive Scheme, each incentive participant in the table was granted all unreleased restricted stocks on 27 January 2022. The weighted average closing price before the date of granting these restricted stocks was RMB24.16 (price before ex-rights and ex-dividend).

⑤ For details about the unlocking period of restricted stocks granted, please refer to "7. The lifting of sales restrictions" in the "Abstract of Restricted Stocks Incentive Scheme" in this section.

⑥ The assessment targets for restricted stocks granted shall be based on the performance assessment condition corresponding to each unlocking period stipulated in the Restricted Stocks Incentive Scheme. For specific details, please refer to the the circular published by the Company on 12 January 2022.

At the beginning and end of the year 2023, the number of options and/or restricted stocks granted under all of the Company's Stocks Incentive Scheme was 0. During the reporting period, the number of shares issued based on options and/or restricted stocks granted under all of the Equity Incentive Scheme was 12,656,840 A shares, which, divided by the weighted average of the total number of A shares issued in that year, equals 0.28%.

(IV) The Performance Valuation Mechanism for Senior Management Personnel and the Establishment and Implementation of the Incentive Mechanism During the Reporting Period

The Company uses a special evaluation and incentive mechanism for the annual remuneration of senior management personnel, so that the management's performance evaluation is organically combined with the Company's economic benefits and operation status quo. Based on their performance,the Company directly judges, rewards or punishes senior management personnel, according to the relevant operating indicators and management standards. The Company honored its 2023 annual remuneration based on the completion of the business indicators and evaluation results of senior management personnel.

The Company has implemented the Stock Option Incentive Scheme and the Restricted Stocks Incentive Scheme. It will strictly follow the relevant assessment management measures and grant rights to the management personnel, with the performance assessment indicators met.

XII. BUILDING AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

In accordance with the listing regulatory requirements, the Company formulated the Design and Applications in 2006, establishing an effective operating internal control system.

In 2011, in accordance with the relevant requirements under the "General Rules on Internal Control for Enterprises" and the "Supporting Guidelines of Internal Control for Enterprises" jointly issued by Ministry of Finance of PRC and other four ministries, and the regulatory requirements of places where the Company are listed, the Company, based on 18 provisions in the Supporting Guidelines of Internal Control for Enterprises and its business practice, has further improved and strengthened the internal control system at three levels in the Group, i.e. the Company, its subordinated departments and subsidiaries, and their businesses.

The Board and its subordinate special committees are responsible for the establishment and effective implementation of internal control system. The Supervisory Committee is responsible for supervision of the internal control system established and implemented by the Board. The management looks after the organization and management of the daily operation of internal control.

The Board has assessed the effectiveness of the Company's internal control system once a year since 2007. At the sixth meeting of the ninth session of the Board held on 28 March 2024, the Board made an assessment on the effectiveness of the internal control systems of the Company for the year 2023. The Board, after assessment, believed that the internal control system of the Company is sound and has been implemented effectively and no major defect was found in the design of the internal control or its implementation.

The report of self-evaluation on internal control of the Company was posted on the Shanghai Stock Exchange website, the HKEX website and the Company's website.

The Company formulated the "Measures on Overall Risk Management" and established a risk IT management and control platform and a sound risk control mechanism. The Company, through the risk IT management and control platform, conducted overall risk management work including risk identification, assessment, response and the monitoring of key risk points within the scope of the Company and its subsidiaries each year, and issued the "Annual Risk Management Report"; developed realistic risk control strategies and solutions for the identified major risks, regularly summarized the risk control and prepared a major risk control report. With the help of IT measures, through the accurate identification, assessment and quantitative analysis, scientific response and regular tracking evaluation of major risks, the closed-loop control of the whole process of major risks has been realized.

The Board looks after the aforementioned risk control and internal control systems and reviews the effectiveness of such systems in a timely manner. The Board further clarifies that the foregoing system is designed to manage, and not eliminate, the risk of failure to achieve business objectives, and to make reasonable, but not absolute assurances that there will be no material misstatement or loss.

In terms of processing and disclosing inside information, the Company has formulated its internal systems, such as the Management System of Securities Held and Transacted by Directors, Supervisors, Senior Management and Insiders, the Rules for Disclosure of Information, the Rules for Insiders Registration and Management, and the Rules for Material Information Internal Report, which define inside information and the scope, reporting process, registration and recording, prohibited behaviors for inside man, that strictly control the size of insiders and prevent the leakage of inside information.

Explanation of significant defects in internal control during the reporting period

Not applicable.

XIII. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

The Company dispatched Directors, supervisors, and senior management personnel to subsidiaries; regulated subsidiaries to hold shareholders' meetings, board meetings, and supervisory board meetings; implemented the Rules for Material Information Internal Report, Administrative Measures for Property Rights Representatives and Administrative Measures for Related Transactions; and supervised various entities to standardize the establishment of internal control system.

During the reporting period, the new subsidiaries of the Company included Luxi Mining, Xinjiang Neng Hua, Coal Chemicals Engineering Company, Shandong Energy Building Shanghai Co., Ltd., and Shandong Energy Finance Company, etc. After they were included into the consolidated financial statements of Yankuang Energy, these subsidiaries were subject to the same internal control and management systems as other subsidiaries. They are managed and controlled in corporate governance, financial management, risk management, and significant event management, among other aspects, to complete business integration and ensure that their operation and development are in line with the overall strategic planning of the Company.

XIV. THE ASSESSMENT OF THE COMPANY'S INTERNAL CONTROL SYSTEM BY THE AUDITORS

The Company has appointed domestic annual auditing accountants since 2013 to make a review and assessment on whether the internal control of the Company complied with the domestic regulatory requirements and the efficiency of internal control of the financial statements.

The Company appointed ShineWing Certified Public Accountants (Special General Partnership) to make a review and assessment of the efficiency of internal control of the 2023 financial statements. ShineWing Certified Public Accountants believed that, in accordance with the requirements of General Rules on Internal Control for Enterprises and related regulations, the Company maintained efficient internal control of financial statement in all material aspects.

The full version of the audit report of the internal control of the 2023 financial statement report issued by ShineWing Certified Public Accountants (Special General Partnership) was posted on the Shanghai Stock Exchange website, the HKEX website and the Company's website.

Whether disclose audit report of the internal control: Yes

Type of audit report of the internal control: standard clean audit opinions

XV. THE CORRECTION OF SELF-EXAMINATION PROBLEMS IN THE SPECIAL ACTION OF LISTED COMPANY GOVERNANCE

Not applicable

XVI. OTHERS

Corporate Governance Report (prepared in accordance with the Hong Kong Listing Rules)

(I) Compliance with Corporate Governance Practices and Model Code

The Group has set up a relatively regulated and robust corporate governance system and has abided by the corporate governance principles of transparency, accountability and protection of the rights and interests of all shareholders.

The Board believes that good corporate governance is important to the operation and development of the Group. The Group, has established reporting mechanism to all Directors so as to ensure Directors are all informed of its business, and believed that the regular Board meetings held are efficient communication ways for non-executive Directors to make full and open discussion on the Group's business. The Board regularly reviews corporate governance practices to ensure the Company's operation is in compliance with the laws, regulations and Supervisory rules of the places where the Company is listed, and consistently endeavors to implement a high standard of corporate governance.

The corporate governance rules implemented by the Group include, but not limited to the followings: the Articles of Association, the Rules of Procedures for Shareholders' General Meeting, the Rules of Procedures for the Board, the Rules of Procedures for Supervisory Committee, the Detailed Work Policy of the General Manager, the Work Policy of the Independent Directors, the Rules for Disclosure of Information, the Rules for the Approval and the Disclosure of Connected Transactions of the Company, the Rules for the Management of Relationships with Investors, the Management System of Securities Held and Transacted by Directors, Supervisors, Senior Management and Insiders, the Rules for Monitoring and Assessment of the Implementation of the Resolutions of the Board, the Rules for Report by Directors and Supervisors Dispatched by the Company, Administrative Measures for Property Rights Representatives, the Standard of Conduct and Professional Ethics for Senior Employees, the Measures on the Establishment of Internal Control System and the Measures on Overall Risk Management. For the year ended 31 December 2023 and as of the disclosure date of this annual report, the corporate governance rules and practices of the Group are compliant with the principles and the code provisions set out in the Corporate Governance Code (the "Code") contained in the Hong Kong Listing Rules. The Group's corporate governance performance also meets the requirements of the Code. During the reporting period, the Company has fully complied with clauses in Section 22 under the Code.

The following are the major aspects of the corporate governance practice adopted by the Group that are more stringent than the Code in practice:

- To actively carry forward the development of the special committees to the Board. Besides the requirement to establish the Audit Committee to the Board (the "Audit Committee"), the Remuneration Committee to the Board (the "Remuneration Committee"), the Nomination Committee to the Board (the "Nomination Committee"), the Strategy and Development Committee to the Board (the "Strategy and Development Committee") as set out in the Code, the Company also established Sustainable Development Committee to the Board (the "Sustainable Development Committee"). All these committees were entrusted with detailed responsibilities;

- To formulate more stringent provisions in the Management System of Securities Held and Transacted by Directors, Supervisors, Senior Management and Insiders, the Standard of Conduct and Professional Ethics of the Senior Employees than those of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code");

- To establish an internal control system in accordance with the Guidance on Internal Control for Listed Companies No. 1 – Standard Operation issued by the Shanghai Stock Exchange, General Rules on Internal Control jointly issued by five ministries including the Chinese Ministry of Finance and the provisions under the Code, the standards of the internal control system are more detailed than those of the Code;

- To announce the evaluation conclusions of the Board and auditors in relation to the effectiveness of internal control of the Company for the year 2023.

(II) Securities Transactions of Directors and Supervisors

As of the disclosure date of this report, the Company's directors and supervisors have strictly complied with the "Model Code" and the Company's "Shareholders, Directors, Supervisors, Senior Executives and Relevant Insiders' Shareholding and Change Management System".

On 21 April 2006, the Code for Securities Transactions of the Management was approved at the fifth meeting of the third session of the Board of the Company. On 23 April 2010, the Code for Securities Transactions of the Management was amended at the fourteenth meeting of the fourth session of the Board, which is drafted based on the Model Code, but is more stringent than the Model Code after taking the domestic and overseas laws, regulations and supervision requirement in relation to securities transactions into account.

On 13 February 2018, the Management Measures of Securities Held and Transacted by Directors, Supervisors, Senior Management and Insiders was approved, and the Code for Securities Transactions of the Management was abolished at the tenth meeting of the seventh session of the Board. On 5 December 2018, the Management System of Securities Held and Transacted by Directors, Supervisors, Senior Management and Insiders was amended at the twentieth meeting of the seventh session of the Board, which is drafted based on the Code for Securities Transactions of the Management, standardized the behavior of Securities Held and Transacted by Insiders, added the penalty rules for violating regulatory measures, but is more comprehensive and stringent than the Code for Securities Transactions of the Management.

At the 22nd meeting of the eighth session of the Board held on 29 April 2022, "Shareholders, Directors, Supervisors, Senior Executives and Relevant Insiders Holding Shares of the Company and Change Management System" was approved, which adjusts the whole system structure of the "Company's Shares Held by Directors, Supervisors, Senior Managements and Insiders and Changes Management System", supplements and updates relevant provisions, and further strengthens the regulation among the Company's shares and its changes which hold by Shareholders, Directors, Supervisors, senior managements and relevant insiders.

(III) Board of Directors and Senior Management

As at the disclosure date of this annual report, the Board comprises eleven Directors including four Independent Non-executive Directors. The names, appointments and resignations of the Directors are set out in the section.

The duties and authorities of the Board and the senior management have been stipulated in detail in the Articles of Association.

The Board is mainly responsible for making strategic decisions for the Company and the supervision of operations of the Company and its management team. The Board primarily has the powers to decide on operation plans and approve investment projects, to formulate the policy for financial decision and distribution of profits, to implement and review the internal control system, to execute the duty of corporate governance and to confirm the management organization and the basic management system of the Company, etc.

The management team of the Company is mainly responsible for the operation and management of the production of the Company and shall exercise the following functions and powers: to be in charge of the operation and management of the Company's production; to organize the implementation of the resolutions of the Board; to organize the implementation of the Company's annual business plan and investment program; to draft and propose the Company's management organization structure; to draft the Company's basic management rules; to work out a package of staff's salaries, benefits, awards and penalties, and to decide the appointment and dismissal of the staff of the Company, etc.

The Company has received from each of the Independent Non-executive Directors an annual confirmation concerning his independence pursuant to the Hong Kong Listing Rules. The Company confirms that all of the four Independent Non-executive Directors comply with the qualification requirements of Independent Non-executive Directors as required under the Hong Kong Listing Rules.

The Directors are responsible for preparing the Company's financial accounts as a true and fair reflection of the Company's financial situation, operating results and cash flows for the relevant accounting period.

Since 2008, the Company has purchased liability insurance for the directors, supervisors and senior management of the Company and its subsidiaries every year.

The Company has established internal policies (including but not limited to the Articles, Director Nomination Policy, Remuneration and Nomination Committee Terms of Reference) to ensure that the Board has access to independent views and opinions, election and appointment procedures and selection criteria, the mechanism for directors to abstain from voting on relevant proposals considered by the Board of Directors, the authority of the independent board committee to hire independent financial advisors or other professional advisors, etc. The Company has reviewed the implementation and effectiveness of the above-mentioned mechanism and believes that the above-mentioned mechanism can ensure that the Board can obtain independent views and opinions.

(IV) Board Meetings and Director's Training

According to the Articles of the Company and the Rules of Procedures for the Board, all Directors are entitled to propose matters to be included in the agenda for Board meetings. The Company delivered the meeting notice to the Directors fourteen days before an regular Board meeting or three days before an extraordinary Board meeting; circulated the agenda and information for discussion of the meeting to the Directors for their review five days before an regular Board meeting or three days before an extraordinary Board meeting; kept detailed minutes of the matters considered and the decisions formed by each Director in the meetings; sent the draft versions and the final versions of the minutes of Board meetings to all Directors for their comments and records respectively within a reasonable time after the Board meetings were held. Each Director is entitled to inspect the minutes of Board meetings kept by the Company at any reasonable time.

The Board and each Director has independent channels to communicate with the senior management of the Company. Any of the Directors is entitled to inspect the files and relevant documents of the Board.

The Company has set up a special institution under the Board, through which all Directors are able to access the services of the Secretary to the Board. The Board is entitled, at the Company's expense, to seek independent professional advice for its Directors in appropriate circumstances. When the Board reviews connected transactions, any connected Director would abstain from voting on such transactions.

For the year ended 31 December 2023, six Board meetings were held. For the Directors' attendance at the Board meetings and the Shareholders' General Meetings, please refer to relevant contents in this chapter.

All the Directors took part in the continuous professional development program to strengthen their knowledge and skills and make greater contributions to the Board.

The training of Directors during the reporting period is shown in the table:

Name	Training
Li Wei, Xiao Yaomeng, Liu Jian, Liu Qiang, Zhang Haijun, Su Li, Huang Xiaolong, Peng Suping, Zhu Limin, Woo Kar Tung, Raymond, Zhu Rui	Participated in the special training of "Standardized Operation of Listed Companies" organized by the Company on 30 June 2023.
Liu Qiang, Su Li, Huang Xiaolong	Participated in the 2023 training course for Directors and Supervisors organized by Shandong Association of Listed Companies (Session 1) on 26 July 2023.
Zhang Haijun	Participated in the 2023 training course for Directors and Supervisors organized by Shandong Association of Listed Companies (Session 2) on 24 August 2023.
Zhang Haijun	Participated in the 5th Training Session in 2023 organized by SSE from 15 to 28 September 2023 for Directors, Supervisors and Senior Management of listed companies who took such positions for the first time.
Li Wei, Xiao Yaomeng, Liu Jian, Liu Qiang, Zhang Haijun, Su Li, Huang Xiaolong, Peng Suping, Zhu Limin, Woo Kar Tung, Raymond, Zhu Rui	Participated in the training of the *Opinions on the Reform of the Independent Director System of Listed Companies, the Management Measures for Independent Directors of Listed Companies* and other regulations organized by the Company on 27 October 2023.

During the reporting period, on top of invitation to its domestic and overseas legal consultants and annual audit accountants by the Company to conduct review and study on regulatory rules and accounting standards in domestic and overseas, all Directors have been circulated with papers on laws and regulations amendments, updates on regulatory requirements, training materials and Compliance Trends prepared by the Company in a timely manner, through which they have continuously improved their working capabilities.

(V) Chairman and Chief Executive Officer

As at the end of the reporting period, Mr. Li Wei serves as the Chairman of the Board of the Company (the "Chairman"), and Mr. Xiao Yaomeng is the General Manager of the Company (the "General Manager"). The authorities and responsibilities of the Chairman and the General Manager are clearly specified. Details of such authorities and responsibilities of the Chairman and the General Manager are documented in the Articles.

In 2023, the Chairman and Independent Non-executive Directors held a meeting without the presence of other Directors.

(VI) Non-Executive Directors

Each of the non-executive Directors has entered into a service contract with the Company. Pursuant to the Articles, the term of office of the members of the Board (including the non-executive Directors) is three years. The members of the Board can be reappointed consecutively after the expiry of the term. However, the term of reappointment of independent non-executive Directors cannot exceed six years.

The duties of the non-executive Directors include, but are not limited to, the followings:

- to participate in the Board meetings of the Company, provide independent advice on matters involving strategy, policy, performance of the Company, accountability, resources, main appointments and codes of conduct;
- to play a leading and guiding role in the event of potential conflicts of interest;
- to act as members of the Audit Committee, Remuneration Committee, Nomination Committee, Strategy and Development Committee and Sustainable Development Committee;
- to scrutinize whether the performance of the Company achieves its objectives and targets, supervise and report the performance of the Company.

Independent Non-executive Directors and other Non-executive Directors are required to contribute positively to the formulation of strategies and policies of the Company by providing independent, constructive and well-founded advice.

(VII) Performance of Committees to the Board

The Nomination Committee considers the diversity of members of the Board of Directors from various aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and length of service. After considering the above-mentioned relevant factors, the nomination committee will make final appointment recommendations to the board of directors based on the professional expertise of the director candidates and their contributions to the company and the board of directors.

The Board of Directors is committed to improving gender diversity. When selecting and recruiting, due consideration will be given to increasing the proportion of female members. Now the Board has one female Director. The Company believes that the current composition of the Board is well balanced and diversified, with full consideration of the Company's actual situation, and therefore is beneficial for the Company's business, and is in line with the diversity policy of the Board during the reporting period.

The Company has also taken, and continues to take steps to promote diversity in its workforce at all levels. All qualified employees enjoy equal employment, training and career development opportunities without discrimination. During the year, women accounted for 19.7% of the total number of employees of the Company. In summary, the Company has taken and will continue to take measures, including but not limited to scouting for Directors from various fields, to continuously promote the diversity of the Board. The Board hopes that the proportion of its female members will at least be maintained at the current level. In order to promote the diversity of its management and employees, the Company will pay attention to increasing the proportion of females when selecting employees, and will take account of females when promoting management members.

The Company reviews the board diversity policy annually to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practices.

For other details, please refer to the relevant content of "Special Committees under the Board" in this section.

(VIII) Auditors' Remuneration

For details, please refer to the relevant content of "Appointment and Dismissal of Auditors" in Chapter 7, "Significant Events".

(IX) Company Secretary

As reviewed and approved at the 1st meeting of the ninth session of the Board held on 30 June 2023, Mr. Huang Xiaolong was appointed as the Company's secretary.

Mr. Huang Xiaolong has long been engaged in the management of listed companies and investor relations, with a master degree in law and the professional title of senior economist. In terms of academic knowledge, professional qualifications and work experience, he is eligible to perform the duties of the Company's secretary. Mr. Huang is also a senior management personnel and knows much about the daily operation of the Company, so that he can ensure effective communication with Directors and other senior managers and help the Board to strengthen the corporate governance mechanism.

As of the disclosure date of this report, Mr. Wong Wai Chiu was appointed as the Co-secretary of the Company.

The duties and responsibilities of the Company's secretary are set out in detail in the Articles.

During the reporting period, Mr. Huang Xiaolong and Mr. Wong Wai Chiu participated in relevant training organized by domestic and overseas regulatory agencies for more than 15 hours.

(X) Shareholder's Right

The procedures for Shareholders' proposal to convene a general meeting of Shareholders, for submitting inquiries to the Board and for submitting proposals at general meetings have been set out in details in the Articles.

After providing enough contact details, the qualified Shareholders can propose to convene an extraordinary general meeting by the following ways: (1) Shareholders are entitled to propose to the Board to convene an extraordinary general meeting in writing and state the motions of the meeting. Within the prescribed period, the Board shall provide its written decision to the Shareholders; (2) If the Board decides against convening the proposed extraordinary general meeting, the shareholders are entitled to propose to convene the extraordinary general meeting to the Supervisory Committee in writing; (3) If the Supervisory Committee fails to issue a notice of general meeting within the prescribed period, the Supervisory Committee shall be deemed not to convene and hold the meeting. Shareholders may convene and hold the extraordinary general meeting on their own. All reasonable expenses incurred for such extraordinary general meeting convened by Shareholders as a result of the failure of the Board and the Supervisory committee to convene an extraordinary general meeting as required by the above request(s) shall be borne by the Company. The Board and the secretary of the Company should cooperate in organizing and convening the Shareholders' extraordinary general meeting and the relevant matters.

After submitting relevant proof of identities and enough contact details, the Shareholders are entitled to inquire the Board for the inspection of the register of Shareholders, personal information of Directors, Supervisors and senior management, minutes of Shareholders' general meetings, resolutions of the meetings of the Board, resolutions of the meetings of the Supervisory Committee, financial and accounting reports and the copies of the Company's debentures.

The qualified Shareholder(s) may propose special resolutions in writing to the convener 10 days before the Shareholders' general meeting is convened. The convener shall issue a supplementary notice of the general meeting within two days after receiving the proposal to announce the content of the proposal. All Directors, Supervisors and senior management should attend the meeting. Except where business secrets of the Company are involved, the Board, the Supervisors and the senior management should make an explanation or statement regarding the Shareholders' queries and suggestions.

(XI) Investor Relations

1. Continuously optimizing the Rules for the Management of Relationships with Investors

Pursuant to the laws and supervisory regulations of both the domestic and overseas markets where the Company's shares are traded, and based on day-to-day business practices, the Company has developed and enhanced the Rules for the Management of Relationship with Investors and the Rules for Disclosure of Information etc. to regulate the management of investor relations.

The Company amends and perfects the Articles and other documents from time to time. For details of the amendments, please refer to the relevant contents of the "Corporate Governance Relevant Information" in this section.

2. Actively communicating with the investors

The Company always communicates with investors sincerely, adhering to the principles of transparency, equity and justice.

During the reporting period, the Company reported to investors on its business operations and collected opinions and recommendations on the Company from investors and capital market through face-to-face meetings road shows and anti-road shows. In order to facilitate its bidirectional communications with the capital market, the Company has actively participated in investment strategy meetings organized by brokers at home and abroad, invited investors for Company site visits and also made full use of the "SSE e-interactive platform", hotlines, faxes and e-mails. The Company has had over 3,220 contacts with analysts, fund managers and investors. The Company has reviewed the implementation and effectiveness of the above mechanism and believes that the above mechanism can ensure effective communication between the Company and investors and Shareholders.

The Company emphasizes greatly on communications with Shareholders through Shareholders' general meetings, and encourages the minority Shareholders to participate in Shareholders' general meetings by various means such as Internet voting. The relevant directors, supervisors and senior managements of the Company shall attend the shareholders' meeting. At the Shareholders' meeting, each proposal is submitted separately and all the proposals are voted by poll.

(XII) Information Disclosure

The Company emphasizes on the truthfulness, accuracy, completeness, timeliness and fairness of information disclosure and has ensured the disclosed information simple, clear, easy to understand, and complies with the Hong Kong Listing Rules. The Company has set up standardized and effective information collection, compilation, examination, disclosure and feedback control procedures to ensure that the disclosure of information is in compliance with the regulatory requirements of places where the Company's shares are listed, and also to give investors reasonable access to the Company's information.

The Chief Financial Officer of the Company shall ensure the financial report and related information disclosed are a true, accurate and complete reflection of the Company's business operations and financial status, applying the applicable accounting standards and relevant rules and regulations. The Company, through its website, realizing simultaneous disclosure of the Company's extraordinary announcements, periodic reports on the websites of the stock exchanges and the statutory media, provides investors with up-to-date information of the Company, the improved status of the corporate governance system and the industrial information.

Due to the Company's multiple stock listings domestically and internationally, the Company consistently adheres to the principle of simultaneous and fair disclosure to enable domestic and foreign investors get timely and fair information on business conditions of the Company.

(XIII) Risk Management and Internal Supervision and Control

For details, please refer to the relevant content of this section "XII BUILDING AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD".

(XIV) Directors' Acknowledgment of Their Responsibilities in the Preparation of the Company's Accounts

All Directors acknowledge their responsibilities for preparing the accounts for the year ended 31 December 2023 as a true and fair reflection of the Company's financial situation, operating results and cash flows.

(XV) Corporate Culture

The Company's corporate culture comprises four parts: corporate mission, vision, core values, and corporate objective. The Company's mission is: "To create green energy and lead energy transformation." The vision is: "To build a clean energy supplier and a world-class enterprise." The core values are: "Safety, Innovation, Green, Responsibility, Excellence." The corporate objective is: "To build an internationally-leading demonstration enterprise for clean energy and sustainable development."

The Company believes that a healthy corporate culture is essential in achieving good corporate governance. Therefore, all directors shall be are committed to promoting corporate culture by setting examples. The Company emphasizes on the communication and promotion of corporate culture, and complies with accountability and review, so that all management and staff understand the core values of corporate culture and behave properly. The Company has incorporated corporate culture into various employee training materials, work reporting processes, thematic discussions, etc., formulated and strengthened the code of conduct for employees and the talent management system, strengthened and perfected the communication mechanism between the management and the employees. Through various channels, the Company seeks to know about how corporate culture is accepted by the employees and identify obstacles that hinder employees' acceptance of corporate culture.

The Company has formulated a system to oppose corruption and accept whistleblowing reports, encouraging employees to report on corruption, bribery, favoritism and other violations of disciplines and laws, and organizing timely verification of clues reflected in the reports to regulate the behavior of employees. The Company will also strengthen anti-corruption propaganda in daily staff training, build a firm line of defense, strengthen democratic supervision, and create a clean and positive development environment.

Environmental and Social Responsibilities

I. ENVIRONMENTAL INFORMATION

Whether to establish relevant mechanisms for environmental protection	Yes
Investment in environmental protection funds during the reporting period (RMB10 thousand)	67,206

(I) Explanation On Environmental Protection Practices Of The Company And Its Subsidiaries In The List Of Key Pollutant Discharging Entities Released By The Environmental Protection Authorities

1. Pollutant discharging

The Group has strictly abided by the laws and regulations to deal with environmental pollution, including Environmental Protection Law of the People's Republic of China, Prevention and Control of Atmospheric Pollution Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Solid Waste Pollution Prevention and Control Law of the People's Republic of China, Environmental Impact Assessment Law of the People's Republic of China, etc. The Group improves the environmental protection management system and mechanisms, strengthens governance at the source, and actively builds itself into a resource-saving and environmental friendly enterprise. During the reporting period, no significant environment pollution incidents occurred within the Group, which has not received any punishment due to significant violation of environment protection laws from environmental protection regulators.

In 2023, the pollutant discharging entities affiliated to the Group are equipped with sound facilities for sewage process and dust control, which operate in a stable manner, and the discharge of main pollutants, such as COD, ammonia nitrogen, SO_2, NOx, meets all discharging standards.

All of the key pollutant discharging entities in the Group have applied for pollutant discharging certificates, and they discharged pollutants accordingly and within the total permitted discharging volume, which meet relevant environment protection requirements. The information of subsidiaries listed as key pollutant discharging entities released by the environmental protection authorities in 2023 are as follows:

No.	Key pollutant discharging entities	Types of pollutant	Main pollutants	Discharging method	Discharging standard	Annual pollutant discharging permission volume	Actual discharging volume in 2023
1	Nantun Coal Mine					COD: 128.4 tons ammonia nitrogen: 6.4 tons	COD: 20.2 tons ammonia nitrogen: 0.21 tons
2	Baodian Coal Mine					COD: 120.4 tons ammonia nitrogen: 6.0 tons	COD: 32.4 tons ammonia nitrogen: 0.32 tons
3	Dongtan Coal Mine					COD: 58.4 tons ammonia nitrogen: 2.9 tons	COD: 21.2 tons ammonia nitrogen: 0.29 tons
4	Jining No.2 Coal Mine	Industrial wastewater, household wastewater	Chemical oxygen demand (COD), ammonia nitrogen	Discharging to receiving water body after processing in sewage treatment station	"Integrated wastewater discharge standard for basin Part 1: Nansi Lake and Dongping Lake basin" (DB37/3416.1-2018)	COD: 30.7 tons ammonia nitrogen: 2.9 tons	COD: 10.8 tons ammonia nitrogen: 0.06 tons
5	Jining No.3 Coal Mine					COD: 362.9 tons ammonia nitrogen: 18.1 tons	COD: 8.4 tons ammonia nitrogen: 0.25 tons
6	Yangcun Coal Mine					COD: 29.9 tons ammonia nitrogen: 3.7 tons	COD: 4.2 tons ammonia nitrogen: 0.07 tons
7	Zhaolou Coal Mine					COD: 95.4 tons ammonia nitrogen: 5.9 tons	COD: 15.3 tons ammonia nitrogen: 0.28 tons
8	Xinglongzhuang Coal Mine				"Integrated wastewater discharge standard for basin Part 1: Nansi Lake and Dongping Lake basin" (DB37/3416.1-2018), "Emission Standard of Pollutants for Urban Sewage Treatment Plants" (GB 18918-2002)	COD: 109.0 tons ammonia nitrogen: 5.5 tons	COD: 1.3 tons ammonia nitrogen: 0.01 tons
9	Tianchi Energy				"Environmental quality standards for surface water" (GB3838-2002)	No total emission requirements for COD and ammonia nitrogen	COD: 2.2 tons ammonia nitrogen: 0.19 tons

No.	Key pollutant discharging entities	Types of pollutant	Main pollutants	Discharging method	Discharging standard	Annual pollutant discharging permission volume	Actual discharging volume in 2023
10	Jinjitan Coal Mine	Boiler flue gas	PM (particulate matter), SO_2, NOx	Smoke and gas discharged to the air after purification, and the waste water recycled for utilization after treatment in waste water treatment station Without discharging outside	"Emission Standard of Air Pollutants for Boilers" (GB13271-2014)	PM: 14.0 tons SO_2: 46.6 tons NOx: 93.1 tons	PM: 0.4 tons SO_2: 0.2 tons NOx: 9.1 tons
11	Coal to Oil Branch of Shaanxi Future Energy Company				"Emission Standards of Air Pollutants for Power Plants"(GB13223-2011)	PM: 92.1 tons SO_2: 488.9 tons NOx: 1,084.2 tons	PM: 48.0 tons SO_2: 128.1 tons NOx: 620.2 tons
12	Rongxin Chemicals of Ordos Company					PM: 121.8 tons SO_2: 406.1 tons NOx: 609.1 tons	PM: 5.8 tons SO_2: 112.0 tons NOx: 402.0 tons
13	Zhuanlongwan Coal Mine				"Emission Standard of Air Pollutants for Boilers" (GB13271-2014)	PM: 19.4 tons SO_2: 89.4 tons NOx: 114.8 tons	PM: 2.1 tons SO_2: 4.3 tons NOx: 38.1 tons
14	Shilawusu Coal Mine of Ordos Company					PM: 25.9 tons SO_2: 107.2 tons NOx: 92.1 tons	PM: 2.5 tons SO_2: 41.1 tons NOx: 42.6 tons
15	Yingpanhao Coal Mine				"Emission Standard of Air Pollutants for Boilers" (GB13271-2014)	PM: 21.99 tons SO_2: 96.2 tons NOx: 131.3 tons	PM: 0.5 tons SO_2: 59.3 tons NOx: 31.6 tons
16	Zhaolou Power Plant			Smoke and gas discharged to the air after purification	"Emission standard of air pollutants for thermal power plants in Shandong Province" (DB37/664-2019)	PM: 34.6 tons SO_2: 242.4 tons NOx: 346.3 tons	PM: 11.8 tons SO_2: 44.2 tons NOx: 177.0 tons
17	Jining No.3 Power Generation Plant					PM: 33.0 tons SO_2: 227.0 tons NOx: 319.0 tons	PM: 10.2 tons SO_2: 57.8 tons NOx: 315.0 tons
18	Power Plants affiliated to Inner Mongolia Mining Company				"Emission standard of air pollutants for thermal power plants" (GB13223-2011)	PM: 374 tons SO_2: 1,522.1 tons NOx: 1,522.1 tons	PM: 37.6 tons SO_2: 155.4 tons NOx: 541.7 tons

No.	Key pollutant discharging entities	Types of pollutant	Main pollutants	Discharging method	Discharging standard	Annual pollutant discharging permission volume	Actual discharging volume in 2023
19	Yulin Neng Hua	Boiler flue gas, industrial wastewater, household wastewater	PM (particulate matter), SO_2, NOx, chemical oxygen demand (COD), ammonia nitrogen	Smoke and gas discharged to the air after purification, and the waste water recycled for utilization after treatment in waste water treatment station and the remaining discharged	"Emission Standards for Air Pollutants from Thermal Power Plants" (GB13223-2011), "Integrated wastewater discharge standard of Yellow river basin in Shaanxi Province" (DB61/224-2018)	PM: 76.1 tons SO_2: 242.7 tons NOx: 374.9 tons COD: 85.8 tons ammonia nitrogen: 13.7 tons	PM: 14.0 tons SO_2: 115.2 tons NOx: 266.8 tons COD: 7.4 tons ammonia nitrogen: 0.37 tons
20	Lunan Chemicals				"Emission standard of air pollutants for thermal power plants in Shandong Province" (DB37/664-2019), "Regional and Integrated Emission Standard of Air Pollutants" (DB37/2376-2019) "Integrated wastewater discharge standard for basin Part 1: Nansi Lake and Dongping Lake basin" (DB37/3416.1-2018)	PM: 94.5 tons SO_2: 544.6 tons NOx: 787.7 tons COD: 577.0 tons ammonia nitrogen: 91.0 tons	PM: 16.9 tons SO_2: 87.0 tons NOx: 460.7 tons COD: 383.9 tons ammonia nitrogen: 8.35 tons
21	Xinjulong Company	Industrial wastewater, household wastewater	Chemical oxygen demand (COD), ammonia nitrogen	The waste water recycled for utilization after treatment in waste water treatment station and the remaining discharged	"Integrated wastewater discharge standard for basin Part 1: Nansi Lake and Dongping Lake basin" (DB37/3416.1-2018)	COD: 141.59 tons ammonia nitrogen: 14.159 tons	COD: 37.7 tons ammonia nitrogen: 0.444 tons
22	Lilou Coal					COD: 117.6 tons ammonia nitrogen: 5.88 tons	COD: 61.6 tons ammonia nitrogen: 1.04 tons
23	Pengzhuang Coal Mine					COD: 61.88 tons ammonia nitrogen: 2.87 tons	COD: 14.9 tons ammonia nitrogen: 0.331 tons
24	Shanxian Energy					COD: 24.722 tons ammonia nitrogen: 1.40 tons	COD: 5.34 tons ammonia nitrogen: 0.416 tons
25	Tangkou Coal Mine					COD: 26.95 tons ammonia nitrogen: 1.01 tons	COD: 18.4 tons ammonia nitrogen: 0.183 tons

No.	Key pollutant discharging entities	Types of pollutant	Main pollutants	Discharging method	Discharging standard	Annual pollutant discharging permission volume	Actual discharging volume in 2023
26	Liangbaosi Company					COD: 84.47 tons ammonia nitrogen: 4.02 tons	COD: 17.71 tons ammonia nitrogen: 0.398 tons
27	Guotun Coal Mine					COD: 121.2 tons ammonia nitrogen: 5.9 tons	COD: 63 tons ammonia nitrogen: 1.86 tons
28	Xinjiang Neng Hua	Boiler flue gas, industrial wastewater, household wastewater	PM (particulate matter), SO_2, NOx, chemical oxygen demand (COD), ammonia nitrogen	Smoke and gas discharged to the air after purification, and the waste water recycled for utilization after treatment in waste water treatment station and the remaining discharged	"Comprehensive Wastewater Discharge Standards" (GB8978-1996) "Water Pollutant Discharge Standards for the Synthetic Ammonia Industry" (GB13458-2013) "Emission Standards for Air Pollutants from Thermal Power Plants" (GB13223-2011)	PM: 313.07 tons SO_2: 427.46 tons NOx: 222.87 tons COD: 122.26 tons ammonia nitrogen: 20.38 tons	PM: 27.31 tons SO_2: 12.97 tons NOx: 164.0 tons COD: 62.21 tons ammonia nitrogen: 1.64 tons
29	Yili No.1 Coal Mine	Boiler flue gas	PM (particulate matter), SO_2, NOx	Smoke and gas discharged to the air after purification	"Emission Standards for Air Pollutants from Boilers" (GB13271-2014)	PM: 9.77 tons SO_2: 41.39 tons NOx: 51.05 tons	PM: 4.48 tons SO_2: 38.39 tons NOx: 30.69 tons

2. Construction and operation of pollution control facilities

The pollution control facilities of the Group's pollutant discharging entities operate in parallel with the production system to ensure that pollutants are discharged according to relevant standards.

No.	Key pollutant discharging entities	Construction and operation of pollution control facilities
1	Nantun Coal Mine	A mine water treatment station, a household sewage treatment station and a high salt mine water treatment facility have been established as required, which are all in normal operation. Closed coal sheds and closed material sheds have been built.
2	Baodian Coal Mine	
3	Dongtan Coal Mine	
4	Jining No.2 Coal Mine	
5	Jining No.3 Coal Mine	
6	Zhaolou Coal Mine	

No.	Key pollutant discharging entities	Construction and operation of pollution control facilities
7	Yangcun Coal Mine	A mine water treatment station and a household sewage treatment station have been established as required, which are all in normal operation. Closed coal sheds and closed material sheds have been built.
8	Xinglongzhuang Coal Mine	
9	Tianchi Energy	A mine water treatment station and a household wastewater treatment station have been built as required, which are all in normal operation. A 10 steam-ton and a 6 steam-ton natural gas boiler were built to replace the original coal-fired boiler.
10	Jinjitan Coal Mine	A mine water treatment station and a household wastewater treatment station have been built as required, which are all in normal operation.There are also 2 boilers with the capacity of 65 steam tons per hour each, which are equipped with dedusting, desulfurization and denitration facilities and are in normal operation.
11	Shaanxi Future Energy Coal to Oil Branch	An industrial water treatment plant has been built and is in normal operation, which discharges the waste water after treatment for recycling use after further treatment. There are also 3 coal-powder boilers with the capacity of 480 steam tons per hour each in normal operation, which are all equipped with dedusting, desulfurization and denitration facilities that have completed ultra-low emission retrofit and are in normal operation.
12	Rongxin Chemicals of Ordos Company	Two waste water treatment systems have been built as required, which are all in normal operation. There are also 3 circulating fluidized bed boilers with the capacity of 220 steam tons per hour each and 2 circulating fluidized bed boilers with the capacity of 380 steam tons per hour each, which are all equipped with dedusting, desulfurization and denitration facilities that have completed ultra-low emission retrofit and are in normal operation.
13	Zhuanlongwan Coal Mine	A mine water treatment station and a household wastewater treatment station have been built as required, which are all in normal operation. There are also 3 boilers with the capacity of 20 steam tons per hour each, which are all equipped with dedusting, desulfurization and denitration facilities and are in normal running.

No.	Key pollutant discharging entities	Construction and operation of pollution control facilities
14	Shilawusu Coal Mine	A mine water treatment station and a household wastewater treatment station have been built as required, which are all in normal operation. There are also 1 circulating fluidized bed boiler with the capacity of 45 steam tons per hour, 3 boilers with the capacity of 20 steam tons per hour each, which are equipped with dedusting, desulfurization and denitration facilities and are in normal operation.
15	Yingpanhao Coal Mine	A mine water treatment station and a household wastewater treatment station have been built as required, which are all in normal operation. There are also 2 circulating fluidized bed boilers with the capacity of 45 steam tons per hour each, which are all equipped with dedusting, desulfurization and denitration facilities that are in normal operation.
16	Zhaolou Power Plant	1 boiler has been built with the capacity of 1,025 steam tons per hour, which is equipped with dedusting, desulfurization and denitration facilities and has achieved ultra-low emission retrofit and is in normal operation.
17	Jining No.3 Power Plant	There are 2 boilers with total capacity of 440 steam tons per hour each, which are all equipped with dedusting, desulfurization and denitration facilities and have achieved ultra-low emission retrofit and are in normal operation.
18	Power Plants affiliated to Inner Mongolia Mining	There are 2 boilers with total capacity of 2,478 steam tons, which are all equipped with dedusting, desulfurization and denitration facilities and have achieved ultra-low emission retrofit and are in normal operation.
19	Yulin Neng Hua	Two industrial wastewater treatment stations have been built as required and is in normal operation. There are also 4 coal-powder boilers with the capacity of 260 steam tons per hour each, which are all equipped with dedusting, desulfurization and denitration facilities, which have completed ultra-low emission retrofit and are in normal operation.

No.	Key pollutant discharging entities	Construction and operation of pollution control facilities
20	Lunan Chemicals	An industrial waste water treatment plant has been built as required and is in normal operation. There are also 2 circulating fluidized bed boilers with the capacity of 130 steam tons per hour each, 2 with the capacity of 260 and 2 with the capacity of 480, which are all equipped with dedusting, desulfurization and denitration facilities and have completed ultra-low emission retrofit and are in normal operation.
21	Xinjulong Company	A mine water treatment station, a household sewage treatment station and a high salt mine water treatment facility have been established as required, which are all in normal operation. Closed coal sheds and closed material sheds have been built.
22	Liangbaosi Coal Mine	
23	Guotun Coal Mine	
24	Lilou Coal Mine	
25	Pengzhuang Coal Mine	
26	Shanxian Energy	
27	Tangkou Coal	A mine water treatment station and a household sewage treatment station have been established as required, which are all in normal operation. Closed coal sheds and closed material sheds have been built.
28	Xinjiang Coal Chemicals	A waste water treatment station is established and in normal operation. There are three 220t/h coal-powder boilers (two in operation and one as a backup), which are all equipped with dedusting, desulfurization and denitration facilities and have completed ultra-low emission retrofit and are in normal operation. Closed coal sheds have been built.
29	Ili No.1 Coal Mine	A mine water treatment station and two household sewage treatment stations have been established as required, which are all in normal operation.

3. *Environmental impact assessment on constructive projects and other administrative licenses for environmental protection*

The Group conscientiously implements the "Environmental Impact Assessment Law" and other relevant laws and regulations. All projects constructed strictly follow the environmental management procedures of construction projects, implement the requirements for environmental impact assessment, and carry out environmental impact assessment before project construction. The Group implements the "Three Simultaneous" system. In accordance with the environmental impact assessment and approval requirements, the pollution control and ecological protection projects are designed, constructed and put into use at the same time as the main project. The Group implements the requirements for environmental protection acceptance of construction projects, and conducts independent environmental protection acceptance after the trial operation is completed to ensure that the project construction is in accordance with laws and regulations, and the construction approval is consistent.

All key pollutant discharge units of the Group strictly implement the pollutant discharge permit system to ensure that "discharge with a permit and discharge according to a permit" and that the permits are all within the validity period.

4. *Emergency plan for emergency environmental incidents*

Based on the risk assessment of environmental emergencies and the investigation on emergency resources, the Group's pollutant discharging entities have worked out Emergency Plan for Environmental Emergencies, which has been evaluated by experts and filed at the government's ecological and environmental authorities. At the same time, the Company has strengthened emergency facilities, carried out regular emergency drills, enhance the prevention&control and emergency response capabilities for environmental pollution incidents, to avoid environmental events to the greatest extent.

5. *Environmental self-monitoring program*

This Group's pollutant discharging entities are all equipped with corresponding online monitoring facilities for water and air pollutants as required. These online monitoring facilities are connected to the government's ecological and environmental authorities regulatory platform, enabling real-time monitoring. Meanwhile, each production unit prepares its own monitoring plan as required, conducts regular self-monitoring, and discloses key pollution source monitoring information to the society. The main methods of monitoring are online monitoring and entrusted monitoring.

(1) On-line monitoring

i. Mine water

On-line monitoring of COD in the discharge water from the coal mine is carried out by a third party as required with monitoring frequency of every 2 hours and monitoring data connected to government monitoring platform in real time.

ii. Household wastewater

On-line monitoring of COD, ammonia nitrogen, TP and TN in the discharge water is carried out by a third party as required with monitoring frequency of every 2 hours and monitoring data connected to government monitoring platform in real time.

iii. Industrial wastewater

On-line monitoring of COD, ammonia nitrogen, TP and TN in the discharge water is carried out by a third party as required with monitoring frequency of every 2 hours and monitoring data connected to government monitoring platform in real time.

iv. Boiler smoke

On-line monitoring of SO_2, NOx, PM is carried out by a third party as required once an hour and monitoring data are connected to government monitoring platform in real time.

(2) Entrusted monitoring

i. The third-party agency is entrusted to conduct self-monitoring according to the projects and frequencies specified in the pollution discharge permit. This mainly includes monitoring of water, air pollutants, and on-site noise, which is detailed monthly, quarterly, or annually.

ii. The monitoring of radioactive sources has been conducted by a third party as required yearly.

6. Administrative penalties due to environmental issues during the reporting period

Statistical Table of Administrative Penalties Due to Environmental Issues in 2023

No.	Penalty Entities	Inspection Authorities	Notification Number	Penalty (RMB10 thousand)
1	Yulin Neng Hua	Yulin City Ecological Environment Bureau	Shan K Huan Fa [2023] No.77	32
2	Jinjitan Coal Mine	Yulin City Ecological Environment Bureau	Shan K Huan Fa [2023] No.87	88.5
3	Shanxian Energy	Heze City Ecological Environment Bureau Shanxian Branch	He Shan Huan Fa Zi [2023] ZX041101	44.12
		Total		**164.62**

7. Other environmental information that should be disclosed

Not applicable.

