中国中煤能源股份有限公司
CHINA COAL ENERGY COMPANY LIMITED

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

Stock Code : 01898

年度报告 2024

Efficiency Enhancement and Incremental Transformation
Returning Investors with High-Quality Development

Contents

Note: In this report, unless otherwise indicated, all financial indicators are presented in RMB.

Chairman's Statement

Dear Shareholders,

In 2024, China Coal Energy earnestly implemented the decisions and deployments of the Central Committee of the Communist Party of China and the State Council. We adhered to the general principle of pursuing progress while ensuring stability, firmly grasped the primary task of high-quality development, and deeply practiced the development approach of "efficiency enhancement and incremental transformation." With excellent performance, we have delivered a report of steady growth, optimized structure, and innovative breakthroughs. During the reporting period, the Group actively expanded production and sales scales, continuously strengthened lean management, effectively responded to the impact of declining coal prices, and achieved operating revenue of RMB189.4 billion, a year-on-year decrease of 1.9%. Profit attributable to shareholders of the Company was RMB18.2 billion, a year-on-year decrease of 10.0%. The return on net assets was 12.24%. Net cash inflow from operating activities amounted to RMB34.1 billion. The capital-to-debt ratio decreased by 3.6 percentage points to 24.9%. Overall, operating performance, cash generation capability, and financial structure remained stable. We continuously enhanced Shareholders returns, implementing a total dividend of RMB10.3 billion for the 2023 annual dividend, special dividend, and 2024 interim dividend, leading to sustained improvement in investor sense of gain and satisfaction.

Ensuring stable energy supply with determination, advancing production and sales to new heights. The Group steadfastly upholds the paramount national responsibility of securing energy supply. We have continually optimized our production layout, systematically unleashing advanced capacities in the Pingshuo Mine Area and the bases in Inner Mongolia and Shaanxi. As a result, the output of self-produced commercial coal reached 137.57 million tonnes, marking an increase of 3.35 million tonnes or 2.5% year-on-year. By strengthening production and sales coordination and optimizing product structure, sales of self-produced commercial coal totaled 137.63 million tonnes, up by 3.72 million tonnes or 2.8% year-on-year, reinforcing our role as a "stabilizer" and "solid foundation" for national energy security. In the coal chemical sector, we have enhanced scientific management and continuously improved safety production levels, maintaining a sound operation with "work safety, stable production, long period operation, fully-loaded operation and producing quality products". Major coal chemical products yielded 5.69 million tonnes, with the polyolefin unit at Ordos Energy Chemical Company operating continuously for over 900 days, setting an industry record for long-term operation. Our coal mining equipment business has innovated its commercial model by promoting the sale of integrated product sets and providing full lifecycle services for equipment. This led to a coal machinery output value of RMB10.35 billion, an increase of RMB640 million or 6.6% year-on-year on a comparable basis, with total contract signings up by 2.0% compared to the previous year.

Enhancing quality and efficiency with remarkable results, achieving new success in lean management. By leveraging standard costs, we have dynamically optimized, precisely implemented policies, and scientifically controlled operations. This resulted in a reduction of RMB9/tonne in the unit sales cost of self-produced commercial coal year-on-year, increasing profits by RMB1.2 billion. Similarly, the unit sales cost of polyolefins decreased by RMB164/tonne year-on-year, boosting profits by RMB200 million. We have optimized pricing strategies, scientifically blended coal to improve quality, intensified differentiated chemical product sales, and continuously enhanced sales profitability. The coal mining equipment business focused on tackling key technological challenges, achieving a profit before income tax exceeding RMB600 million. Our financial business has continually improved in intensive and lean management, with net profit surpassing the RMB1 billion mark for the first time. The asset scale has exceeded RMB100 billion for two consecutive years, with service support and value creation capabilities continually enhancing, making it the only financial company awarded the "Advanced Collective of Central Enterprises." Accelerating digital and intelligent upgrades, we developed the "China Coal Intelligent Vision" big model with independent intellectual property rights, fostering new quality productive forces in the supply chain. In just four months, we completed the management of 2.16 million material codes, improving procurement cycles by over 20% compared to the average in 2023.

Chairman's Statement

Strengthening the "two combinations" with steady progress, embracing new prospects in transformation and development. Guided by the "dual carbon" goals, the Pingshuo mining area has been systematically developing a multi-industry integrated park, achieving the highest commercial coal production in the past decade. The Antaibao 2×350MW low calorific value coal power generation project has been completed and connected to the grid, while the 100MW photovoltaic (PV) + energy storage project is about to connect to the grid. The construction of the 160MW centralized PV project and the Phase III 100MW PV project is progressing rapidly. In the Mongolia and Shaanxi regions, efforts to establish a compact "coal, coal power, coal chemical and new energy" industrial chain are accelerating. The high-quality capacity of the Dahaize Coal Mine continues to be released, while the Wushenqi 2×660MW integrated coal power project is about to commence construction. The Tuke 100,000-ton "Liquid Sunshine" demonstration project and Shaanxi Yulin's coal chemical phase II project, with an annual output of 900,000 tonnes of polyolefin, are advancing swiftly. Enterprises in the Mongolia and Shaanxi regions contributed nearly RMB10 billion in profits to the Company, becoming a new growth engine. Shanghai Energy Company has made initial progress in integrating "source-network-load-storage," with its new energy projects in operation and under construction reaching a total capacity of 468MW. Power grid renovation projects are advancing steadily, with supporting energy storage facilities coming into operation. The construction of the Libi and Weizigou Coal Mines is progressing in an orderly manner, further enhancing coal supply capacity. Balancing development with safety, the Group has introduced the "rule-abiding" safety culture concept and established the "six threes" safety work framework. The safety and environmental protection management system and mechanisms are being continuously improved. The Group has also launched a three-year action plan for fundamentally tackling safety risks, implementing proactive risk control and hazard management. The overall safety production situation remains stable, with no environmental incidents occurring.

Optimizing systems and mechanisms, unlocking new momentum through reform and innovation. The Group has been continuously strengthening the depth and reach of its reforms. Efforts to expand and enhance tenure-based contractual management have been deepened, with six "Double Hundred" and "Science and Technology Reform" enterprises achieving pioneering breakthroughs in corporate governance, operational mechanisms, and incentive policies. Regional and specialized reforms have been continuously consolidated. The integration of coal operations under the Northwest Company is advancing, while the coal equipment enterprises have established a technological innovation system characterized by "centralized coordination and specialized division of responsibilities." A logistics company has been set up to promote the construction of a comprehensive logistics system. The transformation of supply chain management in procurement is deepening, refining the Group's regional development landscape and steadily improving professional management and control capabilities. The Group is making a concerted effort to build an original technology incubator and a low-carbon energy innovation center, fostering a robust technological innovation force. By leveraging the "small internal brain + large external brain" innovation framework and relying on the Joint Fund for Corporate Innovation and Development of National Natural Science Foundation of China, the Group is accelerating breakthroughs in key core technologies for the green and low-carbon transformation of coal. In 2024, the Group received 47 industry-level and above technological advancement awards and was granted 276 patents. The integration of digital and intelligent transformation with corporate production and operations is deepening. The "smart control" platform has entered trial operation, driving innovation in management models, unlocking data value, and cultivating a new generation of digital talent within the Company, thereby establishing new quality productive forces with China Coal Energy's characteristics. By benchmarking against industry-leading enterprises, the Group successfully concluded the three-year action plan to enhance the quality of central enterprise-controlled listed companies, achieving phased results in value creation initiatives. The Group has consistently ranked among the top 100 Chinese listed companies and has received an A-grade rating for information disclosure from the Shanghai Stock Exchange for 15 consecutive years. Additionally, it has been recognized by the China Association for Public Companies, winning awards for Best Board Practices and Best Board Office Practices for consecutive years.

Chairman's Statement

At present, the international political and economic landscape remains complex and challenging, with structural contradictions in the domestic economy compounded by cyclical factors, and increasing instability and uncertainty. China's economic operation continues to face numerous difficulties and challenges. However, the nation's fundamental resource endowment – rich in coal, scarce in oil, and deficient in natural gas – remains unchanged, and the coal-dominated energy structure cannot be fundamentally altered in the short term. The promulgation of the Energy Law has further reinforced coal's role as a foundational guarantee and systemic regulator of fossil energy, providing regulatory guidance for the coal industry in safeguarding national energy security, promoting high-quality energy development, and driving technological innovation.

As 2025 marks the concluding year of the "14th Five-Year" Plan and the strategic planning year for the "15th Five-Year" Plan, China Coal Energy will continue to thoroughly study and implement the guiding principles of the 20th National Congress of the Communist Party of China and successive plenary sessions. The Company will focus on theme of high-quality development, steadfastly uphold the development strategy of "efficiency enhancement and incremental transformation," and continuously strengthen core functions and improve core competitiveness. **First**, scientifically organize production and sales. We aim for maximum profitability, and ensure the high-quality completion of annual production and sales targets to achieve full-year operational objectives. **Second**, unswervingly advancing decarbonization, pollution reduction, green expansion, and growth initiatives. We will enhance our capacity for industrial transformation and development, accelerate the construction of key projects, intensify the development of existing resources, and achieve the targets set for the "14th Five-Year" Plan in high quality, laying a solid foundation for the formulation and sound commencement of the "15th Five-Year" Plan. **Third**, enhancing reform breakthrough capabilities. We will focus on deepening and advancing reforms to ensure high-quality completion by year-end, further promote regional and specialized reform, intensify the reform of the three major systems, and continuously stimulate our intrinsic growth momentum. **Fourth**, benchmarking against world-class standards. We will strengthen lean management, carry out targeted quality improvement and efficiency enhancement initiatives, accelerate digital and intelligent transformation, and solidly promote high-quality and stable growth. **Fifth**, thoroughly implementing an innovation-driven strategy. We will emphasize key technological breakthroughs, original innovation, and the commercialization of research outcomes, continuously cultivating and expanding new drivers of growth and forming new quality productive forces with China Coal Energy's unique characteristics. **Sixth**, enhancing major risk prevention and mitigation capabilities. We will integrate development with security, rigorously and meticulously implement safety and environmental protection measures, and ensure high-level security to support high-quality development. **Seventh**, further strengthening market value management. We will continuously improve corporate governance and information disclosure quality, enhance communication with investors at multiple levels and dimensions to maintain a positive corporate image in the capital market.

The management and staff of the Company will remain resolute in their confidence, committed to progress, and determined to forge ahead. We will strive to build a world-class energy enterprise, and reward all Shareholders and investors with new achievements in pursuing China's modernized energy development and high-quality development!

Wang Shudong
Chairman

Beijing, China
21 March 2025

Management Discussion and Analysis of Financial Conditions and Operating Results

The following discussion and analysis should be read in conjunction with the Group's reviewed financial statements and the notes hereto. The Group's financial statements have been prepared in accordance with IFRS accounting standards.

I. OVERVIEW

For the year ended 31 December 2024, the Group actively responded to challenges and difficulties, focusing on key annual initiatives and operational objectives. By strengthening operational management, enhancing quality and efficiency, deepening reform and innovation, and accelerating transformation and development, the Group achieved positive results across all aspects of its business. Production and operations remained stable and orderly. Despite a decline in market prices for coal, coal chemicals, and other key products, the Group maintained a high level of profitability, achieving a profit before income tax of RMB30.316 billion and a profit attributable to equity holders of the Company of RMB18.156 billion for the year.

During the reporting period, the Group's major business segments such as coal, coal chemical, coal mining equipment and finance all maintained sound operation. The coal enterprises continuously optimized production planning and accelerated advanced production capacity release, achieving a record-high annual self-produced commercial coal output of 137.57 million tonnes. Despite a RMB40/tonne decrease in the average sales price of self-produced commercial coal, which resulted in a RMB5.554 billion reduction in revenue, the Group continued to enhance cost-refinement management, reducing the unit cost of sales of self-produced commercial coal to RMB344.84/tonne, a year-on-year decrease of RMB8.99/tonne. As a result, the coal business recorded a gross profit of RMB30.942 billion. The coal chemical enterprises effectively coordinated safety production, major equipment overhauls, and project construction, ensuring "work safety, stable production, long-period operation, fully-loaded operation and producing quality products." Despite year-on-year declines in the selling prices of urea and ammonium nitrate and a largely stable year-on-year price of polyolefins, the segment benefited from effective cost control and lower procurement prices for raw coal and fuel coal. This led to a year-on-year reduction in unit cost of sales of major products, resulting in a gross profit of RMB2.804 billion. These outcomes reflect strong management capabilities and the synergy of an integrated coal-to-chemicals development model. The coal mining equipment business pursued business model innovation, actively promoting sales of integrated product solutions and full-lifecycle equipment services while cultivating and consolidating its position in the mid-to-high-end and intelligent upgrade markets. The segment achieved a profit before income tax of RMB624 million. Finance Company continued to enhance the optimization and upgrade of its treasury system, improving centralized and refined capital management. The Company maintained a leading position in capital concentration and operational efficiency within the industry, with total assets exceeding RMB100 billion. Despite a general decline in market interest rates, the finance business achieved a profit before income tax of RMB1.396 billion, marking year-on-year growth. Its ability to provide financial support and create value for the Group continued to strengthen.

Management Discussion and Analysis of Financial Conditions and Operating Results

Unit: RMB100 million

	For the year ended 31 December 2024	For the year ended 31 December 2023	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Revenue	**1,893.99**	1,929.69	-35.70	-1.9
Cost of sales	**1,514.77**	1,513.86	0.91	0.1
Gross profit	**379.22**	415.83	-36.61	-8.8
Sales expenses, general and administrative expenses	**80.15**	80.80	-0.65	-0.8
Other income, other gains and losses, net	**4.19**	0.79	3.40	430.4
Profit from operations	**301.53**	335.14	-33.61	-10.0
Finance income	**1.47**	1.05	0.42	40.0
Finance costs	**25.35**	31.00	-5.65	-18.2
Profit attributable to associates and joint ventures	**25.52**	31.76	-6.24	-19.6
Profit before income tax	**303.16**	336.95	-33.79	-10.0
EBITDA	**405.85**	447.54	-41.69	-9.3
Profit attributable to the equity holders of the Company	**181.56**	201.84	-20.28	-10.0
Net cash generated from operating activities	**341.40**	429.65	-88.25	-20.5
In which: Net cash flow generated from production and sales activities	**306.49**	354.40	-47.91	-13.5
Increase in cash inflow due to deposits absorbed from members other than China Coal Energy by Finance Company	**34.91**	75.25	-40.34	-53.6
Net cash generated from investing activities	**-120.49**	-150.57	30.08	-20.0
Net cash generated from financing activities	**-238.76**	-262.98	24.22	-9.2

Unit: RMB100 million

	As at 31 December 2024	As at 31 December 2023	**Compared with the end of last year** Increase/ decrease in amount	Increase/ decrease (%)
Assets	**3,577.94**	3,491.55	86.39	2.5
Liabilities	**1,657.66**	1,666.32	-8.66	-0.5
Interest-bearing debts	**635.73**	726.98	-91.25	-12.6
Equity	**1,920.28**	1,825.23	95.05	5.2
Equity attributable to the equity holders of the Company	**1,517.07**	1,438.82	78.25	5.4
Gearing ratio (%) = total interest-bearing debts/ (total interest-bearing debts + equity)	**24.9**	28.5	A decrease of 3.6 percentage points	

Management Discussion and Analysis of Financial Conditions and Operating Results

II. OPERATING RESULTS

(I) Consolidated Operating Results

1. Revenue

For the year ended 31 December 2024, the Group's revenue decreased by RMB3.570 billion or 1.9% from RMB192.969 billion for the year ended 31 December 2023 to RMB189.399 billion. The revenue before netting of inter-segmental sales generated from each operating segment of the Group and the year-on-year changes are set out as follows:

Unit: RMB100 million

	Revenue before netting of inter-segmental sales			
	For the year ended 31 December 2024	For the year ended 31 December 2023	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Coal operations	**1,607.12**	1,626.81	-19.69	-1.2
Self-produced commercial coal	**773.03**	806.19	-33.16	-4.1
Proprietary coal trading	**827.04**	814.88	12.16	1.5
Coal chemical operation	**205.18**	213.94	-8.76	-4.1
Coal mining equipment operations	**111.50**	121.83	-10.33	-8.5
Financial operations	**25.07**	24.42	0.65	2.7
Other operations	**73.45**	82.34	-8.89	-10.8
Net of inter-segmental sales	**-128.33**	-139.65	11.32	-8.1
The Group	**1,893.99**	1,929.69	-35.70	-1.9

Management Discussion and Analysis of Financial Conditions and Operating Results

Revenue net of inter-segmental sales generated from each operating segment of the Group for the year ended 31 December 2024 and the year-on-year changes are set out as follows:

Unit: RMB100 million

	Revenue net of inter-segmental sales			
	For the year ended 31 December 2024	For the year ended 31 December 2023	Year-on-year Increase/ decrease in amount	Increase/ decrease (%)
Coal operations	**1,527.61**	1,533.86	-6.25	-0.4
Self-produced commercial coal	**715.46**	740.36	-24.90	-3.4
Proprietary coal trading	**806.16**	788.55	17.61	2.2
Coal chemical operation	**194.06**	203.44	-9.38	-4.6
Coal mining equipment operations	**90.57**	101.63	-11.06	-10.9
Financial operations	**20.05**	19.59	0.46	2.3
Other operations	**61.70**	71.17	-9.47	-13.3
The Group	**1,893.99**	1,929.69	-35.70	-1.9

The proportion of revenue net of inter-segmental sales generated from each operating segment of the Group in the Group's total revenue for the year ended 31 December 2024 and the year-on-year changes are set out as follows:

	Proportion of revenue net of inter-segmental sales (%)		
	For the year ended 31 December 2024	For the year ended 31 December 2023	Increase/ decrease (percentage point(s))
Coal operations	**80.7**	79.5	1.2
Self-produced commercial coal	**37.8**	38.4	-0.6
Proprietary coal trading	**42.6**	40.9	1.7
Coal chemical operation	**10.2**	10.5	-0.3
Coal mining equipment operations	**4.8**	5.3	-0.5
Financial operations	**1.1**	1.0	0.1
Other operations	**3.2**	3.7	-0.5

2. *Cost of sales*

For the year ended 31 December 2024, the Group's cost of sales increased by RMB91 million from RMB151.386 billion for the year ended 31 December 2023, to RMB151.477 billion, representing an increase of 0.1%. The cost of sales of each operating segment of the Group and the year-on-year changes are as follows:

Unit: RMB100 million

	For the year ended 31 December 2024	For the year ended 31 December 2023	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Coal operations	**1,297.70**	1,284.12	13.58	1.1
Self-produced commercial coal	**474.60**	473.81	0.79	0.2
Proprietary coal trading	**819.11**	806.65	12.46	1.5
Coal chemical operation	**177.14**	184.72	-7.58	-4.1
Coal mining equipment operations	**93.17**	100.54	-7.37	-7.3
Financial operations	**9.48**	10.49	-1.01	-9.6
Other operations	**63.22**	71.56	-8.34	-11.7
Net of inter-segmental sales	**-125.94**	-137.57	11.63	-8.5
The Group	**1,514.77**	1,513.86	0.91	0.1

3. Gross profit and gross profit margin

For the year ended 31 December 2024, the Group's gross profit decreased by RMB3.661 billion or 8.8% from RMB41.583 billion for the year ended 31 December 2023 to RMB37.922 billion; gross profit margin decreased by 1.5 percentage points from 21.5% for the year ended 31 December 2023 to 20.0%. The gross profit and gross profit margin of each operating segment of the Group and the year-on-year changes are set out as follows:

Unit: RMB100 million

	Gross profit			**Gross profit margin (%)**		
	For the year ended 31 December 2024	For the year ended 31 December 2023	Increase/ decrease (%)	**For the year ended 31 December 2024**	For the year ended 31 December 2023	Increase/ decrease (percentage point(s))
Coal operations	**309.42**	342.69	-9.7	**19.3**	21.1	-1.8
Self-produced commercial coal	**298.43**	332.38	-10.2	**38.6**	41.2	-2.6
Proprietary coal trading	**7.93**	8.23	-3.6	**1.0**	1.0	0.0
Coal chemical operation	**28.04**	29.22	-4.0	**13.7**	13.7	0.0
Coal mining equipment operations	**18.33**	21.29	-13.9	**16.4**	17.5	-1.1
Financial operations	**15.59**	13.93	11.9	**62.2**	57.0	5.2
Other operations	**10.23**	10.78	-5.1	**13.9**	13.1	0.8
The Group	**379.22**	415.83	-8.8	**20.0**	21.5	-1.5

Note: The above gross profit and gross profit margin of each operating segment are figures before netting of inter-segmental sales.

Management Discussion and Analysis of Financial Conditions and Operating Results

(II) Operating Results of Segments

1. *Coal operations segment*

(1) Revenue

Revenue from the coal operations of the Group was mainly generated from sales of coal produced from self-owned coal mines and coal washing plants (sales of self-produced commercial coal) to domestic and overseas customers, resale of coal purchased from external enterprises to customers (sales of proprietary trading coal) and coal import and export and domestic agency services.

For the year ended 31 December 2024, for coal operations of the Group, the revenue decreased by 1.2% from RMB162.681 billion for the year ended 31 December 2023 to RMB160.712 billion, and revenue net of inter-segmental sales decreased by 0.4% from RMB153.386 billion for the year ended 31 December 2023 to RMB152.761 billion.

For the year ended 31 December 2024, the revenue from sales of self-produced commercial coal of the Group decreased by 4.1% from RMB80.619 billion for the year ended 31 December 2023 to RMB77.303 billion, which was mainly attributable to the year-on-year decrease of RMB40/tonne in the selling price of self-produced commercial coal and the decrease of RMB5.554 billion in revenue; the sales volume increased by 3.72 million tonnes year-on-year and the revenue increased by RMB2.238 billion. Revenue net of inter-segmental sales decreased by 3.4% from RMB74.036 billion for the year ended 31 December 2023 to RMB71.546 billion.

For the year ended 31 December 2024, the revenue from sales of proprietary coal trading of the Group increased by 1.5% from RMB81.488 billion for the year ended 31 December 2023 to RMB82.704 billion, which was mainly attributable to the year-on-year increase of 15.34 million tonnes in the sales volume of proprietary coal trading and the increase of RMB9.879 billion in revenue; the selling price decreased by RMB61/tonne year-on-year and the revenue decreased by RMB8.663 billion. Revenue net of inter-segmental sales increased by 2.2% from RMB78.855 billion for the year ended 31 December 2023 to RMB80.616 billion.

For the year ended 31 December 2024, revenue from the coal agency business of the Group decreased by RMB84 million from RMB146 million for the year ended 31 December 2023 to RMB62 million.

Management Discussion and Analysis of Financial Conditions and Operating Results

The Group's coal sales volume before netting of inter-segmental sales and selling prices for the year ended 31 December 2024 and the year-on-year changes are set out as follows:

				For the year ended 31 December 2024		For the year ended 31 December 2023		Year-on-year Increase/decrease in amount		Year-on-year Increase/decrease	
				Sales volume (10,000 tonnes)	**Selling price (RMB/ tonne)**	Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (%)	Selling price (%)
I.	Self-produced commercial coal	Total		**13,763**	**562**	13,391	602	372	-40	2.8	-6.6
		(I)	Thermal coal	**12,626**	**499**	12,298	532	328	-33	2.7	-6.2
			Domestic sale	**12,626**	**499**	12,298	532	328	-33	2.7	-6.2
		(II)	Coking coal	**1,137**	**1,254**	1,093	1,386	44	-132	4.0	-9.5
			Domestic sale	**1,137**	**1,254**	1,093	1,386	44	-132	4.0	-9.5
II.	Proprietary coal trading	Total		**14,183**	**583**	12,649	644	1,534	-61	12.1	-9.5
		(I)	Domestic sale	**12,845**	**590**	12,490	640	355	-50	2.8	-7.8
		(II)	Self-operated export	**25**	**1,492**	53	1,779	-28	-287	-52.8	-16.1
		(III)	Import trading	**1,313**	**494**	106	634	1,207	-140	1,138.7	-22.1
III.	Import and export and domestic agency★	Total		**537**	**11**	2,454	6	-1,917	5	-78.1	83.3
		(I)	Import agency	**35**	**4**	7	16	28	-12	400.0	-75.0
		(II)	Export agency	**128**	**32**	33	58	95	-26	287.9	-44.8
		(III)	Domestic agency	**374**	**5**	2,414	5	-2,040	0	-84.5	0.0

★: Selling price is agency service fee.

Note: Sales volume of commercial coal includes the inter-segmental self-consumption of the Group which amounted to 17.68 million tonnes (including 12.25 million tonnes for self-produced commercial coal and 5.43 million tonnes for proprietary coal trading) for 2024, and 18.39 million tonnes (including 12.42 million tonnes for self-produced commercial coal and 5.97 million tonnes for proprietary coal trading) for 2023.

(2) Cost of sales

For the year ended 31 December 2024, the Group's cost of sales of coal operations increased by 1.1% from RMB128.412 billion for the year ended 31 December 2023 to RMB129.770 billion, which was mainly attributable to the expansion of proprietary coal trading sales scale, adjustment of trading models, and other factors, resulting in a year-on-year increase of RMB1.246 billion in the procurement and transportation costs of proprietary coal trading. The composition of the cost of sales of the Group's coal operations and the year-on-year changes are set out as follows:

Unit: RMB100 million

Item	For the year ended 31 December 2024	Percentage (%)	For the year ended 31 December 2023	Percentage (%)	Year-on-year Increase/decrease in amount	Year-on-year Increase/decrease (%)
Material costs (excluding proprietary coal trading procurement cost)	**79.94**	**6.2**	73.96	5.8	5.98	8.1
Proprietary coal trading procurement cost☆	**782.58**	**60.3**	783.67	61.0	-1.09	-0.1
Staff costs	**78.88**	**6.1**	73.74	5.7	5.14	7.0
Depreciation and amortisation	**63.40**	**4.9**	70.79	5.5	-7.39	-10.4
Repairs and maintenance	**14.96**	**1.2**	17.54	1.4	-2.58	-14.7
Transportation costs and port expenses	**115.59**	**8.9**	105.70	8.2	9.89	9.4
Sales taxes and surcharges	**70.75**	**5.5**	66.66	5.2	4.09	6.1
Outsourcing mining engineering fees	**50.75**	**3.9**	52.17	4.1	-1.42	-2.7
Other costs ★	**40.85**	**3.0**	39.89	3.1	0.96	2.4
Total cost of sales for coal operations	**1,297.70**	**100.0**	1,284.12	100.0	13.58	1.1

☆: This cost does not include transportation costs and port expenses related to proprietary coal trading which amounted to RMB3.653 billion in 2024 and RMB2.298 billion in 2023 and are set out in the item of transportation costs and port expenses.

★: Other costs include the environmental restoration expenses arising from coal mining and the expenditures for sporadic projects incurred in direct relation to coal production.

The composition of the Group's unit cost of sales of self-produced commercial coal for the year ended 31 December 2024 and the year-on-year changes are set out as follows:

Unit: RMB/tonne

Item	For the year ended 31 December 2024	Percentage (%)	For the year ended 31 December 2023	Percentage (%)	Year-on-year Increase/ decrease in amount	Year-on-year Increase/ decrease (%)
Material costs	**58.09**	**16.8**	55.23	15.6	2.86	5.2
Staff costs	**57.32**	**16.6**	55.07	15.6	2.25	4.1
Depreciation and amortisation	**46.07**	**13.4**	52.86	14.9	-6.79	-12.8
Repairs and maintenance	**10.87**	**3.2**	13.10	3.7	-2.23	-17.0
Transportation costs and port expenses	**57.44**	**16.7**	61.77	17.5	-4.33	-7.0
Sales taxes and surcharges	**51.41**	**14.9**	49.78	14.1	1.63	3.3
Outsourcing mining engineering fees	**36.87**	**10.7**	38.96	11.0	-2.09	-5.4
Other costs	**26.77**	**7.7**	27.06	7.6	-0.29	-1.1
Total unit cost of sales of self-produced commercial coal	**344.84**	**100.0**	353.83	100.0	-8.99	-2.5

For the year ended 31 December 2024, the Group's unit cost of sales of self-produced commercial coal amounted to RMB344.84/tonne, representing a year-on-year decrease of RMB8.99/tonne or 2.5%. This was mainly attributable to the increase in production continuation resources obtained in the fourth quarter of 2023, which led to a higher amortisation base under the reserve depletion method, resulting in a year-on-year decrease in depreciation and amortisation costs per tonne of coal; the reduction in major overhaul expenses arranged based on equipment utilisation, leading to a year-on-year decrease in maintenance costs per tonne of coal; and the decline in the proportion of self-produced commercial coal sales bearing railway transportation and port miscellaneous expenses to the total sales volume of self-produced commercial coal of the Group, resulting in a year-on-year decrease in transportation and port miscellaneous expenses per tonne of coal.

(3) Gross profit and gross profit margin

For the year ended 31 December 2024, the gross profit from coal operations segment decreased by 9.7% to RMB30.942 billion from RMB34.269 billion for the year ended 31 December 2023 due to the decline in the selling price of commercial coal, and the gross profit margin decreased by 1.8 percentage points to 19.3% from 21.1% for the year ended 31 December 2023. In particular, the gross profit of self-produced commercial coal recorded a year-on-year decrease of RMB3.395 billion, and the gross profit margin recorded a year-on-year decrease of 2.6 percentage points. The gross profit of proprietary coal trading decreased by RMB30 million year-on-year, while the gross profit margin remained unchanged year-on-year.

2. *Coal chemical operations segment*

(1) Revenue

For the year ended 31 December 2024, the revenue from the Group's coal chemical operations decreased by 4.1% from RMB21.394 billion for the year ended 31 December 2023 to RMB20.518 billion; revenue net of inter-segmental sales decreased by 4.6% from RMB20.344 billion for the year ended 31 December 2023 to RMB19.406 billion, primarily due to decreased sales volume and the year-on-year decline in selling prices of urea and ammonium nitrate.

The sales volume and selling prices of the Group's major coal chemical products for the year ended 31 December 2024 and the year-on-year changes are set out as follows:

		For the year ended 31 December 2024		For the year ended 31 December 2023		**Year-on-year** Increase/ decrease in amount		Increase/decrease	
		Sales volume (10,000 tonnes)	**Selling price (RMB/ tonne)**	Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (%)	Selling price (%)
I.	Polyolefin	**151.7**	**6,991**	147.9	6,907	3.8	84	2.6	1.2
	1. Polyethylene	**77.5**	**7,337**	76.3	7,145	1.2	192	1.6	2.7
	2. Polypropylene	**74.2**	**6,629**	71.6	6,652	2.6	-23	3.6	-0.3
II.	Urea	**203.7**	**2,047**	214.1	2,423	-10.4	-376	-4.9	-15.5
III.	Methanol	**171.6**	**1,757**	191.9	1,748	-20.3	9	-10.6	0.5
	Of which:								
	Inter-segment self-consumption	**169.7**	**1,758**	188.2	1,750	-18.5	8	-9.8	0.5
	External sales	**1.9**	**1,621**	3.7	1,629	-1.8	-8	-48.6	-0.5
IV.	Ammonium nitrate	**57.2**	**2,054**	58.7	2,341	-1.5	-287	-2.6	-12.3

(2) Cost of sales

For the year ended 31 December 2024, the cost of sales of the Group's coal chemical operations decreased by 4.1% from RMB18.472 billion for the year ended 31 December 2023 to RMB17.714 billion, primarily due to the decrease in the purchase prices of raw coal and fuel coal, leading to a year-on-year reduction in material costs, as well as the planned overhaul of urea and methanol facilities, resulting in a year-on-year increase in maintenance costs.

For the year ended 31 December 2024, the composition of the Group's cost of sales for the coal chemical operations and the year-on-year changes are set out as follows:

Unit: RMB100 million

Item	**For the year ended 31 December 2024**	**Percentage (%)**	For the year ended 31 December 2023	Percentage (%)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Material costs	**101.81**	**57.5**	113.03	61.2	-11.22	-9.9
Staff costs	**12.53**	**7.1**	13.95	7.6	-1.42	-10.2
Depreciation and amortisation	**28.96**	**16.3**	28.62	15.5	0.34	1.2
Repairs and maintenance	**10.82**	**6.1**	6.11	3.3	4.71	77.1
Transportation costs and port expenses	**7.35**	**4.1**	7.81	4.2	-0.46	-5.9
Sales taxes and surcharges	**2.91**	**1.6**	3.24	1.8	-0.33	-10.2
Other costs	**12.76**	**7.3**	11.96	6.4	0.80	6.7
Total cost of sales for coal chemical operations	**177.14**	**100.0**	184.72	100.0	-7.58	-4.1

The unit cost of sales of the major self-produced coal chemical products of the Group for the year ended 31 December 2024 and the year-on-year changes are set out as follows:

Unit: RMB/tonne

Item	**For the year ended 31 December 2024**	For the year ended 31 December 2023	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
I. Polyolefin	**6,413**	6,577	-164	-2.5
1. Polyethylene	**6,434**	6,566	-132	-2.0
2. Polypropylene	**6,391**	6,588	-197	-3.0
II. Urea	**1,668**	1,629	39	2.4
III. Methanol	**1,780**	1,893	-113	-6.0
IV. Ammonium nitrate	**1,344**	1,505	-161	-10.7

For the year ended 31 December 2024, except for urea, whose unit cost of sales increased year-on-year due to the planned overhaul of production facilities, the unit cost of sales for all other products decreased year-on-year, primarily driven by the decline in the purchase prices of raw coal and fuel coal.

(3) Gross profit and gross profit margin

For the year ended 31 December 2024, the gross profit of the Group's coal chemical operations segment decreased by 4.0% from RMB2.922 billion for the year ended 31 December 2023 to RMB2.804 billion, while the gross profit margin remained stable year-on-year.

3. Coal mining equipment operations segment

(1) Revenue

For the year ended 31 December 2024, the Group's revenue from coal mining equipment operations decreased by 8.5% from RMB12.183 billion for the year ended 31 December 2023 to RMB11.150 billion. Revenue net of inter-segmental sales decreased by 10.9% from RMB10.163 billion for the year ended 31 December 2023 to RMB9.057 billion, primarily due to the impact such as changes in the scope of consolidation.

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(2) *Cost of sales*

For the year ended 31 December 2024, the Group's cost of sales for the coal mining equipment operations decreased by 7.3% from RMB10.054 billion for the year ended 31 December 2023 to RMB9.317 billion. The composition of the Group's cost of sales for the coal mining equipment operations and the year-on-year changes are set out as follows:

Unit: RMB100 million

Item	**For the year ended 31 December 2024**	**Percentage (%)**	For the year ended 31 December 2023	Percentage (%)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Material costs	**71.43**	**76.7**	74.76	74.4	-3.33	-4.5
Staff costs	**7.79**	**8.4**	8.91	8.9	-1.12	-12.6
Depreciation and amortisation	**2.63**	**2.8**	3.30	3.3	-0.67	-20.3
Repairs and maintenance	**0.81**	**0.9**	1.28	1.3	-0.47	-36.7
Transportation costs	**1.09**	**1.2**	1.74	1.7	-0.65	-37.4
Sales taxes and surcharges	**0.39**	**0.4**	0.41	0.4	-0.02	-4.9
Other costs	**9.03**	**9.6**	10.14	10.0	-1.11	-10.9
Total cost of sales for coal mining equipment operations	**93.17**	**100.0**	100.54	100.0	-7.37	-7.3

(3) *Gross profit and gross profit margin*

For the year ended 31 December 2024, the gross profit of the Group's coal mining equipment operations segment decreased by 13.9% from RMB2.129 billion for the year ended 31 December 2023 to RMB1.833 billion; the gross profit margin declined by 1.1 percentage points from 17.5% for the year ended 31 December 2023 to 16.4%.

4. *Financial operations segment*

The financial operations segment of the Group is mainly engaged by Finance Company, which deepened the concept of lean management and strengthened financial technology innovation, strengthened the construction and application of the treasury system, continuously improved the ability of precise credit services, actively served the development strategy of "efficiency enhancement and incremental transformation", ensured the safe, stable and efficient flow of funds, and dynamically optimised and adjusted the allocation strategy of deposits with banks in a timely manner when the interest rate of deposits in the interbank market declined, achieving better value and efficiency. For the year ended 31 December 2024, the revenue of financial operations of the Group increased by 2.7% from RMB2.442 billion for the year ended 31 December 2023 to RMB2.507 billion; revenue net of inter-segmental sales increased by 2.3% from RMB1.959 billion for the year ended 31 December 2023 to RMB2.005 billion; cost of sales decreased by 9.6% from RMB1.049 billion for the year ended 31 December 2023 to RMB948 million. Gross profit increased by 11.9% to RMB1.559 billion from RMB1.393 billion for the year ended 31 December 2023. Gross profit margin increased by 5.2 percentage points to 62.2% from 57.0% for the year ended 31 December 2023.

5. *Other operations segment*

Other operations segment of the Group mainly includes power generation, aluminium processing, import of equipment and accessories, tendering and bidding services, railway transportation and other business. For the year ended 31 December 2024, due to factors such as the decline in sales scale of the aluminium processing business, the revenue of the other operations segment decreased by 10.8% to RMB7.345 billion from RMB8.234 billion for the year ended 31 December 2023; the revenue net of inter-segmental sales decreased by 13.3% to RMB6.170 billion from RMB7.117 billion for the year ended 31 December 2023; cost of sales decreased by 11.7% to RMB6.322 billion from RMB7.156 billion for the year ended 31 December 2023. Gross profit decreased by 5.1% to RMB1.023 billion from RMB1.078 billion for the year ended 31 December 2023, while the gross profit margin increased by 0.8 percentage point to 13.9% from 13.1% for the year ended 31 December 2023.

(III) Finance Income and Finance Costs

For the year ended 31 December 2024, the Group's net finance costs decreased by 20.3% from RMB2.995 billion for the year ended 31 December 2023 to RMB2.388 billion, which was mainly attributable to the decrease in the scale of the Group's interest-bearing liabilities and continuous optimisation of debt structure, which has further lowered the consolidated cost of funds.

(IV) Other Income, Other Gains and Net Losses

For the year ended 31 December 2024, the Group's other income, other gains and losses, net increased by RMB340 million to RMB419 million from RMB79 million for the year ended 31 December 2023. This was primarily due to the combined effect of the provision for impairment of RMB183 million for construction in progress and fixed assets with indications of impairment based on the impairment test results in the previous year, as well as the increase in non-operating incomes, expenses and gains and gains from disposal of assets in the current year.

(V) Impairment Losses under Expected Credit Loss Model, Net of Reversal

For the year ended 31 December 2024, the Group's impairment losses under the expected credit loss model, net of reversal, increased by RMB104 million from RMB69 million for the year ended 31 December 2023 to RMB173 million. This increase was mainly due to the additional credit impairment losses recognized by the Group based on accounting standards and the recoverability of receivables.

(VI) Share of Profits of Associates and Joint Ventures

For the year ended 31 December 2024, the Group's share of profits of associates and joint ventures decreased by 19.6% from RMB3.176 billion for the year ended 31 December 2023 to RMB2.552 billion, which was mainly attributable to the decrease in market prices of coal and other products, resulting in the year-on-year decrease in profits of associates and joint ventures, and thus the corresponding decrease in the Group's share of profits of associates and joint ventures recognized in proportion to its shareholding.

III. CASH FLOW

As at 31 December 2024, the balance of the Group's cash and cash equivalents amounted to RMB29.823 billion, representing a net decrease of RMB1.760 billion as compared to RMB31.583 billion as at 31 December 2023.

Net cash inflow generated from operating activities decreased by an inflow of RMB8.825 billion from RMB42.965 billion for the year ended 31 December 2023 to RMB34.140 billion. Among which, net cash flow generated from production and sales activities amounted to RMB30.649 billion, representing a year-on-year decrease of RMB4.791 billion, which was mainly attributable to the decline in market prices of coal and coal chemical products.

Net cash outflow generated from investing activities decreased by an outflow of RMB3.008 billion from RMB15.057 billion for the year ended 31 December 2023 to RMB12.049 billion. This was primarily attributable to the combined effect of a year-on-year decrease of RMB4.232 billion in cash outflow arising from changes in fixed-term deposits with an initial deposit period of more than three months, a year-on-year decrease of RMB1.013 billion in cash dividends received from invested companies.

Net cash outflow generated from financing activities decreased by an outflow of RMB2.422 billion from RMB26.298 billion for the year ended 31 December 2023 to RMB23.876 billion. This was primarily attributable to the combined effect of a year-on-year decrease of RMB4.339 billion in net cash outflow from debt financing, a year-on-year decrease of RMB898 million in cash outflow for interest payments, and a year-on-year increase of RMB3.467 billion in dividends paid to external parties.

IV. SOURCES OF CAPITAL

For the year ended 31 December 2024, the Group's funds were mainly derived from the proceeds generated from business operations, bank borrowings and net proceeds raised in capital markets. The Group's funds were mainly used for investments in production facilities and equipment for coal, coal chemical, coal mining equipment and power generation operations, repayment of debts payable by the Group, and as the Group's working capital and general recurring expenditures.

During the reporting period, the Group has repaid the loans as well as the principal and interests of the bonds when they became due by the agreed time. No overdue or default has occurred.

The cash generated from the Group's operation, net proceeds from share offering in the international and domestic capital markets, relevant banking facilities obtained and the issue amount of bonds approved but not utilised will provide sufficient capital funds for future production and operating activities as well as project construction.

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V. ASSETS AND LIABILITIES

(I) Property, Plant and Equipment

As at 31 December 2024, the net value of the Group's property, plant and equipment was RMB140.613 billion, representing a net increase of RMB12.911 billion or 10.1% compared to RMB127.702 billion as at 31 December 2023. Among them, the net value of buildings was RMB31.501 billion, accounting for 22.4%; that of mining structures was RMB42.459 billion, accounting for 30.2%; that of machinery and equipment was RMB41.429 billion, accounting for 29.5%; that of construction in progress was RMB18.203 billion, accounting for 12.9%; and that of railways, transportation vehicles, and others was RMB7.021 billion, accounting for 5.0%.

(II) Other Non-current Assets

As at 31 December 2024, the net value of the Group's other non-current assets was RMB11.478 billion, representing a net increase of RMB2.711 billion or 30.9% compared to RMB8.767 billion as at 31 December 2023, which was mainly attributable to the increase in medium- and long-term loans provided by Finance Company to members other than China Coal Energy.

(III) Contract Liabilities

As at 31 December 2024, the balance of the Group's contract liabilities amounted to RMB3.409 billion, representing a net decrease of RMB1.631 billion or 32.4% compared to RMB5.040 billion as at 31 December 2023, which was mainly attributable to the decline in coal prices, resulting in a decrease in advance payments for sales of coal.

(VI) Borrowings

As at 31 December 2024, the balance of the Group's borrowings was RMB53.330 billion, representing a net decrease of RMB6.050 billion or 10.2% compared to RMB59.380 billion as at 31 December 2023. Among which, the balance of long-term borrowings (including long-term borrowings due within one year) was RMB52.215 billion, representing a net decrease of RMB7.042 billion as compared to RMB59.257 billion as at 31 December 2023; the balance of short-term borrowings was RMB1.115 billion, representing a net increase of RMB992 million as compared to RMB123 million as at 31 December 2023.

(V) Long-term Bonds

As at 31 December 2024, the balance of the Group's long-term bonds (including long-term bonds due within one year) was RMB10.243 billion, representing a net decrease of RMB3.075 billion or 23.1% as compared to RMB13.318 billion as at 31 December 2023, which was mainly attributable to the combined effect of the redemption of RMB5 billion in medium-term notes during the year, as well as the public issuance of RMB2 billion in technology innovation corporate bonds.

VI. EQUITY

As at 31 December 2024, the equity of the Group was RMB192.028 billion, representing an increase of RMB9.505 billion or 5.2% from RMB182.523 billion as at 31 December 2023, among which, the equity attributable to the equity holders of the Company was RMB151.707 billion, representing an increase of RMB7.825 billion or 5.4% from RMB143.882 billion as at 31 December 2023. The items under the equity subject to significant change are analysed as below:

(I) Reserve

As at 31 December 2024, the reserve of the Group was RMB52.207 billion, representing a decrease of RMB1.136 billion or 2.1% from RMB53.343 billion as at 31 December 2023, which was mainly attributable to the utilization of the prior years' special fund balance as planned by the Group during the year, resulting in a reduction in reserve.

(II) Retained Earnings

As at 31 December 2024, the balance of the retained earnings of the Group were RMB86.241 billion, representing an increase of RMB8.960 billion or 11.6% from RMB77.281 billion as at 31 December 2023, which was mainly attributable to the combined effect of realizing profit attributable to the equity holders of the Company of RMB18.156 billion, the distribution of annual dividends for 2023, a special dividend to reward Shareholders, and the 2024 interim dividend totalling RMB10.289 billion, as well as the utilization of the prior years' special fund balance as planned and the provision for reserve for general risk, among other factors.

VII. OVERSEAS ASSETS

At the end of the reporting period, total assets of the Group amounted to RMB357.794 billion, representing an increase of RMB8.639 billion or 2.5% as compared to the beginning of the year, among which, overseas assets amounted to RMB472 million, accounting for 0.13% of total assets. During the reporting period, there was no material change in the Group's overseas assets.

VIII. SIGNIFICANT CHARGE OF ASSETS

The Group did not have significant charge of assets during the reporting period. As at 31 December 2024, the book value of the Group's charge assets amounted to RMB302 million, all of which were pledged assets.

IX. SIGNIFICANT INVESTMENT

The Group had no significant investment during the reporting period.

X. MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have material acquisitions and disposals in relation to subsidiaries, associates and joint ventures during the reporting period.

XI. CORPORATE BONDS

The goal of registration and issuance of corporate bonds by the Group is to replenish the working capital of the Group and adjust the debt structure. As at 31 December 2024, details of the corporate bonds not yet due issued by the Group are as follows.

Disclosure Items	20 China Coal 01	24 China Coal K2
1. Reason for issue	To meet the needs of production and operation, and further optimise the debt structure.	To meet the needs of production and operation, and further optimise the debt structure.
2. Type of issue	Public issue	Public issue
3. Book value	RMB100	RMB100
4. Issue scale	RMB3 billion	RMB2 billion
5. Total proceeds raised after deducting the issuance expenses	RMB2.997 billion	RMB1.998 billion
6. Bonds balance	RMB3 billion	RMB2 billion
7. Coupon rate	3.60%	2.58%
8. Issue object	Professional investor	Professional investor
9. Use details:		
(1) Details and descriptions of the proceeds of each issue for different purposes in the fiscal year	All the proceeds net of issuance fee were used to repay the interest-bearing debts and replenish working capital.	All the proceeds net of issuance fee were used to repay the interest-bearing debts and replenish working capital.
(2) If the proceeds have not been utilised, the different intended use details and descriptions of the relevant proceeds	–	–
(3) Whether the use or intended use of the proceeds is in accordance with the plan previously disclosed by the issuer	Yes	Yes

Notes: 1. The China Coal Energy Company Limited 2020 Publicly Issued Corporate Bonds (for professional investors) (tranche 1) (abbreviated as: "20 China Coal 01") were fully redeemed, including principal and interest, and delisted in March 2025. For further details, please refer to the relevant announcements published by the Company on the Shanghai Stock Exchange and HKSE.

2. On 11 March 2025, the Company publicly issued a technology innovation corporate bond of RMB2.8 billion to professional investors, among which, the maturity period of Type 1 "25 China Coal K1" is 5 years, with an issuance size of RMB1.5 billion and at an interest rate of 2.33%; the maturity period of Type 2 "25 China Coal K2" is 15 years,, with an issuance size of RMB1.3 billion and at an interest rate of 2.60%. For details, please refer to the relevant announcements issued by the Company on SSE and HKSE.

XII. OTHER BONDS AND DEBT FINANCING INSTRUMENTS

The goal of registration and issuance of the medium-term notes by the Group is to replenish the working capital of the Group and adjust the debt structure. As at 31 December 2024, the details of the Group's outstanding issued debt financing instruments are as follows:

Name of bonds	Issue scale (RMB100 million)	Interest rate (%)	Term	Effective date	Due date	Repayment status
20 China Coal Energy MTN001A	15.00	3.28	5 years	13 April 2020	13 April 2025	Interest paid while principal not due yet
20 China Coal Energy MTN001B	5.00	3.60	7 years	13 April 2020	13 April 2027	Interest paid while principal not due yet
21 China Coal Energy MTN001	30.00	4.00	5 years	26 April 2021	26 April 2026	Interest paid while principal not due yet
Total	50.00					

Note: China Coal Energy Company Limited successfully issued the 2019 First Tranche of Medium-Term Notes (abbreviated as "19 China Coal Energy MTN001") on 19 July 2019, with a bond term of seven years. The issuance was structured with an option for the issuer to adjust the coupon rate at the end of the fifth year, an investor put option, and an issuer resale option. In July 2024, the Company adjusted the coupon rate of the current tranche of medium-term notes, and all investors opted to exercise the put option. Full payment of principal and interest for the current tranche was completed on 23 July 2024. For further details, please refer to the relevant announcements published by the Company on the websites of Shanghai Clearing House, China Money and HKSE.

As of 31 December 2024, all bonds and other debt financing instruments issued by the Group were serviced in accordance with the agreed terms, with no occurrences of default or delayed payment of principal or interest.

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XIII. CONTINGENT LIABILITIES

(I) Bank Guarantees

As at 31 December 2024, the Group provided guarantees of RMB1.242 billion in total, which were all provided to the invested companies in proportion to the Group's shareholdings, details of which are set forth below:

Unit: RMB10 thousand

The Company's external guarantees (excluding guarantees for subsidiaries)

Guarantor	Relation between guarantor and listed company	Guarantee	Guaranteed amount	Date of execution of Guarantee (the date of signing agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Major debts	Guarantees (if any)	Completed or not	Overdue or not	Overdue amount	Counter-guarantee available or not	Provided the related party or not	Connected party relationship
China Coal Energy Company Limited	Company headquarters	Shaanxi Yanchang China Coal Yulin Energy Chemical Company Limited	94,742.55	19 December 2018	19 December 2018	18 December 2035	Joint and several liability	Punctual payment of principal and interests	–	No	No	–	Yes	No	Other
China Coal Shaanxi Energy & Chemical Company Limited	Wholly-owned subsidiary	Shaanxi Jingshen Railway Company Limited	29,440.00	26 July 2018	26 July 2018	25 July 2045	Joint and several liability	Punctual payment of principal and interests	–	No	No	–	Yes	No	Other
Total guarantee incurred during the reporting period (excluding those provided to subsidiaries)															-14,644.00
Total balance of guarantee as at the end of the reporting period (A) (excluding those provided to subsidiaries)															124,182.55
Guarantee provided by the Company to its subsidiaries															
Total guarantee to subsidiaries incurred during the reporting period															0.0
Total balance of guarantee to subsidiaries as at the end of the reporting period (B)															0.00
Total guarantee of the Company (including those provided to subsidiaries)															
Total guarantee (A+B)															124,182.55
Percentage of total guarantee to net assets of the Company (%)															0.8
Of which:															
Amount of guarantee provided to shareholders, de facto controllers and its related parties (C)															-
Amount of debts guarantee directly or indirectly provided to guaranteed parties with gearing ratio of over 70% (D)															-
Excess amount of total guarantee over 50% of net assets (E)															-
Total amount of the above three categories (C+D+E)															-
Explanations on the possible joint and several liabilities for liquidation in respect of the outstanding guarantee															-

(II) Environmental Protection Responsibilities

Environmental protection laws and regulations have been fully implemented in China. The management of the Group is of the opinion that other than those that have been accounted for in the financial statements, there are currently no other environmental protection responsibilities that may have a material adverse impact on the financial position of the Group.