(II) Environmental Protection Statement For Companies Other Than The Key Pollutant Discharging Entities

1. Administrative penalties due to environmental issues

Not applicable.

2. Disclosure of other environmental information with reference to key pollutants

Not applicable.

3. Reasons for not disclosing other environmental information

The reason the Company has not disclosed other environmental information is that the impact on the environment is minor, primarily due to the energy and resource consumption and emissions from daily office operations.

The mines affiliated to Yancoal Australia strictly abide by the relevant environmental protection laws and regulations of the country where they are located, construct and operate pollution prevention and control facilities, and actively carry out pollution prevention and control. The discharge of waste gas, waste water, solid waste and other pollutants all complies with the standards of the host country. For possible environmental accident risks, emergency plans for environmental accidents and other emergencies have been formulated, and a communication and reporting system to the local government and environmental protection regulatory agencies. For the environmental information of Yancoal Australia, please refer to the Environmental, Social and Governance (ESG) Report regularly disclosed by Yancoal Australia.

(Ⅲ) Relevant Information that is Conducive to Protecting Ecology, Preventing Pollution, and Fulfilling Environmental Responsibilities

The Group continues to advance the prevention and control of environmental pollution. The high-salinity water treatment projects for Dongtan Coal Mine, Jining No.3 Coal Mine, and Zhaolou Coal Mine have been operating stably. In 2023, the emission of sulfate was reduced by 15,123.5 tons, which is beneficial to improving water quality of the receiving water bodies.

(Ⅳ) Measures and Effects Taken to Reduce Carbon Emissions during the Reporting Period and Their Effects.

Whether to take carbon reduction measures	Yes
Reduction of carbon dioxide equivalent emissions (tons)	90,038
Types of carbon reduction measures (such as using clean energy to generate electricity, using carbon reduction technologies in the production process, developing and producing new products that help reduce carbon emissions, etc.)	Clean energy power generation, use of carbon reduction technology in the production process

Specific description

In 2023, the Company continued to implement measures to reduce carbon emissions.

1. Carry out energy-saving and de-carbonizing technological transformations. The Company's coal mines utilize surplus heat from air compressors, ventilation air methane, and mine water, saving 6,245.62 tons of standard coal and reducing carbon emissions by 20,135 tons. Hua Ju Energy accelerated the construction of photovoltaic projects, completed the distributed photovoltaic projects at the supply center's rooftop, the Dongtan Coal Mine's ventilation shaft, Baodian Coal Mine's ventilation shaft, and the Inner Mongolia Mengda railway, with an installed capacity of 15,140 kWh. Xinglongzhuang Coal mine, Dongtan Coal Mine, Supply Center and others consumed 24.59 million kWh of green electricity, reducing carbon emissions by 14,022.7 tons. Through the frequency conversion at Jining No.3 coal mine, a total of 960,000 kWhs electricity was saved. Lunan Chemicals optimized the acetic ester I energy-saving project, achieving a reduction of 0.25t/h in steam consumption per unit of product, saving 53,300 tons of steam annually and creating an extra profit of RMB5.5953 million. Yulin Neng Hua conducted APC intelligent control for the thermal power boiler system, with four boilers as the research target. By developing an advanced intelligent control system to optimize the operation of boilers, coal consumption has been cut by 1% and 4,100 tons of standard coal saved annually. Future Energy also adopted an advanced control system, saving 12.7t/h of steam and 3,800 tons of coal annually, achieving cost savings of about RMB2.28 million. With the purpose of energy conservation, the direct discharge of surplus pressure for circulating water was put into operation in July, saving about 704,000 kWh of electricity every year. A total of 7,186.3 tons of carbon emissions was reduced.

2. Utilize gas in an all-round way. Most of the Company's coal mines are low-gas coal mines. There are few emissions of fugitive methane. High-gas coal mines collect methane for power generation, thereby reducing carbon emissions by 48,694 tons.

II. OVERVIEW OF SOCIAL RESPONSIBILITY WORK

(I) Whether to disclose social responsibility report, sustainable development report or ESG report separately

The Company publishes a separate Environmental, Social and Governance ("ESG") report.

(II) Specific situation of social responsibility

External donation and public welfare projects	Amount/content
Total Input (RMB10,000)	5,049
Of which: Funds (RMB10,000)	5,049
Materials input (RMB10,000)	–
Number of beneficiaries (persons)	–

Specific description

In 2023, the Company actively performed its social responsibility such as external donations and public welfare support. For details, please refer to the "2023 Environmental, Social and Governance Report" dated on 28 March 2024.

III. SPECIFIC INFORMATION ON CONSOLIDATING THE RESULTS OF POVERTY ALLEVIATION AND IMPLEMENTING RURAL REVITALIZATION

Poverty relief and rural revitalization projects	Amount/content
Total Input (RMB10,000)	11,799
Of which: Funds (RMB10,000)	11,799
Materials input (RMB10,000)	–
Number of beneficiaries (persons)	–
Ways of offering poverty relief (e.g. support industrial development, employment, education and others)	Revitalization in organization, industry, culture and ecology.

Specific description

In 2023, the Company made active efforts to boost poverty alleviation and rural revitalization. For details, please refer to the "2023 Environmental, Social and Governance Report" dated on 28 March 2024.

I. PERFORMANCE OF UNDERTAKINGS

(I) Undertakings Of The Actual Controller Of The Company, The Shareholders, The Related Parties, The Buyer, The Company And Other Related Parties During The Reporting Period Or Extended To The Reporting Period

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The period of commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
Undertakings Related to IPO	Resolve horizontal competition	Shandong Energy Group	Avoidance of horizontal competition: Shandong Energy Group and the Company entered into the Restructuring Agreement when the Company was carrying out the restructure in 1997, pursuant to which, Shandong Energy Group undertook that it would take various effective measures to avoid horizontal competition with the Company.	Year 1997	No	Long-term effective	Yes	Under normal performance	None
Other undertakings	Other	Shandong Energy Group	Shandong Energy Group made undertakings in relation to finance business with Shandong Energy Finance Company as followings. (1) In view of the independence of Yankuang Energy in assets, business, personnel, finance and other aspects from Shandong Energy Group, Shandong Energy Group will continue to maintain the independence of Yankuang Energy and fully respect its autonomy in management; Yankuang Energy and its subsidiary Shandong Energy Finance Company will decide on the financial business between Shandong Energy Finance Company and Shandong Energy Group on its own based on the requirements of business development in compliance with relevant supervisory regulations and the rules of procedures for decision-making as stipulated in the Articles and the Articles of Shandong Energy Group Finance Co., Ltd;	26 August 2022	No	Long-term effective	Yes	Under normal performance	None

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The period of commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
			(2) To ensure the safety of the Company's fund managed by Shandong Energy Finance Company, Shandong Energy Group and its controlled companies undertook to carry out financial business with Shandong Energy Finance Company in accordance with laws and regulations, and will not appropriate the Company's fund through Shandong Energy Finance Company in any other forms. (3) In case Shandong Energy Group and its controlled companies misappropriated any capital fund of Yankuang Energy through Shandong Energy Finance Company or in any other form and caused any loss, Shandong Energy Group and its controlled companies will make full amount compensation in cash. (4) Shandong Energy Group undertook to strictly abide by the relevant rules and regulations of CSRC, Shanghai Stock Exchange and the Articles, exercise the shareholder's rights and perform the shareholder's obligations as equally as other shareholders, and neither seek unfair interest by use of the position as the controlling shareholder, nor impair the legal interests of Yankuang Energy and other public shareholders.						

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The period of commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
	Others	Xinwen Mining Group Co., LTD., Longkou Mining Group Co., LTD., Zibo Mining Group Co., LTD., Feicheng Mining Coal Industry Co., Ltd., Linyi Mining Group Co., LTD. (hereinafter collectively referred to as the "Transferor")	The Transferor has made the following commitments to Yankuang Energy in connection with Yankuang Energy's (the "Transferee") acquisition of 51% equity of Luxi Mining: 1. If the relevant government authorities take disposal measures such as limiting production, stopping production, closing down and retreating from coal mines of subsidiaries of Luxi Mining Group in accordance with Ludongneng (2021) No. 3, Luzhengzi (2021) No. 143 or relevant implementing regulations after the settlement day of this transaction, the transferor undertakes: (1) The transferor shall give corresponding compensation to the transferee; (2) If the transferor and the transferee fail to reach a consensus on the aforesaid specific compensation amount, the transferee may notify the transferor in writing to terminate the Equity Transfer Agreement, and the transferor shall return the equity transfer price paid.	28 April 2023	No	Long-term effective	Yes	Under normal performance	None

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The period of commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
			2. In addition to the mining rights whose proceeds of the transfer has been deducted, for the four mining rights namely Guotun Coal mine, Pengzhuang Coal mine, Liangbaosi Coal mine and Chenmanzhuang Coal mine that have been disposed by cash, national capital and other means of compensation, if the mining rights transfer proceeds are levied by the relevant competent authorities on the resource reserves within the scope of the relevant mining rights evaluation in this transaction and the above-mentioned transfer proceeds are not reflected in the audit report of this transaction after the settlement day of this transaction, then: (1) The transferor shall compensate the transferee in cash according to the amount of transfer proceeds levied on these subsidiaries (the amount of compensation shall be the amount of transfer proceeds levied ×51%× the proportion of equity held by Luxi Mining in these subsidiaries); (2) The transferor shall make cash compensation to the transferee for the remaining part of the corresponding resource reserves in this transaction that has not been calculated and collected according to the rate of return on the transfer of mining rights at the time of the sale of mineral products (if applicable); (3) The amount of compensation to the transferee shall be limited to the amount contained in the mining rights evaluation report quoted in the evaluation report based on the Equity Transfer Agreement ×51%× the proportion of equity held by Luxi Mining in such subsidiaries.						

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The period of commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
	Others	Xinwen Mining Group Co., LTD., Shandong Energy (hereinafter collectively referred to as the "Transferor")	The Transferor has made the following commitments to Yankuang Energy in connection with Yankuang Energy's (the "Transferee") acquisition of 51% equity of Xinjiang Neng Hua: 1. As of 28 April 2023, the valid period of exploration rights held by Xinjiang Neng Hua in Huangcaohu 1-11 exploration area, Qitai County, Zhundong Coal Field, Xinjiang, has expired. The transferor undertakes to actively urge and assist Xinjiang Neng Hua to complete the registration procedures for the change of exploration rights as soon as possible. If Xinjiang Neng Hua is subject to losses due to its inability to complete the registration procedures for the change of exploration rights on time after the settlement day of this transaction, the transferor shall compensate the transferee at that time.	28 April 2023	No	Long-term effective	Yes	With regard to the commitment of the exploration right renewal of Huangcaohu, Xinjiang Neng Hua has completed the renewal in May 2023 and made the commitment that other parts will be fulfilled normally.	None

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The period of commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
			2. In addition to the mining rights whose proceeds of the transfer has been deducted, for the two mining rights namely Baosheng Coal mine and Hongshanwa Coal mine that are disposed in a compensated way, after the delivery date of this transaction, if the mining rights transfer proceeds are levied by the relevant competent authorities on the resource reserves within the scope of the relevant mining rights evaluation in this transaction and the above-mentioned transfer proceeds are not reflected in the audit report of this transaction after the settlement day of this transaction, then: (1) The transferor shall make cash compensation to the transferee within 30 days after the payment obligations are specified according to the amount of transfer proceeds levied on these subsidiaries (the amount of compensation shall be the amount of transfer proceeds levied ×51%× the proportion of equity held by Xinjiang Neng Hua in its subsidiaries); (2) The transferor shall make cash compensation to the transferee for the remaining part of the corresponding resource reserves in this transaction that has not been calculated and collected according to the rate of return on the transfer of mining rights at the time of the sale of mineral products (if applicable); (3) The amount of compensation to the transferee shall be limited to the amount contained in the mining rights evaluation report quoted in the evaluation report based on the Equity Transfer Agreement ×51%× the proportion of equity held by Xinjiang Neng Hua in its subsidiaries.						

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The period of commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
	Others	Xinwen Mining Group Co., Ltd., Longkou Mining Group Co., Ltd., Zibo Mining Group Co., Ltd., Feicheng Mining Coal Industry Co., Ltd., Linyi Mining Group Co., Ltd. (hereinafter collectively referred to as the "Transferor")	The Transferor makes the following commitments regarding the operating performance of Luxi Mining (the "Target Company") for 2023-2025: 1. For the years 2023, 2024 and 2025 (the "Commitment Period"), the Target Company's audited net profit attributable to the shareholders of the parent company after deducting non-recurring gains and losses (the "Net profit") during the commitment period shall not be less than RMB11.4248014 billion (the "cumulative committed net profit during the Commitment Period") according to Chinese accounting standards. 2. If the Target Company fails to achieve the cumulative net profit during the commitment period, the transferor will compensate Yankuang Energy in cash. The specific compensation amount shall be calculated as follows: the performance compensation amount for the commitment period = (cumulative committed net profit for the commitment period – cumulative realized net profit for the commitment period) ÷ cumulative committed net profit for the commitment period × the price of the underlying equity transaction – other compensated amount.	28 April 2023	Yes	2023-2025	Yes	Under normal performance	None

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The period of commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
	Others	Xinwen Mining Group Co., LTD., Shandong Energy (hereinafter collectively referred to as the "Transferor")	The Transferor makes the following commitments regarding the operating performance of Xinjiang Neng Hua (the "Target Company") for 2023-2025: 1. For the years 2023, 2024 and 2025 (the "Commitment Period"), the Target Company's audited net profit attributable to the shareholders of the parent company after deducting non-recurring gains and losses (the "Net profit") during the commitment period shall be no less than RMB4.0134561 billion (the "cumulative committed net profit during the Commitment Period") according to Chinese accounting standards. 2. If the Target Company fails to achieve the cumulative net profit during the commitment period, the transferor will compensate Yankuang Energy in cash, and the specific compensation amount shall be calculated as follows: Performance compensation amount for the commitment period = (cumulative committed net profit for the commitment period – cumulative realized net profit for the commitment period) ÷ cumulative committed net profit for the commitment period × the price of the underlying equity transaction – other compensated amount.	28 April 2023	Yes	2023-2025	Yes	Under normal performance	None

Note: Regarding the commitments made by the transferor in connection with the Company's acquisition of 51% equity of Luxi Mining and 51% equity of Xinjiang Neng Hua, please refer to the Company's related transaction announcement dated 28 April 2023 for details.

(II) Explanation On Whether The Company Achieves The Original Profit Forecast For Assets And Projects And Its Reasons If There Is Profit Forecast For Assets And Projects And The Report Period Is Still In The Period Of Profit Forecast.

Not applicable.

(III) Overview Of Fulfillment Of Performance Commitment And Its Impact On The Goodwill Impairment Testing.

Not applicable.

II. NON-OPERATING CAPITAL MISAPPROPRIATED BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

Not Applicable.

III. VIOLATION OF GUARANTEES

Not Applicable.

IV. EXPLANATION OF THE BOARD ON THE "NON-STANDARD AUDIT OPINION REPORT" OF THE ACCOUNTING FIRM.

Not applicable.

V. THE COMPANY'S ANALYSIS AND EXPLANATION ON THE REASONS AND EFFECTS OF CHANGES OF ACCOUNTING POLICES AND ACCOUNTING ESTIMATES OR SIGNIFICANT ACCOUNTING ERROR CORRECTION

(I) The Company's Analysis And Explanation On The Reasons And Impact Of The Changes Of Accounting Polices And Accounting Accounting Estimates

Not applicable.

(II) The Company's Analysis And Explanation On The Reasons And Impact Of Significant Accounting Error Correction

Not applicable.

(III) Communication With The Former Accounting Firm

Not applicable.

(IV) Other Explanations

Not applicable.

VI. DETAILS ON EMPLOYMENT AND DISMISSAL OF ACCOUNTING FIRMS

RMB0'000

	Appointed firms at present
Name of the A Share accounting firm	ShineWing Certified Public Accountants LLP
Remuneration for the A Share accounting firm	980 (including remuneration for internal control)
Auditing experience of the A Share accounting firm	From June 2008 to present
Name of certified public accountants of A Share accounting firm	Ji Sheng, Zhao Xiaoyu
Number of accumulative years of audit service by certified public accountants of A Share accounting firms	one year and two years
Name of the H Share accounting firm	ShineWing (HK) Certified Public Accountants Limited
Remuneration of the H Share accounting firm	200
Auditing experience of the H Share accounting firm	From March 2017 till now

	Name	Remuneration
Internal control audit accounting firm	ShineWing Certified Public Accountants LLP	260

Explanation on engagement and dismissal of accounting firms

As considered and approved at the 2022 Annual General Meeting of Shareholders held on 30 June 2023, ShineWing Certified Public Accountants LLP and ShineWing (HK) Certified Public Accountants Limited were appointed as accountants for A Share and H Share for the year 2023, who are responsible for auditing, reviewing and internal control audit evaluation of the Company's financial statements. The term of responsibility begins on the date of the conclusion of the 2022 Annual General Meeting of Shareholders and ends on the date of the conclusion of the 2023 Annual General Meeting of Shareholders.

The Company payed RMB11.8 million (due to the change of the audit scope of the Company in 2023, the audit service cost increased by RMB1.9 million) for audit services of domestic and overseas business in 2023, including RMB9.8 million paid to ShineWing Certified Public Accountants LLP, RMB2 million paid to ShineWing (HK) Certified Public Accountants Limited. The Company bears board and lodging costs induced by the accountants during the period of working in the Company, and does not bear travel and other expenses. The Board was authorized to decide to pay for additional services such as follow-up audit and internal control audit evaluation due to the addition of new subsidiaries or changes in supervisory and regulatory rules.

The Board of the Company believes that, except for the audit service fees for business, other service fees paid by the Company to accountants will not affect the independent audit opinions of accountants.

Under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time), the accountant ShineWing (HK) Certified Public Accountants Limited for the year 2023 appointed by the Company is a registered public interest entity auditor. In the past three years, the auditors of the Company have not been changed.

Explanation on changing the engagement of accounting firm during the audit period

Not applicable.

Explanation on the reduction of audit fees by more than 20% (including 20%) compared with that of the corresponding period of last year

Not applicable.

VII. EXPLANATION ON DELISTING RISKS

(I) Reasons For Delisting Risk Warning

Not applicable.

(II) Countermeasures to Be Taken by the Company

Not applicable.

(III) Overview and Reasons for Termination of Listing

Not applicable.

VIII. MATTERS RELATED TO BANKRUPTCY REORGANIZATION

Not applicable.

IX. SIGNIFICANT LITIGATION AND ARBITRATION EVENTS

(I) Litigation And Arbitration Events Disclosed In The Extraordinary Announcements And With No Subsequent Progress

Not applicable.

(II) Litigation And Arbitration Not Disclosed In Extraordinary Announcements Or With Subsequent Progress

Unit: RMB0'000

During the reporting period:

Plaintiff (applicant)	Defendant (respondent)	Joint and several liable party	Type	Background	Amount involved	Estimated liabilities and amount	Progress	Judgment and impact	Judgment execution
Inner Mongolia New Changjiang Mining & Investment Co., Ltd. ("New Changjiang")	Yankuang Energy	No	Arbitration	In April 2018, New Changjiang submitted an arbitration application to China International Economic and Trade Arbitration Commission ("CIETAC") for the violation of the relevant equity transfer agreements by Yankuang Energy and requested Yankuang Energy to pay a total of approximately RMB1.435 billion, comprising the consideration for the equity transfer of RMB749 million, penalty of RMB656 million, and the legal fees, arbitration fees and preservation fees involved in this case. On 29 May 2023, the Company received the award from CIETAC, which ruled that the Company was completely exempted from liability.	143,500	No	Closed	Exempted from liability	–

Plaintiff (applicant)	Defendant (respondent)	Joint and several liable party	Type	Background	Amount involved	Estimated liabilities and amount	Progress	Judgment and impact	Judgment execution
Xiamen Xinda Co., Ltd. ("Xiamen Xinda")	Shandong Zhongyin Logistics Co., Ltd. ("Zhongyin Logistics")	Yankuang Energy	Litigation	In March 2020, Xiamen Xinda sued Zhongyin Logistics and Yankuang Energy to the Xiamen Intermediate People's Court ("Xiamen Intermediate Court") on the grounds of the dispute over the sale and purchase contract, requesting Zhongyin Logistics to return the principal of the purchase price and the corresponding interest RMB232.6609 million. The Company is required to bear joint liability. In June 2022, the Xiamen Intermediate Court rejected Xiamen Xinda's suit at the first instance, and Yankuang Energy won the suit. Xiamen Xinda appealed to the Fujian High People's Court ("Fujian High Court"). On 15 October 2022, the Company received the ruling result of the Fujian High Court that the case was sent back to the Xiamen Intermediate Court for retrial. On 9 November 2023, Xiamen Intermediate People's Court made the mediation agreement stating that Zhongyin Logistics shall pay RMB22 million to Xiamen Xinda, and Zhongyin Logistics enjoyed the right to recover RMB22 million from the third party after paying the above amount. After the completion of the mediation agreement, Zhongyin Logistics, Yankuang Energy and Xiamen Xinda will not pursue other responsibilities.	23,266.09	No	Closed	At present, the case has been settled by mediation, and Zhongyin Logistics shall RMB22 million to Xiamen Xinda.	–

Plaintiff (applicant)	Defendant (respondent)	Joint and several liable party	Type	Background	Amount involved	Estimated liabilities and amount	Progress	Judgment and impact	Judgment execution
Ordos Jinchengtai Chemical Co., LTD. ("Jinchengtai")	Yankuang Energy	No	Arbitration	On 5 July 2022, Jin Chengtai filed an arbitration application with CIETAC for the dispute over the equity transfer contract, requiring Yankuang Energy to pay Jin Chengtai the mine equity transfer fee of the third phase and overdue fine of RMB1.0159015 billion. The case is under the arbitration proceedings currently. On the grounds that Jin Chengtai should bear the proceeds from the transfer of mining rights, the Company required Jin Chengtai to return the coal mine equity transfer fee of RMB615.1528 million. On 14 March 2024, the Company received the China Trade Arbitration's ruling, which ruled that Jin Chengtai returned the coal mine equity transfer fee of RMB11.52112 million to the Company.	101,590.15	No	Closed	The case is now closed, and Jin Chengtai should pay RMB11.52122 million to the Company.	–
Qingdao Zhongyan Trading Co., Ltd (Qingdao Zhongyan)	Dalian Container Terminal Logistics Co., Ltd. ("Dalian Terminal")	No	Litigation	In April 2021, Qingdao Zhongyan, a wholly-owned subsidiary of Yankuang Energy, sued Dalian Terminal to the Dalian Maritime Court on the grounds of a warehousing contract dispute, demanding compensation of RMB169.2464 million for cargo losses. In June 2023, Qingdao Zhongyan received the judgment of first instance. Dalian Terminal submitted an appeal application to the Liaoning Provincial High People's Court, and the case was heard by the Liaoning Provincial High People's Court in November 2023. As of the date of disclosure of this report, the Liaoning Provincial High People's Court has not issued a ruling.	16,924.64	No	In the second instance	As of the end of the reporting period, the Company has made impairment provision for the full amount involved in this case, and this lawsuit will not adversely affect the Company's profit after the period.	–

Plaintiff (applicant)	Defendant (respondent)	Joint and several liable party	Type	Background	Amount involved	Estimated liabilities and amount	Progress	Judgment and impact	Judgment execution
Duanxin Supply Chain (Shenzhen) Co., Ltd. (Duanxin Supply Chain	Shagang (Beijing) International Investment Co., Ltd. ("Shagang Beijing")	Tianjin Wantong Hengxin Group Co., Ltd. ("Tianjin Wantong"), Li Lei, Jiangsu Shagang Group Co., Ltd. ("Shagang Group")	Litigation	In April 2021, Duanxin Supply Chain, a wholly-owned subsidiary of Yankuang Energy, sued Shagang Beijing to the Shenzhen Intermediate People's Court on the grounds of a coal sale contract dispute, requesting it to return the principal of RMB121,605,700 and corresponding penalty for overdue payment. Tianjin Wantong, Li Lei and Shagang Group shall be jointly liable for the aforesaid payments. In March 2023, the Company received the first instance judgment from the "Shenzhen Intermediate People's Court", and won the case. Shagang Beijing appealed to the Guangdong Provincial High People's Court and the case is currently in the second trial. As of the date of disclosure of this report, the Guangdong Provincial High People's Court has not issued a ruling.	12,160.57	No	In the second instance	As of the end of the reporting period, the Company has made impairment provision for the full amount involved in this case, and this lawsuit will not adversely affect the Company's profit after the period.	–
Duanxin Supply Chain	Shenzhen McKelley Technology Co., LTD. ("McKelley Company")	Li Guanwei, Dai Lixiang, etc	Litigation	In February 2023, Duanxin Supply Chain sued McKelley Company and related guarantors to the Shenzhen Intermediate Court on the grounds of debt disputes, requiring them to pay off debts due, interest and liquidated damages totaling RMB396.1885 million. As of the date of disclosure of this report, the Shenzhen Intermediate Court has not issued a ruling.	39,618.85	No	In the first instance	As of the end of the reporting period, the Company has made impairment provision for the full amount involved in this case, and this lawsuit will not adversely affect the Company's profit after the period.	–

Plaintiff (applicant)	Defendant (respondent)	Joint and several liable party	Type	Background	Amount involved	Estimated liabilities and amount	Progress	Judgment and impact	Judgment execution
Duanxin Supply Chain	Suning Shopping Group Co., LTD. ("Suning Shopping")	None	Litigation	In February 2023, Duanxin Supply Chain sued Suning Shopping to Nanjing Intermediate People's Court on the grounds of disputes over sales contracts, requiring it to pay the loan, interest and liquidated damages totaling RMB670.90 million. As of the date of disclosure of this report, the Nanjing Intermediate People's Court has not issued a ruling.	67,090.00	No	In the first instance	As of the end of the reporting period, the Company has made impairment provision for the full amount involved in this case, and this lawsuit will not adversely affect the Company's profit after the period.	
Inner Mongolia Jinkong Financial Leasing Co., Ltd. ("Inner Mongolia" Jinkong)	Zhongrong Sheng International Financial Leasing (Tianjin) Co., LTD. ("Zhongrong Sheng"), Han Yanjie, Tianjin Kaitai Shengshi Asset Management Co., LTD	Datang International Development Group Limited ("Datang International")	Litigation	In November 2023, Inner Mongolia Jinkong filed a lawsuit with the Hohhot Intermediate People's Court of Inner Mongolia Autonomous Region on the ground that Zhongrong Sheng and other defendants violated the factoring and financial lease contract, requiring Zhongrong Sheng and other defendants to pay the principal of the factoring and financial lease payment of RMB246.0928 million, the corresponding interest and liquidated damages, and requiring Datang International to bear joint and several liabilities. The case has not gone to trial.	24,609.28	No	In the first instance	As of the end of the reporting period, the Company has made impairment provision for the full amount involved in this case, and this lawsuit will not adversely affect the Company's profit after the period.	

Note: Concerning Linyi Mengfei Trading Co., LTD. ("Linyi Mengfei") sales contract dispute (for details, please refer to "Major Litigation and Arbitration" in Chapter 7 Significant Events of 2022 Annual Report), the Shandong Provincial High People's Court ruled in favor of the Company in the second instance, and now the case has been fully executed and completed.

(III) Other Explanation

Not applicable.

X. PUNISHMENT ON THE LISTED COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS, AND ACTUAL CONTROLLERS FOR VIOLATION OF LAWS AND REGULATIONS AND THEIR RECTIFICATION.

For details, please refer to Explanation on Punishment from Security Regulatory Agencies for the Past Three Years in Chapter 5 Corporate Governance.

XI. THE EXPLANATION ON THE CREDIT CONDITIONS OF THE COMPANY, THE CONTROLLING SHAREHOLDERS, AND ACTUAL CONTROLLERS DURING THE REPORTING PERIOD.

During the reporting period, the Company, its Controlling Shareholder and the actual controllers do not have any dishonest behaviors, such as failure to perform the effective judgement of the court and the large amount of debt due but unliquidated.

XII. MAJOR CONNECTED/RELATED TRANSACTIONS

(The data below in this section are calculated in accordance with the CASs)

(I) Connected/Related Transactions Performance in relation to Daily Operation

Under the SSE rules, the Group's connected/related transactions were mainly continuing connected/related transactions entered into with the Controlling Shareholder of the Company, i.e., Shandong Energy and its subsidiaries (other than the Group) (the "Shandong Energy Group"), Glencore Coal Pty Ltd ("Glencore") and its subsidiaries ("Glencore Group") (Glencore is a major shareholder of the Company's subsidiary and therefore is one of the related/connected parties of the Company)

Under the regulatory rules of the Hong Kong Stock Exchange, in addition to the above connected/related transactions, it also includes related transactions between the Company and its affiliated subsidiaries, i.e., Shandong Energy Finance, Luxi Mining and Xinjiang Neng Hua.

The purpose of the Company to carry out the above connected/related transactions is to better achieve resource sharing and synergies between the Company and connected parties, reduce transaction costs and risks, and improve the Company's profitability and core competitiveness.

1. Matters disclosed in extraordinary announcements but without subsequent progress or change

Overview of Matters	Query Index
Renew some continuous connected/related transaction agreements with the controlling shareholder Upon discussion and deliberation at the 2023 first extraordinary shareholders' meeting of the Company held on 27 October 2023, the Company was approved to sign the new Bulk Commodities Sales and Purchase Agreement and Financial Leasing Agreement with Shandong Energy, together with the transaction cap for 2024-2025, and to sign the new Entrusted Management Agreement with Shandong Energy, together with the transaction cap for 2025.	For details, please refer to the announcement of resolution of the 2nd meeting of the ninth Board on 25 August 2023, the announcement of continuous connected/related transaction agreement, and the announcement of resolution of the 2023 first extraordinary shareholders' meeting on 27 October 2023. Such information was published on the website of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company and/or the China Securities Journal, the Shanghai Securities News, the Securities Times, and the Securities Daily in China.
Continuous connected/related transaction between Yancoal Australia and Glencore Upon discussion and deliberation at the 4th meeting of the 9th Board held on 15 January 2024, YanCoal Australia was approved to sign Coal Sales Framework Agreement and the Coal Purchase Framework Agreement with Glencore, together with the transaction cap for 2024-2026.The current HVO Sales Agreement between Yancoal Australia and Glencore is an open-ended contract and the transaction cap for 2024-2026 was approved.	For further details, please refer to the announcement of the resolution of the 4th meeting of the ninth Board of the Company dated 15 January 2024, and the announcement of continuous connected/related transactions. Such information was published on the website of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company and/or the China Securities Journal, the Shanghai Securities News, the Securities Times, and the Securities Daily in China.
Continuous connected/related transactions of diesel fuel supply Upon discussion and deliberation at the General Manager's Work Meeting held on 6 November 2023, the subsidiaries of Yancoal Australia was approved to sign the Diesel Fuel Supply Agreement with Glencore's subsidiaries, together with the transaction cap for 2024-2026.	For further details, please refer to the announcement of continuous connected/related transactions of diesel fuel supply dated 8 December 2023. Such information was published on the website of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, and the Company.

2. Matters disclosed in extraordinary announcements but with subsequent progress or change

(1) Approval and execution of continuing connected/related transactions entered into with Shandong Energy Group during the reporting period

① Continuing connected/related transaction of materials and services provision and insurance fund

As approved at the 2021 first Extraordinary General Meeting of the Company held on 5 February 2021, and the 2021 Annual General Meeting held on 30 June 2022, the Company was approved to sign Bulk Commodities Sales and Purchase Agreement with Shandong Energy, together with transaction cap for 2022-2023.

As approved at the 2023 first extraordinary shareholders' meeting held on 27 October 2023, the Company adjusted the 2023 annual transaction cap for the Bulk Commodities Sales and Purchase Agreement without changing the terms of the connected/related transaction agreements.

This adjustment is based on the normal daily operation needs of the Company and its subsidiaries, which reflects the principle of fairness and rationality, and conforms to the interests of the Company and all shareholders. It will neither adversely affect the Company's present and future financial condition, operating results, the independence of the Company, nor make the Company's business rely on the controlling shareholders.

As approved at the 2022 Annual General Meeting held on 30 June 2023, the Company was approved to sign the "Provision of Material Supply Agreement", "Mutual Provision of Labor and Services Agreement", "Insurance Fund Management Agreement" and "Provision of Products, Material and Asset Leasing Agreement" with Shandong Energy, together with the transaction cap for 2023-2025. The above continuous connected/related transaction agreement shall take effect retroactively from 1 January 2023.

Except "Provision of Insurance Fund Administrative Services Agreement", the pricing of the transactions was mainly determined on basis of state price, market price, as well as the actual cost. The charge for transaction can be settled in one lump sum or by installments. The payment payable to the other party or receivable from the other party due in a calendar month shall be written down on the last business day of the calendar month. The continuing connected/related transactions made in a calendar month shall be settled in the following month, except for incomplete transactions or where the transaction amounts are in dispute.

The sales of goods and provision of services by the Group to Shandong Energy Group amounted to RMB11.564 billion in 2023. The goods and services provided by Shandong Energy Group to the Group amounted to RMB7.335 billion.

The following table sets out the continuing connected/related transactions of the supply of materials and services between the Group and Shandong Energy Group in 2023:

	2023		2022		
	Amount (RMB'000)	Percentage of Sales revenue (%)	Amount (RMB'000)	Percentage of sales revenue (%)	Increase/decrease of connected/related transactions (%)
Sales of goods and provision of services by the Group to Shandong Energy Group	11,563,971	7.73	5,852,794	2.88	97.58
Sales of goods and provision of services by Shandong Energy Group to the Group	7,335,209	4.89	5,760,498	2.83	27.34

The table below shows the effect on the Group's profits from sales of coal by the Group to Shandong Energy Group in 2023:

	Sales income (RMB'000)	Sales cost (RMB'000)	Gross profit (RMB'000)
Coal sold to Shandong Energy Group	8,357,669	3,760,951	4,596,718

Note: The amount of connected/related party transactions and its portion in operating revenue are prepared in reference to the data filled on the date of consolidating the financial statements of Luxi Mining and Xinjiang Neng Hua, which have not been retroactively adjusted with the same standard.

Pursuant to the Provision of Insurance Fund Administrative Services Agreement, Shandong Energy Group shall provide free management and transferring services for the Group's basic medical insurance fund, supplementary medical insurance fund (the "Insurance Fund").

② Continuing connected/related transaction of entrusted management of the subordinates of Shandong Energy

As approved at the 2021 first Extraordinary General Meeting of the Company held on 5 February 2021, the Company entered into Entrusted Management Agreement with Shandong Energy Group and the annual caps for 2021 to 2023 was approved. The transaction pricing adopts cost plus reasonable profit. The entrusted management fee adopts a fixed price, that is, RMB1.5 million per year for each target company.

③ Continuing connected/related transaction of financial services

As considered and approved by the Company's second Extraordinary General Meeting of shareholders for 2022 held on 28 October 2022, Shandong Energy Finance Company was approved to sign the "Financial Service Agreement" with Shandong Energy Group, stipulating that Shandong Energy Finance Company shall provide Shandong Energy Group with deposits, comprehensive credit facilities, other financial services as well as the annual transaction cap for 2023 to 2025. Relevant deposit interest rates, loan interest rates and service fees are determined in accordance with the relevant regulations of the People's Bank of China or the financial regulators with reference to normal commercial terms.

As at 31 December 2023, the deposits of Shandong Energy Group in Shandong Energy Finance Company is RMB25.181 billion. The balance of comprehensive credit is RMB15.335 billion, and the financial service expenses incurred in 2023 are RMB0.796 million.

As considered and approved by the Company's second Extraordinary General Meeting of shareholders for 2022 held on 28 October 2022, Shandong Energy Finance Company was approved to sign the "Financial Service Agreement" with Yankuang Energy, stipulating that Shandong Energy Finance Company shall provide Yankuang Energy with deposits, comprehensive credit facilities, other financial services as well as the annual transaction cap for 2023 to 2025. Relevant deposit interest rates, loan interest rates and service fees are determined in accordance with the relevant regulations of the People's Bank of China or the financial regulators with reference to normal commercial terms.

As at 31 December 2023, the deposits of Yankuang Energy in Shandong Energy Finance Company is RMB7.64 billion. The balance of comprehensive credit is RMB14.181 billion, and the financial service expenses incurred in 2023 are RMB3.155 million.

④ Continuing connected/related transactions of finance leases

As approved at the 2021 first Extraordinary General Meeting of the Company held on 5 February 2021, the "Financial Lease Agreement" signed between the Company and Shandong Energy Group and the annual cap of transaction amount from 2021 to 2023 were considered and approved. The method of determining the lease interest rate is not less than 5% based on the quoted interest rate on the loan market for the same period announced by the National Interbank Funding Center, and the highest interest rate is not more than 7.5%.

According to the "Financial Lease Agreement", Yankuang Leasing provides financial leasing services to Shandong Energy Group, and collects a lump-sum payment on or before the date when Yankuang Financial Leasing pays the lease asset transfer price Fees or consulting fees are charged quarterly.

⑤ Entrust management of continuous connected/related transactions

As reviewed and approved at the 20th meeting of the eighth Board held on 27 January 2022, the Company and Shandong Energy Group have entered into the Entrusted Management Service Framework Agreement and the annual transaction cap amount for each year from 2022 to 2024 was approved. The entrust management fee shall be determined by both parties according to the status of the underlying asset, the entrust management cost of Yankuang Energy and the profit of the underlying asset. During the term of the Agreement, the annual management fees collected by Yankuang Energy shall be capped at RMB60 million.

In 2023, Shandong Energy Group shall pay the entrusted management fee of RMB16.472 million to the Company.

The following table sets out the details of the annual transaction caps and actual transaction amounts for 2023 for the above continuing connected/related transactions:

No.	Type of connected/related transaction		Agreement	Annual Transaction Cap for the Year 2023 (RMB'000)	Annual Transaction Amount for the Year 2023 (RMB'000)
1	Material and facilities provided by Shandong Energy Group		Provision of Materials Supply Agreement	5,370,000	4,210,581
2	Labor and services provided by Shandong Energy Group		Mutual Provision of Labor and Services Agreement	4,830,000	2,910,415
	Labor and services provided to Shandong Energy Group			141,000	56,478
3	Insurance fund management and payment services provided by Shandong Energy Group (free of charge) for the Group's staff		Provision of Insurance Fund Administrative Services Agreement	230,000	–
4	Sale of products, material and equipment lease provided to Shandong Energy Group		Provision of Products, Material and Asset Leasing Agreement	14,196,000	9,086,890
5	Procurement of bulk commodities from Shandong Energy Group		Bulk Commodities Sales and Purchase Agreement	2,000,000	214,213
	Sale of bulk commodities to Shandong Energy Group			6,000,000	2,404,131
6	Financial services to Shandong Energy Group	Deposit	Shandong Energy Group Financial Services Agreement	62,500,000	25,180,643
		Comprehensive Credit		28,000,000	15,334,547
		Financial service fee		6,000	796
7	Financial services to Yankuang Energy Group	Deposit	Yankuang Energy Group Financial Services Agreement	27,000,000	7,640,416
		Comprehensive Credit		15,000,000	14,181,063
		Financial service fee		5,000	3,155
8	Provision of entrusted management services to Shandong Energy Group		Entrusted Management Agreement	3,000	–
9	Provide financial leasing services to Shandong Energy Group	Total financing amount	Financial Leasing Agreement	8,680,000	–
		Interest and expenses		680,000	–
10	Entrusted management services provided to Shandong Energy Group		Framework Agreement on Entrusted Management Services	60,000	16,472

(2) *Approval and execution of continuing connected/related transactions with Glencore during the reporting period*

① Continuing connected/related transaction of coal sales

At the 2021 first Extraordinary General Meeting of the Company held on 5 February 2021, the renewed Glencore Coal Sales Framework Agreement ("this Agreement") between Yancoal Australia and Glencore, together with the annual caps for such transaction for a period from 2021 to 2023 were approved. The way to determine transaction price is based on the market price, together with adjustment according to related industry benchmarks and indexes. The payment time for transaction shall be determined by both parties in accordance with international practices and applicable laws and regulations in this agreement and be specified in details in the specific coal sales agreement.

The 2023 annual cap for coal sales of the Group to Glencore and its subsidiaries was USD350 million. In 2023, this related/connected transaction amounted for approximately USD64 million.

② Continuing connected/related transaction of coal purchase

At the 2021 first Extraordinary General Meeting of the Company held on 5 February 2021, HVO Sales Contract between Yancoal Australia and Glencore, together with the estimated maximum annual transaction amounts for such transaction from 2021 to 2023 had been approved. It is stipulated in HVO Sales Contract: HVO Coal Sales Pty Ltd, a subsidiary of Yancoal Australia, shall pay the corresponding transaction amount to Yancoal Australia and Glencore respectively according to the total amount and corresponding product quota collected in each sales agreement with the client and HVO Coal Sales Pty Ltd shall pay the transaction amount to Yancoal Australia and Glencore no later than three business days after receiving payment from clients.

As reviewed and approved at the 26th meeting of the eighth Board held on 9 November 2022, the annual transaction cap stated in the HVO Sales Contract from 2022 to 2023 was raised from the originally approved USD750 million to USD1.9 billion.

In 2023, this connected/related transaction occurred amounted to approximately USD1.033 billion.

At the 2021 first Extraordinary General Meeting of the Company held on 5 February 2021, Glencore Coal Purchase Agreement between Yancoal Australia and Glencore, together with the annual caps for such transaction for the years of 2021 to 2023 were approved. The final transaction price adopted under the Coal Purchase Framework Agreement for the purchase of coal will be finally determined on the basis of fair negotiation, in accordance with normal commercial terms and with reference to the market price of relevant type of coal at the time. The payment time for transaction shall be determined by both parties in accordance with international practices and applicable laws and regulations in this agreement and be specified in details in the specific coal sales agreement.

The 2023 annual cap for coal purchase of the Group from Glencore and its subsidiaries under the Glencore Coal Purchase Agreement was USD250 million. In 2023, the connected transaction amount between the Group and Glencore was approximately USD60 million.

③ Continuing connected/related transaction of coal sales service

At the 2021 first Extraordinary General Meeting of the Company held on 5 February 2021, HVO Services Agreement between Yancoal Australia and Glencore, together with the estimated maximum annual transaction amounts for such transaction for the years of 2021 to 2023 were approved. According to this agreement, HV Operations Pty Ltd. (the "HV Operations"), a controlled subsidiary of Yancoal Australia, shall pay the follows to Glencore: (1) all costs, charges and expenses incurred in providing services to HVO Joint Venture or HVO Coal Sales Pty Ltd; (2) all off-site costs, charges and expenses ("general expenses") incurred by Glencore in providing services. The determination of general expenses is based on the principle of fairness and reasonableness and with reference to all costs, charges and expenses incurred by Glencore in providing similar services without particular sites. Both parties agreed that Glencore provide monthly invoice to HV Operations and HV Operations shall finish the payment within 5 business days after receiving such invoice.

The 2023 maximum annual transaction amount for service purchase of the Group from Glencore was USD18 million. In 2023, this connected/related transaction involved approximately USD11.768 million.

④ Continuing connected/related transactions in relation to diesel fuel supply

At the twenty-eighth meeting of the seventh session of the Board held on 25 October 2019, the Diesel Fuel Supply Agreement between HV Operations and Glencore Australia Oil Pty Ltd (the "GAO"), a subsidiary of Glencore plc, as well as the caps for such transaction for the period between 1 November 2019 to 31 December 2019, and for Year 2020 and Year 2021 were approved. The Diesel Fuel Supply Agreement stipulates that: (i) HV Operations shall generate a purchase order before the delivery month; (ii) GAO shall deliver the amount of fuel before the date specified in the purchase order, and HV Operations shall pay after the fuel is delivered; and (iii) the payment is calculated based on the amount delivered and the price determined after the bidding process.

As considered and approved by the 18th meeting of the eighth session of the Board of the Company on 1 December 2021, the annual cap of the continuing connected/related transaction between HVO and GAO from January to October 2022 on diesel fuel supply was AUD150 million on the premise of not changing the terms of the connected/related transaction agreements.

As considered and approved at the Yancoal Australia Board Meeting, the cap of the continuing connected/related transaction between HVO and GAO from January to October 2022 and in 2023 on diesel fuel supply was AUD430 million and AUD254 million respectively on the premise of not changing the terms of the connected/related transaction agreements. For the Company, the maximum applicable ratio for the cap of such continuing connected/related party transaction cap is less than 1%. Given that, this transaction amount enjoys full exemption based on the Hong Kong Listing Rules.

(3) Opinion of Independent Non-Executive Directors

The relevant business departments of the Company reviewed the above-mentioned non-exempt continuing connected/related transactions and related internal control procedures and submitted the results to the independent non-executive directors of the Company. The Company has also provided key information to the independent non-executive directors for audit purposes.

The independent non-executive directors of the Company confirmed the continuing connected/related transactions of the Group in 2023: ① Each transaction (i) is the ordinary business of the Group; (ii) is carried out on normal commercial terms, if the comparable transactions are not sufficient to determine whether the terms of such transactions are on normal commercial terms, the terms of such transactions are no less favourable to the Group than those available or provided by independent third parties; (iii) are conducted in accordance with the terms of the agreement in relation to the transaction, and the terms of the transaction are fair and reasonable, and in the interests of the Company's shareholders as a whole. ② The amount of connected/related transactions mentioned in the above "Execution of Connected/Related Transactions Related to Daily Operations" shall not exceed the annual cap of transaction amount approved by the independent shareholders and the Board.