(III) Contingent Legal Liabilities

As of 31 December 2024, to the best of the Group's knowledge, there was no material litigation or arbitration pending or threatened against or involving the Group.

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XIV. OTHER EVENTS

(I) Entrusted Loans

1. General information

Unit: RMB10 thousand

Balance of entrusted loans at the beginning of the period	Amount incurred from entrusted loans for the current period	Actual amount of principal recovered from entrusted loans	Balance of entrusted loans at the end of the period
443.90	–	–	443.90

2. Specific project information

Unit: RMB10 thousand

Borrower	Entrusted loan type	Entrusted loan amount	Beginning date of entrusted loan	Ending date of entrusted loan	Source of loan	Use of funds	Determination method of return	Annualised return	Expected return (if any)	Actual profit or loss	Actual recovery of return	Whether legal procedures are needed	Any entrusted loan plan in the future	Impairment provisions (if any)
Zhongtian Hechuang Energy Company Limited	Project loan	443.90	31 August 2020	31 August 2025	Treasury fund	National demonstration project for the application of Internet-of-Things of mine safety production administration	–	4.35%	18.52	18.52	Actual profit is recovered	Yes	No	–

Business Performance

I. PRINCIPAL BUSINESS OPERATIONS OF THE COMPANY IN 2024

(1) Coal Operations

1. Coal production

In 2024, the Group conscientiously implemented the national major strategic deployment. Guided by the development principle of "enhancing efficiency of existing resources and transforming incremental resources", the Group took multiple measures to increase the supply of high-quality coal, accelerated the construction of mines with simplified systems, optimized layouts, intelligent equipment, and green mining operations, continuously strengthened technical and electromechanical management, and continuously optimized the structure of our coal products to ensure the safe and stable supply of coal, and as a result, our coal production reached a record high. During the year, the Group produced 137.57 million tonnes of commercial coal, representing an increase of 3.35 million tonnes or 2.5% compared with 134.22 million tonnes last year. In 2024, raw coal productivity was 34.6 tonnes per worker-shift, maintaining a leading level in the coal industry. Encouraging results were seen in the construction of intelligent coal mines. As of the end of 2024, an aggregate of 14 coal mines had been accepted as intelligent coal mines. Construction of 74 intelligent coal mining working faces was completed, of which 4 intelligent coal mining faces were awarded the top prize in the national coal mining face intelligent innovation competition.

Table on Commercial Coal Production Volume

Unit: 10 thousand tonnes

Item	Year ended 31 December 2024	Year ended 31 December 2023	Change (%)
Production volume of commercial coal	**13,757**	13,422	2.5
By region:			
Shanxi	**8,932**	8,763	1.9
Inner Mongolia and Shaanxi	**4,075**	3,903	4.4
Jiangsu	**514**	465	10.5
Xinjiang and other(s)	**236**	291	-18.9
By coal type:			
Thermal coal	**12,617**	12,330	2.3
Coking coal	**1,140**	1,092	4.4

2. *Coal sales*

In 2024, despite facing unfavorable factors such as weak coal market demand and sustained price declines, the Group resolutely fulfilled the requirements for ensuring national supply guarantee requirements and proactively addressed these challenges, remained focused on annual targets, strengthened high-quality marketing management, optimized marketing strategies, and continuously improved the precision of sales. Coordinating both domestic and international markets and resources, based on fulfilling long-term agreements, we adhered to market-oriented principles, innovated trading models, optimized pricing strategies, and strengthened brand building. Through these multifaceted efforts to increase sales and revenue, the cumulative sales volume of commercial coal was 284.83 million tonnes for the year, maintaining a stable sales scale year-on-year, of which, the sales volume of self-produced commercial coal increased by 3.72 million tonnes year-on-year, representing an increase of 2.8%.

Table on Coal Sales

Unit: 10 thousand tonnes

Item	Year ended 31 December 2024	Year ended 31 December 2023	Change (%)
Sales volume of commercial coal	**28,483**	28,494	-0.0
By business type:			
Self-produced commercial coal	**13,763**	13,391	2.8
Proprietary coal trading	**14,183**	12,649	12.1
Import and export and domestic agency	**537**	2,454	-78.1
By sales region:			
North China	**8,582**	9,216	-6.9
East China	**9,238**	9,484	-2.6
South China	**3,425**	3,659	-6.4
Central China	**3,378**	2,751	22.8
Northwest China	**2,924**	2,676	9.3
Other regions	**936**	708	32.2

(2) Coal Chemical Operations

In 2024, the Group proactively addressed the impact of declining chemical product prices. We effectively coordinated safe production with major equipment overhauls, steadily advanced project construction, and continuously strengthened refined management, achieving "work safety, stable production, long period operation, fully-loaded operation and producing quality products". Notably, Ordos Energy Chemical Company Tuke Branch successfully completed a major equipment overhaul, achieving a successful commissioning and maintaining high production levels. Wushenzhao Branch achieved continuous operation of its dual polymerization units for over 900 days, setting an industry record for long-cycle operation. Shaanxi Company's methanol synthesis unit also achieved a continuous operation record of over 29 months, the longest since its commissioning. During the year 2024, the Group produced 5.69 million tonnes of major coal chemical products, representing a year-on-year decrease of 346,000 tonnes, primarily due to planned overhauls of some units.

The Group continued to enhance its marketing network, leveraging the advantages of centralized sales, strengthening coordination between production, transportation, and sales, and regional collaboration. We continuously optimized business processes and improved our sales management and control system. The sales volume of major coal chemical products was 5.842 million tonnes during the year, effectively enhancing the added value, brand recognition, and market competitiveness of coal chemical products. We actively sought favorable policy on volume price of railway, expanded port and off-site warehouse coverage, scientifically allocated warehousing and logistics resources, and improved product delivery capabilities, resulting in a gain of RMB35 million in logistics through cost saving. Focusing on adding value and increasing efficiency through differentiated and customized products, we continued to increase our efforts in developing end markets, selling 149,000 tonnes of differentiated products and generating a gain of RMB15 million. By innovating the service model, we nearly doubled our direct sales of polyolefins year-on-year. We also continued to optimize the sales strategy, effectively ensuring a balance between production and sales of by-products.

Table on Production and Sales Volume of Major Coal Chemical Products

Unit: 10 thousand tonnes

Item	**Year ended 31 December 2024**	Year ended 31 December 2023	Change (%)
Total coal chemical products			
Production volume	**569.0**	603.6	-5.7
Sales volume	**584.2**	612.6	-4.6
Polyolefin			
Production volume	**151.4**	148.7	1.8
Sales volume	**151.7**	147.9	2.6
Urea			
Production volume	**187.1**	206.6	-9.4
Sales volume	**203.7**	214.1	-4.9
Methanol			
Production volume	**173.0**	190.1	-9.0
Sales volume	**171.6**	191.9	-10.6
Ammonium nitrate			
Production volume	**57.5**	58.2	-1.2
Sales volume	**57.2**	58.7	-2.6

Notes:

1. The process for manufacturing the Group's major coal chemical products starts with the gasification of coal as a raw material into synthetic gas ($CO+H_2$), which is then purified to produce synthetic ammonia or methanol; synthetic ammonia and carbon dioxide are used to produce urea; synthetic ammonia is used to produce nitric acid, which is then neutralized with ammonia to produce ammonium nitrate; through the MTO reaction, methanol is turned into ethylene and propylene monomers, which are polymerised to form polyethylene and polypropylene.

2. The methanol sales volume of the Group includes internal consumption volume.

3. The urea sales volume of the Group includes buying out of urea products of Lingshi Chemical Company, a member of China Coal Group.

Business Performance

(3) Coal Mining Equipment Operations

In 2024, the Group's equipment enterprises adhered to a dual-drive approach of "reform and innovation". We scientifically organized production and sales, actively explored new markets, strengthened lean management practices, accelerated transformation and upgrading, intensified technological development, and continuously enhanced its capacity for scientific and technological innovation. We continued to innovate our business models, and successfully implemented professional lifecycle services for coal mining equipment, further expanding the scope of joint coal reserve, and enhancing our ability to support and serve energy supply guarantees. During the year, the Group produced RMB10.35 billion of coal mining equipment, representing a year-on-year increase of 6.6% after excluding the impact of changes in the scope of consolidation with the same statistical standard, and the accumulative value of contracts increased by 2.0% year-on-year. Seizing the market opportunities presented by the Belt and Road Initiative, we focused on marketing complete sets of coal mining equipment and spare parts, along with providing related services, actively expanding our presence in international markets. Newly signed international orders in 2024 increased year-on-year.

Table on Production Value and Revenue of Coal Mining Equipment

Unit: RMB100 million

	Production value			**Revenue**	
Product types	**Year ended 31 December 2024**	Year ended 31 December 2023	**Change** (%)	**Year ended 31 December 2024**	Percentage of revenue of the coal mining equipment segment
Main conveyor products	**52.1**	52.1	0.0	**50.3**	45.1
Main support products	**43.2**	38.3	12.8	**40.8**	36.6
Other regions	**8.2**	23.9	-65.7	**20.4**	18.3
Total	**103.5**	114.3	-9.4	**111.5**	100.0

(4) Financial Operations

In 2024, the Group remained closely aligned with its overall strategic development plan, firmly establishing the concept of "lean management and precise service". Leveraging its financial license advantages, the Group focused comprehensively on enriching financial product design and deeply exploring the potential for value creation. Despite external pressures such as declining interest rates, the Group continued to strengthen deposit business management, timely optimised and adjusted interbank deposit allocation strategies. Credit support was further strengthened and allocation of credit funds and resources was optimised to support the Group's industry structure adjustments. The Group vigorously promoted financial technology innovation, continuously improved value creation capabilities, further strengthened the establishment of risk control systems, and actively undertook the mission of constructing, operating and managing the treasury for China Coal Group, was thus recognized as an "Advanced Collectives of Central Enterprises" by the Ministry of Human Resources and Social Security and the State-owned Assets Supervision and Administration Commission of the State Council. As at the end of 2024, scale of deposits absorbed amounted to RMB90.62 billion, representing a year-on-year decrease of 6.6%; scale of placement of interbank deposits amounted to RMB69.64 billion, representing a year-on-year decrease of 9.5%; scale of self-operated loans amounted to RMB29.55 billion, representing a year-on-year increase of 38.3%.

Table on Financial Operations

Unit: RMB100 million

Business types	As at 31 December 2024	As at 31 December 2023	Change (%)
Scale of deposits absorbed	**906.2**	970.0	-6.6
Placement of interbank deposits	**696.4**	769.7	-9.5
Scale of self-operated loans	**295.5**	213.7	38.3

(5) Synergy among Business Segments

In 2024, focusing on leveraging the advantages of coal-electricity-chemical industry chain, the Group further pushed forward the regional integrated management and continuously optimised the regional industry structure, thereby realising the synergetic development among business segments and improving the overall competitiveness and risk resistance capacity. In 2024, the Group produced 12.25 million tonnes of coal for internal consumption. The coal mining equipment business segment achieved internal product sales and services revenue of RMB2.093 billion, representing 18.8% of the total sales revenue of the segment. For financial operations, newly issued internal loans amounted to RMB6.63 billion and the amount of internal loans as at the end of the year was RMB19.04 billion, offering financing convenience with rich varieties and quality service. Hence, financing costs have been lowered, saving a total of RMB500 million in finance costs.

Business Performance

II. ANALYSIS OF CORE COMPETITIVENESS

The Group's core business segments are coal, coal chemical, coal mining equipment and power generation. Leveraging the bases located in Shanxi, Inner Mongolia, Shaanxi, Jiangsu, Xinjiang, etc., and adhering to the development direction of "efficiency enhancement and incremental transformation", the Group strives to build a world-class energy enterprise pursuing "multi-energy complementation, green and low-carbon business, innovation demonstration and modern governance".

The scale of the Group's principal coal business is at the forefront of the country. The production and development layouts are concentrated in the energy bases under the national planning, as well as the provinces and districts with abundant resources in the central and western regions. With its leading position in the industry in terms of the proportion of quality production capacity, coal resource reserves, and technologies and techniques in coal mining, washing, and compounding, the Group has distinctive competitive advantages for its large-scale coal mines and low-cost. Mining Areas in Pingshuo, Shanxi and Hujierte, Ordos of Inner Mongolia, primarily developed by the Group, are the important thermal coal production bases in the PRC. Xiangning Mining Area in Shanxi where Wangjialing Coal Mine is located is the production base of coking coal of high quality with low sulphur and extra low phosphorus content in the PRC. Jincheng Mining Area in Shanxi where Libi Coal Mine is located is the production base of high-quality anthracite in the PRC. The Group's coal key construction projects have achieved progress smoothly. Projects such as Libi Coal Mine all progress steadily. It is the professional and sophisticated management mode, the capable and efficient production methodology, the scale merit of cluster development, the high-quality and abundant coal resources and coordinated development of the industry chain that constitute the core competitive advantages of the Company in the coal industry.

The Group focuses on clean and efficient conversion and utilisation of coal, and strives to establish a new circular economic business mode for "coal-power-chemical-new energy", etc. In terms of coal chemical operations, the development of modern coal chemical industries such as coal-to-olefins and coal-to-urea is highlighted, the equipment maintains the operating situation of "work safety, stable production, long period operation, fully-loaded operation and producing quality products", and major production and operation indicators are still front-rank in the industry. In terms of coal-power business, the Group orderly develops environment-friendly pit-mouth power plants and power plants utilising inferior coal, facilitates the coal-power integration, and creates unique features and advantages of low-cost, high-efficiency, and comprehensive utilisation of resources in a proactive manner.

The Group relies on its own advantages of the mining areas to promote the in-depth integration of coal, coal power, coal chemical and new energy. The Group has a large number of widely distributed open-pit coal mines and underground coal mines of various types. The Group has abundant on-ground land resources and underground space resources, such as coal mining subsidence areas, industrial sites, dumps, underground roadways, mine pits, as well as the conditions for coal power industry and coal chemical industry to support energy consumption. The Group has the advantages of developing the energy bases complemented by multiple types of energy and integration of "source-network-load-storage".

Business Performance

The Group is one of the largest coal traders in the PRC with branches in major coal consumption regions, transshipment ports and major coal import regions in the PRC. It has industry-leading proportion of seaborne coal resources in the four northern ports of coal. Capitalising on its own marketing network of coal sales, logistics system, well-established port service and high-caliber professional teams, the Group is able to provide customers with high-quality services with excellent capabilities for market exploration and distribution.

The Group is a large-scale energy enterprise with the advantages of the whole industry chain for coal business, which is able to engage in manufacturing coal mining equipment, coal mining, washing, preparation and processing, logistics and transportation as well as provision of systematic solutions. Under the new situation, the Group has a solid business foundation in expanding the market of intelligent transformation of coal mines and providing energy efficiency improvement and comprehensive energy services for the enterprise and the society.

The Group insists on innovation-driven growth and becomes the leader of the industry. With the increased investment in research and development, the Group accelerates the integration of innovative resources, the construction of scientific research platform, and further promotes industry-university-research cooperation to ensure innovative development. The Group accelerates the construction of big data and digital management system. It also strives to carry out the construction of intelligent coal mines. New achievements were made in important technological projects, and the implementation of a batch of national technological projects achieved stage results. Through strengthening the research on key technologies, the Group takes a step forward for digital transformation, and the integration of informatisation and industrialisation enables the business to improve steadily.

The Group attaches great importance to the development of corporate culture, continuously improves its management system and creates a good internal development environment. The Group continues to promote a reform of the headquarters' institutions and strives to build capable and efficient headquarters with "clear strategic orientation, excellent operational management and control, and first-class value creation". The Group has established a sound corporate management system and is gradually improving its internal control and risk control systems. The Group devotes major efforts to implement centralised management and control over sales of coal and coal chemical products as well as centralised management of finance, investment and material procurement, and enhances management by objectives and comprehensive budget control, significantly lowers the costs and enhances its advantages on productivity and operating efficiency.

In recent years, the Group has adhered to the existing strategy with firm confidence in development, and its principal coal business has achieved scale development. The Group has expedited the extension of coal business to coal chemical and coal power generation areas, and has enhanced value-added capabilities of the overall industry chain. The Group has created a compact industrial chain, and promoted a shift of development model from a scale and speed-oriented growth model to a quality and efficiency-focused model, thus continuously improving its core competitiveness. The Group has vigorously pushed forward quality enhancement, cost reduction and efficiency improvement so as to maintain a sound financial structure and enhance risk resistance capability, thus taking solid steps towards high-quality development.

Business Performance

III. COMPETITIVE LANDSCAPE IN THE INDUSTRY

In recent years, international geopolitical events such as the Russia-Ukraine conflict, combined with extreme weather and other factors, have amplified the shortcomings of insufficient energy supply capacity during the transition from old to new energy sources. Consequently, periodic supply-demand mismatches of energy products have occurred frequently. Given China's specific national conditions, the dominant role of coal as a primary energy source will remain unshaken for some time. Coal will continue to play a fundamental and backstop role in ensuring China's energy security, and coal power will maintain its foundational position in China's electricity structure. According to data published by the National Bureau of Statistics, the raw coal production of coal enterprises above designated size nationwide in 2024 was 4.76 billion tonnes, representing a year-on-year increase of 1.8%. In 2024, the number of coal enterprise groups with raw coal production of over 50 million tonnes nationwide reached 16, and these enterprises have achieved a total output of 2.73 billion tonnes, representing a decrease of 40 million tonnes or 1.0% over 2023. The number of coal enterprise groups with a raw coal production of over 100 million tonnes nationwide reached 7, one less as compared to last year. Overall, as the high-quality development of the coal industry continues to advance, advanced production capacity is being released at an accelerated pace, the construction of intelligent coal mines is continuously speeding up, the discourse power of large energy groups in the industry is continuously improving, and the energy security guarantee capability is significantly enhanced.

In terms of coal chemical industry, China's urea industry operates as a perfectly competitive market. In 2024, the concentration of production capacity among the top five companies in the urea industry was 17.2%, a decrease of 1.1 percentage points compared to 2023, and it is expected to remain relatively stable in 2025. The polyolefin industry, following a period of declining concentration, has reached a point of relative stability. In 2024, the concentration of production capacity among the top five companies in the polyethylene industry was 19.9%, representing a year-on-year decrease of 0.7 percentage point; the concentration of production capacity among the top five companies in the polypropylene industry was 21.4%, representing a year-on-year increase of 1.1 percentage points. The production capacity of polyolefin industry is still be intensively launched, and the market competition will become more intense with a rapid growth in industry supply capacity in 2025.

In terms of coal mining equipment manufacturing industry, top enterprises continued to expand their market share due to their advantages in scale, technology, and brand. Especially, in emerging segmented markets such as high-end coal mining equipment and intelligent coal mining equipment, the technical barriers are relatively high, exhibiting an oligopolistic competitive landscape. The sales revenue of Top 50 Chinese coal mining machinery enterprises accounted for over 50% of the overall market size, and the market share of segmented markets such as high-end coal mining equipment and intelligent coal mining equipment was around 80%. Meanwhile, some coal mining machinery enterprises leveraged mergers, acquisitions, and investments to move upstream into raw material supply and component manufacturing to ensure a stable supply of raw materials and quality control, lower production costs, and enhance control over the industrial chain. In contrast, some coal mining machinery enterprises expanded downstream into coal mining, processing, and transportation by providing one-stop services, equipment leasing, full lifecycle management and other value-added services to foster closer partnerships with coal enterprise, enhance customer stickiness, and improve market competitiveness. Furthermore, coal machine and equipment enterprises actively engaged in international market competition, and accelerated their "going out" pace, and the internationalization process was continuously accelerating.

IV. INDUSTRY DEVELOPMENT TRENDS OF THE BUSINESS OF THE GROUP

Looking forward to 2025, with the thorough implementation of the guiding principles from the Central Economic Work Conference, and supported by more proactive fiscal policies and moderately loose monetary policies, a series of policies and measures to expand domestic demand and stabilize growth, represented by the "two majors" and "two news" strategies, will continue to be advanced. This will further consolidate the positive trend of China's economic recovery.

In terms of coal industry, in the current context of significant changes in international and domestic politics and energy landscape, ensuring energy security remains a top priority for stable and sustained economic development. As a primary energy source, coal will, under the combined influence of policy and market forces, better serve the overall needs of social and economic development. In 2025, guided by the "dual carbon" goals and aiming to promote high-quality development of the industry, the coal industry is expected to focus on ensuring the smooth run of the domestic grand macroeconomic cycle. A multi-pronged and targeted approach will be adopted, focusing on green and intelligent development, safe and environmentally friendly production, a stable and orderly market, and clean and efficient utilisation of coal and other aspects, to ensure the security and stability of domestic energy supply.

In terms of coal chemical industry, it is estimated that domestic urea production capacity will increase by 3.36 million tonnes in 2025, and the annual growth rate of production capacity will be 4.3%. In 2025, demand for urea in agriculture is estimated to maintain growth, industrial urea demand is expected to remain generally stable, and demand for urea exports faces more uncertainties. The domestic urea supply and demand situation is expected to improve slightly compared to 2024, with little change in the profitability of the urea industry. In 2025, it is estimated that the new polyethylene production capacity will reach 7.255 million tonnes and the new polypropylene production capacity will reach 6.5 million tonnes, showing increasing supply in the polyolefin market. With the stabilisation and recovery of the domestic macroeconomy, domestic demand for polyolefins is expected to grow steadily in 2025, but still fall short of the pace of supply growth. In a market situation of oversupply, the overall profitability of the domestic polyolefin industry is unlikely to improve significantly in 2025.

In terms of coal mining equipment manufacturing industry, China has successively issued policies such as the Notice on Further Accelerating Intelligent Coal Mine Construction and Promoting High-Quality Development of the Coal Industry and the Guidelines for the Construction of Intelligent Coal Mine Standard System, leading to a continued increase in demand for intelligent equipment in coal mines. Coal mining machinery enterprises are continuously increasing investment in science and technology, accelerating breakthroughs in key core technologies, and enhancing their ability to supply high-end equipment. Driven by market demand and industrial policies, professional services and aftermarket services are the key areas of focus for coal mining machinery enterprises. Suppliers providing a complete set of equipments for fully mechanized mining and providers offering life-cycle services will still be the main direction for major coal mining machinery enterprises to compete in the market. Meanwhile, leveraging China's technological advantages and standard system in the field of intelligent coal mining, these enterprises are actively expanding into international markets, promoting China's coal mining equipment manufacturing technologies and products globally, participating in international competition, and enhancing their international influence and competitiveness.

V. PRODUCTION AND OPERATION PLANS OF THE GROUP IN 2025

In 2025, the Group will adhere to the general principle of making progress amid stability. Focusing on enhancing core functions and improving core competitiveness, the Group will continue to promote the "efficiency enhancement and incremental transformation" strategy, which emphasise the improvement of technological innovation capabilities and value creation capabilities. The Group will strive to achieve high-quality development of enterprises. The annual production and sales volumes of self-produced commercial coal, polyolefin products and urea are planned to achieve more than 133.00 million tonnes, more than 1.34 million tonnes and more than 2.05 million tonnes, respectively. The Group will continue to carry out special actions to strengthen refined management and continue to effectively control costs, and strive to maintain overall stable revenue and profits on the whole in the absence of major changes in the market. The Group will focus on the following work:

Firstly, strengthen efficient production and sales collaboration and improve energy supply capability. The Group will use efficient coordination of production and sales as the driving force of stable growth, scientifically organising production and sales, and enhancing production efficiency by increasing excavation and stripping in coal enterprises. Coal chemical enterprises maintain the coal chemical equipment of "work safety, stable production, long-period operation, fully-loaded operation and producing quality products", strive to increase production, sales and supply, and implement national energy and chemical fertilisers supply requirements.

Secondly, strengthen the control and governance of major risks and hidden dangers to provide a secure foundation for high-quality development. The Group will adhere to the target of "zero death". Starting from scratch and striving for zero incidents, the Group will enhance source control, system control, and comprehensive governance, improve the level of "human defense, physical defense and technical defense", advance the construction of safety culture of "rule-abiding" to strengthen intrinsic safety.

Thirdly, enhance the promotion of key projects and accelerate the optimisation and adjustment of industrial structure. The Group will scientifically allocate resources, systematically promote key project construction, accelerate the implementation of the "two combinations", solidly promote the coordinated development of industrial chains, deeply explore the value of dense industrial chains, focus on advancing the layout of strategic emerging industries, and promote the high-quality transformation and development of the Company.

Fourthly, strengthen refined and lean management to fully explore the innovation and efficiency potential. The Group will focus on key areas of value creation and core resources, target to become a world-class and industry-leading enterprise, promote lean management, and enhance the operational control capabilities throughout the lifecycle. The Group will promote the construction of intelligent management and control platforms for production and operation to effectively enhance the Group's efficiency of management and control and management level.

Fifthly, strengthen the enhancement of innovation capabilities and actively cultivate new quality productive forces. The Group will thoroughly implement the innovation-driven development strategy, continuously improve the "small internal brain + large external brain" technology innovation operation system, and deepen the integration of industry, academia, and research to promote industrial innovation in the areas of safe and green coal development, clean and efficient utilisation, high-end coal chemical engineering, and intelligent equipment manufacturing.

Sixthly, strengthen reforms in key areas to stimulate endogenous impetus and innovation vitality, and further implement actions to deepen and enhance the reform of state-owned enterprises. The Group will focus on enhancing core functions and improving core competitiveness, effectively play a leading role, and deepen reforms related to optimising resource allocation, improving institutional mechanisms, and enhancing system guarantees, promoting deep and practical reforms, and continuously releasing vitality and momentum.

Seventhly, strengthen the control of major risks to help the enterprises operate steadily and achieve long-term success. The Group will coordinate development and safety, fully identify various risks of the Company, continue to strictly prevent safe production, ecological and environmental protection, market changes, project management, liquidity, and investment risks, strongly hold the bottom line of no major risks, and create a favourable development environment.

Eighthly, strengthen market value management and strive to improve investment value of the Company. The Company will keep on improving the development quality and corporate governance capabilities, continuously strengthen the compliance awareness of managers at all levels, enhance the standardised operation level and information disclosure quality of the Company. We will improve the market capitalization management system, strengthen regular and multi-level communication with investors, and maintain a good image of the Company in the capital market.

Since various uncertainties still exist amidst the external environment, supervision pressures on safe production and environmental protection have continued to edge up. As the uncertainties and unstable factors in production and market of coal and coal chemical industry remain, the actual implementation of the above operation plans may be subject to adjustments according to the actual circumstances of the Group. Thus, the operation plans disclosed herein would not constitute any commitment to results to investors by the Group. Investors should be informed and aware of the risks in this connection.

VI. ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group took the Xi Jinping's Thoughts on Socialism with Chinese Characteristics for a New Era as a guidance, studied Xi Jinping's Thoughts on Ecological Civilisation in depth, and comprehensively carried out the spirit of the 20th Party Congress and all the plenary sessions of the 20th Central Committee of the CPC. The Group resolutely implemented the deployment requirements of the Central Committee of the CPC, the State Council, the State-owned Assets Supervision and Administration and other ministries and commissions on promoting the construction of a beautiful China, adhered to goal orientation, problem orientation and result orientation, jointly promoted ecological protection, energy conservation and green and low-carbon development, actively participated in carbon peak and carbon neutral action, conscientiously fulfilled the political responsibility, main responsibility and social responsibility of central enterprises for ecological civilisation construction and ecological environmental protection, strengthened the management and control of ecological and environmental risks, effectively prevented and resolved ecological and environmental risks, and promoted the green, low-carbon and high-quality development of enterprises.

Developing green coal. The Group continued to strengthen the control of dust, took comprehensive measures such as wet operations, leveling roadways on a regular basis, and enhanced monitoring of air quality to effectively control dust pollution for open-pit mining and to improve the air quality of mining areas and their surrounding areas. The Group completed the construction of and put into operation mining water treatment projects, realising comprehensive utilisation of mining water and improving the utilisation efficiency of water resources. The Group actively promoted the application of new technologies such as underground filling of gangue and layer separation grouting, utilising coal gangue, fly ash and other solid wastes for reduction, hazard-free treatment and recycling of wastes. The Group accelerated the construction and renovation of hazardous waste temporary storage facilities, strengthened the management of full process of hazardous waste collection, storage and transfer, and basically achieved standardised management of hazardous waste. Combined with the follow-up plan of the mining area and the actual situation of coal mining subsidence damage, the Group formulated and implemented ecological governance plans for subsidence areas in underground mines, advanced the construction of green mines with high standards, laying a solid foundation for building an ecologically liveable and industrial green modern mining area. In 2024, the Group's comprehensive utilisation rate of mining water, and integrated utilisation rate of coal gangue continued to keep ahead in the industry.

Creating green coal chemical industry. The Group consolidated the foundation of green development of coal chemical industry. For the coal chemical sector, the Group adhered to the environmental protection concept of source management and process control, increased the environmental protection of the coal chemical industry, accelerated the promotion of VOCs prevention and control and the construction of green factories, continued to amend and improve environmental protection management system for the coal chemical industry, strengthened the environmental management for overhaul, and actively carried out special investigations and rectification of ecological and environmental problems (hidden dangers) to keep reducing ecological and environmental risks. Enterprises completed and put into use the treatment projects for VOCs from low-temperature methanol washing tail gas, uncovered liquid surface, tank farm and loading and unloading platform, etc., with pollution prevention and control capabilities improved continuously. Environmental protection facilities operated steadily throughout the year, while total pollutant emissions were significantly reduced, and the emissions of "three wastes" of the coal chemical industry met standards. 6 enterprises have completed environmental, energy, quality, and health and safety system certifications, and 2 enterprises have been honoured as "Provincial Green Factories". Enterprises continued to operate effectively. The Group continuously advanced the construction of leak-free factories, promoted advanced technologies such as recycling and reuse, constantly consolidated the foundation of green development of coal chemical industry, and facilitated the high-quality "safe, green, low-carbon, and energy saving" development of enterprises.

Business Performance

Promoting Green electricity. The Group accelerated the transformation development and promoted development of "two combinations" in depth. It deepened the coal-power integration, and promoted the gradual transformation of coal power from the main power source to the supporting and adjustable power source that attached equal importance to electric power and output. It deepened the coal-power integration, actively carried out the declaration of "two combinations" new energy indicators, relying on the Group's large coal and coal power bases, and differentiated its participation in the competitive allocation of new energy. The pilot application of new technologies was promoted. The Group carried out research on the new generation of coal power technologies jointly with HDEC and Shanghai Electric, and closely followed up new technologies such as new energy hydrogen production coupled with modern coal chemical industry, grid-forming unit and intelligent optical storage generator. The pilot digital application in multiple scenarios was advanced. The Group launched the construction of the second batch of pilot demonstration enterprises for digital transformation, made positive progress in China Coal "Intelligent Control" project, and firmly pushed forward the construction of "digital China Coal". The construction of intelligent plants (stations) was planned and promoted. The Group launched the research and development and pilot application of "smart power plant" PIMS platform, regional centralized control platform for new energy and intelligent infrastructure platform under cloud control with the Group's independent intellectual property rights, so as to build an industry-leading digital intelligent control platform for electric power.

Developing a green coal mining machinery industry. Focusing on green high-end mining equipment such as intelligent armoured-face conveyors, hydraulic roof supports, intelligent roadheaders, coal mine robots, explosion-proof motor for mining, the Group promoted the development of new energy and energy storage products such as photovoltaic inverters and box-type transformers in order. The Group continued to carry out clean production audits, vigorously implemented source control, energetically promoted the use of water paint and laser cladding instead of electroplating technology, and strictly carried out heavy metal emission reduction and volatile organic matter treatment and other key prevention and control, to reduce pollutants from the source. The Group continued to promote the construction of green factories, and further improved the standards and norms of green factory construction. The Group strictly implemented pollutant discharge permits, effectively controlled ecological and environmental risks, expanded hazardous waste warehouses, and strengthened standardized management of general solid wastes and hazardous wastes. The Group promoted the "packaging and pressing" project for oily iron filings and improved the efficiency of resource recycling, to realise the reduction, recycling and hazard-free treatment of hazardous wastes. It made great efforts to manage pollutant discharge, carried out special rectification of online monitoring equipment for pollutants, and strengthened the daily maintenance of all types of environmental protection equipment to effectively ensure the normal operation.

Business Performance

VII. COMPLIANCE WITH LAWS AND REGULATIONS

During the reporting period, the Group did not fail to comply with relevant laws and regulations which might have a significant impact on its business.

With respect to its operations, the Group is subject to various laws and regulations, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Civil Code of the People's Republic of China, the Energy Law of the People's Republic of China, the Coal Industry Law of the People's Republic of China, the Mineral Resources Law of the People's Republic of China, the Environmental Protection Law of the People's Republic of China, the Circular Economy Promotion Law of the People's Republic of China, the Law of the People's Republic of China on Evaluation of Environmental Effects, the Law of the People's Republic of China on Promoting Clean Production, etc., as well as other applicable regulations, policies and normative legal documents issued pursuant to or related to such laws and regulations, for example, Management Measures for the Independent Directors of Listed Companies. The Group has formulated a series of rules and regulations such as the Articles of Associations, the Rules of Procedures of Shareholders' General Meetings and the Rules of Procedures of the Board of Directors to ensure compliance with applicable laws, regulations and normative legal documents, especially those that may have a significant impact on its principal business. If there are any changes in the applicable laws, regulations and normative legal documents related to the principal business, the Group will revise the relevant rules and regulations in a timely manner according to the Group's actual conditions and inform the related staffs and operations teams.

In addition, the provisions of other relevant laws and regulations may also apply to the Group, for example, the Labour Law of the People's Republic of China, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Self-Discipline Regulatory Guidelines of the Shanghai Stock Exchange No. 5 – Transactions and Connected Transactions, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Companies Ordinance (Chapter 622) and Securities and Futures Ordinance, etc. The Group is dedicated to ensuring compliance with such provisions through internal monitoring and approval procedures, training and supervision of different operating segments and other measures.

VIII. RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

Committed to realising the sustainable development target of "optimising the comprehensive value of economy, society and environment", the Group deeply implemented a strategy for harmonious development, continually creating value for employees and customers and maintaining good relationships with suppliers. The Group understands deeply that the development of employees is the key assurance of sustainable development of the Group. Realisation and enhancement of employees' value would enable the achievement of the Group's overall target. Therefore, suggestions and opinions of our staffs and staff representatives are heard by the Group via various channels, such as the employees' representative conference, employee satisfaction surveys and forums, etc., which enable the Group to offer occupational training, better working environment and conditions, and provide long-term career prospects correspondingly. The Group attaches high importance to the selection of suppliers, and intends to establish a long-term partnership with high-quality suppliers who will be selected through tendering and other methods at arm's length for mutual benefit. In order to strengthen the Group's core competitiveness, the Group upholds a "customer-centric, market-oriented" marketing concept, and keeps itself informed of customers' needs instantly through service hotline, after-sale service, seminars and regular visits, thus providing quality and personalised products and services to customers. For the year ended 31 December 2024, the Group did not have any substantial disputes with its suppliers and/or clients.

Capital Expenditure

I. PERFORMANCE FOR CAPITAL EXPENDITURE BUDGETED FOR 2024

(1) Capital Expenditure

In 2024, the Group's capital expenditure budget closely focused on business segments, namely coal, coal chemical, coal power, new energy, coal mining equipment, and consisted of three categories, including infrastructure projects, equity investment and investment in technological transformation and upgrade. The total capital expenditure budgeted for 2024 was RMB16.009 billion, of which RMB15.294 billion or 95.53% was invested in total during the reporting period.

Performance of Capital Expenditure Budgeted for 2024 (By Item)

RMB100 million

Item of capital expenditure	**Actual investment in 2024**	Budgeted investment in 2024	Investment percentage (%)
Total	**152.94**	160.09	95.53%
Infrastructure projects	**82.90**	87.26	95.00%
Equity investment	**2.83**	2.45	115.51%
Technological transformation and upgrade	**67.21**	70.38	95.50%

Performance of Capital Expenditure Budgeted for 2024 (By Business Segment)

RMB100 million

Business segment	**Actual investment in 2024**	Budgeted investment in 2024	Investment percentage (%)
Total	**152.94**	160.09	95.53%
Coal	**72.22**	75.56	95.58%
Coal chemical	**45.84**	48.76	94.01%
Coal power	**11.32**	14.24	79.49%
New energy	**18.10**	16.75	108.06%
Coal mining equipment	**5.32**	4.58	116.16%
Other	**0.14**	0.20	70.00%

(2) Progress of Key Projects

With a total investment of RMB9.495 billion, Libi Coal Mine and coal preparation plant project was designed to have a capacity of 4 million tonnes/year. In 2024, the investment was RMB1.276 billion, with a cumulative investment of RMB5.323 billion. The project is under construction.

Capital Expenditure

With a total investment of RMB3.985 billion, Weizigou Coal Mine and coal preparation plant project was designed to have a capacity of 2.40 million tonnes/year. In 2024, the investment was RMB380 million, with a cumulative investment of RMB2.790 billion. The project is under construction.

With a total investment of RMB3.197 billion, the Antaibao 2×350MW low calorific value coal power generation project was designed to have a capacity of 2×350MW. In 2024, the investment was RMB268 million, with a cumulative investment of RMB2.942 billion. The project has been completed and connected to the grid for power generation.

With a total investment of RMB5.762 billion and a capacity of 2X660MW, Wushenqi power plant project has been approved and formulated investment policy. In 2024, the investment was RMB437 million, with a cumulative investment of RMB502 million. The project is planned to commence construction in 2025.

With a total investment of RMB23.888 billion and a capacity of 900,000 tonnes polyolefin/year, Yulin coal deep processing base project has been approved and formulated investment policy. In 2024, the investment was RMB3.600 billion, with a cumulative investment of RMB4.637 billion. The project is under construction.

With a total investment of RMB4.474 billion, "Liquid Sunlight" project involved the new construction of 625MW wind and photovoltaic power generation, the production of 21,000 tonnes hydrogen/year with electrolysis of water, the production of 100,000 tonnes of methanol/year with CO_2 and hydrogen (including the collection and refining of 150,000 tonnes CO_2/year) as well as public auxiliary facilities and has been approved and formulated investment policy. In 2024, the investment was RMB749 million, with a cumulative investment of RMB798 million. The project is under construction.

(3) External equity investment

In 2024, the external equity investment of RMB283 million was completed, mainly due to the acquisition of 4.16% equity of Yihua Mining by the Group. After the acquisition, the Group holds 55.16% of the equity of Yihua Mining.

II. ARRANGEMENT FOR CAPITAL EXPENDITURE IN 2025

The Group is firmly insisting on the master principles of seeking progress while maintaining stability, and capturing the strategic opportunity brought by "two combinations" in accordance with the requirements of high-quality development, putting the development direction of "efficiency enhancement and incremental transformation" into practice. Driven by technological innovation and anchored on major projects, the capital expenditure for 2025 is scientifically and reasonably prepared, with main investment in coal, coal chemical, coal power, new energy and coal mining equipment.

The Group's capital expenditure plan for 2025 is RMB21.678 billion, representing an increase of 41.74% as compared with that of 2024. Out of the capital expenditure budget stated above, RMB13.530 billion is planned to be invested in basic construction projects; RMB215 million will be invested in equity investment; RMB6.205 billion will be invested in technological transformation and upgrade; and RMB1.728 billion will be invested in technology and informatization.

Capital expenditure budget by business segment is as follows:

RMB100 million

Business segment	**Budgeted investment in 2025**	Actual investment in 2024	Increase/decrease in budgeted investment in 2025 compared with actual investment in 2024 (%)	Percentage of total (%)
Total	**216.78**	152.94	41.74	100.00
Coal	**82.99**	72.22	14.91	38.28
Coal chemical	**86.47**	45.84	88.63	39.89
Coal power	**13.90**	11.32	22.79	6.41
New energy	**26.91**	18.10	48.67	12.41
Coal mining equipment	**6.12**	5.32	15.04	2.82
Other	**0.39**	0.14	178.57	0.18

In 2025, the Company will arrange reasonable scale and pace of financing according to the needs of production and operation, and the budgeted capital expenditure. Detailed arrangements will be made with reference to the actual conditions of the Company.

According to the development objectives and plan of the Group, the budgeted capital expenditure may be subject to changes in line with the Company's business development (including potential acquisitions), the progress of the investment projects, the change in market conditions and the status of obtaining the required government approvals and regulatory documents. The Group will make disclosures in a timely manner in accordance with the requirements of the regulatory authorities and the stock exchanges.

III. CORPORATE DEVELOPMENT STRATEGY

Guided by Xi Jinping's Thoughts on Socialism with Chinese Characteristics for a New Era, the Company has thoroughly carried out the spirit of the 20th Party Congress and 20 sessions of the National People's Congress, while deeply implemented the new energy safety strategy with "four reforms and one cooperation". By fully, actively and steadily fostering the significant strategic decision on carbon emissions peak and carbon neutrality, the Company firmly establishes itself as a better and bigger national capital and state-owned enterprise, and puts the core functions of securing energy safety and supply and promoting green transformation into fully play. The Company upholds its development strategy and fully implements the development directions of "efficiency enhancement and incremental transformation" to build a dense industry chain for coal, coal power, new energy and coal chemical, while refines and optimises the comprehensive energy service industry. By 2035, the Company will become a world-class energy enterprise of multi-energy complementation, green and low-carbon, innovation demonstration and modern governance.

Capital Expenditure

To strongly enhance carbon supply capability and industry leading status. The Company will organise and optimise the deployment of production and development, actively develop advanced production capacity, continuously enhance coal supply quality, and fully strengthen the quality of marketing. The Company will enhance its precise marketing service level, accelerate the construction of big marketing management system with China Coal characteristics, steadily enhance its energy safety and supply security capability, continuously increase industry competitiveness, and lead and facilitate high-quality and sustainable development of coal industry in the PRC.

To actively facilitate "two combinations" for enhancement of risk resistance. Based on the advantages of coal resources and industry and by implementing the development mode of the "two combinations", the Company actively promotes big coal base and the combined deployment of coal power. With the stable development of coal power industry, the level of integrated collaboration between coal and coal power industry has been effectively enhanced. Directed by green and low-carbon transformation and fueled by its own resources under the supplement of external expansion, the Company will focus on the development of tremendous new energy base and integration of source-network-load-storage demonstration project which suit the combination of coal power and new energy. The Company will explore multi-energy complementation development mode and put efforts on adjusting its electric installed structure.

To develop modern coal chemical industry in high-end, low-carbon and industrial park-based manner. The Company will organise the "dual carbon" strategic requirement, the demand from national energy safety strategy and the actual situation of the industry to scientifically and reasonably plan for the development scale of coal chemical industry. By developing in high-end, diversified, low-carbon and industrial park-based manner, the Company will unleash projects for upgrading storage and steadily deploy in increment projects to fully put the "raw material" function of coal into play. By extending industry chain, increasing the coal-based polygeneration levels and added value of products, the Company will build a demonstration and leading modern coal chemical industrial cluster.

To refine and strengthen comprehensive energy service industry. By placing equipment manufacturing industry as the core component of the chain and regarding comprehensive energy service as key demonstration under the active supplement of other coal-based service and business, the Company will fully facilitate thorough and in-depth enterprises reform, expertise enhancement, business resources consolidation, commercial model innovation as well as internal and external market expansion. The Company will concentrate on the high-quality development of coal-based industry, high-end intelligent innovation of energy and equipment, development of overground and underground space and resources for coal mines, formulation of project demonstration in terms of innovative comprehensive energy service model, thus realizing the modern development of comprehensive energy service.

Technological Innovations

In 2024, the Group intensified the execution of its innovation-driven development strategy, progressively establishing a technological innovation framework that integrates “small internal brain + large external brain”. This systemic approach cultivated a synergistic operation model characterized by “horizontal-vertical integration, innovation propulsion, and demand traction”, while formulating an implementation pathway spanning “science, technology, engineering, and market”. A six-in-one integrated support system has been institutionalized, prioritizing core elements of “project, platform, talent, investment, management, and mechanism”. The Group vigorously advanced the energy technology revolution in depth through coordinated deployment of innovation resources, accelerated breakthroughs in critical core technologies and equipment, and deepened the convergence of scientific innovation with industrial advancement. This comprehensive strategy facilitated the creation of a novel energy technology innovation ecosystem capable of sustaining high-level self-reliance, while continuously amplifying innovation’s pivotal role in steering energy sector transformation. Through these initiatives, the Group’s innovation infrastructure achieved progressive refinement, R&D capabilities demonstrated sustained augmentation, and technological deliverables emerged with increasing frequency, collectively reinforcing innovation’s catalytic function in enabling strategic evolution of the Company.

I. CONSTRUCTING A NEW ENERGY ECOSYSTEM WITH EMPHASIS ON ADVANCING CLEAN AND EFFICIENT COAL UTILIZATION

The Group comprehensively pushes ahead reforms in its technological innovation mechanisms. Guided by the principles of aligning with national energy security imperatives, integrating into national strategic scientific strength deployments, achieving energy technology self-reliance, and driving green low-carbon transformation in the coal industry, the Group persistently refines its innovation framework, and a suite of management policies has been developed or revised to unleash innovation vitality, enabling precision governance of technological initiatives. The Group is committed to the active participation in national innovation ecosystems and the establishment of high-caliber R&D platforms. Focusing on core scientific challenges in clean coal utilization technologies, the Group has secured funding for its fundamental and applied research from the NSFC Enterprise Innovation and Development Joint Fund. The Group has teamed up with Jingjinji National Center of Technology Innovation to found the Energy and Low-Carbon Innovation Center, prioritizing critical technological demands in energy and “dual carbon”. This partnership culminated in the launch of “Energy, and ‘Dual Carbon’” sub-project under the National Key R&D Program – Disruptive Technology Innovation Project.

By the end of 2024, the Group had established an autonomous, open, and integrated R&D framework comprising: China Coal – Coal Chemical Research Institute; China Coal – Equipment Research Institute; 1 National Energy Coal Mining Machinery Equipment R&D (Experimental) Center; 2 national-level enterprise technology centers; 2 national energy technology equipment evaluation centers; 9 nationally accredited laboratories; 1 provincial-level key laboratory; 7 provincial-level enterprise technology centers; 1 provincial-level enterprise R&D center; 4 provincial-level engineering research centers; 5 provincial-level engineering technology research centers; 4 provincial-level technology innovation centers; 5 postdoctoral research stations; 2 provincial postdoctoral innovation practice bases; 18 high-tech enterprises; and 4 “innovation-entrepreneurship” demonstration bases. This infrastructure has substantially enhanced the Group’s scientific research capabilities.

Technological Innovations

II. ACCELERATING BREAKTHROUGHS IN CORE TECHNOLOGIES TO DRIVE NEW PROGRESS IN TECHNOLOGICAL INNOVATION

The Group expedites the advancement of major technological initiatives, yielding significant technological innovation breakthroughs. The Group has secured funding for 1 National Major Science and Technology Project (Deep Earth Initiative) and 1 National Key R&D Program Sub-project, while successfully passing comprehensive performance evaluations for 2 National Key R&D Program Sub-projects. Targeting industry-wide challenges, the Group implemented corporate-level R&D programs in coal mine intelligent construction, rockburst prevention, coal gangue and gas utilization, "Mine HarmonyOS", and "transparent geology". Innovations in intelligent mining systems and rockburst mitigation achieved globally leading technical standards. "Key Technologies and Equipment for Fully Intelligent Systems in Ultra-Large Coal Mines" was listed among the Top Ten Energy Industry Innovations, while "Mechanism and Control Technologies for Rockburst Disasters in Multi-Key-Layer Hard Coal Seams of the Ordos Basin" received the First Prize of Science and Technology Awards of China National Coal Association for 2024. Two technological innovations, including the "Full-Digital Dual-CAN Redundant Intelligent Control System for Hydraulic Supports", were listed in the Fourth Batch of National Energy Sector First-of-Kind Major Technical Equipment. The Group collaboratively developed the world's first 200-ton pure-electric mining dump truck and independently engineered the globally inaugural 8MW ultra-long-distance intelligent armored face conveyor, in addition to completing China's first million-ton-scale coal gangue backfill demonstration project using overburden isolation grouting technology. China Coal Electric Company Limited was included on the list of the Sixth Batch of Specialized and Sophisticated "Little Giant" Enterprises.

Annual R&D expenditures reached RMB4.237 billion, and the percentage of total R&D expenditures to operating income was basically unchanged year-on-year. During the year, the Group received 47 industry and ministerial/provincial-level Scientific and Technological Progress Awards, including 19 accolades from the China National Coal Association.

III. STRENGTHENING INNOVATION-DRIVEN DEVELOPMENT AND FULLY CULTIVATING A DYNAMIC INNOVATION ECOSYSTEM

The Group vigorously promotes the spirit of pragmatic action, scientific inquiry, labor dedication, and meticulous craftsmanship, thereby cultivating an atmosphere that champions innovation, respects talent, cherishes scientific inquiry, and encourages dedication to science. A series of National Science Popularization Day activities were organized to showcase our technological innovation achievements and the exemplary dedication of our technological workforce. Leveraging our in-house science and technology association, the fifth "State-Owned Enterprise Open Day" was conducted via live streaming, attracting over 360,000 viewers to virtually explore our Shaanxi subsidiary. This initiative highlighted the Group's proactive efforts and contributions in clean and efficient coal utilization, green transformation, and intelligent infrastructure development. Four sessions of the "2035 Lecture Series" and three "Innovation Salon" events were hosted, complemented by the publication of *Science & Technology Intelligence Bulletin* and *Mining Industry Frontiers*, broadening innovative horizons and accelerating the translation and application of research outcomes. The Group further advanced the evaluation of its Science and Technology Progress Awards and the "China Coal Craftsmen" recognition program to incentivize technological professionals' innovative fervor and engagement.

The Group remains steadfast in its commitment to fulfilling national strategic imperatives, leading industry advancement, and nurturing innovation capital. With heightened urgency, responsibility, and mission-driven resolve, the Group will continue to pioneer uncharted territories, pursue excellence, and strive for more groundbreaking "0 to 1" technological breakthroughs and scalable "1 to N" innovative achievements, thereby propelling technological innovation to new heights.

Note: Statistical methodologies align with the National Bureau of Statistics' "Notice on Issuing the 'Statistical Standards for Research and Experimental Development (R&D) Inputs (Trial Implementation)" (NBS No. [2019] 47).

Investor Relations

In 2024, the Group rigorously implemented relevant laws, regulations, and policy requirements, aiming to enhance the quality of listed companies through proactive initiatives. We continuously optimized investor relations management, established an effective communication mechanism with investors, improved information disclosure quality, strengthened research on market capitalisation management, effectively executed dividend policies, actively implemented measures to bolster investor confidence, and endeavored to ensure the companies' investment value appropriately reflected their operational excellence.

Continuous Optimization of Investor Relations Management. Guided by investor needs, we have established accessible interactive platforms and maintained open communication channels to foster effective engagement with diverse investor groups. We persistently refine barrier-free communication mechanisms through high-quality execution of regular performance briefings, monthly operational updates, investor meetings, conference calls, participation in investment forums, responses to investor inquiries via email, and the SSE E-interactive platform. Innovating methodologies, we have created investor relation groups and the China Coal Energy official account to facilitate information accessibility for retail investors. By actively monitoring capital market trends and conducting dynamic analysis of research reports, stock prices, and market capitalization, we systematically gather suggestions and opinions from minority investors. Regular submissions of capital market insights, investor relations reports, benchmarking analyses, and securities market evaluations to senior management have well informed strategic decision-making. Throughout the year, we conducted 134 investor engagement events reaching nearly 600,000 participants and produced 15 specialized reports.

Unwavering Enhancement of Information Disclosure Quality. The Company steadfastly adheres to the principles of "truthful, accurate, complete, timely, and equitable" information disclosure, rigorously complying with the latest domestic and international disclosure standards and industry guidelines. We meticulously reconcile regulatory differences between Shanghai and Hong Kong markets while fulfilling disclosure obligations lawfully and compliantly, resolutely eliminating false records, misleading statements, or material omissions. By continuously refining disclosure content and diversifying presentation formats, we successfully delivered high-quality periodic A+H share regular reports, ESG reports, quarterly reports, results announcements, and interim announcements during the reporting period. Over the year, we issued over 60 regulatory filings totaling 260+ documents, produced four visualized periodic reports, achieved zero regulatory inquiries received, and maintained an "A" rating from the Shanghai Stock Exchange for 15 consecutive years in disclosure quality evaluations.

Ongoing Advancement of Market Value Management Research. We have established a dedicated research team to investigate solutions addressing the undervaluation challenges faced by state-controlled listed companies in the coal sector. This initiative systematically reviews market value management theories and policies while constructing a comprehensive valuation indicator framework. Through practical analysis and targeted benchmarking with representative coal industry peers, we comprehensively evaluated current market value management practices, identified systemic obstacles and key value-impacting factors, and formulated policy recommendations for enhancing the market value management and bolstering the investment value of state-controlled listed companies in the coal sector. Concurrently, we intensified the research on and the application of valuation analysis tools, developed market value management protocols, and conducted studies on value management strategies and enhancement measures.

In the years ahead, the Company will continue to uphold a value-centric philosophy, comprehensively elevate information disclosure quality and transparency, strengthen investor engagement through diversified channels and forms, and leverage regulatory-compliant methodologies to enhance corporate investment attractiveness and shareholder return capabilities.

Safety, Health, Environmental Protection, and Social Responsibility

I. WORK SAFETY MANAGEMENT

In 2024, the Group thoroughly implemented superiors' work safety directives, strengthened and consolidated safety responsibilities, reined in and rectified risk hazards, reinforced foundational capabilities, and effectively advanced critical initiatives including the "Three-Year Fundamental Improvement Campaign for Work Safety", "Concentrated Fire Risk Remediation Campaign", and "Central SOE Safety Management Evaluations". Major activities such as "Work Safety Month" and the "Hundred-Day Intensive Campaign" were vigorously executed, successfully preventing major and above-level production safety incidents while maintaining an overall stable safety situation.

Firstly, systematic refinement helped enhance responsibility fulfillment through stricter evaluations. The safety management framework was optimized by implementing the "Three-Six" safety requirements and refining accountability assessment mechanisms for managerial personnel. Over 1,800 position-specific safety responsibility protocols were revised to eliminate regulatory gaps and reinforce accountability. Headquarters' safety responsibility protocols were restructured with inaugural departmental safety commitment agreements to ensure functional compliance. Safety management hierarchies were streamlined through a three-tier responsibility matrix and two-category accountability lists for coal chemical operations. Unified safety oversight was extended to equipment manufacturing & repairing units under coal subsidiaries, establishing institutional mechanisms to standardize and enforce the implementation of work safety responsibilities. Safety performance evaluations for coal mines and safety audits with competency assessments for coal chemical subsidiaries were conducted to strengthen executive accountability. The Group's accident liability investigation protocol was revised for precise accountability, supplemented by a monthly reporting system tracking executives' underground and onsite inspection compliance to enforce responsibility.

Secondly, advanced prevention mechanisms were reinforced through pragmatic measures to identify and eliminate risks. A "one-vote veto" system for major safety risks has been established, with quarterly dynamic assessments and adjustments to major risk inventories to resolve hazards at their source. Operational deployment of the intelligent safety risk monitoring & alerting platform for coal mines and the digital dual-prevention-mechanism platform for coal chemical facilities was completed, with monthly reports issued on major risk monitoring, early warnings, and incident resolution. Two "priority-monitored" subsidiaries and twelve "high-risk" units were identified, prompting targeted safety reviews, accountability contracts, assistance programs, and comprehensive inspections. High-risk operations underwent quarterly audits to establish technical safety protocols, while the "No Lock, No Work" principle was enforced for coal mine and chemical equipment maintenance, alongside standardized permit management and dedicated safety supervision for high-risk tasks. The policies on hazard investigation and remediation, internal reporting, and whistleblower reward mechanisms were enhanced and refined to comprehensively eliminate major hidden dangers.

Thirdly, comprehensive governance strengthened foundational safety through intensified measures. Coal mine safety standardization advanced rigorously, with 11 mines including Anjialing achieving national Tier-1 certification, progressively elevating operational safety capabilities. The "One Optimization and Three Reductions" initiative progressed through RMB3.229 billion in safety investments, upgrading core mining equipment and deploying advanced technologies such as kilometer-level directional drills. Over 100 systemic upgrades were completed in ventilation, fire prevention, gas control, dust prevention, water control, and electromechanical transport systems. Digital-intelligent transformations accelerated, exemplified by Dahaize Mine's inclusion in the list of the First Batch of National Exemplary Intelligent Coal Mines. Five mines listed in the First Batch of National Exemplary Intelligent Coal Mines (Donglutian mine, Yaoqiao mine, Wangjialing mine, Menkeqing mine, and Dahaize mine) and two "Industrial Internet + Hazardous Chemical Safe Production" coal chemical plants (Northwest Energy-Ordos Energy Wushenzhao Branch and Shaanxi Yulin's Chemical Plant) have all successfully accomplished their pilot missions. Additionally, safety management capabilities were furthered enhanced by strengthening competency development through eight specialized safety training sessions targeting key executives responsible for safety production.

Fourthly, a dual static-dynamic regulatory approach was enforced to amplify safety oversight through intensified supervision. Quarterly inspection plans integrated routine and adaptive protocols, combining regular and dynamic and on-site and remote monitoring to conduct uninterrupted safety inspections. Elevated security controls were implemented during critical periods, including the National "Two Sessions", the Third Plenary Session of the 20th CPC Central Committee, and National Day celebrations. Specialized safety coordination meetings were strengthened, encompassing on-site safety sessions, coal production and construction forums, coal mine water control workshops, power industry engineering reviews, and "three-separation" governance meetings. Targeted inspections were carried out to address coal mine ventilation, fire prevention, gas control, dust prevention, rockburst risks, geotechnical water management, electromechanical transport systems, and video surveillance, alongside power plant boiler tube leakage prevention, electrical/thermal protection malfunction mitigation, and human-error reduction campaigns, thus collectively enhancing critical safety controls. Eight measures for managing "three violations" were codified, third-party personnel oversight was tightened, unsafe behaviors were rigorously addressed, and progress in curbing "three violations" became evident.

II. OCCUPATIONAL HEALTH

The Group upholds the principle of "prevention first, integration of prevention and treatment", and implements five core strategies – prevention, treatment, management, education, and systemic development – to advance occupational disease prevention and control in all aspects. These efforts aim to continuously enhance the physical and mental health of our workforce. First, health-centric initiatives were expanded, with 15 subsidiaries earning provincial/municipal "Healthy Enterprise" titles and 65 employees honored as "2024 Occupational Health Pioneers". Second, root-cause mitigation was prioritized by implementing comprehensive dust suppression and cooling systems, thereby substantially improving workplace environments and conditions. Third, primary accountability for occupational disease prevention was enforced to safeguard employees' health rights and interests. Fourth, the occupational safety and health management system was refined to transition from disease treatment to health-centric practices. Fifth, awareness campaigns and training programs were organized to strengthen occupational health literacy across the workforce.

Safety, Health, Environmental Protection, and Social Responsibility

III. ENVIRONMENTAL PROTECTION

The Group adheres to an objective-oriented, problem-focused, and results-driven approach, collaboratively advancing ecological conservation, energy conservation, and green low-carbon development. We earnestly fulfill the political responsibilities, primary obligations, and social commitments of central enterprises in ecological conservation and environmental protection. Key performance indicators continue to demonstrate positive trends, with no sudden environmental incidents occurring. All initiatives have achieved proactive outcomes, and multiple coal mines have been listed in provincial-level and above green mine directories.

Firstly, sustained improvement in ecological and environmental protection management system. In strictly implementing the requirements for "shared accountability between Party and government leadership and dual responsibilities for one position" and "integration of environmental protection into development, production, and operational management", we have progressively strengthened the organizational structure, responsibility mechanisms, technical supervision, and assessment frameworks for ecological and environmental protection. Relevant regulations have been formulated and revised, including the issuance of the "Measures for the Supervision and Management of Ecological and Environmental Protection Technologies (Trial Implementation)". Compliance with national and industry regulations has guided the evaluation of ecological and environmental protection equipment/systems and design parameters, thus effectively enhancing operational stability and reliability of ecological protection facilities. Through hierarchical decomposition and implementation of ecological and environmental protection targets and tasks, we have reinforced primary responsibilities across all levels of subsidiaries to support high-quality corporate development.

Secondly, rigorous prevention and control of ecological and environmental risks. The Group maintains routine ecological and environmental risk identification and remediation efforts, prioritizing inspections across wastewater, emissions, solid/hazardous waste, ecological restoration, and environmental compliance. We enforce closed-loop management throughout the entire process of risk identification, rectification, and verification. Comprehensive campaigns have been launched to investigate and address latent ecological and environmental issues. Through self-inspections by tier-2 subsidiaries, cross-company audits, and centralized Group oversight, we conduct full-scale evaluations of ecological and environmental protection practices across all operations, identify vulnerabilities, and accelerate the remediation of environmental protection deficiencies. The centralized ecological and environmental protection assessment program, launched in 2023, involved on-site evaluations of subsidiaries by relevant departments through reporting reviews, field inspections, and documentation audits. Identified issues were systematically addressed with corrective recommendations, ensuring overall controllability of ecological and environmental risks.

Thirdly, comprehensive strengthening of pollution control. The Group persistently advances air pollution control initiatives by accelerating clean energy adoption and boiler flue gas treatment, while optimizing material reserves and logistics coordination to enhance dust suppression in open-air operations. We intensify wastewater management in critical sectors through dedicated treatment projects, implementing graded treatment and reuse systems for mine water and other effluents to elevate recycling rates. Solid waste utilization and hazardous waste management are rigorously enhanced through technologies like interlayer grouting and underground backfilling. Production facilities are upgrading hazardous waste storage facilities while strengthening oversight across collection, storage, and transportation processes. Ecological restoration in mining areas is prioritized through strict adherence to ecological redlines, with focused efforts on land rehabilitation, subsidence area remediation, and soil/water conservation at coal operations.

IV. SOCIAL RESPONSIBILITY

Details regarding social responsibility initiatives are comprehensively disclosed in the Environmental, Social, and Governance (ESG) Report published by the Group on the websites of the HKSE and SSE, as well as the Company's official website.

Directors, Supervisors, Senior Management and Employees

I. GENERAL INFORMATION ON DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Unit: Share

Name	Position held (Notes)	Gender	Age	Effective date of appointment	Termination date of appointment	Shareholding at the beginning of the year	Shareholding at the end of the year	Changes in shareholding during the year	Reasons for change	Total remuneration before tax received from the Company during the reporting period (RMB ten thousand)	Whether receiving remuneration from related parties of the Company
Wang Shudong	Chairman, Executive Director	Male	60	March 2023	Till the termination date of the terms of office of the fifth session of the Board	0	0	0	–	0	Yes
Liao Huajun	Executive Director	Male	55	March 2023	Till the termination date of the terms of office of the fifth session of the Board	0	0	0	–	0	Yes
Zhao Rongzhe	President, Executive Director	Male	59	March 2023	Till the termination date of the terms of office of the fifth session of the Board	0	0	0	–	0	Yes
Xu Qian	Non-executive Director	Male	44	March 2023	Till the termination date of the terms of office of the fifth session of the Board	0	0	0	–	0	Yes
Jing Fengru●	Independent Non-executive Director	Male	63	March 2023	Till the termination date of the terms of office of the fifth session of the Board	0	0	0	–	9.00	No
Zhan Yanjing●★	Independent Non-executive Director	Female	61	August 2024	Till the termination date of the terms of office of the fifth session of the Board	0	0	0	–	3.00	No
James Kong Tin Wong★	Independent Non-executive Director	Male	58	August 2024	Till the termination date of the terms of office of the fifth session of the Board	0	0	0	–	10.00	No
Hung Lo Shan Lusan★	Independent Non-executive Director	Female	58	March 2023	August 2024	0	0	0	–	20.00	No
Zhang Chengjie★	Independent Non-executive Director	Male	71	March 2023	August 2024	0	0	0	–	6.00	No
Wang Wenzhang	Shareholder Representative Supervisor (Convener)	Male	60	March 2023	Till the termination date of the terms of office of the fifth session of the Supervisory Committee	0	0	0	–	125.61	No
Zhang Qiaoqiao	Shareholder Representative Supervisor	Female	52	March 2023	Till the termination date of the terms of office of the fifth session of the Supervisory Committee	0	0	0	–	122.42	No
Zhang Feng	Employee Representative Supervisor	Male	50	March 2023	Till the termination date of the terms of office of the fifth session of the Supervisory Committee	0	0	0	–	126.03	No

Directors, Supervisors, Senior Management and Employees

Unit: Share

Name	Position held (Notes)	Gender	Age	Effective date of appointment	Termination date of appointment	Shareholding at the beginning of the year	Shareholding at the end of the year	Changes in shareholding during the year	Reasons for change	Total remuneration before tax received from the Company during the reporting period (RMB ten thousand)	Whether receiving remuneration from related parties of the Company
Ni Jiayu	Vice President	Male	53	March 2023	Till the employment date of the next session of senior management by the next session of the Board	0	0	0	–	0	Yes
Chai Qiaolin◆	Chief Financial Officer	Male	56	March 2023	Till the employment date of the next session of senior management by the next session of the Board	0	0	0	–	132.38	No
Zhang Guoxiu◆	Vice President	Male	58	March 2023	Till the employment date of the next session of senior management by the next session of the Board	0	0	0	–	209.75	No
Jiang Qun◆	Secretary to the Board and Company Secretary	Male	54	March 2023	Till the employment date of the next session of senior management by the next session of the Board	0	0	0	–	136.02	No
Total	/	/	/	/	/	0	0	0	/	900.21	/

Notes:
1. The remunerations of the above Directors, Supervisors and senior management are calculated based on the period during which they hold office.
2. The remunerations during the reporting period presented are the remunerations of Directors, Supervisors and senior management received from the Company.
3. ★Mr. Zhang Chengjie and Ms. Hung Lo Shan Lusan ceased to serve as independent non-executive Directors from August 2024; Ms. Zhan Yanjing and Mr. James Kong Tin Wong served as independent non-executive Directors from August 2024. They have obtained the legal opinions on 22 August 2024 and have confirmed that they understand their responsibilities as Directors of the Company.
4. ◆Distribution ratio of performance-based salaries for this period is 70%, total remuneration before tax received from the Company during the reporting period includes deferred performance-based salaries and tenure incentives.
5. ●Mr. Jing Fengru and Ms. Zhan Yanjing are Independent non-executive Directors who have left the current office as head of central state-owned enterprises in the PRC, who shall receive standard work subsidies of RMB90,000.

Directors, Supervisors, Senior Management and Employees

II. MAJOR WORKING EXPERIENCE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(1) Directors

1. **Wang Shudong**, born in 1964, is the Secretary of the Party Committee, an executive Director and the Chairman of the fifth session of the Board of the Company. He is currently the Secretary of the Party Committee and Chairman of China Coal Group, a representative of the 20th session of the National People's Congress, the Vice Chairman of China Coal Industry Association and the Vice President of China Electricity Council. He graduated from the Department of Power Engineering of North China Electric Power University majoring in power plant thermal energy and power engineering and obtained a bachelor's degree in engineering in July 1986. In June 1996, Mr. Wang obtained a master's degree from the Department of Power Engineering of North China Electric Power University majoring in power plant thermal energy and power engineering. Mr. Wang is qualified as a Senior Engineer and entitled to the special government allowance granted by the State Council. Mr. Wang has successively served as the member of the Party Committee, Deputy General Manager and Chief Engineer of China Power Investment Corporation (CPI) Northeast China Branch, the Deputy General Manager of CPI Huolinhe Coal Power Co., Ltd., the Chairman and Secretary of the Party Committee of CPI Huolinhe Coal-Power Group Co., Ltd., the Chairman and Secretary of the Party Committee of CPI Mengdong Energy Group Co., Ltd., the Director of the General Office of China Power Investment Corporation Limited, the Assistant to General Manager and Director of the General Office of China Power Investment Corporation Limited, the Assistant to General Manager of State Power Investment Corporation Limited, the member of Party Committee and Deputy General Manager of State Power Investment Corporation Limited. Mr. Wang served as an executive Director and the Chairman of the fourth session of the Board of the Company. Mr. Wang has long been engaged in the coal and power industry, and has extensive experience in corporate strategic planning, operation and management, etc.

2. **Liao Huajun**, born in 1969, is the Deputy Secretary of the Party Committee and an executive Director of the fifth session of the Board of the Company. He is currently the Deputy Secretary of the Party Committee and a director of China Coal Group. Mr. Liao graduated from Beijing Agricultural Engineering University (now known as China Agricultural University) majoring in applied electronic technology with a bachelor's degree in engineering in July 1992, and obtained a master's degree in economics from the Statistics Division of Renmin University of China in June 2005. Mr. Liao worked in the Second Bureau for the Administration of Corporate Executives of the SASAC under the State Council as Deputy Director of the First Division, Researcher, Director of the General Division and Head of the Third Division, and also as the Deputy Director of the Second Bureau for the Administration of Corporate Executives of the SASAC under the State Council, the Deputy Director and First-class Inspector. Mr. Liao has served in national departments for a long time and is familiar with national economic policies with extensive experience in human resources management, administration and management.

3. **Zhao Rongzhe**, born in 1965, is the Deputy Secretary of Party Committee, executive Director of the fifth session of the Board and the President of the Company. He is currently a Standing Member of Party Committee and Chief Accountant of China Coal Group, the Vice Chairman of the Council of China Coal Economy Research and a Director of Chinese Association of Chief Accountants. Mr. Zhao graduated from China University of Mining and Technology majoring in financial accounting with a bachelor's degree in economics in June 1989, and obtained an MBA degree from the Open University of Hong Kong in June 2011. Mr. Zhao is a Senior Accountant. Mr. Zhao has successively served as Chief Staff Member of Finance and Labour Department of Ministry of Coal Industry, Deputy Director of Finance Division in China National Coal Mining Equipment Company Limited, the Deputy Director of Asset and Finance Department in China National Coal Industry Import and Export Group Corporation, the Director of Asset and Finance Department in China Coal Group, the General Manager of Financial Management Headquarters of China Coal Group, the Deputy Chief Accountant of China Coal Group, and the Chairman of China Coal Finance Co., Ltd. Mr. Zhao served as an executive Director of the fourth session of the Board and the President of the Company. Mr. Zhao has been engaged in the coal industry for a long time and has extensive experience in corporate financial management, capital operations and corporate reform.

4. **Xu Qian**, born in 1980, is a non-executive Director of the fifth session of the Board of the Company. He is currently an Assistant to the General Manager and Chief Investment Officer of Funde Sino Life Insurance Co., Ltd., and an Assistant to the General Manager of Fude Insurance Holdings Co., Ltd. Mr. Xu obtained a bachelor's degree from Jiangxi University of Finance and Economics majoring in international taxation in July 2001, a master's degree from the University of Birmingham in the United Kingdom majoring in international currency and banking in December 2003 and a doctoral degree from Cambridge University in the United Kingdom majoring in land economy in September 2011. Mr. Xu was a staff member of the retail business division of Bank of China, Jiangxi Branch, the Deputy Officer of the Monetary and Credit Management Department of the People's Bank of China, Shenzhen Central Branch, and the Researcher of the Research Department, the Head of the International Business Department, the General Manager of the Equity Investment Department, and the Assistant to the General Manager of the Life Insurance Asset Management Company. Mr. Xu has also served as the General Manager of the Investment Department III of Asset Management Centre and the General Manager of Asset Management Centre of Funde Sino Life Insurance Co., Ltd. Mr. Xu served as a non-executive Director of the fourth session of the Board of the Company. Mr. Xu has profound knowledge in the research on China and overseas businesses and central banking systems, formulation and impact of monetary policies, land economy, the energy industry, macroeconomic cycle and employment issues. Mr. Xu has long been engaged in domestic and overseas investment and operation of finance and industry, and has extensive management experience in the energy and chemical industries.

5. **Jing Fengru**, born in 1961, is an independent non-executive Director of the fifth session of the Board of the Company and an external director of China First Heavy Industries Group Co. Ltd. Mr. Jing graduated from Northeast Heavy Machinery Institute majoring in metallurgy equipment and process in August 1983, obtained a master's degree in engineering majoring in mechanical engineering from Yanshan University in July 2002, obtained a doctoral degree in engineering majoring in machinery design and theory from Yanshan University in October 2008 and the title of senior engineer. Mr. Jing served as the Deputy Head and Head of the Third Steel Plant of Angang, Department Head of the Equipment Department of Angang, Vice General Manager and Department Head of the Equipment Department of New Steel Company of Angang, Officer of Equipment Inspection and Repair Center of Angang, Department Head of the Project Management Department of Angang, Assistant to the General Manager, Member of the Party Committee and Vice General Manager of Anshan Iron and Steel Corporation, Vice General Manager of Angang Steel Company Limited, Assistant to the General Manager and Department Head of the Strategic Planning Department of Angang Steel Group Limited, and Member of the Party Committee and Vice General Manager of Angang Steel Group Limited. Mr. Jing is engaged in the metallurgical industry for a long time, and has extensive experience in strategic planning, investment and management of metallurgy and mines.

6. **Zhan Yanjing**, born in 1963, is an independent non-executive Director of the fifth session of the Board of the Company and an external director of China Aviation Supplies Holding Company (CAS). She is currently the president of the finance and taxation Branch of the China Business Accounting Institute, the MPAcc professional visiting tutor of the Central University of Finance and Economics, and the MPAcc professional visiting tutor of Beijing Technology and Business University. In August 1983, Ms. Zhan obtained a Bachelor's Degree of Engineering from Huazhong Institute of Technology, majoring in detection technology and automated instrumentation. In May 2005, she obtained an EMBA Degree from Peking University. She is a senior accountant, senior economist. Ms. Zhan successively served as Chief Economist, Director and Deputy General Manager in Henan Diesel Engine Plant of China State Shipbuilding Corporation; Assistant to the General Manager and Manager of the Financial Planning Department of Beijing Foton Motor Co., Ltd.; the Standing Committee Member of the Party Committee and Chief Accountant of China Southern Locomotive & Rolling Stock Industry (Group) Corporation; the Standing Committee Member of the Party Committee of China Southern Locomotive & Rolling Stock Industry (Group) Corporation and the Standing Committee Member of the Party Committee, Vice President and Chief Financial Officer of CSR Corporation Limited; Member of the Standing Committee of the Party Committee of CRRC Corporation Limited; the Standing Committee Member of the Party Committee, Vice President and Chief Financial Officer of CRRC Corporation Limited; Member of the Standing Committee of the Party Committee and Chief Accountant of China National Building Materials Group Co., Ltd.. Ms. Zhan has extensive working experience in the state-owned enterprise system, with over 20 years of experience in listed companies. She is familiar with corporate governance and possesses a wealth of expertise in corporate management and financial management.

7. **James Kong Tin Wong**, born in 1966, is an independent non-executive Director of the fifth session of the Board of the Company, person-in-charge of China Practices Department of Philip K H Wong, Kennedy Y H Wong & Co, independent non-executive director of NOVA Group Holdings Limited and Times Neighborhood Holdings Limited. He currently serves as an arbitrator at the South China International Arbitration Center (HK), Shenzhen Court of International Arbitration, Shanghai Arbitration Commission, Zhuhai Court of International Arbitration, Hainan International Arbitration Court and other arbitration committees, Chairman of the Hong Kong Property Management Services Authority, Convener of the Citizen's Advisory Committee on Community Relations and the Community Education Committee of the Independent Commission Against Corruption, a member of the Advisory Committee on Post-service Employment of Civil Servants of the Hong Kong Special Administrative Region Government, Vice Chairman of the Association of Hong Kong Professionals, Vice Chairman of the Greater China Legal Affairs Committee of the Law Society of Hong Kong, Vice Chairman of the Agency for Volunteer Service, Vice Chairman of the Joint Committee for the Promotion of the Constitution and Hong Kong Basic Law, Honorary Advisor of the Hong Kong Customs College and an accreditation expert for the Hong Kong Council for Accreditation of Academic and Vocational Qualifications. In July 1992, Mr. Wong obtained a Bachelor of Laws from Peking University; in July 1995, he obtained a Master of Laws from Peking University; in July 2001, he obtained a master's degree in British and Hong Kong Laws from the Manchester Metropolitan University as well as a Doctor of Laws degree from Renmin University of China, UK. Mr. Wong has successively held various social positions, including Honorary Aide-de-Camp to the Chief Executive of the Hong Kong Special Administrative Region, Chairman of the Hong Kong Liquor Licensing Board, Chairman of the Property Management Services Appeal Board, a member of the Shanghai CPPCC, and a member of the All-China Youth Federation. Mr. Wong has long been engaged in legal affairs and public administration, familiar with compliance and risk management, and possesses extensive legal expertise and practical experience.

(2) Supervisors

1. **Wang Wenzhang**, born in 1964, is a Supervisor (Convener) and the Chairman of Supervisory Committee of Shanghai Datun Energy Resources Company Limited. Mr. Wang graduated from Anhui University of Finance and Economics with a bachelor's degree in accounting in June 1995, and obtained a Postgraduate Diploma in Economics in Party School of the Central Committee of C.P.C in July 2013. Mr. Wang is a Senior Accountant and is entitled to special government allowance granted by the State Council. Mr. Wang successively served as the Deputy Director of Finance Department, Director of Finance and Audit Department, and Manager of Finance Department in China Coal Construction Group Corporation, the Deputy Director of Asset and Finance Department of China Coal Group, and Vice General Manager of Finance Management Department of China Coal Group, a Supervisor of China United Coalbed Methane Corporation Ltd., Chief Accountant of China National Cotton Reserves Corporation, Chairman of the Board of CNCRC Guangzhou Company (to be established), Chief Accountant of China Coal Construction Group Corporation, Chief Expert and General Manager of the Audit Department of China Coal Group. Mr. Wang served as a Supervisor of the fourth session of the Supervisory Committee of the Company. Mr. Wang is familiar with corporate management, finance, accounting, auditing, etc. and has rich finance and audit practice experience.

2. **Zhang Qiaoqiao**, born in 1972, is a Supervisor of the Company. She is currently the full-time director at department level of China Coal Group, and an external Director of China Coal Northwest Energy Chemical Company Limited, China Coal Group Shanxi Company Limited and China Coal Huali Energy Holdings Co., Ltd. Ms. Zhang graduated from the Capital University of Economics and Business majoring in economic laws and obtained a bachelor's degree in law in July 1995. In November 2003, Ms. Zhang obtained a master's degree in international commercial law from the University of Nottingham in England, and qualified as a Senior Economist. Ms. Zhang has served as the Chief in the Contract Division in the Legal Affairs Department of China Coal Group, the Deputy Office Chief in the Legal Affairs Department of China Coal Group, the Office Chief in the Legal Affairs Department of China Coal Group, the General Manager in the Legal Affairs Department of China Coal Group, the General Manager in the Legal and Compliance Department of China Coal Group, the Manager in the Legal Affairs Department and the General Manager of Legal and Compliance Department of the Company. Ms. Zhang served as a Supervisor of the fourth session of the Supervisory Committee of the Company. Ms. Zhang has engaged in corporate legal affairs for an extensive period, and possesses rich experience in domestic and international corporate trading and other legal consultation works.

3. **Zhang Feng**, born in 1974, is a Supervisor of the Company and currently serves as a full-time director at department level of China Coal Group, an external Director of China Coal Pingshuo Group Company Limited and China Coal Group Shanxi Company Limited. Mr. Zhang graduated from China University of Mining and Technology in July 1997 with a bachelor's degree in engineering majoring in marketing, and obtained a master's degree in management majoring in the corporate management of China University of Mining and Technology in January 2007. Mr. Zhang is a senior engineer, and served as the Manager of the Human Resources Department of China Coal Import and Export Company, the Vice Manager of the Human Resources Department of the Company, the Vice General Manager of Human Resources Administration Department of China Coal Group, the Vice Secretary to the Party Committee of China Local Coal Mine Co., Ltd. (leading works of the Party Committee), the Secretary to the Party Committee and Vice General Manager of China Local Coal Mine Co., Ltd., etc. Mr. Zhang has engaged in works related to corporate management for an extensive period, and possesses rich experience in corporate human resources management, administration and management.

(3) Senior Management

1. **Zhao Rongzhe**, born in 1965, is the Deputy Secretary of Party Committee, executive Director of the Fifth Session of the Board and the President of the Company. Please refer to the section of Directors' biographies for details.

2. **Ni Jiayu**, born in 1971, is a member of Party Committee and the Vice President of the Company. He currently serves as a standing member of Party Committee and the Deputy General Manager of China Coal Group. He graduated from Harbin University of Science and Technology with a Bachelor's degree in Engineering majoring in industrial design in August 1993, and obtained an MBA degree from Beijing University of Posts and Telecommunications in April 2002. He is a Senior Economist. Mr. Ni served as the Secretary of the Communist Youth League Committee of China Coal Construction Group Corporation, the Secretary of the Communist Youth League Committee, Deputy Director of the Work Department of Party Committee and Deputy General Manager of Human Resources Department of China Coal Group, the Manager of the Department of Human Resources of the Company, the Director of Party-Masses Work Department, Director of the Supervision and Audit Department, Director of the General Office and General Manager of Human Resource Management Department of China Coal Group, a member of the standing committee of Ordos City and the Deputy Mayor (secondment) of Ordos City of Inner Mongolia, the General Manager of Equipment Affairs Department of the Company, a member of Party Committee of China Coal Group, and the Secretary of Party Committee and Chairman of China Coal Mining Equipment Company. Mr. Ni has profound working knowledge and successively served in various positions in different enterprises and local governments. He has extensive experience in corporate operation management and administrative management.

3. **Chai Qiaolin**, born in 1968, is a member of Party Committee and the Chief Financial Officer. Mr. Chai currently serves as a member of the Discipline Inspection Committee of China Coal Group, the secretary of the Party Committee and the Chairman of China National Coal Development Company Limited, the Chairman of China Coal Finance Co., Ltd., a Director of China Coal Property Insurance Co., Ltd., and a Deputy Director member of Chief Financial Officer Expert Committee of Listing Companies Association of China. Mr. Chai graduated in July 1991 with a bachelor's degree in economics from Beijing Institute of Economics majoring in public finance. Mr. Chai is a qualified Senior Accountant. Mr. Chai previously served in China Coal Overseas Development Co., Ltd., China National Coal Industry Import and Export Corporation as well as China National Coal Industry Import and Export Group Corporation, undertaking financial management affairs. Mr. Chai successively served as the Deputy General Manager in the Financial Management Headquarters of China Coal Group, the Deputy Manager and Manager of the Financial Department of the Company, the Deputy Chief Accountant of the Company, and a Director and the General Manager of China Coal Finance Co., Ltd. Mr. Chai has over 30 years of extensive experience in financial work in state-owned enterprises as well as nearly 20 years of experience in capital operation and financial management in listed companies.

4. **Zhang Guoxiu**, born in 1966, is a member of the Party Committee, the Vice President, the general manager of the Coal Sales Centre and the general manager of the Coal Chemical Products Sales Centre of the Company, secretary of the Party Committee, executive director of China Coal Sales and Transportation Company Limited, a member of the Party Committee and director of marketing management office of China Coal Group, vice chairman of China Coal Transportation and Distribution Association, vice director of the Professional Committee of Coal Quality Inspection of China Association for Quality Inspection. He graduated from Datong Coal Industry School majoring in finance and accounting in 1989, and obtained a master's degree in resource development planning and design from China University of Mining and Technology in 2011. He has a master's degree in engineering and is a senior economist. Mr. Zhang successively served as deputy general manager, deputy secretary of the Party Committee, executive director and general manager of China Coal Industry Qinhuangdao Import & Export Co., Ltd.; general manager (director) of Human Resources Management Department (Party Committee Organization Department) of China Coal Group; assistant to the president of the Company, executive director of Coal Sales Centre, executive director and deputy secretary of the Party Committee of China Coal Sales Company; general manager of the Sales Company of China Coal Group, secretary of the Party Committee. Mr. Zhang has been engaged in the coal industry for a long time and has extensive experience in fields such as coal sales, operation management and human resources.

5. **Jiang Qun**, born in 1970, is the Secretary to the Board and the Company Secretary of the Company. He currently serves as the Secretary to the Board of China Coal Group. He graduated from Beijing Finance and Trade College in August 1993 with a bachelor's degree in economics, majoring in finance and accounting. Mr. Jiang successively served as the head of the finance of China Coal Energy Hong Kong Company Limited, the director of the accounting division of the financial management headquarters of China Coal Group, the vice manager of investor relations department, the director of the Secretariat to the Board, the director of the Secretariat to the Board and the manager of the investor relations department of the Company, the director of the Board office of China Coal Group, the director of the securities affairs department and the securities affairs representative of the Company, the director of the Party & Mass affairs department (Party Committee office and labor union office) and the director of executive office of China Coal Group, the director of executive office, the company secretary and the director of executive office of the Company, the director of executive office (Party Committee office) of China Coal Group, etc. Mr. Jiang has extensive working experience, and possesses rich management experience in corporate financial management, investor relations, listed company governance and communication with stakeholders.

III. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(1) The remuneration and the decision-making procedures for the remuneration of Directors, Supervisors and senior management

Remunerations for Directors and Supervisors are subject to the approval of the Shareholders' general meeting, while the remunerations for senior management are subject to the approval by the Board. For the year of 2024, the total remuneration for Directors, Supervisors and senior management of the Company was RMB9,002,100 (tax inclusive).

(2) Basis for determining the remuneration of Directors, Supervisors and senior management

The standard annual remuneration of the independent non-executive Director is RMB300,000 while the independent non-executive Director who has left the current office as head of central state-owned enterprises shall receive standard work subsidies of RMB90,000 (both before tax, monthly paid, with income tax withheld, calculated based on the actual time of performance of duty). Apart from the above Directors, other Directors shall not receive remuneration from the Company. Supervisors shall receive remuneration from the institutions where they work. The travelling expenses incurred by the Directors and Supervisors for their participation in the Board meetings, Supervisory Committee's meetings and Shareholders' meetings as well as relevant activities organised by the Board and the Supervisory Committee shall be undertaken by the Company. Remunerations of senior management are paid in accordance with the "Management Method of the Remuneration for Senior Management of the Company".

Save for independent non-executive Directors, the remunerations of other Directors, Supervisors and senior management who receive remunerations from the Company include basic salaries, bonuses, five insurances and one fund and corporate annuity paid by the Company.

IV. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Position Held	Changes	Reasons of Change
Zhang Chengjie	Independent Non-executive Director of the fifth session of the Board	Resignation	Ceased to serve as an Independent Non-executive Director due to expiration of his term of office in August 2024
Hung Lo Shan Lusan	Independent Non-executive Director of the fifth session of the Board	Resignation	Ceased to serve as an Independent Non-executive Director due to job change in August 2024
Zhan Yanjing	Independent Non-executive Director of the fifth session of the Board	Election	Served as an Independent Non-executive Director in August 2024
James Kong Tin Wong	Independent Non-executive Director of the fifth session of the Board	Election	Served as an Independent Non-executive Director in August 2024

On 24 July 2024, the Company convened the fourth meeting of 2024 for the fifth session of the Board to consider and pass the resolution on "Proposed Appointment of Independent Non-executive Directors", which was considered and passed at the 2024 first extraordinary general meeting held on 23 August 2024. For details, please refer to the relevant announcements published by the Company on the websites of the SSE, the HKSE and the Company on 24 July and 23 August 2024.

V. EMPLOYEES OF THE GROUP

The Group always upholds equal and regulated employment and has established a fair, democratic, competitive and choose-the-best selection and employment mechanism, while continuously fosters the diversification of employees to offer a strong support for the Group's sustainable development. Given the specialty of the industry nature of the Group, the proportion of male employee of the Group is relatively higher. As of the end of the reporting period, the Group has a total of 46,452 employees, of which, 7,180 are female and 39,272 are male, accounting for 15.46% and 84.54%, respectively.

	Number of persons
Number of current employees in the Company	250
Number of current employees in major subsidiaries	24,982
Total number of current employees	46,452
Number of staffs who have resigned or retired, for whom the Company and its major subsidiaries are required to bear the relevant costs	0

Professional composition

Professional composition by type	**Number of persons of professional composition**
Production staff	29,811
Sales staff	1,091
Technical staff	9,735
Financial staff	944
Administrative staff	2,893
Other staff	1,978
Total	46,452

Education level

Education level by type	**Number of persons**
Postgraduate or above	1,552
Undergraduate	15,494
Undergraduate or below	29,406
Total	46,452

Directors, Supervisors, Senior Management and Employees

VI. REMUNERATION POLICY

In terms of employee compensation strategy, the Company implemented an income distribution system on the foundation of the value of positions and oriented on value creation and efficiency improvement. The Group optimised the means of managing remuneration, deepened the entire management of labour costs and facilitated the continuous increase in the overall labour productivity. By upholding and strengthening positive motivation, the Group increased the incentives for corporate transformation, "two combinations" and securing energy supply, thereby enhancing core corporate functions. The Group continued to optimise internal income distribution relation, with compensation and resources leaning to frontline positions of challenging, dirty, risky and tiring nature, key and core positions and talents in urgent need. Such approach put motivational orientation into play and stimulated the vitality of work force. Innovation on the management of target remuneration of persons-in-charge of enterprise was implemented to actively promote the quality and coverage of medium and long-term incentives, and it establishes and optimises the remuneration system for core talents in a more precise and effective manner with greater market competitiveness.

VII. TRAINING SCHEME

In accordance with the working ideas of "Focusing on Spirit, Enhancing Ability, Educating Talents, and Optimising Models" and the working positioning of "Working Around the Focus to Serve Development", the Company continuously deepens the reform of employee education and training, scientifically formulates and implements annual training programs, and actively implements the training of employees at different levels, and has cumulatively trained about 89,000 employees at all levels of the Group throughout the year, effectively improving the overall quality of the workforce, and helping to implement the strategy of "strengthen enterprises with talents".

VIII. OUTSOURCING

Total number of outsourced working hours (hours)	34,698,000
Total amount of remunerations paid for outsourcing (RMB thousand)	1,534,496

Directors' Report

Dear Shareholders,

The board of directors (the "**Board**") of China Coal Energy Company Limited is pleased to present the directors' report and the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 prepared in accordance with the IFRS.

I. PRINCIPAL OPERATIONS

The Group is principally engaged in the production and trade of coal, coal chemical business, coal mining equipment manufacturing and related services, pithead power generation and other businesses in China. The coal business includes coal production, sales and trading. The coal chemical business includes the production and sales of polyolefin, methanol, urea and other coal chemical products. The coal mining equipment business includes the design, research and development, manufacturing and sales of coal mining machinery and equipment and provision of after-sales services. Details of the principal business of the Group's principal subsidiaries are set out in the financial statements.

Further discussions on business as required under Schedule 5 of Companies Ordinance (including the pertinent review on the businesses of the Group, the analysis of the key financial performance indexes, and the disclosure of the likely future development of the businesses of the Group) are set out in "Chairman's Statement", "Management Discussion and Analysis of Financial Conditions and Operating Results" and "Business Performance" of this annual report. The important events that occurred after the end of the reporting period and may have influence on the Group are set out in this report. The above discussions form part of this directors' report.

II. OPERATING RESULTS

The financial and operating results of the Group for the year ended 31 December 2024 are set out in "Management Discussion and Analysis of Financial Conditions and Operating Results".

III. DIVIDENDS

(1) Dividend Policy

In accordance with the relevant laws and regulations and the Articles of Association of the Company:

1. The Company may distribute dividends in cash, in shares or in a combination of both cash and shares. Interim profits may be distributed by the Company if conditions permit.

2. Save in special circumstances, if the Company's profit for the year and its total unappropriated profits are positive, the Company may distribute dividend in cash and the profit to be distributed in cash per annum shall not be less than 20% of the year's distributable profit attributable to the Shareholders of the parent company as stated in the consolidated financial statements (whichever is lower under the PRC GAAP and IFRS).

3. On the premises that the Company's operation is in good condition 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, the Company may distribute dividends in the form of shares in accordance with the aforementioned conditions of cash dividends.

(2) Implementation of the Dividend Policy

To enhance the investment value of the listed company and share the development results with investors, the Board proposed to distribute cash dividends of RMB3,418,258,200 to the Shareholders, which was calculated as 35% or RMB6,354,595,800 of the profit attributable to shareholder of the Company of RMB18,155,988,000 for the year ended 31 December 2024 in the consolidated financial statements of the Company prepared under IFRS deducting interim dividend of RMB2,936,337,600. Such dividends are based on the total issued share capital of 13,258,663,400 Shares of the Company, with RMB0.258 (inclusive of tax) per Share. The above profit distribution plan will take effect only upon the approval of the resolution at the 2024 annual general meeting by Shareholders. Cash dividends will be distributed to Shareholders registered at the relevant date upon approval.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and its implementing rules, the Company is required to withhold enterprise income tax at a rate of 10% before distributing the final dividend to non-resident enterprise Shareholders whose names appear on the Company's H Share register of members. Any Shares registered in the name of the non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organisations, will be treated as being held by non-resident enterprise Shareholders and therefore an enterprise income tax shall be withheld for their dividends receivables.

Pursuant to the "Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No.045" (Guo Shui Han [2011] No. 348) issued by the State Administration of Taxation, the dividend received by the overseas resident individual Shareholders from the stocks issued by domestic non-foreign invested enterprises in Hong Kong is subject to individual income tax at a rate of 10% in general. If an individual H Shareholder considers that his/her individual income tax withheld by the Company does not comply with the tax rate stipulated in the tax treaties between country(ies) or region(s) in which he/she is domiciled and the PRC, he/she should engage or mandate agency after receiving the dividends according to requirements set out in tax treaties notice, register with the competent tax authority of the Company for subsequent taxation handling.

According to the "Operational Guidelines for Facilitating Overseas Institutions to Entitlement of the Relevant Agreed Preferential Tax Agreements" issued by the Ministry of Commerce on 19 April 2024, certain overseas institutions, which invest in a large number of listed companies in China and are entitled to preferential income tax according to the tax agreements reached between their countries of residence and China, may confirm to be entitled to the preferential treatment according to the operating procedures specified in the Guidelines. The Company will directly make withholding and declaration of tax and distribute dividends for the relevant overseas institution according to the information provided by China Securities Depository and Clearing Co., Ltd., and the relevant overseas institution does not need to submit relevant information reporting form to each listed company every time.

Pursuant to the "Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets" (Cai Shui [2014] No. 81) and the "Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets" (Cai Shui [2016] No. 127) jointly promulgated by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission, for dividends derived by Mainland individual investors from investing in H-share listed on the HKSE through Shanghai Hong Kong Stock Connect or Shenzhen Hong Kong Stock Connect, the Company shall withhold individual income tax at a tax rate of 20% for the investors. For Mainland securities investment funds investing in shares listed on HKSE through Shanghai Hong Kong Stock Connect or Shenzhen Hong Kong Stock Connect, individual income tax shall be levied on dividends derived therefrom in accordance with the above rules. Dividends derived by Mainland enterprise investors from investing in shares listed on HKSE through Shanghai Hong Kong Stock Connect or Shenzhen Hong Kong Stock Connect shall be reported and paid by the enterprise investors themselves. The Company will not withhold or pay enterprise income tax on their behalf in the distribution of dividends.

The Company will have no liability in respect of any claims arising from any delay in, or inaccurate determination of the status of the Shareholders or any disputes over the mechanism of withholding.

For Shareholders who are entitled to participate in the 2024 annual general meeting of the Company (expected to be convened prior to 30 June 2025) and holders of H Shares who are entitled to receive the final dividend for the year ended 31 December 2024, the latest registration date and the period of closure of H Share register as well as the dividend distribution date (expected to be prior to 31 August 2025) will be separately announced after determining the convening date of the 2024 annual general meeting of the Company.

Under relevant regulations of China Securities Depository and Clearing Corporation Limited Shanghai Branch and in line with the market practice regarding dividend distribution for A Shares, the Company will publish a separate announcement in respect of its dividend distribution to holders of A Shares after the Company's annual general meeting for 2024, which, among other things, will set out the record date and ex-dividend date for A Shares.

As of 31 December 2024, no arrangement was reached pursuant to which the Shareholders waived or agreed to waive their dividends.

IV. SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024, to the knowledge of the Directors, Supervisors and chief executive of the Company and as recorded in the register of interests required to be maintained pursuant to section 336 of the Securities and Futures Ordinance, the interests or short positions of the following persons (excluding Directors, Supervisors and chief executive) in the Company's shares or underlying shares were as follows:

Name of Shareholders	Number of Shares	Class of Shares	Nature of interest	Capacity	Percentage of the respective class of the total shares in issue (%)	Percentage of the total shares in issue (%)
China National Coal Group Corporation	7,611,207,908	A Shares	N/A	Beneficial owner	83.16	57.41
Funde Sino Life Insurance Co., Ltd.	2,012,858,147	H Shares	Long position	Interest of controlled corporation by substantial shareholders	49.01	15.18

Note: The information disclosed is based on the last reportable disclosure of interests of the relevant entities as at 31 December 2024 as set out on the website of the Stock Exchange.

Save as disclosed above, as at 31 December 2024, to the knowledge of the Directors, Supervisors and chief executive of the Company and as recorded in the register of interests required to be maintained pursuant to section 336 of the Securities and Futures Ordinance, there were no other persons who were interested or held short positions in the Company's shares or underlying shares.

V. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2024, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) as required to be recorded in the register of interests to be kept by the Company under Section 352 of the Securities and Futures Ordinance, or which are required to be notified to the Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

As of 31 December 2024, the Company had not granted any rights to any Director, Supervisor or chief executive of the Company or their spouses or children under 18 years of age to subscribe for the shares or debentures of the Company or its associated corporations, nor did any of the above-mentioned individuals exercise any such rights to subscribe for the aforesaid shares or debentures.

As at 31 December 2024, save as Mr. Wang Shudong, Mr. Liao Huajun, Mr. Zhao Rongzhe, Mr. Xu Qian, Mr. Wang Wenzhang, Mr. Zhang Feng and Ms. Zhang Qiaoqiao, there is no other Director or Supervisor who is a director, supervisor or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance.

VI. PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, as of the date of this report, the Company has maintained the prescribed public float under the Hong Kong Listing Rules.

VII. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

Directors and Supervisors of the Company have entered into a service contract with the Company, and the term of service of Directors and Supervisors is from the date of appointment until the expiration of the term of the current sessions of the Board and the Supervisory Committee. The service contracts with the Directors and Supervisors shall remain valid at their respective re-election. None of the Directors or Supervisors of the Company has entered into a service contract with the Group which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

VIII. DIRECTORS' AND SUPERVISORS' INTERESTS IN IMPORTANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Apart from the service contracts, for the year ended 31 December 2024, none of the Directors or Supervisors of the Company or their related entities was materially interested, whether directly or indirectly, in any transactions, arrangements or contracts of significance for the businesses of the Group to which the Company, the holding company of the Company, or any of its subsidiaries or fellow subsidiaries of the holding company is a party.

IX. REMUNERATION OF DIRECTORS AND SUPERVISORS

The details of the remuneration of Directors and Supervisors of the Company for the year ended 31 December 2024 are set out in the notes to the consolidated financial statements and "Directors, Supervisors, Senior Management and Employees" of this report.

For the year ended 31 December 2024, no Directors or Supervisors of the Company had agreed to waive any remuneration.

The remuneration package of Directors of the Company is determined by the remuneration committee and is subject to approval by the Board and Shareholders at the annual general meeting. To determine the remuneration package, the remuneration committee and the Board will take into consideration a number of factors, such as Directors' duties, performance and the operating results of the Group.

X. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2024, the Company and its subsidiaries had not purchased, sold or redeemed any securities (including sale of treasury shares) (the terms "securities" and "treasury shares" have the meanings ascribed to them under the Hong Kong Listing Rules) of the Company. As of 31 December 2024, the Company did not hold any treasury shares.

XI. PROPERTY, PLANT AND EQUIPMENT

The details of the changes in the property, plant and equipment of the Group for the year ended 31 December 2024 are set out in the notes to the audited financial statements for the year.

XII. DONATION

For the year ended 31 December 2024, the Group donated a total of RMB11,192,400 for charity and other donation purposes.

XIII. SUBSIDIARIES AND ASSOCIATES

The details of subsidiaries and associates of the Company as at 31 December 2024 are set out in the notes to the audited financial statements for the year.

XIV. PRE-EMPTIVE RIGHTS AND SHARE OPTION ARRANGEMENT

There are no provisions for pre-emptive rights under the relevant laws of the People's Republic of China which would entitle the Shareholders of the Company to subscribe for shares on a pro rata basis. Currently, the Company does not have any share option arrangement.

XV. MAJOR SUPPLIERS AND CUSTOMERS

The Group's major suppliers mainly provide the Group with trading coal and raw materials. The major customers mainly include domestic electric power enterprises, iron and steel enterprises, coal production enterprises, chemical product manufacturing enterprises and related trade enterprises. During the year ended 31 December 2024, total values (not of a capital nature) of the contracts entered into between the Group and its top five suppliers accounted for less than 30% of the total values of the goods the Group purchased. During the year ended 31 December 2024, total values of the contracts entered into between the Group and its top five customers in aggregate also accounted for less than 30% of the total amount of revenue and other income of the Group.

XVI. MATERIAL CONTRACTS

Save as disclosed in the section headed "Connected Transactions" in this report, none of the Company or any of its subsidiaries entered into any material contracts with the controlling shareholder or any of its subsidiaries other than the Company and its subsidiaries.

XVII. CONNECTED TRANSACTIONS

The followings are the main connected transactions of the Group during year 2024:

(1) Continuing Connected Transactions

The continuing connected transactions between the Group and China Coal Group are conducted in the ordinary and normal course of business of the Group, and such transactions can prevent potential competition between coal products of the Group and those of China Coal Group, and enable the Group to secure coal products, integrated materials, engineering design and construction, land and property leasing and other products and services from China Coal Group at market price through the ordinary course of business of the Group. Such transactions facilitate the expansion of the Group's scale of operation, reduce uncertainty of transactions, lower transaction costs, strengthen capital management, prevent unnecessary disruptions to operations and avoid migration costs. Meanwhile, there are also connected transactions between the Group and Shanxi Coking, the substantial shareholder of China Coal Huajin Company, which is a significant subsidiary of the Group and Shanxi Coking Coal Group, its associates, and their subsidiaries. Such transactions facilitate the Group in obtaining stable coal product supply, coal mine construction and related service at market price and are conducive to the reduction in uncertainties and transaction costs during the transaction process of the Group. The Group entered into routine connected transaction agreements with China Coal Group, the controlling Shareholder of the Company, and other related parties in respect of the connected transactions conducted in the ordinary normal course of business. The major terms and the actual amount incurred of such routine connected transaction agreements are as follows:

1. Coal Supply Framework Agreement

On 25 October 2023, the Group renewed the Coal Supply Framework Agreement with China Coal Group. The agreement is valid from 1 January 2024 until 31 December 2026. Pursuant to the agreement, China Coal Group has agreed to supply the coal products produced from the mines of China Coal Group and its subsidiaries to the Group. The details are set out in the announcement of the Company dated 25 October 2023.