(4) Opinion of auditors

Pursuant to the Hong Kong Listing Rules, the Company employs a perennial H-shares auditor to report to the Board on whether the Company's continuing connected/related transactions have fulfilled its obligations under the Hong Kong Listing Rules.

The auditors report to the Board on the above continuing connected/related transactions: ① have been approved by the Board of the Company; ② are carried out in accordance with the Company's pricing policy; ③ are carried out in accordance with the relevant terms of the transaction agreements; and ④ have not exceeded the relevant annual cap of transaction amount.

3. Undisclosed events in extraordinary announcements

Not applicable.

(II) Connected/Related Transactions in relation to Assets or Equity Acquisition and Sale

1. *Matters disclosed in extraordinary announcements and with no subsequent progress or change*

Not applicable

2. *Matters disclosed in extraordinary announcements but with subsequent progress or change*

(1) *Connected/Related transactions relating to the merger and reorganization of the former Yankuang Finance Company and the former Shandong Energy Finance Company*

Upon discussion and deliberation at the 2022 second extraordinary shareholders' meeting held on 28 October 2022, the merger and reorganization of Yankuang Finance Company and the former Shandong Energy Group Finance Company Limited (the "former Shandong Energy Finance Company", a subsidiary of Shandong Energy Company) was approved. Upon completion of the merger, Yankuang Finance Company was cancelled and the Company became the controlling shareholder of the merged Shandong Energy Finance Company. Shandong Energy Finance Company was approved to sign the Financial Services Agreement with Yankuang Energy and Shandong Energy respectively, together with the transaction cap for 2023-2025.

As of the disclosure date of this report, the above-mentioned merger and reorganization have been completed, as well as industrial and commercial cancellation and registration change procedures.

For details, please refer to the announcement of the resolution made at the 24th meeting of the eighth session of the Board on 26 August 2022, the announcement of the connected transaction, the H Share circular dated 12 October 2022, the announcement of the resolution of the Second Extraordinary General Meeting for 2022 dated 28 October 2022 and the announcement concerning the discloseable in relation to the merger and the progress of related transaction dated 6 November 2023, which were posted on the websites of the Shanghai Stock Exchange, the HKEX, the Company's website and/or China Securities Journal, Shanghai Securities News and Securities Times.

(2) *The acquisition of 51% equity of Luxi Mining and 51% equity of Xinjiang Neng Hua*

Upon discussion and deliberation at the 2022 annual general meeting of shareholders held on 30 June 2023, the Company was approved to sign the Equity Transfer Agreement with Xinwen Mining Group, Longkou Mining Group Co., LTD., Zibo Mining Group Co., LTD., Feicheng Mining Coal Industry Co., Ltd., and Linyin Mining Group to acquire 51% equity of Luxi Mining for approximately RMB18.3 billion and to sign the Equity Transfer Agreement with Xinwen Mining Group and Shandong Energy to acquire 51% equity of Xinjiang Neng Hua for about RMB8.1 billion.

As of the disclosure date of this report, the above equity transfer has been completed and industrial and commercial registration change procedures have been finished.

For details, please refer to the announcement of resolution of the 29th meeting of the eighth Board of the Company dated 28 April 2023, the announcement of the connected transaction, the H Share circular dated 9 June 2023, the connected transaction progress announcement dated 15 June 2023, and the announcement of resolution of the 2022 Annual General Meeting dated 30 June 2023, and announcement of connected transaction completion dated 3 and 8 October 2023, which were posted on the websites of the Shanghai Stock Exchange, the HKEX, the Company's website and/or China Securities Journal, Shanghai Securities News and Securities Times.

(3) Acquisition of 100% equity of Yankuang Coal Chemical Engineering Co., Ltd.

Upon the discussion and deliberation of the General Manager's office meeting held on 10 July 2023, the Company was approved to sign the Equity Transfer Agreement with Shandong Energy to acquire 100% equity of Yankuang Coal Chemical Engineering Co., Ltd. for RMB20.904 million.

As of the disclosure date of this report, the above equity transfer has been completed and industrial and commercial registration change procedures have been finished.

For details, please refer to the announcement and supplementary information concerning connected transactions of the acquisition of 100% equity of Coal Chemical Engineering Company dated 27 October 2023 and 6 November 2023, which were posted on the websites of the Shanghai Stock Exchange, the HKEX, the Company's website.

3. Matters not disclosed in extraordinary announcement

Not applicable.

4. Disclosure of the performance of the results relating to results agreement during the reporting period

Not applicable.

(III) Significant Connected/related Transactions of Cooperative External Investment

1. Events disclosed in extraordinary announcements and with no subsequent progress or change

Not applicable.

2. Events disclosed in extraordinary announcements with subsequent progress or changes during implementation

Not applicable.

3. Events not disclosed in extraordinary announcements

Not applicable.

(IV) Credit and Debt Obligation Among Connected Parties

1. *Events disclosed in extraordinary announcements and with no subsequent progress or change*

Not applicable.

2. *Events disclosed in extraordinary announcements with subsequent progress or changes during implementation*

Not applicable.

3. *Events not disclosed in extraordinary announcements*

Unit: RMB100 million

		Fund provided to connected parties			Fund provided to the Company		
Connected parties	**Relationship**	**Balance at the beginning**	**Amount occurred**	**Closing balance**	**Balance at the beginning**	**Amount occurred**	**Closing balance**
Shandong Energy Group	Controlling Shareholder	172.68	-2.11	170.57	487.86	-23.16	464.70
Glencore Group	Other related party	0	4.52	0	0	88.19	0
Total		172.68	2.41	170.57	487.86	65.03	464.70

Reasons for credit and debt obligation among connected parties	Mutual sale of goods and provision of services
Impact on the operating result and financial conditions of the Company by credit and debt obligation	No significant impact

(V) Financial business between the company and the financial company that has an associated relationship, the Company's holding financial company and the related party

1. Deposit Business

Unit: RMB100 million

Related Party	Relationship	Maximum Daily Deposit Limit	Deposit Interest Rate Range	Opening Balance	Current Period		Closing balance
					Total deposit amount for the current period	Total withdrawal amount for the current period	
Shandong Energy Group	Controlling Shareholder	625	0.30%-2.1%	346.27	10,327.77	10,422.23	251.81
Total	/	625	/	346.27	10,327.77	10,422.23	251.81

2. Loan Business

Unit: RMB100 million

Related Party	Relationship	Loan Amount	Loan Interest Rate Range	Opening Balance	Current Amount		Closing balance
					Total loan amount for the current period	Total repayment amount for the current period	
Shandong Energy Group	Controlling Shareholder	200	3%-3.65%	128.89	173.14	160.19	141.84
Total	/	200	/	128.89	173.14	160.19	141.84

3. *Credit Business or Other Financial Business*

Unit: RMB100 million

Related Party	Relationship	Business Type	Total Amount	Actual Amount
Shandong Energy Group	Controlling Shareholder	Acceptance, letter of guarantee	80	11.51

4. *Other Explanations*

As of the end of the reporting period, the balance of margin collected by Yankuang Finance Company for financial services provided by related parties was RMB214 million, and the margin portion did not account for the credit line.

Due to the completion of the merger of the former Shandong Energy Finance Company and Yankuang Finance Company, the deposit and loan at the beginning of the year are shown in consolidated data of the two companies.

Pursuant to the Guidance on Self-supervision for the Listed Companies No. 5 – Transactions & Connected Transactions, the Company issued Risk Assessment Report on Financial Company, and the auditors of A shares issued Explanation on Connected Transactions of Deposit, Loans and Other Financial Business between Yankuang Energy and Yankuang Finance Company for the year 2023.

(VI) Others

Pursuant to the Hong Kong Listing Rules, the Group's connected/related transactions disclosed subsequently and set out in Note "Related Party Balances and Transactions" to the consolidated financial statements prepared in accordance with the IFRS constitute continuing connected/related transactions in Chapter 14A of the Hong Kong Listing Rules, and the Company confirmed that such transactions have complied with the relevant disclosure requirements under the Hong Kong Listing Rules.

Other than the connected/related transactions disclosed in this section, the Group was not a party to any connected transaction which is required to be disclosed in pursuance to the Hong Kong Listing Rules during the reporting period.

XIII. MATERIAL CONTRACTS AND PERFORMANCE

(I) Trust, Contract or Lease

1. *Trust*

Not applicable.

2. Contract

Not applicable.

3. Lease

Not applicable.

(II) Guarantees

Unit: RMB100 million

External guarantees of the Company(excluding guarantee to subsidiaries)

Guarantor	Relationship between guarantor and the listed company	Guarantee	Amount	Date of guarantee (signed date)	Starting date of the guarantee	Maturity date of the guarantee	Type of guarantee	Collateral (if any)	Whether the guarantee has fulfilled	Overdue or not	Overdue amount	Counter guarantee	Related-party guarantee or not	Associated relationship
/	/	/	/	/	/	/	/	/	/	/	/	/	/	/

Total guarantee of the Company during the reporting period (excluding guarantees to the subsidiaries)	0
Total guarantee balance by the end of the reporting period (A) (excluding guarantees to the subsidiaries)	0
Guarantees to subsidiaries by the Company and its subsidiaries	
Total amount of guarantee to subsidiaries during the reporting period	63.91
Total balance of guarantee to subsidiaries by the end of the reporting period (B)	178.71
Total amount of guarantee of the Company (including guarantees to the subsidiaries)	
Total amount of guarantees(A+B)	178.71
Percentage of total amount of guarantee in the net assets of the Company (%)	24.58
Of which,	
Amount of guarantees to Shareholders, actual controllers and related parties (C)	0
Amount of guarantees directly or indirectly to guaranteed parties with a debts-to-assets ratio exceeding 70% (D)	116.24
Total amount of guarantee exceeding 50% of net assets (E)	0
Total amount of the above 3 categories guarantees (C+D+E)	116.24
Explanation on unexpired guarantee that may be subject to joint and several liability	No
Guarantee explanations	1. The external guarantee occurred during the previous period and extended to the reporting period As reviewed and approved at the 2019 annual general meeting, the Company provided guarantees of RMB1.38 billion to Inner Mongolia Rongxin Chemicals Co., Ltd. As at 31 December 2023, the balance of the above guarantees was RMB917 million.

As reviewed and approved at the 2019 annual general meeting, the Company provided guarantees of RMB1.3 billion to Yulin Neng Hua. As at 31 December 2023, the balance of the above guarantees was RMB864 million.

As reviewed and approved at the 2019 annual general meeting, the Company provided guarantees of RMB1 billion to Lunan Chemicals. As at 31 December 2023, the balance of the above guarantees was RMB850 million.

As reviewed and approved at the 2020 annual general meeting, the Company provided guarantees to Yancoal International Resources for issuing USD300 million corporate bonds. As at 31 December 2023, the balance of the above guarantee was USD300 million.

As reviewed and approved at the 2020 annual general meeting, the Company provided USD100 million bank loan guarantee to Yancoal International. As at 31 December 2023, the balance of the above guarantee was USD100 million.

As reviewed and approved at the 2020 annual general meeting, Inner Mongolia Mining provided guarantees of RMB1.429 billion to Ulanqab Hongda Industrial Co., Ltd, and RMB699 million to Ordos Fengwei Photovoltaic Power Co., Ltd. Ordos Fengwei Photovoltaic Power Co., Ltd. provided a guarantee of RMB495 million to Inner Mongolia Mining. As of 31 December 2023, the balance of above guarantees stood as RMB1.058 billion, RMB534 million and RMB477 million.

As reviewed and approved at the 2021 annual general meeting, the Company provided guarantees of RMB600 million to Yankuang Ruifeng International Trading Co., Ltd. ("Yankuang Ruifeng"). As at 31 December 2023, the balance of the above guarantee was RMB600 million.

As at 31 December 2023, Yancoal Australia and its subsidiaries had a total of AUD914 million performance deposits and guarantees required for operation.

As reviewed and approved at the 2021 first Extraordinary General Meeting of shareholders of the Company, Inner Mongolia Mining Group provided RMB270 million of guarantees to Inner Mongolia Jinlian Aluminum Profile Co., Ltd. Future Energy provided RMB400 million of guarantee to Shaanxi Jingshen Railway Co., Ltd. As of 31 December 2023, the balance of above guarantees stood as RMB90 million and RMB314 million.

2. Guarantees arising during the reporting period

As approved at the 2021 annual general meeting of the Company, the Company provided to Yankuang Lucky International, Qingdao Zhongyan Co., Ltd, and Yantai Jinzheng Environmental protection Technology Co., Ltd guarantees of RMB1.77 billion, RMB750 million, and RMB137 million during the reporting period.

As approved at the 2022 annual general meeting of the Company, the Company provided to Yankuang Lucky International, Yankuang Energy Group International Trading Co., Ltd., Wanfu Energy and Yantai Jinzheng Environmental protection Technology Co., Ltd guarantees of RMB400 billion, RMB150 million, and RMB1 billion during the reporting period. Xinjiang Neng Hua provided a guarantee of RMB165 million yuan to Ili Xinwen coal mining.

As approved at the 2022 annual general meeting of the Company, the Company acquired 51% equity of Luxi Mining. During the reporting period, Luxi Mining provided a guarantee of RMB119 million to Shandong Xin Julong Energy Co., Ltd, a controlled subsidiary of the Company, RMB250 million guarantee to Linyi Mining Group Heze Coal Power Co., Ltd, a controlled subsidiary of the Company, and RMB162 million guarantee to Shandong Lilou Coal Mining Co., Ltd, a wholly-owned subsidiary of the Company, all of which occurred before the acquisition.

As approved at the 2022 annual general meeting of the Company, Yancoal Australia and its subsidiaries provided a guarantee in an amount not exceeding AUD1.5 billion per year to Yankuang Energy's Australian subsidiaries for their daily operation. During the reporting period, Yancoal Australia and its subsidiaries produced performance deposits and performance guarantees totaled AUD335 million due to operational necessity.

Note: The table above was prepared in accordance with the CASs and calculated at USD/RMB exchange rate of 7.0827 and AUD/RMB exchange rate of 4.8484.

Apart from the above disclosures, the Company does not have any guarantee contracts performed or not yet completed during the reporting period.

(III) Entrusted Cash and Assets Management

1. Entrusted wealth management

(1) General information on entrusted wealth management

Not applicable.

Other information

Not applicable.

(2) Specific entrusted wealth management

Not applicable.

Other information

Not applicable.

(3) Provisions for impairment of loss for entrusted wealth management

Not applicable.

2. Entrusted Loan

(1) General information on entrusted loan

Not applicable.

Other information

Not applicable.

(2) Specific entrusted loan

Not applicable.

Other information

Not applicable.

(3) Provision for impairment of the entrusted loan

Not applicable.

3. Other information

Not applicable.

(IV) Other Major Contract

Not applicable.

(V) Other Major Events

1. Bidding for sale of the detailed exploration right of coal resources in No. 1 coal field of the Huolinhe Mining Area of Inner Mongolia Autonomous Region

As reviewed and approved on the General Manager's Office Meeting held on 23 October 2023, the Company participated in the bidding of the prospecting right for the detailed investigation of coal resources in No. 1 Shaft Field of Hollinhe Mining Area in Inner Mongolia Autonomous Region. On 8 December 2023, the Company won the aforesaid prospecting right at a price of approximately RMB3,717 million, and signed the ''Confirmation of Transaction of the Prospecting Right Offering" with the Public Resource Trading Center of the Inner Mongolia Autonomous Region. On 10 January 2024, the Company and Natural Resources Department of Inner Mongolia Autonomous Region signed the Prospecting Right Offering Contract.

For further details, please refer to the announcement of the Company dated 8 December 2023 in relation to the confirmation of the transaction of bidding for the prospecting right for detailed investigation of coal resources. Such information is published on the website of the SSE, HKEX, the Company's website and/or the China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily in the PRC.

2. Implementation of shareholding increase plan of the Company by the Controlling Shareholder

Shandong Energy intends to increase its shareholding of A and H Shares of the Company by means of centralized bidding, block trading or on-market transaction through the trading systems of Shanghai Stock Exchange and the Hong Kong Stock Exchange within 12 months from 30 November 2023, with a cumulative increase of not less than RMB300 million and not more than RMB600 million, of which the cumulative increase of A-shares is not less than RMB100 million and not more than RMB200 million and the cumulative increase in H-share holdings shall be no less than RMB200 million and no more than RMB400 million.

Shandong Energy increased its shareholding of 500,000 A shares of the Company for the first time by means of centralized bidding through the trading system of the Shanghai Stock Exchange on 22 January 2024, representing approximately 0.0067% of the total share capital of the Company, with an amount of RMB10,479,104. Shandong Energy increased its shareholding of 200,000 A shares of the Company for the first time by means of centralized bidding through the trading system of the Shanghai Stock Exchange on 31 January 2024, representing approximately 0.0027% of the total share capital of the Company, with an amount of RMB4,544,448.

For details, please refer to the Company's announcements on the shareholding increase plan of the Company by the controlling shareholder dated 29 November 2023, the progress of the Controlling Shareholder's shareholding increase plan and the first time to increase its shareholding in the Company dated 22 January 2024 and the progress of shareholding increase plan of the controlling shareholders dated 31 January 2024. Such information was published on the website of the Shanghai Stock Exchange, the website of the Hong Kong Stock Exchange, the Company's website and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

3. *Determination of profit distribution policy for the years 2023-2025 of the Company*

As reviewed an approved at the first extraordinary general meeting of shareholders in 2023 held on 27 December 2023, the Company determined the profit distribution policy for years 2023-2025 as follows: the total cash dividend distributed by the Company in each fiscal year shall account for approximately 60% of the net profit of the Company after deducting legal reserves, and the cash dividend per share shall not be less than RMB0.5, whichever is less than the amount of after-tax profit in the financial statements under Chinese accounting standards and International Financial Reporting standards.

For details, please refer to the Company's announcements on the resolution passed at the first meeting of the ninth session of the Board of the Company held on 30 June 2023, resolution of determination of profit distribution policy of the years 2023-2025, resolution passed at the first extraordinary general meeting of 2023 held on 27 October 2023. Such information was published on the website of the Shanghai Stock Exchange, the website of the Hong Kong Stock Exchange, the Company's website and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

4. *Adjustment of Company organization*

As reviewed and approved by the third meeting of the ninth session of the Board held on 27 October 2023, the Company established Modern Coal Chemicals Department, canceled Shandong Energy Chemicals Sub-branch Company of Yankuang Energy Group Company Limited and established Assets Management Center.

For details, please refer to the Company's announcement on the resolution passed at the third meeting of the ninth session of the Board held on 27 October 2023. Such information was published on the website of the Shanghai Stock Exchange, the website of the Hong Kong Stock Exchange, the Company's website and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

XIV. EXPLANATION ON PROGRESS OF USE OF RAISED FUND

Not applicable.

XV. EXPLANATION ON OTHER SIGNIFICANT EVENTS

(Prepared under the Hong Kong Listing Rules)

(I) Repurchase, Sold or Redemption of Listing Shares

Obtain authorization of Shareholder's meeting to issue additional and repurchase H Shares

At the 2022 Annual General Meeting of the Company held on 30 June 2023, a general mandate was granted to the Board to issue additional shares of the Company not exceeding 20% of the share capital of H Shares of the Company in issue as at the date of passing the resolution during the mandate period under the approval of relevant regulatory institutions and in compliance with relevant laws, administrative regulations and the requirements of the articles of association of the Company as well as actual needs and market conditions.

The 2022 Annual General Meeting, the 2023 first class meeting of the holders of H Shares and the 2023 first class meeting of the holders of A Shares were convened by the Company on 30 June 2023, and a general mandate was granted to the Board to repurchase H Shares of the Company not exceeding 10% of the share capital of H Shares of the Company in issue as at the date of passing the resolution during the mandate period under the approval of relevant regulatory institutions and in compliance with relevant laws, administrative regulations and the requirements of the Articles of the Company as well as actual needs and market conditions.

As at the end of the disclosure date of this report, the Board has not exercised the above-mentioned general mandates.

(II) Remuneration Policy

For details, please refer to "Changes in Shareholding and Remuneration of Current and Resigned Directors, Supervisors and Senior Management" "Remuneration policies" under Chapter 5 "Corporate Governance".

(III) Auditors

For details, please refer to "Appointment, dismissal of accounting firms" under Chapter 7 "Significant Events".

Chapter 08

Changes in Shares and Shareholders

(Prepared in accordance with CASs)

I. CHANGES IN SHARES CAPITAL

(I) Table of Changes in Shares

1. Table of changes in shares

Unit: Share(s)

	Before change		Increase/Decrease(+,-)			After change	
	Shares	percentage (%)	Shares dividends	Others	Sub-total	Shares	Percentage (%)
I. Listed shares with trading moratorium	61,740,000	1.25	30,870,000	-2,670,000	28,200,000	89,940,000	1.21
1. State-shareholding	0	0	0	0	0	0	0
2. state-owned legal person shareholding	0	0	0	0	0	0	0
3. other domestic shareholding	61,740,000	1.25	30,870,000	-2,670,000	28,200,000	89,940,000	1.21
Including: domestic shareholding by non-state owned legal person	0	0	0	0	0	0	0
domestic natural person shareholding	61,740,000	1.25	30,870,000	-2,670,000	28,200,000	89,940,000	1.21
4. Foreign shareholding	0	0	0	0	0	0	0
including: foreign legal person shareholding	0	0	0	0	0	0	0
foreign natural person shareholding	0	0	0	0	0	0	0
II. Shares without trading moratorium	4,886,963,640	98.75	2,449,810,240	12,656,840	2,462,467,080	7,349,430,720	98.79
1. A Shares	2,986,963,640	60.36	1,499,810,240	12,656,840	1,512,467,080	4,499,430,720	60.48
2. Foreign shares domestically-listed	0	0	0	0	0	0	0
3. Foreign shares listed overseas	1,900,000,000	38.39	950,000,000	0	950,000,000	2,850,000,000	38.31
4. Others	0	0	0	0	0	0	0
III. Total share capital	4,948,703,640	100	2,480,680,240	9,986,840	2,490,667,080	7,439,370,720	100

Notes:

① During the reporting period, the Company completed the independent exercise of the third option exercising period under the Company's 2018 A Share Incentive Scheme and the corresponding share grant registration, the distribution of bonus shares for the 2022 annual profit distribution and the cancellation of some restricted share repurchases and the total share capital of the Company increased from 4,948,703,640 shares to 7,439,370,720 shares.

② According to the Issuer's Share Capital Structure issued by China Securities Depository and Clearing Co., Ltd., as at 31 December 2023, the A share capital of the Company was 4,589,370,720 shares, including 89,940,000 shares with trading moratorium and 4,499,430,720 shares without trading moratorium.

2. *Explanation on changes in shares*

As reviewed and approved at the 28th meeting of the eighth session of the Board of the Company held on 24 April 2023, it was confirmed that the exercisable conditions for the third exercise schedule of the Company's 2018 A Share Option Incentive Scheme have been fulfilled. As at 31 December 2023, all the exercisable shares options of the third exercise schedule, a total amount of 12,656,840 shares, have been exercised. As reviewed and approved at the 2022 annual general meeting of the Company held on 30 June 2023, based on the total share capital of dividends allotment registration date, 5 bonus shares for every 10 shares shall be allotted to the Shareholders. As at the end of the reporting period, a total of 2,480,680,240 bonus shares have completely allotted. As reviewed and approved at the second meeting of the ninth session of the Board of the Company held on 25 August 2023, the restricted shares of the 2021 A-share restricted Stock incentive Plan that have not met the incentive conditions have been repurchased, and 2,670,000 shares have been repurchased and canceled as of the end of the reporting period.

For details, please see the announcement on fulfillment of exercisable conditions of the third exercising period dated 24 April 2023, exercise of share option dated 25 May 2023, resolutions passed at the 2022 annual general meeting dated 30 June 2023, 2022 dividend distribution implementation announcement dated 7 July 2023, the restricted shares repurchase announcement dated 25 August 2023 and the restricted shares repurchase and cancellation announcement dated 13 November 2023, which were posted on the websites of Shanghai Stock Exchange, the HKEX, the Company and/or China Securities Journal and Shanghai Securities News, Securities Times and Securities Daily.

3. *The impact of share changes on net earnings per share, net asset per share and other key financial indicators in the most recent year and the most recent reporting period*

During the reporting period, the Company completed the distribution of shares dividends for the 2022 annual profit distribution, and retroactively adjusted related financial indicators such as earnings per share and net asset per share in previous years in accordance with accounting standards.

The Company completed the independent exercise of the third option exercising period under the Company's 2018 A Share Incentive Scheme and the corresponding share grant registration in May 2023 and cancellation of some restricted share repurchases in August 2023. There is no significant change in share capital and has no major impact on the Company's earnings per share and net assets per share in the recent year and the most previous period.

4. *Other disclosures the Company considering necessary or required by securities regulatory institutions*

As at the the issue date of this annual report, according to the information publicly available to the Company and within the knowledge of the Directors, the Directors believe that during the reporting period, the public float of the Company is more than 25% of the Company's total issued shares, which is in compliance with the requirement of the Hong Kong Listing Rules.

(II) Changes in Shares with Restricted Moratorium

Unit: share

Name of shareholders	Number of shares with restricted moratorium at the beginning of the year	Number of shares free from restricted moratorium during the reporting period	Number of shares with restricted moratorium increased during the reporting period	Number of shares decreased with restricted moratorium during the reporting period	Number of shares with restricted moratorium at the end of the reporting period	Reasons of shares restricted	Date on which the shares are free from restricted moratorium
participants of restricted stock incentive (the first one lifted the restriction period)	20,374,200	0	10,187,100	881,100	29,680,200	Restricted stock incentive	For details, please refer to the relevant contents of "stock incentive" in "Chapter 5 Corporate Governance".
participants of restricted stock incentive (the second one lifted the restriction period)	20,374,200	0	10,187,100	881,100	29,680,200	Restricted stock incentive	
participants of restricted stock incentive (the third one lifted the restriction period)	20,991,600	0	10,495,800	907,800	30,579,600	Restricted stock incentive	
Total	61,740,000	0	30,870,000	2,670,000	89,940,000	/	

II. SECURITIES ISSUANCE AND LISTING

(I) Securities Issuance as at the end of the Reporting Period

Unit: RMB, share

Type of stock and its related derivative securities	Date of placement	Issuing price (or interest rate)	Amount of placement	Date of listing	Approved listed tradable amount	Date of trade termination
Ordinary shares						
Shares without trading moratorium	24 May 2023	RMB4.52/share	12,656,840	25 May 2023	12,656,840	–
Bonds including corporate bonds, corporation bonds and debt financing of non-financial enterprises						
Corporate bond	25 May 2023	3.34%	RMB1 billion	26 May 2023	RMB1 billion	26 May 2028
Corporate bond	25 May 2023	3.80%	RMB2 billion	26 May 2023	RMB2 billion	26 May 2033
Corporate bond	15 June 2023	3.75%	RMB2 billion	16 June 2023	RMB2 billion	16 June 2033
medium-term note	19 October 2023	3.40%	RMB2 billion	23 October 2023	RMB2 billion	23 October 2025
medium-term note	21 November 2023	3.16%	RMB3 billion	23 November 2023	RMB3 billion	23 November 2025
Super-short financing note	15 June 2023	2.08%	RMB3 billion	16 June 2023	RMB3 billion	13 December 2023

Explanation on securities issuance as at the reporting period (for bonds with different interest rates during the duration, please explain separately).

Ordinary shares:

During the reporting period, a total of 12,656,840 shares were exercised during the third option exercising period under the Company's 2018 A Share Incentive Scheme and shares registration was fulfilled on 24 May 2023. The closing price of A shares on that day was RMB33.52 per share (before the 2022 annual shares dividend). For details of the 2018 A-share option incentive plan, please refer to Section 5 "Corporate Governance" of this annual report.

Bonds including corporate bonds, corporation bonds and debt financing of non-financial enterprises

For details of corporate bonds issued this year, please refer to the relevant content of "Chapter 9 Corporate Bonds" of this annual report.

(II) Changes in Total Number of Shares, Shareholders' Structure, and Assets and Liability of the Company

During the reporting period, the Company completed the independent exercise of the third option exercising period under the Company's 2018 A Share Incentive Scheme and the corresponding share grant registration, the distribution of bonus shares for the 2022 annual profit distribution and the cancellation of some restricted share repurchases and the total share capital of the Company increased from 4,948,703,640 shares to 7,439,370,720 shares, which were mainly due to the dividends distribution and has no significant impact on the structure of asset and liability of the Company.

(III) Changes in Total Number of Shares Held by the Employees of the Company

Not applicable.

III. SHAREHOLDERS AND ACTUAL CONTROLLER

(I) Total Number of the Shareholders

Total number of ordinary shareholders as at 31 December 2023	96,002
Total number of ordinary shareholders at the end of last month prior to the disclosure date of this annual report	79,686
Total number of preferred shareholders with resumed voting right by the end of the reporting period	0
Total number of preferred shareholders with resumed voting right at the end of last month prior to the disclosure date of this annual report	0

(II) Top Ten Shareholders and Top Ten Shareholders Holding Tradable Shares of the Company which are not Subject to Trading Moratorium (as at 31 December 2023)

Unit: share(s)

Shareholdings of the top ten Shareholders (excluding lending shares by means of financing transfer)

Name of shareholders (full name)	Increase/decrease during the reporting period (number of shareholding by the end of the reporting period minus that of the beginning of the reporting period)	Number of shares held at the end of the Reporting Period	Percentage holding of the total share capital (%)	Number of shares held subject to trading moratorium	Number of pledged, marked or locked shares Status of shares	Number of pledged, marked or locked shares Number of shares	Nature of Shareholders
Shandong Energy Group Co., Ltd.	1,128,662,237	3,385,986,710	45.51	0	Pledged	17,415,778	State-owned legal person
Hong Kong Securities Clearing Company (Nominees) Limited	949,211,301	2,846,595,507	38.26	0	Unknown	–	Overseas legal person
Hong Kong Securities Clearing Company Limited	-12,350,422	87,272,589	1.17	0	No	0	Overseas legal person
National Social Security Fund 117 Portfolio	8,521,922	23,930,766	0.32	0	No	0	Others
Huaxia Life Insurance Co., Ltd.-owned capital	17,534,950	17,899,950	0.24	0	No	0	Others
China Merchants Bank Co., Ltd.-Shanghai Stock Exchange Dividend Tradable Open Index Securities Investment Fund	3,107,857	16,047,181	0.22	0	No	0	Others
China Construction Bank Limited-Yinhua Fuyu Theme Hybrid Securities Investment Fund	-8,255,430	11,744,648	0.16	0	No	0	Others
Monetary Authority of Macao-own capital	5,455,405	10,465,805	0.14	0	No	0	others
Industrial and Commercial Bank of China Co., Ltd.-China Universal Assets Management Value Selective Hybrid Mixed Securities Investment Fund	7,856,350	10,272,283	0.14	0	No	0	others
Industrial and Commercial Bank of China Co., Ltd.-Huatai-PineBridge Shanghai and Shenzhen 300 Tradable Open Index Securities Investment Fund	6,116,165	9,545,775	0.13	0	No	0	Others

Top ten Shareholders holding tradable shares not subject to trading moratorium

Name of Shareholders (full name)	Number of tradable shares held not subject to trading moratorium	Class and number of shares held	
		Class of shares	Number of shares
Shandong Energy Group Co., Ltd.	3,385,986,710	A Shares	3,385,986,710
Hong Kong Securities Clearing Company (Nominees) Limited	2,846,595,507	H Shares	2,846,595,507
Hong Kong Securities Clearing Company Limited	87,272,589	A Shares	87,272,589
National Social Security Fund 117 Portfolio	23,930,766	A Shares	23,930,766
Huaxia Life Insurance Co., Ltd.-owned capital	17,899,950	A Shares	17,899,950
China Merchants Bank Co., Ltd.-Shanghai Stock Exchange Dividend Tradable Open Index Securities Investment Fund	16,047,181	A Shares	16,047,181
China Construction Bank Limited-Yinhua Fuyu Theme Hybrid Securities Investment Fund	11,744,648	A Shares	11,744,648
Monetary Authority of Macao	10,465,805	A Shares	10,465,805
Industrial and Commercial Bank of China Co., Ltd.-China Universal Assets Management Value Selective Hybrid Mixed Securities Investment Fund	10,272,283	A Shares	10,272,283
Industrial and Commercial Bank of China Co., Ltd.-Huatai Borui Shanghai and Shenzhen 300 Tradable Open Index Securities Investment Fund	9,545,775	A Shares	9,545,775

Explanations on repurchase of special shares by the top 10 shareholders	Not applicable.
Explanations on voting proxy, entrusted voting and abstention by the above shareholders	Not applicable.
Connected relationship or concerted-party relationship among the above Shareholders	Yankuang Group (Hong Kong) Company Limited ("Yankuang Hong Kong"), a wholly-owned subsidiary of Shandong Energy Group held 682 million H Shares of the Company through Hong Kong Securities Clearing Company (Nominees) Limited. Huatai Borui Fund Management Co., Ltd. are the fund managers of China Merchants Bank Co., Ltd.-Shanghai Stock Exchange Dividend Tradable Open Index Securities Investment Fund and Industrial and Commercial Bank of China Co., Ltd.-Huatai Borui Shanghai and Shenzhen 300 Tradable Open Index Securities Investment Fund. Apart from the disclosure above, it is unknown whether other shareholders are connected with one another or whether any of these shareholders fall within the meaning of parties acting in concert.
Illustration of preferred shareholders with resumed voting rights and the number of shares held by them	Not applicable.

Notes:

① All the information above, including “Total number of Shareholders” and “The top ten Shareholders and the top ten Shareholders holding tradable shares of the Company which are not subject to trading moratorium at the end of the Reporting Period”, is prepared in accordance with the registers of the Shareholders provided by the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. and Hong Kong Securities Registration Co., Ltd.

② As the clearing and settlement agent for the Company’s H Shares, Hong Kong Securities Clearing Company (Nominees) Limited holds the Company’s H Shares in the capacity of a nominee. Hong Kong Securities Clearing Company Limited is the nominal holder of the Company’s Shanghai Stock connected shares.

③ As at 31 December 2023, Shandong Energy Group held a total of 3,385,986,710 A Shares of the Company, of which, 3,214,570,932 shares held through its own account, 171,415,778 shares through exchangeable corporate bond in special pledged account, 682,483,500 H Shares through Yankuang Hong Kong. Shandong Energy directly and indirectly holds 4,068,470,210 shares, accounting 54.69% shares of the Company.

④ On 28 November 2023, the Company received a notification from the controlling shareholder that it intends to increase its holding of A and H Shares of the Company within 12 months from 30 November 2023. As of the disclosure date of this report, Shandong Energy has increased its holdings of the Company’s A-shares by 700,000 shares in 2024, after which Shandong Energy directly and indirectly holds a total of 4,069,170,210 shares of the Company, accounting for 54.70% of the Company’s total share capital.

The top ten shareholders that participating in financing business to lend shares

Not applicable.

The top ten shareholders that participating in financing business to lend shares

Name of shareholders(full name)	Shareholding of ordinary account, credit account at the beginning of the reporting period		Shares lending for financing business and not returning yet by the beginning of the reporting period		Shareholding of ordinary account, credit account at the end of the reporting period		Shares lending for financing business and not returning yet by the end of the reporting period	
	number in total	percentage (%)	number in total	percentage (%)	number in total	percentage (%)	number in total	percentage (%)
National Social Security Fund 117 Portfolio	15,408,844	0.31	0	0	23,930,766	0.32	82,500	0
Industrial and Commercial Bank of China Co., Ltd.-Huatai Borui Shanghai and Shenzhen 300 Tradable Open Index Securities Investment Fund	3,429,610	0.07	368,000	0.01	9,545,775	0.13	696,300	0.01

Changes in top ten shareholders compared with that of the previous reporting period

Unit: share

Changes in top ten shareholders compared with that of 31 December 2022

Name of shareholders (full name)	Newly join/quit during the reporting period	Number of shares lending for financing business and not returning yet by the end of the reporting period		Number of shares from shareholders' ordinary account, credit account and lending for financing business but not returning yet by the end of the reporting period	
		Total	Percentage (%)	Total	Percentage (%)
Huaxia Life Insurance Co., Ltd.-owned capital	Newly join	–	–	17,899,950	0.24
Monetary Authority of Macao-owned capital	Newly join	–	–	10,465,805	0.14
Industrial and Commercial Bank of China Co., Ltd.-China Universal Assets Management Value Selective Hybrid Mixed Securities Investment Fund	Newly join	–	–	10,272,283	0.14
Industrial and Commercial Bank of China Co., Ltd.-Huatai Borui Shanghai and Shenzhen 300 Tradable Open Index Securities Investment Fund	Newly join	696,300	0.01	10,242,075	0.14
National Social Security Fund 416 Portfolio	Quit	–	–	6,831,877	0.09
China Merchants Securities Co., Ltd.-CCB Small and Medium Cap Pioneer Equity Securities Investment Fund	Quit	–	–	5,670,780	0.08
Industrial and Commercial Bank of China Co., Ltd.-Guotai Zhongzheng Coal Tradable Open Index Securities Investment Fund	Quit	1,687,600	0.02	6,578,253	0.09
China Universal Assets Management Co., Ltd.-Social Security Fund 16032 Portfolio	Quit	–	–	0	0

Note: The above table "Changes in top ten shareholders compared with that of 31 December 2022" was prepared in reference to the Company's "Detailed table for the top 200 consolidated general accounts and margin credit accounts" issued by China Securities Depository and Clearing Corporation Limited (CSDC) on 31 December 2023.

The number of shares held by top ten shareholders holding shares subject to trading moratorium and the restrictions

Not applicable.

(III) Strategic Investor or Legal Person Became Top Ten Shareholders for Rights Issue

Not applicable.

(IV) Substantial Shareholders' Interests and/or Short Positions in the Shares and/or Underlying Shares of the Company

As far as the Directors are aware, save as disclosed below, as at 31 December 2023, other than the Directors, Supervisors or chief executives of the Company, there were no other persons who were substantial shareholders of the Company or had interests or short positions in the shares or underlying shares of the Company, which should (i) be disclosed pursuant to Sections 2 and 3 under Part XV of the Securities and Futures Ordinance ("**SFO**"); (ii) be recorded in the register to be kept pursuant to Section 336 of the SFO; or (iii) notify the Company and the Hong Kong Stock Exchange in other ways.

Name of Substantial Shareholders	Class of Shares	Capacity	Number of Shares Held (shares)	Nature of Interest	Percentage in the H Share Capital of the Company	Percentage in Total Share Capital of the Company
Shandong Energy	A Shares (State-owned legal person shares)	Beneficial owner	3,385,986,710	Long position	–	45.51%
			171,415,778	Short position	–	2.30%
Shandong Energy①	H Shares	Interest of controlled corporations	682,483,500	Long position	23.95%	9.17%

Notes:

① Yankuang Hong Kong holds such H Shares in the capacity of beneficial owner.

② The percentage figures above have been rounded off to the nearest second decimal place.

③ Information disclosed herein is based on the information available on the website of the Hong Kong Stock Exchange at http://www.hkexnews.hk and information provided by China Securities Depository and Clearing Corporation Limited Shanghai Branch.

IV. CONTROLLED SHAREHOLDERS AND ACTUAL CONTROLLER

(I) Controlled Shareholders

1. Legal person

Name	**Shandong Energy Group Co., Ltd.**
Person in charge or legal representative	Li Wei
Date of establishment	12 March 1996
Main business	Mining, electric power, high-end chemicals, high-end equipment manufacturing, new energy and new materials, modern logistics and trade, etc.
Controlling shares or participating shares held by Shandong Energy Group in other companies listed at home and abroad	Please see the table below.
Other explanations	At 31 December 2023, Shandong Energy Group held 3,386,000,000 A Shares of the Company, Yankuang Hong Kong held 682,000,000 H Shares of the Company, Shandong Energy Group and Yankuang Hong Kong totally held 4,068,000,000 shares of the Company, representing 54.69% of the total share capital of the Company.

As at 31 December 2023, the other domestic and overseas listed companies controlled or held in participating shares by Shandong Energy Group is as follows:

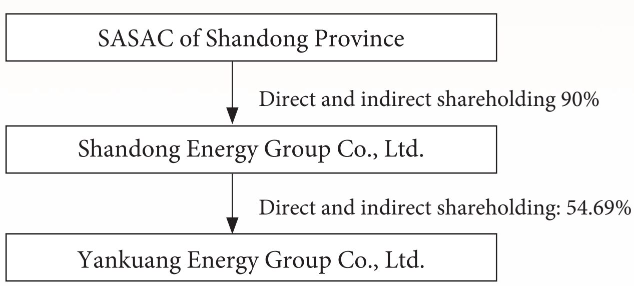
No.	Abbreviation of the Listed Company	Stock Exchange	Stock Code	Number of Shares Held (shares)	Percentage of Shares Held (%)
1	Yunding Technology	Shenzhen Stock Exchange	000409.SZ	23,864	35.93
2	Shandong Fiberglass	Shanghai Stock Exchange	605006.SH	26,370	52.74
3	Qixiang Tengda	Shenzhen Stock Exchange	002408.SZ	151,196	53.19
4	Windsun Science & Technology	Shanghai Stock Exchange	688663.SH	5,353	38.25
5	Zhongtai Securities	Shanghai Stock Exchange	600918.SH	251,508	36.09
6	Shinva Medical Instrument	Shanghai Stock Exchange	600587.SH	11,695	28.39
7	IVD Medical	Hong Kong Stock Exchange	01931.HK	44,365	32.75
8	Rizhao Port	Shanghai Stock Exchange	600017.SH	17,824	5.80
9	Rizhao Port JR	Hong Kong Stock Exchange	06117.HK	5,000	3.01
10	Guizhou Panjiang Refined Coal	Shanghai Stock Exchange	600395.SH	9,078	4.23
11	Qilu Expressway	Hong Kong Stock Exchange	01576.HK	4,089	2.04
12	Guotai Junan Securities	Shanghai Stock Exchange	601211.SH	4,718	0.53

(II) Actual Controller

1. Name of actual controller

State-owned Assets Supervision and Administration Commission of Shandong Province (SASAC of Shandong Province)

2. Diagram of equity and relationship of control between the Company and the actual controller (as at 31 December 2023)



3. The actual controller controlling the Company through trust or other asset management

Not applicable.

(III) Other Explanations on Controlling Shareholder and the Actual Controller

Not applicable.

V. THE ACCUMULATED SHARES PLEDGED BY THE CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER AND THE PERSON ACTING IN CONCERT IS ABOVE 80% OF THE COMPANY'S SHARES HELD BY THEM

VI. LEGAL PERSONS AS SHAREHOLDERS WITH SHAREHOLDING OF 10% OR MORE

Not applicable.

As at 31 December 2023, the HKSCC (Nominees) Limited holds 2,846,595,507 H Shares on behalf of its several clients, representing 38.26% over the total share capital of the Company. The HKSCC (Nominees) Limited is a member of Hong Kong central clearing and settlement system, providing customers with security registration and custody business.

VII. EXPLANATION ON RESTRICTION OF SELLDOWN SHAREHOLDING

Not applicable.

VIII. IMPLEMENTATION OF SHARES REPURCHASE DURING THE REPORTING PERIOD

Unit: RMB10 thousand

Name of shares repurchase scheme	Restricted shares repurchase
Disclosure date of shares repurchase scheme	25 August 2023
Number of proposed shares repurchase and percentage of total shares capital (%)	2,670,000 shares; 0.04
Amount of proposed shares repurchase	1,007.56
Period of proposed shares repurchase	–
Purpose of shares repurchase	Cancellation
Number of shares repurchased (share)	2,670,000
The number of shares repurchased as a proportion of the underlying shares covered by the share incentive scheme (%) (if any)	2.88
The progress of the Company's reduction and repurchase of shares by means of centralized bidding	Not applicable.

Note: As reviewed and approved at the second meeting of the ninth session of the Board of the Company held on 25 August 2023, Some incentive objects of the Company's 2021 A-share restricted shares incentive plan no longer meet the incentive conditions due to work adjustment, retirement and other reasons, and the Company repurchased and cancelled the 2.67 million restricted shares granted but not yet lifted.

IX. PREEMPTIVE RIGHT

The Articles and the laws of the PRC do not contain any provision for any pre-emptive rights requiring the Company to offer new shares on a pro-rata basis to its existing Shareholders.

Chapter 09
Bonds

(According to Chinese Accounting Standards)

I. ENTERPRISE BONDS, CORPORATE BONDS AND FINANCING DEBTS OF NON-FINANCIAL ENTERPRISES

(I) Enterprise Bonds

Not applicable.

(II) Corporate Bonds

1. Basic information of corporate bonds (as at the disclosure date of this report)

Unit: RMB100 million

Name	Abbreviation	Code	Issue date	Interest starting date	Mature date	Balance	Interest rate (%)	Way to repay principal and interest	Trade location	Appropriate arrangement of the investors (if any)	Trade mechanism	Whether there is risk of listing termination
2020 corporate bond (first tranche) (class 2)	20 Yanzhou Coal 02	163235	10 March 2020	12 March 2020	12 March 2025	27	3.43	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Qualified investors	Bidding, quotation, inquiry and transaction agreement	no
2020 corporate bond (first tranche) (class 3)	20 Yanzhou Coal 03	163236	10 March 2020	12 March 2020	12 March 2030	20	4.29	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2020 corporate bond (second tranche) (class 2)①	20 Yanzhou Coal 05	175275	21 October 2020	23 October 2020	23 October 2030	15	4.27	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2021 corporate bond (first tranche) (class 1)	21 Yanzhou Coal 01	188163	28 May 2021	31 May 2021	31 May 2024	30	3.74	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2021 corporate bond (first tranche) (class 2)	21 Yanzhou Coal 02	188164	28 May 2021	31 May 2021	31 May 2026	10	4.13	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No

Name	Abbreviation	Code	Issue date	Interest starting date	Mature date	Balance	Interest rate (%)	Way to repay principal and interest	Trade location	Appropriate arrangement of the investors (if any)	Trade mechanism	Whether there is risk of listing termination
2021 renewable corporate bond (first tranche) (class 2)[②]	21 Yanzhou Coal Y2	188286	21 June 2021	22 June 2021	22 June 2024	33	4.40	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2021 renewable corporate bond (second tranche)[③]	21 Yanzhou Coal Y4	188613	19 August 2021	20 August 2021	20 August 2024	10	3.54	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2023 corporate bond (first tranche) (class 1)	23 Yankuang 01	115406	25 May 2023	26 May 2023	26 May 2028	10	3.34	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2023 corporate bond (first tranche) (class 2)	23 Yankuang 02	115407	25 May 2023	26 May 2023	26 May 2033	20	3.80	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2023 corporate bond (second tranche) (class 2)	23 Yankuang 04	115544	15 June 2023	16 June 2023	16 June 2033	20	3.75	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2024 Science and Technology Innovation Corporate Bonds (First Tranche)	24 Yankuang K1	240582	13 March 2024	14 March 2024	14 March 2034	30	3.03	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No

Notes:

① 2020 Corporate Bond (second tranche) (class 2) is a 10-year-fixed interest rate bond. At the end of the fifth interest-bearing year, the Company has the right to choose to adjust the coupon rate for the later maturity of the current bond and the investors have the right to sell the bond back to the Company.

② For 2021 Renewable Corporate Bond (first tranche) (class 2), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by three years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.

③ For 2021 Renewable Corporate Bond (second tranche), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond placing by one term (that is, by three years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.

Counter-measures to the risks of listing termination of the Company

Not applicable.

Overdue debts

Not applicable.

Principal and interest payment of bonds during the reporting period

Name of bond	Explanations on principal and interest payment
2012 corporate bond (second tranche)[note]	All interests have been repaid in due course and no default occurs.
2020 corporate bond (first tranche) (class 2)	All interests have been repaid in due course and no default occurs.
2020 corporate bond (first tranche) (class 3)	All interests have been repaid in due course and no default occurs.
2020 corporate bond (second tranche) (class 1)	All principals and interests have been repaid in due course and no default occurs.
2020 corporate bond (second tranche) (class 2)	All interests have been repaid in due course and no default occurs.
2021 corporate bond (first tranche) (class 1)	All interests have been repaid in due course and no default occurs.
2021 corporate bond (first tranche) (class 2)	All interests have been repaid in due course and no default occurs.
2021 renewable corporate bond (first tranche) (class 1)	All principals and interests have been repaid in due course and no default occurs.
2021 renewable corporate bond (first tranche) (class 2)	All interests have been repaid in due course and no default occurs.
2021 renewable corporate bond (second tranche)	All interests have been repaid in due course and no default occurs.

Note: 2012 corporate bond (second tranche) have repaid all principals and interests on 3 March 2024.

2. Trigger and enforcement of clauses on issuer or investor option as well as investor protection

Not applicable.

3. Agents for bonds issuance and continuing business services

Name of agent	Office address	Contract person	Tel
Bank of China International (China) Securities Co. Ltd.	39/F Zhongyin Mansion 200 Yincheng Zhong Road, Pudong New Area, Shanghai	He Yinhui	021-20328556
Haitong Securities Co., Ltd.	15/F Tianyuan Xiangtai Mansion, 5 Anding Road, Chaoyang District, Beijing	Chen Yangyang, Geng Yun	010-88027267
Citic Jiantou Securities Co., LTD	9/F Taikang Group Mansion 1st Building No. 16 Yard Jinghui Street, Chaoyang District, Beijing	Yu Lei, Liu Zuosheng, Hu Zhaobin, Wang Xiang, Yu Lichao	010-56052099
China International Capital Corporation Limited	33/F 2nd Guomao Mansion 1st Jianguomenwai Street, Chaoyang District, Beijing	Huang Jiening	010-65051166
Dagong Global Credit Rating Co., Ltd.	3/F Building A Waiwen Mansion, 89 Xisanhuanbei Road, Haidian District, Beijing	Jia Yuehua	010-67413364
GOLDEN Credit Rating Co., Ltd.	47/F Building A Pingan Xingfu Center, 24th Yard, Lize Road, Fengtai District, Beijing	Cao Peng	0571-87858258
Lianhe Credit Evaluation Co., Ltd.	17/F PICC Mansion 2 Jianguomenwai Street, Chaoyang District, Beijing	Huang Ye	010-85679696

Changes of the above agents

Not applicable.

4. Use of proceeds by the end of the reporting period

Unit: 100 million

Name of bonds	Aggregate amount of proceeds	Used amount	Unused amount	Special accounts operation of proceeds (if any)	Rectification of illegal use of proceeds (if any)	Whether it is consistent with the purpose, use plan and other provisions set in the prospectus
2012 corporate bond (second tranche)	30.5	30.5	0	–	–	yes
2020 corporate bond (first tranche)(class 2)	27	27	0	–	–	yes
2020 corporate bond (first tranche)(class 3)	20	20	0	–	–	yes
2020 corporate bond (second tranche)(class 2)	15	15	0	–	–	yes
2021 corporate bond (first tranche)(class 1)	30	30	0	–	–	yes
2021 corporate bond (first tranche)(class 2)	10	10	0	–	–	yes
2021 renewable corporate bond (first tranche)(class 2)	33	33	0	–	–	yes
2021 renewable corporate bond (second tranche)	10	10	0	–	–	yes
2023 corporate bond (first tranche)(class 1)	10	10	0	–	–	yes
2023 corporate bond (first tranche)(class 2)	20	20	0	–	–	yes
2023 corporate bond (second tranche)(class 2)	20	20	0	–	–	yes

Updates on project construction by use of proceeds and its economic benefit.

Not applicable.

Explanation on changes of the use of proceeds by the above-mentioned bonds during the reporting period

Not applicable.

Other explanation

Not applicable.

5. Adjustments on credit rating results

Not applicable.

Other explanation

Not applicable.

6. Execution, changes and impact of guarantees, debt repayment plan and other solvency supporting measures during the reporting period

Not applicable.

The guarantees, debt repayment plan and other solvency supporting measures of the Company are consistent with the Prospectus and there is no change during the reporting period.

7. Other explanations on corporate bonds

Not applicable.

(III) Non-Financial Enterprise Debt Financing Instruments at Inter-Bank Bond Market

1. *Basic information of non-financial enterprise debt financing instruments*

Unit: RMB100 million

Name	Abbreviation	Code	Issue date	Interest starting date	Maturity date	Balance	Interest rate (%)	Way to repay principal and interest	Trade place	Appropriate arrangement of the investors (if any)	Trade mechanism	Whether there is risk of listing termination
2021 medium-term note (first tranche)	21 Yanzhou Coal MTN001	102101379	22 July 2021	26 July 2021	26 July 2026	20	3.80	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2021 medium-term note (second tranche)①	21 Yanzhou Coal MTN002	102103102	24 November 2021	26 Nov. 2021	26 Nov. 2024	20	3.67	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2022 medium-term note (first tranche) (class 1)②	22 Yankuang Energy MTN001A	102281098	18 May 2022	20 May 2022	20 May 2025	25	3.28	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2022 medium-term note (first tranche) (class 2)③	22 Yankuang Energy MTN001B	102281099	18 May 2022	20 May 2022	20 May 2027	5	3.71	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2022 medium-term note (second tranche)④	22 Yankuang Energy MTN002	102281229	8 June 2022	10 June 2022	10 June 2025	20	3.30	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2023 medium-term note (first tranche)⑤	23 Yankuang Energy MTN001	102382795	19 October 2023	23 October 2023	23 October 2025	20	3.40	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2023 medium-term note (S&T innovation note)(second tranche)⑥	23 Yankuang Energy MTN002 (S&T innovation note)	102383131	21 Nov. 2023	23 Nov. 2023	23 Nov. 2025	30	3.16	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No

Name	Abbreviation	Code	Issue date	Interest starting date	Maturity date	Balance	Interest rate (%)	Way to repay principal and interest	Trade place	Appropriate arrangement of the investors (if any)	Trade mechanism	Whether there is risk of listing termination
2024 medium-term note (S&T innovation note) (first tranche)⑦	24 Yankuang Energy MTN001 (S&T innovation note)	102480413	31 January 2024	2 Feb. 2024	2 Feb. 2027	30	2.85	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No

Notes:

① For 2021 Medium Term note (second tranche), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by three years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.

② For 2022 Medium Term note (first tranche) (class 1), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by three years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.

③ For 2022 Medium Term note (first tranche) (class 2), every five interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by five years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.

④ For 2022 Medium Term note (second tranche), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by three years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.

⑤ For 2023 Medium Term note (first tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by two years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.

⑥ For 2023 Medium Term note (S&T innovation note) (second tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by two years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.

⑦ For 2024 Medium Term note (S&T innovation note) (first tranche), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by three years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.

Counter-measures to the risks of listing termination of the Company

Not applicable.

Overdue debt

Not applicable.

Principal and interest payment of bonds during the reporting period

Name of bond	Explanations on principals and interest payment
2021 Medium Term note (first tranche)	All interests have been repaid in due course and no default occurs.
2021 Medium Term note (second tranche)	All interests have been repaid in due course and no default occurs.
2022 Medium Term note (first tranche) (class 1)	All interests have been repaid in due course and no default occurs.
2022 Medium Term note (first tranche) (class 2)	All interests have been repaid in due course and no default occurs.
2022 Medium Term note (second tranche)	All interests have been repaid in due course and no default occurs.
2023 super-short financing note (first tranche)	All principals and interests have been repaid in due course and no default occurs.

2. Trigger and enforcement of clauses on issuer or investor option as well as investor protection

Not applicable.

3. *Agents for bonds issuance and continuing business services*

Names of agent	Office address	Contact person	Tel
Industrial Bank Co., Ltd.	398 Jiangbin Central Avenue Taijiang District Fuzhou City, Fujian Province	Liu Chunhua	0537-3295720
China Merchants Bank Co. Ltd.	7088 Shennan Roadway Futian District Shenzhen City, Guandong Province	Xu Yiming	0531-55663204
China Lianhe Credit Rating Co., Ltd.	17/F No. 2 Building, Yard 2, Jianwai Street Chaoyang District, Beijing	Huang Ye	010-85679696

Changes of the above agents

Not applicable.

4. *Use of proceeds by the end of the reporting period*

Unit: RMB100 million

Name of bonds	Aggregate amount of proceeds	Used amount	Unused amount	Special accounts operation of proceeds (if any)	Rectification of illegal use of proceeds (if any)	Whether it is consistent with the purpose, use plan and other provisions set in the prospectus
2021 medium-term note (first tranche)	20	20	0	–	–	yes
2021 medium-term note (second tranche)	20	20	0	–	–	yes
2022 medium-term note (first tranche) (class 1)	25	25	0	–	–	yes
2022 medium-term note (first tranche) (class 2)	5	5	0	–	–	yes
2022 medium-term note (second tranche)	20	20	0	–	–	yes
2023 medium-term note (first tranche)	20	20	0	–	–	yes
2023 medium-term note (S&T innovation note) (second tranche)	30	30	0	–	–	yes

Progress of construction projects and operational benefits of proceeds

Not applicable.

Explanation on changes of the use of proceeds by the above-mentioned bonds during the reporting period

Not applicable.

Other explanation

Not applicable.

5. Adjustments on credit rating results

Not applicable.

Other explanation

Not applicable.

6. Execution, changes and impact of guarantees, debt repayment plan and other debt repayment supporting measures

Not applicable.

The guarantees, debt repayment plan and other debt repayment supporting measures of the debt financing instruments issued by the Company are consistent with the Prospectus and have not changed during the reporting period.

7. Explanations on other conditions of non-financial enterprise debt financing instruments

Not applicable.

(IV) The Loss in the Consolidated Statements of the Company during the Reporting Period Exceeding 10% of the Net Assets at the end of the Previous Year

Not applicable.

(V) Interest-Bearing Debt Overdue Excluding Bonds by the end the Reporting Period

Not applicable.

(VI) the Impact on the Rights and Interest of Bonds Investor due to Violation of Laws and Regulations, the Company's Articles of Association, Information Disclosure System as well as Provisions or Commitments in the Prospectus of Bond Offerings During the Reporting Period

Not applicable.

(VII) Accounting Data and Financial Indicators for the Two Years as at the end of the Reporting Period

Unit: RMB0'000

Main indicators	Year 2023	Year 2022	Increase/decrease at the end of the reporting period compared with the end of the previous year (%)
Net profit attributable to listed company deducting extraordinary gains or losses	1,859,095	3,028,281	-38.61
Current ratio	0.78	0.96	-18.78
Quick ratio	0.67	0.85	-20.99
Debt-to-asset ratio (%)	66.60	61.88	Up by 4.72 percentage points
Total debt to EBITDA ratio	1.78	1.03	72.80
Interest coverage ratio	9.24	9.33	-0.95
Cash interest coverage ratio	5.02	10.29	-51.16
EBITDA interest coverage ratio	13.26	12.17	8.96
Debt repayment ratio (%)	100	100	–
Interest repayment ratio (%)	100	100	–

II. CONVERTIBLE CORPORATE BOND

Not applicable.

Chapter 10
Independent Auditor's Report

SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House, 311 Gloucester Road
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE SHAREHOLDERS OF YANKUANG ENERGY GROUP COMPANY LIMITED
(A joint stock company with limited liability established in the People's Republic of China)

OPINION

We have audited the consolidated financial statements of Yankuang Energy Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 201 to 361, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

IMPAIRMENT OF INTANGIBLE ASSETS

Refer to note 23 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
We have identified the impairment of intangible assets as a key audit matter because of its significance to the consolidated financial statements and the Group's assessment of impairment of intangible assets is a judgemental process which requires estimates concerning the forecast future cash flows associated with the assets in determining the recoverable amount. The selection of valuation model, adoption of key assumptions and input data may be subject to management bias and changes in these assumptions and inputs to the valuation model may result in significant financial impact.	Our procedures were designed to evaluate the management's impairment assessment process and to challenge the reasonableness of the selection of valuation model, adoption of key assumptions and input data by reference to the historical information and internal forecasts, together with market and other externally available information and sensitivity analysis. We have also considered the overall reasonableness of the forecast future cash flows associated with the intangible assets. Besides, we have also challenged the possible changes in these key assumptions.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Refer to note 24 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
We have identified the impairment of property, plant and equipment as a key audit matter because of its significance to the consolidated financial statements and the Group's assessment of impairment of property, plant and equipment is a judgemental process which requires estimates concerning the forecast future cash flows associated with the assets in determining the recoverable amount. The selection of valuation model, adoption of key assumptions and input data may be subject to management bias and changes in these assumptions and input to the valuation model may result in significant financial impact.	Our procedures were designed to evaluate management's impairment assessment process and to challenge the reasonableness of the selection of valuation model, adoption of key assumptions and input data by reference to the historical information and internal forecasts, together with market and other externally available information and sensitivity analysis. We have also considered the overall reasonableness of the forecast future cash flows associated with the property, plant and equipment. Besides, we have also challenged the possible changes in these key assumptions.

IMPAIRMENT ASSESSMENT ON GOODWILL

Refer to note 28 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
We have identified the impairment of goodwill as a key audit matter because of its significance to the consolidated financial statements and the Group's assessment of impairment of goodwill is a judgemental process which requires estimates concerning forecast future cash flows expected to arise from cash-generating unit and an appropriate discount rate in order to derive the value in use. The selection of valuation model, adoption of key assumptions and input data may be subject to management bias and changes in these assumptions and input to the valuation model may result in significant financial impact.	Our procedures were designed to evaluate management's impairment assessment process and to challenge the reasonableness of the selection of valuation model, adoption of key assumptions and input data by reference to the historical information and internal forecasts, together with other externally available information and sensitivity analysis. We have also considered the overall reasonableness of the forecast future cash flows associated with the cash-generating unit. Besides, we have also considered the potential impact of reasonably possible changes in these key assumptions.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company (the "Directors") are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pang Wai Hang.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Pang Wai Hang
Practising Certificate Number: P05044
Hong Kong
28 March 2024

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year ended 31 December 2023

	NOTES	2023 RMB'000	2022 RMB'000 (Restated)
Gross sales of coal	7	**89,143,937**	125,843,528
Railway transportation service income		**478,114**	393,440
Gross sales of electricity and heat supply		**3,411,296**	3,479,977
Gross sales of equipment manufacturing		**435,847**	611,824
Gross sales of chemical products		**24,965,076**	24,272,736
Total revenue		**118,434,270**	154,601,505
Transportation costs		**(4,809,354)**	(4,286,983)
Cost of sales and services provided	8	**(44,570,004)**	(51,717,679)
Cost of electricity and heat supply		**(3,438,762)**	(3,216,221)
Cost of equipment manufacturing		**(340,753)**	(508,508)
Cost of chemical products		**(21,360,400)**	(21,085,456)
Total cost of sales		**(74,519,273)**	(80,814,847)
Gross profit		**43,914,997**	73,786,658
Selling, general and administrative expenses	9	**(15,079,069)**	(19,718,226)
Share of results of associates		**2,197,657**	1,495,300
Share of results of joint ventures		**63,364**	613,508
Other income and gains	10	**3,451,770**	3,494,213
Finance costs	11	**(3,563,014)**	(5,983,260)
Profit before tax	13	**30,985,705**	53,688,193
Income tax expense	12	**(8,027,563)**	(14,586,806)
Profit for the year		**22,958,142**	39,101,387
Attributable to:			
Equity holders of the Company		**17,778,972**	30,418,222
Owners of perpetual capital securities	44	**444,743**	461,944
Non-controlling interests		**4,734,427**	8,221,221
		22,958,142	39,101,387
Earnings per share, basic	16	**RMB2.39**	RMB4.10
Earnings per share, diluted	16	**RMB2.38**	RMB4.08

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023 RMB'000	2022 RMB'000 (Restated)
Profit for the year	**22,958,142**	39,101,387
Other comprehensive (expense) income (after income tax):		
Items that will not be reclassified to profit or loss:		
Fair value change on equity investments at fair value through other comprehensive income ("FVTOCI")	**(219)**	(19)
Income tax relating to item that will not be reclassified subsequently to profit or loss	**30**	5
	(189)	(14)
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges:		
Cash flow hedge amounts recognised in other comprehensive income	**(53,387)**	(677,990)
Reclassification adjustments for amounts transferred to income statement	**5,786**	694,590
Deferred taxes	**12,713**	(4,980)
	(34,888)	11,620
Share of other comprehensive expense of associates	**(1,367,876)**	(174,707)
Exchange difference arising on translation of foreign operations	**1,131,323**	590,288
Other comprehensive (expense) income for the year	**(271,630)**	427,187
Total comprehensive income for the year	**22,686,512**	39,528,574
Attributable to:		
Equity holders of the Company	**17,180,610**	30,684,080
Owners of perpetual capital securities	**444,743**	461,944
Non-controlling interests	**5,061,159**	8,382,550
	22,686,512	39,528,574

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	NOTES	2023 RMB'000	2022 RMB'000 (Restated)
Current assets			
Bank balances and cash	17	**30,268,200**	38,624,290
Pledged term deposits	17	**56,600**	472,134
Restricted cash	17	**7,272,336**	6,081,400
Bills and accounts receivables	18	**12,486,003**	11,059,940
Royalty receivable	19	**107,247**	94,276
Inventories	20	**7,744,205**	8,222,000
Prepayments and other receivables	21	**36,491,607**	19,208,187
Long-term receivables - due within one year	32	**2,279,264**	4,590,570
Contingent consideration receivables	22	**2,969,420**	–
Financial assets at fair value through profit or loss	40	**225**	1,437
		99,675,107	88,354,234
Assets classified as held for sale	34	**8,291**	8,061
		99,683,398	88,362,295
Non-current assets			
Intangible assets	23	**116,076,132**	72,604,936
Property, plant and equipment	24	**115,160,290**	82,430,170
Right-of-use assets	25	**5,866,667**	3,758,208
Investment properties	26	**1,077,259**	1,471,730
Construction in progress	27	**17,461,544**	13,555,090
Prepayments for property, plant and equipment and intangible assets		**18,426,410**	15,139,750
Goodwill	28	**4,061,175**	1,726,346
Investments in securities	33	**670,389**	661,484
Interests in associates	29	**22,636,610**	21,154,832
Interests in joint ventures	30	**1,355,995**	1,174,917
Long-term receivables - due after one year	32	**5,566,196**	3,089,342
Royalty receivable	19	**949,705**	1,004,040
Deposits made on investments		**580,341**	434,416
Deferred tax assets	42	**4,745,518**	3,507,613
		314,634,231	221,712,874
Total assets		**414,317,629**	310,075,169

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2023

	NOTES	2023 RMB'000	2022 RMB'000 (Restated)
Current liabilities			
Bills and accounts payables	35	**26,030,765**	26,441,537
Other payables and accrued expenses	36	**59,405,339**	21,692,576
Contract liabilities	36	**5,091,445**	4,833,680
Provision for land subsidence, restoration, rehabilitation and environmental costs	37	**254,688**	1,113,609
Provision	38	**47,217**	59,738
Amounts due to Parent Company and its subsidiaries	50	**5,399,097**	3,330,508
Borrowings – due within one year	39	**24,108,065**	15,350,317
Financial liabilities at fair value through profit or loss	40	**550,761**	634,537
Lease liabilities	25	**157,340**	170,239
Tax payable		**2,622,773**	10,072,075
Long term payables – due within one year	41	**385**	584
		123,667,875	83,699,400
Non-current liabilities			
Provision for land subsidence, restoration, rehabilitation and environmental costs	37	**13,469,622**	9,189,449
Provision	38	**6,101,574**	776,250
Borrowings – due after one year	39	**76,079,919**	60,813,345
Lease liabilities	25	**325,117**	411,033
Long term payables – due after one year	41	**6,732,703**	5,032,012
Deferred tax liabilities	42	**21,205,656**	10,936,543
		123,914,591	87,158,632
Total liabilities		**247,582,466**	170,858,032
Capital and reserves			
Share capital	43	**7,439,371**	4,948,704
Reserves	43	**79,462,197**	84,903,596
Equity attributable to equity holders of the Company		**86,901,568**	89,852,300
Owners of perpetual capital securities	44	**16,541,777**	13,248,614
Non-controlling interests	49	**63,291,818**	36,116,223
		166,735,163	139,217,137
Total liabilities and equity		**414,317,629**	310,075,169

The consolidated financial statements on pages 201 to 360 were approved and authorised for issue by the Board of Directors on 28 March 2024 and are signed on its behalf by:

Li Wei
Director

Zhao Qingchun
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to equity holders of the Company													
	Share capital RMB'000 (note 43)	Share premium RMB'000	Capital reserve RMB'000 (note 43)	Share-based compensation reserve RMB'000	Future development fund RMB'000 (note 43)	Statutory common reserve fund RMB'000 (note 43)	Translation reserve RMB'000	Investment revaluation reserve RMB'000	Cash flow hedge reserve RMB'000	Retained earnings RMB'000 (note 43)	Subtotal RMB'000	Perpetual Capital Securities issued by the Company RMB'000 (note 44)	Non-controlling interest RMB'000	Total RMB'000
At 1 January 2023 (as original stated)	4,948,704	3,637,010	(854,583)	314,405	969,450	7,769,867	(7,754,347)	34,647	(263,053)	81,050,279	89,852,379	13,248,614	36,116,659	139,217,652
Effects on adoption of Amendments to IAS 12	-	-	-	-	-	-	-	-	-	(79)	(79)	-	(436)	(515)
At 1 January 2023 (as restated)	4,948,704	3,637,010	(854,583)	314,405	969,450	7,769,867	(7,754,347)	34,647	(263,053)	81,050,200	89,852,300	13,248,614	36,116,223	139,217,137
Profit for the year	-	-	-	-	-	-	-	-	-	17,778,972	17,778,972	444,743	4,734,427	22,958,142
Other comprehensive income for the year (after income tax):														
- Fair value change of equity instruments at FVTOCI	-	-	-	-	-	-	-	(189)	-	-	(189)	-	-	(189)
- Cash flow hedge reserve recognised	-	-	-	-	-	-	-	-	(30,590)	-	(30,590)	-	(4,298)	(34,888)
- Share of other comprehensive expense from associates	-	-	-	-	-	-	-	(1,367,876)	-	-	(1,367,876)	-	-	(1,367,876)
- Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	800,293	-	-	-	800,293	-	331,030	1,131,323
Total comprehensive income (expense) for the year	-	-	-	-	-	-	800,293	(1,368,065)	(30,590)	17,778,972	17,180,610	444,743	5,061,159	22,686,512
Transactions with owners														
- Issuance of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	-	4,998,000	-	4,998,000
- Redemption of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	-	(1,696,000)	-	(1,696,000)
- Distribution paid to holders of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	-	(452,980)	-	(452,980)
- Appropriations to reserves	-	-	-	-	-	751,114	-	-	-	(751,114)	-	-	-	-
- Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(4,989,284)	(4,989,284)
- Dividends	-	-	-	-	-	-	-	-	-	(21,950,930)	(21,950,930)	-	-	(21,950,930)
- Issuance of bonus shares	2,480,680	-	-	-	-	-	-	-	-	-	2,480,680	-	-	2,480,680
- Issue of shares upon exercise of share option	12,657	86,664	-	(42,112)	-	-	-	-	-	-	57,209	-	-	57,209
- Forfeiture of restricted Share Incentive Scheme	(2,670)	409	398,613	-	-	-	-	-	-	-	396,352	-	-	396,352
- Recognition of equity-settled share-based payment expenses	-	-	-	281,925	-	-	-	-	-	-	281,925	-	8,150	290,075
- Transactions with non-controlling interests (note i)	-	-	(1,396,578)	-	-	-	-	-	-	-	(1,396,578)	-	27,095,570	25,698,992
Total transactions with owners	2,490,667	87,073	(997,965)	239,813	-	751,114	-	-	-	(22,702,044)	(20,131,342)	2,848,420	22,114,436	4,831,514
At 31 December 2023	7,439,371	3,724,083	(1,852,548)	554,218	969,450	8,520,981	(6,954,054)	(1,333,418)	(293,643)	76,127,128	86,901,568	16,541,777	63,291,818	166,735,163

Note (i) During the year ended 31 December 2023, the Group acquired certain non-controlling interests at an aggregate consideration of approximately RMB 25,699 million and resulted in approximately RMB1.397 million credited to capital reserve.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 31 December 2023

	Attributable to equity holders of the Company													
	Share capital RMB'000 (note 43)	Share premium RMB'000	Capital reserve RMB'000 (note 43)	Share-based compensation reserve RMB'000	Future development fund RMB'000 (note 43)	Statutory common reserve fund RMB'000 (note 43)	Translation reserve RMB'000	Investment revaluation reserve RMB'000	Cash flow hedge reserve RMB'000	Retained earnings RMB'000 (note 43)	Subtotal RMB'000	Perpetual Capital Securities issued by the Company RMB'000 (note 44)	Non-controlling interest RMB'000	Total RMB'000
At 1 January 2022	4,874,184	2,880,988	(169,297)	40,931	969,450	7,769,867	(8,187,691)	209,368	(270,288)	60,540,148	68,657,660	8,118,100	31,180,726	107,956,486
Effects on adoption of Amendments to IAS 12	-	-	-	-	-	-	-	-	-	(10,763)	(10,763)	-	(4,928)	(15,691)
At 1 January 2022 (as restated)	4,874,184	2,880,988	(169,297)	40,931	969,450	7,769,867	(8,187,691)	209,368	(270,288)	60,529,385	68,646,897	8,118,100	31,175,798	107,940,795
Profit for the year	-	-	-	-	-	-	-	-	-	30,418,222	30,418,222	461,944	8,221,221	39,101,387
Other comprehensive income for the year (after income tax):														
– Fair value change of equity instruments at FVTOCI	-	-	-	-	-	-	-	(14)	-	-	(14)	-	-	(14)
– Cash flow hedge reserve recognised	-	-	-	-	-	-	-	-	7,235	-	7,235	-	4,385	11,620
– Share of other comprehensive expense of associates	-	-	-	-	-	-	-	(174,707)	-	-	(174,707)	-	-	(174,707)
– Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	433,344	-	-	-	433,344	-	156,944	590,288
Total comprehensive income (expense) for the year	-	-	-	-	-	-	433,344	(174,721)	7,235	30,418,222	30,684,080	461,944	8,382,550	39,528,574
Transactions with owners														
– Issuance of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	-	4,990,400	-	4,990,400
– Distribution paid to holders of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	-	(321,830)	-	(321,830)
– Issue of shares upon exercise of share option	12,780	94,169	-	(23,626)	-	-	-	-	-	-	83,323	-	-	83,323
– Issue of shares under Restricted Share Incentive Scheme	61,740	661,853	(723,593)	-	-	-	-	-	-	-	-	-	-	-
– Appropriations to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
– Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(3,373,285)	(3,373,285)
– Dividends	-	-	-	-	-	-	-	-	-	(9,897,407)	(9,897,407)	-	-	(9,897,407)
– Recognition of equity-settled share-based payment expenses	-	-	-	297,100	-	-	-	-	-	-	297,100	-	16,985	314,085
– Transactions with non-controlling interests (note ii)	-	-	38,307	-	-	-	-	-	-	-	38,307	-	(85,825)	(47,518)
Total transactions with owners	74,520	756,022	(685,286)	273,474	-	-	-	-	-	(9,897,407)	(9,478,677)	4,668,570	(3,442,125)	(8,252,232)
At 31 December 2022	4,948,704	3,637,010	(854,583)	314,405	969,450	7,769,867	(7,754,347)	34,647	(263,053)	81,050,200	89,852,300	13,248,614	36,116,223	139,217,137

Note (ii) During the year ended 31 December 2022, the Group acquired certain non-controlling interests at an aggregate consideration of approximately RMB47.5 million and resulted in approximately RMB38.3 million credited to capital reserves.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	NOTES	2023 RMB'000	2022 RMB'000
OPERATING ACTIVITIES			
Profit before tax		**30,985,705**	53,688,193
Adjustments for:			
Finance costs	11	**3,563,014**	5,983,260
Interest income	10	**(1,804,740)**	(1,587,364)
Net unrealised foreign exchange loss (gain)		**1,756,187**	(903,589)
Depreciation of property, plant and equipment	13	**11,388,153**	8,193,478
Depreciation of right-of-use assets	13	**648,130**	320,363
Amortisation of intangible assets	13	**3,436,706**	2,879,549
Loss (gain) on disposal of property, plant and equipment, net	10	**21,659**	(22,832)
Loss on disposal on intangible assets		**1,972**	–
Reversal of impairment loss on bills and accounts receivables, net	10	**(38,872)**	(147,565)
Impairment loss on other receivables, net	9	**194,786**	134,121
Reversal of impairment loss on other receivables	9	**(158,716)**	(66,660)
(Reversal of) impairment loss on long-term receivables	9	**(17,338)**	22,730
(Reversal of) impairment loss on inventories, net	10/9	**(7,463)**	246,631
Impairment loss on goodwill	9	**228**	–
Impairment loss on property, plant and equipment	9	**44,138**	743,418
Impairment loss on intangible assets, net	9	**–**	815,965
Impairment of right-of-use assets	9	**–**	125,996
Written-off of construction in progress	9	**550,699**	442,888
Fair value change in investment properties	10	**(18,454)**	(46,980)
Share of results of joint ventures		**(63,364)**	(613,508)
Share of results of associates		**(2,197,657)**	(1,495,300)
Share-based payment expenses	13	**290,075**	314,085
Gain on change in fair value of investment securities	10	**(85,883)**	(72,403)
(Gain) loss on change in fair value of financial assets and liabilities at FVTPL, net	10/9	**(93,757)**	294,101
Loss (gain) on change in fair value of royalty receivable	10/9	**71,619**	(57,589)
Operating cash flows before movements in working capital		**48,466,827**	69,190,988
Decrease in bills and accounts receivables		**2,317,927**	2,940,509
Decrease (increase) in inventories		**1,033,282**	(633,553)
Movement in provision for land subsidence, restoration, rehabilitation and environmental cost		**(629,988)**	1,661,867
Decrease (increase) in provisions		**7,125,095**	(121,484)
Increase in prepayments and other receivables		**(6,339,014)**	(1,217,076)
Decrease (increase) in bills and accounts payables		**(12,897,006)**	3,307,946
Increase in other payables and accrued expenses		**(2,771,875)**	(1,738,362)
Decrease (increase) in contract liabilities		**5,436**	(148,959)
Decrease in amount due to Parent Company and its subsidiaries		**2,068,589**	636,549
Decrease (increase) in long-term payables		**1,451,278**	(9,298)
Cash generated from operations		**39,830,551**	73,869,127
Income taxes paid		**(16,119,887)**	(6,976,746)
Interest paid		**(2,899,894)**	(6,613,258)
Interest received		**1,804,740**	1,594,566
NET CASH FROM OPERATING ACTIVITIES		**22,615,510**	61,873,689

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 31 December 2023

	NOTES	2023 RMB'000	2022 RMB'000
INVESTING ACTIVITIES			
Reduction (placement) of pledged term deposits		**415,534**	(312,134)
Withdrawal of restricted cash		**407,749**	403,204
Placement of restricted cash		**(1,598,685)**	(1,116,932)
Purchase of property, plant and equipment		**(6,232,085)**	(3,263,345)
Payments for construction in progress		**(13,597,036)**	(10,079,977)
Purchase of intangible assets		**(714,066)**	(110,973)
Purchase of investment properties		**(4,280)**	(10,624)
Purchase of right-of-use assets		**(1,316,829)**	(69,073)
Increase in deposit paid for property, plant and equipment and intangible assets		**(5,057,821)**	(3,649,793)
Proceeds from disposal of property, plant and equipment		**5,563,056**	480,140
Proceeds from disposal of intangible assets		**–**	37,290
Proceeds from disposal of investment securities		**76,759**	31,870
Proceeds from disposal of an joint venture		**15,259**	–
Investments in joint venture		**(100,000)**	–
Investments in securities		**–**	(26,787)
Investments in associates		**(290,884)**	(47,577)
Payments for acquisition of subsidiaries		**(15,298,252)**	(64,652)
Receipts for financial assets and liabilities at FVTPL		**11,193**	112,015
Loan receivables advanced		**(1,140,285)**	(634,681)
Repayment of loan receivables		**8,676,164**	3,138,049
Increase in deposits in investment		**(145,925)**	(135,460)
Dividend received from associates and joint ventures		**1,015,246**	148,523
NET CASH USED IN INVESTING ACTIVITIES		**(29,315,188)**	(15,170,917)
FINANCING ACTIVITIES			
Proceeds from borrowings		**76,608,517**	22,685,446
Proceeds from other loans		**249,214**	1,500,000
Repayment of borrowings		**(66,904,389)**	(50,824,535)
Customers' deposits for financing business received		**5,127,805**	(13,645,182)
Proceeds from issuance of perpetual capital security		**4,998,000**	4,990,400
Proceeds from issuance of corporate bond		**1,799,925**	–
Redemption of perpetual capital securities		**(1,696,600)**	–
Repayment of guaranteed notes		**(2,425,290)**	–
Dividends paid		**(21,950,930)**	(9,907,803)
Repayment of lease liabilities		**(260,172)**	(961,711)
Distribution paid to holders of perpetual capital securities		**(452,980)**	(321,830)
Dividend paid to non-controlling shareholders		**(2,061,357)**	(3,373,285)
Issuance of shares		**453,561**	806,916
Contribution from (payment to acquire) non-controlling interests		**4,645,642**	(47,518)
NET CASH (USED IN) FINANCING ACTIVITIES		**(1,869,054)**	(49,099,102)
DECREASE IN CASH AND CASH EQUIVALENTS		**(8,568,732)**	(2,396,330)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**38,624,290**	40,044,795
Effect of foreign exchange rate		**212,642**	975,825
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, REPRESENTED BY BANK BALANCES AND CASH		**30,268,200**	38,624,290

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. GENERAL

Yankuang Energy Group Company Limited (the "Company") is established as a joint stock company with limited liability in the People's Republic of China (the "PRC"). In April 2001, the status of the Company was changed to a Sino-foreign joint stock limited company. The Company's A shares are listed on the Shanghai Stock Exchange ("SSE") while its H shares are listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). The Company's parent and ultimate holding company is Shandong Energy Group Company Limited (the "Parent Company"), a state-owned enterprise in the PRC. The addresses of the registered office and principal place of business of the Company are disclosed in the Group Profile section of the annual report.

The principal activities of the Company are investment holdings, coal mining and coal railway transportation. The activities of its principal subsidiaries, associates, joint ventures and joint operations (together with the Company referred to as the "Group") are set out in notes 58, 29, 30 and 31 respectively.

The consolidated financial statements as presented in Renminbi ("RMB"), which is also the functional currency of the Company.

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the directors of the Company for the translation of the Chinese names of these companies to English names as they do not have official English names.

2. BASIS OF PREPARATION AND PRESENTATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company also prepares a set of consolidated financial statements in accordance with the China Accounting Standards for Business Enterprises ("PRC GAAP").

These consolidated financial statements include applicable disclosures required by the Hong Kong Companies Ordinance and by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. BASIS OF PREPARATION AND PRESENTATION (Continued)

Going concern assessment

The consolidated financial statements have been prepared on a going concern basis notwithstanding the Group had net current liabilities of approximately RMB23,984,477,000 as at 31 December 2023.

In the opinion of the directors of the Company, the Group should be able to maintain itself as a going concern in the next twelve months from 31 December 2023 by taking into consideration the followings:

– The directors of the Company anticipate that the Group will generate positive cash flows from its operations; and

– The undrawn borrowings facilities available for immediate use.

Based on the above, the directors of the Company consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 December 2023. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS(s)")

New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied, the following new and amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 January 2023 for the presentation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material effect on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS(s)") (Continued)

New and amendments to IFRSs that are mandatorily effective for the current year (Continued)

Impacts on application of IFRS 17 (including the June 2020 and December 2021 Amendments) Insurance Contracts

In June 2020, the International Accounting Standards Board ("IASB") issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Amendments to IFRS 4 Extension of the Temporary Exemption from Applying IFRS 9 that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

In December 2021, the IASB issued Amendment to IFRS 17 Initial Application of IFRS 17 and IFRS 9— Comparative Information to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

Certain contracts entered into by the Group e.g. financial guarantee contracts issued by the Group and contingent consideration receivables in a business combination, meet the definition of insurance contracts under IFRS 17. However, these contracts are specifically scoped out from IFRS 17 and the Group continues to account for these contracts under relevant accounting standards. Therefore, the application of IFRS 17 in the current year had no material impact on the consolidated financial statements.

Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. IAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 Making Materiality Judgements (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in Note 4 to the consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS(s)") (Continued)

New and amendments to IFRSs that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to IAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained earnings or other component of equity as appropriate at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS(s)") (Continued)

New and amendments to IFRSs that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Continued)

The effects of change in accounting policies as a result of application of amendments to IAS 12 on the consolidated statements of financial position at the end of the immediately preceding financial year, 31 December 2022, and the beginning of the comparative period, 1 January 2022 are as follows:

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Impact on profit and total comprehensive income for the year		
(Decrease) increase in income tax expense	**(282)**	15,176
Increase (decrease) in profit and total comprehensive income for the period attributable to:		
- Equity holders of the Company	**199**	(10,684)
- Non-controlling interests	**83**	(4,492)
	282	(15,176)
Impact on basic earnings per share (RMB)		
Basic earnings per share before adjustments	**2.39**	6.15
Net adjustments arising from change in accounting policy	**–**	(2.05)
	2.39	4.10
Impact on diluted earnings per share (RMB)		
Diluted earnings per share before adjustments	**2.38**	6.13
Net adjustments arising from change in accounting policy	**–**	(2.05)
Reported diluted earnings per share as restated	**2.38**	4.08

3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS(s)") (Continued)

New and amendments to IFRSs that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Continued)

The effects of change in accounting policies as a result of application of amendments to IAS 12 on the consolidated statements of financial position at the end of the immediately preceding financial year, 31 December 2022, and the beginning of the comparative period, 1 January 2022 are as follows:

The impacts as a result of application of the amendments to IAS 12 on each financial line item and loss per share are as follow:

	At 31 December 2022 RMB'000 (as originally stated)	Adjustments RMB'000	At 31 December 2022 RMB'000 (Restated)
Deferred tax assets	2,035,947	1,471,666	3,507,613
Deferred tax liabilities	(9,464,362)	(1,472,181)	(10,936,543)
Total effect on net assets	(7,428,415)	(515)	(7,428,930)
Reserves	89,852,379	(79)	89,852,300
Perpetual Capital Securities issued by the Company	13,248,614	–	13,248,614
Non-controlling interests	36,116,659	(436)	36,116,223
Total effect on equity	139,217,652	(515)	139,217,137

	At 1 January 2022 RMB'000 (as originally stated)	Adjustments RMB'000	At 1 January 2022 RMB'000 (Restated)
Deferred tax assets	2,779,837	555,381	3,335,218
Deferred tax liabilities	(10,178,780)	(571,072)	(10,749,852)
Total effect on net assets	(7,398,943)	(15,691)	(7,414,634)
Reserves	68,657,660	(10,763)	68,646,897
Perpetual Capital Securities issued by the Company	8,118,100	–	8,118,100
Non-controlling interests	31,180,726	(4,928)	31,175,798
Total effect on equity	107,956,486	(15,691)	107,940,795

3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS(s)") (Continued)

Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 16	Lease Liability in a Sales and Leaseback[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to IAS 1	Non-current Liabilities Covenants[2]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[2]
Amendments to IFRS 21	Lack of Exchangeability[3]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after 1 January 2024.

[3] Effective for annual periods beginning on or after 1 January 2025.

Except for the amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 Consolidated Finance Statements and IAS 28 Investments in Associates and Joint Ventures deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The application of amendments is not expected to have significant impact on the financial position and performance of the Group.

3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS(S)") (Continued)

Amendments to IFRSs in issue but not yet effective (Continued)

Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

The amendments add subsequent measurement requirements for a sale and leaseback transaction, that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale.

The amendments require a seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease.

As part of the amendments, Illustrative Example 25 accompanying IFRS 16 Leases is added to illustrate the application of the requirements in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current and Amendments to IAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 Financial Instruments: Presentation.

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS(S)") (Continued)

Amendments to IFRSs in issue but not yet effective (Continued)

Amendments to IAS 1 Classification of Liabilities as Current or Non-current and Amendments to IAS 1 Non-current Liabilities with Covenants (the "2022 Amendments") (Continued)

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group's outstanding liabilities as at 31 December 2023, the application of the amendments will not result in change in the classification of the Group's liabilities.

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 Cash flow statements stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 Financial Instruments: Disclosures was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements;
- The carrying amount and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements, and the non-cash changes in the carrying amounts of these financial liabilities;
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers;
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement; and liquidity risk information

3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS(S)") (Continued)

Amendments to IFRSs in issue but not yet effective (Continued)

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements (Continued)

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The application of the amendments is not expected to have impact on the financial position or performance of the Group but may affect the disclosures of liabilities, cash flows and the Group's exposure to liquidity risk related to the supplier finance arrangements entered into by the Group. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to IAS 21 Lack of Exchangeability

The amendments specify when a currency is exchangeable into another currency and when it is not and how an entity estimates the spot exchange rate when a currency is not exchangeable. In addition, the amendments require disclosure of information that enables users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with IFRSs issued by IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved where the Company has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) has the ability to use its power over the investee to affect its returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of consolidation (Continued)

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group’s ownership interests in existing subsidiaries

Changes in the Group’s interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries including re-attribution of relevant reserves between the Group and non-controlling interests according to the Group’s and non-controlling interests’ proportionate interests. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations or asset acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC-Int 21 Levies, in which the Group applies IAS 37 or IFRIC-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

Goodwill arising on acquisitions prior to 1 January 2005

Goodwill arising on an acquisition of net assets and operations of another entity for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant acquiree at the date of acquisition.

The Group has discontinued amortisation from 1 January 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash-generating unit to which the goodwill relates may be impaired (see the accounting policy below).

Goodwill arising on acquisitions on or after 1 January 2005

Goodwill arising on an acquisition of a business for which the agreement date is on or after 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Goodwill is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of the reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is or the portion so classified is accounted for in accordance with IFRS 5. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, substance (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates and joint ventures (Continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The group applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

When the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Gains and losses resulting from transactions between the Group and its associate or joint venture are recognised in consolidated financial statements only to the extent of interests in the associate or joint venture that are unrelated to the Group. The Group's share in the associate's or joint venture's gains or losses resulting from these transactions is eliminated.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates and joint ventures (Continued)

Changes in the Group's interests in associates and joint ventures

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Acquisition of additional interests in associates or joint ventures

When the Group increases its ownership interest in an associate or a joint venture but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Interests in joint operations (Continued)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity enters into a transaction with a joint operation in which the group entity is a joint operator, such as a sale or contribution of assets, the Group is considered to be conducting the transaction with the other parties to the joint operation and the Group recognises gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such classification requires the asset or the disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets (other than impairment of goodwill set out in accounting policy of goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful life to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Contract liabilities

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

The Group recognised revenue from the following major sources:

- Sales of goods (including coal, equipment manufacturing and chemical products)
- Provision of coal railway transportation services, electricity and heat supply

Sales of goods

Revenue from sale of coal, equipment manufacturing and chemical products is recognised at the point when the control of the goods is transferred to the customers (generally on delivery of the goods to the location specified by the customers and accepted by the customers). It is a point of time where the customer has the ability to direct the use of the products and obtain substantially all of the remaining benefits of the products.

Provision of services

Revenue from coal railway transportation services is recognised when the services are rendered.

Revenue from supply of electricity and heat is recognised at the time when the electricity or heat is transmitted.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Intangible assets (Continued)

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognsed as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are carried at costs less any accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Intangible assets (Continued)

Intangible assets acquired in a business combination (Continued)

(i) Mining reserves

Mining reserves represent the portion of total proven and probable reserves in the mine. Mining reserves are amortised over the life of the mine on a unit of production basis of the estimated total proven and probable reserves. Changes in the annual amortisation rate resulting from changes in the remaining reserves are applied on a prospective basis from the commencement of the next financial year.