Pricing principles: The coal prices of long-term contracts shall be based on the BSPI Bohai-Rim Steam-Coal Price Index, CCTD Qinhuangdao Thermal Coal Comprehensive Trading Price and the National Coal Seaborne Thermal-Coal Price Index (NCEI) (國煤下水動力煤價格指數), subject to adjustments on a monthly basis in accordance with the changes in the indexes. The spot prices of coal shall be determined and promptly adjusted in accordance with market prices.

For the year ended 31 December 2024, the annual cap for the fees payable to China Coal Group and its subsidiaries (excluding the Group) and Guoyuan Group by the Group for the procurement of coal products produced from the coal mines owned by China Coal Group and its subsidiaries (excluding the Group) and Guoyuan Group by the Group for 2024 was RMB24.7 billion, and the actual amount incurred was RMB15.846 billion.

2. *Integrated Materials and Services Mutual Provision Framework Agreement*

On 25 October 2023, the Group renewed the Integrated Materials and Services Mutual Provision Framework Agreement with China Coal Group. The agreement is valid from 1 January 2024 until 31 December 2026. Pursuant to the agreement, 1) China Coal Group shall supply the Group (i) production materials and ancillary services, including raw materials, ancillary materials, transportation, loading and uploading services, electricity and heat supply, equipment maintenance and leasing, labour contracting, entrusted management and others; and (ii) social and support services including staff training, medical services and emergency rescues, communication, property management services and others; 2) the Group shall supply China Coal Group (i) production materials and ancillary services, including coal, coal mining facilities, raw materials, auxiliary materials, electricity and heat supplies, transportation, loading and uploading services, equipment maintenance and leasing, labour contracting, entrusted management, information service and others; and (ii) coal export ancillary services including organising product supply, performing coal blending, coordinating logistics and transportation, provision of port-related services, arranging inspection and quality verification and providing services relating to product delivery. The details are set out in the announcement of the Company dated 25 October 2023.

Pricing principles shall be in the following order: As for the bulk equipment and raw materials, the price will be arrived at by bidding process in principle; where no bidding process is involved, the price shall be in accordance with the market price; and where comparable market price rate is unavailable, the agreed price shall prevail, and the agreed price represents the price that is determined with reference to "reasonable costs plus a reasonable profit margin".

For the year ended 31 December 2024: (1) the annual cap for the provision of raw materials and ancillary services and social and support services to the Group by China Coal Group and its subsidiaries (excluding the Group) and Guoyuan Group was RMB7.2 billion for 2024 and the actual amount incurred was RMB5.510 billion; (2) the annual cap for the provision of raw materials and ancillary services and exclusive coal export-related services to China Coal Group and its subsidiaries (excluding the Group) and Guoyuan Group by the Group for 2024 was RMB22.97 billion and the actual amount incurred was RMB8.717 billion.

3. *Project Design, Construction and General Contracting Services Framework Agreement*

On 25 October 2023, the Group renewed the Project Design, Construction and General Contracting Services Framework Agreement with China Coal Group. The agreement is valid from 1 January 2024 until 31 December 2026. Pursuant to the agreement, China Coal Group shall provide project design, construction and general contracting services to the Company. The details are set out in the announcement of the Company dated 25 October 2023.

Pricing principles: The service provider and the price of project design, construction and general contracting services shall be determined through a bidding process in principle and in compliance with applicable laws, regulations and rules in determining the suppliers and prices of the services. China Coal Group shall bid by stringently following the steps and/or measurements as stipulated by the Invitation and Submission of Bids Law of the PRC and the specific requirements in bidding invitation documents made by the Company.

For the year ended 31 December 2024, the annual cap of 2024 for the transactions in relation to provision of project design, construction and general contracting services by China Coal Group and its subsidiaries (excluding the Group) to the Group was RMB7.6 billion, and the actual amount incurred was RMB2.643 billion.

4. *Property Leasing Framework Agreement*

On 25 October 2023, the Group renewed the Property Leasing Framework Agreement with China Coal Group, and made corresponding updates and amendments to the content and expiry date of the agreement, for a term effective from 1 January 2024 to 31 December 2026. Pursuant to the agreement, the Group and China Coal Group would lease certain properties from each other. Details are set out in the announcement of the Company dated 25 October 2023.

Pricing principles: (i) During the term of the Property Leasing Framework Agreement, the lessee shall pay the rent of the leased properties to the lessor annually, and both parties shall settle the annual rent for the previous year once a year. The payment method of the annual rent shall be clearly stated and stipulated in the specific lease contract; (ii) utilities, heating fees and maintenance fees for the leased properties and other expenses related to the use of the leased properties shall be borne by the lessee. As for the property management fee for the relevant properties, the parties shall agree on who shall bear the fee for each property and shall be clearly stated and stipulated in the relevant specific leasing contract. For each property, if both parties have agreed that the property management fee in respect of such property shall be borne by the lessor, such management fee shall be included in the annual rent amount.

For the year ended 31 December 2024, the annual cap of 2024 in respect of property rentals paid by the Group to China Coal Group and its subsidiaries (excluding the Group) in respect of the structures and properties leased was RMB176 million, and the actual rental incurred was RMB99 million. The annual cap of 2024 in respect of property rentals paid by China Coal Group and its subsidiaries (excluding the Group) to the Group in respect of the structures and properties leased was RMB5 million, and the actual rental incurred was RMB4 million.

5. *Land Use Rights Leasing Framework Agreement*

The ongoing Land Use Rights Leasing Framework Agreement entered into between the Group and China Coal Group will expire on 21 August 2026. On 25 October 2023, the Group renewed the Land Use Rights Leasing Framework Agreement with China Coal Group, for a term effective from 22 August 2026 to 31 December 2026. Details are set out in the announcement of the Company dated 25 October 2023.

Pricing principles: During the term of the Land Use Rights Leasing Framework Agreement, (i) the rentals are subject to review and adjustments every three years with reference to the prevailing market rates. The adjusted rentals shall not exceed the applicable market rates as confirmed by an independent valuer; (ii) notwithstanding the above-mentioned agreements provided for a normal three-year rent adjustment mechanism, downward adjustment in rentals of such land use rights leased to the Group may be made at any time during the term of the Land Use Rights Leasing Framework Agreement; and (iii) the rentals will be paid in cash every year and paid out from the internal resources of the Group.

For the year ended 31 December 2024, the annual cap of 2024 in respect of the land use rights rental paid by the Group to China Coal Group and its subsidiaries (excluding the Group) was RMB90 million, and the actual rental incurred was RMB85 million.

6. Financial Services Framework Agreement

On 25 October 2023, Finance Company, a controlling subsidiary of the Group, renewed the Financial Services Framework Agreement with China Coal Group. The agreement is valid from 1 January 2024 until 31 December 2026. Pursuant to the agreement, Finance Company agrees to provide financial services such as deposit and loan services to China Coal Group and its subsidiaries. Details are set out in the announcement of the Company dated 25 October 2023.

Pricing principles: (i) the interest rate for deposits shall, subject to compliance with PRC laws, regulations and supervisory requirements, be determined by both parties on normal commercial terms and on arm's length with reference to the benchmark interest rate for deposits published by the PBOC (if any) and the interest rate provided by normal financial institutions in the PRC for comparable deposits; and under normal circumstances, the interest rate for deposits shall not exceed the upper limit prescribed by the PBOC (or the interest rate self-regulatory mechanism) (if any); (ii) the interest rates for loans shall, subject to compliance with PRC laws, regulations and supervisory requirements, be determined by both parties on normal commercial terms and on an arm's length basis with reference to factors such as the Loan Prime Rate (LPR), credit ratings and the nature of the loan; and under normal circumstances, the interest rate of the loan shall not be lower than the interest rate determined by normal financial institutions in the PRC for a loan of the same type to China Coal Group and its subsidiaries or a third party of the same condition during the same period; (iii) the fee standard for other financial services (excluding the deposits and loans) shall be determined by Finance Company according to the corresponding service fees fixed by the PBOC, National Administration of Financial Regulation or other regulatory governmental departments. If such fixed fee rates are not available, the services fees are negotiated on arm's length and by reference to the fees charged by normal financial institutions in the PRC for comparable financial services.

For the year ended 31 December 2024, the annual cap of 2024 for maximum daily balance of loans (including accrued interests) granted by Finance Company to China Coal Group and its subsidiaries (excluding the Group) and associates of China Coal Group was RMB24.000 billion, and the actual maximum daily balance incurred was RMB11.906 billion.

7. *Coal and Coal Related Products and Services Supply Framework Agreement between the Group and Shanxi Coking Coal Group*

On 25 October 2023, the Group renewed the Coal and Coal Related Products and Services Supply Framework Agreement with Shanxi Coking Coal Group. The agreement is valid from 1 January 2024 until 31 December 2026. Pursuant to the agreement, the Group and Shanxi Coking Coal Group could mutually provide coal and coal related products and services. The details are set out in the announcement of the Company dated 25 October 2023.

Pricing principles: (i) As for the coal mine infrastructural project and procurement of coal mining facilities, the price shall be arrived at by bidding process; and (ii) the coal purchase price shall be determined in accordance with the relevant market price.

On 23 August 2024, the transaction cap in respect of the coal and coal related products purchased and services accepted by the Group from Shanxi Coking Coal Group from 2024 to 2026 under the agreement was adjusted upward by the Company. After adjustment, the cap amount in respect of the coal and coal related products purchased and services accepted by the Group from Shanxi Coking Coal Group will be adjusted to RMB1.90 billion in 2024, RMB2.50 billion in 2025, and RMB2.50 billion in 2026. The details are set out in the announcement of the Company dated 23 August 2024.

For the year ended 31 December 2024: (1) the annual cap of 2024 in respect of the coal and coal related products purchased and services accepted by the Group from Shanxi Coking Coal Group was RMB1.9 billion, and the actual amount incurred was RMB1.342 billion; (2) the revised annual cap in respect of the coal and coal related products purchased and services accepted by Shanxi Coking Coal Group from the Group was RMB2.72 billion for 2024, and the actual amount incurred was RMB911 million.

8. *Finance Lease Cooperation Framework Agreement*

On 25 October 2023, China Coal Finance Lease Company, the Group's holding company, entered into the Finance Lease Cooperation Framework Agreement with China Coal Group, for a term effective from 1 January 2024 to 31 December 2026. Pursuant to the agreement, China Coal Finance Lease Company shall provide finance lease services to China Coal Group. The details are set out in the announcement published by the Company on 25 October 2023.

Pricing principles: (i) The comprehensive fee rate shall not be lower than the business expenses of comparable finance leasing services provided by China Coal Finance Lease Company to independent third parties in the same period; (ii) the total amount of finance services includes the lease principal (which is the amount paid by China Coal Finance Lease Company to the equipment suppliers or China Coal Group for the purchase of leased items), the interest and handling fees of leasing services charged by China Coal Finance Lease Company from China Coal Group for finance leasing services. The lease principal under sale and leaseback services shall not exceed the net book value or appraised value of the leased items and shall be determined by the parties after arm's length negotiation, with reference to market practice. The lease principal under direct leasing services shall be determined after arm's length negotiation between China Coal Finance Lease Company and the equipment suppliers with reference to the market price of the leased items and on normal commercial terms; (iii) the interest of leasing services shall be determined by the parties with reference to, among others, market conditions, loan prime rate announced by the PBOC from time to time, lease period, principal amount, the credit assessment of lessee, regulatory policy orientation, industry development strategy and risk premiums of China Coal Finance Lease Company. Handling fees of leasing services shall be determined by the parties with reference to, among others, applicable fee rate announced by the PBOC from time to time.

For the year ended 31 December 2024: the annual cap of 2024 in respect of the finance lease services accepted by China Coal Group and its subsidiaries (excluding the Group) from China Coal Finance Lease Company was RMB720 million, and the actual amount incurred was RMB0.

The Group's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 73 to 78 of the Annual Report in accordance with Hong Kong Listing Rule 14A.56. The Group has provided a copy of the auditor's letter to HKSE.

All the independent non-executive Directors of the Company have reviewed the above continuing connected transactions and have confirmed that the transactions are:

(1) in the Group's ordinary course of business;

(2) on normal or more favourable commercial terms; and

(3) in accordance with the relevant agreements governing them and on terms that are fair and reasonable and in the interests of Shareholders of the Group as a whole.

The Group has confirmed that the specific agreements under the continuing connected transactions for the year ended 31 December 2024 mentioned above were entered into and executed in accordance with the pricing principles pertaining thereto.

Save as disclosed above, no connected party transactions or continuing connected party transactions set out in the notes to the financial statements fell under the definition of discloseable connected transactions or continuing connected transactions under the Hong Kong Listing Rules. As for the aforementioned connected transactions and continuing connected transactions, the Company has complied with the disclosure requirements set out in the Hong Kong Listing Rules from time to time.

XVIII. REDUCTION IN COMPETITION IN THE SAME INDUSTRY

In May 2014, China Coal Group issued a letter of undertaking which undertook that: "Within 7 years from the date of the Letter of Undertaking on Further Avoiding Horizontal Competition with China Coal Energy Company Limited, China Coal Group will inject its competing equity interests in Resources Development Company, Huayu Company and Heilongjiang Coal Chemical Group into China Coal Energy, subject to the procedures for meetings of the Board of Directors or Shareholders' general meetings of China Coal Energy fulfilled under applicable laws and regulations and the Articles of Association." The matter above was disclosed after consideration at the fourth meeting of the second session of the Board of the Company in 2014 held on 13 May 2014. For details, please refer to the relevant announcements of the Company published on the websites of SSE, HKSE and the Company on 14 February and 13 May 2014 respectively.

Since the relevant assets and equity interests do not temporarily satisfy the conditions for injection into the Group or could no longer be injected into the Group, the above undertaking could not be performed and completed as expected. In March 2021, China Coal Group issued the Request to Change the Due Undertaking to Avoid Horizontal Competition and proposed to change and delay the performance of the above undertaking. In view of the actual situation, the contents of the undertaking is changed as "China Coal Group will, by 11 May 2028, transfer to China Coal Energy equity interests held by it in Resources Development Company and Huayu Company whose businesses involve horizontal competition with China Coal Energy, upon satisfying the statutory conditions for injection into China Coal Energy and subject to the procedures of the board of directors or the shareholders' general meeting of China Coal Energy under the applicable laws and regulations and the Articles of Association of China Coal Energy." Apart from such change, China Coal Group will continue to comply with the agreements under the Non-competition Agreement to avoid potential horizontal competition with the Company. Such issue has been considered and passed in 2021 first meeting of the Board of the Company, and has been considered and approved in 2020 annual general meeting. For details, please refer to the announcement of the Company published on the websites of SSE, HKSE and the Company on 24 March and 11 May 2021.

XIX. ISSUES, DIFFICULTIES AND RISKS ARISING FROM THE OPERATION OF THE GROUP AND RELEVANT STRATEGIES AND MEASURES

(1) Risks of Fluctuation in Macro Economy

At present, the international political and economic landscape remains complex and challenging, with structural contradictions in the domestic economy compounded by cyclical factors. In the face of the increasing external instability and uncertainty, as well as more adverse impacts arising from the current changes in the external environment, China's economic operation continues to face numerous difficulties and challenges. In 2025, the domestic economy is expected to remain in a period of adjustment, with uncertainty in the growth rate. As macro policies are implemented at an accelerated pace, the domestic economy is expected to resume growth. However, many uncertainties linger, which may exert some impacts on the Group's production and operation. The Group will adhere to the general principle of pursuing progress while ensuring stability, focus on the theme of high-quality development, and steadfastly implement the development concept of "efficiency enhancement and incremental transformation". The Group will further strengthen management, deepen reforms, enhance innovation, optimize structure and prevent risks. The Group will also promote the development of "two combinations", continue to strengthen core functions and improve core competitiveness, to ensure high-quality completion of the goals and tasks set in the "14th Five-Year" Plan.

(2) Risks of Fluctuation in Product Prices

In 2025, uncertainty in the macroeconomic environment is expected to increase. Compounded by the impact of rising coal production capacity, increased coal imports, growing coal stockpiles, and higher volumes of new energy substitution, along with changes in regional, energy, and industrial consumption structures driving fluctuations in coal production, supply, and demand, it is expected that fluctuation in coal market prices will remain high. The coal chemical industry continues to experience volatility, and demand recovery falls below expectations. Under the dual carbon goals, the role of coal-fired power is shifting from a primary power source to a supporting and regulating one at an accelerated pace, with profit margins narrowing. The Group will continue to improve its coal trade model, optimize the overall structure of logistics system and establish an integrated logistics system combining highways, railways, and waterways. The Group will enhance market analysis, flexibly adjust marketing strategies, continuously optimise the market and customer structure, improve its ability to resist market risks. We will accelerate the marketing integration of coal, coal chemical and electricity products, promote the digital transformation of marketing and the construction of intelligent logistics system, and build a marketing system with China Coal characteristics.

(3) Risks of Safe Production

Due to the inherent characteristics of the industry, the Group's affiliated coal mining, coal chemical, and other enterprises are in high-risk industries in terms of safety. Among them, enterprises in the coal sector have potential hazards such as mine gas, water damage, rock burst, fire, roof and lifting transportation, with high risks and great difficulty in safety management. Coal chemical enterprises engage in new-type coal chemical, synthetic ammonia, polymerization and other hazardous processes. The Group will continuously improve the safety management system, effectively prevent, control and rectify major safety risks, take pre-emptive measures against major hazards, and continue to strengthen the dual-prevention mechanism. The Group will ensure strict responsibility implementation, regularly organize emergency drills, continue to increase safety investment and strengthen safety infrastructure. The Group will promote the construction of intelligent, standardised, safe and efficient mines, strengthen safety education and quality and improve its intrinsic safety level.

(4) Ecological and Environmental Risks

Amid the current stringent environmental protection landscape, national and local efforts in ecological and environmental inspections, rectification, administrative penalties, and accountability are becoming increasingly rigorous. As the Group's affiliated coal mining, coal chemical and power enterprises generate pollutant emissions during the production process, they are regarded as key sectors under environmental supervision. The Group will adhere to goal-oriented, problem-oriented, and result-oriented approaches, pursue a green, low-carbon, and environmentally friendly development path, and align with and achieve the "carbon peaking and carbon neutrality" goals. The Group will attach importance to improving ecological and environmental risk prevention and control, increase environmental investment, and accelerate the construction of key environmental protection projects such as air, solid waste, wastewater and ecology, the restoration and treatment of the ecological environment and develop new industries according to local conditions. The Group will continuously intensify pollution prevention and ecological governance, promote carbon reduction, pollution control, green expansion and economic growth in a coordinated manner, and fulfil the Group's political, principal and social responsibilities for ecological and environmental protection.

(5) Risks of Project Investment

Investment projects are affected by national economic development policies, energy supply and demand, and other factors. Market fluctuations may pose risks related to changes in project design plans, total investment, expected returns, and product prices, and may even impact the construction progress and investment returns of projects. The Group will strive to strengthen the preliminary project work by actively planning for project declaration, expediting relevant approval procedures, and orderly facilitating the feasibility study and special demonstration review of the project. Rational investment scale and pace can be ensured by strictly controlling investment cost and ensuring safety of capital investment. It will also strengthen the compliance review of the conditions for project commencement and pay close attention to the management of project construction progress, the cost, the quality, the safety management, so as to effectively prevent project investment risks.

(6) Risks of Rising Costs

The underground geological conditions of coal mines are complex and changeable with high mining difficulties and costs. Coupled with the increase in coal mining resource costs, environmental costs, safety costs, mine conversion costs, transportation costs and commodity prices, the cost pressure of coal enterprises have increased to a certain extent. The Group will uphold the principle of "all costs are controllable", strive to reduce expenditures and keep the unit cost of key products within standard cost and budget. The Group will continue to promote standard cost management, enhance the comparative analysis of actual cost and standard cost, improve performance assessment and appraisal and resolutely reduce unreasonable cost items. By actively promoting breakthroughs on key core technology, adopting new technologies, new working processes and new equipment, optimising production layout, improving production efficiency, and reducing material procurement costs and unit consumption level, the Company may gain new advantages in cost competition continuously.

(7) Risks of Foreign Exchange Rate

The export sales of the Company are generally settled in US dollars. Meanwhile, the Company needs foreign currencies, mainly US dollars, to pay for imported equipment and spare parts. The fluctuations in the exchange rate of a foreign currency against RMB have both favourable and unfavourable influences on the operating results of the Company. The Company will enhance the effort to research and judge the trend of the global exchange market, effectively control and prevent the risks of foreign exchange rate by using various financial instruments.

XX. SIGNIFICANT EVENTS

(1) Share Capital Structure

As of 31 December 2024, the structure of the share capital of the Company was as follows:

Unit: Share(s)

Type of Shares	Number of Shares	Percentage (%)
A Shares	9,152,000,400	69.03
Of which: A Shares held by China Coal Group	7,611,207,908	57.41
H Shares	4,106,663,000	30.97
Of which: H Shares held by China Coal Hong Kong Limited, a wholly-owned subsidiary of China Coal Group	132,351,000	1.00
Total	13,258,663,400	100.00
Of which: Shares held by China Coal Group and parties acting in concert with it	7,743,558,908	58.40

Note: Percentage figures are rounded to two decimal places. Minor discrepancies may result from rounding.

(2) Distribution of Final Dividends and Special Dividend for 2023 and Interim Dividend for 2024

Upon consideration and approval by the Company's 2023 annual general meeting, cash dividends of RMB5,860,214,700 were distributed to the Shareholders, representing 30% of the net profit attributable to the equity holders of the listed company which was RMB19,534,049,000 as set out in the consolidated financial statements for the year ended 31 December 2023 prepared in accordance with PRC GAAP. Based on the total issued share capital of 13,258,663,400 Shares of the Company, RMB0.442 (inclusive of tax) per Share was distributed; special dividend of RMB1.5 billion was distributed to reward the Shareholders, which represented a dividend of RMB0.113 (inclusive of tax) per Share based on the total issued share capital of 13,258,663,400 Shares of the Company; upon authorization by the general meeting of the Company and consideration and approval by the Board, cash dividends of RMB2,936,337,600 were distributed to the Shareholders, representing 30% of the net profit attributable to the equity holders of the listed company which was RMB9,787,792,000 as set out in the consolidated financial statements for the six months ended 30 June 2024 prepared in accordance with PRC GAAP. Based on the total issued share capital of 13,258,663,400 Shares of the Company, RMB0.221 (inclusive of tax) per Share was distributed.

These dividends had been distributed to all Shareholders during the reporting period.

(3) Transaction of Assets

During the reporting period, no material transaction of assets was made by the Group.

Directors' Report

XXI. MATERIAL LEGAL PROCEEDINGS

For the year ended 31 December 2024, the Group was not involved in any other material litigation or arbitration which constitutes a material impact of the Group's production and operation and financial position.

XXII. AUDITORS

On 28 June 2024, the annual general meeting of the Company for 2023 approved the engagement of Ernst &Young Hua Ming LLP and Ernst & Young as the auditors for interim financial report review, annual financial report audit and internal control audit of financial report of the Company under PRC GAAP and IFRS for 2024. Save for disclosed above, the Company has not changed its auditors in the past three years.

XXIII. TAXATION

The Company, according to the applicable tax laws and regulations, withheld and paid the relevant taxes for foreign non-resident enterprises or resident individual Shareholders when distributing the final dividends and special dividends for 2023 and interim dividends for 2024.

XXIV. RESERVE

Details of changes in the reserves of the Group during the year are set out in the notes to the consolidated financial statements and the consolidated statement of changes in equity respectively.

As at 31 December 2024, reserves available for distribution by the Group in accordance with the relevant laws and regulations of the PRC were RMB35.007 billion.

XXV. PENSION AND OTHER STAFF COST

The details of pension and other staff costs of the Group are set out in the notes to the financial statements.

XXVI. FINANCIAL SUMMARY

The summary of the Group's financial information for the last five financial years was extracted from the audited financial statements. The summary does not form part of the audited financial statements.

XXVII. PERMITTED INDEMNITY PROVISION

The Company has purchased liability insurance for its Directors, Supervisors and senior management. The insurance was effective in the fiscal year ended 31 December 2024 and remains effective as at the date of this Report. For details, please refer to the Corporate Governance Report in this report.

XXVIII. MANAGEMENT CONTRACT

The Company neither concluded nor had any contract for overall management and administration or the management and administration of any important business within the reporting period.

XXIX. SUBSEQUENT EVENTS

On 11 March 2025, the Company publicly issued a technology innovation corporate bond of RMB2.8 billion to professional investors, among which, the maturity period of Type 1 "25 China Coal K1" is 5 years, with an issuance size of RMB1.5 billion and at an interest rate of 2.33%; the maturity period of Type 2 "25 China Coal K2" is 15 years, with an issuance size of RMB1.3 billion and at an interest rate of 2.60%. For details, please refer to the relevant announcements issued by the Company on SSE and HKSE.

China Coal Energy Company Limited
Chairman, Executive Director
Wang Shudong

Beijing, China
21 March 2025

As at the date of this directors' report, the Company's executive Directors are Wang Shudong, Liao Huajun and Zhao Rongzhe; the non-executive Director of the Company is Xu Qian; and the independent non-executive Directors are Jing Fengru, Zhan Yanjing and James Kong Tin Wong.

Supervisory Committee's Report

During the reporting period, the Supervisory Committee of the Company discharged their powers, duties and obligations with the utmost conscientiousness and lawfully exercised their supervisory functions in strict compliance with laws and regulations and the Rules of Procedures of the Supervisory Committee. By conducting supervision over the major decision-making, financial reports, connected transactions of the Company and the duties performed by the Directors and senior management of the Company through organising and convening meetings of the Supervisory Committee and attending Shareholders' general meetings and Board meetings, the Supervisory Committee therefore completed its work well in 2024.

I. DETAILS OF MEETINGS OF THE SUPERVISORY COMMITTEE

Session of meeting	Date of meeting	Newspaper for information disclosure of the resolution
First meeting for 2024 of the fifth session of the Supervisory Committee	20 March 2024	China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
Second meeting for 2024 of the fifth session of the Supervisory Committee	24 April 2024	–
Third meeting for 2024 of the fifth session of the Supervisory Committee	12 June 2024	China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
Fourth meeting for 2024 of the fifth session of the Supervisory Committee	23 August 2024	China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
Fifth meeting for 2024 of the fifth session of the Supervisory Committee	23 October 2024	–

During the reporting period, the Supervisory Committee convened five on-site meetings, at which resolutions in relation to the Company's 2023 annual report and financial report, the quarterly reports and interim report for 2024, connected transactions and the resolution on the implementation of special dividends to reward shareholders were considered and approved.

II. OPINIONS OF THE SUPERVISORY COMMITTEE IN RESPECT OF THE WORK OF THE COMPANY

In 2024, the Company firmly grasped the theme of high-quality development. It steadily and orderly promoted various operation and development tasks, and made steady progress in business management, so it achieved fruitful results in transformation and development and breakthroughs in scientific and technological innovation. It also controlled governance risks and made them under control. Thus, the core competitiveness of the Company has been further enhanced. The Supervisory Committee recognizes various works of the Company.

III. INDEPENDENT OPINIONS GIVEN BY THE SUPERVISORY COMMITTEE IN RESPECT OF THE FOLLOWING ISSUES OF THE COMPANY

(1) Operation of the Company in Accordance with the Laws

During the reporting period, the Supervisory Committee supervised, examined and assessed the financial affairs of the Company and the duties performed by the Directors and senior management of the Company. The Supervisory Committee is of the opinion that the Company was able to operate in strict compliance with the laws and regulations of the PRC, and that the decision-making procedures were valid and within the boundaries of laws. The Company conscientiously implemented the resolutions of Shareholders' general meetings and Board meetings, continued to improve its internal control system and strengthened its risk prevention capabilities. The Directors and senior management of the Company duly performed their duties and the Supervisory Committee has not discovered any acts in violation of the laws, regulations, the Articles of Association or acts that were detrimental to the benefits of the Company.

(2) Financial Affairs of the Company

During the reporting period, after carefully reviewing the quarterly financial reports, interim financial report and annual financial report and other matters of the Company, the Supervisory Committee considers that the auditor's report with standard unqualified opinions provided by an accounting firm appointed by the Company represented a true, objective and fair description of the financial conditions, operating results and cash flow of the Company without any false representations, misleading statements or material omissions.

(3) Acquisition or Disposal of Assets by the Company

During the reporting period, the Company had no material acquisition or disposal of assets.

(4) Connected Transactions of the Company

During the reporting period, the Supervisory Committee carefully considered the increase of Registered Capital of Finance Company and the adjustments of the Company's 2024-2026 annual caps of certain continuing connected transactions. The Supervisory Committee considers that the connected transactions of the Company were conducted by strictly adhering to the principles of equality, fairness, openness and complying with the requirements of relevant laws and regulations and the connected transactions management system of the Company, and its disclosure of information was standardised and transparent. The Supervisory Committee did not identify any acts that were detrimental to the benefits of the Company.

(5) Review of Assessment Report on Internal Control and ESG Report

During the reporting period, the Supervisory Committee duly reviewed the 2023 Assessment Report on Internal Control and ESG Report of the Company. The Supervisory Committee is of the opinion that these two reports present an objective and true picture of the internal control and environment, social responsibility, and corporate governance of the Company. The Supervisory Committee has no dissenting opinion on the abovementioned two reports.

(6) Review of Continuous Risk Assessment Report on Finance Company

During the reporting period, the Supervisory Committee duly reviewed Continuous Risk Assessment Report on the Finance Company for 2023 and Half Year of 2024. The Supervisory Committee is of the opinion that the report is factual and the Supervisory Committee has no dissenting opinion on the abovementioned report.

(7) Dividend Distribution of the Company

During the reporting period, after it has carefully considered and reviewed the proposed profit distribution plan for 2023, the special dividends to reward shareholders, the 2024 interim dividend plan and other matters, the Supervisory Committee considers that the above matters are in compliance with the relevant regulatory guidelines, and the Company fully considered its actual operation and future development plans, meet the needs of sustainable development of the Company and in the interests of the Company and all Shareholders.

(8) Implementation of Resolutions of Shareholders' General Meetings of the Company

During the reporting period, the Supervisory Committee has conducted supervision over the Board's implementation of the resolutions passed at the Shareholders' general meeting, and is of the opinion that the Board has duly performed its duties, strengthened scientific decision-making as well as actively and consistently implemented the relevant resolutions of the Shareholders' general meeting and hence has promoted the scientific and healthy development of the Company.

In 2025, the Supervisory Committee will continue to fulfill its supervisory duties faithfully and diligently in strict compliance with the Company Law, the Articles of Association of the Company and relevant provisions, and strive to fulfill its work with an aim to protect the interests of the Company and its Shareholders.

The Supervisory Committee of
China Coal Energy Company Limited
21 March 2025

Corporate Governance Report

During the reporting period, the Group continued to strive for standardised operations, perfect the Company's corporate governance systems, improve its comprehensive risk management and internal control continuously as well as enhance management efficiency and corporate governance.

I. OVERVIEW OF CORPORATE GOVERNANCE

In accordance with the provisions of relevant laws and regulations including the Company Law and the Securities Law, the Company has formulated a series of rules and regulations such as Articles of Associations, Rules of Procedures of Shareholders' General Meetings, Work Regulations of the Central Committee of the Communist Party of China, Rules of Procedures of the Board of Directors, Rules of Procedures of the Supervisory Committee and Rules of Procedures of the Management Team, and also established a corporate governance structure comprising the Shareholders' general meeting, Central Committee of the Communist Party, the Board, the Supervisory Committee and the management team, so as to establish a check-and-balance and coordinating mechanism with clear delineation of rights and responsibilities and standardised operation among the executive, leader of the Central Committee, decision-making and supervisory bodies and the management team. During the reporting period, the corporate governance of the Company basically complies with the requirements of relevant regulations of the CSRC.

In order to prevent the leakage of inside information, safeguard the principle of fair information disclosure and prevent the risk of insider trading, inside information insiders were registered and filed in accordance with the Insider Registration and Management Methods of the Company. In 2024, no insider purchased and sold the Company's Shares was found by using the inside information.

The Board has reviewed the documents regarding corporate governance adopted by the Company, and believes that such documents have met the relevant code provisions as set out under the Corporate Governance Code in Appendix C1 of the Hong Kong Listing Rules. For the year ended 31 December 2024, the Company strictly complied with the aforementioned code provisions.

II. SUBSTANTIAL INTERESTS AND SHORT POSITIONS OF THE COMPANY HELD BY SUBSTANTIAL SHAREHOLDERS

Details are set out in Shareholdings of Substantial Shareholders under the Directors' Report in this report.

III. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Hong Kong Listing Rules. Upon making specific enquiries, the Company confirmed that all Directors and Supervisors had fully complied with the Model Code throughout the year of 2024.

IV. INTRODUCTION TO SHAREHOLDERS' GENERAL MEETING

In order to ensure that all Shareholders enjoy equal status and effectively exercise their own rights, the Company convenes Shareholders' general meetings every year in accordance with the Articles of Association. Pursuant to the Articles of Association, an extraordinary general meeting shall be convened within two months upon request in writing by Shareholders holding independently or jointly 10% or above of the outstanding shares of the Company conferring a right to vote. The relevant documents must state the objective of the meeting and be served to all Shareholders. The Shareholders may raise enquiries to the Board and may raise their opinions at the Shareholders' general meeting. The contact information of the Company is set out in "Company Profile" in this report.

Session of meeting	Date of meeting	Website for disclosure of the resolution
2023 annual general meeting	28 June 2024	The websites of the SSE, the HKSE and the Company
2024 first extraordinary general meeting	23 August 2024	The websites of the SSE, the HKSE and the Company

Particulars of Shareholders' General Meeting:

A total of nine resolutions were considered at the 2023 Annual General Meeting: the resolution in relation to the report of the Board of the Company for the year 2023; the resolution in relation to the report of the Supervisory Committee of the Company for the year 2023; the resolution in relation to the financial statements of the Company for the year 2023; the resolution in relation to the profit distribution proposal of the Company for the year 2023; the resolution in relation to the implementation of special dividends to reward shareholders; the resolution in relation to the proposal of Shareholders' general meetings to authorise the Board to formulate and implement the 2024 interim dividend plan; the resolution in relation to the capital expenditure budget of the Company for the year 2024; the resolution in relation to the appointment of the accounting firm for 2024 interim financial report review and annual financial report audit; the resolution in relation to the emoluments of the Directors and the Supervisors of the Company for the year of 2024.

One resolution was considered at the 2024 first extraordinary general meeting: the resolution in relation to the election of independent non-executive Directors.

V. PERFORMANCE OF DUTIES BY DIRECTORS

Under the Articles of Association, the Board has the following principal responsibilities: to determine the Company's operational plans and investment plans; to formulate the Company's annual financial budgets and final accounts plans; to work out the Company's profit distribution plans and plans to offset losses; to decide the structure of the Company's internal management organ; to appoint or remove the Company's president, chief financial officer or the secretary to the Board and to appoint or remove the Company's vice president in accordance with the nomination of the president; and to discharge other functions assigned by the Shareholders' general meeting and the Articles of Association.

The Board is responsible for supervising the preparation of financial statements for every financial period to ensure that the financial statements give a true and fair view of the financial position, results and cash flow performance of the Company during the period. When preparing the financial statements for the year ended 31 December 2024, the Board selected applicable accounting policies, made prudent, fair and reasonable judgments and estimations and prepared the financial statements on an ongoing basis. The statement of responsibilities of the international auditors is set out in the independent auditor's report of this report. All Directors are entitled to seek further information from the management for matters discussed at the meeting of the Board. To help Directors to perform their duties, the Directors may seek for external independent and professional opinions when necessary at the expense of the Company.

The Directors of the Company proactively participated in continuing professional training to develop and update with the latest knowledge and skills. During the reporting period, the Company invited domestic and foreign legal advisors and accountants to make explanations on domestic and foreign listing regulatory rules and accounting standards, while providing all Directors with the amendments and important regulatory trends of domestic and foreign laws and regulations, responsibilities of Directors and respective typical examples, to ensure they can contribute to the Board in an appropriate and well-informed manner. In addition, Mr. Wang Shudong participated in four professional trainings on "Governance Practice of Listed Companies" organised by the Listed Companies Association of Beijing during the reporting period. Mr. Liao Huajun participated in four special business trainings on "New Nine Guidelines" and "N+1" policy framework" organised by the Listed Companies Association of Beijing. Mr. Zhao Rongzhe participated in four professional trainings on "Credibility Building" organised by the Listed Companies Association of Beijing. Mr. Xu Qian participated in ten professional trainings on "Mergers and Acquisitions" organised by the Listed Companies Association of Beijing. Mr. Jing Fengru participated in four professional trainings on "Guidelines on Investigating Criminal Financial Misconduct" organised by the Listed Companies Association of Beijing. Ms. Zhan Yanjing participated in one platform training on independent Directors of listed companies organised by the Shanghai Stock Exchange and four professional trainings on "Governance Practice of Listed Companies" organised by the Listed Companies Association of Beijing. Mr. James Kong Tin Wong participated in one platform training on independent Directors of listed companies organised by the Shanghai Stock Exchange and four professional trainings on "Governance Practice of Listed Companies" organised by the Listed Companies Association of Beijing.

Apart from the working relationships in the Company, there was no financial, business, family relationship or other material relationship among the Directors, Supervisors and senior management of the Company.

Corporate Governance Report

(1) Attendance at Board Meeting and Shareholders' General Meeting

Name of director	Independent or not	Attendance in person/ Required attendance at Board meetings during the reporting period	Attendance at Board meetings by proxy	Absent at Board meetings	Absent at two Board meetings in a row	Attendance/ Number of general meetings required during the reporting period
Wang Shudong	No	6/7	1	0	No	2/2
Liao Huajun	No	7/7	0	0	No	2/2
Zhao Rongzhe	No	7/7	0	0	No	2/2
Xu Qian	No	7/7	0	0	No	1/2
Zhang Chengjie	Yes	4/5	1	0	No	1/2
Jing Fengru	Yes	7/7	0	0	No	1/2
Hung Lo Shan Lusan	Yes	5/5	0	0	No	1/2
Zhan Yanjing	Yes	2/2	0	0	No	0/0
James Kong Tin Wong	Yes	1/2	1	0	No	0/0

During the reporting period, the Company complied with all relevant code provisions in terms of the number of Board meetings held, procedures for convening Board meetings, minutes and records of Board meetings, rules of meetings and related matters. The attendance rate reflected that all Directors were diligent and responsible and were dedicated to promoting the interests of the Company and Shareholders as a whole.

Number of Board meetings held during the year	7
Including: Number of meetings held on-site	7
Number of meetings held by telecommunication	0
Number of meetings held on-site and by telecommunication	0

In 2024, the Board convened a total of seven meetings, at which all the resolutions were passed after consideration. Details of the meetings are as follows:

1. The first meeting of 2024 for the fifth session of the Board convened on 20 March 2024. It mainly considered the resolution in relation to the Annual Report for 2023 of the Company, the resolution in relation to the Directors' Report for 2023 of the Company, the resolution in relation to the Financial Report for 2023 of the Company, the resolution in relation to the Proposed Profit Distribution Plan for 2023 of the Company, the resolution in relation to the Production, Operation and Financial Plan for 2024 of the Company, the resolution in relation to the Continuous Risk Assessment Report for 2023 of Finance Company, the resolution in relation to the increase of the registered capital of Finance Company, the resolution in relation to the Amendments to Measures for Financing Guarantees of the Company, the resolution in relation to the Amendments to Management Measures of External Donation of the Company, the resolution on the Capital Expenditure Budget for 2024 of the Company, the resolution in relation to the emoluments of the Directors and the Supervisors of the Company for the year of 2024, the resolutions in relation to the Assessment Report Regarding Internal Control for 2023 of the Company, the resolution in relation to the Environmental, Social and Governance (ESG) Report for 2023 of the Company, the resolution on the Amendments to the Work Rules of Independent Non-Executive Directors of the Company, and the resolution on the formulation of the Work Rules of Special Meetings of Independent Non-executive Directors of the Company. The report in regard to the execution of Board resolutions for 2023 of the Company, the report regarding the self-evaluation on Independence by Independent Non-Executive Directors, the report on the performance of duties by the Directors Audit and Risk Management Committee for 2023 and the report regarding the performance of duties by the accounting firm for 2023 were heard at the meeting.

2. The second meeting of 2024 for the fifth session of the Board convened on 24 April 2024. It mainly considered the resolution in relation to the First Quarterly Report for 2024 of the Company, the resolution in relation to the"Action Plan to Improve Quality and Efficiency and Focus on Returns" of the Company, the resolution in relation to the appointment of an accounting firm for the review of interim financial report and audit of annual financial report for 2024 of the Company and the resolution in relation to the convening of 2023 annual general meeting. The reports in regard to the Company's overall situation of audit, the audit of major units and key construction projects in 2024, key audit arrangement for 2024 of the Company, and the reports in regard to the Company's completion status of safety, health, environmental protection and energy conservation work in 2023 and work arrangements for 2024 were heard at the meeting.

3. The third meeting of 2024 for the fifth session of the Board convened on 12 June 2024. It mainly considered the resolution concerning the implementation of special dividend for rewarding shareholders, the proposal to the shareholders' general meeting to authorize the Board to formulate and implement the interim dividend distribution proposal for 2024.

4. The fourth meeting of 2024 for the fifth session of the Board convened on 24 July 2024. It mainly considered the resolution of the election of independent non-executive Director of the Company and the resolution in relation to the first extraordinary general meeting for 2024 of the Company.

5. The fifth meeting of 2024 for the fifth session of the Board convened on 23 August 2024. It mainly considered the resolution the Interim Report for 2024 of the Company, the resolution in relation to the adjustment of the annual caps of certain continuing connected transactions from 2024 to 2026 of the Company, the resolution in relation to the continuous risk assessment report on China Coal Finance Co., Ltd. for the half year of 2024, the resolution of interim profit distribution plan for 2024 of the Company, the resolution of the annual performance targets for senior management for 2024 of the Company, the resolution of the Interim Assessment Report on the "Action Plan to Improve Quality and Efficiency and Focus on Returns" for 2024 of the Company, and the resolution of the Amendments to the Measures for Administration of Investment of the Company.

6. The sixth meeting of 2024 for the fifth session of the Board convened on 23 August 2024. It considered the resolution in relation to the composition of special committees of the Board of the Company.

7. The seventh meeting of 2024 for the fifth session of the Board convened on 23 October 2024. It considered the resolution in relation to the Third Quarterly Report for 2024 of the Company. The report in regard to the material risk control for 2024 of the Company was heard at the meeting.

(2) Performance of Duties by Independent Non-executive Directors

There are currently three independent non-executive Directors in the Board, accounting for not less than one third of the total number of Directors. The Work Rules of Independent Non-Executive Directors of the Company clearly defines the employment requirements, independence, nomination, election and replacement criteria, and the duties and obligations of independent non-executive Directors. In addition to the duties empowered by the Company Law, Hong Kong Listing Rules, SSE Listing Rules and other relevant laws and regulations to the independent non-executive Directors to review material connected transactions, the Company also empowers the independent non-executive Directors with the duty to propose to appoint or remove accounting firms to the Board and other duties.

The Board listens to the debriefing report of independent non-executive Directors every year. During the reporting period, the independent non-executive Directors of the Company strictly complied with all relevant laws and regulations including the Company Law, Guidance on Establishing Independent Directors System in Listed Companies, Provisions on Strengthening the Protection of the Rights and Interests of Public Shareholders as well as the rules and requirements under the Articles of Association, the Work Rules of Independent Non-Executive Directors and the Annual Report Work Rules of Independent Non-Executive Directors. Independent non-executive Directors performed their duties independently and attended relevant meetings in 2024, investigated thoroughly in the Company's subsidiaries, seriously took part in the decision-making of the Company's significant matters, expressed independent opinions on relevant matters of the Company, and provided constructive advice and recommendations regarding the corporate governance, reform development and production and operation of the Company. During the course of performance of duties, independent non-executive Directors upheld the legal rights of Shareholders, especially the minority Shareholders independently and objectively, fully exploiting the functions of independent non-executive Directors, while ensured that the Board could obtain independent views and opinions for enhancing its work efficiency.

For the attendance of independent non-executive Directors at Board meetings and Shareholders' general meetings, please refer to sections related to the attendance at Board meetings and Shareholders' general meetings of the Company.

The Company has received annual confirmation letter from all independent non-executive Directors on their independence pursuant to Rule 3.13 of the Hong Kong Listing Rules. As of the date of this report, the Company considers all independent non-executive Directors to be independent as defined under the Hong Kong Listing Rules.

(3) Implementation of Resolutions Passed at the Shareholders' General Meetings by the Board in 2024 are as follows:

No.	Session of Shareholders' General Meeting	Subject Matter	Status
1	2023 Annual General Meeting of China Coal Energy	1. To approve the Director's Report of the Company for 2023; 2. To approve the Supervisory Committee's Report of the Company for 2023; 3. To approve the Annual Financial Report of the Company for 2023; 4. To approve the Profit Distribution Plan for 2023 of the Company; 5. To approve the Capital Expenditure Budget for 2024 of the Company; 6. To approve the appointment of Ernst & Young Hua Ming LLP and Ernst & Young as auditors of the Company to review the interim financial report and to audit the annual financial report for the year of 2024 in accordance with PRC GAAP and IFRS, respectively; 7. To approve the resolution on the remuneration of Directors and Supervisors of the Company for 2024; 8. To approve the implementation of special dividends for rewarding shareholders with an amount of RMB1.5 billion in cash, based on the Company's total issued share capital of 13,258,663,400 Shares, representing a dividend of RMB0.113 per Share (tax inclusive). The above profit distribution is subject to the requirements set out in the Articles of Association and the implementation by the Board; 9. To approve, on the premise that the normal operations and long-term development of the Company are not affected, the Board of Directors is authorised to formulate and implement interim cash dividend distribution proposal for 2024 in accordance with the resolutions of the Shareholders' General Meeting and subject to profit distribution conditions.	1. In August 2024, the final dividends and special dividends for 2023 were distributed to holders of A Shares and H Shares of the Company respectively. 2. Ernst & Young Hua Ming LLP and Ernst & Young were appointed as accounting firms of the Company to review the interim financial report, audit the annual financial report and audit the internal control of financial report for the year of 2024 in accordance with PRC GAAP and IFRS respectively. 3. In October 2024, the interim dividends for 2024 were distributed to holders of A Shares and H Shares of the Company, respectively.

No.	Session of Shareholders' General Meeting	Subject Matter	Status
2	2024 First Extraordinary General Meeting of China Coal Energy	1. To approve Zhan Yanjing and James Kong Tin Wong as Independent Non-executive Directors of the fifth session of the Board of the Company.	1. Zhan Yanjing and James Kong Tin Wong were appointed as Independent Non-executive Directors of the fifth session of the Board of the Company.

VI. PERFORMANCE OF DUTIES OF THE COMMITTEES UNDER THE BOARD DURING THE REPORTING PERIOD

As of 31 December 2024, there are five special committees under the Board, details of which are set forth below:

	Fifth Session	
Special Committees	**Chairman**	**Members**
Strategic planning committee	Wang Shudong	Liao Huajun, Zhao Rongzhe, Xu Qian, Jing Fengru, Zhan Yanjing, James Kong Tin Wong
Nomination committee	James Kong Tin Wong	Wang Shudong, Zhan Yanjing
Safety, health and environmental protection committee	Jing Fengru	Zhao Rongzhe, James Kong Tin Wong
Audit and risk management committee	Zhan Yanjing	Xu Qian, Jing Fengru, James Kong Tin Wong
Remuneration committee	Jing Fengru	Liao Huajun, Zhan Yanjing

(1) Strategic Planning Committee

The strategic planning committee comprises three executive Directors, one non-executive Director and three independent non-executive Directors. The Work Manual of the Strategic Planning Committee clearly defines the status, composition, terms of reference, decision-making procedures as well as rules of procedure of the strategic planning committee. The strategic planning committee is mainly responsible for conducting studies regarding the Company's long-term development strategy, material investments, financing, capital operation plans, capital expenditure and providing recommendations to the Board, and is entitled to examine the implementation of the aforesaid matters. The responsibilities of the strategic planning committee comply with the relevant requirements of the Listing Rules. The strategic planning committee is accountable to the Board.

In 2024, the strategic planning committee held two meetings, at which the resolutions in relation to the Company's 2023 Annual Report, the Director's Report for 2023, the 2024 Capital Expenditure Budget of the Company, and the resolution of the Amendments to the Measures for Administration of Investment of the Company. All the resolutions were approved. All the members attended the meetings in person.

(2) Nomination Committee

The nomination committee comprises one executive Director and two independent non-executive Directors. The Work Manual of the Nomination Committee of the Board clearly defines the status, composition, terms of reference, decision-making procedures as well as rules of procedure of the nomination committee. It particularly requires that the chairman of the nomination committee is to be elected from the independent non-executive Directors. The major responsibilities of the nomination committee are to conduct studies regarding the election criterion and procedures for the Directors and senior management of the Company, review the candidates for the Directors and senior management and give recommendations to the Board, and assess the independence of the independent non-executive Directors. The responsibilities of nomination committee comply with the relevant requirements of the Hong Kong Listing Rules. The nomination committee is accountable to the Board.

Pursuant to the relevant provisions of the Corporate Governance Code set out in Appendix C1 of the Hong Kong Listing Rules, the nomination committee developed the diversity policies of the Board, including:

1. When recommending director candidates to the Board or examining the size and composition of the Board, the nomination committee should thoroughly consider and evaluate the diversity of the members of the Board, as well as objectively determine the potential contribution to be made by the candidates to the Group, thus allowing the Board to be diversified in views and perspectives when performing its duties, composing the best combination of Board members that suits the operational features of the Group and enhancing the efficiency and performance of the Board.

2. A diversified composition of the Board will be based on a series of factors on diversification, including but not limited to age, gender, cultural background, education background, professional qualifications, experience, skills level and knowledge as well as other qualities. The nomination committee should determine the parameters of the diversity factors to be adopted according to the specific needs of the business development and strategic planning of the Company at different times and stages, as well as formulate measurable targets for realising diversity of the members of the Board based on those factors and the latest requirements of Hong Kong Listing Rules on the composition of the Board, including, among other things, the appointment of at least one female Director and at least three independent non-executive Directors (including that at least one independent non-executive Director shall possess appropriate accounting or relevant financial management expertise), review the progress of attaining the targets and give recommendations (if needed) to the Board for improvement.

In 2024, the nomination committee held one meeting, at which it considered the resolution regarding the election of the independent non-executive Directors of the Company. The resolution was approved and all the members of the nomination committee attended the meetings in person.

The measurable targets for the diversity of the Board of the Company have been attained. As of the date of this report, the Board of the Company comprises three executive Directors, one non-executive Director and three independent non-executive Directors (of which, one is a female Director). All Directors have diversified age structure, education and culture background and occupation experience, and possess extensive professional knowledge and management experience in fields such as energy industry, corporate management, accounting and financial management. The existing diversified composition of the Board injects different views and facilitates the performance of the Board.

(3) Safety, Health and Environmental Protection Committee

The safety, health and environmental protection committee comprises one executive Director and two independent non-executive Directors. The Work Manual of the Safety, Health and Environmental Protection Committee clearly defines the status, composition, terms of reference, decision-making procedures as well as rules of procedure of the safety, health and environmental protection committee. The safety, health and environmental protection committee is mainly responsible for the implementation of the Company's safety, health and environmental protection plans, supervision of the potential responsibilities, changes of laws and regulations and technological transformation related to safety, health and environmental protection issues. The safety, health and environmental protection committee is accountable to the Board.

In 2024, the safety, health and environmental protection committee held two meetings, at which resolutions including the 2023 annual report, the directors' report for 2023 and the 2023 environmental, social and governance (ESG) report of the Company were considered, and the reports in relation to the completion status in 2023 and work arrangements for 2024 of safety, health, environmental protection and energy conservation work of the Company were heard. All the resolutions were approved. All the members of the safety, health and environmental protection committee attended the meeting in person.

(4) Audit and Risk Management Committee

The audit and risk management committee comprises three independent non-executive Directors and one non-executive Director. The Work Manual of the Audit and Risk Management Committee of the Board clearly defines the status, composition, terms of reference, decision-making procedures as well as rules of procedure of the audit and risk management committee. The audit and risk management committee is mainly responsible for supervising the truthfulness and completeness of the Company's financial report, as well as the effectiveness of the Company's internal control and risk management system; engaging accounting firm and supervising its work; supervising and inspecting the financial management, risk management and internal control of the Company; reviewing the Company's annual and interim reports and profit announcements, the significant accounting policies and practices adopted in the preparation of financial reports; and establishing a procedure for handling complaints regarding accounting and audit matters, potential illegal acts and doubtful accounting or audit matters. The responsibilities of the audit and risk management committee comply with the relevant requirements of the Listing Rules. The audit and risk management committee is accountable to the Board.

In 2024, the audit and risk management committee held a total of six meetings, at which the resolutions such as the Company's 2023 annual report, financial report, the profit distribution budget and internal control report were considered, and the audit opinions on the Company's financial report for 2023, the inspection on external guarantees, connected transactions and other matters, the implementation of the resolutions of the Board for 2023, the self-examination and assessment on the independence of independent non-executive Directors, the performance of duties by the audit and risk management committee for 2023, and the performance of supervisory duties by the audit and risk management committee over the accounting firms for 2023, the performance of duties by the accounting firms for 2023, and the reports on the audit plan of the Company for 2024 were heard. All the resolutions were approved at respective meetings and all the members of the audit and risk management committee attended all meetings in person.

(5) Remuneration Committee

The remuneration committee comprises two independent non-executive Directors and one executive Director. The Work Manual of the Remuneration Committee clearly defines the status, composition, terms of reference, decision-making procedures as well as rules of procedure of the remuneration committee. The major responsibilities of the remuneration committee are to submit remuneration policies for the Directors and the senior management of the Company to the Board, propose to the Board the remuneration of the Directors and the senior management, and assess the performance of the senior management. The responsibilities of the remuneration committee comply with the relevant requirements of the Listing Rules. The remuneration committee is accountable to the Board.

In 2024, the remuneration committee held three meetings, at which the resolutions in relation to the remunerations of the Directors and Supervisors of the Company for 2024, operational performance assessment indicators for senior management for 2024, as well as remuneration payment plan for senior management for 2023 and annual base salary plan for senior management for 2024 were considered. All the resolutions were approved and all the members of the remuneration committee attended the meetings in person.

VII. CORPORATE GOVERNANCE FUNCTION OF THE BOARD

The Board is responsible for performing the following corporate governance functions: to formulate and review the Company's corporate governance policies and practices; to review and monitor the training and continuous professional development of the Directors and senior management of the Company as well as the Company's policies and practices in legal compliance and regulatory requirements; to formulate, review and monitor the Code of Conduct and Compliance Manual (if any) for employees and the Directors; to review the Company's compliance with the Corporate Governance Code and disclosures made in the Corporate Governance Report; to formulate and review regularly the Shareholders' communications policies to ensure their effectiveness.

During the reporting period, the Board reviewed a series of corporate governance documents and monitored the implementation of these documents from time to time; reviewed and keenly organised training and continuous professional development for the Directors and senior management; reviewed and monitored the Company to identify any violation of laws and regulatory requirements; approved the Company's Corporate Governance Report for 2023 and authorised the disclosure of the same on the HKSE Website and the Company Website; and formulated, reviewed and monitored Shareholders communication policies to ensure their effectiveness.

VIII. THE COMPOSITION OF THE COMPANY'S MANAGEMENT AND ITS RESPONSIBILITIES

The Company's management team comprises president, vice presidents, Chief Financial Officer and other senior management personnel. The management of the Company, leading by the president, are responsible for the specific matters in relation to the ordinary operation of the Company. The management also makes operational decisions and implements thereafter, reviews on a regular basis and offers feedback in a timely manner in order to ensure the arrangements in relation to the operation and management meet the requirement of the Company.

IX. THE CHAIRMAN AND THE PRESIDENT

In 2024, the Company's chairman was Mr. Wang Shudong. Mr. Zhao Rongzhe, a Director of the Company, performed the duty of the president. The responsibilities between the chairman and the president are clearly defined: the main duties and powers of the chairman include presiding over general meetings and convening and presiding over board meetings; checking the implementation of resolutions of Board meetings; signing securities certificates issued by the Company; signing important documents of the Board and other documents that shall be signed by legal representative of the Company; exercising the functions and powers of the legal representative, etc. The president shall be accountable to the Board, and main duties and powers of the president include in charge of the Company's production, operation and management, and organising the implementation of the resolutions of the Board; organising the implementation of the Company's annual operating plans and investment schemes; drafting plans for the establishment of the Company's internal management structure; establishing the Company's basic management system; formulating basic rules and regulations for the Company; proposing the appointment or dismissal of the Company's vice presidents; appointing or dismissing management officers other than those required to be appointed or dismissed by the Board, etc. Besides the Directors and Supervisors, other senior management members of the Company are responsible for the Company's daily operations. Duties of such persons are set out in the section headed "Directors, Supervisors, Senior Management and Employees" in this report.

X. INSURANCE ARRANGEMENT

Pursuant to Provision C.1.8 under the Corporate Governance Code set out in Appendix C1 of the Hong Kong Listing Rules, the Company should purchase appropriate insurance to cover potential legal actions against its Directors. The Company has renewed its liability insurance purchased for its Directors, Supervisors and senior management.

XI. REMUNERATION OF AUDITORS

In 2024, the Group's international auditor was Ernst & Young, and the domestic auditor was Ernst & Young Hua Ming LLP. The audit fees for the Company's 2024 financial report were RMB10.30 million, of which the audit fees for internal control amounted to RMB900,000. Furthermore, Ernst & Young Hua Ming LLP also provided the Company with other special audit and consulting non-audit services, the fees of which were RMB200,000 and RMB11.8585 million respectively.

XII. SUPERVISORS AND SUPERVISORY COMMITTEE

The Supervisory Committee comprises three Supervisors, including two Shareholder Representative Supervisors and one employee representative Supervisor. The Supervisory Committee is accountable to the Shareholders' general meeting and reports its work to the general meeting. With a view to protecting the interests of the Company and its Shareholders, all members of the Supervisory Committee discharged their powers, duties and obligations with the utmost conscientiousness and lawfully exercised their supervisory functions in strict compliance with the requirements of the Rules of Procedures of the Supervisory Committee.

The principal duties of the Supervisory Committee are to supervise, inspect and assess the Company's operation in accordance with the laws, the financial conditions of the Company and whether the Directors and Senior Management of the Company have performed their duties lawfully.

The Supervisory Committee held five meetings during the reporting period, and all Supervisors were present.

Attendance details of the meetings of the Supervisory Committee are as follows:

Supervisor	Attendance in person	Attendance by proxy
Wang Wenzhang	5	0
Zhang Qiaoqiao	4	1
Zhang Feng	5	0

XIII. ESTABLISHMENT AND IMPLEMENTATION OF ANCILLARY MECHANISMS

(1) Management of Connected Transactions

The Company strictly adheres to the provisions of the Listing Rules of the stock exchanges where the Company's shares are listed, Self-Regulatory Supervision Guidelines for Companies Listed on Shanghai Stock Exchange No. 5 – Transactions and Related Party Transactions, Management Measures on Connected Transactions and the Detailed Rules for the Implementation of the Management Measures for Connected Transactions of the Company to manage and regulate various connected transactions. In the ordinary course of business of the Company, the Company carries out reasonable and necessary connected transactions within the relevant caps and subject to the applicable approval of the Board and Shareholders' general meeting of the Company. The consideration of connected transactions is determined in accordance with the pricing principles stipulated in the framework agreement, therefore is fair and reasonable and in the interest of the Shareholders as a whole.

The Company remained committed to its connected transaction budget management, monthly monitoring, cap alert and regular discussion mechanisms to reinforce the management foundation through the strengthening of compliance training, in-depth research and study, dynamic management and the regular update of connected party lists. With the help of electronic statistic software, the Company controlled the actual monthly amounts of connected transactions, analysed and studied problems of related enterprises identified in the course of management of connected transactions to instruct and urge related enterprises to eliminate hidden problems, thus ensuring that the continuing connected transactions do not exceed the annual caps. The Company further implemented an internal mechanism for reporting important information, and dynamically monitored and controlled the non-continuing connected transactions, to ensure that the approval and disclosure procedures of the non-continuing connected transactions were conducted in a timely manner.

By adopting various effective measures, such as strengthening the implementation of systems for management of connected transactions and solidifying the foundation for management of connected transactions, the Company further improved its standards for management and control of connected transactions and ensured the compliance of various connected transactions with the laws and regulations and regulatory requirements during the reporting period.

(2) Establishment of Internal Control System and Internal Control Audit

1. Statement of the Board

In accordance with the regulations of enterprise internal control regulated systems and the relevant requirements under the Corporate Governance Code of the HKSE, the Board is responsible for the risk management and internal control systems of the Company and its subordinate enterprises and reviewing their effectiveness. These risk management and internal control systems are designed to manage rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company has effective procedures in relation to financial reporting and compliance with the requirements of the Hong Kong Listing Rules.

2. Development of the Risk Management and Internal Control Systems of the Company

(1) *The risk management and internal control systems of the Company*

The Company has established a standardised and sound corporate governance and control structure in accordance with modern corporate systems, aiming to achieve coordinated operation and standardised management. The structure clearly defines the terms of reference, employment requirements, rules of procedures and work procedures of decision-making level, management level and executive level, and ensures the separation of decision-making, execution and supervision as well as maintains its effective check and balance, ensuring scientific decision-making and the effectiveness of implementation. The Company has established risk management and internal control systems in the headquarter and subordinate enterprises with scientific decision-making, efficient execution and effective supervision based on institutional building, with an aim to achieve decision-making based on scientific methods, efficient execution and effective supervision and focusing on the main direction of "Target, Risk and Control". Subject to the Articles of Association, the Company will continue to improve rules and regulations such as Rules of Procedures of the Board of Directors, Rules of Procedures of the Audit and Risk Management Committee, Measures for the Administration of Comprehensive Risk Management and Internal Control, Internal Control Management Handbook, Internal Control Evaluation Handbook, and Workflow Handbook. The Company has promoted the effective operation of its risk management and internal control systems through establishing an effective organisational function system for risk management and internal control, which provides reasonable assurance for the Company to achieve strategic goals and sustainable development.

(2) *The composition of the Company's risk management and internal control systems*

The Company's risk management and internal control systems have "Three Lines of Defense", which is comprised of the responsible body of risk management, the functional body of risk management and the supervision and evaluation body of risk management. The "Three Lines of Defense" are neither established alone nor could be replaced by the others. They complement and strengthen each other and are designated to correct deviation, as well as prevent and control risks.

The First Line of Defense: all departments of the Company at headquarter and their subordinate enterprises are not only responsible for the risk management, but they are also the bearers of specific risks in charge of the risk management of each business line. It is strictly required that each system and regulation formulated by the Company should be carried on as well as the risk evaluation should be reviewed on a regular basis so to recognize the risks each department take under. Risk resolutions shall be set when necessary.

The Second Line of Defense: Department of Legal Affairs and Compliance, the functional body of risk management, is mainly responsible for the core management and organization of the material risks and the coordination and planning, formulating the risk management systems and procedures of the Company, and supervising their implementation. It is also responsible for instructing, coordinating and evaluating the effectiveness of the risk management and internal control systems under the First Line of Defense.

The Third Line of Defense: the audit department is the body responsible for risk management monitoring and evaluation. It is responsible for supervising, examining and evaluating the financial management, risk management and internal control of the Company, reviewing the risk assessment and management policies of the Company, assessing the nature and extent of the risks that the Company is willing to take in achieving its strategic objectives, and ensuring that the Company establishes effective risk management and internal control systems.

The “Three Lines of Defense” work together and establish an error correction mechanism to effectively control deviation and risks, thus laying a solid foundation for risk management and improving operating efficiency. In addition, the Board and its audit and risk management committee are responsible for identifying, analysing, monitoring and managing material risks as well as the overall management and supervision of the “Three Lines of Defense” and their effective operation, pushing forward the implementation and improvement of the Company’s risk management and internal control.

(3) Procedures of the Company for identifying, assessing and managing material risks

The Company has set up procedures to identify, assess and manage material risks, and its operation is based on assessment basis, assessment dimension, risk rating and dispersion.

Firstly, the Company grades risks from aspects of assessment basis, assessment dimension, risk rating and dispersion.

In respect of assessment basis: risks will be graded by reference to the risks currently controlled by the Company (without taking into account the risks that may be controlled by the Company in the future).

In respect of assessment dimension: each risk will be graded according to the possibility of their occurrence and their impacts. The possibility represents the probability that a risk may occur, the impact represents the economic, operating, reputation and other losses that the risk may incur, and both adopt five-mark systems. Value at risk = probability × impacts, and as a result, value at risks ranges from 1-25 and the higher the value at risk, the greater the risks.

In respect of risk rating: risks are classified into three levels, namely high, medium and low, in accordance with risk assessment standard based on the value at risk calculated.

In respect of dispersion: dispersion represents the extent that a group of figures deviate from the average number, and the smaller the dispersion, the more consistent the assessment results to that risk.

(4) Procedures and internal control measures for handling and dissemination of insider information

The Company has established special insider information management systems such as the Registration System for Persons with Insider Information, Internal Reporting System for Material Information and Information Disclosure Management System. The systems above set out the procedures and internal control measures for disseminating and issuing insider information, including: persons with insider information such as Directors, Supervisors, senior management, and persons in charge of each department, branches, subsidiaries and other related subsidiaries of the Company have the responsibility of reporting the insider information that they are informed of within their authorities to the secretary to the Board who shall report to the chairman and senior management of the Company in a timely manner after receiving such report. For insider information which requires the Board and Shareholders' general meetings to consider and approve or require the Company to fulfill its responsibility of information disclosure, the secretary to the Board shall propose to the Board and the Supervisory Committee to conduct corresponding procedures and disclose such information in accordance with relevant requirements to the public.

For accidental material insider information which the Company is informed of, the secretary to the Board is able to effectively communicate with Directors, Supervisors, senior management and persons in charge of each department, branches, subsidiaries and other related subsidiaries of the Company in an active and timely manner, ensuring that the Company will fulfill the insider information disclosure procedure in accordance with laws and regulations. Meanwhile, the Company has established a regular compliance meeting system to discuss whether issues related to insider information should be disclosed and review the effectiveness of insider information management on a monthly basis.

(5) Measures for responding to material internal control deficiency

Based on major objectives for the year and areas that may incur material business risks, in respect of the material risks assessed for the year, the Company has formulated plans for controlling the material risks, adopted detailed measures for controlling the risks, implemented the responsibilities for risk control of relevant departments and enterprises, and tracked the effectiveness of material risk control on a quarterly basis in combination with changes in the internal and external economic situation. As for the material risk or internal control deficiency that has been identified during the reporting period and the extent to which they have resulted in unforeseen outcomes or contingencies, the Company's responsible body of risk management shall report to the risk management functional department, the Board and its audit and risk management committee in a timely manner, and be responsible for identifying and analysing the material impacts that influence degree have had, could have had, or may in the future have on the Company's financial performance or conditions, and making risk management emergency plans in a timely manner. The risk management functional department and the Board will supervise the implementation of such emergency plans, analyse and assess the impact that such matter has on the Company again, and fully assess and analyse the feasibility of the emergency plans.

3. Evaluation of Risk Management and Internal Control Systems of the Company

The Board is responsible for evaluating the effectiveness of the risk management and internal control system of the Company. The Risk Management and Internal Control Management Department reports the evaluation results of the Company's risk management and internal control system, business flow and activities and the remediation action of internal control deficiency. The management makes assessment thereon, and reports the effectiveness of the design and implementation of the overall internal control system to the Audit and Risk Management Committee, and proposes countermeasures and improvement schemes for its disadvantages. The Audit Department and external auditor will report on internal control deficiency discovered in the course of their work. The Audit and Risk Committee holds at least two meetings every year to listen to the reports on the risk management and effectiveness of the internal control system of the Company, and reports to the Board thereon.

In 2024, the Board conducted two evaluations on the effectiveness of the internal risk management and internal control systems of the head office of the Company and its subsidiaries. The evaluations covered all key business areas, such as development strategy management, investment management, contract management, financial management, financing management, material procurement management, infrastructure project management, safety production management, sales management, property rights management, human resources management, quality and technology management in 2023 and the first three quarters of 2024, respectively. After evaluation, the Board considers that the operation for the risk management and internal control system of the Company is effective and is not aware of any material issue which may affect the operation, financial reporting and compliance management of the Company. The scope of evaluation covers the Company's accounting, internal audit and financial reporting functions, the resources, staff qualifications and experience regarding the Company's environment, society and corporate governance and reporting, as well as the training programs received by the staff and related budgets.

4. Internal Audit

According to the Identification Standards for Significant Defects of Risk Management and Internal Control of the Company, during the year ended 31 December 2024, there were no significant defects in the risk management and internal control of the Company, and the Board was of the view that the Company had maintained, in all material respects, effective internal control over financial reporting in accordance with the risk management and internal control and relevant financial reports and the requirements of the Listing Rules.

Ernst & Young Hua Ming LLP had audited the effectiveness of the Company's internal control in relation to financial reports and provided a report with standard unqualified opinions.

XIV. DIRECTORS AND AUDITORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors acknowledged their responsibility for the preparation of financial statements for each financial period to ensure such financial statements give a true and fair view of the condition of the Group and of the results and cash flows for such period. The Group deploys appropriate and sufficient resources to prepare financial statements. The senior management is required to report and make interpretation to the audit and risk management committee and the Board on the financial reporting and matters that have or may have material impacts on the financial performance and operation of the Group, and make satisfying response on the inquiries and concerns that raised by the audit and risk management committee and the Board. The consolidated financial statements are prepared according to the IFRS and the disclosure requirements set out in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Independent Auditor's Report

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TO THE SHAREHOLDERS OF
CHINA COAL ENERGY COMPANY LIMITED
(Established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of China Coal Energy Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 113 to 259, which comprise the consolidated statement of financial position as at 31 December 2024, and 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.

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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board ("IASB") 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 ("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") that are relevant to audits of the financial statements of public interest entities, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment on certain non-current assets in coal and other businesses	
As at 31 December 2024, the carrying amounts of the property, plant and equipment, intangible assets, land use rights and mining rights of the Group were RMB140.61 billion, RMB1.86 billion, RMB7.00 billion and RMB45.79 billion, respectively. Management performed impairment testing on the corresponding cash-generating units ("CGUs") to which these non-current assets with impairment indicators belonged. The recoverable amount of the CGUs was the higher of the fair value less costs of disposal of these CGUs and their value in use. Due to the materiality of amount of the non-current assets with impairment indicators and the complexity of the impairment tests involving critical judgements and estimation (including the sales volume, sales prices, future production costs and the discount rate, etc.), we identified impairment assessment on certain non-current assets as a key audit matter. The accounting policy, significant accounting judgements and estimates and disclosures about the amount of provision and the balances of non-current assets are included in notes 5, 6(a), 18, 20, 21 and 22 to the consolidated financial statements.	Our procedures in relation to impairment assessment on non-current assets included: • checking and performing tests on the effectiveness of key internal controls; • reviewing management's assessment on impairment indicators and the classification of CGUs, and checking whether management's impairment testing was in accordance with the requirements of the relevant accounting standards; • evaluating the competence, capabilities and objectivity of management's specialist; • analysing and reviewing the rationality and related supporting documents of critical judgements and estimation (including the sales prices and the discount rate, etc.) used in the impairment testing performed by management based on information in the same industry and the group's own circumstances; • with the assistance of our internal valuation specialists, evaluating the methodology and the discount rates used in the calculation of the recoverable amounts; • recalculating the recoverable amounts calculated by management to check the accuracy of the calculation; and • reviewing the disclosures of the relevant notes to the consolidated financial statements.

Independent Auditor's Report

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, 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 ISAs, we exercise professional judgement and maintain professional scepticism 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.

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 the Audit Committee 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 the Audit Committee, 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 Ng Siu Ki Ricky.

Ernst & Young
Certified Public Accountants

Hong Kong
21 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	Year Ended 31 December 2024 RMB'000	Year Ended 31 December 2023 RMB'000
Revenue	8	**189,398,754**	192,968,833
Cost of sales			
Materials used and goods traded		**(95,947,322)**	(96,353,836)
Staff costs		**(10,848,399)**	(10,462,496)
Depreciation and amortisation		**(9,908,385)**	(10,713,093)
Repairs and maintenance		**(2,934,939)**	(2,774,377)
Transportation costs and port expenses		**(12,346,791)**	(11,486,820)
Sales taxes and surcharges		**(7,491,203)**	(7,154,303)
Others		**(12,000,158)**	(12,440,912)
		(151,477,197)	(151,385,837)
Gross profit		**37,921,557**	41,582,996
Selling expenses		**(1,077,843)**	(1,049,523)
General and administrative expenses		**(6,936,982)**	(7,029,791)
Other income, other gains and losses, net	9	**418,677**	78,933
Impairment losses under expected credit loss model, net of reversal	11	**(172,525)**	(68,501)
Profit from operations		**30,152,884**	33,514,114
Finance income	10	**146,547**	104,991
Finance costs	10	**(2,534,892)**	(3,099,916)
Share of profits of associates and joint ventures		**2,551,945**	3,176,197
Profit before income tax		**30,316,484**	33,695,386
Income tax expense	15	**(6,591,857)**	(7,273,549)
Profit for the year		**23,724,627**	26,421,837

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Note	Year Ended 31 December 2024 RMB'000	Year Ended 31 December 2023 RMB'000
Profit for the year		**23,724,627**	26,421,837
Other comprehensive loss:			
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Share of other comprehensive loss of associates		**(353)**	(917)
Net loss on equity instruments at designated fair value through other comprehensive income		**(330,823)**	(483,783)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		**(331,176)**	(484,700)
Items that may be reclassified to profit or loss in subsequent periods (net of tax):			
Debt investments at fair value through other comprehensive income:			
Changes in fair value		**(2,547)**	12,264
Reclassified impairment loss included in the consolidated statement profit or loss		**2,016**	(6,679)
Exchange differences on translation of foreign operations		**(33,029)**	7,835
Net other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods		**(33,560)**	13,420
Other comprehensive loss for the year, net of tax		**(364,736)**	(471,280)
Total comprehensive income for the year		**23,359,891**	25,950,557
Profit for the year attributable to:			
Equity holders of the Company		**18,155,988**	20,183,598
Non-controlling interests		**5,568,639**	6,238,239
		23,724,627	26,421,837
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**17,792,005**	19,713,375
Non-controlling interests		**5,567,886**	6,237,182
		23,359,891	25,950,557
Basic and diluted earnings per share for the profit attributable to equity holders of the Company (RMB)	*17*	**1.37**	1.52

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	As at 31 December 2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	*18*	**140,613,121**	127,702,183
Investment properties		**61,229**	65,148
Right-of-use assets	*19*	**838,241**	746,675
Mining rights	*20*	**45,792,554**	47,209,528
Intangible assets	*21*	**1,862,194**	1,891,370
Land use rights	*22*	**6,999,562**	6,537,032
Goodwill		**6,084**	6,084
Investments in associates	*23(b)*	**27,113,744**	26,263,281
Investments in joint ventures	*23(c)*	**4,541,951**	4,539,186
Equity investments designated at fair value through other comprehensive income comprehensive income	*24*	**2,414,434**	2,866,145
Deferred tax assets	*38*	**2,764,995**	2,560,735
Long-term receivables	*25*	**242,808**	333,051
Other non-current assets	*26*	**11,478,015**	8,766,688
Total non-current assets		**244,728,932**	229,487,106
Current assets			
Inventories	*27*	**7,743,353**	8,734,988
Trade receivables and notes receivables	*28*	**8,492,302**	7,492,777
Debt instruments at fair value through other comprehensive income	*28*	**2,972,380**	3,309,821
Contract assets	*29*	**2,389,502**	2,336,249
Prepayments and other receivables	*30*	**7,114,877**	6,251,634
Restricted bank deposits	*31*	**10,548,876**	9,926,996
Term deposits with initial terms of over three months	*31*	**43,980,791**	50,032,871
Cash and cash equivalents	*31*	**29,823,483**	31,582,885
Total current assets		**113,065,564**	119,668,221
TOTAL ASSETS		**357,794,496**	349,155,327
Current liabilities			
Trade and notes payables	*32*	**27,040,702**	26,737,859
Contract liabilities	*33*	**3,408,804**	5,040,221
Other payables and accruals	*34*	**52,562,787**	42,635,896
Lease liabilities	*35*	**91,995**	107,106
Tax payable		**1,241,981**	1,625,550
Short-term borrowings	*36*	**1,115,460**	122,600
Current portion of long-term borrowings	*36*	**11,869,035**	16,482,683
Current portion of long-term bonds	*37*	**4,748,680**	5,325,108
Current portion of provision for close-down, restoration and environmental costs	*39*	**96,501**	80,942
Total current liabilities		**102,175,945**	98,157,965

Consolidated Statement of Financial Position

As at 31 December 2024

		As at 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
Non-current liabilities			
Long-term borrowings	*36*	**40,345,761**	42,774,978
Long-term bonds	*37*	**5,494,153**	7,993,019
Deferred tax liabilities	*38*	**4,443,628**	4,661,399
Lease liabilities	*35*	**727,732**	716,090
Provision		**49,715**	39,310
Provision for employee benefits		**113,677**	108,237
Provision for close-down, restoration and environmental costs	*39*	**6,772,823**	5,849,519
Deferred revenue	*40*	**959,022**	993,739
Other long-term liabilities	*41*	**4,683,341**	5,337,510
Total non-current liabilities		**63,589,852**	68,473,801
Total liabilities		**165,765,797**	166,631,766
Equity			
Share capital	*42*	**13,258,663**	13,258,663
Reserves	*43*	**52,207,282**	53,342,865
Retained earnings	*43*	**86,241,352**	77,280,846
Equity attributable to the equity holders of the Company		**151,707,297**	143,882,374
Non-controlling interests		**40,321,402**	38,641,187
Total equity		**192,028,699**	182,523,561
TOTAL EQUITY AND LIABILITIES		**357,794,496**	349,155,327

The consolidated financial statements on pages 113 to 259 were approved and authorised for issue by the Board of Directors on 21 March 2025 and are signed on its behalf by:

Wang Shudong	**Chai Qiaolin**	**Xu Ling**
Chairman of the Board	*Chief Financial Officer*	*Manager of Finance Department*
Executive Director		

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to the equity holders of the Company					
	Share capital *RMB'000*	Reserves *RMB'000*	Retained earnings *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2024	**13,258,663**	**53,342,865**	**77,280,846**	**143,882,374**	**38,641,187**	**182,523,561**
Profit for the year	**–**	**–**	**18,155,988**	**18,155,988**	**5,568,639**	**23,724,627**
Other comprehensive loss, net of tax	**–**	**(363,983)**	**–**	**(363,983)**	**(753)**	**(364,736)**
Total comprehensive income	**–**	**(363,983)**	**18,155,988**	**17,792,005**	**5,567,886**	**23,359,891**
Appropriations *(Note 43)*	**–**	**(1,095,688)**	**1,095,688**	**–**	**–**	**–**
Share of other change of reserve of associates and joint ventures	**–**	**(3,321)**	**4,424**	**1,103**	**–**	**1,103**
Contributions from and transactions within non-controlling interests *(Note 43)*	**–**	**269,034**	**–**	**269,034**	**969,426**	**1,238,460**
Dividend attributable to the equity holders of the Company *(Note 16)*	**–**	**–**	**(10,288,723)**	**(10,288,723)**	**–**	**(10,288,723)**
Dividends paid to non-controlling shareholders	**–**	**–**	**–**	**–**	**(4,502,390)**	**(4,502,390)**
Disposal of equity instruments at fair value through other comprehensive income	**–**	**6,871**	**(6,871)**	**–**	**–**	**–**
Acquisition of non-controlling interests	**–**	**71,111**	**–**	**71,111**	**(353,931)**	**(282,820)**
Transfer of exchange fluctuation reserve upon the deregistration of an overseas branch and others	**–**	**(19,607)**	**–**	**(19,607)**	**(776)**	**(20,383)**
At 31 December 2024	**13,258,663**	**52,207,282**	**86,241,352**	**151,707,297**	**40,321,402**	**192,028,699**

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to the equity holders of the Company					
	Share capital *RMB'000*	Reserves *RMB'000*	Retained earnings *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 31 December 2022 as previously reported	13,258,663	52,551,361	64,703,761	130,513,785	34,265,380	164,779,165
Effect of adoption of amendments to IAS 12	–	–	100,319	100,319	9,304	109,623
At 1 January 2023 (Restated)	13,258,663	52,551,361	64,804,080	130,614,104	34,274,684	164,888,788
Profit for the year	–	–	20,183,598	20,183,598	6,238,239	26,421,837
Other comprehensive loss, net of tax	–	(470,223)	–	(470,223)	(1,057)	(471,280)
Total comprehensive income	–	(470,223)	20,183,598	19,713,375	6,237,182	25,950,557
Appropriations *(Note 43)*	–	1,115,563	(1,115,563)	–	–	–
Share of other change of reserve of associates and joint ventures	–	193,847	(184,433)	9,414	–	9,414
Contributions from and transactions within non-controlling interests	–	(96,794)	(934,364)	(1,031,158)	1,274,960	243,802
Dividends	–	–	(5,475,828)	(5,475,828)	(2,555,181)	(8,031,009)
Disposal of subsidiaries	–	–	–	–	(590,458)	(590,458)
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	43,865	(43,865)	–	–	–
Others	–	5,246	47,221	52,467	–	52,467
At 31 December 2023	13,258,663	53,342,865	77,280,846	143,882,374	38,641,187	182,523,561

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
OPERATING ACTIVITIES			
Cash generated from operations	*45*	**41,107,030**	51,839,124
Income tax paid		**(6,967,096)**	(8,873,784)
Net cash generated from operating activities		**34,139,934**	42,965,340
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(17,141,784)**	(10,613,414)
Proceeds from disposals of property, plant and equipment		**53,943**	57,033
Payments for land use rights, mining rights and intangible assets		**(928,710)**	(6,961,502)
Dividends received		**1,702,835**	2,716,222
Loan repayments from the Parent Company (as defined in *Note 1*) and fellow subsidiaries		**910,425**	1,503,961
Loans granted to the Parent Company and fellow subsidiaries		**(4,056,719)**	(4,838,573)
Interest income on loans to the Parent Company and fellow subsidiaries		**235,920**	174,168
Interest received on term deposits		**1,124,094**	1,215,822
Placement of term deposits with initial terms of over three months		**6,052,080**	1,819,605
Purchases of equity instruments at fair value through other comprehensive income		**(1,000)**	–
Proceeds from disposals of equity investments designated at fair value through other comprehensive income		**281**	22,053
Disposal of subsidiaries		**–**	(152,633)
Net cash used in investing activities		**(12,048,635)**	(15,057,258)

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 *RMB'000*	2023 *RMB'000*
FINANCING ACTIVITIES		
New borrowings	**14,836,760**	21,638,862
Repayment of borrowings	**(20,720,205)**	(33,661,585)
Proceeds from issuance of long-term bonds	**2,000,000**	–
Contributions from non-controlling interests	**1,238,460**	243,802
Dividends paid to the Company's shareholders	**(10,288,723)**	(5,475,828)
Dividends paid to non-controlling interests	**(3,024,123)**	(4,369,515)
Acquisition of non-controlling interest of a subsidiary	**(282,820)**	–
Interest paid	**(2,397,269)**	(3,295,552)
Repayment of long-term bonds	**(5,000,000)**	(1,200,000)
Repayment of lease liabilities	**(233,162)**	(164,923)
Payment for bond issuance costs	**(5,000)**	(13,333)
Net cash used in financing activities	**(23,876,082)**	(26,298,072)
Net (decrease)/increase in cash and cash equivalents	**(1,784,783)**	1,610,010
Cash and cash equivalents, at beginning of the year	**31,582,885**	29,998,038
Effect of foreign exchange rate changes	**25,381**	(25,163)
Cash and cash equivalents at end of the year	**29,823,483**	31,582,885

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. GENERAL INFORMATION

China Coal Energy Company Limited (the "Company") was established in the People's Republic of China (the "PRC") on 22 August 2006 as a joint stock Company with limited liability under the Company Law of the PRC as a result of a group restructuring of China National Coal Group Corporation ("China Coal Group" or the "Parent Company") in preparing for the listing of the Company's shares on The Main Board of The Stock Exchange of Hong Kong Limited (the "Restructuring"). China Coal Group is a subordinate enterprise of State-owned Assets Supervision and Administration Commission established in China. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in mining and processing of coal, sales of coal and coal-chemical products, manufacture and sales of coal mining machinery and provision of finance services. The address of the Company's registered office is No. 1 Huangsidajie, Chaoyang District, Beijing, the PRC.

The H Shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since December 2006, while its A shares have been listed on the Shanghai Stock Exchange since February 2008.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for equity/debt investments designated at fair value through other comprehensive income. The consolidated financial statements are presented in in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000), except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised International Financial Reporting Standards ("IFRS Accounting Standards") for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and impact of the revised IFRS Accounting Standards that are applicable to the Group are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

4. ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

4. ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

4. ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* only apply to contracts that reference nature dependent electricity and clarify the application of the 'own-use' requirements for in-scope contracts. The amendments to IFRS 9 will now allow an entity designating a contract referencing nature-dependent electricity as the hedging instrument in a hedge of forecast electricity transactions, to designate a variable nominal amount of forecast electricity transactions as the hedged item. IFRS 7 has been amended to require disclosures relating to contracts that have been excluded from the scope of IFRS 9 as a result of the amendments. In such cases, an entity must disclose in a single note. The IFRS 7 disclosure amendments must be applied when the IFRS 9 amendments are applied. The clarifications regarding the 'own use' requirements must be applied retrospectively without using hindsight, but the guidance permits hedge accounting to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

5. MATERIAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the 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. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments as disclosed in Note 47, which have been measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, 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. Fair value for measurement and or disclosure purposes in the Group's consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases* ("IFRS 16"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets* ("IAS 36").

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1-inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; and

- Level 2-inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;

- Level 3-inputs are unobservable inputs for the asset or liability.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed 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 and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries which are presented separately from the Group's equity therein, represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

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 interests and 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 the non-controlling interests according to the Group's and the 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 IFRS Accounting Standards). 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* ("IFRS 9") 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.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Business combinations or asset acquisitions (continued)

Business combinations

Acquisitions of businesses, other than business combination under common control 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.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the International Accounting Standards Committee's Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting issued in September 2010).

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

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 *Share-based Payment* at the acquisition date;

- 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.

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 of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceed 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.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Business combinations or asset acquisitions (continued)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation is 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. Other types of non-controlling interests are measured at their fair value.

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

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.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups 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 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 that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit 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).

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Goodwill (continued)

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. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

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 over 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 joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require 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. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a 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. Changes in net assets of the associate or joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate and a joint venture exceeds the Group's interest in that associate or joint venture (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 that 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 the investment 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.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (continued)

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.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, 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 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 or 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 Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers

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 the customer.

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 the 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 Group performs; 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 good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (continued)

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The relevant interest expenses during the period between the advance payments were received and the transfer of the associated goods and services are accounted for on the same basis as other borrowing costs.

For contracts where the Group transferred the associated goods or services before payments from customers in which the Group adjusts for the promised amount of consideration for significant financing components, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The Group recognises interest income during the period between the payment from customers and the transfer of the associated goods or services.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Interest and rental income which are derived from the Group's ordinary course of business are presented as revenue.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

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 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.

The Group as a lessee

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.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of buildings, plant, machinery and equipment and motor vehicles, fixtures and others that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Group as a 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 measure 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 item on the consolidated statement of financial position except for upfront payments for leasehold lands in the PRC for own used properties which are presented as land use rights separately.

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.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are 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.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a 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 assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than that the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. 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.

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 Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests.

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 as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remains 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 borrowing costs are expensed in the period in which they are incurred.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the statement of profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Retirement benefit costs

Payments to state-managed retirement benefit schemes and a supplemental defined contribution pension plan approved by the government are recognised as an expense when employees have rendered service entitling them to the contributions. The Group has no further obligation for post-retirement benefits beyond the contributions made.

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.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/loss before tax because of income or expense that is 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 those 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 the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates and interests in 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 profits 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.

For the purposes 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.

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.

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.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment, which consist of buildings, mining structures, plant, machinery and equipment, railway structures and motor vehicles, fixtures and others, held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment (other than the construction in progress, which are subject to impairment assessment) less their residual values over their estimated useful lives. 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.

The directors reviewed the estimated useful lives of the assets annually based on the Group's historical experience with similar assets and taking into account anticipated technological changes.

Construction in progress intended to be used 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 and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic 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 in profit or loss.

Mining rights

Mining rights are stated at cost less accumulated amortisation and any accumulated impairment losses and are amortised based on the units of production method utilising only recoverable coal reserves as the depletion base.

Deferred stripping costs

In the mining of open-pit mines, stripping activities are necessary to remove rocks and soil above the coal body. Actual stripping costs incurred for each accounting period may vary based on the geological condition and the production plan. In the accounting for stripping costs, the portion of stripping costs that are incurred for the coal body to be mined in future years (those that will generate future economic benefits) is capitalised in property, plant and equipment, and is amortised to production cost in the period when the relevant coal ores are mined; and the rest of the stripping costs are recorded in production cost when incurred.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Provisions for close down, restoration and environmental costs

One consequence of coal mining is land subsidence caused by the resettlement of the land at the mining sites. Depending on the circumstances, the Group may relocate inhabitants from the mining sites prior to conducting mining activities or the Group may compensate the inhabitants for losses or damage from the close-down and land subsidence after the sites have been mined. The Group may also be required to make payments for restoration, rehabilitation or environmental protection of the land after the sites have been mined.

Close-down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Close-down and restoration costs are provided in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during mine development or during the production phase, based on the net present value of estimated future costs. The cost is capitalised where it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of close down. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision is included in borrowing costs.

Where there is a change in the expected decommissioning and restoration costs, an adjustment is recorded against the carrying value of the provision and related assets, and the effect is then recognised in profit or loss on a prospective basis over the remaining life of the operation. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are reviewed and revised at the end of each reporting period to reflect changes in conditions.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

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 profit or loss in the period in which the property is derecognised.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets

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.

Technical know-how is capitalised on the basis of the costs incurred to acquire and bring to use the technical know-how. These costs are amortised over the estimated useful life of 20 years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful lives of 5 years. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties measured using the cost model, mining rights, intangible assets with finite useful lives and land use rights 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 relevant 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, investment properties measured using the cost model, mining rights, intangible assets with finite useful lives and land use rights 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, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest 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.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of tangible and intangible assets other than goodwill (continued)

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 a 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 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 a 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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

5. MATERIAL ACCOUNTING POLICIES (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.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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.

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.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. 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 (“FVTPL”) 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.

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.

Financial assets 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.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

All other financial assets are subsequently measured at fair value through profit or loss, 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 is required to be measured at amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. 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.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Debt instruments/receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments/receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these debt instruments/receivables are recognised in other comprehensive income ("OCI") and accumulated under the heading of other reserves. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt instruments/receivables. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments/receivables had been measured at amortised cost. When these debt instruments/receivables are derecognised, the cumulative gains or losses previously recognised in OCI are reclassified to profit or loss.

(iii) 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 OCI and accumulated in the other reserves; and are 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 be transferred to retained earnings.

Dividends from 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" line item in profit or loss.

5. MATERIAL ACCOUNTING POLICIES (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 trade receivables, debt instruments at FVTOCI, entrusted loans, loans to the Parent Company and fellow subsidiaries, interest receivables, dividend receivables, amounts due from related parties/third parties, restricted bank deposits, term deposits and bank balances) and other items (lease receivables, contract assets and financial guarantee contracts), which are subject to impairment 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. Assessment 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 trade receivables, contract assets and lease receivables. The ECLs are on these assets are assessed individually or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been 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 increases in the likelihood or risk of a default occurring since initial recognition.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk 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.

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 and 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.

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.

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 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.

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.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(ii) 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 collateral held by the Group).

(iii) 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:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) 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;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) 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. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(v) 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 and 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.

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 lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, 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.

Where ECL is measured on a collective basis, the financial instruments are grouped on below basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- Internal credit ratings.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(v) Measurement and recognition of ECL (continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised 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 amount of income recognised over the guarantee period.

Except for investments in debt instruments/receivables that are measured at FVTOCI and financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial assets at amortised cost, contract assets and lease receivables by adjusting their carrying amount through a loss allowance account. For investments in debt instruments/receivables that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the other reserves without reducing the carrying amounts of these debt instruments/receivables. Such amount represents the changes in the other reserves in relation to accumulated loss allowance.

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 entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the other reserves is reclassified to 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 other reserves is not reclassified to profit or loss, but is transferred to retained earnings.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

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 equities 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.

Financial liabilities

All financial liabilities are subsequently measured at FVTPL or at amortised cost using the effective interest method. The Group's financial liabilities including borrowings, bonds, trade and notes payables, other payables, and other long-term liabilities are subsequently measured at amortised cost, using the effective interest rate method.

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 payment when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

i. the amount of the loss allowance determined in accordance with IFRS 9; and

ii. the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

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.

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 5, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical judgements in applying accounting policies

The following are the critical judgments, 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 in the consolidated financial statements:

Determination on lease term of contracts with renewal options

The Group applies judgment to determine the lease term for lease contracts in which it is a lessee that includes renewal option, specifically, the leases relating to land and buildings. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. The assessment of whether the Group is reasonably certain to exercise renewal options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised. Re-assessment is performed upon the occurrence of either a significant event or a significant change in circumstances that is within the control of lessee and that affects the assessment.

Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of coal and other business related non-current assets

As at 31 December 2024 the management of the Group conducted an impairment test on asset groups with signs of impairment as of December 31, 2024 In impairment testing, the recoverable amount of an asset group is determined based on the higher of the net amount after deducting disposal expenses from the fair value of the asset group or the present value of the expected future cash flows of the asset group.

Due to the complexity of long-term asset impairment assessment, which involves significant estimates and judgments, if future events do not match assumptions, the recoverable amount will need to be revised, which may have a significant impact on the Group's operating performance or financial condition.

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(b) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charges where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(c) Coal reserve estimates

Coal reserves are estimates of the amount of products that can be economically and legally extracted from the Group's coal mines. In order to calculate reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand and commodity prices.

Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore bodies or fields to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

Because the economic assumptions used to estimate coal reserves changes from time to time, and additional geological data is generated during the course of operations, estimates of coal reserves may change from time to time. Changes in reported reserves may affect the Group's results and financial position in a number of ways, including the following:

– Carrying values of assets may be affected due to changes in estimated future cash flows.

– Depreciation, depletion and amortisation recognised in profit or loss may change where such charges are determined by the units of production basis, or where the economic useful lives of assets changed.

– Decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.

– The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(d) Provision of ECL for trade receivables

Trade receivables for debtors in significant financial difficulty are assessed for ECL individually. In addition, the Group uses provision matrix to calculate ECL for the trade receivables by groupings of various debtors that have similar loss patterns based on internal credit ratings. The provision matrix is based on the Group's historical loss rates taking into consideration reasonable and supportable forward-looking information that is available without undue cost or effort. At every reporting date, the historical loss rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL on the Group's trade receivables is disclosed in Note 47.2.

(e) Income taxes

The Group is subject to income taxes in numerous jurisdictions. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will be reflected in the income tax and deferred tax provisions in the period in which such determination is made. In addition, the realisation of deferred tax assets is dependent on the Group's ability to generate sufficient taxable income in future years to utilise income tax benefits and the carryforward of income tax loss. Deviations of future profitability from estimates or in the income tax rate would result in adjustments to the value of income tax assets and liabilities that could have a significant effect on earnings.

(f) Provision for close-down, restoration and environmental costs

The provision for close-down, restoration and environmental costs is determined by management based on the past experience and best estimation of future expenditures, taking into account the existing relevant PRC regulations. However, in so far as the effect on the land and the environment from current mining activities becomes apparent in future years, the estimate of the associated costs may be subject to revision from time to time. As at 31 December 2024, the amount recognised as provision for Provision for close-down, restoration and environmental costs was RMB6,869,324,000 and disclosed in Note 39.

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(g) Deferred stripping costs

The accounting for stripping costs of open-pit mines is based on management's estimate of whether there are future benefits associated with the stripping activities incurred. The estimate may be influenced by changes of actual geological conditions, coal reserves and management's future production plans.

(h) Fair value measurement of financial instruments

As at 31 December 2024 certain of the Group's financial assets, being unquoted equity instruments amounting to RMB2,409,332,000 (2023: RMB2,861,220,000), were measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques.

Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair values of these instruments. See Note 47.3 for further disclosures.

7. SEGMENT INFORMATION

7.1 General information

(a) *Factors that management used to identify the Group's operating and reportable segments*

The chief operating decision maker ("CODM") has been identified as the Management Office (經營層).

The Group's operating and reportable segments are entities or groups of entities that offer different products and services. The following reportable segments are presented in a manner consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. These entities are managed according to the nature of products and services, production process and environment in which they operate. Most of these entities engage in just one single business under one operating segment, except for a few entities dealing with a variety of operations. Financial information of entities operating in more than one segment has been separately presented as discrete segment information for CODM's review.

(b) *Operating and reportable segments*

The Group's operating and reportable segments mainly include coal segment, coal chemical segment, coal mining equipment segment and finance segment.

- Coal – Production and sale of coal;
- Coal chemical – Production and sale of coal-chemical products;
- Coal mining equipment – Manufacturing and sale of coal mining equipment;
- Finance – Providing deposits-taking, loans, bills acceptance and discount and other financial services to entities within the Group and China Coal Group.

In addition, segments relating to electricity generation, aluminium, equipment trading agency services, tendering services and other insignificant manufacturing businesses which are not reported are combined and disclosed in the category of "Others" segment.

7.2 Information about profits or losses, assets and liabilities of operating and reportable segments

(a) *Measurement of profits or losses, assets and liabilities of operating and reportable segments*

The CODM evaluates performance on the basis of profit or loss before income tax expense. The Group accounts for inter-segment sales and transfers as if the sales or transfers were to the third parties, i.e. at current market prices. The amounts of segment information are denominated in RMB, which is consistent with the amounts in the reports used by the CODM.

Segment assets and liabilities are those operating assets and liabilities that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets and liabilities exclude deferred income tax assets, deferred income tax liabilities, taxes payable or tax advanced payment and assets and liabilities of the head office.

7. SEGMENT INFORMATION (CONTINUED)

7.2 Information about profits or losses, assets and liabilities of operating and reportable segments (continued)

(b) Operating and reportable segments' profit or loss, assets and liabilities

	Year ended and as at 31 December 2024								
	Coal	Coal chemical products	Coal mining machinery	Finance	Others	Total segment	Unallocated	Inter-segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue									
Total revenue	160,711,645	20,517,993	11,149,548	2,506,534	7,344,712	202,230,432	–	(12,831,678)	189,398,754
Inter-segment revenue	(7,950,563)	(1,112,123)	(2,092,891)	(502,001)	(1,174,100)	(12,831,678)	–	12,831,678	–
Revenue from external customers	152,761,082	19,405,870	9,056,657	2,004,533	6,170,612	189,398,754	–	–	189,398,754
Segment results									
Profit (loss) from operations	25,915,034	2,238,342	548,322	1,396,442	469,754	30,567,894	(434,747)	19,737	30,152,884
Profit (loss) before income tax	25,767,515	2,902,727	623,869	1,395,790	1,043,730	31,733,631	(1,380,550)	(36,597)	30,316,484
Interest income	389,671	64,038	57,219	–	163,306	674,234	304,141	(831,828)	146,547
Interest expense	(1,486,508)	(396,318)	(69,670)	–	(133,439)	(2,085,935)	(1,239,120)	775,493	(2,549,562)
Depreciation and amortisation	(6,633,980)	(2,927,248)	(340,542)	(2,165)	(509,985)	(10,413,920)	(17,659)	–	(10,431,579)
Share of profits of associates and joint ventures	955,677	997,117	88,679	–	510,472	2,551,945	–	–	2,551,945
Income tax expense	(5,726,644)	(336,728)	(62,940)	(354,130)	(129,922)	(6,610,364)	–	18,507	(6,591,857)
Other material non-cash items									
Provision for impairment of property, plant and equipment	(12,198)	–	–	–	–	(12,198)	–	–	(12,198)
(Provision for) reversal of impairment of other assets	(10,082)	(21)	(98,016)	(125,770)	(2,321)	(236,210)	4,529	57,302	(174,379)
Addition to non-current assets	17,775,220	4,027,701	430,914	1,876	1,805,428	24,041,139	394,711	–	24,435,850
Segment assets and liabilities									
Total assets	181,146,562	56,083,193	18,070,545	103,874,768	28,312,497	387,487,565	5,264,599	(34,957,668)	357,794,496
Including: Interests in associates and joint ventures	8,353,606	15,174,060	1,253,422	–	6,874,607	31,655,695	–	–	31,655,695
Total liabilities	74,716,618	18,311,294	9,639,135	90,811,745	13,247,282	206,726,074	51,810,075	(92,770,352)	165,765,797

7. SEGMENT INFORMATION (CONTINUED)

7.2 Information about profits or losses, assets and liabilities of operating and reportable segment (continued)

(b) Operating and reportable segments' profit or loss, assets and liabilities (continued)

	Year ended and as at 31 December 2023								
	Coal *RMB'000*	Coal chemical products *RMB'000*	Coal mining machinery *RMB'000*	Finance *RMB'000*	Others *RMB'000*	Total segment *RMB'000*	Unallocated *RMB'000*	Inter-segment elimination *RMB'000*	Total *RMB'000*
Segment revenue									
Total revenue	162,680,722	21,393,577	12,182,654	2,441,925	8,233,954	206,932,832	–	(13,963,999)	192,968,833
Inter-segment revenue	(9,294,508)	(1,050,084)	(2,019,732)	(483,113)	(1,116,562)	(13,963,999)	–	13,963,999	–
Revenue from external customers	153,386,214	20,343,493	10,162,922	1,958,812	7,117,392	192,968,833	–	–	192,968,833
Segment results									
Profit (loss) from operations	29,033,234	2,119,306	785,023	1,307,895	571,943	33,817,401	(406,846)	103,559	33,514,114
Profit (loss) before income tax	29,448,293	2,633,208	783,557	1,307,131	1,050,683	35,222,872	(1,442,036)	(85,450)	33,695,386
Interest income	373,517	63,696	35,789	–	97,064	570,066	514,363	(979,438)	104,991
Interest expense	(1,564,745)	(538,875)	(79,145)	–	(199,214)	(2,381,979)	(1,528,352)	845,521	(3,064,810)
Depreciation and amortisation	(7,353,785)	(2,975,577)	(393,175)	(1,678)	(497,550)	(11,221,765)	(17,818)	–	(11,239,583)
Share of profits of associates and joint ventures	1,638,642	989,856	43,408	–	504,291	3,176,197	–	–	3,176,197
Income tax expense	(6,438,113)	(308,569)	(108,571)	(335,434)	(108,496)	(7,299,183)	–	25,634	(7,273,549)
Other material non-cash items									
Provision for impairment of property, plant and equipment	(173,059)	–	–	–	(9,006)	(182,065)	–	–	(182,065)
(Provision for) reversal of impairment of other assets	(53,645)	(478)	(39,182)	(56,183)	69,543	(79,945)	(1,834)	12,453	(69,326)
Addition to non-current assets	19,791,727	2,075,070	301,661	2,616	133,403	22,304,477	29,854	–	22,334,331
Segment assets and liabilities									
Total assets	175,722,154	56,533,502	17,656,170	103,492,843	31,421,634	384,826,303	5,169,275	(40,840,251)	349,155,327
Including: interests in associates and joint ventures	8,401,220	14,694,494	1,166,743	–	6,540,010	30,802,467	–	–	30,802,467
Total liabilities	72,167,206	21,891,881	9,299,539	97,246,012	17,472,221	218,076,859	51,407,092	(102,852,185)	166,631,766

Note: The non-current assets above exclude financial instruments, interests in associates and joint ventures, deferred tax assets and finance lease receivables.