(ii) Mining resources

Mining resources represent the fair value of economically recoverable reserves (excluding the portion of total proven and probable reserves of a mining right i.e. does not include the above mining reserves) of a mining right (Details are set out in the accounting policy of exploration and evaluation expenditure). When production commences, the mining resources for the relevant areas of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each separately identifiable area of interest which is at individual mine level.

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatments methods; and/or
- Compiling pre-feasibility and feasibility studies.

These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Exploration and evaluation expenditure (Continued)

Exploration expenditure relates to the initial search for deposits with economic potential. Expenditure on exploration activity is not capitalised.

Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. Capitalisation of evaluation expenditure commences when there is a high degree of confidence that the Group will determine that a project is commercially viable, i.e. the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Group.

Exploration and evaluation expenditure incurred is accumulated in respect of each separately identifiable area of interest which is at individual mine level. These costs are only carried forward where the right of tenure for the area of interest is current and to the extent that they are expected to be recouped through successful development and commercial exploitation, or alternatively, sale of the area, or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

The carrying amount of exploration and evaluation assets is assessed for impairment when facts or circumstances suggest the carrying amount of the assets may exceed their recoverable amount.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated costs in relation to an abandoned area are written-off in full in the period in which the decision to abandon the area is made.

Capitalised exploration and evaluation expenditure considered to be tangible is recorded as a component of property, plant and equipment. Otherwise, it is recorded as an intangible asset. Exploration and evaluation expenditure acquired in a business combination are recognised at their fair value at the acquisition date (the fair value of potential economically recoverable reserves at the acquisition date which is shown as "Mining resources").

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable (i.e. when proved reserves of coal are determined and development is approved by management), the exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining reserves or property, plant and equipment. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

On reclassification, the carrying amounts of exploration and evaluation assets are also reviewed and, where appropriate, written down to their recoverable amount.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and construction in progress as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost or fair value less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment leases.

Buildings in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss. The cost of those items are measured in accordance with the measurement requirements of IAS 2. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets, other than construction in progress and freehold land, over their estimated useful lives and after taking into account their estimated residual values, using the straight line method or unit of production method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised immediately in the consolidated statement of profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purposes.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

If a property becomes an owner-occupied property because its use has been changed as evidenced by commencement of owners-occupation, the fair value of the property at the date of change in use is considered as the deemed cost for subsequent accounting.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Inventories

Inventories of coal, iron ore, equipment and chemical products are stated at the lower of cost and net realisable value. Cost, which comprises direct materials and, where applicable, direct labour and overheads that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventory less all estimated costs of completion and costs necessary to make the sale. Cost necessary to make the sale include incremental cost directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Inventories of auxiliary materials, spare parts and small tools expected to be used in production are stated at weighted average cost less allowance, if necessary, for obsolescence.

Overburden in advance

Overburden in advance comprises mining stripping (waste removal) costs both during the development and production phase of the Group's operations.

When stripping costs are included in the development phase of a mine before the production phase commences (development stripping), such expenditure is capitalised as part of the cost of constructing the mine if it can be demonstrated that it is probable that future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved. The stripping assets are subsequently amortised over its useful life using a units of production method, in accordance with the policy applicable to mine properties. The capitalisation of development stripping costs ceases when the mine / component is commissioned and ready for use as intended by management.

Waste removal costs incurred in the production phase creates two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where production stripping costs are incurred and the benefit is improved access to ore to be mined in the future, the costs are recognised as a stripping activity asset in mine properties.

If the costs of the inventory produced and the stripping asset are not separately identifiable, the allocation is undertaken based on waste-to-ore stripping ratio for the particular ore component concerned. If mining of waste in a period occurs in excess of the expected life-of-component average waste-to-ore strip ratio, the excess is recognised as part of the stripping asset. Where mining occurs at or below the expected life-of-component stripping ratio in a period, the entire production stripping cost is allocated to the cost of the ore inventory produced.

Amortisation is provided using the units-of-production method over the life of the identified component of ore body. The units-of-production method results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable reserves).

Stripping costs that do not satisfy the asset recognition criteria are expensed.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary difference. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, interest in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

For the purpose of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Certain of the Company's Australian subsidiaries have formed an income tax consolidated group under the Australian tax consolidation regime. The head entity, Yancoal Australia Limited ("Yancoal Australia"), and the members of the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own rights. In addition to its own current and deferred tax amounts, Yancoal Australia Limited also recognises the current tax liabilities (or assets) and the deferred tax assests arising from unused tax losses and unused tax credits assumed from the members of the tax consolidated group. The Australian subsidiaries have entered into a tax sharing agreement whereby each entity of Australian subsidiaries contributes to the income tax payable in proportion to their contribution to the profit before tax of the tax consolidated group. The tax consolidated group has also entered into a tax funding agreement whereby each entity in the Australian subsidiaries group can recognise their balance of the current tax assets and liabilities through inter-entity accounts.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Land subsidence, restoration, rehabilitation and environmental costs

One consequence of coal mining is land subsidence caused by the resettlement of the land above the underground mining sites. Depending on the circumstances, the Group may relocate inhabitants from the land above the underground mining sites prior to mining those sites or the Group may compensate the inhabitants for losses or damages from land subsidence after the underground sites have been mined. The Group may also be required to make payments for restoration, rehabilitation or environmental protection of the land after the underground sites have been mined.

An estimate of such costs is recognised in the period in which the obligation is identified and is charged as an expense in proportion to the coal extracted. At the end of each reporting period, the Group adjusts the estimated costs in accordance with the actual land subsidence status. The provision is also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the undepreciated capitalised cost of any related assets, in which case the capitalised cost is reduced to nil and remaining adjustment is recognised in the consolidated statement of profit or loss. Changes to the capitalised cost result in an adjustment to future depreciation and finance charges.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of IFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as lessee

Lease liabilities

At the commencement date of a lease, the Group recognises and measures lease liability at the present value of the lease payments that unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as lessee (Continued)

Lease liabilities (Continued)

The lease payments include:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exerise price of purchase options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate at the date of reassessment.
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as lessee (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows (where the effect of the time value of money is material.)

Restoration provisions

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the net cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

When assessing whether a contract is onerous or loss-making, the Group includes costs that relate directly to the contract, consisting of both the incremental costs (to specify, e.g. direct labour and materials) and an allocation of other costs (to specify, e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract) that relate directly to fulfilling contracts.

Contingent assets

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group and they are not recognised in the consolidated financial statements. The Group assesses continually the development of contingent assets. If it has become virtually certain that an inflow of economic benefits will arise, the Group recognises the asset and the related income in the consolidated financial statements in the reporting period in which the change occurs.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowings costs are recognised as expenses in the period in which they are incurred.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e., the currency of the primary environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Foreign currencies (Continued)

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Renminbi) at the rate of exchange prevailing at the reporting date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss or control over a subsidiary that includes a foreign operation, a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumluated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumluated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Retirement benefits costs

Payments to defined contribution plans including included state-managed retirement benefit schemes and superannuation funds are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another IFRS requires or permits their inclusion in the cost of an asset.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised in profit or loss is included in the “Other income and gains” line item.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments and will transferred to investment revaluation reserve.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Other income and gains" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other income and gains" line item. Fair value is determined in the manner described in note 46c.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including bills and accounts receivables, other receivables and long-term receivables) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for bills and accounts receivables.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' as per the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Significant increase in credit risk (Continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial assets is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 4 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

The Group always recognises lifetime ECL for bills and accounts receivables, other receivables and long-term receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other income and gains' line item (note 10) as part of the net foreign exchange gains;

- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'Other income and gains' line item (note 10) as part of the net foreign exchange gains. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of carrying amount (at fair value) is recognised in other comprehensive income in the investment revaluation reserve;

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other income and gains' line item as part of the gain from changes in fair value of financial assets (note10);

- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the fair value through other comprehensive income.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to investment revaluation reserve.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classifies as at FVTPL when the financial liability is designated as at FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including bills and accounts payable, other payables, amounts due to parent company and its subsidiary companies, guaranteed notes, bank borrowings, other borrowings, corporate bond and long term payables borrowings are subsequently measured at amortised cost, using the effective interest method.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other income and gains' line item in profit or loss (note 10) as part of net foreign exchange gains for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk:

For the purpose of determining whether a forecast transaction (or a component thereof) is highly probable, the Group assumes that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

For changes made to the hedged risk, hedged item or hedging instrument required by interest rate benchmark reform, the Group amends the formal designation of a hedging relationship to reflect the changes by the end of the reporting period during which the relevant changes were made. Such an amendment to the formal designation of the hedging relationship constitutes neither the discontinuation of the hedging relationship nor the designation of a new hedging relationship.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "Other income and gains" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, there is a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Share-based payment

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based compensation reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based compensation reserve.

When share options are exercised, the amount previously recognised in share-based compensation reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based compensation reserve will be transferred to retained earnings.

When shares granted are vested, the amount previously recognised in share-based compensation reserve will be transferred to share premium.

Cash-settled share-based payment transactions

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. The fair value of the cash-settled share-based payments is determined without taking into consideration all non-market vesting conditions.

At the end of each reporting period until the liability is settled, and at the date of settlement, the liability is remeasured to fair value. For cash-settled share-based payments that are already vested, any changes in fair value are recognised in profit or loss for the year. For cash-settled share-based payments which are still subject to non-market vesting conditions, the effects of vesting and non-vesting conditions are accounted on the same basis as equity-settled share-based payments.

In case of share options granted by a subsidiary, the share options reserve of the subsidiary is classified as and grouped under non-controlling interests by the Group on consolidation. At the time when the share options are exercised, the amount previously recognised in share-based compensation reserve will be transferred to share premium of that subsidiary. The Group will account for the dilution as an equity transaction if the exercise of share options does not constitute a loss of the Group's control over that subsidiary.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Share-based payment (Continued)

Recognition and measurement of restricted stock repurchase obligations

Under the Group's stock incentive plan of restricted stock, the Group grants non-publicly issued shares of the Company for a restricted sale period (the "Restricted Shares") to the incentive targets. During the restricted sale period, restricted shares shall be restricted for sale and shall not be transferred, pledged for any guarantee or used for repayment of debts. When the agreed unlocking conditions are met, the restricted stock will be unlocked. If all or part of the shares expire or be canceled due to unlocking, the Group will repurchase the shares at the agreed price.

On the grant date, the Group recognises the share capital and capital reserve according to the subscription payment received from the incentive targets. Meanwhile, for the Group obligation of restricted stock repurchase, recognised liabilities calculated by the number of restricted stock and the repurchase price, treat as the acquisition of treasury stock.

Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, net realisable value of inventories and value in use of intangible assets, right-of-use assets, property, plant and equipment and construction in progress for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosure made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

Significant influence over associates

As stated in note 29, the directors of the Company considered that China Zheshang Bank Co., Ltd. ("Zheshang Bank"), 臨商銀行股份有限公司 ("Linshang Bank"), Qilu Bank Co. Ltd. ("Qilu Bank") and內蒙古伊泰呼准铁路有限公司 ("伊泰"), in which the Group has 3.40%, 17%, 7.69% and 18.94% equity interest respectively, are associates of the Group.

The Group considered that it has the practical power to participates in significant financial and operating decisions and are able to exercise significant influence over the associates even though it owns less than 20% of the ownership interest and voting control taking into account 1) the Group's ownership interest is significant relative to other shareholders due to the wide dispersion of shareholding interests; 2) the representation or right to appoint/nominate directors on the board of directors of these associates; and 3) the rights to participate in the policy-making process, including dividends and other distribution of the associates.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Depreciation of mining structures

The cost of mining structures (note 24) is depreciated using the unit of production method based on the estimated total production volume for which the structure was designed that are based on the total estimated proven and probable reserves of each of the mine and the unit of production for the year. The management exercises their judgement in estimating the unit of production rates of the mining structures and the remaining estimated total production volume of the mine. The estimated total coal production volumes are updated at regular intervals and have taken into account recent production and technical information as well as the proven and probable estimated reserves about each mine. These changes are considered a change in estimate for accounting purposes and are reflected on a prospective basis in related depreciation rates. Estimates of the remaining estimated total production volume are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information.

Amortisation of assets

Mining reserve (note 23) is amortised based on unit of production basis. The expensing of overburden costs is based on saleable coal production over its estimated economically recoverable reserves. The units of production for each mine are estimated on the basis of the total estimated proven and probable reserves of the mine. Proven and probable mining reserve estimates are updated at regular intervals and have taken into account recent production and technical information about each mine.

Provision for land subsidence, restoration, rehabilitation and environmental costs

The provision (note 37) is reviewed regularly to verify that it properly reflects the remaining obligation arising from the current and past mining activities. Provision for land subsidence, restoration, rehabilitation and environmental costs are determined by the management based on their best estimates of the current and future costs, latest government policies and past experience.

As at 31 December 2023, the carrying amount of provision for land subsidence, restoration, rehabilitation and environmental costs is RMB13,724,310,000 (2022: RMB10,303,058,000).

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated to. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a discount rate in order to calculate the present value. The future cash flow is estimated based on past performance and expectation for market development. As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Cash flow projections during the budget period for each of the cash generating units are based on the budgeted revenue and expected gross margins during the budget period and the raw materials price inflation during the budget period. Expected cash inflows/outflows have been determined based on past performance and management's expectations for the market development.

As at 31 December 2023, the carrying amount of goodwill is RMB4,061,175,000 (2022: RMB1,726,346,000). During the year ended 31 December 2023, impairment loss on goodwill amounted to RMB228,000 was recognised by the Group (2022: nil). Details of the Group's impairment assessment on goodwill are set out in note 28.

Estimated impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible asset are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs.

The future cash flow is estimated based on past performance and expectation for market development. As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2023, the carrying amounts of property, plant and equipment and intangible assets were RMB115,160,290,000 and RMB116,076,132,000 (2022: RMB82,430,170,000 and RMB72,604,936,000) respectively. Details of the impairment of property, plant and equipment and intangible assets are disclosed in notes 24 and 23, respectively.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Exploration and evaluation expenditure

Under the Group's accounting policy, exploration expenditure is not capitalised. Evaluation expenditure is capitalised when there is a high degree of confidence that the Group will determine that a project is commercially viable and therefore it is considered probable that future economic benefits will flow to the Group.

There are occasions when the Group concludes that the asset recognition criteria are met at an earlier stage than approval to proceed. In these cases, evaluation expenditure is capitalised if there is a high degree of confidence that the Group will determine the project is commercially viable. The Group's view is that a high degree of confidence is greater than "more likely than not" (that is greater than 50 per cent certainty) and less than "virtually certain" (that is less than 90 per cent certainty). Determining whether there is a high degree of confidence that the Group will determine that an evaluation project is commercially viable requires a significant degree of judgement and assessment of all relevant factors such as the nature and objective of the project; the project's current stage and project timeline; current estimates of the project's net present value including sensitivity analyses for the key assumptions; and the main risks of the project. Development expenditure incurred prior to the decision to proceed is subject to the same criteria for capitalisation, being a high degree of confidence that the Group will determine that a project is commercially viable.

In accordance with IFRS 6 "Exploration for and Evaluation of Mineral Resources", the criteria for the capitalisation of evaluation costs are applied consistently from period to period.

Subsequent recovery of the carrying value for evaluation costs depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any related impairment provisions are charged to the consolidated statement of profit or loss.

Impairment of bills and accounts receivables, other receivables and long-term receivables

The impairment provisions for bills and accounts receivables, other receivables and long-term receivables are based on assumptions about expected credit loss. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss.

At 31 December 2023, the carrying amount of bills and accounts receivables is approximately RMB12,486,003,000 (2022: RMB11,059,940,000), net of accumulated impairment losses of approximately RMB281,880,000 (2022: RMB340,531,000).

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of bills and accounts receivables, other receivables and long-term receivables (Continued)

At 31 December 2023, the carrying amount of other receivables is approximately RMB18,106,687,000 (2022: RMB8,941,854,000), net of accumulated impairment losses of approximately RMB2,531,852,000 (2022: RMB2,830,693,000).

At 31 December 2023, the carrying amount of long-term receivables is approximately RMB7,845,460,000 (2022: RMB7,679,912,000), net of accumulated impairment losses of approximately RMB351,983,000 (2022: RMB366,993,000).

6. SEGMENT INFORMATION

The Group is engaged primarily in the mining business. The Group is also engaged in the smart logistics business. The Company does not currently have direct export rights in the PRC and all of its export sales is made through China National Coal Industry Import and Export Corporation ("National Coal Corporation"), Minmetals Trading Co., Ltd. ("Minmetals Trading") and/or Shanxi Coal Imp. & Exp. Group Corp. ("Shanxi Coal Corporation"). The final customer destination of the Company's export sales is determined by the Company, National Coal Corporation, Minmetals Trading and/or Shanxi Coal Corporation. The exploitation right of the Group's foreign subsidiaries is not restricted. Certain of the Company's subsidiaries and associates are engaged in manufacturing and trading of mining machinery and the transportation business via rivers and lakes and provision of financial services in the PRC. No separate segment information about these businesses is presented in these consolidated financial statements as the underlying gross sales, results and assets of these businesses, which are currently included in the mining business segment, are insignificant to the Group. Upon the acquisition of Yankuang Donghua Heavy Industry Limited ("Donghua") in 2016, the Group is also engaged in the manufacturing of comprehensive coal mining and excavating equipment. In addition, certain of the Company's subsidiaries are engaged in production of methanol and other chemical products, and provision of heat and electricity which was classified as "Electricity and heat supply" business. Since late 2020, the Group expanded into the manufacturing and sale of different types of chemical products and was classified as "Chemcial products".

Gross revenue disclosed below is same as the turnover (total revenue).

For management purposes, the Group is currently organised into five operating divisions-coal mining, smart logistics, electricity and heat supply, equipment manufacturing and chemical products. These divisions are the basis on which the Group reports its segment information.

6. SEGMENT INFORMATION (Continued)

Principal activities are as follows:

Coal mining	Underground and open-cutmining, preparation and sales of coal and potash mineral exploration
Smart logistics	Provision of transportation services
Electricity and heat supply	Provision of electricity and related heat supply services
Equipment manufacturing	Manufacturing of comprehensive coal mining and excavating equipment
Chemical products	Production and sales of chemical products

The accounting policies of the operating segments are same as the Group's accounting policies described in note 4. Segment results represents the results of each segment without allocation of corporate expenses, directors' emoluments, share of results of associates and joint ventures, interest income, finance cost and income tax expenses. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Inter-segment revenue is charged at prices pre-determined by the relevant governmental authority.

Unallocated corporate income for the years ended 31 December 2023 and 2022 mainly included gain on sales of auxiliary materials and sundry items and other corporate income.

Unallocated corporate expenses for the years ended 31 December 2023 and 2022 mainly included bank charges, salaries and other employee benefits, miscellaneous taxes and sundry itemsand other corporate expenses.

Unallocated corporate assets at 31 December 2023 and 2022 mainly included certain bank balances and cash, investments in securities, deferred tax assets and sundry items and other corporate assets.

Unallocated corporate liabilities at 31 December 2023 and 2022 mainly included borrowings, dividend payables, deferred tax liabilities and sundry items and other corporate liabilities.

6. SEGMENT INFORMATION (Continued)

(a) Segment revenues and results

Segment information about these businesses is presented below:

	For the year ended 31 December 2023							
	Coal mining RMB'000	Smart logistics RMB'000	Electricity and heat supply RMB'000	Equipment manufacturing RMB'000	Chemical products RMB'000	Unallocated RMB'000	Eliminations RMB'000	Consolidated RMB'000
SEGMENT REVENUE								
External	89,143,937	478,114	3,411,296	435,847	24,965,076	–	–	118,434,270
Inter-segment	12,376,154	–	–	1,643,609	10,411,890	–	(24,431,653)	–
Total	101,520,091	478,114	3,411,296	2,079,456	35,376,966	–	(24,431,653)	118,434,270
RESULTS								
Segment results	32,407,869	222,942	(164,211)	61,424	2,496,124	–	–	35,024,148
Unallocated corporate expenses	–	–	–	–	–	–	–	(5,900,430)
Unallocated corporate income	–	–	–	–	–	–	–	1,359,242
Unallocated interest income	–	–	–	–	–	–	–	1,804,739
Share of results of associates	520,127	72,497	108,955	–	–	1,496,078	–	2,197,657
Share of results of joint ventures	63,364	–	–	–	–	–	–	63.364
Unallocated finance costs	–	–	–	–	–	–	–	(3,563,015)
Profit before tax								30,985,705
Income tax expenses								(8,027,563)
Profit for the year								22,958,142

6. SEGMENT INFORMATION (Continued)

(a) Segment revenues and results (Continued)

	For the year ended 31 December 2022							
	Coal mining RMB'000	Smart logistics RMB'000	Electricity and heat supply RMB'000	Equipment manufacturing RMB'000	Chemical products RMB'000	Unallocated RMB'000	Eliminations RMB'000	Consolidated RMB'000 (Restated)
SEGMENT REVENUE								
External	125,843,528	393,440	3,479,977	611,824	24,272,736	–	–	154,601,505
Inter-segment	14,749,987	–	–	1,682,938	5,744,420	–	(22,177,345)	–
Total	140,593,515	393,440	3,479,977	2,294,762	30,017,156	–	(22,177,345)	154,601,505
RESULTS								
Segment results	58,461,164	224,712	126,301	71,662	1,954,879	–	–	60,838,718
Unallocated corporate expenses	–	–	–	–	–	–	–	(6,507,004)
Unallocated corporate income	–	–	–	--	–	–	–	1,643,567
Unallocated interest income	–	–	–	–	–	–	–	1,587,364
Share of results of associates	71,097	27,482	57,814	–	–	1,338,907	–	1,495,300
Share of results of joint ventures	613,058	–	–	–	–	–	–	613,508
Unallocated finance cost	–	–	–	–	–	–	–	(5,983,260)
Profit before tax								53,688,193
Income tax expenses								(14,586,806)
Profit for the year								39,101,387

The revenue for the years ended 31 December 2023 and 2022 represented revenue from contracts with customers within the scope of IFRS 15.

Disaggregation of revenue from contracts with customers by timing of recognition

	Year ended 31 December	
	2023 RMB'000	2022 RMB'000
Timing of revenue recognition		
At a point in time	**118,434,270**	154,601,505

6. SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities

	As at 31 December 2023						
	Coal mining RMB'000	Smart logistics RMB'000	Electricity and heat supply RMB'000	Equipment manufacturing RMB'000	Chemical products RMB'000	Unallocated RMB'000	Consolidated RMB'000
ASSETS							
Segment assets	267,300,620	3,930,049	2,224,887	4,414,427	65,627,580	–	343,497,563
Interests in associates	2,965,773	2,331,586	1,130,099	20,315	–	16,188,837	22,636,610
Interests in joint ventures	1,355,995	–	–	–	–	–	1,355,995
Unallocated corporate assets							46,827,461
							414,317,629
LIABILITIES							
Segment liabilities	79,337,057	184,163	256,021	1,594,969	10,369,433	–	91,743,643
Unallocated corporate liabilities	–	–	–	–	–	–	155,840,822
							247,582,465

6. SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities (Continued)

	As at 31 December 2022						
	Coal mining RMB'000	Smart logistics RMB'000	Electricity and heat supply RMB'000	Equipment manufacturing RMB'000	Chemical products RMB'000	Unallocated RMB'000	Consolidated RMB'000 (Restated)
ASSETS							
Segment assets	165,494,007	2,789,224	2,141,364	4,523,226	70,260,262	–	245,208,083
Interests in associates	877,516	2,299,571	1,016,823	17,451	–	16,943,471	21,154,832
Interests in joint ventures	1,174,917	–	–	–	–	–	1,174,917
Unallocated corporate assets							42,537,337
							310,075,169
LIABILITIES							
Segment liabilities	27,640,199	125,398	189,651	1,463,037	15,091,084	–	44,509,369
Unallocated corporate liabilities	–	–	–	–	–	–	126,348,663
							170,858,032

6. SEGMENT INFORMATION (Continued)

(c) Other segment information

	For the year ended 31 December 2023						
	Coal mining RMB'000	Smart logistics RMB'000	Electricity and heat supply RMB'000	Equipment manufacturing RMB'000	Chemical products RMB'000	Corporate RMB'000	Consolidated RMB'000
Capital additions	24,461,022	89,395	–	16,282	575,124	64	25,141,887
Additions of investments in associates	290,884	–	–	–	–	–	290,884
Amortisation of intangible assets	2,948,884	–	–	114	450,273	37,435	3,436,706
Depreciation of property, plant and equipment	8,285,792	35,182	61,772	271,618	2,733,645	144	11,388,153
Depreciation of right-of-use assets	605,195	–	2,789	3,541	36,605	–	648,130
Impairment loss (reversal) on:							
– inventories	(7,463)	–	–	–	–	–	(7,463)
– bills and accounts receivables, net	(38,872)	–	–	–	–	–	(38,872)
– Other receivables, net	36,070	–	–	–	–	–	36,070
– long-term receivables	(17,338)	–	–	–	–	–	(17,338)
– property, plant and equipment	44,138	–	–	–	–	–	44,138
– goodwill	228	–	–	–	–	–	228
Written-off of construction in progress	550,699	–	–	–	–	–	550,699

6. SEGMENT INFORMATION (Continued)

(c) Other segment information (Continued)

	For the year ended 31 December 2022						
	Coal mining RMB'000	Smart logistics RMB'000	Electricity and heat supply RMB'000	Equipment manufacturing RMB'000	Chemical products RMB'000	Corporate RMB'000	Consolidated RMB'000
Capital additions	20,396,313	53,763	302,076	9,151	1,026,373	72	21,787,748
Additions of investments in associates	23,577	24,000	–	–	–	–	47,577
Amortisation of intangible assets	2,255,412	–	–	101	623,883	153	2,879,549
Depreciation of property, plant and equipment	4,967,482	34,019	54,092	279,261	2,858,509	115	8,193,478
Depreciation of right-of-use assets	256,408	–	12,403	3,532	48,020	–	320,363
Impairment loss (reversal) on:							
– inventories	246,631	–	–	–	–	–	246,631
– bills and accounts receivables, net	(147,565)	–	–	–	–	–	(147,565)
– Other receivables, net	67,461	–	–	–	–	–	67,461
– long-term receivables	22,730	–	–	–	–	–	22,730
– intangible assets	815,965	–	–	–	–	–	815,965
– property, plant and equipment	743,418	–	–	–	–	–	743,418
– Right of use assets	125,996	–	–	–	–	–	125,996
Written-off of construction in progress	442,888	–	–	–	–	–	442,888

6. SEGMENT INFORMATION (Continued)

Geographical Information

The following table sets out the geographical information. The geographical location of sales to external customers is based on the location at which the services were provided or the destination of goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of interests in associates and joint ventures.

The geographical information of revenue from contracts with customers are as follows:

	Revenue from external customers For the year ended 31 December	
	2023	2022
	RMB'000	RMB'000
The PRC (place of domicile)	**77,283,671**	89,105,488
Australia	**2,705,989**	1,639,284
Others	**38,444,610**	63,856,733
Total	**118,434,270**	154,601,505

The geographical information of non-current assets (note) are as follows:

	Non-current assets At 31 December	
	2023	2022
	RMB'000	RMB'000
The PRC (place of domicile)	**256,889,161**	168,613,534
Australia	**43,266,781**	42,528,157
Canada	**1,966,140**	1,874,288
Total non-current assets	**302,122,082**	213,015,979

Note: Non-current assets excluded investments in securities, long-term receivables, royalty receivable, deposits made on investments and deferred tax assets.

Information about major customers

No revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group.

7. GROSS SALES OF COAL

	Year ended 31 December	
	2023 RMB'000	2022 RMB'000
Coal sold in the PRC, gross	**56,107,902**	72,363,408
Coal sold outside the PRC, gross	**33,036,035**	53,480,120
	89,143,937	125,843,528

8. COST OF SALES AND SERVICES PROVIDED

Cost of sales and services provided included:

	Year ended 31 December	
	2023 RMB'000	2022 RMB'000
Amortisation of mining rights	**3,260,547**	2,751,108
Depreciation of property, plant and equipment	**10,709,223**	7,574,774
Depreciation of right-of-use assets	**486,518**	238,670

9. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses included:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Wages and employee benefits	**5,734,979**	4,320,249
Amortisation of intangible assets	**176,159**	128,531
Depreciation of property, plant and equipment	**678,930**	618,704
Depreciation of right-of-use assets	**161,612**	81,693
Impairment loss on inventories	**–**	246,631
Impairment loss on other receivables, net	**36,070**	67,461
Impairment loss on long-term receivables, net	**–**	22,730
Impairment loss on intangible assets, net	**–**	815,965
Impairment loss on property, plant and equipment	**44,138**	743,418
Impairment loss on right-of-use assets	**–**	125,996
Written-off of construction in progress	**550,699**	442,888
Impairment loss on goodwill	**228**	–
Loss on disposal of property, plant and equipment, net	**21,659**	–
Loss on disposal of intangible asset	**1,972**	–
Loss on change in fair value of royalty receivable	**71,619**	–
Loss on change in fair value of financial assets and liabilities at FVTPL net	**–**	294,101

10. OTHER INCOME AND GAINS

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Gain on sales of auxiliary materials	**343,336**	268,770
Interest income	**1,804,740**	1,587,364
Gain on change in fair value of royalty receivable	**–**	57,589
Gain on change in fair value of investment securities	**85,883**	72,403
Government grants (note)	**242,005**	176,633
Gain on disposal of property, plant and equipment, net	**–**	22,832
Gain on change in fair value of investment properties	**18,454**	46,980
Gain on financial assets and liabilities at FVTPL	**93,757**	–
Reversal of impairment loss on bills and accounts receivables, net	**38,872**	147,565
Reversal of impairment loss on inventories	**7,643**	–
Reversal of impairment loss on long term receivables, net	**17,338**	–
Exchange gain, net	**685,363**	648,496
Others	**114,379**	465,581
	3,451,770	3,494,213

Note:

Government grants mainly represented subsidies provided to the Group to finance its operations and there were no unfulfilled conditions.

11. FINANCE COSTS

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Interest expenses on:		
– Bank and other borrowings	**3,807,428**	6,309,732
– Lease liabilities	**53,118**	71,093
	3,860,546	6,380,825
Less: interest expenses capitalised into construction in progress (note)	**(297,532)**	(397,565)
	3,563,014	5,983,260

Note:

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 2.27% to 4.75% (2022: 4.27% to 6%) per annum to expenditure on qualifying assets.

12. INCOME TAX EXPENSE

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
		(Restated)
Income tax:		
Current tax	**9,783,342**	14,556,926
Deferred tax (note 42)	**(1,755,779)**	29,880
	8,027,563	14,586,806

Except for certain subsidiaries in the PRC that are entitled to a preferential tax rate of 15%, the Company and its subsidiaries in the PRC are subject to the standard income tax rate of 25% on its taxable income (2022: 25%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

12. INCOME TAX EXPENSES (Continued)

Income tax relating to items recognised in the other comprehensive income is disclosed as follows:

Current tax		
Income tax related to fair change on equity investments at FVTOCI	**30**	5
Deferred tax		
Net gain (loss) on cash flow hedge	**12,713**	(4,980)

The total tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Profit before tax	**30,985,705**	53,688,193
Standard income tax rate in the PRC	**25%**	25%
Standard income tax rate applied to profit before tax	**7,746,425**	13,422,048
Reconciling items:		
Tax effect of expenses not deductible for tax purpose	**782,026**	1,553,919
Utilisation of unrecognised tax losses in prior years	**(31,305)**	(56,502)
Effect of tax rate differences in other taxation jurisdictions	**(173,348)**	(55,870)
Tax effect of share of results of associates and joint ventures	**(565,255)**	(527,202)
Changes in tax base of assets (note)	**(65,190)**	15,533
Tax effect of tax losses not recognised	**589,926**	353,656
Others	**(255,716)**	(118,776)
Income taxes	**8,027,563**	14,586,806
Effective income tax rate	**25.91%**	27.20%

Note: The amount represented tax benefits relating to the finalisation of tax bases arising from Yancoal Australia.

13. PROFIT BEFORE TAX

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Profit before tax has been arrived at after charging:		
Amortisation of intangible assets	**3,436,706**	2,879,549
Depreciation of property, plant and equipment	**11,388,153**	8,193,478
Depreciation of right-of-use assets	**648,130**	320,363
Auditors' remuneration	**16,330**	15,819
Staff costs, including directors', chief executive director's, supervisors' and management team's emoluments	**10,734,249**	10,049,929
Retirement benefit scheme contributions (included in staff costs above)	**2,775,759**	2,729,905
Share-based payments expenses (included in staff costs above)	**290,075**	314,085
Cost of inventories recognised as expenses	**15,982,670**	23,062,583
Research and development costs	**2,392,567**	2,117,208

14. DIRECTORS', CHIEF EXECUTIVE DIRECTOR'S, SUPERVISORS' AND MANAGEMENT TEAM'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

Directors', chief executive director's, supervisors' and management team's emoluments

Directors' and chief executive's emoluments, disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	For the year ended 31 December 2023			
	Fees RMB'000	Salaries, allowance and other benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Independent non-executive directors				
Peng Suping[6]	75	–	–	75
Zhu Limin[6]	150	–	–	150
Woo Kar Tung, Raymond[6]	75	–	–	75
Zhu Rui	75	–	–	75
Tian Hui[2]	75	–	–	75
Cai Chang[2]	75	–	–	75
Poon Chiu Kwok*[2]	75	–	–	75
	600	–	–	600
Executive directors				
Xiao Yaomeng	–	1,151	174	1,325
Liu Jian	–	–	–	–
Liu Qiang[6]	–	–	–	–
Zhang Haijun[6]	–	–	–	–
Su Li[5]	–	958	143	1,101
Huang Xiaolong	–	949	142	1,091
Zhu Qingrui*[2]	–	–	–	–
	–	3,058	459	3,517
Chief executive director				
Li Wei*	–	–	–	–

14. DIRECTORS', CHIEF EXECUTIVE DIRECTOR'S, SUPERVISORS' AND MANAGEMENT TEAM'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

Directors', chief executive director's, supervisors' and management team's emoluments (Continued)

	For the year ended 31 December 2023			
	Fees RMB'000	Salaries, allowance and other benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Supervisors				
Li Shipeng*	–	–	–	–
Zhu Hao*	–	–	–	–
Jin Jiahao[5]	–	593	85	678
Qin Yanpo*[2]	–	–	–	–
Deng Hui[1]	–	–	–	–
	–	593	85	678
Other management team				
Zhao Qingchu[3]	–	855	128	983
Li Hongguo[4]	–	585	83	668
Zhang Chuanchang	–	948	142	1,090
Tian Zhaohua[3]	–	906	136	1,042
Ma Junpeng	–	955	143	1,098
Kang Dan	–	878	130	1,008
Wang Jiuhong	–	874	130	1,004
You Jiaqiang[3]	–	445	63	508
Yue Ning[7]	–	458	73	531
Zhao Zhiguo[7]	–	77	12	89
Gao Chunlei	–	81	13	94
Zhang Lei	–	4,538	–	4,538
	–	11,600	1,053	12,653
Total	600	15,251	1,597	17,448

14. DIRECTORS', CHIEF EXECUTIVE DIRECTOR'S, SUPERVISORS' AND MANAGEMENT TEAM'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

Directors', chief executive director's, supervisors' and management team's emoluments (Continued)

The executive directors', chief executive directors' and other management team's emoluments shown above were for their services to the management of the affairs of the Company and the Group.

The independent non-executive directors' and the supervisors' emoluments shown above were for their services as directors/supervisors of the Company.

* Emoluments of these directors and supervisors were borne by the Parent Company and there is no reasonable basis of allocating their emoluments to the Group.

1 Resigned on 19 April 2023

2 Resgined on 30 June 2023

3 Resgined as executive director and appointed as other management team on 30 June 2023 and resigned on 27 October 2023

4 Appointed on 24 March 2023

5 Appointed on 19 April 2023

6 Appointed on 30 June 2023

7 Appointed on 27 October 2023

14. DIRECTORS', CHIEF EXECUTIVE DIRECTOR'S, SUPERVISORS' AND MANAGEMENT TEAM'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

Directors', chief executive director's, supervisors' and management team's emoluments (Continued)

	For the year ended 31 December 2022			
	Fees RMB'000	Salaries, allowance and other benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Independent non-executive directors				
Tianhui[1]	150	–	–	150
Zhu Limin	150	–	–	150
Cai Chang	150	–	–	150
Poon Chiu Kwok	150	–	–	150
	600	–	–	600
Executive directors				
Xiao Yaomeng	–	1,682	260	1,942
Huang Xiaolong	–	940	141	1,081
Zhao Qingchun	–	1,274	194	1,468
Wang Ruolin[2]	–	999	153	1,152
Zhu Qingrui*	–	–	–	–
Liu Jian	–	–	–	–
	–	4,895	748	5,643
Chief executive director				
Li Wei*	–	–	–	–

14. DIRECTORS', CHIEF EXECUTIVE DIRECTOR'S, SUPERVISORS' AND MANAGEMENT TEAM'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

Directors', chief executive director's, supervisors' and management team's emoluments (Continued)

	For the year ended 31 December 2022			
	Fees RMB'000	Salaries, allowance and other benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Supervisors				
Zhou Hong*[3]	–	–	–	–
Zhu Hao*	–	–	–	–
Deng Hui	–	551	83	634
Li Shipeng*	–	–	–	–
Qin Yanpo*	–	–	–	–
Su Li	–	1,284	196	1,480
	–	1,835	279	2,114
Other management team				
Zhang Chuanchang	–	1,335	204	1,539
Tian Zhaohua	–	1,297	198	1,495
Zhang Lei	–	931	–	931
Zhang Yanwei[8]	–	631	95	726
Liu Qiang[4]	–	114	16	130
Gong Zhijie[4]	–	308	47	355
Li Weiqing[5]	–	1,234	189	1,423
Ma Junpeng	–	597	87	684
Kang Dan[6]	–	492	72	564
You Jiaqiang[7]	–	76	11	87
Wang Jiuhong[7]	–	1,255	191	1,446
	–	8,270	1,110	9,380
Total	600	15,000	2,137	17,737

The executive directors', chief executive directors' and other management team's emoluments shown above were for their services to the management of the affairs of the Company and the Group.

The independent non-executive directors' and the supervisors' emoluments shown above were for their services as directors/supervisors of the Company.

* Emoluments of these directors and supervisors were borne by the Parent Company and there is no reasonable basis of allocating their emoluments to the Group.

1 Resigned on 29 March 2022

2 Resigned on 24 August 2022

3 Resgined on 25 January 2022

4 Resgined on 28 April 2022

5 Appointed on 30 March 2022 and resigned on 7 November 2022

6 Appointed on 29 April 2022

7 Appointed on 28 October 2022

8 Resigned on 25 September 2022

14. DIRECTORS', CHIEF EXECUTIVE DIRECTOR'S, SUPERVISORS' AND MANAGEMENT TEAM'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

Employees' emoluments

The five highest paid individuals in the Group included two (2022: three) directors for the year ended 31 December 2023. The emoluments of the remaining three (2022: two) highest paid individuals were stated as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Salaries, allowance and other benefits in kind	**15,431**	10,419
Retirement benefit scheme contributions	**276**	224
Discretionary bonuses	**9,937**	8,370
	25,644	19,013

Their emoluments were within the following bands:

	Year ended 31 December	
	2023	2022
HKD3,000,001 to HKD3,500,000	**–**	–
HKD4,500,001 to HKD5,000,000	**1**	1
HKD5,000,001 to HKD5,500,000	**1**	–
HKD6,500,001 to HKD7,000,000	**–**	–
HKD7,000,001 to HKD7,500,000	**–**	–
HKD12,000,001 to HKD12,500,000	**–**	–
HKD15,500,001 to HKD16,000,000	**1**	–
HKD16,500,001 to HKD17,000,000	**–**	1
	3	2

None of the directors, chief executive director, supervisors, management team and the five highest paid individuals waived any emoluments in the year ended 31 December 2023 and 2022. No emoluments were paid by the Group to any of the directors, supervisors, management team or five highest paid individuals as an inducement to joining the Group or as compensation for loss of office.

15. DIVIDEND RECOGNISED AS DISTRIBUTION DURING THE YEAR

	2023 **RMB'000**	2022 RMB'000
2022 final and special dividend, RMB4.30 per share (2022: 2021 final and special dividend, RMB2.00 per share)	**21,279,426**	9,897,407

Pursuant to the annual general meeting held on 30 June 2023, a final dividend and special dividend of RMB30.7 per 10 shares and RMB12.3 per 10 shares respectively in respect of the year ended 31 December 2022 was approved by the shareholders and paid to shareholders of the Company.

The board of directors proposes to declare a final dividend of RMB13 per 10 shares (tax inclusive) and a special dividend of RMB1.9 per 10 shares (tax inclusive) and 3 bonus shares for every 10 shares in respect of the year ended 31 December 2023. The declaration and payment of the dividend needs to be approved by the shareholders of the Company in the forthcoming general meeting.

16. EARNINGS PER SHARE

The calculation of the diluted earnings per share for the year ended 31 December 2023 and 2022 is based on the profit for the year attributable to equity holders of the Company with an adjustment on effect of dilutive share incentive schemes of a non-wholly owned subsidiary.

For the years ended 31 December 2023 and 2022, the number of ordinary shares used in the calculation of diluted earnings per share is the weighted average number of ordinary shares in issue during the year as used in the basic earnings per share calculation and adjusted for the effect of potential ordinary shares from the Company's share options.

The calculations of basic and diluted earnings per share are based on the following data:

	2023 **RMB'000**	2022 RMB'000 (Restated)
Earnings		
Profit for the year attributable to equity holders of the parent, used in the basic earnings per share calculation	**17,778,972**	30,418,222
Adjustment to the share of profit of a subsidiary based on dilution of their earnings	**(26,269)**	(58,105)
Earnings for the purpose of diluted earnings per share	**17,752,703**	30,360,117

16. EARNINGS PER SHARE (Continued)

	Number of Shares ('000) 2023	2022 (Restated)
Shares		
Number of ordinary shares in issue used in the basic earnings per share calculation	**4,948,704**	4,942,625
Effect of bonus issue of shares (note 43)	**2,480,680**	2,480,680
Total number of ordinary shares in issue used in the basic earnings per share calculation	**7,429,384**	7,423,305
Effect of dilutive potential ordinary shares:		
Share options	**8,471**	11,405
Weighted average number of ordinary shares used in the diluted earnings per share calculation	**7,437,855**	7,434,710

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the bonus issue on 14 July 2023.

The adjustment to comparative earnings per share, arising from the bonus issue is as follows:

	RMB
Reported figure before adjustments	4.10
Adjustment arising from the bonus issue	(1.71)
Restated figure	2.39

17. BANK BALANCES AND CASH, PLEDGED TERM DEPOSITS AND RESTRICTED CASH

Bank balances carry interest at market rates which ranged from 0.20% to 1.45% (2022: from 0.30% to 1.61%) per annum.

At the reporting date, the restricted cash mainly represents the bank acceptance bill deposits paid for safety work as required by the State Administrative of work safety and guarantee deposits for issuance of bank bills which carry interest at market rates of 0.32% to 0.46% (2022: 0.30% to 0.42%) per annum.

Pledged term deposits were pledged to certain banks as security for loans and banking facilities granted to the Group, which carry fixed interest rate ranging from 0.59% to 3.47% (2022: 0.55% to 3.10%) per annum. The pledged term deposits will be released upon the settlement of relevant bank borrowings.

18. BILLS AND ACCOUNTS RECEIVABLES

	At 31 December 2023 RMB'000	2022 RMB'000
Accounts receivables (at amortised cost)	**7,226,917**	6,897,000
Less: impairment loss	**(281,063)**	(339,187)
	6,945,854	6,557,813
Bills receivables (at FVTOCI)	**5,540,966**	4,503,471
Less: impairment loss	**(817)**	(1,344)
Total bills and accounts receivables, net	**12,486,003**	11,059,940

Bills receivable represent unconditional orders in writing issued by or negotiated from customers of the Group for completed sale orders which entitle the Group to collect a sum of money from banks or other parties. The bills are non-interest bearing and have an average maturity of six months.

As at 1 January 2022, the gross amount of bills and accounts receivables arising from contracts with customers amounted to RMB14,018,139,000.

As at 31 December 2023, the gross amount of bills and accounts receivables arising from contracts with customers amounted to approximately RMB12,767,883,000 (2022: RMB11,400,471,000).

According to the credit rating of different customers, the Group generally allows a range of credit periods to its trade customers not exceeding 180 days.

The following is an aged analysis of bills and accounts receivables, net of allowance for impairment, presented based on the invoice dates, which approximates the respective revenue recognition dates, at the end of the reporting period:

	At 31 December 2023 RMB'000	2022 RMB'000
0 – 90 days	**8,249,032**	7,284,787
91 – 180 days	**1,811,466**	1,813,455
181 – 365 days	**1,466,723**	1,180,309
Over 1 year	**958,782**	781,389
	12,486,003	11,059,940

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed once a year.

The Group measures the loss allowance for bills and accounts receivables at an amount equal to lifetime ECL. As part of the Group's credit risk management, the Group uses debtors' ageing to assess the impairment on a collective basis for part of its customers which consist of large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

For accounts receivables of approximately RMB1,483,740,000 (2022: RMB952,436,000) that are due from large and state-owned enterprises which have good credit rating and very rare past default payment history, the directors of the Company considered that there is no expected credit loss on these receivables as at 31 December 2023.

18. BILLS AND ACCOUNTS RECEIVABLES (Continued)

The following table provides information about the exposure to credit risk and ECL for bills and accounts receivables from customers, other than those large and state-owned enterprises, which are assessed individually or collectively based on provision matrix as at 31 December 2023 and 2022.