7. SEGMENT INFORMATION (CONTINUED)

7.3 Geographical information

Information about the Group's revenue from external customers is presented based on the geographical location of the customers' operations. Information about the Group's non-current assets are presented based on the geographical locations of the assets.

Analysis of revenue

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Domestic markets	**188,526,439**	190,834,157
Overseas markets	**872,315**	2,134,676
Total	**189,398,754**	192,968,833

Analysis of non-current assets

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Domestic markets	**239,300,982**	223,726,579
Overseas markets	**5,713**	596
Total	**239,306,695**	223,727,175

Note: The non-current assets above exclude financial instruments, deferred tax assets and finance lease receivables included in the long-term receivables.

7.4 Major customers

No revenue from transactions with a single external customer amounting to 10% or more of the Group's revenue for the years ended 31 December 2024 and 2023.

8. REVENUE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Goods and services	**187,116,645**	190,794,102
Rental income	**277,576**	215,919
Interest income	**2,004,533**	1,958,812
Total	**189,398,754**	192,968,833

(i) Disaggregation of revenue from contracts with customers

	Year ended 31 December 2024				
	Coal	Coal chemical products	Coal mining machinery	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Sale of goods recognised					
Sale of coal	152,184,060	–	–	–	152,184,060
Sale of coal-chemical products	–	19,322,481	–	–	19,322,481
Sale of mining machinery	–	–	8,882,460	–	8,882,460
Sale of electric power	–	–	–	4,307,054	4,307,054
Sale of aluminium products	–	–	–	966,057	966,057
Others	118,092	41,669	79,160	220,606	459,527
Subtotal	152,302,152	19,364,150	8,961,620	5,493,717	186,121,639
Provision of services recognised					
Agent services	41,749	–	29,949	286,585	358,283
Railway services	6,576	–	–	153,358	159,934
Others	173,617	35,787	37,387	229,998	476,789
Subtotal	221,942	35,787	67,336	669,941	995,006
Disaggregation of revenue from contracts with customers	152,524,094	19,399,937	9,028,956	6,163,658	187,116,645
Analysed by geographical market					
Domestic markets	151,818,596	19,399,219	8,864,425	6,163,658	186,245,898
Overseas markets	705,498	718	164,531	–	870,747
Total	152,524,094	19,399,937	9,028,956	6,163,658	187,116,645

8. REVENUE (CONTINUED)

(i) Disaggregation of revenue from contracts with customers (continued)

	Year ended 31 December 2023				
	Coal *RMB'000*	Coal-chemical products *RMB'000*	Mining machinery *RMB'000*	Others *RMB'000*	Total *RMB'000*
Sale of goods recognised					
Sale of coal	153,036,432	–	–	–	153,036,432
Sale of coal-chemical products	–	20,296,573	–	–	20,296,573
Sale of mining machinery	–	–	9,942,943	–	9,942,943
Sale of electric power	–	–	–	4,448,018	4,448,018
Sale of aluminium products	–	–	–	1,696,090	1,696,090
Others	70,221	1,318	46,704	116,964	235,207
Subtotal	153,106,653	20,297,891	9,989,647	6,261,072	189,655,263
Provision of services recognised					
Agent services	52,148	–	33,114	137,490	222,752
Railway services	9,777	–	–	266,383	276,160
Others	37,704	42,965	115,757	443,501	639,927
Subtotal	99,629	42,965	148,871	847,374	1,138,839
Disaggregation of revenue from contracts with customers	153,206,282	20,340,856	10,138,518	7,108,446	190,794,102
Analysed by geographical market					
Domestic markets	151,658,945	20,340,856	9,551,179	7,108,446	188,659,426
Overseas markets	1,547,337	–	587,339	–	2,134,676
Total	153,206,282	20,340,856	10,138,518	7,108,446	190,794,102

8. REVENUE (CONTINUED)

(i) Disaggregation of revenue from contracts with customers (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Year ended 31 December 2024			
	Segment revenue *RMB'000*	**Eliminations** *RMB'000*	**Less: rental and interest income** *RMB'000*	**Consolidated** *RMB'000*
Coal	**160,711,645**	**(7,950,563)**	**(236,988)**	**152,524,094**
Coal chemical products	**20,517,993**	**(1,112,123)**	**(5,933)**	**19,399,937**
Coal mining machinery	**11,149,548**	**(2,092,891)**	**(27,701)**	**9,028,956**
Finance	**2,506,534**	**(502,001)**	**(2,004,533)**	**–**
Others	**7,344,712**	**(1,174,100)**	**(6,954)**	**6,163,658**
Total	**202,230,432**	**(12,831,678)**	**(2,282,109)**	**187,116,645**

	Year ended 31 December 2023			
	Segment revenue *RMB'000*	Eliminations *RMB'000*	Less: rental and interest income *RMB'000*	Consolidated *RMB'000*
Coal	162,680,722	(9,294,508)	(179,932)	153,206,282
Coal chemical products	21,393,577	(1,050,084)	(2,637)	20,340,856
Coal mining machinery	12,182,654	(2,019,732)	(24,404)	10,138,518
Finance	2,441,925	(483,113)	(1,958,812)	–
Others	8,233,954	(1,116,562)	(8,946)	7,108,446
Total	206,932,832	(13,963,999)	(2,174,731)	190,794,102

(ii) Performance obligations for contracts with customers

Sale of coal (revenue recognised at a point in time)

The Group sells coal directly to the customers and revenue is recognised when the customers obtain control of goods transferred. The shipping method of coal products includes both land and water transport. In terms of land transport revenue is recognised when the customers received the coal. In terms of water transport, revenue is recognised when the coal is shipped out.

The considerations received from the customers before the delivery of goods are recognised as contract liabilities in the Group's consolidated financial statements. There is no significant financing component or right of return arrangement in sales contracts.

8. REVENUE (CONTINUED)

(ii) Performance obligations for contracts with customers (continued)

Sale of coal-chemical products (revenue recognised at a point in time)

The Group sells coal-chemical products directly to the customers, and revenue is recognised when the customers obtain control of goods transferred, i.e. when the customers receive the coal-chemical products.

The considerations received from the customers before the delivery of goods are recognised as contract liabilities in the Group's consolidated financial statements. There is no significant financing component or right of return arrangement in sales contracts.

Sale of mining machinery (revenue recognised at a point in time)

The Group sells mining machinery to the customers directly. The payment terms of the contracts include stage payments. The Group recognises the revenue when the mining machinery is delivered to the customers. There is no significant financing component or right of return arrangement in the sales contract.

9. OTHER INCOME, OTHER GAINS AND LOSSES, NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Impairment loss of:		
– Property, plant and equipment	**(12,198)**	(182,065)
– Prepayments	**(1,854)**	(825)
Gain (loss) on disposal of:		
– Property, plant and equipment	**8,550**	(18,614)
– Investments in subsidiaries	**–**	9,476
Government grants	**304,614**	318,261
Others	**119,565**	(47,300)
Total	**418,677**	78,933

10. FINANCE INCOME AND COSTS

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Finance income:		
– Interest income on bank deposits	**122,719**	81,861
– Interest income on entrusted loans	**23,828**	23,130
Total finance income	**146,547**	104,991
Interest expense:		
– Borrowings	**1,809,792**	2,253,826
– Long-term bonds	**434,134**	547,394
– Unwinding of discount	**393,383**	336,444
– Lease liabilities	**35,307**	18,406
Other incidental bank charges	**10,711**	9,943
Net foreign exchange (gains) losses	**(25,381)**	25,163
Finance costs	**2,657,946**	3,191,176
Less: amounts capitalised on qualifying assets *(Note)*	**(123,054)**	(91,260)
Total finance costs	**2,534,892**	3,099,916
Finance costs, net	**2,388,345**	2,994,925

Note:

Capitalisation rates of finance costs capitalised on qualifying assets were as follows:

	Year ended 31 December	
	2024	2023
Capitalisation rates used to determine the amount of finance costs eligible for capitalisation	**2.80%~3.85%**	3.42%-4.73%

11. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Impairment loss (recognised) reversed on:		
– Trade receivables	**(100,753)**	(80,200)
– Other receivables	**1,910**	65,248
– Contract assets	**(5,214)**	(7,009)
– Loans to the Parent Company and fellow subsidiaries	**(66,452)**	(53,339)
– Debt instruments at FVTOCI	**(2,016)**	6,679
– Other	**–**	120
	(172,525)	(68,501)

Details related to provisions of expected credit losses of financial assets are set out in Note 47.2.

12. EXPENSES BY NATURE

Expenses included in cost of sale, selling expenses and general and administrative expenses are analysed as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Depreciation *(Note (a))*	**8,606,726**	9,644,538
Amortisation *(Note (b))*	**1,824,853**	1,595,045
Materials used and goods traded	**96,236,554**	96,608,700
Transportation costs and port expenses	**12,346,791**	11,486,820
Sales tax and surcharges	**7,491,203**	7,154,303
Auditor's remuneration		
– Audit service	**10,500**	10,750
Repairs and maintenance	**3,008,204**	2,836,995
Lease expenses under recognition exemption *(Note (d))*	**133,015**	124,457
Employee benefit expense (including directors' emoluments) *(Note (c))*	**15,765,437**	15,419,582
Provision for impairment of inventories	**444,813**	94,705
Other expenses	**13,623,926**	14,489,256
Total cost of sales, selling expenses and general and administrative expenses	**159,492,022**	159,465,151

12. EXPENSES BY NATURE (CONTINUED)

Notes:

(a) Depreciation charged to profit or loss is analysed as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Depreciation for the year		
– Property, plant and equipment *(Note 18)*	**8,641,586**	9,671,128
– Investment properties	**3,946**	3,941
– Right-of-use assets *(Note 19)*	**108,505**	113,415
Less: Capitalised in inventories which remained unsold as at year end	**(45,546)**	(44,044)
Capitalised in construction in progress	**(101,765)**	(99,902)
Amount charged to profit or loss	**8,606,726**	9,644,538
Charged to:		
Expenses		
– Cost of sales	**8,215,437**	9,285,802
– Selling expenses and general and administrative expenses	**391,289**	358,736
	8,606,726	9,644,538

(b) Amortisation charged to profit or loss is analysed as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Amortisation for the year		
– Land use rights *(Note 22)*	**173,358**	174,290
– Mining rights *(Note 20)*	**1,417,333**	1,203,389
– Intangible assets *(Note 21)*	**140,204**	168,118
– Long-term deferred expenses included in other non-current assets	**96,973**	63,013
Less: Capitalised in construction in progress	**(3,015)**	(13,765)
Amount charged to profit or loss	**1,824,853**	1,595,045

(c) Staff costs (including directors' emoluments) charged to profit or loss are analysed as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Charged to:		
Cost of sales	**10,848,399**	10,462,496
Selling expenses and general and administrative expenses	**4,917,038**	4,957,086
	15,765,437	15,419,582

(d) The lease rentals mainly consist of expenses related to short-term leases for which the Group has applied the recognition exemption under IFRS 16 *Leases*.

(e) The research and development costs recognised as expenses are RMB801,048,000 (2023: RMB916,187,000) during the year.

13. EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Wages, salaries and allowances	**10,057,035**	10,320,571
Housing subsidies *(Note (a))*	**1,047,398**	937,169
Contributions to pension plans *(Note (b))*	**1,910,520**	1,709,714
Welfare and other expenses	**2,750,484**	2,452,128
	15,765,437	15,419,582

Notes:

(a) These mainly include the Group's contributions to government-sponsored housing funds in the PRC at rates ranging from 12% to 25% (2023: from 12% to 25%) of the employees' basic salaries.

(b) The Group participates in various pension plans organised by the relevant municipal and provincial governments in the PRC under which the Group is required to make monthly defined contributions to these plans at rates ranging from 5% to 20% (2023: from 5% to 20%) of the employees' basic salaries depending on the applicable local regulations. Effective from 1 January 2011, the Group also makes monthly defined contributions to a supplemental pension plan for the qualified employees.

(c) The Group did not have any forfeited contributions (by the Group on behalf of employees who leave the scheme prior to vesting fully in such contributions) for the year ended 31 December 2024 in respect of the Group's defined contribution schemes to be used by the Group to reduce the existing level of contributions.

13. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

Notes: (continued)

The five individuals whose emoluments were the highest in the Group during the year are as follows:

	Year ended 31 December	
	2024	2023
	No. of employees	No. of employees
Directors	**–**	–
Non-director individuals	**5**	5
	5	5

Details of emoluments paid to the non-director individuals are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Basic salaries, housing subsidies, other allowances and benefits-in-kind	**2,838**	2,639
Contributions to pension plans	**745**	565
Discretionary bonuses	**6,796**	4,745
	10,379	7,949

Discretionary bonuses are calculated based on the Group's or respective member's performance for such financial year.

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following band is as follows:

	Year ended 31 December	
	2024	2023
	No. of employees	No. of employees
Under HK$1,000,000	**–**	–
HK$1,000,001 to HK$1,500,000	**–**	–
HK$1,500,001 to HK$2,000,000	**–**	5
HK$2,000,001 to HK$2,500,000	**5**	–
	5	5

14. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(a) Directors', supervisors' and chief executive's emoluments

The emoluments of directors and supervisors for the year ended 31 December 2024 are set out below:

	2024 Emoluments paid or payable in respect of a person's service as a director or supervisor, whether of the Company or its subsidiary undertaking						
Name	Fees	Salary	Bonus	Housing allowance	Social benefits	Employer's contribution to benefits scheme	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman, executive director:							
Mr. WANG Shudong	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Executive directors:							
Mr. LIAO Huajun	–	–	–	–	–	–	–
Mr. ZHAO Rongzhe	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Non-executive director:							
Mr. XU Qian	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Independent non-executive directors:							
Mr. JING Fengru	–	90	–	–	–	–	90
Mrs. ZHAN Yanjing *(note i)*	–	30	–	–	–	–	30
Mr. HUANG Jiangtian *(note i)*	–	60	–	–	–	–	60
Mr. ZHANG Chengjie *(note ii)*	–	100	–	–	–	–	100
Mrs. XIONG Lushan *(note ii)*	–	200	–	–	–	–	200
Subtotal	–	480	–	–	–	–	480
Supervisors:							
Mr. WANG Wenzhang *(note iii)*	–	416	620	46	40	134	1,256
Mrs. ZHANG Qiaoqiao	–	438	541	50	44	152	1,225
Mr. ZHANG Feng	–	446	576	50	44	144	1,260
Subtotal	–	1,300	1,737	146	128	430	3,741
Total	–	1,780	1,737	146	128	430	4,221

14. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

(a) Directors', supervisors' and chief executive's emoluments (continued)

The emoluments of directors and supervisors for the year ended 31 December 2023 are set out below:

	2023 Emoluments paid or payable in respect of a person's service as a director or supervisor, whether of the Company or its subsidiary undertaking						
Name	Fees *RMB'000*	Salary *RMB'000*	Bonus *RMB'000*	Housing allowance *RMB'000*	Social benefits *RMB'000*	Employer's contribution to benefits scheme *RMB'000*	Total *RMB'000*
Chairman, executive director:							
Mr. WANG Shudong	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Executive directors:							
Mr. PENG Yi	–	–	–	–	–	–	–
Mr. LIAO Huajun	–	–	–	–	–	–	–
Mr. ZHAO Rongzhe	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Non-executive director:							
Mr. XU Qian	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Independent non-executive directors:							
Mr. JING Fengru	–	68	–	–	–	–	68
Mr. ZHANG Ke	–	75	–	–	–	–	75
Mr. LEUNG Chong Shun	–	75	–	–	–	–	75
Mr. ZHANG Chengjie	–	90	–	–	–	–	90
Mrs. XIONG Lushan	–	225	–	–	–	–	225
Subtotal	–	533	–	–	–	–	533
Supervisors:							
Mr. WANG Wenzhang	–	442	510	47	42	139	1,180
Mrs. ZHANG Qiaoqiao	–	466	481	47	42	144	1,180
Mr. ZHANG Feng	–	286	–	36	32	97	451
Mr. ZHANG Shaoping	–	110	494	12	10	32	658
Subtotal	–	1,304	1,485	142	126	412	3,469
Total	–	1,837	1,485	142	126	412	4,002

14. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

(a) Directors', supervisors' and chief executive's emoluments (continued)

Notes:

(i) Mrs. ZHAN Yanjing and HUANG Jiangtian were appointed as independent non-executive director in September 2024.

(ii) Mr. ZHANG Chengjie and Mrs. XIONG Lushan resigned as independent non-executive director in August 2024.

(iii) Mr. WANG Wenzhang resigned as Supervisor on November 2024.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Mr. WANG Shudong, Mr. LIAO Huajun, Mr. ZHAO Rongzhe and Mr. XU Qian received emoluments from China Coal Group, part of which is in relation to their services to the Company.

No apportionment has been made as the directors consider that it is impractical to apportion this amount between their services to the Company and their service to the Parent Company.

(b) Directors' and supervisors' retirement benefits

The amount of the retirement benefits paid to all directors and supervisors during the year ended 31 December 2024 in respect of their services as directors and supervisors of the Group is RMB430,000 (2023: RMB412,000).

No other retirement benefits were paid to them in respect of other services in connection with the management of the affairs of the Company or its subsidiary undertaking (2023: Nil).

(c) Directors' and supervisors' termination benefits

During the years ended 31 December 2023 and 2024, no payment to the directors and supervisors as compensation for the early termination of the appointment was made by the Company.

14. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

(d) During the years ended 31 December 2023 and 2024, there is no consideration that was provided to third parties for making available directors' and supervisors' services.

No payment to the former employers for making available the services as directors and supervisors of the Company was made (2023: Nil).

During the years ended 31 December 2023 and 2024, and as at 31 December 2023 and 2024, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiary undertaking of the Company, in favour of directors and supervisors.

(e) No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director or a supervisor 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.

(f) During the years ended 31 December 2023 and 2024, no directors or supervisors of the Company waived any emoluments.

(g) No executive directors of the Company are entitled to bonus payments which are determined based on a percentage of the Group's profit after tax of the year.

15. INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current income tax		
– PRC enterprise income tax *(Note (a))*	**6,891,392**	7,378,797
Deferred tax *(Note 38)*	**(299,535)**	(105,248)
	6,591,857	7,273,549

Notes:

(a) The Group is subject to income tax on an entity basis on the profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and/or operate.

Under the Law of the PRC on corporate income tax and the Implementation Regulation of the Corporate Income Tax Law (collectively, the "CIT Law"), the Company's PRC subsidiaries are generally subject to PRC corporate income tax at the statutory rate of 25% on their respective assessable profits, except for certain subsidiaries which are subject to tax at preferential tax rate of 15% or 20% according to the preferential policy of CIT law for the 12-month periods ended 31 December 2024 and 2023. For Sunfield Resources Pty Ltd, a subsidiary registered in Australia, tax is calculated based on the statutory income tax rate of 30%. For China Japan Coal Ltd., a subsidiary registered in Japan, tax is calculated by 15.0% for the portion under JYP8,000,000 and 23.2% for the portion of JYP8,000,000 or above.

15. INCOME TAX EXPENSE (CONTINUED)

Notes: (continued)

(b) Pillar Two income taxes

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year (and prior years ended 31 December 2023 and 2022). As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group's effective tax rates in all jurisdictions in which it operates are above 15% and the directors of the Company are not currently aware of any circumstances under which they might change. Therefore, the Group does not expect potential exposure to Pillar Two "top-up" taxes.

(c) The taxation of the Group's profit before income tax differs from the theoretical amount that would arise using the rate prevailing in the jurisdiction in which the Group operates as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Profit before income tax	**30,316,484**	33,695,386
Tax calculated at statutory income tax rate of 25% (2023: 25%) in the PRC	**7,579,121**	8,423,847
Adjustment of income tax of the previous period	**67,036**	101,961
Effect of preferential tax rates on income of certain subsidiaries	**(972,874)**	(1,054,166)
Income not subject to taxation	**(640,255)**	(714,882)
Expenses not deductible for tax purposes	**278,895**	146,158
Utilisation of previously unrecognised deductible temporary differences	**(9,183)**	(16,107)
Utilisation of previously unrecognised tax losses	**(635)**	(5,789)
Unrecognised tax loss for the year	**352,311**	367,832
Unrecognised deductible temporary differences for the year	**52,277**	83,862
Additional expenses allowable for tax deduction	**(114,836)**	(105,605)
Others	**–**	46,438
Income tax expense	**6,591,857**	7,273,549

15. INCOME TAX EXPENSE (CONTINUED)

Notes: (continued)

(d) The tax charges relating to components of other comprehensive income are as follows:

	Year ended 31 December 2024			Year ended 31 December 2023		
	Before tax	**Tax charge**	**After tax**	Before tax	Tax charge	After tax
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Fair value changes on equity instruments measured at FVTOCI	**452,430**	**(121,607)**	**330,823**	523,493	(39,710)	483,783
Fair value changes on debt instruments measured at FVTOCI	**3,436**	**(889)**	**2,547**	(15,790)	3,526	(12,264)
Impairment loss on debt instruments at FVTOCI included in profit or loss, net of reversal	**(2,016)**	**–**	**(2,016)**	6,679	–	6,679
Exchange differences arising on translation of foreign operations	**33,029**	**–**	**33,029**	(7,835)	–	(7,835)
Share of other comprehensive income of associates	**353**	**–**	**353**	917	–	917
	487,232	**(122,496)**	**364,736**	507,464	(36,184)	471,280
Deferred tax		**(122,496)**			(36,184)	

The income tax charged directly to other comprehensive income during the year is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Deferred tax	**(122,496)**	(36,184)

16. DIVIDENDS

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cash dividends on ordinary shares declared and paid:		
Final dividend *(Note (a))*	**5,860,329**	5,860,215
Special dividend *(Note (a))*	**1,498,229**	–
Interim dividend *(Note (b))*	**2,930,165**	–
Total	**10,288,723**	5,860,215
Proposed dividends on ordinary shares:		
Proposed final dividend *(Note (c))*	**3,418,258**	5,860,215

Notes:

(a) During the year ended 31 December 2024, the Company declared a final dividend and a special dividend based on a number of 13,258,663,400 ordinary shares, amounting to a total of approximately RMB7,358,588,000 for the year ended 31 December 2023 (During the year ended 31 December 2023: A number of 13,258,663,400 ordinary share, amounting to a total of approximately RMB5,860,215,000 for the year ended 31 December 2022). The declaration of the aforementioned dividends were approved at the 2023 annual general meeting of the Company held on 28 June 2024.

(b) On 23 August 2024, the board of directors of the Company formulated and implemented the interim profit distribution plan for the year of 2024 and declared an interim dividend, amounting to a total of approximately RMB2,930,165,000.

(c) The board of directors of the Company proposed to distribute final dividends for the year ended 31 December 2024 amounting to RMB3,418,258,200, which are subject to approval at the 2024 annual general meeting and are not recognised as a liability as at 31 December 2024.

17. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to owners of the Company is based on the number of 13,258,663,400 ordinary shares outstanding during the year.

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Profit attributable to the equity holders of the Company (RMB'000)	**18,155,988**	20,183,598
Number of ordinary shares outstanding (in thousands)	**13,258,663**	13,258,663
Basic earnings per share (RMB per share)	**1.37**	1.52

There were no differences between the basic and diluted earnings per share amounts for years ended 31 December 2024 and 2023 as the Group had no dilutive potential ordinary shares in issue during those years.

18. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Mining structures *RMB'000*	Plant, machinery and equipment *RMB'000*	Railway structures *RMB'000*	Motor vehicles, fixtures and others *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Year ended 31 December 2023							
Opening net book amount	33,888,698	31,106,273	44,220,154	4,082,326	2,102,968	11,045,417	126,445,836
Additions	109,650	3,176,351	2,142,989	–	771,436	6,407,043	12,607,469
Transfers upon completion of construction	960,151	2,148,291	2,006,233	84,199	151,203	(5,350,077)	–
Transfer to intangible assets, mining rights and land use rights	–	–	–	–	–	(759,632)	(759,632)
Disposals	(43,447)	–	(30,003)	(647)	(11,592)	–	(85,689)
Disposals of subsidiaries	(446,773)	–	(190,375)	–	(15,460)	–	(652,608)
Reclassification	(453,809)	484,084	60,533	191	(90,999)	–	–
Depreciation charges *(Note 12)*	(1,794,026)	(2,429,172)	(5,017,782)	(180,835)	(249,313)	–	(9,671,128)
Provision and other changes for impairment	(71,343)	–	8,652	–	–	(119,374)	(182,065)
Closing net book amount	32,149,101	34,485,827	43,200,401	3,985,234	2,658,243	11,223,377	127,702,183
At 31 December 2023							
Cost	51,204,329	54,114,530	101,550,229	5,527,099	5,452,091	12,401,897	230,250,175
Accumulated depreciation	(17,051,447)	(18,797,673)	(54,208,925)	(1,541,865)	(2,707,858)	–	(94,307,768)
Impairment provision	(2,003,781)	(831,030)	(4,140,903)	–	(85,990)	(1,178,520)	(8,240,224)
Net book amount	32,149,101	34,485,827	43,200,401	3,985,234	2,658,243	11,223,377	127,702,183

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings *RMB'000*	Mining structures *RMB'000*	Plant, machinery and equipment *RMB'000*	Railway structures *RMB'000*	Motor vehicles, fixtures and others *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Year ended 31 December 2024							
Opening net book amount	32,149,101	34,485,827	43,200,401	3,985,234	2,658,243	11,223,377	127,702,183
Additions	63,558	9,018,235	2,255,787	–	876,241	9,523,751	21,737,572
Transfers upon completion of construction	974,492	386,924	1,074,297	–	67,188	(2,502,901)	–
Transfer to intangible assets, mining rights and land use rights	(25,960)	–	(260)	–	–	(39,183)	(65,403)
Disposals	(24,621)	–	(77,318)	–	(5,508)	–	(107,447)
Reclassification	53,212	–	(40,401)	(15,630)	2,819	–	–
Depreciation charges *(Note 12)*	(1,681,952)	(1,431,852)	(4,980,272)	(153,988)	(393,522)	–	(8,641,586)
Provision and other changes for impairment	(6,588)	–	(3,736)	–	–	(1,874)	(12,198)
Closing net book amount	31,501,242	42,459,134	41,428,498	3,815,616	3,205,461	18,203,170	140,613,121
At 31 December 2024							
Cost	52,199,889	63,519,689	103,324,200	5,529,547	6,330,986	19,383,564	250,287,875
Accumulated depreciation	(18,707,586)	(20,229,525)	(57,729,319)	(1,713,931)	(3,042,778)	–	(101,423,139)
Impairment provision	(1,991,061)	(831,030)	(4,166,383)	–	(82,747)	(1,180,394)	(8,251,615)
Net book amount	31,501,242	42,459,134	41,428,498	3,815,616	3,205,461	18,203,170	140,613,121

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment, except for mining structures, are depreciated on a straight-line basis at the following estimated useful lives:

Buildings	8 to 50 years
Railway structures	25 to 30 years
Plant, machinery and equipment	4 to 18 years
Motor vehicles, fixtures and others	5 to 15 years

Mining structures (including the main and auxiliary mine shafts and underground tunnels) are depreciated on a unit-of-production method using appropriate reserve base reflecting economically recoverable reserve of the developed mine.

During the year ended 31 December 2024, the depreciation charges of the Group were recorded in cost of sales with an amount of RMB8,110,196,000 (2023: RMB9,107,704,000), selling expenses and general and administrative expenses with an amount of RMB386,772,000 (2023: RMB356,222,000), construction in progress with an amount of RMB99,072,000 (2023: RMB163,158,000), and cost of inventories which remained unsold as at year end with an amount of RMB45,546,000 (2023: RMB44,044,000), respectively.

As at 31 December 2024, the Group has no property, plant and equipment secured for bank borrowings (31 December 2023: RMB598,901,000).

As at 31 December 2024, the Group was in process of applying the ownership certificates of buildings with a net book amount of RMB2,607,499,000 (31 December 2023: RMB2,689,200,000).

As at 31 December 2024, the carrying amount of the Group's temporarily idle property, plant and equipment was RMB85,665,000 (31 December 2023: RMB134,786,000).

As at 31 December 2024, the carrying amount of equipment leased out by the Group's through operating leases was RMB188,754,000 (31 December 2023: RMB263,148,000).

19. RIGHT-OF-USE ASSETS

	Land *RMB'000*	Buildings *RMB'000*	Machinery *RMB'000*	Motor vehicles and other equipment *RMB'000*	Total *RMB'000*
As at 1 January 2023					
Carrying amount	282,665	51,836	15,658	12,595	362,754
As at 31 December 2023					
Carrying amount	492,436	239,787	7,836	6,616	746,675
For the year ended 31 December 2023					
Additions	271,108	229,210	20	–	500,338
Deductions	–	1,706	1,296	–	3,002
Depreciation charges *(Note 12)*	61,337	39,553	6,546	5,979	113,415
Total cash outflow for leases					163,826

	Land *RMB'000*	**Buildings** *RMB'000*	**Machinery** *RMB'000*	**Motor vehicles and other equipment** *RMB'000*	**Total** *RMB'000*
As at 1 January 2024					
Carrying amount	**492,436**	**239,787**	**7,836**	**6,616**	**746,675**
As at 31 December 2024					
Carrying amount	**430,863**	**404,447**	**2,655**	**276**	**838,241**
For the year ended 31 December 2024					
Additions	**–**	**206,971**	**1,780**	**–**	**208,751**
Deductions	**–**	**2,327**	**13**	**6,340**	**8,680**
Depreciation charges *(Note 12)*	**61,573**	**39,984**	**6,948**	**–**	**108,505**
Total cash outflow for leases					**233,162**

For the years ended 31 December 2023 and 2024, the Group leases certain land, buildings, machinery and motor vehicles and other equipment for its operations. Lease contracts are entered into fixed terms of 2 years to 20 years, but may have extension and termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

For the year ended 31 December 2024, the expense relating to short-term leases was RMB133,015,000 (For the year ended 31 December 2023: RMB124,457,000).

20. MINING RIGHTS

	RMB'000
Year ended 31 December 2023	
Opening net book amount	39,484,920
Additions	8,395,982
Transferred from property, plant and equipment	691,441
Amortisation charges	(1,203,389)
Other	(159,426)
Closing net book amount	47,209,528
At 31 December 2023	
Cost	61,592,608
Accumulated amortisation	(7,435,563)
Impairment provision	(6,947,517)
Net book amount	47,209,528

	RMB'000
Year ended 31 December 2024	
Opening net book amount	**47,209,528**
Additions	**233**
Transferred from property, plant and equipment	**3**
Amortisation charges *(Note 12)*	**(1,417,333)**
Other	**123**
Closing net book amount	**45,792,554**
At 31 December 2024	
Cost	**61,592,967**
Accumulated amortisation	**(8,852,896)**
Impairment provision	**(6,947,517)**
Net book amount	**45,792,554**

The amortisation charges were mainly recorded in cost of sales for the years ended 31 December 2024 and 2023.

At 31 December 2024, the Group's mining right was not pledged to secure certain bank loans.

21. INTANGIBLE ASSETS

	Technical know-how *RMB'000*	Others *RMB'000*	Total *RMB'000*
Year ended 31 December 2023			
Opening net book amount	1,039,751	855,471	1,895,222
Additions	24,348	110,465	134,813
Disposal of subsidiaries	–	(1,610)	(1,610)
Transferred from property, plant and equipment	14,400	27,791	42,191
Disposals	–	(3,281)	(3,281)
Amortisation charges	(97,344)	(70,774)	(168,118)
Other	7	(7,854)	(7,847)
Closing net book amount	981,162	910,208	1,891,370
At 31 December 2023			
Cost	1,693,865	1,495,933	3,189,798
Impairment provision	(10,294)	(3,015)	(13,309)
Accumulated amortisation	(702,409)	(582,710)	(1,285,119)
Net book amount	981,162	910,208	1,891,370

	Technical know-how *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Year ended 31 December 2024			
Opening net book amount	**981,162**	**910,208**	**1,891,370**
Additions	**23,307**	**112,147**	**135,454**
Transferred from property, plant and equipment	**–**	**40,101**	**40,101**
Disposals	**–**	**(52)**	**(52)**
Amortisation charges *(Note 12)*	**(63,447)**	**(76,757)**	**(140,204)**
Other	**(64,568)**	**93**	**(64,475)**
Closing net book amount	**876,454**	**985,740**	**1,862,194**
At 31 December 2024			
Cost	**1,652,604**	**1,648,222**	**3,300,826**
Impairment provision	**(10,294)**	**(3,015)**	**(13,309)**
Accumulated amortisation	**(765,856)**	**(659,467)**	**(1,425,323)**
Net book amount	**876,454**	**985,740**	**1,862,194**

The amortisation charges were mainly recorded in cost of sales, selling expenses and general and administrative expenses for the years ended 31 December 2024 and 2023.

Other intangible assets mainly include computer software licenses.

At 31 December 2024, the Group's intangible asset was not pledged to secure certain bank loans.

22. LAND USE RIGHTS

	RMB'000
Year ended 31 December 2023	
Opening net book amount	6,788,002
Additions	35,079
Disposal of a subsidiary	(125,441)
Transferred from property, plant and equipment	26,000
Amortisation charges	(174,290)
Other	(12,318)
Closing net book amount	6,537,032
At 31 December 2023	
Cost	8,384,587
Accumulated amortisation	(1,758,513)
Impairment provision	(89,042)
Net book amount	6,537,032

	RMB'000
Year ended 31 December 2024	
Opening net book amount	**6,537,032**
Additions	**692,919**
Transferred from property, plant and equipment	**25,299**
Amortisation charges *(Note 12)*	**(173,358)**
Other	**(82,330)**
Closing net book amount	**6,999,562**
At 31 December 2024	
Cost	**9,020,475**
Accumulated amortisation	**(1,931,871)**
Impairment provision	**(89,042)**
Net book amount	**6,999,562**

22. LAND USE RIGHTS (CONTINUED)

At 31 December 2024, the Group's land use right was not pledged to secure certain bank loans (2023: RMB32,606,000).

During the year ended 31 December 2024, the Group's land use rights represent upfront payments for leasehold land located in the PRC with lease periods between 30 to 50 years.

The amortisation charges were recorded in cost of sales with an amount of RMB100,496,000 (2023: RMB100,095,000), selling expenses and general and administrative expense with an amount of RMB69,863,000 (2023: RMB71,497,000) and construction in progress with an amount of RMB2,999,000 (2023: RMB2,698,000).

As at 31 December 2024, the Group was in process of applying the ownership certificates of land use rights with net carrying amounts of RMB105,505,000 (31 December 2023: RMB347,486,000).

23(a) SUBSIDIARIES

The following is a list of the principal subsidiaries as at 31 December 2024. The table below lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

23(a) SUBSIDIARIES (CONTINUED)

(i) Principal subsidiaries

Company name	Place of establishment	Registered capital	Attributable equity interest held by the Company	Attributable equity interest held by the Group	Held by non-controlling interests	Principal activities and place of operation	Type of legal entity
Listed –							
Shanghai Datun Energy Resources Co., Ltd ("Shanghai Energy Company") (上海大屯能源股份有限公司)	Shanghai, the PRC	RMB 722,718,000	62.43%	62.43%	37.57%	Coal mining and sale of coal in Peixian, the PRC	Joint stock with limited liability
Unlisted –							
China Coal Pingshuo Group Co., Ltd (Pingshuo Group) (中煤平朔集團有限公司)	Shuozhou, the PRC	RMB 23,514,794,006	100%	100%	–	Coal mining and sale of coal in Shuozhou, the PRC	Limited liability company
China National Coal Mining Equipment Company Limited (中國煤礦機械裝備有限責任公司)	Beijing, the PRC	RMB 8,961,115,570	100%	100%	–	Design, manufacture and sale of coal mining machinery and equipment in Zhangjiakou, Beijing, the PRC	Limited liability company
China Coal and Coke Holdings Limited (中煤焦化控股有限責任公司)	Beijing, the PRC	RMB 1,048,813,800	100%	100%	–	Sale of coke in Beijing, Tianjin and Taiyuan, the PRC	Limited liability company
China Coal Huajin Energy Group Limited ("China Coal Huajin Company") (中煤華晉集團有限公司)	Taiyuan, the PRC	RMB 10,000,000,000	51%	51%	49%	Coal mining and sale of coal in Hejin, the PRC	Limited liability company
China National Coal Development Company Limited (中國煤炭開發有限責任公司)	Beijing, the PRC	RMB 1,044,964,305	100%	100%	–	Domestic and international trade and comprehensive services in Beijing, the PRC	Limited liability company

23(a) SUBSIDIARIES (CONTINUED)

(i) Principal subsidiaries (continued)

Company name	Place of establishment	Registered capital	Attributable equity interest held by the Company	Attributable equity interest held by the Group	Held by non-controlling interests	Principal activities and place of operation	Type of legal entity
Unlisted (continued)							
Datong China Coal Export Base Development Company Limited (大同中煤出口煤基地建設有限公司)	Datong, the PRC	RMB 125,000,000	19%	60%	40%	Processing and sale of coal in Datong, the PRC	Sino-foreign joint venture
China Coal Heilongjiang Coal Chemical Company Limited (中煤能源黑龍江煤化工有限公司)	Yilan, the PRC	RMB 2,607,168,035	100%	100%	–	Coal mining and sale of coal in Yilan, the PRC	Limited liability company
China Coal Xinjiang Coal Electricity Chemical Company Limited (中煤能源新疆煤電化有限公司)	Jimsar County in Changji Prefecture, the PRC	RMB 800,000,000	60%	60%	40%	Coal chemical in Jimsar County in Changji Prefecture, the PRC	Limited liability company
China Coal Hami Coal Industry Company Limited (中煤能源哈密煤業有限公司)	Hami, the PRC	RMB 614,766,400	100%	100%	–	Coal mining and sale of coal in Hami, the PRC	Limited liability company
Wushenqi Mengda Mining Company Limited ("Mengda Mining") (烏審旗蒙大礦業有限責任公司)	Ordos, the PRC	RMB 854,000,000	66%	66%	34%	Coal mining and sale of coal in Ordos, the PRC	Limited liability company
Ordos Yihua Mining Resources Company Limited ("Yihua Mining") *(Note(a))* (鄂爾多斯市伊化礦業資源有限責任公司)	Ordos, the PRC	RMB 1,274,087,300	55%	55%	45%	Coal mining and sale of coal in Ordos, the PRC	Limited liability company

Note:

(a) On 28 February 2024, the Company acquired an additional 4.1646% equity interest of Yihua Mining, increasing its ownership interest from 51% to 55.1646%. Refer Note 43 for details of the transaction.

23(a) SUBSIDIARIES (CONTINUED)

(i) Principal subsidiaries (continued)

Company name	Place of establishment	Registered capital	Attributable equity interest held by the Company	Attributable equity interest held by the Group	Held by non-controlling interests	Principal activities and place of operation	Type of legal entity
Unlisted (continued)							
China Coal Shaanxi Yulin Energy & Chemical Company ("Shaanxi Energy") (中煤陝西能源化工集團有限公司)	Yulin, the PRC	RMB 8,499,660,000	100%	100%	–	Manufacture and sale of coal chemical products in Yulin, the PRC	Limited liability company
Ordos Yinhe Hongtai Coal Power Company Limited (鄂爾多斯市銀河鴻泰煤電有限公司)	Ordos, the PRC	RMB 94,493,800	78.84%	78.84%	21.16%	Coal mine development in Ordos, the PRC	Limited liability company
Shanxi Puxian China Coal Jinchang Mining Company Limited (山西蒲縣中煤晉昶礦業有限責任公司)	Linfen, the PRC	RMB 50,000,000	51%	51%	49%	Coal mine development in Linfen, the PRC	Limited liability company
China Coal Sales and Transportation Company Limited (中國煤炭銷售運輸有限責任公司)	Beijing, the PRC	RMB 5,328,537,012	100%	100%	–	Sale of coal products and other related products in Shanghai, Guangdong, Shandong, Qinhuangdao, the PRC	Limited liability company
Shanxi Zhongxin Tangshangou Coal Industry Company Limited (山西中新唐山溝煤業有限責任公司)	Datong, the PRC	RMB 16,350,000	80%	80%	20%	Coal mining and sale of coal in Datong, the PRC	Limited liability company
Shanxi Puxian China Coal Yushuo Mining Company Limited (山西蒲縣中煤禹碩礦業有限責任公司)	Linfen, the PRC	RMB 50,000,000	63%	63%	37%	Coal mine development in Linfen, the PRC	Limited liability company
China Coal Finance Co., Ltd ("China Coal Finance") (中煤財務有限責任公司)	Beijing, the PRC	RMB 9,000,000,000	91%	91%	9%	Provision of financing services in Beijing, the PRC	Limited liability company
Wushenqi Mengda Energy Environmental Protection Co., Ltd. (烏審旗蒙大能源環保有限公司)	Ordos, the PRC	RMB 15,000,000	–	70%	30%	Waste disposal in Ordos, the PRC	Limited liability company
China Coal Northwest Energy Chemical Group Co., Ltd. (中煤西北能源化工集團有限公司)	Ordos, the PRC	RMB 1,559,667,298	100%	100%	–	Coal mine development in Ordos, the PRC	Limited liability company
China Coal Qinhuangdao Logistics Co., Ltd (中煤物流(秦皇島)有限公司)	Qinhuangdao, the PRC	RMB 500,000,000	100%	100%	–	Logistics Qinhuangdao, the PRC	Limited liability company

23(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests

The non-controlling interests are set out as below:

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Subsidiaries with material non-controlling interests		
Shanghai Energy Company	**4,886,163**	4,849,448
China Coal Huajin Company	**19,160,913**	18,845,611
Mengda Mining	**4,686,242**	4,317,139
Yihua Mining	**3,887,796**	3,988,040
Others	**7,700,288**	6,640,949
	40,321,402	38,641,187

There are no significant restrictions on the subsidiaries to transfer funds to the Company.

Summarised financial information on subsidiaries with material non-controlling interests

Set out below is the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The summarised financial information below represents amounts before intragroup elimination.

23(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests (continued)

Summarised statement of financial position

	Shanghai Energy Company	
	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Current assets	**3,904,093**	4,432,158
Non-current assets	**16,271,454**	15,999,475
	20,175,547	20,431,633
Current liabilities	**3,237,492**	3,599,103
Non-current liabilities	**3,794,310**	3,842,538
	7,031,802	7,441,641
Equity attributable to the equity holders of the Company	**8,257,581**	8,140,544
Non-controlling interests of Shanghai Energy Company	**4,932,414**	4,849,579
Non-controlling interests of Shanghai Energy Company's subsidiaries	**(46,251)**	(131)
Net assets	**13,143,745**	12,989,992

23(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests (continued)

Summarised statement of financial position (continued)

	China Coal Huajin Company	
	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Current assets	**25,882,848**	25,561,530
Non-current assets	**19,452,244**	17,541,472
	45,335,092	43,103,002
Current liabilities	**5,720,996**	4,630,688
Non-current liabilities	**2,912,162**	2,589,927
	8,633,158	7,220,615
Equity attributable to the equity holders of the Company	**17,541,021**	17,036,776
Non-controlling interests of China Coal Huajin Company	**17,134,022**	16,706,310
Non-controlling interests of China Coal Huajin Company's subsidiaries	**2,026,891**	2,139,301
Net assets	**36,701,934**	35,882,387

23(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests (continued)

Summarised statement of financial position (continued)

	Mengda Mining	
	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Current assets	**1,282,018**	2,873,326
Non-current assets	**20,125,638**	16,042,677
	21,407,656	18,916,003
Current liabilities	**3,814,616**	2,094,598
Non-current liabilities	**3,809,975**	4,123,937
	7,624,591	6,218,535
Equity attributable to the equity holders of the Company	**9,096,823**	8,380,329
Non-controlling interests of Mengda Mining	**4,686,242**	4,317,139
Net assets	**13,783,065**	12,697,468

23(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests (continued)

Summarised statement of financial position (continued)

	Yihua Mining	
	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Current assets	**680,087**	1,239,106
Non-current assets	**17,459,901**	14,398,454
	18,139,988	15,637,560
Current liabilities	**4,019,913**	1,897,710
Non-current liabilities	**5,503,381**	5,600,994
	9,523,294	7,498,704
Equity attributable to the equity holders of the Company	**4,728,898**	4,150,816
Non-controlling interests of Yihua Mining	**3,887,796**	3,988,040
Net assets	**8,616,694**	8,138,856

23(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests (continued)

Summarised statement of profit or loss and other comprehensive income

	Shanghai Energy Company	
	Year ended 31 December 2024	Year ended 31 December 2023
	RMB'000	*RMB'000*
Revenue	**9,488,233**	10,977,657
Profit before income tax	**795,025**	1,321,404
Income tax expense	**(199,559)**	(342,726)
Profit for the year	**595,466**	978,679
Other comprehensive (loss)/income for the year	**(855)**	1,053
Total comprehensive income for the year	**594,611**	979,732
Dividends paid to non-controlling interests of Shanghai Energy Company	**165,630**	198,213
Profit attributable to equity holders of the Company	**400,512**	622,941
Profit attributable to the non-controlling interests of Shanghai Energy Company	**241,027**	374,881
Loss attributable to the non-controlling interests of Shanghai Energy Company's subsidiaries	**(46,073)**	(19,143)
Other comprehensive (loss)/income attributable to the equity holders of the Company	**(504)**	658
Other comprehensive (loss)/income attributable to the non-controlling interests of Shanghai Energy Company	**(304)**	396
Other comprehensive loss attributable to the non-controlling interests of Shanghai Energy Company's subsidiaries	**(47)**	(1)
Total comprehensive income attributable to the equity holders of the Company	**400,008**	623,599
Total comprehensive income attributable to the non-controlling interests of Shanghai Energy Company	**240,723**	375,277
Total comprehensive loss attributable to the non-controlling interests of Shanghai Energy Company's subsidiaries	**(46,120)**	(19,144)

23(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests (continued)

Summarised statement of profit or loss and other comprehensive income (continued)

	China Coal Huajin Company	
	Year ended 31 December 2024	Year ended 31 December 2023
	RMB'000	*RMB'000*
Revenue	**14,871,986**	16,282,455
Profit before income tax	**8,028,485**	9,881,468
Income tax expense	**(2,040,208)**	(2,504,784)
Profit for the year	**5,988,277**	7,376,684
Other comprehensive (loss)/income for the year	**(932)**	1,405
Total comprehensive income for the year	**5,987,345**	7,378,089
Dividends paid to non-controlling interests of China Coal Huajin Company	**1,942,066**	–
Profit attributable to equity holders of the Company	**2,496,938**	3,139,148
Profit attributable to the non-controlling interests of China Coal Huajin Company	**2,399,020**	3,016,046
Profit attributable to the non-controlling interests of China Coal Huajin Company's subsidiaries	**1,092,319**	1,221,491
Other comprehensive (loss)/income attributable to the equity holders of the Company	**(306)**	500
Other comprehensive (loss)/income attributable to the non-controlling interests of China Coal Huajin Company	**(293)**	480
Other comprehensive (loss)/income attributable to the non-controlling interests of China Coal Huajin Company's subsidiaries	**(333)**	424
Total comprehensive income attributable to the equity holders of the Company	**2,496,632**	3,139,648
Total comprehensive income attributable to the non-controlling interests of China Coal Huajin Company	**2,398,727**	3,016,526
Total comprehensive income attributable to the non-controlling interests of China Coal Huajin Company's subsidiaries	**1,091,986**	1,221,915

23(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests (continued)

Summarised statement of profit or loss and other comprehensive income (continued)

	Mengda Mining	
	Year ended 31 December 2024	Year ended 31 December 2023
	RMB'000	*RMB'000*
Revenue	**4,982,724**	6,193,463
Profit before income tax	**1,242,091**	2,045,110
Income tax expense	**(156,493)**	(300,475)
Profit for the year	**1,085,598**	1,744,635
Other comprehensive income for the year	**–**	804
Total comprehensive income for the year	**1,085,598**	1,745,439
Dividends paid to non-controlling interests of Mengda Mining	**–**	–
Profit attributable to equity holders of the Company	**716,495**	1,151,459
Profit attributable to the non-controlling interests of Mengda Mining	**369,103**	593,176
Other comprehensive income attributable to the equity holders of the Company	**–**	531
Other comprehensive income attributable to the non-controlling interests of Mengda Mining	**–**	273
Total comprehensive income attributable to the equity holders of the Company	**716,495**	1,151,990
Total comprehensive income attributable to the non-controlling interests of Mengda Mining	**369,103**	593,449

23(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests (continued)

Summarised statement of profit or loss and other comprehensive income (continued)

	Yihua Mining	
	Year ended 31 December 2024	Year ended 31 December 2023
	RMB'000	*RMB'000*
Revenue	**3,680,891**	3,973,133
Profit before income tax	**840,095**	889,510
Income tax expense	**(113,127)**	(140,319)
Profit for the year	**726,968**	749,191
Other comprehensive income/(loss) for the year	**570**	(570)
Total comprehensive income for the year	**727,538**	748,621
Dividends paid to non-controlling interests of Yihua Mining	**–**	–
Profit attributable to equity holders of the Company	**401,029**	382,087
Profit attributable to the non-controlling interests of Yihua Mining	**325,939**	367,104
Other comprehensive income/(loss) attributable to the equity holders of the Company	**314**	(291)
Other comprehensive income/(loss) attributable to the non-controlling interests of Yihua Mining	**256**	(279)
Total comprehensive income attributable to the equity holders of the Company	**401,343**	381,796
Total comprehensive income attributable to the non-controlling interests of Yihua Mining	**326,195**	366,825

23(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests (continued)

Summarised statement of cash flows

	Shanghai Energy Company		China Coal Huajin Company		Mengda Mining		Yihua Mining	
	Year ended 31 December 2024	Year ended 31 December 2023	**Year ended 31 December 2024**	Year ended 31 December 2023	**Year ended 31 December 2024**	Year ended 31 December 2023	**Year ended 31 December 2024**	Year ended 31 December 2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Net cash inflow from operating activities	**1,276,503**	1,383,326	**6,367,554**	7,550,640	**1,611,450**	1,764,615	**1,482,776**	884,549
Net cash outflow from investing activities	**(1,202,531)**	(1,107,965)	**(2,323,059)**	(1,582,215)	**(2,632,201)**	(2,287,355)	**(1,204,432)**	(2,320,079)
Net cash inflow (outflow) from financing activities	**(589,786)**	(331,887)	**(3,213,050)**	(3,690,346)	**1,020,743**	522,748	**(278,340)**	1,435,510
Net cash inflow (outflow)	**(515,813)**	(56,526)	**831,445**	2,278,079	**(8)**	8	**4**	(20)

23(b) INVESTMENTS IN ASSOCIATES

	2024	2023
	RMB'000	*RMB'000*
Beginning of the year	**26,263,281**	25,240,148
Share of profits	**1,942,657**	2,447,926
Dividends	**(1,092,944)**	(1,433,289)
Others	**750**	8,496
End of the year	**27,113,744**	26,263,281

All associates are unlisted and there is no quoted market price available for their shares.