As at 31 December 2023	**Average expected loss rate %**	**Gross carrying amount RMB'000**	**Loss allowance RMB'000**
Accounts receivables – collective assessment			
– Within 1 year	**0.20**	**4,902,272**	**9,582**
– 1 – 2 years	**2.61**	**218,092**	**5,701**
– 2 – 3 years	**3.86**	**117,021**	**4,516**
– Over 3 years	**25.04**	**224,034**	**56,091**
		5,461,419	**75,890**
Accounts receivables – individual assessment		**281,758**	**205,173**
		5,743,177	**281,063**
Bills receivables	**0.01**	**5,540,966**	**817**
		11,284,143	**281,880**

As at 31 December 2022	Average expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Accounts receivables – collective assessment			
– Within 1 year	0.10	5,165,544	5,090
– 1 – 2 years	4.06	197,953	8,030
– 2 – 3 years	4.80	99,945	4,798
– Over 3 years	37.42	128,270	48,003
		5,591,712	65,921
Accounts receivables – individual assessment		352,852	273,266
		5,944,564	339,187
Bills receivables	0.03	4,503,471	1,344
		10,448,035	340,531

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward looking information that is available without undue cost or effort. The grouping is regularly reviewed by the management to ensure relevant information about specific debtor is updated.

Receivable are written off if past due for more than 4 years and are not subject to enforcement activity. The Group does not hold collateral as security. During the year ended 31 December 2023, accounts receivables of approximately RMB19,799,000 (2022: RMB17,936,000) were written-off.

18. BILLS AND ACCOUNTS RECEIVABLES (Continued)

An analysis of the impairment loss on bills and accounts receivables for 2023 and 2022 are as follows:

	At 31 December	
	2023	2022
	RMB'000	RMB'000
Balance at 1 January	**340,531**	506,032
Amounts written off as uncollectible	**(19,779)**	(17,936)
Provided for the year	**1,527**	7,557
Impairment loss reversed	**(40,399)**	(155,122)
Balance at 31 December	**281,880**	340,531

Included in bills and accounts receivables as at 31 December 2023 are balances of approximately RMB8,000,000 (2022: RMB1,119,504,000) that have been pledged to secure borrowings and banking facilities granted to the Group.

19. ROYALTY RECEIVABLE

	At 31 December	
	2023	2022
	RMB'000	RMB'000
As at 1 January	**1,098,316**	1,019,884
Exchange re-alignment	**30,255**	20,843
Change in fair value	**(71,619)**	57,589
As at 31 December	**1,056,952**	1,098,316
Presented as:		
Current portion	**107,247**	94,276
Non-current portion	**949,705**	1,004,040
	1,056,952	1,098,316

A right to receive a royalty of 4% of Free on Board trimmed sales from Middlemount Coal Pty Ltd ("Middlemount") mine operated by Middlemount Joint Venture was acquired as part of the acquisition of Gloucester Coal Limited ("Gloucester"). This financial asset has been determined to have a finite life being the life of the Middlemount mine and is measured at fair value basis.

The royalty receivable is measured based on management expectations of the future cash flows at each reporting date with the re-measurement recorded in profit or loss. The amount expected to be received in the next 12 month is disclosed as current receivable and the expected future cash flow beyond 12 months is disclosed as a non-current receivable. Loss (gain) in change in fair value is included in selling, general and administrative expense and other income and gains, respectively.

20. INVENTORIES

	At 31 December 2023 RMB'000	2022 RMB'000
Work in progress	**561,648**	420,558
Finished goods	**2,117,868**	2,320,060
	2,679,516	2,740,618
Methanol	**254,181**	811,663
Auxiliary material, spare parts and small tools	**2,948,091**	2,651,304
Coal products	**1,855,983**	1,954,852
Iron ore	**6,434**	63,563
	7,744,205	8,222,000

During the year, provision for inventories of RMB35,092,000 (2022: RMB246,631,000) had been made while RMB42,555,000 (2022: nil) had been reversed.

21. PREPAYMENTS AND OTHER RECEIVABLES

	At 31 December 2023 RMB'000	2022 RMB'000
Advance to suppliers	**5,088,393**	4,159,277
Less: Impairment loss on advance to suppliers (note (i))	**(14,475)**	(30,737)
	5,073,918	4,128,540
Prepaid relocation costs of inhabitants	**12,288,996**	5,224,276
Other taxes	**1,022,006**	913,517
Dividend receivables	**455,230**	220,311
Loan receivables (note (ii))	**13,074,000**	5,345,064
Interest receivables	**–**	36,063
Other receivables	**7,109,309**	6,171,109
Less: Impairment loss on other receivables	**(2,531,852)**	(2,830,693)
	36,491,607	19,208,187

(i) An analysis of the impairment loss on advance to suppliers for 2023 and 2022 are as follows:

	2023 RMB'000	2022 RMB'000
Balance at 1 January	**30,737**	30,397
(Reversal of) impairment loss for the year	**(16,262)**	340
Balance at 31 December	**14,475**	30,737

Advances will be written off, if aged over 4 years and considered irrecoverable by the management after considering the credit quality of the individual party and the nature of the amount.

21. PREPAYMENTS AND OTHER RECEIVABLES (Continued)

(ii) The loans receivables carried interest ranging from 3.65% to 4.20% (2022: 3.5% to 4.05%) per annum and are repayable within 12 months from the end of the reporting period.

The Group recognised lifetime ECL and 12-month ECL for other receivables based on the credit risk grading framework as follows:

As at 31 December 2023	**Average expected loss rate %**	**Gross carrying amount RMB'000**	**Loss allowance RMB'000**
Other receivables – Performing	**5.24**	**19,107,346**	**1,000,659**
Other receivables – Default	**100.00**	**1,531,193**	**1,531,193**
		20,638,539	**2,531,852**

As at 31 December 2022	Average expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Other receivables – Performing	9.28	9,856,148	914,294
Other receivables – Default	100.00	1,916,399	1,916,399
		11,772,547	2,830,693

Movement in the impairment losses on other receivables is as follows:

	Lifetime ECL – non credit impaired RMB'000	**Lifetime ECL – credit impaired RMB'000**	**Total RMB'000**
At 1 January 2022	1,007,993	1,818,477	2,826,470
Impairment loss	9,586	124,195	133,781
Impairment loss reversed	(40,387)	(26,273)	(66,660)
Impairment written off as uncollectible	(62,898)	–	(62,898)
At 31 December 2022 and 1 January 2023	**914,294**	**1,916,399**	**2,830,693**
Impairment loss	**193,225**	**1,561**	**194,786**
Impairment loss reversed	**(66,759)**	**(75,695)**	**(142,454)**
Impairment written off as uncollectible	**(40,101)**	**(311,072)**	**(351,173)**
At 31 December 2023	**1,000,659**	**1,531,193**	**2,531,852**

22. CONTINGENT CONSIDERATION RECEIVABLES

	2023 RMB'000	2022 RMB'000
Acquisition of subsidiaries	**2,969,420**	–

The balance represents the aggregate sum of contingent consideration receivable in relation to the acquisition of Shangdong Energy Group Luxi Mining Co., Limited ("Luxi Mining") and Yankuang Xinjiang Neng Hua Company Limited ("Xinjiang Neng Hua") from the Parent Company as cash and specific compensation, if there are any shortfalls between the actual results and the profit guarantee pursuant to the sale and purchase agreement ("Acquisition Agreement"). Details of which are set out in note 48.

23. INTANGIBLE ASSETS

	Mining reserves RMB'000	Mining resources (exploration and evaluation assets) RMB'000	Potash mineral exploration permit RMB'000	Technology RMB'000	Water licenses RMB'000	Others RMB'000	Total RMB'000
COST							
At 1 January 2022	82,666,561	4,055,879	1,322,295	958,659	815,464	1,796,260	91,615,118
Exchange re-alignment	685,718	51,098	488	2,296	4,813	3,456	747,869
Additions	–	–	–	7,832	–	19,913	27,745
Transfer from construction in progress	253,733	–	–	–	–	–	253,733
Disposals	(39,930)	–	–	–	–	(1,679)	(41,609)
At 31 December 2022 and 1 January 2023	**83,566,082**	**4,106,977**	**1,322,783**	**968,787**	**820,277**	**1,817,950**	**92,602,856**
Exchange re-alignment	**904,075**	**74,929**	**709**	**3,366**	**7,057**	**5,297**	**995,433**
Additions	**662,302**	**–**	**–**	**6,642**	**41,413**	**3,709**	**714,066**
Acquisition of subsidiaries	**45,406,835**	**–**	**–**	**–**	**–**	**8,316**	**45,415,151**
Transfer from construction in progress	**168,432**	**–**	**–**	**–**	**–**	**79**	**168,511**
Disposals	**(4,488)**	**–**	**–**	**–**	**–**	**(440)**	**(4,928)**
At 31 December 2023	**130,703,238**	**4,181,906**	**1,323,492**	**978,795**	**868,747**	**1,834,911**	**139,891,089**
AMORTISATION AND IMPAIRMENT							
At 1 January 2022	15,499,640	129,182	–	265,845	25,246	166,406	16,086,319
Exchange re-alignment	214,962	–	–	2,295	257	2,892	220,406
Provided for the year	2,751,018	–	–	102,634	11,963	13,934	2,879,549
Impairment loss recognised in profit or loss	788,998	–	–	–	26,140	827	815,965
Eliminated on disposals	(2,640)	–	–	–	–	(1,679)	(4,319)
At 31 December 2022 and 1 January 2023	**19,251,978**	**129,182**	**–**	**265,845**	**63,606**	**182,380**	**19,997,920**
Exchange re-alignment	**375,115**	**–**	**–**	**2,295**	**754**	**4,053**	**383,287**
Provided for the year	**3,260,547**	**–**	**–**	**125,691**	**13,577**	**36,891**	**3,436,706**
Eliminated on disposals	**(2,600)**	**–**	**–**	**–**	**–**	**(356)**	**(2,956)**
At 31 December 2023	**22,885,040**	**129,182**	**–**	**499,830**	**77,937**	**222,968**	**23,814,957**
CARRYING VALUES							
At 31 December 2023	**107,818,198**	**4,052,724**	**1,323,492**	**478,965**	**790,810**	**1,611,943**	**116,076,132**
At 31 December 2022	64,314,104	3,977,795	1,322,783	598,013	756,671	1,635,570	72,604,936

23. INTANGIBLE ASSETS (Continued)

The Group acquired certain intangible assets through acquisition of subsidiaries, including Shandong Finance, Luxi Mining, Xinjiang Neng Hua, Shangdong Energy Tower Shanghai Co., Ltd ("Shangdong Energy Tower"), Yankuang Coal Chemical Enginering Company Limited ("Yankuang Coal Chemical") during the year ended 31 December 2023. For the acquisition of Luxi Mining and Xinjiang Neng Hua, please refer to note 48 for details.

The mining rights (mining reserves) are amortised based on unit of production method.

The mining resources is reclassified to mining reserves when the reserves are reasonably proved to be commercial available. It is stated at cost less impairment.

The potash mineral exploration permit is reclassified to mining resources or mining reserves according to its progress of exploration. Technology has not yet reached the stage of commercial application and therefore is not amortised. Patent is also included in technology and it is amortised on a straight line basis of 10 years over the useful life.

Water licenses are amortised over the life of mine. If the mining activities of the relevant locations have not yet been started and the connections to water sources have not been completed, no amortisation will be provided.

Other intangible assets mainly represented capacity replacement right which is amortised on a straight line basis over the contractual term.

Amortisation expense of the mining rights for the year of RMB3,260,547,000 (2022: RMB2,751,018,000) has been included in cost of sales and services provided. Amortisation expense of other intangible assets for the year of RMB176,159,000 (2022: RMB128,531,000) has been included in selling, general and administrative expenses.

During the years ended 31 December 2023 and 2022, for cash generating unit with impairment indicator, the recoverable amount has been determined using the value-in-use method.

Value-in-use has been determined using a discounted cash flow model. The key assumptions to which the model is most sensitive include:

- Coal prices
- Foreign exchange rates, if applicable
- Production and capital costs
- Discount rate
- Coal reserves and resources

In determining the value assigned to each key assumption, management has used external sources of information and utilised the expertise of external consultants and/or experts within the Group to validate entity specific assumptions such as coal reserves and resources.

Production and capital costs are based on the Group's estimate of forecasted geological conditions, stage of existing plant and equipment and future production levels. The information is obtained from internally maintained budgets, the five year business plan, life of mine models, life of mine plans and project evaluations performed by the Group in its ordinary course of business.

The Group has applied a pre-tax discount rate ranged from 8%-12% (2022: 8%-12%) to discount the forecast cash flows. The pre-tax discount rate applied to the future cash flow forecasts represent an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. This rate is also consistent with the Group's five year business plan, life of mine models and project evaluations performed in ordinary course of business.

During the year ended 31 December 2022, impairment loss of RMB815,965,000 was recognised. No impairment loss has recognised during the year ended 31 December 2023.

24. PROPERTY, PLANT AND EQUIPMENT

	Freehold land in Australia RMB'000	Buildings RMB'000	Railway structures RMB'000	Mining structures RMB'000	Plant, machinery and equipment RMB'000	Transportation equipment RMB'000	Total RMB'000
COST							
At 1 January 2022	1,445,285	13,206,318	14,474,141	23,494,883	59,583,363	4,044,977	116,248,967
Exchange re-alignment	28,586	21,532	–	236,209	355,816	6	642,149
Additions	–	39,834	10,573	5,189,235	1,903,013	460,143	7,602,798
Transfers from construction in progress	–	642,699	1,263,408	393,972	5,768,625	296,969	8,365,673
Transfers from right-of-use assets	–	–	–	–	844,453	–	844,453
Disposals	–	(63,901)	(87,701)	(137,364)	(788,465)	(497,904)	(1,575,335)
At 31 December 2022 and 1 January 2023	1,473,871	13,846,482	15,660,421	29,176,935	67,666,805	4,304,191	132,128,705
Exchange re-alignment	41,608	32,156	–	376,279	565,129	12	1,015,184
Additions	–	200,586	455,674	904,794	3,400,453	1,218,535	6,180,042
Acquired on acquisition of subsidiaries	–	2,052,890	19,518,803	3,170,933	–	7,378,346	32,120,972
Transfer from investment properties	–	417,205	–	–	–	–	417,205
Transfers from construction in progress	–	1,356,015	1,070,832	1,024,295	6,713,521	451,142	10,615,805
Disposals	(4,001)	(1,313,832)	(1,644,203)	(395,214)	(4,850,877)	(1,812,260)	(10,020,387)
At 31 December 2023	1,511,478	16,591,502	35,061,527	34,258,022	73,495,031	11,539,966	172,457,526
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At 1 January 2022	–	2,545,460	3,946,535	7,997,533	24,878,015	1,610,835	40,978,378
Exchange re-alignment	–	12,110	–	100,488	199,755	4	312,357
Provided for the year	–	531,659	628,510	1,335,958	5,180,238	517,113	8,193,478
Transfer from right-of-use assets	–	–	–	–	588,931	–	588,931
Impairment loss recognised in profit or loss	–	4,765	–	542,838	195,815	–	743,418
Eliminated on disposals	–	(29,948)	(29,498)	(134,351)	(688,435)	(235,795)	(1,118,027)
At 31 December 2022 and 1 January 2023	–	3,064,046	4,545,547	9,842,466	30,354,319	1,892,157	49,698,535
Exchange re-alignment	–	19,238	–	181,491	383,232	6	583,967
Provided for the year	–	536,387	1,099,157	1,656,755	6,308,058	1,787,796	11,388,153
Impairment loss recognised in profit or loss	–	2,004	22,566	–	–	19,568	44,138
Eliminated on disposals	–	(372,585)	(1,415)	(59,653)	(3,803,472)	(180,432)	(4,417,557)
At 31 December 2023	–	3,249,090	5,665,855	11,621,059	33,242,137	3,519,095	57,297,236
CARRYING VALUE							
At 31 December 2023	1,511,478	13,342,412	29,395,672	22,636,963	40,252,894	8,020,871	115,160,290
At 31 December 2022	1,473,871	10,782,436	11,114,874	19,334,469	37,312,486	2,412,034	82,430,170

24. PROPERTY, PLANT AND EQUIPMENT (Continued)

Note: The Group acquired certain property, plant and equipment through acquisition of subsidiaries, including Shandong Finance, Luxi Mining, Xinjiang Neng Hua, Shangdong Energy Tower Shanghai Co., Ltd ("Shangdong Energy Tower"), Yankuang Coal Chemical Enginering Company Limited ("Yankuang Coal Chemical") during the year ended 31 December 2023. For the acquisition of Luxi Mining and Xinjiang Neng Hua, please refer to note 48 for details.

The following estimated useful lives are used for the depreciation of property, plant and equipment, other than freehold land:

Buildings	10 to 30 years
Railway structures	10 to 25 years
Plant, machinery and equipment	2.5 to 25 years
Transportation equipment	6 to 40 years

Transportation equipment includes vessels, harbor works and crafts which are depreciated over the estimated useful lives of 6 and 40 years respectively.

The mining structures include the main and auxiliary mine shafts and underground tunnels. Depreciation is provided to write off the cost of the mining structures using the units of production method based on the estimated production volume for which the structure was designed and the contractual period of the relevant mining rights.

At 31 December 2023, property, plant and equipment with carrying amount of approximately RMB3,436,600,000 (2022: RMB2,102,220,000) have been pledged to secure bank borrowings of the Group.

During the year ended 31 December 2023, impairment loss of RMB44,138,000 was recognised (2022: RMB743,418,000).

25. LEASES

(i) Right-of-use assets

	2023 RMB'000	2022 RMB'000
Buildings	**10,424**	1,681
Land use right	**5,034,173**	3,012,032
Plant, machinery and equipment	**822,070**	744,495
At 31 December	**5,866,667**	3,758,208

As at 31 December 2023, right-of-use assets of approximately RMB5,034,173,000 represents land use rights located in the PRC (2022: RMB3,012,032,000).

In addition, the Group has lease arrangements for buildings and plant, machinery and equipment. The lease terms are generally ranged from two to five years.

25. LEASES (Continued)

(i) Right-of-use assets (Continued)

In respect of lease arrangement for renting certain production equipments, the Group has options to purchase the production equipments at a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

Additions to the right-of-use assets for the year ended 31 December 2023 amounted to RMB583,752,000 due to new lease arrangements of land use right and, plant, machinery and equipment (2022: RMB464,432,000).

During the year ended 31 December 2023, the Group early terminated certain leases and derecognised right-of-use assets amounted to RMB226,498,000 (2022: RMB21,477,000).

During the year ended 31 December 2023, no right-of-use assets was transferred to property, plant and equipment (2022: RM255,522,000 (net of accumulated depreciation of RMB588,931,000)).

During the year ended 31 December 2023, construction in progress amounted to RMB390,032,000 was transferred to right-of-use assets.

(ii) Lease liabilities

	2023 RMB'000	2022 RMB'000
Non-current	**325,117**	411,033
Current	**157,340**	170,239
	482,457	581,272

Amounts payable under lease liabilities	2023 RMB'000	2022 RMB'000
Within one year	**157,340**	170,239
After one year but within two years	**113,348**	202,738
After two years but within five years	**211,769**	208,295
	482,457	581,272
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(157,340)**	(170,239)
Amount due for settlement after 12 months	**325,117**	411,033

During the year ended 31 December 2023, the Group entered into a number of new leases agreements in respect of renting plant, machinery and equipment and recognised lease liability of RMB291,027,000 (2022: RMB464,432,000).

During the year ended 31 December 2023, the Group early terminated certain leases and derecognised lease liabilities amounted to RMB226,498,000 (2022: RMB21,477,000).

25. LEASES (Continued)

(iii) Amounts recognised in profit or loss

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Depreciation expense on right-of-use assets	**648,130**	320,363
Impairment of right-of-use assets	**–**	125,996
Interest expense on lease liabilities	**53,118**	71,093
Expense relating to short-term leases	**280,431**	222,910

(iv) Other

During the year ended 31 December 2023, the total cash outflow for leases amounted to RMB593,721,000 (2022: RMB1,255,714,000).

Restrictions or convenants on leases

As at 31 December 2023, lease liabilities of RMB482,457,000 are recognised with related right-of-use assets of RMB5,866,667,000 (2022: lease liabilities of RMB581,272,000 and related right-of-use assets of RMB3,758,208,000). The lease agreements do not impose any covenants other than the security interests in the leased assets they are held by the lessor. Leased assets may not be used as security for borrowing purposes.

26. INVESTMENT PROPERTIES

	RMB'000
FAIR VALUE	
At 1 January 2022	1,414,126
Increase in fair value recognised in profit or loss	46,980
Addition	10,624
At 31 December 2022 and 1 January 2023	**1,471,730**
Increase in fair value recognised in profit or loss	**18,454**
Transfer to property, plant and equipment	**(417,205)**
Addition	**4,280**
At 31 December 2023	**1,077,259**

All of the Group's investment properties are situated in Mainland China.

The fair value of the Group's investment properties at 31 December 2023 and 31 December 2022 have been arrived at on the basis of a valuation carried out on that date by 山東中新資產評估有限公司 (Shangdong Zhongxin Assets Appraisal Company Limited*), independent qualified professional valuers not connected with the Group.

* For identification only

The valuation was arrived at by reference to market evidence of transaction prices and rentals for similar properties in the similar locations and conditions. Details of valuation techniques and assumptions are discussed below. There has been no change from the valuation techniques used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

26. INVESTMENT PROPERTIES (Continued)

An analysis of the Group's investment properties that are measured subsequent to initial recognition at fair value grouped into fair value hierarchy level 3 based on the degree to which the inputs to fair value measurement is observable and the information about how the valuation has reached and the use of significant unobservable inputs are as follows:

	Fair value hierarchy	Fair value as at 31 December 2023	Valuationtechnique and key inputs	Significant unobservable inputs	Range of unobservable inputs	Relationship of significantunobservable inputs to fair value
Commercial investment properties	Level 3	RMB1,077,259,000 (2022: RMB1,471,730,000)	Market Comparison Approach – By reference to recent selling price of comparable properties and adjusted to reflect the time, size and location	Adjusted market price	RMB15,200 to RMB56,700 (2022: RMB14,500 to RMB55,000) per square metre	The higher the adjusted market price, the higher the fair value

27. CONSTRUCTION IN PROGRESS

	RMB'000
COST	
At 1 January 2022	11,910,634
Exchange re-alignment	15,274
Additions	10,691,476
Transfer to property, plant and equipment	(8,365,673)
Transfer to intangible asstes	(253,733)
Loss on written-off	(442,888)
At 31 December 2022 and 1 January 2023	13,555,090
Exchange re-alignment	22,568
Acquired on acquisition of subsidiaries (Note 48)	1,968,905
Additions	13,640,028
Transfer to property, plant and equipment	(10,615,805)
Transfer to intangible assets	(168,511)
Transfer to right-of-use assets	(390,032)
Loss on written-off	(550,699)
At 31 December 2023	17,461,544

Note: The Group acquired certain property, plant and equipment through acquisition of subsidiaries, including Shandong Finance, Luxi Mining, Xinjiang Neng Hua, Shangdong Energy Tower Shanghai Co., Ltd ("Shangdong Energy Tower"), Yankuang Coal Chemical Enginering Company Limited ("Yankuang Coal Chemical") during the year ended 31 December 2023. For the acquisition of Luxi Mining and Xinjiang Neng Hua, please refer to note 48 for details.

28. GOODWILL

	2023 RMB'000	2022 RMB'000
NET CARRYING VALUE		
At 1 January	**1,726,346**	1,720,498
Acquired on acquisition of subsidiaries	**2,326,255**	–
Impairment during the year	**(228)**	–
Exchange re-alignment	**8,802**	5,848
At 31 December	**4,061,175**	1,726,346

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	At 31 December	
	2023 RMB'000	2022 RMB'000
Mining		
– Jining II	**10,106**	10,106
– Shandong Yanmei Shipping Co., Ltd	**10,046**	10,046
– Heze	**35,645**	35,645
– Shanxi Group	**145,613**	145,613
– Yancoal Resources	**289,489**	281,276
– Syntech	**19,610**	19,021
– Premier Coal and Wesfarmers Char	**12,194**	11,828
– Xintai	**653,837**	653,837
– Beisu and Yangcun	**712,214**	712,214
Coal Railway Transportation		
– Railway Assets	**97,240**	97,240
Electricity and heat supply		
– Hua Ju Energy	**239,879**	239,879
Machinery manufacturing		
– Donghua	**409,204**	409,204
Others		
– Shangdong Energy Group Finance Co., Ltd ("Shangdong Finance")	**16,966**	16,966
– 東方盛隆	**14,859**	14,859
– 上海東江	**75,567**	75,567
– Luxi Mining (note 48)	**1,485,718**	–
– Xinjiang Neng Hua (note 48)	**840,537**	–
Impairment loss	**(1,007,549)**	(1,006,955)
	4,061,175	1,726,346

28. GOODWILL (Continued)

Business performance is reviewed by management on an individual business unit basis. In particular, each mine is considered to be a separate cash generating unit.

For the impairment testing of goodwill, the recoverable amounts of the cash generating units have been determined on the basis of value-in-use calculations. Value-in-use has been determined using a discounted cash flows model. Cash flow projections during the budget period are based on the budgeted revenue and expected gross margins during the budget period and the raw materials price inflation during the budget period. Expected cash inflows/outflows have been determined based on past performance and management's expectations for the market development. The future cash flows are highly dependent on the following unobservable inputs: forecast sales volumes and forecasted selling prices.

In determining each of the key inputs, management has used external sources of information and utilised the expertise of external consultants and experts within the Group to validate entity specific assumptions such as mining reserves and mining resources. Furthermore, in estimating future coal prices, the Group receives long term forecast coal price data from multiple externally verifiable sources when determining its coal price forecasts, making adjustments for specific coal quality factors. The long term forecast exchange rate is based on externally verifiable sources. Production and capital costs are based on the Group's estimate of forecasted geological conditions, stage of existing plant and equipment and future production levels. This information is obtained from internally maintained budgets, the five year business plan, life of mine models and project evaluations performed by the Group in its ordinary course of business.

The cash flow model was based on financial budgets approved by management covering a 5-year period with an assumption of pre-tax discount rate of ranged from 8% to 12% (2022: 8% to 12%). It represent an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset. Externally verifiable data received by the Group validates this assumption. For mining business units, the recoverable amount is also dependent on the estimated lives of mines ranged from 4 to 40 years (2022: 4 to 40 years), which is calculated based on the Group's annual coal production forecast for each mine and mining reserves and mining resources. For non-coal business, the growth rate was based on the relevant industry growth rate forecast and does not exceed the average long-term growth rate for the relevant industry. The management determined the gross margin ratio mainly based on past performance of the CGU and the management's expectations for the market development.

The cash flows beyond the 5-year period are extrapolated using a zero percent growth rate. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of each of the above units to exceed the recoverable amount of each of the above units. Impairment loss on goodwill amounted to RMB228,000 was recognised for the year ended 31 December 2023. No impairment loss was recognised for the year ended 31 December 2022.

29. INTERESTS IN ASSOCIATES

	At 31 December 2023 RMB'000	2022 RMB'000
Cost of investments in associates	**15,228,281**	13,468,332
Share of post-acquisition profit and other comprehensive income, net of dividends	**7,414,487**	7,692,658
	22,642,768	21,160,990
Less: impairment loss recognised	**(6,158)**	(6,158)
Carrying amount	**22,636,610**	21,154,832

Information of major associates is as follows:

Name of associate	Place of establishment and operation	Class of shares held	Principal Activity	Interest held at 31 December 2023	2022
Huadian Zouxian Power Generation Company Limited ("Huandian Zouxian") (note (i))	PRC	Registered capital	Electricity generation business	**30%**	30%
Shandong Shengyang Wood Co., Ltd	PRC	Registered capital	Artificial board, CCF processing	**39.77%**	39.77%
Jiemei Wall Materials Co., Limited	PRC	Registered capital	Coal refuse baked brick	**20%**	20%
Shanghai CIFCO Futures Co., Limited	PRC	Registered capital	Trading and consultation futures	**33%**	33%
Qilu Bank Co., Ltd. ("Qilu Bank")	PRC	Registered capital	Financial services	**7.69%**	7.80%
內蒙古伊泰呼准鐵路有限公司 ("伊泰") (note (ii))	PRC	Registered capital	Railway construction and transportation	**18.94%**	18.94%
Yankuang Electricity Sales Co., Ltd.	PRC	Registered capital	Sales of electricity	**25%**	25%
Port Waratah CoalServices Ltd ("PWCS")	Australia	Ordinary shares	Provision of coal receivable, blending, stockpiling and ship loading service	**30%**	30%
Zheshang Bank (note (ii))	PRC	Registered capital	Financial services	**3.4%**	4.39%
Linshang Bank (note (ii)) (note (iii))	PRC	Registered capital	Financial services	**17%**	17%
Shandong Yancoal Property Service Company Limited ("Yancoal Property Service")	PRC	Registered capital	Property management, garden greening engineering, sewage treatment and rental housing agency service	**35%**	35%
Yili Xintian Coal Chemical Co., Ltd.	PRC	Registered capital	Production and sales of coal-to-synthetic natural gas	**45%**	N/A

All of the above associates have been accounted for using equity method in the consolidated financial statements. Except for 伊泰, 兗礦售電有限公司, PWCS, Yancoal Property Service and Linshang Bank which are indirectly held by the Company, all associates are held by the Company directly. The interests held disclosed above for PWCS represented the equity interests held by Yancoal Australia.

(i) Huadian Zouxian is a strategic partner of the Group.

(ii) The Group considered that it has the practical ability to exercise significant influence on the associates even though it owns less than 20% of the ownership interest and voting right and take into account 1) the Group's ownership interest is significant relative to other shareholders due to the wide dispersion of shareholding interests; 2) the representation or right to appoint/nominate directors on the board of directors of the associates; and 3) the rights to participate in the policy-making process, including dividends and other distribution.

(iii) During the year ended 31 December 2022, the Group's shareholding ratio decreased from 18.33% to 17% due to other shareholders' capital injection.

29. INTERESTS IN ASSOCIATES (Continued)

(iv) During the year ended 31 December 2023, the Group's shareholding ratio decreased from 7.80% to 7.69% due to other shareholders' capital injection.

(v) During the year ended 31 December 2023, the Group's shareholding ratio decreased from 4.39% to 3.40% due to other shareholders' capital injection.

Except for Qilu Bank and Zheshang Bank, all of the associates are private companies whose quoted market price is not available. As at 31 December 2023, the fair value of the shares of Qilu Bank and Zheshang Bank held by the Group at 31 December 2023 were approximately RMB1,397,121,000 (2022: RMB1,490,024,000) and RMB1,669,628,000 (2022: RMB2,309,955,000) respectively.

Summarised financial information in respect of the Group's material associates are set out below:

	Huadian Zouxian		伊泰	
	2023	2022	**2023**	2022
	RMB'000	RMB'000	**RMB'000**	RMB'000
Current assets	**1,076,767**	1,104,962	**489,066**	494,462
Non-current assets	**3,679,603**	3,940,352	**10,639,073**	11,430,673
Current liabilities	**(624,678)**	(1,540,739)	**(664,486)**	(940,450)
Non-current liabilities	**(478,518)**	(255,960)	**(1,462,457)**	(1,714,060)
Revenue	**4,091,131**	4,236,587	**2,093,359**	165,642
Profit for the year	**356,954**	172,936	**407,370**	131,996
Other comprehensive expense for the year	**–**	–	**(521)**	–
Total comprehensive income for the year	**356,954**	172,936	**406,849**	131,996
Dividend shared by the Group and received from the associates during the year	**–**	–	**34,282**	34,281

	Linshang Bank	
	2023	2022
	RMB'000	RMB'000
Current assets	**151,703,658**	112,375,732
Non-current assets	**5,851,327**	29,806,934
Current liabilities	**(141,035,054)**	(129,643,563)
Non-current liabilities	**(5,377,923)**	(1,841,474)
Revenue	**3,533,638**	3,868,376
Profit for the year	**390,331**	450,578
Other comprehensive income (expense) for the year	**44,691**	(67,010)
Total comprehensive income for the year	**435,022**	383,568

29. INTERESTS IN ASSOCIATES (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associates in respect of material associates recognised in the consolidated financial statements:

	Huadian Zouxian		Yitai	
	2023	2022	**2023**	2022
	RMB'000	RMB'000	**RMB'000**	RMB'000
Carrying amount of the Group's interest in the associate	**1,095,952**	984,543	**2,198,258**	2,159,397

	Linshang Bank	
	2023	2022
	RMB'000	RMB'000
Carrying amount of the Group's interest in the associate	**2,548,585**	2,078,655

Note: Qilu Bank and Zheshang Bank are public companies traded on the National SME Equity Transfer System and Hong Kong Stock Exchange respectively. They are the material associates of the Group. Since the audited results of Qilu Bank for the year ended 31 December 2023 were not yet publicly available when these consolidated financial statements were approved, the relevant financial information of Qilu Bank were not presented. Furthermore, the financial information of Zheshang Bank were not disclosed as in the opinion of the directors of the Company, the disclosure of financial information of Zheshang Bank will provide an approximate range of the financial information of Qilu Bank prior to them become publicly available. Comparative amounts were not disclosed for consistency.

Aggregate information of Qilu Bank, Zheshang Bank and other associates that are not individually material.

	At 31 December	
	2023	2022
	RMB'000	RMB'000
The Group's share of profit and total comprehensive income*	**701,574**	1,852,451
Aggregate carrying amount of the Group's interests in these associates*	**16,793,815**	15,932,237

* Included those of Qilu Bank and Zheshang Bank.

30. INTERESTS IN JOINT VENTURES

	At 31 December 2023 RMB'000	At 31 December 2022 RMB'000
Share of net assets	**1,355,995**	1,174,917

Name of joint venture	Place of establishment and operation	Class of shares held	Principal activity	At 31 December 2023 Voting power	2023 Interest held	2022 Voting power	2022 Interest Held
Australian Coal Processing Holdings Pty Ltd (i)	Australia	Ordinary shares	Investment Holding	50%	50%	50%	50%
Middlemount Joint Venture (i)	Australia	Ordinary shares	Coal mining and sales	50%	50%	50%	50%
Sheng Di Finlay Coal Processing Technology (Tianjin) Co., Ltd	PRC	Registered capital	Consultancy services for deep preprocess technology	50%	50%	50%	50%
Shandong Bochuang Kaisheng Industrial Technology Co., Ltd.	PRC	Ordinary shares	Manufacturing of mining machinery	50%	50%	NA	NA
Shandong Fenglong Intelligent Control Technology Co., Ltd.	PRC	Ordinary shares	Manufacturing of mining machinery	50%	50%	NA	NA

The joint ventures are accounted for using equity method in the consolidated financial statements. All of the joint ventures are private companies and are not individually material to the Group.

Note (i): The interests held disclosed above represented the interests held by Yancoal Australia.

31. INTERESTS IN JOINT OPERATIONS

Information on major joint operations is as follows:

Name of joint operation	Place of establishment and operation	Principal activity	At 31 December 2023 Interest held	2022 Interest held
Boonal joint operation	Australia	Provision of a coal haul road and train load out facilities	**50%**	50%
Moolarben joint operation	Australia	Development and operation of open-cut and underground coal mines	**95%**	95%
Hunter Valley Australia Operation	Australia	Underground coal mines	**51%**	51%
Warkworth Coal Sales Pty Ltd	Australia	Development and operation of open-cut mines	**84.5%**	84.5%
Mount Thorley Joint Venture	Australia	Development and operation of open-cut mines	**80%**	80%
Middlemount Joint Venture	Australia	Underground coal mines	**50%**	50%
Newcastle Coal Infrastructure Group Pty Ltd	Australia	Development and operation of open-cut mines	**27%**	27%

The above joint operations are established and operated as unincorporated businesses and are held indirectly by the Company. The interest held disclosed above represented the interest held by Yancoal Australia.

32. LONG-TERM RECEIVABLES

	At 31 December	
	2023	2022
	RMB'000	RMB'000
Current assets		
– Loan receivables (note)	**2,279,264**	4,653,177
– Less: impairment loss recognised	**–**	(62,607)
	2,279,264	4,590,570
Non-current assets		
– Loan receivables (note)	**4,464,879**	1,770,030
– Others	**1,453,300**	1,623,698
– Less: impairment loss recognised	**(351,983)**	(304,386)
	5,566,196	3,089,342
	7,845,460	7,679,912

Note: The loan receivables carry interest at 3.82% to 6.91% (2022: 3.5% to 6.7%) per annum and are secured by the machinery of the borrowers.

During the year ended 31 December 2023 and 2022, in determining the ECL for these assets, the directors of the Company have taken into account the historical default experience, the financial position of the counterparties as well as the future prospects of the industries in which the debtors operate obtained from available market data considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these receivables.

32. LONG-TERM RECEIVABLES (Continued)

An analysis of the gross amount of long-term receivables is as follows:

	12-month ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL – credit impaired RMB'000	Total RMB'000
Gross amount as at 31 December 2023				
– Performing	**5,647,713**	**–**	**–**	**5,647,713**
– Doubtful	**–**	**2,507,543**	**–**	**2,507,543**
– Default	**–**	**–**	**42,187**	**42,187**
	5,647,713	**2,507,543**	**42,187**	**8,197,443**

	12-month ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL – credit impaired RMB'000	Total RMB'000
Gross amount as at 31 December 2022				
– Performing	5,420,867	–	–	5,420,867
– Doubtful	–	2,507,543	–	2,507,543
– Default	–	–	118,495	118,495
	5,420,867	2,507,543	118,495	8,046,905

The movements in the impairment allowance for the long-term receivables during the year are as follows:

	12-month ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL – credit impaired RMB'000	Total RMB'000
At 1 January 2022	104,892	109,454	131,505	345,851
Provided for the year	50,144	–	19,280	69,424
Impairment loss reversed	(42,920)	(3,774)	–	(46,694)
Exchange realignment	–	–	(1,588)	(1,588)
At 31 December 2022 and 1 January 2023	**112,116**	**105,680**	**149,197**	**366,993**
Provided for the year	**253,971**	**–**	**–**	**253,971**
Impairment loss reversed	**(195,001)**	**–**	**(76,308)**	**(271,309)**
Exchange realignment	**–**	**–**	**2,328**	**2,328**
At 31 December 2023	**171,086**	**105,680**	**75,217**	**351,983**

33. INVESTMENTS IN SECURITIES

	At 31 December 2023 RMB'000	2022 RMB'000
Financial assets at FVTPL		
Unlisted equity securities, at fair value (i)	**553,745**	534,721
Financial assets at FVTOCI		
Equity securities listed on the SSE, at fair value (ii)	**366**	441
Unlisted equity securities, at fair value (i)	**116,278**	126,322
	116,644	126,763
	670,389	661,484

(i) These unlisted equity investments represent investments in unlisted equity securities issued by private entities established in the PRC. Part of these investments in equity instruments, amounting to approximately RMB116,278,000 (2022: RMB126,322,000), are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The remaining investments of approximately RMB553,745,000 (2022: RMB534,721,000) are classified and measured as at FVTPL, which is classified as non-current assets as it is expected to be realised after 12 months after the reporting period.

(ii) As at 31 December 2023 and 2022, the investments in equity securities listed on the Shanghai Stock Exchange (the "SSE") are carried at fair value which are determined based on the quoted market prices in active market.

34. ASSETS CLASSIFIED AS HELD FOR SALE

	At 31 December 2023 RMB'000	2022 RMB'000
Land held for sale	**8,291**	8,061

The balance at 31 December 2023 and 2022 represented parcels of freehold non-mining land that is held for future sale in Australia.

35. BILLS AND ACCOUNTS PAYABLES

	At 31 December 2023 RMB'000	2022 RMB'000
Accounts payables	**14,153,910**	15,658,896
Bills payables	**11,876,855**	10,782,641
	26,030,765	26,441,537

The following is an aged analysis of bills and accounts payables based on the invoice dates at the reporting date:

	At 31 December 2023 RMB'000	2022 RMB'000
0 – 90 days	**15,307,695**	16,003,324
91 – 180 days	**3,549,610**	3,710,916
181 – 365 days	**3,327,760**	3,478,983
Over 1 year	**3,845,700**	3,248,314
	26,030,765	26,441,537

The average credit period for accounts and bills payables is 90 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

36. OTHER PAYABLES AND ACCRUED EXPENSES AND CONTRACT LIABILITIES

Other payables and accrued expenses

	At 31 December 2023 RMB'000	2022 RMB'000
Accrued staff costs	**2,985,814**	2,110,212
Other taxes payable	**1,432,522**	1,679,492
Payables in respect of purchases of property, plant and equipment and construction materials	**81,028**	47,824
Security deposits received	**686,422**	495,864
Deposits received from customers in relation to financing business	**26,373,026**	11,245,221
Interest payable	**12,984**	650,799
Dividends payable	**2,931,471**	3,544
Payables for acquisition of subsidiaries/associates	**11,496,646**	429,089
Exploration rights payables	**5,236,899**	–
Deposit from other customers	**5,499,242**	2,354,744
Others	**2,669,285**	2,675,787
	59,405,339	21,692,576

	2023 RMB'000	2022 RMB'000
Contract liabilities	**5,091,445**	4,833,680

36. OTHER PAYABLES AND ACCRUED EXPENSES AND CONTRACT LIABILITIES (Continued)

Other payables and accrued expenses (Continued)

As at 1 January 2022, contract liabilities amounted to RMB4,982,639,000.

Contract liabilities include advances received to deliver goods and advances received to render transportation services. The increase in contract liabilities was mainly due to more deposits were received in current year.

Revenue recognised during the year ended 31 December 2023 that was included in the contract liabilities as at 31 December 2022 in the current year is RMB4,833,680,000 (2022: RMB4,982,639,000). There was no revenue recognised that related to performance obligations that were satisfied in prior year.

37. PROVISION FOR LAND SUBSIDENCE, RESTORATION, REHABILITATION AND ENVIRONMENTAL COSTS

	2023 **RMB'000**	2022 RMB'000
Balance at 1 January	**10,303,058**	4,659,123
Exchange re-alignment	**160,122**	93,182
Acquisition of subsidiaries	**4,038,592**	–
Additional provision in the year	**465,398**	5,665,930
Utilisation of provision	**(1,242,860)**	(115,177)
Balance at 31 December	**13,724,310**	10,303,058
Presented as:		
Current portion	**254,688**	1,113,609
Non-current portion	**13,469,622**	9,189,449
	13,724,310	10,303,058

Provision for land subsidence, restoration, rehabilitation and environmental costs has been determined by the management of the Group based on their best estimates. However, in so far as the effect on the land and the environment from current mining activities becomes apparent in future periods, the estimate of the associated costs may be subject to change in the near term.

38. PROVISION

	At 31 December	
	2023	2022
	RMB'000	RMB'000
Current provision		
– Take or pay provision (note (i))	**17,547**	20,120
– Onerous contract provision (note (ii))	**29,670**	39,618
	47,217	59,738
Non-current provision		
– Take or pay provision (note (i))	**28,089**	47,429
– Onerous contract provision (note (ii))	**109,121**	133,596
– Employee benefits (note (iii))	**626,872**	544,841
– Post employment benefits (note (iv))	**5,253,765**	–
– Others	**83,727**	50,384
	6,101,574	776,250
	6,148,791	835,988

Notes:

(i) Take or pay provision, which arose from business combination in prior years, is the assessment of forecast excess capacity for port and rail contracts. A provision was recognised for the discounted estimated excess capacity. The provision is released to profit or loss over the period in which excess capacity is realised.

(ii) The onerous contract provision, is the assessment of a coal supply and transportation agreement to supply coal at below market prices. A provision was recognised for the discounted estimated variance between contract and market prices. The provision has a finite life and will be released to profit or loss over the contract term.

(iii) The balance mainly included provision for long-term employee entitlements and other employee incentives.

(iv) The balance mainly related to the provision of termination benefits made in relation the Group's plan in simplification of the organisation structure.

39. BORROWINGS

	At 31 December 2023 RMB'000	2022 RMB'000
Current liabilities		
Bank borrowings		
– Unsecured borrowings (i)	**8,483,707**	5,777,026
– Secured borrowings (ii)	**4,827,948**	5,797,498
Guaranteed notes (iii)	**10,796,410**	3,475,868
Corporate bonds (iv)	**–**	299,925
	24,108,065	15,350,317
Non-current liabilities		
Bank borrowings		
– Unsecured borrowings (i)	**40,912,685**	21,413,300
– Secured borrowings (ii)	**20,440,164**	16,810,794
Guaranteed notes (iii)	**998,700**	11,117,882
Corporate bonds (iv)	**11,174,158**	9,674,525
Other secured borrowings (v)	**2,554,212**	1,796,844
	76,079,919	60,813,345
Total borrowings	**100,187,984**	76,163,662

(i) Unsecured borrowings are repayable as follows:

	At 31 December 2023 RMB'000	2022 RMB'000
Within one year	**8,483,707**	5,777,026
More than one year, but not exceeding two years	**14,891,445**	13,989,300
More than two years, but not exceeding five years	**17,568,920**	3,041,000
More than five years	**8,452,320**	4,383,000
	49,396,392	27,190,326

39. BORROWINGS (Continued)

At 31 December 2023, included in unsecured borrowings are short-term borrowings amounting to approximately RMB8,483,707,000 (2022: RMB5,777,026,000) which carrying interest at 2.50% to 4.98%% per annum (2022: 3.45% to 3.66% per annum).

Long-term borrowings of the Group amounting to approximately RMB40,912,685,000 (2022: RMB21,413,300,000) carrying interest at 2.50% to 5.90% per annum (2022: 2.80% to 5.90%per annum).

(ii) Secured borrowings are repayable as follows:

	At 31 December	
	2023	2022
	RMB'000	RMB'000
Within one year	**4,827,948**	5,797,498
More than one year, but not exceeding two years	**2,938,096**	8,105,541
More than two years, but not exceeding five years	**9,113,755**	6,263,360
More than five years	**8,388,313**	2,441,893
Total	**25,268,112**	22,608,292

As at 31 December 2022, secured borrowings of Yancoal Australia were amounting RMB2,316,894,000 (approximately USD333,000,000). Such borrowings carried interest at three-month London Interbank Offered Rate ("LIBOR") plus a margin of 2.8% per annum, approximately 3.04% per annum. Such borrowings are fully repaid in current year.