Set out below is the associate of the Group as at 31 December 2024, which, in the opinion of the directors of the Company, is material to the Group. The country of establishment or registration is also its principal place of business.

23(b) INVESTMENTS IN ASSOCIATES (CONTINUED)

Details of a material associate as at 31 December 2024 and 2023

Name of entity	Place of business/ country of establishment	% of ownership interest	Measurement method
Zhongtian Synergetic Energy Company Limited (“Zhongtian Synergetic”)	Ordos, the PRC	38.75 (2023: 38.75)	Equity
Huajin Coking Coal Co., LTD. (“Huajin Coking Coal”)	Lvliang, the PRC	49 (2023: 49)	Equity

Summarised financial information for a material associate

Set out below is the summarised financial information for the associate which is material to the Group using the equity method of accounting. The summarised financial information below represents amounts shown in the associate’s financial statements prepared in accordance with IFRS Accounting Standards.

Summarised statement of financial position

	Zhongtian Synergetic		Huajin Coking Coal	
	As at 31 December 2024	As at 31 December 2023	**As at 31 December 2024**	As at 31 December 2023
	RMB’000	*RMB’000*	***RMB’000***	*RMB’000*
Current assets	**2,473,996**	3,672,145	**6,764,706**	9,029,887
Non-current assets	**46,688,314**	48,615,038	**17,340,246**	16,791,089
Current liabilities	**5,585,939**	7,464,050	**3,116,982**	4,520,680
Non-current liabilities	**15,080,193**	17,563,108	**7,691,486**	8,147,878
Equity attributable to the equity holders of the Company	**28,496,178**	27,260,025	**10,691,000**	10,640,150
Non-controlling interests	**–**	–	**2,605,484**	2,512,278

23(b) INVESTMENTS IN ASSOCIATES (CONTINUED)

Summarised financial information for a material associate (continued)

Summarised statement of profit or loss and other comprehensive income

	Zhongtian Synergetic		Huajin Coking Coal	
	Year ended 31 December 2024	Year ended 31 December 2023	**Year ended 31 December 2024**	Year ended 31 December 2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Revenue	**16,691,466**	15,675,914	**6,838,683**	8,910,908
Profit before income tax	**3,093,903**	3,189,744	**1,557,747**	2,946,962
Profit for the year	**2,609,099**	2,767,095	**859,586**	2,002,593
Other comprehensive loss	**–**	–	**(143,989)**	(141,359)
Total comprehensive income for the year	**2,609,099**	2,767,095	**715,597**	1,861,234
Dividends declared from the associate during the year	**513,028**	966,123	**402,614**	372,282

The information above reflects the amounts presented in the financial statements of the associate adjusted for differences in accounting policies between the Group and the associate, if any.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the associate

	Zhongtian Synergetic		Huajin Coking Coal	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Opening net assets at 1 January	**27,260,025**	26,999,975	**10,640,150**	9,355,416
Profit for the year	**2,609,099**	2,767,095	**859,586**	2,002,593
Dividends	**(1,323,944)**	(2,493,223)	**(821,663)**	(759,759)
Others	**(49,002)**	(13,822)	**12,927**	41,900
Closing net assets at 31 December	**28,496,178**	27,260,025	**10,691,000**	10,640,150
The Group's shares of net assets	**11,042,270**	10,563,260	**5,238,590**	5,213,675
Carrying value of interest in associate	**11,042,270**	10,563,260	**5,238,590**	5,213,675

23(b) INVESTMENTS IN ASSOCIATES (CONTINUED)

Reconciliation of summarised financial information (continued)

Aggregate information of associates that are not individually material

	Year ended/as at 31 December 2024 *RMB'000*	Year ended/as at 31 December 2023 *RMB'000*
The Group's share of profit	**521,800**	425,352
The Group's share of other comprehensive loss	**936**	–
The Group's share of total comprehensive income	**522,736**	425,352
Aggregate carrying amount of the Group's interests in these associates	**10,832,884**	10,486,346

23(c) INVESTMENTS IN JOINT VENTURES

	2024 *RMB'000*	2023 *RMB'000*
Beginning of the year	**4,539,186**	4,508,156
Additions	**–**	523,612
Share of profit	**609,288**	728,271
Dividends	**(606,523)**	(1,220,853)
End of the year	**4,541,951**	4,539,186

All of the joint ventures are unlisted and there is no quoted market price available for their shares.

Details of material joint ventures as at 31 December 2024 and 2023:

Name of entity	**Principal place of business/country of establishment**	**% of ownership interest**	**Measurement method**
Yan'an Hecaogou Coal Company Limited ("Hecaogou Coal")	Yanan, the PRC	50.00	Equity

23(c) INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised financial information for material joint ventures

Set out below is the summarised financial information for joint ventures which are material to the Group using the equity method of accounting. The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with IFRS Accounting Standards.

Summarised statement of financial position

	Hecaogou Coal	
	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Current assets	**852,138**	786,109
Non-current assets	**4,543,383**	4,511,306
Current liabilities	**(618,098)**	(403,062)
Non-current liabilities	**(509,472)**	(511,472)
Net assets	**4,267,951**	4,382,881

Summarised statement of profit or loss and other comprehensive income

	Hecaogou Coal	
	Year ended 31 December 2024	Year ended 31 December 2023
	RMB'000	*RMB'000*
Revenue	**2,746,450**	3,016,249
Profit before income tax	**1,260,403**	1,557,501
Profit for the year	**1,066,930**	1,309,116
Total comprehensive income	**1,066,930**	1,309,116
Dividends declared from the joint venture during the year	**600,000**	1,200,000

The information above reflects the amounts presented in the financial statements of the joint ventures adjusted for differences in accounting policies between the Group and the joint ventures, if any.

23(c) INVESTMENTS IN JOINT VENTURES (CONTINUED)

Reconciliation of summarised financial information

	Hecaogou Coal	
	2024	2023
Summarised financial information	***RMB'000***	*RMB'000*
Opening net assets at 1 January	**4,382,881**	5,471,060
Profit for the year	**1,066,930**	1,309,116
Others	**18,140**	2,705
Dividends	**(1,200,000)**	(2,400,000)
Closing net assets at 31 December	**4,267,951**	4,382,881
The Group's share of net assets	**2,133,976**	2,191,441
Carrying value of interest in joint ventures	**2,103,994**	2,170,146

Aggregate information of joint ventures that are not individually material

	Year ended/ as at 31 December 2024	Year ended/ as at 31 December 2023
	RMB'000	*RMB'000*
The Group's share of profit	**75,440**	65,893
The Group's share of total comprehensive income	**75,440**	65,893
Aggregate carrying amount of the Group's interests in these joint ventures	**2,437,957**	2,369,040

24. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Listed equity investments, at fair value:		
– Companies listed in PRC:		
Chongqing Iron & Steel Co., Ltd. (重慶鋼鐵股份有限公司)	**5,102**	4,925
	5,102	4,925
Unlisted equity investments, at fair value:		
– Non-listed companies established in PRC:		
Taiyuan Coal Gasification Longquan Energy Development Co., Ltd. (太原煤氣化龍泉能源發展有限公司)	**825,808**	1,337,229
Haoji Railway Co., Ltd. (浩吉鐵路股份有限公司)	**1,119,723**	1,093,969
Shaanxi Jingshen Railway Co., Ltd. (陝西靖神鐵路有限責任公司)	**216,633**	180,763
Tangshan Caofeidian Coal Port Co., Ltd. (唐山曹妃甸煤炭港務有限公司)	**47,044**	44,787
Others	**200,124**	204,472
	2,409,332	2,861,220
Total	**2,414,434**	2,866,145

The Group holds non-controlling interests (between 2.36% and 40%) in these companies. These equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the year ended 31 December 2024, the Group received dividends in the amounts of RMB5,410,000 (For the year ended 2023: RMB3,415,000) from unlisted equity investments.

25. LONG-TERM RECEIVABLES

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Finance lease receivables	**242,808**	333,051
Total	**242,808**	333,051

The long-term receivables are neither past due nor impaired as at 31 December 2024 and 2023. The carrying amounts of long-term receivables approximate to their fair values.

26. OTHER NON-CURRENT ASSETS

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Loans to the Parent Company and fellow subsidiaries *(Note (a))*	**8,939,639**	6,767,084
Prepayments for mining rights *(Note (b))*	**1,015,000**	1,015,000
Prepayment for Coal Production Quotas *(Note (c))*	**519,838**	–
Prepayments for land use rights *(Note (b))*	**369,569**	390,038
Deductible value-added tax	**219,666**	265,066
Prepayments for construction in progress and equipment	**52,811**	35,923
Prepayments for long-term investments *(Note (d))*	**22,000**	22,000
Entrusted loans *(Note (e))*	**–**	4,435
Others	**339,492**	267,142
Total	**11,478,015**	8,766,688

Notes:

(a) The provision of loans to the Parent company and fellow subsidiaries are financial services with the business scope of China Coal Finance, a subsidiary of the Company, to China Coal Group under the Financial Services Framework Agreement. The loans are unsecured and repayable after 12 months from the end of reporting period with interest rates ranging from 1.80%-3.20% (31 December 2023: ranging from 2.40% to 3.80%) per annum.

Included in the carrying amount of the loans to the Parent Company and fellow subsidiaries as at 31 December 2024 is an allowance for expected credit losses of RMB186,630,269 (31 December 2023: RMB118,617,000). Details of the impairment assessment are set out in Note 47.2.

(b) As the relevant legal procedures related to mining rights licenses and land use rights are still in process, such payments are recorded as other non-current assets.

(c) As at 31 December 2024, a prepayment to Property Rights Trading Center of RMB519,838,000 was still outstanding for obtaining additional coal production quota to improve coal production capacity, as the transaction was still under review of energy administration department of the local government. The amount will be recognized as an intangible asset upon receiving the final approval of energy administration department of the local government.

26. OTHER NON-CURRENT ASSETS (CONTINUED)

Notes: (continued)

(d) As at 31 December 2024, the prepayments for long-term investments amounted to RMB22,000,000 arising from the acquisition agreement. As the legal procedures required for the completion of the transaction are still in process, such payments are recorded as prepayments for long-term investments.

(e) The entrusted loans are bank loans entrusted by the Company to Zhongtian Synergetic Energy Company Limited ("Zhongtian Synergetic"), an associate of the Group in 2020. The entrusted loan, maturing for full repayment on 31 August 2025 at an annual interest rate of 4.25%, is reclassified to other payables and accruals.

27. INVENTORIES

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Coal	**1,221,382**	1,107,347
Coal mining machinery and equipment	**3,436,118**	4,296,363
Coal-chemical products	**641,911**	824,512
Auxiliary materials, spare parts and tools	**2,443,942**	2,506,766
	7,743,353	8,734,988

As at 31 December 2024, the allowance of impairment loss on inventories was RMB949,371,000 (31 December 2023: RMB712,653,000).

28. TRADE RECEIVABLES AND NOTES RECEIVABLES/DEBT INSTRUMENTS AT FVTOCI

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Trade receivables *(Notes (a), (b) and (c))*	**8,401,695**	7,116,996
Notes receivables *(Notes (f))*	**90,607**	375,781
	8,492,302	7,492,777
Debt instruments at FVTOCI *(Notes (d), (e) and (f))*	**2,972,380**	3,309,821

28. TRADE RECEIVABLES AND NOTES RECEIVABLES/DEBT INSTRUMENTS AT FVTOCI (CONTINUED)

Notes:

(a) Trade receivables are analysed as follows:

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Trade receivables:		
– Associates	**470,745**	340,585
– Joint ventures	**2,387**	3,189
– Parent Company and fellow subsidiaries	**1,232,641**	900,491
– Associates of the Parent Company	**1,060**	4,820
– Third parties	**6,694,862**	5,867,911
Trade receivables, net	**8,401,695**	7,116,996

Aging analysis of trade receivables net of allowance for credit losses, as at the end of the reporting period, is presented based on the invoice dates.

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Within 6 months	**5,973,435**	5,289,342
7 months to 1 year	**437,222**	448,014
1 to 2 years	**1,350,520**	1,059,141
2 to 3 years	**560,505**	278,909
Over 3 years	**757,957**	626,555
Trade receivables, gross	**9,079,639**	7,701,961
Less: Allowance for credit losses	**(677,944)**	(584,965)
Trade receivables, net	**8,401,695**	7,116,996

The Group normally allows a credit period of 30 to 45 days to its trade customers in Mainland China and no more than 6 months to 1 year to its overseas trade customers with good trading history.

As at 31 December 2024, the Group's trade receivable from sales of electric power amounting to RMB301,793,000 (31 December 2023: RMB138,144,000) and the corresponding contractual right on further sales of electric power was pledged to secure long-term bank loans amounting to RMB1,037,478,000 (31 December 2023: RMB1,345,695,000).

Trade receivables due from related parties are unsecured, interest-free and repayable within one year in accordance with the relevant contracts entered into between the Group and the related parties.

Details of the impairment assessment of trade receivables are set out in Note 47.2.

28. TRADE RECEIVABLES AND NOTES RECEIVABLES/DEBT INSTRUMENTS AT FVTOCI (CONTINUED)

Notes: (continued)

(b) The carrying amounts of trade receivables are denominated in the following currencies:

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
RMB	**8,392,804**	7,115,676
United State Dollar ("USD")	**8,891**	1,320
	8,401,695	7,116,996

(c) The carrying amounts of trade receivables approximate to their fair values.

(d) Debt instruments at FVTOCI are notes receivable which are considered to be held within a business model whose objective is achieved by both selling and collecting contractual cash flows. The notes receivable are principally bank accepted notes with maturity of less than one year (31 December 2023: less than one year).

(e) As at 31 December 2024, there were no debt instruments at FVTOCI pledged to banks for issuing notes payable (31 December 2023: RMB51,362,000).

(f) Transfers of financial assets

As at 31 December 2024, notes receivables endorsed but not matured amounting to RMB37,650,000 (31 December 2023: RMB261,652,000) were not derecognised as the Group has not transferred the significant risks and rewards relating to these notes receivables.

As at 31 December 2024, notes receivables endorsed or discounted but not matured under debt instruments at FVTOCI amounting to RMB2,271,739,000 (31 December 2023: RMB4,137,515,000) were derecognised. In accordance with the relevant laws in the PRC, the holders of these notes receivables have a right of recourse against the Group if the issuing banks default on payment. In the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of the ownership relating to these notes receivables, and accordingly derecognised the full carrying amounts of the notes receivables and associated trade payables. The maximum exposure to loss for the Group's continuing involvement, if any, in the endorsed and discounted notes receivables will be their carrying amounts. In the opinion of the directors of the Company, the fair values of the Group's continuing involvement in the derecognised notes receivables are not significant.

29. CONTRACT ASSETS

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Coal mining machinery and others	**2,389,502**	2,336,249

As at 31 December 2024, the allowance for expected credit loss on contract assets was RMB9,930,000 (31 December 2023: RMB11,008,000).

The contract assets primarily relate to the Group's right to consideration for mining machinery delivered but not billed because the rights are conditional mainly on expiration of guarantee period as stipulated in the contracts. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers the contract assets to trade receivables in 12 months.

30. PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Advances to suppliers *(Note (a))*	**2,314,008**	2,517,657
Other prepayments	**8,163**	11,667
Interest receivables	**16,156**	12,957
Dividend receivables	**269,124**	276,543
Loans to the Parent Company and fellow subsidiaries *(Note (b))*	**1,396,878**	480,076
Value added tax related to contract assets	**258,640**	275,140
Deductible value added tax and others	**832,896**	724,937
Other amounts due from related parties, gross *(Note (c))*	**1,250,608**	1,242,024
Other amounts due from third parties, gross *(Note (d))*	**1,096,959**	1,086,506
Less: Allowance for credit losses	**(328,555)**	(375,873)
Prepayments and other receivables, net	**7,114,877**	6,251,634

30. PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Notes:

(a) Advances to suppliers are analysed as follows:

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Advances to suppliers		
– Associates	**84,738**	114,763
– Parent Company and fellow subsidiaries	**339,042**	408,141
– Third parties	**1,890,228**	1,994,753
	2,314,008	2,517,657

Included in the carrying amount of advances to suppliers as at 31 December 2024 are accumulated impairment losses of RMB44,648,000 (31 December 2023: RMB46,204,000).

(b) The provision of loans to the Parent company and fellow subsidiaries are financial services with the business scope of China Coal Finance, a subsidiary of the Company, to China Coal Group under the Financial Services Framework Agreement. Loans to the Parent Company and fellow subsidiaries are unsecured and repayable within 12 months from the end of reporting period bearing interest at rates ranging from 2.50% to 3.30% (2023: ranging from 3.25% to 4.55%) per annum.

The allowance for credit losses of loans to the Parent Company and fellow subsidiaries as at 31 December 2024 amounts to RMB15,803,000 (31 December 2023: RMB7,490,000). Details of impairment assessment of loans to the Parent Company and fellow subsidiaries are set out in Note 47.2.

(c) Other amounts due from related parties are analysed as follows:

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Other amounts due from related parties, gross		
– Associates	**953,584**	907,564
– Joint ventures	**94,474**	96,732
– Associates of the Parent Company	**9,225**	9,015
– Subsidiaries of the Parent Company	**193,325**	228,713
Less: Allowance for credit losses	**(13,537)**	(13,646)
Other amounts due from related parties, net	**1,237,071**	1,228,378

Other amounts due from related parties are unsecured, interest-free and repayable on demand.

30. PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

(d) Aging analysis of other amounts due from third parties is as follows:

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Within 1 year	**648,543**	632,818
1 to 2 years	**57,354**	60,621
2 to 3 years	**24,459**	11,718
Over 3 years	**366,603**	381,349
Other amounts due from third parties, gross	**1,096,959**	1,086,506
Less: Allowance for credit losses	**(299,215)**	(299,069)
Other amounts due from third parties, net	**797,744**	787,437

Details of the impairment assessment of other receivables excluding loans to the Parent Company and fellow subsidiaries are set out in Note 47.2.

(e) The carrying amounts of other receivables approximate to their fair values.

(f) There are no collateral for other receivables.

(g) As at 31 December 2024, the other receivables were primarily denominated in RMB. Excluding one item denominated in Japanese Yen amounted to RMB207,000 (31 December 2023: RMB225,000).

31. CASH AND BANK DEPOSITS

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Restricted bank deposits *(Note (a))*	**10,548,876**	9,926,996
Term deposits with initial terms of over three months *(Note (b))*	**43,980,791**	50,032,871
Cash and cash equivalents	**29,823,483**	31,582,885
– Cash on hand	**14**	25
– Deposits at banks *(Note (c))*	**29,823,469**	31,582,860
	84,353,150	91,542,752

Notes:

(a) Restricted bank deposits mainly include the legal deposit reserve deposited with the People's Bank of China according to regulations and the transformation fund as required by the regulations, the deposits set aside for land rehabilitation, letter of credit deposits, bank acceptance bill deposits, letter of guarantee deposits, etc. As at 31 December 2024, included in the restricted bank deposits were mandatory reserve deposits amounting to RMB4,357,124,000 (31 December 2023: RMB4,688,087,000) set aside in the People's Bank of China.

(b) At 31 December 2024, the interest rates of term deposits with initial terms over three months ranged from 1.60% to 2.75% (31 December 2023: 1.80% to 2.84%) per annum. Deposits at banks earn interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates.

(c) Deposits and cash and cash equivalents are denominated in the following currencies:

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
RMB	**84,132,416**	91,322,351
USD	**201,287**	202,099
Others	**19,447**	18,302
	84,353,150	91,542,752

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

(d) The carrying amounts of bank deposits approximate to their fair values.

32. TRADE AND NOTES PAYABLES

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Trade payables *(Note (a))*	**23,600,175**	23,892,446
Notes payables	**3,440,527**	2,845,413
	27,040,702	26,737,859

Notes:

(a) Trade payables are analysed as follows:

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Trade payables		
– Parent Company and fellow subsidiaries	**3,434,587**	4,242,251
– Joint venture	**82,205**	98,373
– Associates	**460,022**	399,008
– Associates of the Parent Company	**–**	99,274
– Third parties	**19,623,361**	19,053,540
	23,600,175	23,892,446

Trade payables due to related parties are unsecured, interest-free and payable in accordance with the relevant contracts entered into between the Group and the related parties.

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Less than 1 year	**21,057,548**	21,060,993
1 to 2 years	**1,454,059**	1,325,907
2 to 3 years	**525,022**	372,389
Over 3 years	**563,546**	1,133,157
	23,600,175	23,892,446

32. TRADE AND NOTES PAYABLES (CONTINUED)

Notes: (continued)

(b) The carrying amounts of trade and notes payables are denominated in the following currencies:

	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
RMB	**27,038,067**	26,735,262
USD	**2,635**	2,597
	27,040,702	26,737,859

(c) The carrying amounts of trade and notes payables approximate to their fair values.

(d) As at 31 December 2024, there were no debt instruments at FVTOCI pledged to banks for issuing notes payables (31 December 2023: RMB51,362,000) (Note 28(e)).

33. CONTRACT LIABILITIES

	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Coal	**2,481,911**	3,448,104
Coal-chemical products	**265,622**	378,058
Mining machinery	**579,056**	1,164,392
Other	**82,215**	49,667
	3,408,804	5,040,221

33. CONTRACT LIABILITIES (CONTINUED)

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	Coal *RMB'000*	**Coal-chemical products** *RMB'000*	**Mining machinery** *RMB'000*	**Total** *RMB'000*
For the year ended 31 December 2024				
Revenue recognised that was included in the contract liability balance at the beginning of the year	**3,429,577**	**377,482**	**1,119,489**	**4,926,548**

	Coal *RMB'000*	Coal-chemical products *RMB'000*	Mining machinery *RMB'000*	Total *RMB'000*
For the year ended 31 December 2023				
Revenue recognised that was included in the contract liability balance at the beginning of the year	4,641,487	537,098	756,969	5,935,554

There is no revenue recognised from the performance obligation satisfied in prior periods.

The closing balance as at 31 December 2024 is expected to be settled in the following years:

	31 December 2024 *RMB'000*
2025	**3,346,155**
2026	**6,037**
On or for 2027	**56,612**
	3,408,804

For the coal and coal-chemical products, the Group received certain amount in advance before delivery of goods which is accounted for as contract liabilities. When the control of coal and coal-chemical products transfers, as detailed in Note 8, the previously recognised contract liabilities are recognised as revenue.

For the mining machinery, the Group usually receives 30% of the contract amount in advance before delivery of the goods which is accounted for as contract liabilities. When the mining machinery is delivered to the customers, the previously recognised contract liabilities are recognised as revenue.

34. OTHER PAYABLES AND ACCRUALS

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Payables for acquisition of subsidiaries *(Note (a))*	**656,219**	607,029
Payable for compensation for local mining companies	**13,430**	9,740
Dividends payable	**1,544,772**	66,505
Payables for site restoration and resident relocation compensation	**214,610**	138,211
Water resource compensation payable	**133,543**	117,844
Salaries and staff welfare payable	**5,795,076**	5,549,366
Interest payable	**33,874**	33,368
Commission payable	**3,500**	5,000
Payables for mining rights	**62,000**	86,314
Payables for the transfer of mining rights	**5,057,210**	295,344
Amount due to a non-controlling interest of a subsidiary	**17,047**	20,282
Contractors' deposits	**435,023**	617,028
Deposits from the Parent Company and fellow subsidiaries *(Note (b))*	**33,035,556**	29,563,188
Other amounts due to related parties *(Note (c))*	**508,642**	730,163
Other amounts due to third parties	**3,149,155**	2,740,042
Other tax payable	**1,903,130**	2,056,472
Total	**52,562,787**	42,635,896

Notes:

(a) As at 31 December 2024, an amount of RMB342,369,656 (including current portion of long-term payables amounting to RMB342,369,656) was arising from payables for acquisition of a subsidiary in 2020.

(b) The balance represents the deposits from the Parent Company, fellow subsidiaries, Guoyuan Times Coal Asset Management Co., Ltd., the associate of the Parent Company, in the savings accounts at China Coal Finance. The deposits are unsecured and payable on demand or due within 12 months from the end of the reporting period, bearing interest at rates ranging from 0.1% to 2.15% (31 December 2023: 0.1% to 3.15%) per annum.

34. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Notes: (continued)

(c) Other amounts due to related parties are analysed below:

	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Amounts due to related parties, gross		
– The Parent Company	**27,563**	81,076
– Subsidiaries of the Parent Company	**438,706**	606,783
– Associates of the Parent Company	**19,469**	19,564
– Associates	**21,802**	21,785
– Joint ventures	**1,102**	955
	508,642	730,163

Amounts due to related parties are unsecured, interest-free and payable on demand.

(d) The carrying amounts of other payables and accruals approximate to their fair values.

(e) The carrying amounts of other payables and accruals are denominated in the following currencies:

	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
RMB	**52,562,787**	42,635,648
Others	**–**	248
	52,562,787	42,635,896

35. LEASE LIABILITIES

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Lease liabilities payable:		
– Within one year	**91,995**	107,106
– Within a period of more than one year but not exceeding two years	**97,689**	90,804
– Within a period of more than two years but not exceeding five years	**385,698**	295,255
– Within a period of more than five years	**244,345**	330,031
Subtotal	**819,727**	823,196
Less: Amount due for settlement with 12 months shown under current liabilities	**(91,995)**	(107,106)
Amount due for settlement after 12 months shown under non-current liabilities	**727,732**	716,090

36. BORROWINGS

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Short-term borrowings		
Bank loans and loans from other financial institutions		
– Secured *(Note (c))*	**–**	121,000
– Unsecured	**1,062,460**	1,600
Subtotal	**1,062,460**	122,600
Loans from non-controlling interest's shareholder		
– Unsecured	**53,000**	–
Total	**1,115,460**	122,600
Long-term borrowings		
Bank loans and loans from other financial institutions		
– Secured *(Note (c))*	**–**	399,692
– Pledged loan *(Note (d))*	**1,037,478**	1,345,695
– Unsecured	**50,591,323**	56,924,427
Subtotal	**51,628,801**	58,669,814
Loans from non-controlling interests' shareholders		
– Unsecured	**180,270**	182,122
Loans from the Parent Company		
– Unsecured	**405,725**	405,725
Total	**52,214,796**	59,257,661
Less: Amount due within one year shown under current liabilities	**(11,869,035)**	(16,482,683)
Non-current portion	**40,345,761**	42,774,978
Total short-term and long-term borrowings	**53,330,256**	59,380,261

36. BORROWINGS (CONTINUED)

Notes:

(a) The exposures of the Group's borrowings are as follows:

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Fixed-rate borrowings	**2,035,994**	2,122,853
Variable-rate borrowings	**51,294,262**	57,257,408
	53,330,256	59,380,261

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	As at 31 December 2024	As at 31 December 2023
Fixed-rate borrowings	**1.95% to 5.22%**	2.30% to 5.22%
Variable-rate borrowings	**1.75% to 4.50%**	2.00% to 5.53%

(b) As at 31 December 2024 and 2023, all borrowings were denominated in RMB.

(c) As at 31 December 2024, the bank's secured loans were fully repaid, with no balance remaining at the year-end.

As of 31 December 2023, the Group had secured borrowings of RMB520,692,000, which were collateralized by Property, plant and equipment with a carrying value of RMB598,901,000 and land use rights with a carrying value of RMB32,606,000.

(d) As at 31 December 2024, the Group's trade receivable from sales of electric power amounting to RMB301,793,000 (31 December 2023: RMB138,144,000) and the corresponding contractual right on further sales of electric power was pledged to secure long-term bank loans amounting to RMB1,037,478,000 (31 December 2023: RMB1,345,695,000).

37. LONG-TERM BONDS

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Bonds payable:		
– medium-term notes	**5,135,148**	10,226,792
– corporate bonds	**5,107,185**	3,084,334
Commission payable	**4,000**	12,001
	10,246,333	13,323,127
Less: Current portion of bonds payable	**4,748,680**	5,325,108
Current portion of commission payable	**3,500**	5,000
Non-current portion	**5,494,153**	7,993,019

The bonds/notes are initially recognised at the amount of the total proceeds net of the commission paid or payable on the date of issuance. The accrued interests and the current portion of commission payable are recorded in other payables and accruals.

37. LONG-TERM BONDS (CONTINUED)

Notes:

(a) On 16 March 2020, the Company issued 30,000,000 corporate bonds with a par value of RMB100 each and received a net proceeds of RMB2,997,170,000 after deducting the underwriting commission of RMB2,830,000. These bonds carry a coupon rate of 3.60% per annum with terms of 5 years, and the interest charge will be paid on 18 March annually. The effective interest rate is 3.62% per annum. As at 31 December 2024, the remaining balance was reclassified to current portion of bonds payable.

(b) On 9 April 2020, the Company issued 15,000,000 medium-term notes with a par value of RMB100 each and received a total proceeds of RMB1,500,000,000. The notes are fully repayable on 13 April 2025 when they become due. These notes carry a coupon rate of 3.28% per annum and the interest charge will be paid on 13 April annually in each of the following five years. The effective interest rate is 3.38% per annum. As at 31 December 2024, the remaining balance was reclassified to current liabilities.

In addition, the Company is obliged to pay RMB7,500,000 to the underwriter as the underwriting commission, which is payable in five instalments of RMB1,500,000 annually. As agreed with the underwriter, the first instalment of RMB1,500,000 was paid on 13 April 2020 when the transaction was completed and the same amount is payable on 13 April in each of the following four years.

(c) On 9 April 2020, the Company issued 5,000,000 medium-term notes with a par value of RMB100 each and received a total proceeds of RMB500,000,000. The notes are fully repayable on 9 April 2027 when they become due. These notes carry a coupon rate of 3.60% per annum and the interest charge will be paid on 13 April annually in each of the following five years. The effective interest rate is 3.70% per annum.

In addition, the Company is obliged to pay RMB3,500,000 to the underwriter as the underwriting commission, which is payable in seven instalments of RMB500,000 annually. As agreed with the underwriter, the first instalment of RMB500,000 was paid on 13 April 2020 when the transaction was completed and the same amount is payable on 13 April in each of the following six years.

(d) On 22 April 2021, the Company issued 30,000,000 medium-term notes with a par value of RMB100 each and received a total proceeds of RMB3,000,000,000. The notes are fully repayable on 22 April 2026 when they become due. These notes carry a coupon rate of 4.00% per annum and the interest charge will be paid on 26 April annually in each of the following five years. The effective interest rate is 4.10% per annum.

In addition, the Company is obliged to pay RMB15,000,000 to the underwriter as the underwriting commission, which is payable in five instalments of RMB3,000,000 annually. As agreed with the underwriter, the first instalment of RMB3,000,000 was paid on 25 July 2021, when the transaction was completed and the same amount is payable on 25 July in each of the following four years.

(e) On 16 July 2024, the Company issued 20,000,000 corporate bonds with a par value of RMB100 each and received a net proceeds of RMB1,998,400,000 after deducting the underwriting commission of RMB1,600,000. The bonds are fully repayable on 16 July 2039 when they become due. These bonds carry a coupon rate of 2.58% per annum with terms of 15 years, the interest charge will be paid on 16 July annually. The effective interest rate is 2.59% per annum.

	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Interest payable for long-term bonds	**249,183**	330,215

38. DEFERRED INCOME TAX

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	**2,764,995**	2,560,735
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(4,443,628)**	(4,661,399)
Net deferred tax liabilities	**(1,678,633)**	(2,100,664)

The movements in net deferred tax liabilities are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Beginning of the year	**(2,100,664)**	(2,060,839)
Credited to profit or loss *(Note 15)*	**299,535**	105,248
Credited to other comprehensive income *(Note 15)*	**122,496**	36,184
Disposals of subsidiaries	**–**	(233,443)
Others	**–**	52,186
End of the year	**(1,678,633)**	(2,100,664)

38. DEFERRED INCOME TAX (CONTINUED)

The gross movement in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets:

	Trial production RMB'000	Unrealised profit RMB'000	Tax losses RMB'000	Amortisation RMB'000	Impairment of assets RMB'000	Deductible temporary differences arising from investments in subsidiaries RMB'000	Accrued expenses RMB'000	Fair value adjustments on debt instruments at FVTOCI RMB'000	Others RMB'000	Total RMB'000
At 31 December 2022	72,131	861,668	111,451	138,073	883,713	58,277	818,929	6,649	1,447,475	4,398,366
(Charged) Credited to profit or loss	(37,707)	7,967	(39,012)	1,713	49,099	–	145,654	–	178,306	306,020
Charged to other comprehensive income	–	–	–	–	–	–	–	(3,526)	(1,088)	(4,614)
Disposals of subsidiaries	–	–	–	–	(18,651)	–	–	–	(219,211)	(237,862)
Others	–	–	–	–	–	–	–	–	(279)	(279)
At 31 December 2023	34,424	869,635	72,439	139,786	914,161	58,277	964,583	3,123	1,405,203	4,461,631
(Charged) Credited to profit or loss	**(2,903)**	**(10,223)**	**(9,886)**	**56,968**	**40,797**	**–**	**127,349**	**–**	**241,088**	**443,190**
Charged to other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**889**	**(6,262)**	**(5,373)**
At 31 December 2024	**31,521**	**859,412**	**62,553**	**196,754**	**954,958**	**58,277**	**1,091,932**	**4,012**	**1,640,029**	**4,899,448**

Deferred tax assets are recognised for the carryforward of tax losses and deductible temporary differences to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group had not recognised deferred tax assets in respect of certain subsidiaries' accumulated deductible temporary differences of RMB7,327,714,000 (2023: RMB7,214,577,000) and tax losses of RMB8,381,302,000 (2023: RMB8,914,989,000) as at 31 December 2024. The accumulated tax losses will expire between 2025 and 2029 (2023: between 2024 and 2028). The Group did not recognise these deferred tax assets as management believes that it is more likely than not that such deductible temporary differences and tax losses would not be utilised in the foreseeable future.

38. DEFERRED INCOME TAX (CONTINUED)

Tax losses that have not been recognised as deferred tax assets will expire in the following years:

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
2024	**–**	2,016,936
2025	**1,763,964**	1,711,037
2026	**2,249,641**	2,087,653
2027	**1,628,035**	1,628,035
2028	**1,330,418**	1,471,328
2029	**1,409,244**	–
	8,381,302	8,914,989

Deferred tax liabilities:

	Depreciation *RMB'000*	**Mining funds *(Note)*** *RMB'000*	**Fair value adjustments not deductible for tax purpose** *RMB'000*	**Fair value adjustments for equity instruments** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
At 31 December 2022	(404,633)	(490,452)	(4,507,985)	(266,545)	(789,590)	(6,459,205)
(Charged) credited to profit or loss	(43,021)	7,092	68,153	–	(232,996)	(200,772)
Charged to other comprehensive income	–	–	–	40,798	–	40,798
Disposals of subsidiaries	–	–	4,419	–	–	4,419
Others	–	–	–	52,465	–	52,465
At 31 December 2023	(447,654)	(483,360)	(4,435,413)	(173,282)	(1,022,586)	(6,562,295)
(Charged) credited to profit or loss	**(38,566)**	**23,838**	**55,454**	**–**	**(184,381)**	**(143,655)**
Charged to other comprehensive income	**–**	**–**	**–**	**127,869**	**–**	**127,869**
At 31 December 2024	**(486,220)**	**(459,522)**	**(4,379,959)**	**(45,413)**	**(1,206,967)**	**(6,578,081)**

Note:

Pursuant to certain regulations of the PRC government, the Group is required to set aside amounts for the renovation and reformation fund (Note 43 (b)), safety fund (Note 43 (c)), transformation and environmental restoration fund (Note 43 (d) (i)) and sustainable development fund (Note 43 (d) (ii)), collectively the "mining funds". Up to 30 April 2011, for those amounts that are deductible for tax purposes when they are set aside but are expensed when they are utilised for accounting purpose, a deferred tax liability is recorded for the temporary differences in respect of the excess of the amount of funds deducted for tax purposes.

According to a new PRC tax regulation effective from 1 May 2011, the renovation and reformation funds and safety funds are no longer tax deductible when they are set side but only tax deductible when they are utilised. As such, no additional deferred tax liability will be generated for these mining funds from 1 May 2011 onwards.

39. PROVISION FOR CLOSE DOWN, RESTORATION AND ENVIRONMENTAL COSTS

	2024 RMB'000	2023 RMB'000
Beginning of the year	**5,930,461**	5,179,936
Interest charge on unwinding of discounts	**154,739**	162,098
Provision	**971,065**	1,083,065
Payments	**(186,941)**	(494,638)
End of the year	**6,869,324**	5,930,461
Less: current portion	**(96,501)**	(80,942)
Non-current portion	**6,772,823**	5,849,519

40. DEFERRED REVENUE

Deferred revenue mainly consists of the government grants, which are recognised in profit or loss according to the depreciable periods of the related assets and the periods in which the related costs incurred or the grants are intended to compensate. Government grants of RMB81,934,000 (2023: RMB89,100,000) have been received in the current year.

41. OTHER LONG-TERM LIABILITIES

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Payables for mining rights *(Note (a))*	**983,202**	1,079,338
Payables for the transfer of mining rights *(Note (b))*	**8,194,635**	4,187,658
Payables for the acquisition of subsidiaries *(Note (c))*	**342,370**	685,133
Others	**68,068**	33,126
	9,588,275	5,985,255
Less: Current portion of payables for mining rights	**(62,000)**	(66,185)
Current portion of payables for the transfer of mining rights	**(4,500,564)**	(295,344)
Current portion of payables for the acquisition of subsidiaries	**(342,370)**	(286,216)
	4,683,341	5,337,510

41. OTHER LONG-TERM LIABILITIES (CONTINUED)

Notes:

(a) The payables for mining rights are mainly the unpaid balances of the consideration for purchasing mining rights. According to relevant purchase agreements, considerations are paid by instalment. The current portion of the payables is included in other payables and accruals.

(b) According to the laws and regulations and documents of the *Notice of the Ministry of Finance and the Ministry of Land and Resources on Issuing the Interim Measures for the Administration of the Collection of Income from the Transfer of Mining Rights* (Cai Zong [2017] No. 35) and the *Notice of the Ministry of Finance and the Ministry of Land and Resources of Inner Mongolia Autonomous Region on Issuing the Administrative Implementation Measures on the Collection of Income from Transfer of Mining Rights of Inner Mongolia Autonomous Region* (Nei Cai Fei Shui Gui [2017] No. 24). Mengda Mining and Yihua Mining, subsidiaries of the Group entered into the mining rights transfer contract with the Ministry of Land and Resources of Inner Mongolia Autonomous Region in the year ended 31 December 2019. The total amount of the mining rights transfer contract is RMB4,272,294,000 in the year ended 31 December 2019, which shall be paid by installment within the effective period of mining rights and RMB2,189,949,000 that will be paid within one year is included in other payables.

Yihua Mining, a subsidiary of the Group entered into the mining rights transfer contract with the Natural Resources Department of Ordos in the year ended 31 December 2023. The total amount of the mining rights transfer contract is RMB3,388,697,000 in the year ended 31 December 2023, which shall be paid by installment within the effective period of mining rights and RMB2,310,614,600 that will be paid within one year is included in other payables.

According to the laws and regulations and documents of the *Notice of the Ministry of Finance and the Ministry of Land and Resources on Issuing the Interim Measures for the Administration of the Collection of Income from the Transfer of Mining Rights* (Cai Zong [2017] No. 35) and the *Notice of the general office of the Party committee of the Autonomous Region and the general office of the People's Government of the autonomous region on Issuing the Implementation Plan for the Pilot Work of the Reform of the Transfer System of Mining Right of the Autonomous Region* (Xin Dang Ting Zi [2018] No. 57), *Shanghai Energy Company*, a subsidiary of the Group entered into the mining rights transfer contract with the Natural Resources Department of Xinjiang Uygur Autonomous Region. The total amount of the mining rights transfer contract is RMB1,068,223,000, which shall be paid by installment within the effective period of mining rights and listed as other long-term liabilities. There are no payments to be made within one year at the end of the year.

According to relevant laws and regulations and documents of the *Notice of Ministry of Finance and the Ministry of Land and Resources on Issuing the Interim Measures for the Administration of the Collection of Income from the Transfer of Mining Rights* (Cai Zong [2017] No.35), *Interim Measures for the Implementation of the Administration of Collection of Mining Right Transfer Income in Heilongjiang Province* (Hei Cai Gui Shen [2019] No. 6), *Heilongjiang Coal Chemical*, a subsidiary of the Company signed the mining right transfer contract with Heilongjiang Provincial Department of Natural Resources in the year ended 31 December 2022. The total amount of the mining right transfer contract is RMB539,384,000, which shall be paid by installment within the validity period of the mining right and listed as a long-term payable. No payments to be made within one year at the end of the year.

(c) Payable for the acquisition of subsidiaries arose from the transaction that the Company's subsidiary, Pingshuo Group's, acquired 100% equity interest of Shanxi China Coal Panjiayao Coal Industry Co., Ltd (山西中煤潘家窯煤業有限公司) in 2020 under a common control business combination.

42. SHARE CAPITAL

	Number of shares *(thousands)*	Share capital *RMB'000*
At 31 December 2024:		
Domestic shares ("A shares") of RMB1.00 each		
– held by China Coal Group	**7,611,208**	**7,611,208**
– held by other shareholders	**1,540,792**	**1,540,792**
H shares of RMB1.00 each		
– held by a wholly-owned subsidiary of China Coal Group	**132,351**	**132,351**
– held by other shareholders	**3,974,312**	**3,974,312**
	13,258,663	**13,258,663**

	Number of shares *(thousands)*	Share capital *RMB'000*
31 December 2023:		
Domestic shares ("A shares") of RMB1.00 each		
– held by China Coal Group	7,606,744	7,606,744
– held by other shareholders	1,545,256	1,545,256
H shares of RMB1.00 each		
– held by a wholly-owned subsidiary of China Coal Group	132,351	132,351
– held by other shareholders	3,974,312	3,974,312
	13,258,663	13,258,663

During 2024, the Group traded through centralized bidding through the Shanghai Stock Exchange, increased its holdings of 4,464,200 A shares of the Group, accounting for approximately 0.03% of the Company's total shares.

Notes:

(a) The A Shares rank pari passu, in all material respects, with the H Shares.

(b) As at 31 December 2024 and 2023, China Coal Hong Kong Company Limited, a wholly-owned subsidiary of China Coal Group, held approximately 132,351,000 H Shares of the Company, representing approximately 1.00% of the Company's total share capital.

43. RESERVES AND RETAINED EARNINGS

	Capital reserve *RMB'000*	Statutory reserve funds *RMB'000* *(note a)*	General reserve *RMB'000*	Future development fund *RMB'000* *(note b)*	Safety fund *RMB'000* *(note c)*	Other funds related to coal mining *RMB'000* *(note d)*	Translation reserve *RMB'000*	Other reserves *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*
At 31 December 2022 as previously reported	31,550,124	6,128,611	1,100,965	2,982,996	3,417,732	66,172	(85,474)	7,390,235	64,703,761	117,255,122
Effect of adoption of amendments to IAS 12 *(Note 3(c))*	–	–	–	–	–	–	–	–	100,319	100,319
At 1 January 2023 (Restated)	31,550,124	6,128,611	1,100,965	2,982,996	3,417,732	66,172	(85,474)	7,390,235	64,804,080	117,355,441
Profit for the year	–	–	–	–	–	–	–	–	20,183,598	20,183,598
Other comprehensive income (loss), net of tax	–	–	–	–	–	–	7,835	(478,058)	–	(470,223)
Appropriations	–	495,475	167,047	272,703	192,494	(12,156)	–	–	(1,115,563)	–
Share of other changes of reserves of associates and joint ventures	–	–	–	–	–	–	–	193,847	(184,433)	9,414
Contributions from and transactions within non-controlling interests *(Note 23(a))*	–	–	–	(34,445)	(62,349)	–	–	–	(934,364)	(1,031,158)
Dividends	–	–	–	–	–	–	–	–	(5,475,828)	(5,475,828)
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	–	–	–	–	–	–	43,865	(43,865)	–
Others	–	5,246	–	–	–	–	–	–	47,221	52,467
At 31 December 2023	31,550,124	6,629,332	1,268,012	3,221,254	3,547,877	54,016	(77,639)	7,149,889	77,280,846	130,623,711

43. RESERVES AND RETAINED EARNINGS (CONTINUED)

	Capital reserve *RMB'000*	Statutory reserve funds *RMB'000* *(note a)*	General reserve *RMB'000*	Future development fund *RMB'000* *(note b)*	Safety fund *RMB'000* *(note c)*	Other funds related to coal mining *RMB'000* *(note d)*	Translation reserve *RMB'000*	Other reserves *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*
At 1 January 2024	**31,550,124**	**6,629,332**	**1,268,012**	**3,221,254**	**3,547,877**	**54,016**	**(77,639)**	**7,149,889**	**77,280,846**	**130,623,711**
Profit for the year	–	–	–	–	–	–	–	–	18,155,988	18,155,988
Other comprehensive loss, net of tax	–	–	–	–	–	–	(33,029)	(330,954)	–	(363,983)
Appropriations	–	–	101,559	(755,535)	(421,759)	(19,953)	–	–	1,095,688	–
Share of other changes of reserves of associates and joint ventures	–	–	–	–	–	–	–	(3,321)	4,424	1,103
Disposal of equity instruments at fair value through other comprehensive income	–	–	–	–	–	–	–	6,871	(6,871)	–
Acquisition of non-controlling interests (Note (i))	–	–	–	–	–	–	–	71,111	–	71,111
Contributions from and transactions within non-controlling interests (Note (ii))	–	–	–	–	–	–	–	269,034	–	269,034
Dividends	–	–	–	–	–	–	–	–	(10,288,723)	(10,288,723)
Transfer of exchange fluctuation reserve upon the deregistration of overseas branch and Others	–	–	–	–	–	–	(1,057)	(18,550)	–	(19,607)
At 31 December 2024	**31,550,124**	**6,629,332**	**1,369,571**	**2,465,719**	**3,126,118**	**34,063**	**(111,725)**	**7,144,080**	**86,241,352**	**138,448,634**

Notes:

(i) On 28 February 2024, the Company acquired an additional 4.1646% equity interest in Yihua Mining, increasing its ownership interest from 51% to 55.1646%. A cash consideration of RMB282,820,000 was paid to the non-controlling shareholders. The differences between this cash consideration and carrying amount of 4.1646% Yihua Mining's net assets recognised in the Group's consolidated financial statements amounting to RMB71,111,000 was recognised as an increase to other reserves.

(ii) The Company controlled and held 80% ownership interests in China Coal Shaanxi Yulin Energy & Chemical Company Co., Ltd. ("Shaanxi Yulin") through Shaanxi Energy. In January 2024, two non-controlling shareholders of Shaanxi Yulin, namely Yulin Enterprise Development Investment Co., Ltd. ("榆林市企業發展投資有限公司") and Yulin Yuyang District Energy Investment Co., Ltd. ("榆林市榆陽區能源投資有限責任公司") completed their capital injections to Shanxi Yulin without changes to ownership interests. The excessive amount of the capital injections over registered capital of Shaanxi Yuli were RMB155,995,000. The Company recognised its share of the excessive amount to RMB124,796,000 as an increase in other reserves.

In January 2024, a non-controlling shareholder of Yihua Mining completed its capital injection to Shaanxi Yulin without changes to ownership interests. The excessive amount of the capital injection over registered capital of Yihua Mining are RMB282,820,000. The Company recognised its share of the excessive amounting to RMB144,238,000 as an increase in other reserves.

43. RESERVES AND RETAINED EARNINGS (CONTINUED)

Notes: (Continued)

(a) Statutory reserve funds

In accordance with the PRC Company Law and the relevant articles of association, each of the Company and its subsidiaries established in the PRC (the "PRC Group Entities") is required to set aside 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to the PRC companies ("PRC GAAP") and regulations applicable to the PRC Group Entities, to the statutory reserve funds until such reserve reaches 50% of the registered capital of the relevant PRC Group Entities. The appropriation to the reserve must be made before any distribution of dividends to the equity holders before reaching 50% threshold mentioned above. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as the relevant PRC Group Entities' share capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the relevant PRC Group Entities.

(b) Renovation and reformation fund

Pursuant to the relevant PRC regulations, the Group is required to reserve for renovation and reformation fund calculated at a fix rate (RMB6 to 8 per ton) of raw coal mined. The fund is mainly used for maintaining further development of coal mines and technological improvements, etc., to ensure the continuous stability production of the mine and is not available for distribution to shareholders. Upon incurring qualified expenditures, an equivalent amount is transferred from future development fund to retained earnings.

(c) Safety fund

Pursuant to certain regulations issued by the Ministry of Finance ("財政部") and the State Administration of Work Safety ("安全監管總局") of the PRC, the subsidiaries of the Company which are engaged in coal mining are required to set aside an amount to a safety fund at RMB5 to RMB50 per ton of raw coal mined. The subsidiaries of the Company which are engaged in coal-chemical, machinery manufacturing, electricity metallurgy and other relevant business are required to set aside an amount of certain percentage of revenue to a safety fund. The safety fund can be used for safety facilities and environment improvement, and is not available for distribution to shareholders. Upon incurring qualifying safety expenditure, an equivalent amount should be transferred from safety fund to retained earnings.

(d) Other funds relevant to coal mining

(i) Transformation and environmental restoration fund

Pursuant to two regulations issued by the Shanxi provincial government on 15 November 2007, both of which were effective from 1 October 2007, mining companies of the Group located in Shanxi Province are required to set aside an amount to a coal mine industry transformation fund and environmental restoration fund at RMB5 and RMB10 per ton of raw coal mined, respectively. According to the relevant rules, such fund will be specifically utilised for the transformation costs of the coal mine industry and for the land restoration and environmental cost, and are not available for distribution to shareholders. Upon incurring qualifying transformation and environmental restoration expenditures, an equivalent amount should be transferred from transformation and environmental restoration fund to retained earnings.

Pursuant to a regulation issued by the Shanxi provincial government, transformation and environmental restoration fund was no longer required to be set aside since 1 August 2013.

(ii) Sustainable development fund

Pursuant to a regulation issued by the Jiangsu Province Xuzhou municipal government on 20 October 2010, the Company's subsidiary in Xuzhou is required to set aside an amount to a sustainable development fund at RMB10 per ton of raw coal mined. The fund will be used for the transformation costs of the mine, land restoration and environmental cost, and is not available for distribution to shareholders. Upon incurring qualifying expenditures, an equivalent amount should be transferred from sustainable development fund to retained earnings. The sustainable development fund was no longer required to be set aside since 1 January 2014 according to related requirement of the local government.

44. CONTINGENT LIABILITIES

During the years 2010 and 2011, the Company made a number of acquisitions of interests in Yinhe Hongtai in the open market and Yinhe Hongtai became a subsidiary. Thereafter in 2021, Wushenqi State-owned Assets Investment and Management Co., LTD. ("Wushenqi") launched claims to Yinhe Hongtai, for the contract entered on 26 July 2007 for the transfer of a relevant mining right to Yinhe Hongtai. Wushenqi claimed that contract was invalid as this transfer of mining right violated the relevant rules and regulations of the Inner Mongolia Autonomous Region while it was determined below the required minimum transfer price for high-quality thermal coal. Yinhe Hongtai has been sued for the differences between the required minimum prices and the actual transfer considerations paid by the then existing owner of the entity.

In mid-January 2022, Ordos Intermediate People's Court made the first instance judgement on this case, and ordered Yinhe Hongtai to pay for the under-paid transfer price. In October 2023, Yinhe Hongtai received a remanded second instance judgement of affirmance.

On 15 May 2024, the Intermediate People's Court of Ordos City organized mediation and suggested that both parties resolve the issue through debt-to-equity swaps. The Group will continue following up on the latest progress of this case to assess the potential impact.

45. CASH GENERATED

45.1 Reconciliation of profit before income tax to cash generated from operations

	2024	2023
	RMB'000	*RMB'000*
Profit before income tax	**30,316,484**	33,695,386
Adjustments for:		
Depreciation charge	**8,606,726**	9,644,538
Amortisation charge	**1,824,853**	1,595,045
Provision for impairment of property, plant and Equipment	**12,198**	182,065
Provision for impairment of prepayments	**1,854**	825
Provision for impairment of inventories	**444,813**	94,705
Impairment loss, net of reversal		
– Receivables	**98,843**	14,952
– Loans to the Parent Company and fellow subsidiaries	**66,452**	53,339
– Contract assets	**5,214**	7,009
– Debt instruments at FVTOCI	**2,016**	(6,679)
– Other	**–**	(120)
Net (gains)/losses on disposals of property, plant and equipment, land use rights and right of use assets	**(13,457)**	18,614
Share of profits of associates and joint ventures	**(2,551,945)**	(3,176,197)
Effect of foreign exchange rate changes	**(25,381)**	25,163
Gain on disposal of subsidiaries and investments in associates and joint ventures	**–**	(6,174)
Interest income on term deposits with initial terms of over three months and loans to joint ventures and associates	**(98,909)**	(69,942)
Interest expense	**2,549,562**	3,008,513
Dividend income	**(5,410)**	(3,415)
Operating cash flows before movement in working capital	**41,233,913**	45,077,627
Changes in working capital:		
Decrease (increase) in inventories	**679,432**	(753,083)
(Increase) decrease in trade receivables and debt instruments at FVTOCI	**(3,281,805)**	598,953
Increase in contract assets	**(58,467)**	(472,188)
Decrease (increase) in prepayments and other receivables	**382,313**	(1,354,192)
Increase in restricted bank deposits	**(621,880)**	(751,990)
Increase in trade and notes payables	**1,399,665**	1,494,152
Decrease in contract liabilities	**(1,631,417)**	(1,152,044)
Increase in accruals, advances and other payables	**3,005,276**	9,151,889
Cash generated from operations	**41,107,030**	51,839,124

45. CASH GENERATED (CONTINUED)

45.2 Reconciliation of liabilities arising from financing activities

The table below details major 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 Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings *RMB'000* *(Note 36)*	Bonds *RMB'000* *(Note 37)*	Other payables *RMB'000* *(Note a)*	Lease liabilities *RMB'000* *(Note 35)*	Total *RMB'000*
At 1 January 2023	71,506,805	14,539,033	2,219,121	445,751	88,710,710
New bonds and borrowings	21,638,862	–	–	–	21,638,862
Repayment of bonds and borrowings	(33,661,585)	(1,200,000)	–	–	(34,861,585)
Disposal of subsidiaries	(83,000)	–	(227,485)	–	(310,485)
Dividend and interest paid	(3,246,423)	(31,596)	(9,862,876)	–	(13,140,895)
Bonds commission fee paid	–	–	(13,333)	–	(13,333)
Finance costs	3,303,495	15,690	567	36,560	3,356,312
Dividend declared	–	–	8,031,009	–	8,031,009
Repayments of leases liabilities	–	–	–	(164,923)	(164,923)
Addition of lease liabilities	–	–	–	505,808	505,808
Transfer	–	(5,000)	5,000	–	–
Others	(77,893)	–	(50,000)	–	(127,893)
At 31 December 2023	59,380,261	13,318,127	102,003	823,196	73,623,587
New bonds and borrowings	**14,836,760**	**2,000,000**	**–**	**–**	**16,836,760**
Repayment of bonds and borrowings	**(20,720,205)**	**(5,000,000)**	**–**	**–**	**(25,720,205)**
Dividend and interest paid	**(2,321,344)**	**(75,925)**	**(13,312,846)**	**–**	**(15,710,115)**
Bonds commission fee paid	**–**	**–**	**(5,000)**	**–**	**(5,000)**
Finance costs	**2,154,784**	**4,131**	**506**	**35,307**	**2,194,728**
Dividend declared	**–**	**–**	**14,791,113**	**–**	**14,791,113**
Repayments of leases liabilities	**–**	**–**	**–**	**(233,162)**	**(233,162)**
Addition of lease liabilities	**–**	**–**	**–**	**208,751**	**208,751**
Transfer	**–**	**(3,500)**	**3,500**	**–**	**–**
Others	**–**	**–**	**–**	**(14,365)**	**(14,365)**
At 31 December 2024	**53,330,256**	**10,242,833**	**1,579,276**	**819,727**	**65,972,092**

45. CASH GENERATED (CONTINUED)

45.2 Reconciliation of liabilities arising from financing activities (continued)

Notes:

(a) Other payables mainly represented dividends payable, interest payable and current portion of bonds commission fee payable.

(b) Major non-cash transactions

The major non-cash transactions for the years ended 31 December 2024 and 2023 include:

The Group endorsed bank acceptance notes amounting to RMB1,233,636,000 (2023: RMB820,955,000) to settle the payables for the purchase of property, plant and equipment during the year.

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB208,751,000 (2023: RMB505,808,000), respectively, in respect of lease arrangements.

46. FINANCIAL GUARANTEE CONTRACTS

The Group has guaranteed the bank loans of a related part and a third party for no compensation. Under the terms of the financial guarantee contracts, the Group will make payments to reimburse the lenders upon failure of the guaranteed entities to make payments when due.

Terms, face value and credit risk of the liabilities guaranteed were as follows:

	Year of maturity	**As at 31 December 2024 Face value** ***RMB'000***	As at 31 December 2023 Face value *RMB'000*
Bank loans of:			
– A related party *(Note 50)*	2035	**947,426**	1,074,066
– Third party *(Note)*	2045	**294,400**	314,200
Total		**1,241,826**	1,388,266

Note: The third party refer to Shaanxi Jingshen Railway Company Limited ("Shaanxi Jingshen"), which is accounted for as equity instruments at fair value through other comprehensive income by the Group.

47. FINANCIAL RISK MANAGEMENT

47.1 Categories of financial instruments

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Finance Assets		
Financial assets at fair value through Other comprehensive income:		
Equity instruments at FVTOCI	**2,414,434**	2,866,145
Debt instruments at FVTOCI	**2,972,380**	3,309,821
Financial assets at amortised cost:		
Trade and Notes receivables	**8,492,302**	7,492,777
Other receivables	**2,201,355**	2,112,213
Loans to the Parent Company and fellow subsidiaries	**10,320,714**	7,239,670
Restricted bank deposits and term deposits over three months	**54,529,667**	59,959,867
Cash and cash equivalents	**29,823,483**	31,582,885
Entrusted loans	**–**	4,435
Total	**110,754,335**	114,567,813

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Finance Liabilities		
Financial liabilities at amortised cost		
– Borrowings	**53,330,256**	59,380,261
– Bonds	**10,246,333**	13,323,127
– Trade and other payables	**71,716,238**	61,650,598
– Other long-term liabilities *(Note)*	**9,177,837**	5,266,996
Total	**144,470,664**	139,620,982

Note: Including other long-term liabilities due within one year.

47. FINANCIAL RISK MANAGEMENT (CONTINUED)

47.2 Financial risk management objectives and policies

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group historically has no fixed policy to use derivatives for hedging purposes. The majority of the financial instruments held by the Group are for purposes other than trading.

The condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024.

(a) Market risk

(i) Foreign currency risk

The Group's operations such as export sales, imports of machinery and equipment, foreign currency deposits (Note 31 (c)), trade receivables (Note 28 (b)) and trade and notes payables (Note 32 (b)) expose itself to currency risk arising from various currency exposures primarily with respect to the USD.

The Group currently has not used any derivative instruments to hedge exchange rate of USD. However, management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise. If USD had appreciated/depreciated by 10% against RMB, the Group's post-tax profit for 2024 would have increased/decreased by RMB21,018,000 (2023: RMB14,644,000), with all other variables held constant.

(ii) Interest rate risk

The Group's interest rate risk mainly arises from long-term borrowings and long-term bonds. Borrowings at variable rates expose the Group to cash flow interest-rate risk while borrowings and long-term bonds at fixed rates expose the Group to fair value interest-rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. The Group currently has not used any financial instruments to hedge potential fluctuations in interest rates.

Other than those mentioned above, the Group's income and operating cash flows are substantially independent of changes in the market interest rates.

If interest rates on borrowings at variable rates had been 50 basis points (2023: 50 basis points) higher/lower with all other variables held constant, post-tax profit for 2024 would have been lower/higher by RMB256,934,000 (2023: RMB349,400,000) after consideration of capitalisation of interest expenses.

47. FINANCIAL RISK MANAGEMENT (CONTINUED)

47.2 Financial risk management objectives and policies (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(iii) Other price risk

The Group is exposed to equity price risk due to its investments in equity securities measured at FVTOCI. In addition, the Group also invested in certain unquoted equity securities for long-term strategic purposes which had been designed as at FVTOCI.

(b) Credit risk and impairment assessment

As at 31 December 2024, other than those financial assets and finance lease receivables whose carrying amounts best represent the maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the amount of financial guarantees provided by the Group is disclosed in Note 46. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets and financial guarantee contracts.

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed every year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

Loans to the Parent Company and fellow subsidiaries/financial guarantee contacts

The Group provided loans to the Parent Company and fellow subsidiaries and provided financial guarantee mainly to related parties. The Group monitors the financial performance of the borrowers on a regular basis to manage the credit risk of the Group.

Debt instruments at FVTOCI

Debt instruments at FVTOCI are bank acceptance notes which are received from customers of the Group. The Group classifies them as debt instruments at FVTOCI because they are held within a business model whose objective is achieved by both selling and collecting contractual cash flows and the contractual cash flows of these financial assets are solely payments of principal and interest on the principal amount outstanding. The Group reviews the issuer's credit rating, and receives the acceptance notes from issuers with good credit rating.

47. FINANCIAL RISK MANAGEMENT (CONTINUED)

47.2 Financial risk management objectives and policies (continued)

Financial risk factors (continued)

(b) Credit risk and impairment assessment (continued)

Bank balances, bank deposits and term deposits

The credit risks on bank deposits are limited because the counterparties are banks with high credit ratings.

Other than concentration of credit risk on bank deposits which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

The tables below detail the credit risk exposures of the gross amounts of the Group's financial assets, contract assets, finance lease receivables and financial guarantee contracts, which are subject to ECL assessment:

As at 31 December 2024:

	12m ECL *RMB'000*	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
Financial assets				
Financial assets at fair value through Other comprehensive income:				
Debt instruments at FVTOCI	**2,972,380**	**–**	**–**	**2,972,380**
Financial assets at amortised cost:				
Trade and Notes receivables *(Note ii)*	**90,607**	**8,957,329**	**122,310**	**9,170,246**
Other receivables	**952,253**	**1,323,543**	**247,772**	**2,523,568**
Loans to the Parent Company and fellow subsidiaries	**10,513,273**	**–**	**–**	**10,513,273**
Restricted bank deposits and term deposits over three months	**54,529,667**	**–**	**–**	**54,529,667**
Cash and cash equivalents	**29,823,483**	**–**	**–**	**29,823,483**
Other items subject to ECL				
Contract assets *(Note ii)*	**NA**	**2,399,432**	**–**	**2,399,432**
Finance lease receivables *(Note ii)*	**NA**	**242,808**	**–**	**242,808**
Financial guarantee contracts *(Note i)*	**1,241,826**	**–**	**–**	**1,241,826**

47. FINANCIAL RISK MANAGEMENT (CONTINUED)

47.2 Financial risk management objectives and policies (continued)

Financial risk factors (continued)

(b) *Credit risk and impairment assessment (continued)*

As at 31 December 2023:

	12m ECL *RMB'000*	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
Financial assets				
Debt instruments at FVTOCI	3,309,821	–	–	3,309,821
Financial assets at amortised cost				
– Trade and Notes receivables *(Note ii)*	375,781	7,605,913	96,048	8,077,742
– Other receivables	788,267	963,172	673,491	2,424,930
– Loans to the Parent Company and fellow subsidiaries	7,247,160	–	–	7,247,160
– Restricted bank deposits and term deposits over three months	59,959,867	–	–	59,959,867
– Cash and cash equivalents	31,582,885	–	–	31,582,885
– Entrusted Loans	4,435	–	–	4,435
Other items subject to ECL				
Contract assets *(Note ii)*	N/A	2,347,257	–	2,347,257
Finance lease receivables *(Note ii)*	N/A	333,051	–	333,051
Financial guarantee contracts *(Note i)*	1,388,266	–	–	1,388,266

Notes:

(i) For financial guarantee contracts, the gross carrying amount represents the maximum amount that the Group has guaranteed under the respective contracts.

(ii) For trade receivables included in trade and notes receivables, finance lease receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL.

47. FINANCIAL RISK MANAGEMENT (CONTINUED)

47.2 Financial risk management objectives and policies (continued)

Financial risk factors (continued)

(b) Credit risk and impairment assessment (continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach.

	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit impaired) *RMB'000*	Total *RMB'000*
As at 1 January 2023	241,337	534,508	775,845
– Impairment losses recognised	103,899	392	104,291
– Impairment losses reversed	(17,082)	–	(17,082)
– Write offs	–	(141,784)	(141,784)
– Others	(125,297)	–	(125,297)
As at 31 December 2023	202,857	393,116	595,973
– Impairment losses recognised	**112,835**	**–**	**112,835**
– Impairment losses reversed	**(4,468)**	**(2,400)**	**(6,868)**
– Write offs	**(9,050)**	**(5,016)**	**(14,066)**
As at 31 December 2024	**302,174**	**385,700**	**687,874**

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

47. FINANCIAL RISK MANAGEMENT (CONTINUED)

47.2 Financial risk management objectives and policies (continued)

Financial risk factors (continued)

(b) Credit risk and impairment assessment (continued)

The following tables show reconciliation of loss allowances that has been recognised for long-term receivables, entrusted loans, loans to the Parent Company and fellow subsidiaries, amounts due from related parties and third parties and the remaining financial assets included in other receivables:

	12m ECL *RMB'000*	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
As at 1 January 2023	136,571	14,898	313,221	464,690
– Impairment losses recognised	57,819	59	–	57,878
– Impairment losses reversed	(91)	(1)	(69,695)	(69,787)
– Write-offs	–	–	(336)	(336)
– Others	(1,401)	–	–	(1,401)
As at 31 December 2023	192,898	14,956	243,190	451,044
– Impairment losses recognised	**64,864**	**614**	**825**	**66,303**
– Impairment losses reversed	**(23)**	**(17)**	**(1,422)**	**(1,462)**
– Write-offs	**–**	**–**	**(5,175)**	**(5,175)**
– Others	**3,190**	**–**	**894**	**4,084**
As at 31 December 2024	**260,929**	**15,553**	**238,312**	**514,794**

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of borrowing facilities. Due to the dynamic nature of the underlying businesses, the Group maintains a reasonable level of cash and cash equivalents, and further supplements this by keeping committed credit lines available.

The Group's primary cash requirements have been for purchases of materials, machinery and equipment and payment of related debts. The Group finances its working capital requirements through a combination of funds generated from operations, bank loans, bonds and the net proceeds from share issue.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facilities and cash and cash equivalents (Note (31)) on the basis of expected cash flows.

47. FINANCIAL RISK MANAGEMENT (CONTINUED)

47.2 Financial risk management objectives and policies (continued)

Financial risk factors (continued)

(c) *Liquidity risk (continued)*

The table below analyses the undiscounted cash outflows relating to the Group's financial liabilities and lease liabilities into relevant maturity groupings based on the earliest date on which the Group can be required to pay:

	Weighted average interest rate	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024							
Borrowings	**2.65%**	**14,146,440**	**22,948,224**	**15,034,803**	**4,269,780**	**56,399,247**	**53,330,256**
Bonds	**2.13%**	**4,729,779**	**3,111,282**	**659,797**	**2,495,675**	**10,996,533**	**10,246,333**
Trade and other payables	**N/A**	**71,938,465**	**–**	**–**	**–**	**71,938,465**	**71,716,238**
Other long-term liabilities	**N/A**	**–**	**362,987**	**1,118,701**	**5,838,886**	**7,320,574**	**9,177,837**
Lease liabilities	**N/A**	**146,154**	**152,864**	**434,539**	**239,078**	**972,635**	**819,727**
Financial guarantees	**N/A**	**1,241,826**	**–**	**–**	**–**	**1,241,826**	**–**
Total		**92,202,664**	**26,575,357**	**17,247,840**	**12,843,419**	**148,869,280**	**145,290,391**
At 31 December 2023							
Borrowings	3.11%	18,197,164	9,519,506	25,345,587	10,447,838	63,510,095	59,380,261
Bonds	3.88%	5,504,593	4,800,200	3,641,500	–	13,946,293	13,323,127
Trade and other payables	N/A	61,822,197	–	–	–	61,822,197	61,650,598
Other long-term liabilities	N/A	–	385,444	1,526,964	4,975,774	6,888,182	5,266,996
Lease liabilities	N/A	207,180	188,804	341,729	169,089	906,802	823,196
Financial guarantees	N/A	1,388,266	–	–	–	1,388,266	–
Total		87,119,400	14,893,954	30,855,780	15,592,701	148,461,835	140,444,178

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses. Details of the Group's financial guarantee contracts are set out in Note 46.

47. FINANCIAL RISK MANAGEMENT (CONTINUED)

47.3 Fair value estimation

This note provides information about how the Group determines fair values of various financial assets and financial liabilities. Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Financial assets	**31 December 2024** *RMB'000*	31 December 2023 *RMB'000*	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
1) Listed equity Instruments at FVTOCI	**5,102**	4,925	Level 1	Quoted bid prices in an active market
2) Debt instruments at FVTOCI	**2,972,380**	3,309,821	Level 2	The discounted cash flow method using market average interest rate of note buyout-transfer transaction at the end of the reporting period as discount rate.
3) Unlisted equity instruments at FVTOCI	**2,409,332**	2,861,220	Level 3	Income or market approach, where more appropriate. Income approach – the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate. Market approach – valuations are derived by reference to observable valuation measures for comparable companies, and adjusted for the differences between the investments and the referenced comparable.

47. FINANCIAL RISK MANAGEMENT (CONTINUED)

47.3 Fair value estimation (continued)

(ii) Reconciliation of Level 3 fair value measurements of financial assets

Unlisted equity instruments at FVTOCI

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Beginning of the year	**2,861,220**	3,405,340
Additions	**1,000**	–
Deductions	**(281)**	(21,300)
Fair value change recognised in other comprehensive income	**(452,607)**	(522,820)
End of the year	**2,409,332**	2,861,220

Included in other comprehensive income is a loss of RMB452,607,000 (2023: loss of RMB522,820,000) relating to unlisted equity securities designated as at FVTOCI held at the end of the current reporting period and is reported as changes of "other reserves".

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial information approximate to their fair values.

	As at 31 December 2024		As at 31 December 2023	
	Carrying amount *RMB'000*	**Fair value** *RMB'000*	Carrying amount *RMB'000*	Fair value *RMB'000*
Long-term borrowings (Level 2)	40,345,761	40,345,761	42,369,253	42,355,125
Long-term bonds (including amounts due within one year) (Level 1)	5,494,153	5,668,761	7,993,019	8,130,839

The fair value of long-term borrowings was determined based on discounted cash flows and the key input is the discount rate that reflects the credit risk of the borrowers. The fair value of long-term bonds was based on quoted market price.

48. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, bonds and deposits from the Parent Company and fellow subsidiaries less cash and cash equivalents.

The gearing ratios at 31 December 2024 and 2023 were as follows:

	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Total borrowings, bonds and deposits from the Parent Company and fellow subsidiaries	**96,608,645**	102,261,576
Less: Cash and cash equivalents	**(29,823,483)**	(31,582,885)
Net debt	**66,785,162**	70,678,691
Total equity	**192,028,699**	182,523,561
Total capital	**258,760,861**	253,202,252
Gearing ratio	**26%**	28%

49. COMMITMENTS

(a) Capital commitments

The Group had the following capital commitments, principally for construction and purchases of property, plant and equipment and mining rights at the end of the reporting period:

	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Property, plant and equipment	**13,508,372**	3,304,488
Mining rights	**235,000**	235,000
	13,743,372	3,539,488

(b) Investment commitments

According to the agreement entered into on 15 July 2006, Zhongtian Synergetic was established by the Company, China Petroleum & Chemical Corporation and the other two independent parties. In 2022, the Company transferred its equity interest in Zhongtian Synergetic to China Coal Northwest Energy Co., Ltd ("Northwest Energy"), a subsidiary of the Company, without compensation. As a 38.75% shareholder, Northwest Energy has invested RMB6,787 million in Zhongtian Synergetic as at 31 December 2024 and is committed to a further investment of RMB481 million by instalments in the future.

According to the agreement entered into in October 2014, Shaanxi Jingshen was established by Shaanxi Yulin (a subsidiary of the Company), Shaanxi Coal and Chemical Industry Group Co., Ltd., Shaanxi Yulin Coal Distribution Co., Ltd. and a number of other independent parties. As a 4% shareholder, Shaanxi Yulin has invested RMB216 million in Shaanxi Jingshen as at 31 December 2024 and is committed to a further investment of RMB32 million in the future.

50. SIGNIFICANT RELATED PARTY TRANSACTIONS

Transactions and balances with related parties

Set out below is a summary of significant related party transactions for the years ended 31 December 2024 and 2023.

(a) Transactions with the Parent Company, fellow subsidiaries, associates and joint ventures of the Group, primary shareholders with significant influence over subsidiaries and Guoyuan Times Coal Asset Management Co., Ltd., and its subsidiaries

In addition to those disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Transactions with the Parent Company and fellow subsidiaries		
Integrated Material and Services Mutual Provision *(Note (i)):*		
Purchase of production materials, machinery and equipment from the Parent Company and fellow subsidiaries	**5,433,474**	5,718,573
Charges for social and support services provided by the Parent Company and fellow subsidiaries	**69,411**	121,812
Sale of production materials, machinery and equipment to the Parent Company and fellow subsidiaries	**8,706,061**	8,019,618
Agency fees for coal export and sales to the Parent Company	**6,963**	5,975
Mine Construction, Design and General Contracting Service *(Note (ii))*:		
Charges for mine construction and design services provided by the subsidiaries of the Parent Company	**2,642,702**	2,863,518
Leasing *(Notes (iii) and (vii))*:		
Rental fees relating to property leasing paid to the Parent Company and fellow subsidiaries	**69,332**	61,037
Coal Supplies *(Note (iv))*:		
Coal purchased from the subsidiaries of the Parent Company	**15,076,263**	11,567,448

50. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions and balances with related parties (continued)

(a) Transactions with the Parent Company, fellow subsidiaries, associates and joint ventures of the Group, primary shareholders with significant influence over subsidiaries and Guoyuan Times Coal Asset Management Co., Ltd., and its subsidiaries (continued)

In addition to those disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties: (continued)

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Financial Services ***(Note (v))*****:**		
Loans provided to the Parent Company and fellow subsidiaries	**4,056,719**	4,838,573
Loans repayment received from the Parent Company and fellow subsidiaries	**910,425**	1,508,158
Deposits received from the Parent Company and fellow subsidiaries	**4,044,818**	4,847,337
Interest paid or payable to the Parent Company and fellow subsidiaries	**326,819**	293,650
Interest received or receivable from the Parent Company and fellow subsidiaries	**235,920**	174,168
Charges for providing financial services	**554**	745
Interest paid or payable arising from entrusted loans entrusted by the Parent Company	**17,131**	18,188
Fee paid for use of trademark to the Parent Company ***(Note (vi))***	**RMB1**	RMB1

50. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions and balances with related parties (continued)

(a) Transactions with the Parent Company, fellow subsidiaries, associates and joint ventures of the Group, primary shareholders with significant influence over subsidiaries and Guoyuan Times Coal Asset Management Co., Ltd., and its subsidiaries (continued)

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Transactions with associates of the Group:		
Sales and services provided:		
Sales of machinery and equipment	**123,748**	190,870
Sales of materials and spare parts	**18,797**	16,941
Railway rental income	**149,537**	154,799
Income from providing labour services	**6,140**	6,961
Sales of coal	**3,580,795**	3,400,424
Sales of providing production materials and auxiliary services	**119,195**	130,644
Purchases of goods and services:		
Purchases of coal	**5,679,226**	3,971,000
Purchases of materials and spare parts	**319,225**	186,566
Transportation services purchased	**2,460,378**	3,155,080
Financial services:		
Interest income	**28,182**	23,324
Transactions with Guoyuan Times Coal Asset Management Co., Ltd, and its subsidiaries		
Income from providing production materials and auxiliary services	**6,103**	5,795
Sales of machinery and equipment	**4,514**	71,066
Sales of materials and spare parts	**83**	4,071
Purchases of coal	**770,217**	6,261,900
Deposits (decreased)/increased by Guoyuan Group	**(554,237)**	2,677,345
Interest paid to the Company	**24,699**	37,269
Transactions with a substantial shareholder of a significant subsidiary		
Sales and services provided ***(Note (viii))***		
Sale of coal	**911,051**	893,747
Sales of machinery and equipment	**–**	195
Purchases of goods and services ***(Note (viii))*****:**		
Purchases of coal	**1,342,411**	403,616

50. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions and balances with related parties (continued)

(a) Transactions with the Parent Company, fellow subsidiaries, associates and joint ventures of the Group, primary shareholders with significant influence over subsidiaries and Guoyuan Times Coal Asset Management Co., Ltd., and its subsidiaries (continued)

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Commitments to the Parent Company and fellow subsidiaries:		
With the Parent Company and fellow subsidiaries		
– Purchases of services	**223,612**	2,261,126
– Purchases of goods	**82,110**	35,090
Total	**305,722**	2,296,216

	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
A loan guarantee to an associate of the Group:		
– Associate (*Note*)	**947,426**	1,074,066

Note: The associate of the Company is Shaanxi Yanchang China Coal Yulin Energy and Chemical Co., Ltd. (陝西延長中煤榆林能源化工有限公司).

Notes:

(i) The Company and China Coal Group entered into an Integrated Materials and Services Mutual Provision Framework Agreement on 5 September 2006, under which:

a. China Coal Group supply to the Company with (1) production materials and ancillary services and (2) social and support services and;

b. the Company supply to China Coal Group with (1) production materials including coal and ancillary services (2) sole and exclusive coal export-related services.

The agreement was renewed to extend the term to 31 December 2026.

50. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions and balances with related parties (continued)

(a) Transactions with the Parent Company, fellow subsidiaries, associates and joint ventures of the Group, primary shareholders with significant influence over subsidiaries and Guoyuan Times Coal Asset Management Co., Ltd., and its subsidiaries (continued)

Notes: (continued)

(ii) The Company and China Coal Group entered into a Mine Construction and Design Framework Agreement on 5 September 2006, followed with a contract renewal under the name of Mine Construction, Mine Design and General Contracting Service Framework Agreement upon its expiry date of 31 December 2008. Subsequently, the Company and China Coal Group extended the contract term and changed its name to Project Design, Construction and General Contracting Framework Agreement when the contract was due on 31 December 2011. The deal mainly included:

- China Coal Group provides the Company with project design, construction and general contracting service;
- China Coal Group undertakes projects which the Company subcontracts; and
- For engineering design, construction and general contracting, service providers and pricing would be determined through a public bidding process.

The agreement was renewed to extend the term to 31 December 2023, and renewed on 25 October 2023 to 2026.

(iii) The Company and China Coal Group entered into a Property Lease Framework Agreement on 5 September 2006, pursuant to which the Company leases China Coal Group certain buildings and properties in the PRC for general business and ancillary purposes. The annual lease payment is subject to review and adjustment every three years based on the market price. The Company and China Coal Group renewed the Property Leasing Framework Agreement in 2014, which is effective until December 2026.

The rental fees are arising from lease payments subject to recognition exemption which are recognised in profit or loss.

(iv) The Company and China Coal Group entered into a Coal Supplies Framework Agreement on 5 September 2006, pursuant to which China Coal Group will sell all coal products produced from its retained mines exclusively to the Company, and has undertaken not to sell any such coal products to any third party. The agreement was renewed to extend the term to 31 December 2023, and renewed on 25 October 2023 to 2026.

(v) China Coal Finance and China Coal Group entered into a Financial Services Framework Agreement on 23 October 2014, under which China Coal Finance provides financial services to China Coal Group within its business scope. The agreement was renewed to extend the term to 31 December 2023, and renewed on 25 October 2023 to 2026.

(vi) The Company and China Coal Group entered into a Trademark License Framework Agreement on 5 September 2006, under which the Company is authorised to use a partial of the registered trademarks of China Coal Group at the cost of RMB1. This agreement was effective for 10 years and was renewed on 23 August 2016 to extend the term to 22 August 2026.

(vii) The rental fees are arising from lease payments subject to recognition exemption which are recognised in profit or loss.

(viii) The Company and Shanxi Coking Coal Group Co., Limited ("Shanxi Coking Coal Group") entered into a Coal and Coal Related Products and Services Supply Agreement on 23 October 2014, under which the Group purchases the coal and coal related products and accepts services from Shanxi Coking Coal and its subsidiaries and Shanxi Coking Coal and its subsidiaries purchases the coal and coal-related products and accepts services from the Group. In 25 October 2023, The agreement was renewed to extend the term to 31 December 2023, and renewed on 25 October 2023 to 2026.

Pursuant to the Coal and Coal Related Products and Services Supply Agreement, the prices will be based on the following pricing policy and order:

- as for the infrastructural project and procurement of coal mining facilities, the price shall be arrived at by bidding process; and
- as for the supply of coal, the price shall be in accordance with the relevant market price.

50. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions and balances with related parties (continued)

(b) Transactions with other government-related entities in the PRC

The Company is ultimately controlled by the PRC government and the Group operates in an economic environment currently predominated by entities controlled, jointly controlled or significantly influenced by the PRC government ("government-related entities").

Apart from transactions with China Coal Group, fellow subsidiaries, associates and joint ventures, and primary shareholders with significant influence over subsidiaries, the Group has extensive transactions with other government-related entities.

During the years ended 31 December 2024 and 2023, majority of the following Group's activities are conducted with other government-related entities:

- Sale of coal;
- Sale of machinery and equipment;
- Purchases of coal;
- Purchases of materials and spare parts;
- Purchases of transportation services; and
- Bank balances and borrowings.

In addition to the above, transactions with other government-related entities also include but are not limited to the following:

- Lease of assets; and
- Retirement benefit plan.

These transactions are conducted in accordance with the contracts that the Group entered into based on market prices.

50. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions and balances with related parties (continued)

(c) Key management compensation

Key management includes directors (executive and non-executive), supervisors and other key management personnel.

The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Salary, allowances and other benefits		
– Directors and supervisors	**3,791**	3,590
– Other key management	**4,328**	3,340
	8,119	6,930
Pension costs – defined contribution plans		
– Directors and supervisors	**430**	412
– Other key management	**453**	433
	883	845
	9,002	7,775

51. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
ASSETS		
Non-current assets		
Property, plant and equipment	**390,995**	32,046
Intangible assets	**94,151**	93,460
Investments in subsidiaries*	**110,192,765**	102,366,724
Investments in associates*	**4,350,370**	4,350,370
Investments in joint ventures*	**213,433**	213,433
Equity instruments at FVTOCI	**1,119,724**	1,093,970
Deferred tax assets	**392,122**	392,122
Loans to subsidiaries	**3,482,213**	3,139,094
Other non-current assets	**6,693**	711,755
	120,242,466	112,392,974
Current assets		
Inventories	**751,251**	920,855
Trade receivables	**1,143,427**	198,299
Prepayments and other receivables	**78,956**	64,572
Amounts due from subsidiaries	**9,309,895**	8,368,003
Term deposits with initial terms of over three months	**2,350,000**	1,450,000
Cash and cash equivalents	**9,050,956**	17,196,272
	22,684,485	28,198,001
TOTAL ASSETS	**142,926,951**	140,590,975
EQUITY		
Share capital	**13,258,663**	13,258,663
Reserves	**45,891,568**	45,865,814
Retained earnings	**30,555,245**	28,538,341
Total equity	**89,705,476**	87,662,818

* Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment unless classified as held for sale (or included in a disposal group that is classified as held for sale). Cost also includes direct attributable costs of investment. Investment income is recognised when the subsidiaries declare dividend.

51. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Statement of financial position of the Company (continued)

	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
LIABILITIES		
Non-current liabilities		
Long-term borrowings	**25,618,800**	19,246,725
Long-term bonds	**5,494,153**	7,993,019
	31,112,953	27,239,744
Current liabilities		
Trade and notes payables	**678,224**	380,865
Contract liabilities	**18,311**	7,353
Accruals, advances and other payables	**10,599,687**	10,898,578
Taxes payable	**52,923**	70,045
Current portion of long-term bonds	**4,748,680**	9,006,464
Current portion of long-term borrowings	**6,010,697**	5,325,108
	22,108,522	25,688,413
Total liabilities	**53,221,475**	52,928,157
TOTAL EQUITY AND LIABILITIES	**142,926,951**	140,590,975

51. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Reserve movement of the Company

	Capital reserve *RMB'000*	Statutory reserve funds *RMB'000*	Other reserves *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*
At 1 January 2023	38,713,240	6,079,046	1,235,146	23,756,125	69,783,557
Profit and total comprehensive income for the year	–	–	77,840	9,724,245	9,802,085
Appropriations	–	495,475	–	(495,475)	–
Dividends	–	–	–	(5,475,828)	(5,475,828)
Others	–	5,246	(740,179)	1,029,274	294,341
At 31 December 2023	38,713,240	6,579,767	572,807	28,538,341	74,404,155
Profit and total comprehensive income for the year	**–**	**–**	**25,754**	**12,305,627**	**12,331,381**
Appropriations	**–**	**–**	**–**	**–**	**–**
Dividends	**–**	**–**	**–**	**(10,288,723)**	**(10,288,723)**
Others	**–**	**–**	**–**	**–**	**–**
At 31 December 2024	**38,713,240**	**6,579,767**	**598,561**	**30,555,245**	**76,446,813**

52. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 12 March 2025, the Company issued Science and Technology Innovation Corporate Bonds with a par value RMB100 each by two types. Type one ("25 中煤 K1") carries a coupon rate of 2.33% per annum with terms of 5 years. Type two ("25 中煤 K2") carries a coupon rate of 2.60% per annum with terms of 15 years. The actual issuance size of 25 中煤 K1 and 25 中煤 K2 are RMB1,500,000,000 and RMB1,300,000,000 respectively.

53. APPROVAL OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The audited consolidated financial statements were approved and authorised for issue by the board of directors on 21 March 2025.

Financial Summary for Recent Five Years

Unit: RMB'000

	2020 Annual Report (Restated)	2021 Annual Report (Restated)	2022 Annual Report (Restated)	2023 Annual Report	**2024 Annual Report**
Revenue and Profit					
Revenue	140,964,681	239,828,439	220,576,859	192,968,833	**189,398,754**
Profit before income tax	11,686,224	27,869,271	34,583,129	33,695,386	**30,316,484**
Income tax expense	3,363,448	6,561,988	7,479,216	7,273,549	**6,591,857**
Profit for the year	8,322,776	21,307,283	27,103,913	26,421,837	**23,724,627**
Attributed to					
Equity holders of the Company	5,353,650	15,172,278	19,737,989	20,183,598	**18,155,988**
Non-controlling interests	2,969,126	6,135,005	7,365,924	6,238,239	**5,568,639**
Dividends	1,771,250	3,984,572	5,472,161	5,860,215	**7,854,596**
Basic earnings per share attributable to the equity holders of the Company (RMB per share)	0.40	1.14	1.49	1.52	**1.37**
Assets and Liabilities					
Non-current assets	220,571,500	216,792,564	215,819,187	229,487,106	**244,728,932**
Current assets	62,260,463	105,408,356	123,911,042	119,668,221	**113,065,564**
Current liabilities	69,265,942	87,939,603	104,998,190	98,157,965	**102,175,945**
Net current (liabilities)/assets	(7,005,479)	17,468,753	18,912,852	21,510,256	**10,889,619**
Total assets less current liabilities	213,566,021	234,261,317	234,732,039	250,997,362	**255,618,551**
Non-current liabilities	88,758,612	91,428,853	69,843,251	68,473,801	**63,589,852**
Net assets	124,807,409	142,832,464	164,888,788	182,523,561	**192,028,699**
Equity attributable to the equity holders of the Company	101,801,292	114,109,474	130,614,104	143,882,374	**151,707,297**
Non-controlling interests	23,006,117	28,722,990	34,274,684	38,641,187	**40,321,402**

Company Profile

Statutory Chinese Name of the Company	中國中煤能源股份有限公司
Abbreviated Statutory Chinese Name of the Company	中煤能源股份
Statutory English Name of the Company	China Coal Energy Company Limited
Abbreviated Statutory English Name of the Company	China Coal Energy
Legal Representative of the Company	Wang Shudong

INFORMATION ABOUT SECRETARY TO THE BOARD OF THE COMPANY

Name of Secretary to the Board	Jiang Qun
Contact Address of Secretary to the Board	Securities Affairs Department China Coal Energy Company Limited No. 1 Huangsidajie, Chaoyang District, Beijing, China
Contact Telephone Number of Secretary to the Board	(8610)-82236028
Fax Number of Secretary to the Board	(8610)-82256484
E-mail Address of Secretary to the Board	IRD@chinacoal.com

BASIC INFORMATION ABOUT THE COMPANY

Registered Address and Office Address of the Company	No. 1 Huangsidajie, Chaoyang District, Beijing, the PRC
Post Code	100120
Internet Website	http://www.chinacoalenergy.com
Email Address	IRD@chinacoal.com
Newspapers Designated for Information Disclosure	China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times
Internet Website Designated by CSRC for Publication of Annual Reports	http://www.sse.com.cn
Internet Website Designated by The Stock Exchange of Hong Kong Limited for Publication of Annual Reports	http://www.hkexnews.hk
Location for Inspection of Annual Reports of the Company	Securities Affairs Department China Coal Energy Company Limited No. 1 Huangsidajie, Chaoyang District, Beijing, China

BRIEF INFORMATION ABOUT SHARES OF THE COMPANY

Type of shares	Stock Exchange for listing of shares	Short name of stock	Stock code	Short name of stock before change
A Shares	Shanghai Stock Exchange	China Coal	601898	
H Shares	The Stock Exchange of Hong Kong Limited	China Coal	01898	

Authorised Representatives of the Company	Wang Shudong, Jiang Qun
Company Secretary	Jiang Qun

Company Profile

OTHER RELEVANT INFORMATION

Date of first registration of the Company	22 August 2006
Location of first registration of the Company	No. 1 Huangsidajie, Chaoyang District, Beijing, the PRC
Date of change in registration of the Company	28 June 2010
Location of change in registration of the Company	No change
Unified Social Credit Code	91110000710934289T

ACCOUNTING FIRMS OF THE COMPANY

Domestic accounting firm of the Company	Ernst & Young Hua Ming LLP
Office address of the domestic accounting firm of the Company	Room 01-12, 17/F, EYHM Tower, Oriental Plaza, No. 1 East Chang'an Avenue, Dongcheng District, Beijing
International accounting firm of the Company	Ernst & Young *(Registered Public Interest Entity Auditors)*
Office address of the international accounting firm of the Company	27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

LEGAL ADVISORS OF THE COMPANY

Legal advisor as to PRC law	Beijing Jiayuan Law Firm
Contact address	R407 Ocean Plaza, 158 Fuxingmennei Avenue, Xicheng District, Beijing, China
Legal advisor as to Hong Kong law	DLA Piper Hong Kong
Contact address	25th Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong

SHARE REGISTRARS FOR DOMESTIC AND OVERSEAS LISTED SHARES

A Share Registrar	China Securities Depository and Clearing Corporation Limited Shanghai Branch
Contact address	36/F, China Insurance Building, 166 Lujiazui East Avenue, Pudong New District, Shanghai, China
H Share Registrar	Computershare Hong Kong Investors Services Limited
Contact address	Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Definitions

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

Company/China Coal Energy/ the Group/the Company	China Coal Energy Company Limited, unless otherwise indicated, also includes all of its subsidiaries
Board of the Company/Board	the board of directors of China Coal Energy Company Limited
Director(s)	the director(s) of the Company, including all the executive directors, non-executive directors and independent non-executive directors
Supervisor(s)	the supervisor(s) of the Company
China Coal Group	China National Coal Group Corporation, the controlling shareholder of the Company
Shanghai Energy Company	Shanghai Datun Energy Resources Company Limited
Northwest Energy	China Coal Northwest Energy Chemical Company Limited
China Coal Huajin Company	China Coal Huajin Energy Group Limited
Resources Development Company	China Coal Resources Development Group Company Limited, formerly known as China Coal Import and Export Company
Huayu Company	China Coal Shanxi Huayu Energy Company Limited, formerly known as China Coal Group Shanxi Jinhaiyang Energy Company Limited
Heilongjiang Coal Chemical Group	China Coal Heilongjiang Coal Chemical (Group) Co., Ltd.
Mengda Mining	Wushenqi Mengda Mining Company Limited
Finance Company	China Coal Finance Co., Ltd.
Ordos Energy Chemical Company	China Coal Ordos Energy Chemical Company Limited
Shaanxi Company	China Coal Shaanxi Energy & Chemical Group Company Limited
Yihua Mining	Ordos Yihua Mining Resources Company Limited
Yinhe Hongtai Company	Ordos Yinhe Hongtai Coal Power Company Limited
Pingshuo Mine Area	a mining area located in Shuozhou City, Shanxi Province, mainly comprising Antaibao Open Pit Mine, Anjialing Open Pit Mine as well as East Open Pit Mine

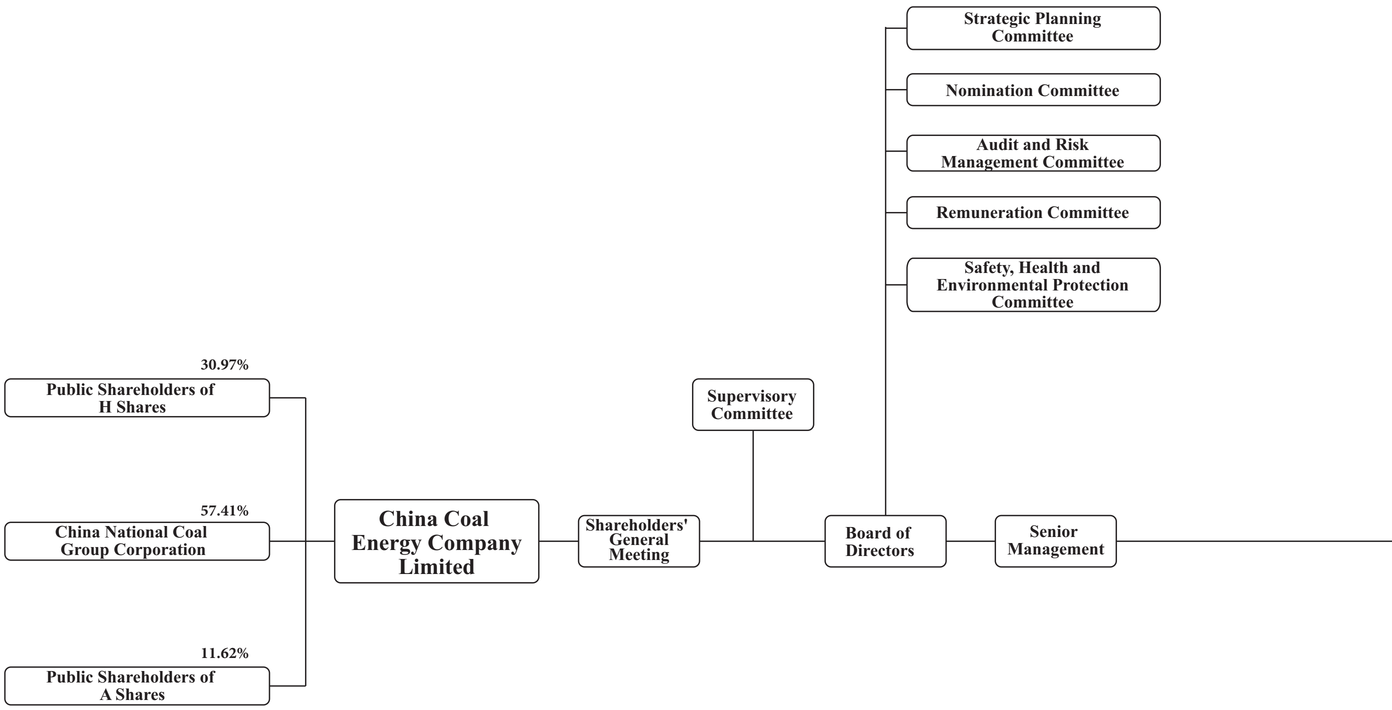
Definitions

Pingshuo Energy and Chemical Company	Shanxi China Coal Pingshuo Energy and Chemical Company Limited
China Coal Finance Lease Company	Beijing China Coal Finance Lease Co., Ltd.
Shanxi Coking	Shanxi Coking Co., Ltd.
Shanxi Coking Coal Group	Shanxi Coking Coal Group Co., Ltd.
Guoyuan Group	Guoyuan Times Coal Asset Management Co., Ltd. and its subsidiaries
East Open Pit Mine	East Open Mine of China Coal Pingshuo Group Company Limited
Dahaize Coal Mine	Dahaize Coal Mine Project of China Coal Shaanxi Yulin Energy & Chemical Company Limited
Wangjialing Coal Mine	Wangjialing Coal Mine Project of China Coal Huajin Energy Group Limited
Anjialing Coal Mine	Anjialing Open Pit Mine of China Coal Pingshuo Group Company Limited
Libi Coal Mine	Libi Coal Mine of China Coal Huajin Group Jincheng Energy Company Limited
Weizigou Coal Mine	Weizigou Coal Mine of China Coal Energy Xinjiang Hongxin Coal Industry Company Limited
Yaoqiao Coal Mine	Yaoqiao Coal Mine of Shanghai Datun Energy Resources Co., Ltd.
Antaibao 2×350MW low calorific value coal power generation project	Antaibao 2×350MW low calorific value coal power generation project of China Coal Antaibao Thermal Power Company Limited
Shaanxi Yulin's coal chemical phase II project with an annual output of 900,000 tonnes of polyolefin	China Coal Shaanxi Yulin Energy Chemical Co., Ltd. Coal Chemical Industry Phase II Project with an annual output of 900,000 tons of polyolefin
Wushenqi 2×660MW integrated coal power project	China Coal Northwest Energy Chemical Company Limited Wushenqi Tuke Industrial Park 2x660MW pithead coal power project
"two combinations"	combination of coal and coal power, combination of coal power and renewable energy
Liquid Sunlight	it is the synthesis of liquid sun fuel, which is the production of hydrogen by using solar energy and other renewable energy to electrolyte, and reaction with carbon dioxide to produce methanol

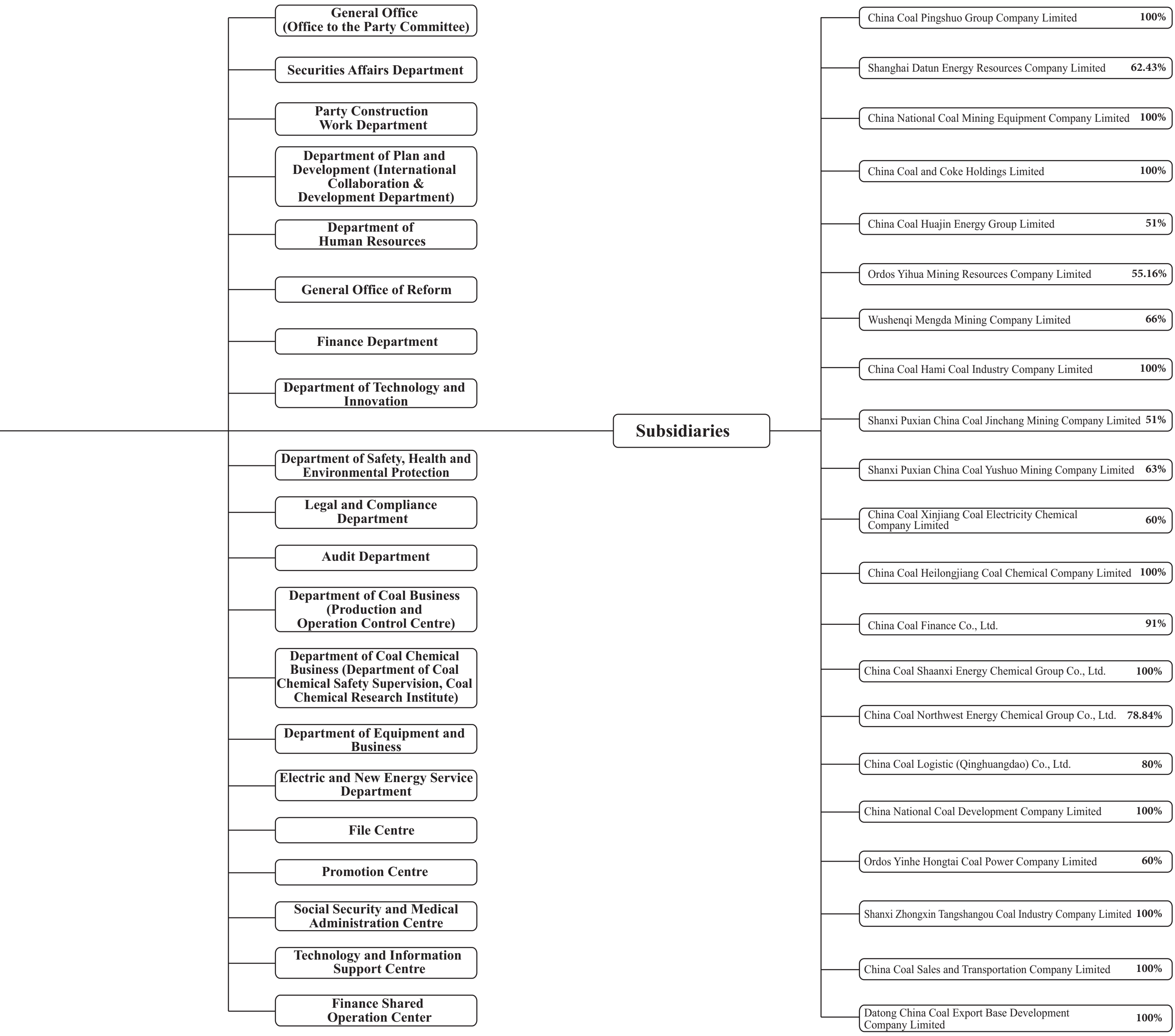
Definitions

CSRC	China Securities Regulatory Commission
SASAC	State-owned Assets Supervision and Administration Commission of the State Council
HKSE	The Stock Exchange of Hong Kong Limited
HKSE Website	www.hkexnews.hk
SSE	the Shanghai Stock Exchange
SSE Website	www.sse.com.cn
Company Website	www.chinacoalenergy.com
Articles of Association	the articles of association passed at the inaugural meeting of the Company on 18 August 2006 and approved by the relevant state authorities, as amended and supplemented from time to time
A Share(s)	the ordinary share(s) issued to domestic investors in China with approval from CSRC, which are listed on the SSE and traded in RMB
H Share(s)	the overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company, which are listed on the HKSE for subscription in Hong Kong dollars
Share(s)	the ordinary shares of the Company, including A Share(s) and H Share(s)
Shareholder(s)	the shareholder(s) of the Company, including holder(s) of A Shares and holder(s) of H Shares
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
SSE Listing Rules	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
RMB	RMB yuan

Organisation Chart of the Company



Organisation Chart of the Company



中国中煤能源股份有限公司
CHINA COAL ENERGY COMPANY LIMITED

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