As at 31 December 2023, the secured borrowings of Yancoal International were amounting to approximately RMB3,514,350,000 (approximately USD500,000,000) (2022: approximately RMB2,855,487,000 (approximately USD410,000,000)) which carried interest at three-month LIBOR plus a margin of 1.8% per annum, approximately 7.20% (2022: 2.04%) per annum.

At 31 December 2023, secured borrowings of Premier Coal Limited and Premier Holdings Pty., Ltd., were amounted to RMB161,447,000 (AUD33,299,000 (2022: RMB147,672,000 (AUD31,328,000)) which carried interest 8.70% (2022:8.70%) per annum.

Other than the above, at 31 December 2023, secured borrowings of the Group amounting to RMB21,952,315,000 (2022: RMB17,288,239,000) of which RMB1,127,967,000 (approximately USD159,257,000) (2022: RMB1,044,690,000 (approximately USD150,000,000)) was denominated in foreign currency. Such borrowings carried interest at 2.27% to 6.20% (2022: 3.92% to 6.7%) per annum.

As at 31 December 2023 and 2022, certain of the borrowings of the Group were secured by the Group's interests in certain overseas subsidiaries and joint operations.

39. BORROWINGS (Continued)

(iii) Guaranteed notes are detailed as follows:

	At 31 December	
	2023	2022
	RMB'000	RMB'000
Guaranteed notes denominated in RMB repayable within one year	**8,606,692**	–
Guaranteed notes denominated in USD repayable within one year	**2,189,718**	3,475,868
Guaranteed notes denominated in RMB repayable within one to two years	**–**	8,039,375
Guaranteed notes denominated in USD repayable within one to two years	**–**	2,080,307
Guaranteed notes denominated in RMB repayable within two to five years	**998,700**	998,200
	11,795,110	14,593,750

In 2014, with the approval from China Securities Regulatory Commission, the Company was allowed to issue 10-year RMB notes at RMB3,050,000,000 with interest rate of 6.15% per annum. At 31 December 2023, 10-year notes amounted to RMB3,236,346,000 (2022: RMB3,047,342,000) remained outstanding.

In November 2020, USD guaranteed notes with par value of USD500,000,000 in aggregate were issued by a subsidiary of the Company and the notes were unconditionally guaranteed by Yancoal Australia. As at 31 December 2022, guaranteed notes with par value of USD500,000,000 (approximately RMB3,475,868,000) bearing interest at 3.5% per annum matured in 2023. Such guaranteed notes are fully repaid in current year.

In May 2021, RMB guaranteed notes with par value of RMB3,000,000,000 in aggregate were issued by the Company. As at 31 December 2023, guaranteed notes of RMB3,184,890,000 (2022: RMB2,995,533,000) with interest rate of 3.74% per annum will mature in 2024. The notes are unconditionally guaranteed by the Company.

In May 2021, RMB guaranteed notes with par value of RMB1,000,000,000 in aggregate were issued by the Company. As at 31 December 2023, guaranteed notes of RMB988,700,000 (2022: RMB998,200,000) with interest rate of 4.13% per annum will mature in 2026. The notes are unconditionally guaranteed by the Company.

In July 2021, RMB guaranteed notes with par value of RMB2,000,000,000 in aggregate were issued by the Company. As at 31 December 2023, guaranteed notes of RMB2,185,456,000 (2022: RMB1,996,500,000) with interest rate of 3.80% per annum will mature in 2024. The notes are unconditionally guaranteed by the Company.

39. BORROWINGS (Continued)

(iii) Guaranteed notes are detailed as follows: (Continued)

In November 2021, USD guaranteed notes with par value of USD300,000,000 in aggregate were issued by a subsidiary of the Company. As at 31 December 2023, guaranteed notes with par value of USD300,000,000 (approximately RMB2,189,718,000) (2022: USD300,000,000 (approximately RMB2,080,307,000) with interest rate of 2.90% per annum will mature in 2024. The notes are unconditionally guaranteed by the Company.

(iv) Corporate bonds are detailed as follows:

	At 31 December	
	2023	2022
	RMB'000	RMB'000
Bonds denominated in RMB repayable within one year	**–**	299,925
Bonds denominated in RMB repayable within one to two years	**2,696,625**	3,497,900
Bonds denominated in RMB repayable within two to five years	**999,133**	4,191,125
Bonds denominated in RMB repayable after five years	**7,478,400**	1,985,500
	11,174,158	9,974,450

In 2020, the Company issued bonds with a total principal amount of RMB10,000,000,000. The first phase of the bonds was issued in March 2020 with an aggregate principal amount of RMB5,000,000,000 in three series: (i) RMB300,000,000 with maturity period of 3 years and annual interest rate of 2.99%, and is fully repaid in current year; (ii) RMB2,700,000,000 with maturity period of 5 years and annual interest rate of 3.43%; (iii) RMB2,000,000,000 with maturity period of 10 years and annual interest rate of 4.29%. The second phase of the bonds was issued in October 2020 with an aggregate principal amount of RMB5,000,000,000 in two series: (i) RMB3,500,000,000 with maturity period of 15 years and annual interest rate of 3.89%, and is early redeemed in full in current year; (ii) RMB1,500,000,000 with maturity period of 10 years and annual interest rate of 4.27%. The bonds are unsecured.

In 2023, the Company issued bonds with a total principal amount of RMB5,000,000,000. The first phase of the bond was issued in May 2023 with an aggregate principal amount of RMB3,000,000,000 in two series: (i) RMB1,000,000,000 with maturity period of 5 years and annual interest rate of 3.34%; RMB2,000,000,000 with maturity period of 10 years and annual interest rate of 3.80%. The second phase of the bond was issued in June 2023 with an principal amount of RMB2,000,000,000 with maturity period of 10 years and annual interest rate of 3.75%. The bonds are unsecured.

As at 31 December 2023, the aggregate outstanding principal amount of the bonds is RMB11,200,000,000 (2022: RMB10,000,000,000).

39. BORROWINGS (Continued)

(v) Other secured borrowings are detailed as follows:

As at 31 December 2023, the secured borrowings of the Group were amounting to RMB2,554,212,000 (2022: RMB1,796,844,000) which carried interest at 4.65% (2022: 4.65%) per annum.

40. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Current asset		
Unlisted debt investments	**225**	1,437
Current liability		
Derivatives not for hedge		
– Interest rate swaps	**550,761**	634,537

41. LONG-TERM PAYABLES

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Intangible assets payable (i)	**4,733,863**	3,466,978
Non-contingent royalty payable	**16,157**	19,237
Others(ii)	**1,983,068**	1,546,381
	6,733,088	5,032,596
Analysed for financial reporting purpose:		
Current Portion	**385**	584
Non-current portion	**6,732,703**	5,032,012
Total	**6,733,088**	5,032,596

Note:

(i) Intangible assets payable represented the consideration for acquisition of mining rights. The amount is payable by the Group by installments from 2019 to 2049.

(ii) Included in the balance was an interest-free, unsecured advance of RMB1,749,214,000 (2022: RMB1,500,000,000) made of an independent third party.

42. DEFERRED TAXATION

Deferred tax assets (liabilities) of the Group and the movements thereon for both reporting periods are:

	Financial assets at fair value RMB'000	Mining rights (mining reserves) RMB'000	Temporary differences RMB'000	Tax losses RMB'000	Cash flow hedge reserve RMB'000	Total RMB'000 (Restated)
As at 1 January 2022 (as originally stated)	(2,731)	(7,618,639)	(1,480,899)	1,588,339	114,987	(7,398,943)
Effects on adoption of Amendments to IAS 12	–	–	(15,691)	–	–	(15,691)
As at 31 December 2022 and 1 January 2022 (Restated)	(2,731)	(7,618,639)	(1,496,590)	1,588,339	114,987	(7,414,634)
Exchange re-alignment	–	(85,141)	223,516	(204,219)	86,403	20,559
Charge to other comprehensive income	5	–	–	–	(4,980)	(4,975)
Credit (charge) to the consolidated statement of profit or loss	–	714,230	(449,627)	(294,483)	–	(29,880)
As at 31 December 2022 and 1 January 2023 (Restated)	(2,726)	(6,989,550)	(1,722,701)	1,089,637	196,410	(7,428,930)
As at 1 January 2023 (As originally stated)	(2,726)	(6,989,550)	(1,722,186)	1,089,637	196,410	(7,428,415)
Effects on adoption of Amendments to IAS 12	–	–	(515)	–	–	(515)
As at 1 January 2023 (Restated)	(2,726)	(6,989,550)	(1,722,701)	1,089,637	196,410	(7,428,930)
Exchange re-alignment	–	(44,430)	128,776	–	64,890	149,236
Acquisition of subsidiaries	–	(10,948,966)	–	–	–	(10,948,966)
Credit to other comprehensive income	30	–	–	–	12,713	12,743
Credit (charge) to the consolidated statement of profit or loss	–	1,755,147	(238,796)	239,428	–	1,755,779
As at 31 December 2023	(2,696)	(16,227,799)	(1,832,721)	1,329,065	274,013	(16,460,138)

The temporary differences mainly arose from unpaid provision of salaries and wages, provisions of compensation fees for mining rights and land subsidence, restoration, rehabilitation and environmental costs and also included payments on certain expenses such as exploration costs and certain income in Australia.

The following is the analysis of the deferred tax balances for financial reporting purposes:

	At 31 December	
	2023 RMB'000	2022 RMB'000 (Restated)
Deferred tax assets	**4,745,518**	3,507,613
Deferred tax liabilities	**(21,205,656)**	(10,936,543)
	(16,460,138)	(7,428,930)

At the reporting date, the Group has unused tax losses of approximately RMB12,609 million (2022: RMB11,352 million) available for offset against future profits. Deferred tax asset has been recognised for tax losses of RMB6,360 million (2022: RMB4,861 million) for such tax losses. No deferred tax asset has been recognised in respect of tax losses of approximately RMB6,249 million (2022: RMB6,491 million) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of RMB1,849 million, RMB1,586 million, RMB601 million, RMB134 million and RMB2,079 million (2022: RMB1,586 million, RMB601million, RMB134 million, RMB2,079 million and RMB2,091 million) that will be expiring in 2024, 2025, 2026, 2027 and 2028 (2022: 2023, 2024, 2025, 2026 and 2027) respectively.

42. DEFERRED TAXATION (Continued)

By reference to financial budgets, management believes that there will be sufficient future profits for the realisation of deferred tax assets which have been recognised in respect of tax losses.

43. SHAREHOLDERS' EQUITY

Share capital

The Company's share capital structure at the reporting date is as follows:

	Domestic invested shares A shares	Foreign invested shares H shares	Total
Number of shares			
At 1 January 2022	2,974,184,060	1,900,000,000	4,874,184,060
Issue of shares upon exercise of share options (note i)	12,779,580	–	12,779,580
Issue of shares under the restricted share incentive (note i)	61,740,000	–	61,740,000
At 31 December 2022 and 1 January 2023	**3,048,703,640**	**1,900,000,000**	**4,948,703,640**
Issue of shares upon exercise of share options (note ii)	**12,656,840**	**–**	**12,656,840**
Forfeiture of shares under the restricted share incentive (note ii)	**(2,670,000)**	**–**	**(2,670,000)**
Issue of bonus shares	**1,530,680,240**	**950,000,000**	**2,480,680,240**
At 31 December 2023	**4,589,370,720**	**2,850,000,000**	**7,439,370,720**
Registered, issued and fully paid			
At 1 January 2022	2,974,184	1,900,000	4,874,184
Issue of shares upon exercise of share options (note i)	12,780	–	12,780
Issue of shares under the restricted share incentive (note i)	61,740	–	61,740
At 31 December 2022 and 1 January 2023	**3,048,704**	**1,900,000**	**4,948,704**
Issue of shares upon exercise of share options (note ii)	**12,657**	**–**	**12,657**
Forfeiture of shares under the restricted share incentive (note ii)	**(2,670)**	**–**	**(2,670)**
Issue of bonus shares (note iii)	**1,530,680**	**950,000**	**2,480,680**
At 31 December 2023	**4,589,371**	**2,850,000**	**7,439,371**

Each share has a par value of RMB1.

Note:

(i) During the year ended 31 December 2022, 74,519,580 ordinary shares of RMB1 each were issued upon the exercise of share options and under the Resticted Share Incentive Scheme. The total consideration was approximately RMB806,916,000 and resulted in the increase in share capital and share premium of approximately RMB74,520,000 and RMB756,022,000 respectively. The share-based compensation reserve had been decreased by approximately RMB23,626,000 and was transferred to share premium.

43. SHAREHOLDERS' EQUITY (Continued)

Share capital (Continued)

Note: (Continued)

(ii) During the year ended 31 December 2023, 12,657,000 ordinary shares of RMB1 each were issued upon the exercise of share options and 2,670,000 ordinary share of RMB1 each were forfeited under the Resticted Share Incentive Scheme. The total consideration was approximately RMB54,539,000 and resulted in the increase in share premium of approximately RMB86,664,000 and RMB409,000 respectively. The share-based compensation reserve has been decreased by approximately RMB42,112,000 under exercise of share options.

(iii) On 24 March 2023, the Board proposed a bonus issues on the basis of five bonus share for every ten shares then held. The bonus issue was approved by Shareholders on 30 June 2023 and 2,480,680,240 bonus shares were issued on 14 July 2023.

Reserves

Future Development Fund

Pursuant to regulation in the PRC, the Company, Shanxi Tianchi and Heze are required to transfer an annual amount to a future development fund at RMB6 per tonne of raw coal mined (Xintai, Ordos, Shaanxi Future Energy and Inner Mongolia Mining: RMB10.5 per tonne of raw coal mined). The fund can only be used for the future development of the coal mining business and is not available for distribution to shareholders.

From 2008 onwards, Shanxi Tianchi is required to transfer an additional amount at RMB5 per tonne of raw coal mined as coal mine transformation fund. Pursuant to the Shanxi Provincial Government's decision, coal mine transformation fund was suspended since 1 August 2013.

Pursuant to the regulations of the Shandong Province Finance Bureau, State-owned Assets Supervision and Administration Commission of Shandong Province and the Shandong Province Coal Mining Industrial Bureau, the Company is required to transfer an additional amount at RMB5 per tonne of raw coal mined from 1 July 2004 to the reform specific development fund for the future improvement of the mining facilities and is not distributable to shareholders. No further transfer to the reform specific development fund is required from 1 January 2008.

In accordance with the regulations of the State Administration of Work Safety, the Company has a commitment to incur RMB15 per tonne of raw coal mined from 1 February 2012 onwards (Shanxi Tianch RMB30 per tonne of raw coal mined from 1 October 2013 onwards, Xintai and Ordos RMB15 per tonne of raw coal mined from 1 February 2012 onwards, Shaanxi Future Energy and Inner Mongolia Mining RMB15 per tonne of raw coal mined) for each tonne of raw coal mined which will be used for enhancement of safety production environment and improvement of facilities ("Work Safety Cost"). In prior years, the work safety expenditures are recognised only when acquiring the assets or incurring other work safety expenditures. The Company, Heze, Shanxi Tianchi, Xintai and Ordos make appropriation to the future development fund in respect of unutilised Work Safety Cost from 2008 onwards.

In accordance with the regulations of the State Administration of Work Safety, the Company's subsidiaries, Hua Ju Energy, Shanxi Tianhao and Yulin, have a commitment to incur Work Safety Cost at the rate of: 4% of the actual sales income for the year below RMB10 million; 2% of the actual sales income for the year between RMB10 million and RMB100 million (included); 0.5% of the actual sales income for the year between RMB100 million and RMB1 billion (included); 0.2% of the actual sales income for the year above RMB1 billion.

43. SHAREHOLDERS' EQUITY (Continued)

Reserves (Continued)

Statutory Common Reserve Fund

The Company and its subsidiaries in the PRC have to set aside 10% of its profit for the statutory common reserve fund (except where the fund has reached 50% of its registered capital). The statutory common reserve fund can be used for the following purposes:

– to make good losses of the previous years; or

– to convert into capital, provided such conversion is approved by a resolution at a shareholders' general meeting and the balance of the statutory common reserve fund does not fall below 25% of the registered capital.

Retained earnings

In accordance with the Company's Articles of Association, the profit for the purpose of appropriation will be deemed to be the lesser of the amounts determined in accordance with (i) PRC accounting standards and regulations and (ii) IFRS or the accounting standards of the places in which its shares are listed.

As at 31 December 2023, the distributable reserve of the Company is approximately RMB14,709,639,000.

44. PERPETUAL CAPITAL SECURITIES

	RMB'000
At 1 January 2022	8,118,100
Issuance of perpetual capital security	4,990,400
Dividend to holders of perpetual capital security	461,944
Distribution paid to holders of perpetual capital security	(321,830)
At 31 December 2022 and 1 January 2023	**13,248,614**
Redemption of perpetual capital security	**(1,696,600)**
Issuance of perpetual capital security	**4,998,000**
Dividend to holders of perpetual capital security	**444,743**
Distribution paid to holders of perpetual capital security	**(452,980)**
At 31 December 2023	**16,541,777**

44. PERPETUAL CAPITAL SECURITIES (Continued)

Notes:

(i) The Company issued 3.99% and 4.40% perpetual capital securities with par value RMB1,700,000,000 and RMB3,300,000,000 respectively, on 22 June 2021. Coupon payments of 3.99% and 4.40% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity. During the year ended 31 December 2023, the Group has redeemed one of the perpetual securities with par value RMB1,700,000,000, at their principal amount.

(ii) The Company issued 3.54% perpetual capital securities with par value RMB1,000,000,000, on 20 August 2021. Coupon payments of 3.54% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

(iii) The Company issued 3.67% perpetual capital securities with par value RMB2,000,000,000, on 26 November 2021. Coupon payments of 3.67% per annum, which will be reset every 3 years, on the perpetual capital securities are paid in arrears. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

(iv) The Company issued 3.28% and 3.71% 2022 perpetual capital securities with par value RMB2,500,000,000 and RMB500,000,000 respectively, on 19 May 2022. Coupon payments of 3.28% and 3.71% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

(v) The Company issued 3.30% perpetual capital securities with par value RMB2,000,000,000 on 8 June 2022. Coupon payments of 3.30% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

44. PERPETUAL CAPITAL SECURITIES (Continued)

Notes: (Continued)

(vi) The Company issued 3.40% perpetual capital securities with par value RMB2,000,000,000 on 20 October 2023. Coupon payments of 3.40% per annum on the perpetual capital securities are paid one a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

(vii) The Company issued 3.16% perpetual capital securities with par value RMB3,000,000,000 on 21 November 2023. Coupon payments of 3.16% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

45. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes the borrowings, perpetual capital securities and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company assess the annual budget prepared by the accounting and treasury department and consider and evaluate the cost of capital and the risks associated with each class of capital. The Group will balance its capital structure through the payment of dividends, issue of new shares and new debts or the repayment of existing debts.

46. FINANCIAL INSTRUMENTS

46a. Categories of financial instruments

	At 31 December 2023 RMB'000	2022 RMB'000
Financial assets		
Financial assets at amortised cost	**70,485,725**	67,978,917
Financial assets at FVTOCI		
– Bills receivables	**5,540,149**	4,502,127
– Listed equity instruments at FVTOCI	**366**	441
– Unlisted equity instruments at FVTOCI	**116,280**	126,322
Financial assets at FVTPL		
– Unlisted equity instruments at FVTPL	**553,745**	534,721
– Royalty receivable	**1,056,952**	1,098,316
– Unlisted debt investments	**225**	1,437
Financial liabilities		
Financial liabilities at amortised cost	**196,323,751**	130,981,387
Financial liabilities at FVTPL		
– Derivative financial instruments	**550,761**	634,537

46. FINANCIAL INSTRUMENTS (Continued)

46b. Financial risk management objectives and policies

The Group's major financial instruments include investments in securities, bills and accounts receivable, royalty receivables, other receivables, bank balances and cash, pledged term deposits, restricted cash, long-term receivables, derivative financial instruments, bills and accounts payables, other payables, long-term payables, borrowings, amounts due to Parent Company and its subsidiaries. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There has been no significant change to the Group's exposure to market risk or the manner in which it manages and measures the risk.

Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. As at 31 December 2023, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in note 54.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. The Group maintains its cash and cash equivalents with reputable banks. Therefore, the directors consider that the credit risk for such is minimal.

The Group generally grants the customers with long-relationship credit terms not exceeding 180 days, depending on the situations of the individual customers. For small to medium sized new customers, the Group generally requires them to pay for the products before delivery.

For accounts and bills receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL collectively by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For other non-trade related receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

46. FINANCIAL INSTRUMENTS (Continued)

46b. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

In order to minimise credit risk, the Group has tasked its operation management committee to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the operation management committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Bills and accounts receivables	Other financial assets/other items
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1)	Lifetime ECL – not credit impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle after due date (refer to as Stage 1)	Lifetime ECL – not credit impaired	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2)	Lifetime ECL – not credit impaired	Lifetime ECL – not credit impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that assethave occurred (refer to as Stage 3)	Lifetime ECL – credit impaired	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is insevere financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The credit quality of the Group's financial assets as well as the Group's maximum exposure to credit risk by credit risk rating grades are disclosed in respective notes.

46. FINANCIAL INSTRUMENTS (Continued)

46b. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Details of the accounts receivables from the five customers with the largest gross receivable balances at 31 December 2023 and 2022 are as follows:

	Percentage of accounts receivable At 31 December	
	2023	2022
Five largest receivable balances	**26.87%**	31.23%

The management considers the strong financial background and good creditability of these customers, and there is no significant uncovered credit risk.

Market risk

(i) Currency risk

The Group's sales are denominated mainly in the functional currency of the relevant group entity making the sale, whilst costs are mainly denominated in the group entity's functional currency. Accordingly, there is no significant exposure to transactional foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities in currencies other than the functional currencies of the relevant group entities at the reporting date are as follows:

	Liabilities		Assets	
	2023 RMB'000	2022 RMB'000	**2023 RMB'000**	2022 RMB'000
USD	**7,652,167**	14,775,025	**7,009,774**	7,722,479
EUR ("EUR")	**–**	–	**13,397**	10,161
Hong Kong Dollar ("HKD")	**–**	93,827	**122,627**	2,877
Australian Dollar ("AUD")	**77,443**	–	**10,307**	199,797

The sales of the Group's subsidiaries in Australia are mainly export sales and some of their fixed assets are imported from overseas. Their foreign exchange exposures are hedged by foreign currency denominated borrowings. The Group's operations in the PRC do not adopt any foreign exchange hedging policy.

46. FINANCIAL INSTRUMENTS (Continued)

46b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis

The Group is mainly exposed to the fluctuation against the currency of USD.

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against relevant foreign currencies. 5% represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next reporting date. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates and also assumes all other risk variables remained constant. The sensitivity analysis includes loans of foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

	USD impact (note (i))	
	2023	2022
	RMB'000	RMB'000
(Decrease) increase in profit		
– if RMB weakens against respective foreign currency	**(22,931)**	(44,727)
– if RMB strengthens against respective foreign currency	**22,931**	44,727

	USD impact (note ii)	
	2023	2022
	RMB'000	RMB'000
(Decrease) increase in profit		
– if AUD weakens against respective foreign currency	**79,309**	80,174
– if AUD strengthens against respective foreign currency	**(79,309)**	(80,174)

Notes:

(i) This is mainly attributable to the exposure of the Group's outstanding bank deposit and loans denominated in USD.

(ii) This is mainly attributable to the exposure of the Group's outstanding bank borrowings in foreign currency designated as cash flow hedge.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

46. FINANCIAL INSTRUMENTS (Continued)

46b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances, pledged term deposits, restricted cash (note 17) and variable rate borrowings (note 39).

The Group's exposures to interest rate risk on financial assets and financial liabilities are detailed in the liquidity risk section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the People's Bank of China ("PBOC") arising from the Group's RMB borrowings and the LIBOR arising from the Group's USD borrowings.

Sensitivity Analysis

The following table details the Group's sensitivity to a change of 100 basis points in the interest rate, assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year and all the variables were held constant.

	2023 **RMB'000**	2022 RMB'000
(Decrease) increase in profit or loss		
– if increases by 100 basis points	**(101,337)**	(139,838)
– if decreases by 100 basis points	**101,337**	139,838

(iii) Other price risk

In addition to the above risks relating to financial instruments, the Group is exposed to equity price risk through investment in listed equity securities. The Group currently does not have any arrangement to hedge the price risk exposure of its investment in equity securities. The Group's exposure to equity price risk through investment in listed equity securities is not significant.

46. FINANCIAL INSTRUMENTS (Continued)

46b. Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity and interest risk tables

	Within 1 years or on demand RMB'000	1-5 years RMB'000	5+ years RMB'000	Total undiscounted cash flow RMB'000	**Carrying amount at 31 December RMB'000**
2023					
Non-derivative financial liabilities					
Bills and accounts payable	26,030,765	–	–	26,030,765	**26,030,765**
Other payables	57,972,817	–	–	57,972,817	**57,972,817**
Amounts due to Parent Company and its subsidiary companies	5,399,097	–	–	5,399,097	**5,399,097**
Guaranteed notes	11,603,581	1,057,247	–	12,660,828	**11,795,110**
Bank borrowings	15,042,002	59,346,349	6,510,098	80,898,449	**74,664,504**
Other secured borrowings	78,477	3,220,961	–	3,299,438	**2,554,212**
Corporate bonds	–	3,695,758	8,364,975	12,060,733	**11,174,158**
Long term payable	863,793	2,283,760	4,546,347	7,693,900	**6,733,088**
	116,990,532	69,604,075	19,421,420	206,016,027	**196,323,751**
Financial liabilities at fair value through profit or loss	550,761	–	–	550,761	**550,761**
Financial guarantees issued					
Maximum amount guaranteed (note)	4,432,718	–	–	4,432,718	**4,432,718**

46. FINANCIAL INSTRUMENTS (Continued)

46b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

	Within 1 years or on demand RMB'000	1-5 years RMB'000	5+ years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount at 31 December RMB'000
2022					
Non-derivative financial liabilities					
Bills and accounts payable	26,441,537	–	–	26,441,537	26,441,537
Other payables	20,013,084	–	–	20,013,084	20,013,084
Amounts due to Parent Company and its subsidiary companies	3,330,508	–	–	3,330,508	3,330,508
Guaranteed notes	4,056,479	11,505,561	–	15,562,040	14,593,750
Bank borrowings	11,866,548	37,999,210	4,104,384	53,970,142	49,798,618
Other secured borrowings	102,514	1,880,472	–	1,982,986	1,796,844
Corporate bonds	679,272	3,945,514	8,432,982	13,057,768	9,974,450
Long term payable	48,912	1,509,056	8,866,711	10,424,679	5,032,596
	66,538,854	56,839,813	21,404,077	144,782,744	130,981,387
Financial liabilities at fair value through profit or loss	634,537	–	–	634,537	634,537
Financial guarantees issued					
Maximum amount guaranteed (note)	4,433,836	–	–	4,433,836	–

Additional information about the maturity of lease liabilities is provided in the following table:

	Within 1 years RMB'000	**1-5 years RMB'000**	**5+ years RMB'000**	**Total RMB'000**	**Carrying amount RMB'000**
As at 31 December 2023	**159,791**	**326,315**	**18,898**	**505,004**	**482,457**
As at 31 December 2022	**199,030**	**420,253**	**38,335**	**657,618**	**581,272**

Note: the amount presented is the maximum contractual presented under guarantees issued.

46. FINANCIAL INSTRUMENTS (Continued)

46c. Fair values

The fair value of listed equity investment is determined with reference to quoted market price. The fair values of the interest rate swap are estimated based on the discounted cash flows between the contract forward rate and spot forward rate.The fair value of royalty receivable is determined on the basis as set out in note 19. The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

The following table presents the carrying value of financial instruments measured at fair value across the three levels of the fair value hierarchy:

				At 31 December
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
2023				
Assets				
Financial assets at FVTPL:				
– Unlisted equity investments	–	–	553,745	553,745
– Royalty receivables	–	–	1,056,952	1,056,952
– Unlisted debt investments	225	–	–	225
Financial assets at FVTOCI:				
– Bills receivables	–	–	5,540,149	5,540,149
– Investments in securities listed on the SSE	366	–	–	366
– Unlisted equity securities	–	–	116,278	116,278
	591	–	7,267,124	7,267,715
Liabilities				
Financial liabilities at FVTPL:				
– Derivative financial instruments	–	550,761	–	550,761

46. FINANCIAL INSTRUMENTS (Continued)

46c. Fair values (Continued)

				At 31 December
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
2022				
Assets				
Financial assets at FVTPL:				
– Unlisted equity investments	–	–	534,721	534,721
– Royalty receivables	–	–	1,098,316	1,098,316
– Unlisted debt investments	1,437	–	–	1,437
Financial assets at FVTOCI:				
– Bills receivables	–	–	4,502,127	4,502,127
– Investments in securities listed on the SSE	441	–	–	441
– Unlisted equity securities	–	–	126,322	126,322
	1,878	–	6,261,486	6,263,364
Liabilities				
Financial liabilities at FVTPL:				
– Derivative financial instruments	–	634,537	–	634,537

During the years ended 31 December 2023 and 2022, there are no change in categories between level 1 and level 2 and no movement from or into level 3. For more information about royalty receivable, please refer to note 19.

The fair value of the royalty receivable is determined using the discounted future cash flows that are dependent on the following unobservable inputs: forecast sales volumes, coal prices and fluctuations in foreign exchange rates. The forecast sales volumes are based on the internally maintained budgets, five year business plan and life of mine models. The forecast coal prices and long term exchange rates are based on external data consistent with the data used for impairment assessments. The risk-adjusted post-tax discount rate used to determine the future cash flows is 11% (2022: 11%). The estimated fair value would increase if the sales volumes and coal prices were higher and if the AUD weakens against the USD. The estimated fair value would also increase if the risk adjusted discount rate was lower.

47. SHARE-BASED PAYMENTS

(a) The Company

Share Option Scheme

In February 2019, a share option scheme of the Company (the "Share Option Scheme") was approved. The principal terms are as follows:

(i) Purpose

The Share Option Scheme is for the purpose to further establish and improve the long-term incentive mechanism of the Company, attract and retain talents, fully mobilise the directors, senior management, mid-level management and core employees of the Company, effectively align the interests of shareholders, the Company and the management personally, and enable all parties to take interest in the long-term development of the Company.

(ii) Scope of participants

The participants include the directors, senior management, mid-level management and core employees of the Company. In respect of the abovementioned participants, any such directors and senior management must have been elected at the General Meeting or appointed by the Board. A participant must be employed by and have entered into a labor contract or an employment contract with the Company, the wholly-owned subsidiaries or controlled subsidiaries of the Company as at the date of grant and during the assessment years.

The participants do not include the external directors (including the independent directors), the supervisors and any shareholder or actual controller individually or jointly holding more than 5% of the shares of the Company and their respective spouse, parents and children. The participants shall not also be participants of share incentive schemes of any other listed companies, and persons who are already participants of such incentive schemes of any other listed companies shall not take part in the Share Option Scheme.

(iii) Total number of the options involved in the Share Option Scheme

The number of A Share Options granted under the scheme is 46,320,000. Upon satisfaction of the conditions of exercise of the share options, each share option shall provide its holder with a right to purchase one A Share at the exercising price during the validity period. The share options shall not be transferred, mortgaged or used to set-off.

(iv) Validity Period

The validity period of the share options granted under the Share Option Scheme commences from the date of grant, and such period must not exceed 60 months.

47. SHARE-BASED PAYMENTS (Continued)

(a) The Company (Continued)

Share Option Scheme (Continued)

(v) Vesting Period

The share options will have vesting periods of 24 months, 36 months and 48 months commencing from the date of grant respectively.

(vii) Exercise Price, exercisable period and exercise conditions

The exercise of the share options under the Share Option Scheme are subject to the performance targets in the assessment years from the financial year of 2019 through the financial year of 2021. Assessment will be made once a financial year.

Under the premise that conditions of exercise of the share options have been fulfilled, the share options are exercisable in three tranches upon expiry of 24 months of the date of grant.

The participants shall exercise their share options during the validity period of the share options. If the conditions of exercise of share options are not fulfilled, the share options for that period shall not be exercised. If the conditions of the share options are fulfilled but not all of the relevant share options for that period have been exercised, such portion of the unexercised share option shall be cancelled by the Company.

During the year ended 31 December 2023, 12,656,840 (2022: 12,779,580) options were exercised and 358,360 (2022: 3,042,020) were cancelled under the Share Option Scheme. No options were granted during the year ended 31 December 2023 (2022: nil) under the Share Option Scheme.

As at 31 December 2023, the Company had nil (2022: 13,015,200) share options outstanding under the Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 13,015,200 additional ordinary shares of the Company in 2022. No option is exercisable as at 31 December 2023 and 2022. As at 31 December 2023, the weighted average exercise price of the share options in RMB4.52 (2022: RMB6.52) per share.

No share-based compensation expenses was recognised during the year ended 31 December 2023 (2022: RMB8,289,000)

47. SHARE-BASED PAYMENTS (Continued)

(a) The Company (Continued)

Restricted Share Incentive Scheme

In January 2022, a restricted share incentive scheme of the Company (the “Resticted Share Incentive Scheme”) was approved. The principal terms are as follows:

(i) Purpose

The Resticted Share Incentive Scheme is for the purpose to further improve the medium and long-term incentive mechanism of the Company’s management team and key employees, closely combine the interests of Shareholders, the Company’s interests and the personal interests of the core team, and enhance the Company’s market competitiveness and sustainable development capabilities.

(ii) Scope of participants

The participants include the directors, senior management, mid-level management and core employees of the Company. In respect of the abovementioned participants, any such directors and senior management must have been elected at the General Meeting or appointed by the Board. A participant must be employed by and have entered into a labor contract or an employment contract with the Company, the wholly-owned subsidiaries or controlled subsidiaries of the Company as at the date of grant and during the assessment years.

The participants do not include the external directors (including the independent directors), the supervisors and any shareholder or actual controller individually or jointly holding more than 5% of the shares of the Company and their respective spouse, parents and children. The participants shall not also be participants of share incentive schemes of any other listed companies, and persons who are already participants of such incentive schemes of any other listed companies shall not take part in the Restricted Share Incentive Scheme.

(iii) Total number of the options involved in the Restricted Share Incentive Scheme

The number of Resticted Shares granted under the scheme is 61,740,000. The conditions on unlocking the restricted shares of the participants need to meet certain performance conditions and personal performance evaluation conditions.

(iv) Validity period

The validity period of the Restricted Shares granted under the Restricted Share Incentive Scheme shall not exceed 60 months commencing from the date of granting the share options.

47. SHARE-BASED PAYMENTS (Continued)

(a) The Company (Continued)

Restricted Share Incentive Scheme (Continued)

(v) Vesting date

As reviewed and approved at the twentieth meeting of the eighth session of the Board convened on 27 January 2022, the vesting date is 27 January 2022.

(vi) Lock-up period

The lock-up periods of the Restricted Share Incentive Scheme are 24 months, 36 months and 48 months from the date of completion of the registration of the grant of restricted shares.

(vii) The grant price

The grant price of shares under the Restricted Share Incentive Scheme is RMB11.72 per share.

(viii) Unlocking arrangements

The Restricted Shares are subject to a sales restriction period of 24 months from the grant date of the Restricted Shares. During the lockup period, Restricted Shares may not be transferred, pledged for any guarantee or used for repayment of debts. The 36 months after the restricted sale period is the lifting period. In each unlocking period, if the conditions for unlocking of the Restricted Shares are met, the incentive object can apply for the Restricted Shares held through the Restricted Share Incentive Scheme to be divided into three batches of the termination of sales restrictions, and the proportions were 33%, 33% and 34% respectively. If the Company's performance assessment targets for a particular unlocking period of the restricted shares are not met, all the restricted shares of the participants for that period shall not be unlocked and shall be repurchased by the Company at the agreed price.

(ix) The completion of the granting

On 24 February 2022, the Company completed the registration of the grant of the restricted shares in the Shanghai branch of China Clearing Corporation.

During the year ended 31 December 2023, 2,670,000 shares of the Company were forfeited under the Restricted Share Incentive Scheme (2022: 61,740,000 shares issued, RMB268,480,000 (2022: RMB260,790,000) was recognised as share based compensation expenses during the year ended 31 December 2023.

For the year end 31 December 2023, the shares issued under the Restricted Share Incentive Scheme represented 1.28% (2022: 2.03%) of the weighted average domestic shares issued during the year.

47. SHARE-BASED PAYMENTS (Continued)

(b) Equity incentive plan of a subsidiary

Yancoal Australia, a non-wholly-owned subsidiary of the Company, had adopted a share incentive scheme and the principal terms of the incentive plan (the "Plan") are as follows:

(i) Purpose

The purpose of the Plan is to:

(1) attract, retain and motivate eligible employees essential for the continued growth and development of Yancoal Australia;

(2) provide a strategic, value based reward for eligible employees who make a key contribution to the success of Yancoal Australia;

(3) align the interests of eligible employees more closely with the interests of shareholders by providing an opportunity for eligible employees to receive an equity interest in the form of awards;

(4) provide eligible employees with the opportunity to share in any future growth in value of Yancoal Australia; and

(5) provide greater incentive for eligible employees to focus on Yancoal Australia's longer term goals.

(ii) Scope of participants

Those employees that the Board of Yancoal Australia (the" Board") determine are eligible to participate in the Plan (the "Participants"). Eligible employee may receive, at the absolute discretion of the Board, options or rights (a conditional right to receive shares of Yancoal Australia) ("Rights") or a Share (each, an "Award") under the Plan.

(iii) Maximum number of shares

Where an offer is made under the Plan, the Board of Yancoal Australia must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares (or, in respect of Options or Rights, the total number of Shares which would be issued if those Options or Rights were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under: (a) the Plan or any other employee incentive scheme covered by the Australian Securities and Investments Commission ("ASIC") Class Order CO 14/1000 (or any amendment to or replacement of that Class Order) ("Class Order"); or (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme, ("5% Limit").

47. SHARE-BASED PAYMENTS (Continued)

(b) Equity incentive plan of a subsidiary (Continued)

(iii) Maximum number of shares (Continued)

The Rights are redeemable on a one-for-one basis for Yancoal Australia's shares. Yancoal Australia may at its discretion to settle Rights in cash or share.

During the year ended 31 December 2023, 1,216,705 (2022: 2,542,567) Rights were granted and 175,016 (2022: 480,569) Rights were forfeited or lapsed. During the year ended 31 December 2023, 268,777 Rights (2022: 236,783 Rights) were settled in cash and 2,007,635 Rights (2022: no Rights) were settled in shares. As at 31 December 2023, 6,437,335 Rights (2022: 7,403,281 Rights) were still outstanding.

During the year ended 31 December 2023, a share-based compensation expenses of RMB21,595,000 (2022: RMB45,006,000) was recognised in profit or loss.

The fair value of share options granted was estimated on the date of grant using the Black Scholes model, taking into account of the terms and conditions upon which the options were granted. The inputs used in the model was as follow:

	LTIP	LTIP	LTIP
Grant date	1/1/2022	1/1/2021	1/1/2020
Post-consolidation share price at grant date ($)	AUD2.45	AUD2.45	AUD2.86
Dividend yield	10%	8%	8%
Value per performance right	AUD2.10	AUD1.94	AUD2.23

The Rights has been valued using the volume weighted average price of Yancoal Australia's ordinary shares across a 10 day trading period before grant date.

There are a maximum of 6,437,335shares available for issue, which, if issued as new shares of Yancoal Australia, would represent 0.5% of share capital in issue at 31 December 2023 (2022: 7,403,281 shares representing 0.6% of share capital of Yancoal Australia).

48. ACQUISITION OF SUBSIDIARIES

(A) Acquisition of 51% interest in Luxi Mining

On 30 June 2023, the Company, the Parent Company and its wholly-owned subsidiaries, entered into the equity transfer agreements to purchase 51% equity interest in Luxi Mining at an aggregate consideration of approximately RMB18,319,379,000 plus RMB833,850,000 effective date adjustment whereby the cash consideration was increased by the profit increased from 1 January 2023 to 30 September 2023. The acquisition was completed on 30 September 2023. Luxi Mining are mainly engaged in mining, washing, sales of coal and other upstream and downstream businesses of the coal industry chain in the PRC. Upon Completion, Luxi Mining became the non-wholly-owned subsidiary of the Group and the financial results of Luxi Mining has been consolidated into the Company's consolidated financial statements.

Consideration transferred

	RMB'000
Cash consideration paid	18,319,379
Effective date adjustment	833,850
Contingent consideration arrangement (Note 22)	(1,618,680)
Total consideration	17,534,549

Note:

In view of the entering into of the equity transfer agreement, the Parent Company and its wholly-owned subsidiaries have entered into the letter of performance commitment, pursuant to which the Parent Company and its wholly-owned subsidiaries agreed to make the commitments regarding the performance of Luxi Mining in the three years from 2023 to 2025. Luxi Mining's audited net profit attributable to shareholders of the parent company after deducting non-recurring profit and loss ("Luxi Actual Net Profit"), calculated in accordance with the Chinese accounting standards, is not less than approximately RMB11.43 billion ("Luxi Committed Net Profit") during the years 2023 to 2025 ("Luxi Commitment Period"). The Luxi Committed Net Profit is determined with reference to the asset valuation reports filed with the competent state-owned regulatory authorities.

48. ACQUISITION OF SUBSIDIARIES (Continued)

(A) Acquisition of 51% interest in Luxi Mining (Continued)

Consideration transferred (Continued)

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	RMB'000
Property, plant and equipment	22,151,043
Construction in progress	1,522,803
Intangible assets	29,899,325
Right-of-use assets	126,637
Deferred tax assets	1,706,818
Financial asset at FVTPL	309,371
Inventories	383,780
Trade and bills receivables	3,147,146
Prepayment and other receivables	15,640,746
Cash and bank balances	900,906
Tax recoverable	(577,349)
Contract liabilities	(49,252)
Trade and bills payables	(9,319,111)
Other payables and accured expenses	(14,294,262)
Provision for land subsidence, restoration, rehabilitation and environment costs	(3,739,934)
Bank borrowings	(8,695,385)
Lease Liabilities	(96,828)
Deferred tax liabilities	(7,548,098)
Net assets acquired	31,468,296
Less: Non-controlling interests at proportionate share of net assets	(15,419,465)
Add: Goodwill arising from acquisition	1,485,718
	17,534,549

Net cash inflow on acquisition of Luxi Mining

	RMB'000
Cash consideration paid	10,526,445
Less: cash and cash equivalent balances acquired	(900,906)
	9,625,539

The fair value of bills and accounts receivables at the date of acquisition amounted to RMB3,147,146,000. The gross contractual amounts of those bills and accounts receivables acquired amounted to RMB3,381,508,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to RMB234,362,000.

The above figures has been determined on a provisional basis. Any adjustments to the provisional values as a result of completing work on the fair values of assets and liabilities acquired will be recognised within 12 months of the acquisition date and will be recognised as if they had occurred as at the date of acquisition.

48. ACQUISITION OF SUBSIDIARIES (Continued)

(A) Acquisition of 51% interest in Luxi Mining Company Limited (Continued)

Consideration transferred (Continued)

The goodwill arising on the acquisition of Luxi Mining is attributable to the future growth and profitability expected to arise from the business combination. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash inflow on acquisition of Luxi Mining:

Impact of acquisition on the results of the Group

Included in the profit for the year is approximately RMB132,578,000 attributable to the additional business generated by Luxi Mining. Revenue for the year includes approximately RMB3,382,037,000 generated from Luxi Mining.

Had the acquisition been completed on 30 September 2023, total revenue for the year would have been approximately RMB13,981,357,000, and profit for the year would have been approximately RMB2,433,298,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2023, nor is it intended to be a projection of future results.

(B) Acquisition of 51% Interest in Xinjiang Neng Hua

On 30 June 2023, the Company the Parent Company and its wholly-owned subsidiary entered into the equity transfer agreements with and Xinjiang Neng Hua to purchase 51% equity interest in Xinjiang Neng Hua at an aggregate consideration of approximately RMB8,111,852,000 plus RMB265,200 effective date adjustment whereby the cash consideration was increased by the profit increased from 1 January 2023 to 30 September 2023. The acquisition was completed on 30 September 2023. Xinjiang Neng Hua are mainly engaged in mining, washing and sales of coal, coal chemical industry and other upstream and downstream businesses of the coal industry chain in the PRC. Upon Completion, Xinjiang Neng Hua became the non wholly-owned subsidiaries of the Group and the financial results of Xinjiang Neng Hua has been consolidated into the Company's consolidated financial statements.

Consideration transferred

	RMB'000
Cash consideration paid	8,111,852
Effective date adjustment	265,200
Contingent consideration receivable	(1,350,740)
Total consideration	7,026,312

48. ACQUISITION OF SUBSIDIARIES (Continued)

(B) Acquisition of 51% Interest in Xinjiang Neng Hua (Continued)

Consideration transferred (Continued)

Note:

In view of the entering into of the transfer agreement, the Parent Company and its wholly-owned Subsidiary have entered into the letter of performance commitment, pursuant to which the Parent Company and its wholly-owned Subsidiary agreed to make the commitments regarding the performance of Xinjiang Neng Hua in the three years from 2023 to 2025. Xinjiang Neng Hua audited net profit attributable to shareholders of the parent company after deducting non-recurring profit and loss ("Xinjiang Actual Net Profit"), calculated in accordance with the Chinese accounting standards, is not less than approximately RMB4.013 billion ("Xinjiang Committed Net Profit") during the years 2023 to 2025 ("Xinjiang Commitment Period"). The Xinjiang Committed Net Profit is determined with reference to the asset valuation reports filed with the competent state-owned regulatory authorities.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	RMB'000
Property, plant and equipment	9,932,977
Construction in progress	489,092
Right-of-use assets	6,363
Interest in an associate	1,984,774
Intangible assets	15,515,367
Deferred tax assets	47,282
Inventories	132,910
Bills and accounts receivables	508,665
Prepayment and other receivables	2,632,336
Bank balances and cash	580,502
Tax payables	(65,674)
Contract liabilities	(203,077)
Trade and bills payables	(3,257,804)
Other payables and accrued expenses	(6,253,634)
Provision for land subsidence, restoration, rehabilitation and environment costs	(311,306)
Bank borrowings	(6,178,936)
Deferred tax liabilities	(3,430,866)
Net assets acquired	12,128,971
Less: Non-controlling interests at proportionate share of net assets	(5,943,196)
Add: Goodwill arising from acquisition	840,537
	7,026,312

48. ACQUISITION OF SUBSIDIARIES (Continued)

(B) Acquisition of 51% Interest in Xinjiang Neng Hua (Continued)

Consideration transferred (Continued)

Net cash inflow on acquisition of Xinjiang:

	RMB'000
Cash consideration paid	5,932,311
Less: cash and cash equivalent balances acquired	(580,502)
	5,351,809

The fair value of bills and accounts receivables at the date of acquisition amounted to RMB508,665,000. The gross contractual amounts of those bills and accounts receivables acquired amounted to RMB509,344,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to RMB679,000.

The above figures has been determined on a provisional basis. Any adjustments to the provisional values as a result of completing work on the fair values of assets and liabilities acquired will be recognised within 12 months of the acquisition date and will be recognised as if they had occurred as at the date of acquisition.

The goodwill arising on the acquisition of Xinjiang Neng Hua is attributable to the future growth and profitability expected to arise from the business combination. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Impact of acquisition on the results of the Group

Included in the profit for the year is approximately RMB(74,552,000) attributable to the additional business generated by Xinjiang Neng Hua. Revenue for the year includes approximately RMB1,420,104,000 generated from Xinjiang Neng Hua.

Had the acquisition been completed on 30 September 2023, total revenue for the year would have been approximately RMB5,056,934,000, and profit for the year would have been approximately RMB372,940,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2023, nor is it intended to be a projection of future results.

(C) Other Business Combinations

During the year ended 31 December 2023, the Group also acquired certain insignificant subsidiaries. The aggregate consideration for these acquisition were approximately RMB1,070,040,000, fair value of net assets acquired (including identifiable net assets, non-controlling interest and goodwill recognised were approximately RMB277,357,000, RMB792,683,000 and nil respectively.

Impact of acquisition on the results of the Group

Included in the profit for the year is approximately RMB3,214,803,000 attributable to the additional other business for the year includes approximately RMB408,565,000 generated from other business.

49. NON-CONTROLLING INTERESTS

Summarised financial information of material non-controlling interests of subsidiaries is set out below.

	Yancoal Australia At 31 December		Haosheng At 31 December	
	2023 RMB'000	2022 RMB'000	**2023 RMB'000**	2022 RMB'000
Non-controlling interests percentage	**37.74%**	37.74%	**44.56%**	44.56%
Summarised financial information				
Current assets	**11,992,635**	17,637,836	**3,335,987**	3,350,176
Non-current assets	**42,286,495**	42,378,058	**12,645,301**	12,019,688
Current liabilities	**(5,334,239)**	(11,947,107)	**(3,543,841)**	(7,530,556)
Non-current liabilities	**(8,003,875)**	(10,210,293)	**(6,656,803)**	(2,512,362)
Net assets	**40,941,016**	37,858,494	**5,780,644**	5,326,946
Carrying amounts of non-controlling interests	**15,451,140**	14,287,796	**2,575,855**	2,373,687
Revenue	**36,085,561**	49,041,207	**2,590,524**	3,255,027
Profit for the year	**8,697,201**	16,738,824	**61,645**	364,281
Other comprehensive income	**286,635**	286,635	**–**	–
Total comprehensive income	**8,983,836**	17,025,459	**61,645**	364,281
Total comprehensive income allocated to non-controlling interests	**3,390,500**	6,425,408	**27,469**	162,324
Cash flows used in operating activities	**6,359,064**	32,070,528	**274,833**	(1,771,022)
Cash flows used in investing activities	**(2,936,498)**	(1,413,637)	**(828,409)**	(207,469)
Cash flows (used in) from financing activities	**(9,715,713)**	(25,538,651)	**566,029**	1,971,830
Net (decrease) increase in cash and cash equivalents	**(6,293,147)**	5,118,240	**12,453**	(6,661)
Dividends paid to non-controlling interests	**–**	–	**–**	–

49. NON-CONTROLLING INTERESTS (Continued)

Summarised financial information of material non-controlling interests of subsidiaries is set out below. (Continued)

	Shaanxi Future Energy At 31 December		Inner Mongolia Mining At 31 December	
	2023 RMB'000	2022 RMB'000	**2023 RMB'000**	2022 RMB'000
Non-controlling interests percentage	**26.03%**	26.03%	**49%**	49%
Summarised financial information				
Current assets	**15,621,380**	14,270,307	**2,584,567**	2,356,745
Non-current assets	**15,772,565**	16,340,532	**35,372,354**	35,502,507
Current liabilities	**(3,083,314)**	(4,445,938)	**(16,582,191)**	(16,187,175)
Non-current liabilities	**(3,469,646)**	(3,872,186)	**(10,115,278)**	(9,749,901)
Net assets	**24,840,985**	22,292,715	**11,259,452**	11,922,176
Carrying amounts of non-controlling interests	**6,466,109**	5,802,794	**5,517,132**	5,841,866
Revenue	**15,216,774**	17,688,960	**3,374,313**	3,887,971
Profit (loss) for the year and total comprehensive income (expense)	**5,649,578**	6,858,251	**(584,719)**	25,162
Total comprehensive income (expense) allocated to non-controlling interests	**1,470,585**	1,785,203	**(286,512)**	12,329
Cash flows (used in) from operating activities	**(5,806,994)**	(10,851,295)	**615,066**	859,376
Cash flows (used in) from investing activities	**(438,960)**	(802,404)	**184,234**	(947,487)
Cash flows from (used in) financing activities	**7,728,795**	12,648,542	**(792,938)**	128,885
Net increase (decrease) in cash and cash equivalents	**1,482,841**	994,843	**6,362**	40,774

Note (i): The above financial information is before elimination of intra-group transactions.

50. RELATED PARTY BALANCES AND TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. In accordance with Main Board Listing Rules Chapter 14A, continuing connected transactions are disclosed below:

Balances and transactions with related parties

	At 31 December	
	2023	2022
	RMB'000	RMB'000
Nature of balances (other than those already disclosed)		
Bills and accounts receivables		
– Parent Company and its subsidiaries	**884,540**	924,812
– Joint ventures	**31,357**	33,564
– Associates	**582**	–
Prepayments and other receivables		
– Parent Company and its subsidiaries	**12,732,703**	7,836,306
– Associates	**1,003,197**	22,818
Long-term receivables		
– Parent Company and its subsidiaries	**2,203,476**	93,476
– Associates	**535,079**	
Bills and accounts payables		
– Parent Company and its subsidiaries	**5,399,097**	3,330,508
– Associates	**85,321**	25
Other payables and accrued expenses		
– Parent Company and its subsidiaries	**39,598,277**	12,263,137
– Associates	**98**	–

The amounts due from/to the Parent Company and its subsidiaries, joint ventures and associates excluding the Group, are non-interest bearing, unsecured and repayable on demand.

50. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

Balances and transactions with related parties

During the years, the Group had the following significant transactions with the Parent Company and/or its subsidiaries (excluding the Group):

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Income		
Sales of coal	**8,810,073**	4,818,779
Sales of bulk commodities	**2,404,131**	360,090
Sales of auxiliary materials	**604,206**	489,051
Supply of power and heat	**15,658**	4,480
Sales of methanol	**183,251**	19,423
Equipment leasing	**8,760**	95,590
Professional services	**16,472**	1,204
Provision of repair and maintenance services	**15,379**	12,444
Provision of road transportation services	**23,276**	25,239
Provision of technology services	**9,827**	22,543
Expenditure		
Cost of methanol	**706,714**	558,495
Utilities and facilities	**10,802**	37,797
Purchases of materials and facilities	**12,268,767**	2,308,204
Repair and maintenance services	**230,781**	58,210
Labour and services	**370,833**	539,503
Construction services	**2,112,640**	1,419,698
Medical service	**44,667**	40,260
ERP operation and maintenance services	**47,170**	47,170
Coal train escort services	**101,519**	68,990
Financial services	**62,346,361**	1,193
Insurance fund management and payment services (free of charge)	**–**	362,988
Purchase of bulk commodities	**214,213**	321,071
Commissioned management services	**–**	4,302

Expenditures for social welfare and support services (excluding medical and child care expenses) are approximately RMB20,873,000 (2022: RMB9,143,000) for the year ended 31 December 2023. These expenses will be negotiated with and paid by the Parent Company each year.

As at 31 December 2023, the Parent Company and its subsidiaries, excluding the Group, had deposited approximately RMB9,446,098,000 (2022: RMB11,245,221,000) to Yankuang Finance. For the year ended 31 December 2023, interest income from and interest expense to the Parent Company and its subsidiaries (excluding the Group) amounted to approximately RMB454,087,000 and RMB339,971,000 respectively (2022: RMB280,805,000 and RMB174,150,000).

In addition to the above, the Company participates in a retirement benefit scheme of the Parent Company in respect of retirement benefits (note 52).

50. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

Balances and transactions with other state-controlled entities in the PRC

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government ("state-controlled entities"). In addition, the Group itself is part of a large group of companies under the Parent Company which is controlled by the PRC government. Apart from the transactions with the Parent Company and its subsidiaries disclosed above, the Group also conducts business with other state-controlled entities. The directors of the Company consider those state-controlled entities are independent third parties so far as the Group's business transactions with them are concerned.

Material transactions with other state-controlled entities are as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Trade sales	**2,001,027**	11,715,168
Trade purchases	**1,458,097**	9,789,563

Material balances with other state-controlled entities are as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Amounts due to other state-controlled entities	**530,525**	1,263,452
Amounts due from other state-controlled entities	**44,892**	51,105

Amounts due from and to state-controlled entities are trade nature of which terms are not different from other customers and suppliers.

In addition, the Group has entered into various transactions, including deposits placements, borrowings and other general banking facilities, with certain banks and financial institutions which are state-controlled entities in its ordinary course of business. In view of the nature of those banking transactions, the directors of the Company are of the opinion that separate disclosure would not be meaningful.

Except as disclosed above, the directors of the Company are of the opinion that transactions with other state-controlled entities are not significant to the Group's operations and no other transaction, arrangement or contract of significance to which the Company was a party and in which a director of the Company or a connected entity of the director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

50. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

Compensation of key management personnel

The remuneration of directors and other members of key management were as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Directors fee	**600**	600
Salaries, allowance and other benefits in kind	**15,251**	15,000
Retirement benefit scheme contributions	**1,597**	2,137
	17,448	17,737

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

51. COMMITMENTS

Save as disclosed elsewhere is the consolidated financial statements, the Group had the following capital commitments.

	At 31 December	
	2023	2022
	RMB'000	RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements		
Acquisition of property, plant and equipment		
– the Group	**2,419,806**	3,336,747
– share of joint operations	**713,675**	996,892
– others	**112,828**	98,282
Intangible assets		
– share of joint operations	**116,960**	5,570
– others	**173**	2,592
Exploration and evaluation		
– share of joint operations	**4,880**	1,290
	3,368,322	4,441,373

52. RETIREMENT BENEFITS

Qualifying employees of the Company are entitled to pension, medical and other welfare benefits. The Company participates in a scheme of the Parent Company and pays a monthly contribution to the Parent Company in respect of retirement benefits at an agreed contribution rate based on the monthly basic salaries and wages of the qualified employees. The Parent Company is responsible for the payment of all retirement benefits to the retired employees of the Company.

52. RETIREMENT BENEFITS (Continued)

Pursuant to the Provision of Insurance Fund Administrative Services Agreement entered into by the Company and the Parent Company on 9 December 2020, the monthly contribution rate is at 20% (2022: 20%) of the total monthly basic salaries and wages of the Company's employees for the period from 1 January 2021to 31 December 2023. Other welfare benefits will be provided by the Parent Company, which will be reimbursed by the Company.

The amount of contributions paid to the Parent Company were approximately RMB362,988,000 for the years ended 31 December 2022. No contribution paid to Parent Company is made for the year ended 31 December 2023 since the amount was directly contributed by the Company's subsidiaries during the year ended 31 December 2023.

The Company's subsidiaries are participants in a state-managed retirement scheme pursuant to which the subsidiaries pay a fixed percentage of its qualifying staff's wages as a contribution to the scheme. The subsidiaries' financial obligations under this scheme are limited to the payment of the employer's contribution. During the year, contributions paid and payable by the subsidiaries pursuant to this arrangement were insignificant to the Group. The Group's overseas subsidiaries pay fixed contribution as pensions under the laws and regulations of the relevant countries.

During the year and at the balance sheet date, there were no forfeited contributions which arose upon employees leaving the above schemes available to reduce the contributions payable in future years.

53. HOUSING SCHEME

The Company currently makes a fixed monthly contribution for each of its qualifying employees to a housing fund which is equally matched by a contribution from the employees. The contributions are paid to the Parent Company which utilises the funds, along with the proceeds from the sales of accommodation and, if the need arises, from loans arranged by the Parent Company, to construct new accommodation.

54. CONTINGENT LIABILITIES

Guarantees

		At 31 December	
		2023	2022
		RMB'000	RMB'000
(a)	**The Group**		
	Performance guarantees provided to daily operations	**385,411**	390,253
	Guarantees provided in respect of the cost of restoration of certain mining leases, given to government departments as required by statute	**581,739**	518,941
(b)	**Joint operations**		
	Performance guarantees provided to external parties	**973,809**	1,088,045
	Guarantees provided in respect of the cost of restoration of certain mining leases, given to government departments as required by statute	**2,097,282**	2,036,720
(c)	**Related parties**		
	Performance guarantees provided to external parties	**374,707**	380,684
	Guarantees provided in respect of the cost of restoration of certain mining leases, given to government departments as required by statute	**19,741**	19,193
		4,432,689	4,433,836

55. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

During the year ended 31 December 2023, the Group entered into several new arrangement in respect of buildings, and plant, machinery and equipment. Right-of-use assets and lease liabilities of approximately RMB291,027,000 (2022: RMB464,432,000) were recognised at the commencement of the lease.

56. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	Dividends payable (Note 36) RMB'000	**Customers' deposits in relation to financial services (Note 36) RMB'000**	**Borrowings (Note 39) RMB'000**	**Lease liabilities (Note 25) RMB'000**	**Long-term payable (Note 41) RMB'000**	**Total RMB'000**
At 1 January 2023	**3,544**	**11,245,221**	**76,163,662**	**581,272**	**1,500,000**	**89,493,699**
Dividends declaration	**4,989,284**	**–**	**–**	**–**	**–**	**4,989,284**
Cash flows	**(2,061,357)**	**5,127,805**	**9,078,764**	**(260,172)**	**249,214**	**12,134,254**
New lease arrangements	**–**	**–**	**–**	**291,027**	**–**	**291,027**
Termination of lease	**–**	**–**	**–**	**(226,498)**	**–**	**(226,498)**
Acquisition of a subsidiary	**–**	**9,914,507**	**14,874,321**	**96,828**	**–**	**24,885,656**
Exchange realignment	**–**	**85,493**	**71,237**	**–**	**–**	**156,730**
At 31 December 2023	**2,931,471**	**26,373,026**	**100,187,984**	**482,457**	**1,749,214**	**131,724,152**

	Dividends payable (Note 36) RMB'000	Customers' deposits in relation to financial services (Note 36) RMB'000	Borrowings (Note 39) RMB'000	Lease liabilities (Note 25) RMB'000	Long-term payable (Note 41) RMB'000	Total RMB'000
At 1 January 2022	13,940	24,890,403	103,400,097	1,100,028	–	129,404,468
Dividends declaration	9,897,407	–	–	–	–	9,897,407
Cash flows	(9,907,803)	(13,645,182)	(28,139,089)	(961,711)	1,500,000	(51,153,785)
New lease arrangements	–	–	–	464,432	–	464,432
Termination of lease	–	–	–	(21,477)	–	(21,477)
Exchange realignment	–	–	902,654	–	–	902,654
At 31 December 2022	3,544	11,245,221	76,163,662	581,272	1,500,000	89,493,699

57. INFORMATION OF THE COMPANY

The Company's statement of financial position is disclosed as follows:

	At 31 December	
	2023	2022
	RMB'000	RMB'000
Current assets		
Bank balances and cash	**5,815,700**	13,801,367
Restricted cash	**679,482**	802,785
Bills and accounts receivable	**4,392,153**	4,031,975
Inventories	**471,414**	666,281
Prepayments and other receivables	**34,609,064**	38,066,004
Financial assets at fair value through profit or loss	**225**	425
	45,968,038	57,368,837
Non-current assets		
Intangible assets	**710,771**	835,012
Property, plant and equipment	**14,009,747**	12,361,520
Right-of-use assets	**6,630,444**	6,829,005
Investments in subsidiaries (note a)	**102,608,990**	94,630,079
Investments in securities	**4,093**	4,211
Investments in associates	**6,955,562**	6,467,313
Investment in joint venture	**37,414**	35,735
Deposit made on investments	**118,154**	118,154
Deferred tax assets	**1,119,747**	1,115,003
	132,194,922	122,396,032
Total assets	**178,162,960**	179,764,869

57. INFORMATION OF THE COMPANY (Continued)

	At 31 December 2023 RMB'000	2022 RMB'000
Current liabilities		
Bills and accounts payable	**7,936,151**	8,979,962
Other payables and accrued expenses	**42,509,881**	33,225,525
Contract liabilities	**695,517**	795,632
Borrowings – due within one year	**17,932,027**	8,349,615
Lease liabilities	**1,236,224**	765,642
Long term payable – due within one year	**469,707**	–
Tax payable	**588,074**	1,803,033
	71,367,581	53,919,409
Non-current liabilities		
Provision for land subsidence, restoration, rehabilitation and environmental costs	**1,327,160**	1,862,335
Borrowings – due after one year	**56,606,428**	47,123,290
Lease liabilities	**5,313,078**	5,675,406
Long term payable – due after one year	**702,277**	161,751
	63,948,943	54,822,782
Total liabilities	**135,316,524**	108,742,191
Capital and reserves (note b)		
Equity	**26,304,659**	57,774,064
Perpetual capital securities	**16,541,777**	13,248,614
	42,846,436	71,022,678
Total liabilities and equity	**178,162,960**	179,764,869

57. INFORMATION OF THE COMPANY (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2023 and 2022 are as follows:

Name of subsidiary	Country of incorporation/ registration and operation	Issued and fully paid capital/registered capital	Proportion of registered capital/issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2023		2022		2023	2022	
			Directly	Indirectly	Directly	Indirectly			
Shandong Yanmei Shipping Co., Ltd. (note 1)	PRC	RMB5,500,000	92%	–	92%	–	92%	92%	Transportation via rivers and lakes and the sales of coal and construction materials
QingDao ZhongYan Trade Co., Ltd. (note 1)	PRC	RMB50,000,000	100%	–	100%	–	100%	100%	Trade and storage in free trade zone
Shandong Huaju Energy Co., Ltd. (note 1)	PRC	RMB288,589,774	74%	–	74%	–	74%	74%	Thermal power generation
Yanmei Heze Energy Chemical Co., Ltd. (note 1)	PRC	RMB3,000,000,000	98%	–	98%	–	98%	98%	Coal mining and sales
Yanmei Wanfu Energy Co., Ltd. (note 1)	PRC	RMB600,000,000	–	89%	–	89%	89%	89%	Coal mining and sales
Yanzhou Nengyuan Yulin Nenghua Co., Ltd. (note 1)	PRC	RMB1,400,000,000	100%	–	100%	–	100%	100%	Methanol and electricity power business
Yankuang Energy (Ordos) Co., Ltd.. (note 1)	PRC	RMB10,800,000,000	100%	–	100%	–	100%	100%	Investment holding, coal mining and sales
Inner Mongolia Rongxin Chemicals Co., Ltd. (note 1)	PRC	RMB648,360,000	–	100%	–	100%	100%	100%	Development of methanol project
Inner Mongolia Xintai Coal Co., Ltd. (note 1)	PRC	RMB5,000,000	–	100%	–	100%	100%	100%	Coal mining and sales
Ordos Zhuanlongwan Coal Co., Ltd. (note 1)	PRC	RMB5,050,000,000	–	100%	–	100%	100%	100%	Coal mining and sales, manufacturing and sales of mining equipment and machinery
Inner Mongolia Mengda Railway Co., Ltd. (note 1)	PRC	RMB201,000,000	–	67%	–	67%	67%	67%	Coal processing, sales and transportation
Inner Mongolia Mengtong Railway Co., Ltd. (note 1)	PRC	RMB100,000,000	–	51%	–	51%	51%	51%	Coal processing, sales and transportation
Yanzhou Coal Shanxi Energy Chemical Co., Ltd. (note 1)	PRC	RMB600,000,000	100%	–	100%	–	100%	100%	Investment holding
Shanxi Heshun Tianchi Power Co., Ltd. (note 1)	PRC	RMB90,000,000	–	81%	–	81%	81%	81%	Coal mining business
Yancoal International (Holding) Co., Ltd	Hong Kong	USD689,313,091	100%	–	100%	–	100%	100%	Investment holding
Yancoal International Technology Development Co., Limited	Hong Kong	USD1,000,000	–	100%	–	100%	100%	100%	Coal mining technology development, transfer and consultation

57. INFORMATION OF THE COMPANY (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2023 and 2022 are as follows: (Continued)

Name of subsidiary	Country of incorporation/ registration and operation	Issued and fully paid capital/registered capital	Proportion of registered capital/issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2023		2022		2023	2022	
			Directly	Indirectly	Directly	Indirectly			
Yancoal International Resources Development Co., Limited	Hong Kong	USD600,000	–	100%	–	100%	100%	100%	Coal resource exploration development
Yancoal Luxembourg Energy Holding Co., Ltd	Luxembourg	USD500,000	–	100%	–	100%	100%	100%	Investment Holding
Athena Holding Pty Ltd	Australia	AUD24,450,405	–	100%	–	100%	100%	100%	Holding Company
Tonford Holdings Pty Ltd	Australia	AUD46,407,917	–	100%	–	100%	100%	100%	Holding company
Premier Coal Holdings Pty Ltd	Australia	AUD321,613,108	–	100%	–	100%	100%	100%	Holding company
Wilpeena Holdings Pty Ltd	Australia	AUD3,457,381	–	100%	–	100%	100%	100%	Holding company
Yancoal Energy Pty Ltd	Australia	AUD202,977,694	–	100%	–	100%	100%	100%	Holding company
Yankuang Dongping Land Port Co., Ltd. (note 1)	PRC	RMB9,199,750,740	–	46%	–	46%	46%	46%	Port infrastructure construction, operation and management
Yancoal Technology Development Pty Ltd	Australia	AUD2	–	100%	–	100%	100%	100%	LTCC technology development and equipment rental
Zhongyin (Jining) Financial Leasing Co., Ltd. (note 1)	PRC	USD14,000,000	–	100%	–	100%	100%	100%	Financial leasing
Zhongyin (Heze) Financial Leasing Co., Ltd. (note 1)	PRC	USD14,000,000	–	100%	–	100%	100%	100%	Financial leasing
Yancoal Australia Limited (note 2)	Australia	AUD6,482,144,000	62%	–	62%	–	62%	62%	Investment holding
Gloucester Pty Ltd	Australia	AUD719,720,808	–	62%	–	62%	100%	100%	Coal resource exploration development
Yancoal Resources Ltd	Australia	AUD446,409,065	–	62%	–	62%	100%	100%	Coal mining business in Australia
Yancoal Australia Sales Pty Ltd	Australia	AUD100	–	62%	–	62%	100%	100%	Coal sales
Yancoal Mining Services Ltd	Australia	AUD100	–	62%	–	62%	100%	100%	Provide management services to the underground mines
Coal & Allied Industries Pty Limited	Australia	AUD3,724,000,000	–	62%	–	62%	100%	100%	Coal mining business
Yancoal Moolarben Pty Ltd	Australia	AUD300,000,000	–	62%	–	62%	100%	100%	Coal mining and coal mine management

57. INFORMATION OF THE COMPANY (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2023 and 2022 are as follows: (Continued)

Name of subsidiary	Country of incorporation/ registration and operation	Issued and fully paid capital/registered capital	Proportion of registered capital/issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2023		2022		2023	2022	
			Directly	Indirectly	Directly	Indirectly			
Watagan Mining Company Pty Ltd	Australia	USD575,000,000	–	62%	–	62%	100%	100%	Coal mining and coal mine management
Inner Mongolia Haosheng Coal Industry Co., Ltd. (note 1)	PRC	RMB1,184,620,000	55.44%	–	55.44%	–	55.44%	55.44%	Sales of coal mine machinery equipment and accessories
Shandong Zhongding Yunlian Technology Co., Ltd. (note 1)	PRC	RMB100,000,000	51%	–	51%	–	51%	51%	Coal Mining and sales
Shandong Yancoal Rizhao Port Coal Storage & Blending Co., Ltd. (note 1)	PRC	RMB300,000,000	71%	–	71%	–	71%	71%	Coal sales
Qingdao Yancoal Dongqi Energy Co., Ltd. (note 1)	PRC	RMB50,000,000	–	71%	–	71%	71%	71%	Coal sales
Shandong Zhongyin International Trade Co., Ltd. (note 1)	PRC	RMB300,000,000	100%	–	100%	–	100%	100%	Coal and non-ferrous metal wholesale
Shandong Zhongyin Logistics and Trading Co., Ltd. (note 1)	PRC	RMB300,000,000	–	100%	–	100%	100%	100%	Trade Broker and Agent
Zhongyin Financial Leasing Co., Ltd. (note 1)	PRC	RMB7,000,000,000	90%	9%	90%	9%	99%	99%	Financial leasing
Shanghai Dongjiang Real Estate Development Co., Ltd. (note 1)	PRC	RMB8,000,000	–	100%	–	100%	100%	100%	Real estate development and operation, property management
Zhongyin (Hong Kong) Co., Limited	Hong Kong	USD15,000,000	–	100%	–	100%	100%	100%	Investment holding
Duanxin Investment Holding (Beijing) Co., Ltd. (note 1)	PRC	RMB4,310,000,000	100%	–	100%	–	100%	100%	Investment and assets management
Tianjin Duanxin Yunlian Yongtai Investment Management Partnership (Limited Partnership) (note 1)	PRC	RMB4,600,000,000	–	13%	–	13%	13%	13%	Investment management
Tianjin Duanxin Cloud Chain Yongsheng Investment Management Partnership (Limited Partnership) (note 1)	PRC	RMB1,105,750,000	–	13%	–	13%	13%	13%	Investment management
Yankuang DONGHUA Heavy Industry Co., Ltd. (note 1)	PRC	RMB2,277,888,000	100%	–	100%	–	100%	100%	Manufacturing of coal mining and excavating equipment

57. INFORMATION OF THE COMPANY (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2023 and 2022 are as follows: (Continued)

Name of subsidiary	Country of incorporation/ registration and operation	Issued and fully paid capital/registered capital	Proportion of registered capital/issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2023		2022		2023	2022	
			Directly	Indirectly	Directly	Indirectly			
Yankuang Group Tangcun Industrial Co., Ltd. (note 1)	PRC	RMB51,000,000	–	100%	–	100%	100%	100%	Manufacturing and repair of machinery and cable
Yanzhou Dongfang Electrical Co., Ltd. (note 1)	PRC	RMB50,000,000	–	94%	–	94%	94%	94%	Manufacturing and installation of mining equipments
Yankuang Group Juntong Rubber Co., Ltd. (note 1)	PRC	RMB6,600,000	–	55%	–	55%	55%	55%	Manufacturing and sale of rubber products
Shandong Yankuang Intelligent Manufacturing Co., Ltd. (note 1)	PRC	RMB1,200,000,000	–	100%	–	100%	100%	100%	Manufacturing and sale of mining equipments
Shandong Duanxin Supply Chain Management Co., Ltd. (note 1)	PRC	RMB200,000,000	100%	–	100%	–	100%	100%	Logistics storage and leasing
Heze Duanxin Supply Chain Management Co., Ltd (note 1)	PRC	RMB10,000,000	–	100%	–	100%	100%	100%	Logistics storage and leasing
Dalateqi Duanxin Supply Chain Management Co., Ltd. (note 1)	PRC	RMB5,000,000	–	100%	–	100%	100%	100%	Logistics storage and leasing
Ejin Horo Qi Duanxin Supply Chain Management Co., Ltd. (note 1)	PRC	RMB10,000,000	–	100%	–	100%	100%	100%	Logistics storage and leasing
Wushenqi Duanxin Supply Chain Management Co., Ltd. (note 1)	PRC	RMB10,000,000	–	100%	–	100%	100%	100%	Logistics
Juye Duanxin Supply Chain Management Co., Ltd. (note 1)	PRC	RMB5,000,000	–	100%	–	100%	100%	100%	Logistics
Yulin Duanxin Supply Chain Management Co., Ltd. (note 1)	PRC	RMB5,000,000	–	62%	–	62%	62%	62%	Sales of coal and other coal products
Qingdao VAST LUCKY Intetnational Company Limited (note 1)	PRC	RMB200,000,000	51%	–	51%	–	51%	51%	Trading
Vast Lucky (HK) Limited	Hong Kong	HK$10,000,000	–	51%	–	51%	51%	51%	Trading
Duanxin Investment Holding (note 1) (Shenzhen) Company Limited (note 1)	PRC	RMB1,100,000,000	–	100%	–	100%	100%	100%	Equity investment, the entrusted assets and investment management, corporate management and investment advisory

57. INFORMATION OF THE COMPANY (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2023 and 2022 are as follows: (Continued)

Name of subsidiary	Country of incorporation/ registration and operation	Issued and fully paid capital/registered capital	Proportion of registered capital/issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2023		2022		2023	2022	
			Directly	Indirectly	Directly	Indirectly			
Duanxin Commercial Factoring (Shenzhen) Co., Ltd. (note 1)	PRC	RMB100,000,000	100%	–	100%	–	100%	100%	Factoring
Duanxin Supply CHAIN (Shenzhen) Co., Ltd. (note 1)	PRC	RMB100,000,000	–	100%	–	100%	100%	100%	Supply chain management
Yankuang Energy (Wuxi) Co., Ltd. (note 1)	PRC	RMB58,000,000	100%	–	100%	–	100%	100%	Coal Sales
Yanmei Mining Engineering Co., Ltd. (note 1)	PRC	RMB85,200,000	100%	–	100%	–	100%	100%	Engineering
Yancoal Blue Clean Energy Com. Ltd. (note 1)	PRC	RMB310,000,000	100%	–	100%	–	100%	100%	Manufacturing and sales of coal products
Yankuang Group Financial Co., Ltd. (note 1)	PRC	RMB4,000,000,000	–	–	95%	–	–	95%	Financial services
Shandong Finance (note 3)	PRC	RMB7,000,000,000	54%	–	NA	–	54%	54%	Financial services
Zhongyin (Tai'an) Financial Leasing Co., Ltd. (note 1)	PRC	RMB1,593,000,000	100%	–	100%	–	100%	100%	Leasing and commercial services
Shanghai Jujiang Asset Management Co., Ltd. (note 1)	PRC	RMB500,000,000	100%	–	100%	–	100%	100%	Leasing and commercial services
Qingdao Dongfang Shenglong Industrial Co., Ltd. (note 1)	PRC	RMB30,000,000	–	100%	–	100%	100%	100%	Coal wholesale business, house leasing
Qingdao Duanxin Asset Management Co., Ltd. (note 1)	PRC	RMB500,000,000	100%	–	100%	–	100%	100%	Equity investment fund management, Management of corporate asset, Foreign investment funds, Import and export service, International Trading, Export
Yankuang Wisdom Ecology Co., Ltd. (note 1)	PRC	RMB80,000,000	100%	–	100%	–	100%	100%	Water pollution control services
Shaanxi Future Energy Chemical Co., Ltd. (note 1)	PRC	RMB5,400,000,000	74%	–	74%	–	74%	74%	Research and Development of chemical product, coal mining and electric power production and sale

57. INFORMATION OF THE COMPANY (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2023 and 2022 are as follows: (Continued)

Name of subsidiary	Country of incorporation/ registration and operation	Issued and fully paid capital/registered capital	Proportion of registered capital/issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2023		2022		2023	2022	
			Directly	Indirectly	Directly	Indirectly			
Shaanxi Future Clean Oil and Chemical Sales Co., Ltd. (note 1)	PRC	RMB50,000,000	–	74%	–	74%	74%	74%	Sale of petroleum products, chemical products and coal
Shaanxi Future Clean Chemical Co., Ltd. (note 1)	PRC	RMB30,000,000	–	38%	–	38%	38%	38%	Sale of petroleum products, chemical products and coal
Yankuang Yulin Fine Chemical Co., Ltd. (note 1)	PRC	RMB46,200,000	100%	–	100%	–	100%	100%	Production and sales of Fischer-Tropsch synthesis catalysts
Yankuang Lunan Chemical Co., Ltd. (note 1)	PRC	RMB5,040,690,900	100%	–	100%	–	100%	100%	Production and sales of chemical products
Yankuang Jining Chemical Equipment Co., Ltd. (note 1)	PRC	RMB111,899,210	100%	–	100%	–	100%	100%	Production and sales of chemical products
Shangdong Yankuang Jisan Electric Power Co., Ltd. (note 1)	PRC	RMB430,000,000	99%	–	99%	–	99%	99%	Thermal power generation
Yankuang Coal Chemical Supply and Marketing Co., Ltd. (note 1)	PRC	RMB260,000,000	100%	–	100%	–	100%	100%	Sales of chemical products
Inner Mongolia Mining (Group) Company Limited (note 1)	PRC	RMB6,997,396,122	51%	–	51%	–	51%	51%	Investment and management of mineral resources, sales of mineral products and import and export trade
Ulanqab Hongda Industrial Co., Ltd. (note 1)	PRC	RMB550,000,000	–	51%	–	51%	51%	51%	Electricity power business
Ordos Fengwei Photoelectric Co., Ltd. (note 1)	PRC	RMB180,000,000	–	51%	–	51%	51%	51%	Solar power, wind power and production management
Inner Mongolia Mining Resources Investment Holdings Co., Ltd. (note 1)	PRC	RMB400,000,000	–	51%	–	51%	51%	51%	Investment and asset management
Ordos Green Energy Optoelectronics Co., Ltd. (note 1)	PRC	RMB1,200,000,000	–	46%	–	46%	46%	46%	Light power and sale of electrical material

57. INFORMATION OF THE COMPANY (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2023 and 2022 are as follows: (Continued)

Name of subsidiary	Country of incorporation/ registration and operation	Issued and fully paid capital/registered capital	Proportion of registered capital/issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2023		2022		2023	2022	
			Directly	Indirectly	Directly	Indirectly			
Ordos Cultural Industry Park Cultural Education Co., Ltd. (note 1)	PRC	RMB209,034,000	–	32%	–	32%	32%	32%	Educational software development and event planning
Inner Mongolia Financial Holding Financial Leasing Co., Ltd. (note 1)	PRC	RMB1,200,000,000	–	28%	–	28%	28%	28%	Rental business
Inner Mongolia Yitaiga Lutu Mining Co., Ltd. (note 1)	PRC	RMB1,000,000,000	–	–	–	27%	–	27%	Coal mining and sale
Ordos Yingpanhao Coal Co., Ltd. (note 1)	PRC	RMB3,000,000,000	–	–	–	72%	–	72%	Coal mining and sale
Luxi Mining	PRC	RMB5,000,000,000	–	51%	–	NA	51%	NA	Mining, washing, sales of coal
Xinjiang Neng Hua	PRC	RMB3,000,000,000	–	51%	–	NA	51%	NA	Mining, washing, sales of coal
Shangdong Energy Tower Shanghai Co., Ltd	PRC	RMB4,000,000,000	–	75%	–	NA	75%	NA	Hotel management, property management, parking services
Yankuang Coal Chemical Enginering Company Limited	PRC	RMB130,286,200	–	100%	–	NA	100%	NA	Maintenance and transport business in the chemical industry

Unless otherwise specified, the capital of the above subsidiaries are registered capital (those established in the PRC) or ordinary shares (those established in other countries).

Note 1: The companies are established in the PRC as limited liability companies.

Note 2: The investment cost of RMB21,425,119,000 (2022: RMB21,425,119,000) in respect of investment in Yancoal Australia, a subsidiary dually listed on the Australia Stock Exchange and SEHK, was included in investment in subsidiaries. As at 31 December 2023, the market value of these shares was approximately RMB19,748,831,000(AUD4,069,681,000) (2022: approximately RMB23,485,453,000 (AUD4,982,276,000)).

Note 3: On 8 September 2022, Shandong Energy Finance Company and Yankuang Finance Company, a non-wholly owned subsidiary of the Company, entered into the Absorption and Merger Agreement, pursuant to which Yankuang Finance Company shall be merged and absorbed by Shandong Energy Finance Company.

Note 4: Upon Completion on 6 November 2023, Yankuang Finance Company dissolved and deregistered and cease to be a subsidiary of the Company; and the Shandong Energy Finance Company become a non-wholly owned subsidiary of the Company and its financial results was consolidated into the consolidated financial statements of the Group.

57. INFORMATION OF THE COMPANY (Continued)

(b) The Company's equity is as follows:

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Share option Reserve RMB'000	Future development fund reserve RMB'000	Statutory common fund RMB'000	Investment revaluation reserve RMB'000	Retained earnings RMB'000	Perpetual capital securities (note 43) RMB'000	Total RMB'000
As at 1 January 2023	4,948,704	3,637,010	(723,593)	286,384	780,222	6,257,817	(599)	42,588,119	13,248,614	71,022,678
Profit for the year	-	-	-	-	-	-	-	13,760,545	444,743	14,205,288
Other comprehensive expense										
– Fair value changes of financial assets at FVTOCI	-	-	-	-	-	-	(88)	-	-	(88)
Total comprehensive income (expense) for the year	-	-	-	-	-	-	(88)	13,760,545	444,743	14,205,200
Transactions with owners:	-	-	-	-	-	-	-	-	-	-
Issuance of perpetual capital securities	-	-	-	-	-	-	-	-	3,301,400	3,301,400
Redemption of perpetual capital securities	-	-	-	-	-	-	-	-	(452,980)	(452,980)
Distribution paid to holders of perpetual capital securities	-	-	-	-	-	-	-	-	-	-
Issuance of bonus shares	2,480,680	-	-	-	-	-	-	-	-	2,480,680
Issue of shares upon exercise of share option	12,657	86,664	-	(42,112)	-	-	-	-	-	57,209
Restricted Share Incentive Scheme	(2,670)	-	-	-	-	-	-	-	-	(2,670)
Issue of shares under Restricted Share Incentive Scheme (note 6)	-	-	-	-	-	-	-	-	-	-
Recognition of share-based payment expenses	-	-	-	-	-	751,114	-	(751,114)	-	-
Dividends	-	-	-	-	-	-	-	(21,333,850)	-	(21,333,850)
Other	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	2,490,667	86,664	-	(42,112)	-	751,114	-	(22,084,964)	2,848,420	(15,950,211)
Balance at 31 December 2023	7,439,371	3,723,674	(723,593)	244,272	780,222	7,008,931	(687)	34,263,700	16,541,777	69,277,667

57. INFORMATION OF THE COMPANY (Continued)

(b) The Company's equity is as follows: (Continued)

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Share option Reserve RMB'000	Future development fund reserve RMB'000	Statutory common fund RMB'000	Investment revaluation reserve RMB'000	Retained earnings RMB'000	Perpetual capital securities (note 43) RMB'000	Total RMB'000
As at 1 January 2022	4,874,184	2,880,988	–	40,931	780,222	6,257,817	(585)	39,293,272	8,118,100	62,244,929
Profit for the year	–	–	–	–	–	–	–	13,483,890	461,944	13,945,834
Other comprehensive expense										
– Fair value changes of financial assets at FVTOCI	–	–	–	–	–	–	(14)	–	–	(14)
Total comprehensive income (expense) for the year	–	–	–	–	–	–	(14)	13,483,890	461,944	13,945,820
Transactions with owners:										
Issuance of perpetual capital securities									4,990,440	4,990,440
Distribution paid to holders of perpetual capital securities	–	–	–	–	–	–	–	–	(321,830)	(321,830)
Issue of share upon exercise of share option (note 46)	12,780	94,169	–	(23,626)	–	–	–	–	–	83,323
Issue of shares under Restricted Share Incentive Scheme (note 6)	61,740	661,853	(723,593)	–	–	–	–	–	–	–
Recognition of share-based payment expenses	–	–	–	269,079	–	–	–	–	–	269,079
Dividends	–	–	–	–	–	–	–	(9,897,407)	–	(9,897,407)
Other	–	–	–	–	–	–	–	(291,636)	–	(291,636)
Total transactions with owners	74,520	756,022	(723,593)	245,453	–	–	–	(10,189,043)	4,668,570	(5,168,071)
Balance at 31 December 2022	4,948,704	3,637,010	(723,593)	286,384	780,222	6,257,817	(599)	42,588,119	13,248,614	71,022,678

SUPPLEMENTAL INFORMATION

I. SUMMARY OF DIFFERENCES BETWEEN CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") AND THOSE UNDER THE PRC ACCOUNTING RULES AND REGULATIONS ("PRC GAAP")

The Group has also prepared a set of consolidated financial statements in accordance with relevant accounting principles and regulations applicable to PRC enterprises.

The consolidated financial statements prepared under IFRS and those prepared under PRC GAAP have the following major differences:

(1) Future development fund and work safety cost

(1a) Appropriation of future development fund is charged to profit before income taxes under PRC GAAP. Depreciation is not provided for plant and equipment acquired by utilising the future development fund under PRC GAAP but charged to expenses when acquired.

(1b) Appropriation of the work safety cost is charged to profit before taxes under PRC GAAP. Depreciation is not provided for plant and equipment acquired by utilising the provision of work safety cost under PRC GAAP but charged to expenses when acquired.

(2) Consolidation using acquisition method under IFRS and using common control method under PRC GAAP

(2a) Under IFRS, the acquisitions of Jining II, Railway Assets, Heze, Shanxi Group, Hua Ju Energy, Beisu and Yangcun, Donghua and Yankuang Finance have been accounted for using the acquisition method which accounts for their assets and liabilities at their fair value at the date of acquisition. Any excess of the purchase consideration over the fair value of the net assets acquired is capitalised as goodwill.

Under PRC GAAP, as the entities above are under the common control of the Parent Company, their assets and liabilities of are required to be included in the consolidated balance sheet of the Group at historical cost. The difference between the historical cost of their assets and liabilities acquired and the purchase price paid is recorded as an adjustment to shareholders' equity.

(3) Deferred taxation due to differences between the financial statements prepared under IFRS and PRC GAAP

(4) Reversal of impairment loss on intangible assets in Yancoal Australia

(4a) Under IFRS, the reversal of impairment loss on mining reserves was recognisedas income in consolidatedprofit or loss.

Under PRC GAAP, no reversal of impairment loss on mining reserves was recognised.

SUPPLEMENTAL INFORMATION (Continued)

I. SUMMARY OF DIFFERENCES BETWEEN CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") AND THOSE UNDER THE PRC ACCOUNTING RULES AND REGULATIONS ("PRC GAAP") (Continued)

(5) Classification of perpetual capital security due to differences between the financial statements prepared under IFRS and PRC GAAP.

(5a) Under IFRS, the perpetual capital security issued by the Company was classified as equity instrument and separated from net assets attributable to equity holders of the Company.

Under PRC GAAP, the perpetual capital security issued by the Company was classified as owners' equity.

The following tables summarises the differences between consolidated financial statements prepared under IFRS and those under PRC GAAP:

	Net income attributable to theequity holders of the Company for the year ended 31 December		Net assets attributable to theequity holders of the Company as at 31 December	
	2023	2022	**2023**	2022
	RMB'000	RMB'000	**RMB'000**	RMB'000
As per consolidated financial statements prepared under IFRS	**17,778,972**	30,407,538	**86,901,568**	89,852,379
Impact of IFRS adjustments in respect of:				
– Future development fund charged to income before income taxes	**1,214,026**	142,188	**–**	–
– Reversal of provision of work safety cost	**3,455**	3,455	**(28,158)**	(31,611)
– Fair value adjustment and amortisation	**10,000**	10,000	**(190,052)**	(200,052)
– Acquisition of Jining II, Railway Assets, Heze, Shanxi Group, Hua Ju Energy, Beisu and Yangcun	**–**	–	**(899,403)**	(899,403)
– Acquisition of Donghua	**2,042**	2,042	**(412,505)**	(414,547)
– Acquisition of Yankuang Finance		–	**(16,966)**	(16,966)
– Deferred tax	**(421,671)**	(122,704)	**(165,665)**	256,006
– Perpetual capital security	**–**	–	**16,541,777**	13,248,614
– Reversal of impairment loss attributable to Yancoal	**10,199**	10,199	**(69,042)**	(79,241)
– Acquisition of Houpu project	**320,892**	320,892	**(7,216,201)**	(7,537,093)
– Acquisition Dongfang Shenglong and Shanghai Donggang	**–**	–	**(90,426)**	(90,426)
– Acquisition of Shanghai Tower	**–**	–	**(173,563)**	–
– Acquisition of Meihua Engineering	**5,394**	6,192	**–**	9,070
– Acquisition of Fuxing (Acquisition of Fuxing projects) fair value adjustment and amortisation	**1,216,193**	2,466,572	**(21,342,428)**	2,659,412
– Acquisition of Finance Company	**–**	110,546	**(792,683)**	2,391,943
– Others	**–**	–	**647,648**	647,648
As per consolidated financial statements prepared under PRC GAAP	**20,139,502**	33,356,920	**72,693,901**	99,795,733

For further details
about information disclosure,
please visit the website of
Yankuang Energy Group Company Limited at