



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

Annual Report
2025

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

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

Chairman's Statement

Dear Shareholders,

During the “14th Five-Year Plan” period, China Coal Energy resolutely implemented the decisions and deployments of the Central Committee of the Communist Party of China and the State Council. We remained committed to the strategic goal of building a world-class energy enterprise, adhered to the development approach of “efficiency enhancement and incremental transformation”, and coordinated the two core tasks of “ensuring energy security” and “green and low-carbon transformation”, solidly promoting various tasks in production, operation, reform, and development, and achieving a successful conclusion of the “14th Five-Year Plan” period. During the reporting period, the Group deepened reform and tackled hard issues, refined the production and sales collaboration, strengthened operational management and control, focused on improving quality and efficiency, and effectively responded to the market downturn. We achieved a revenue of RMB148.1 billion, profit attributable to shareholders of the Company of RMB14.5 billion, and net cash inflow from operating activities of RMB29.8 billion, with operating performance outperforming the industry average.

Achieving precise and efficient production and sales collaboration, reinforcing our role as a “solid foundation” for national energy security. The Group resolutely shouldered the mission and responsibility of ensuring energy supply. During the “14th Five-Year Plan” period, coal production capacity increased by 57.40 million tonnes, with commercial coal production reaching 638.80 million tonnes and sales volume reaching 640.42 million tonnes, representing an increase of 43.4% and 43.8% respectively compared to the “13th Five-Year Plan” period. During the reporting period, the Group adopted the “one strategy for one enterprise” approach to stabilize production, increase sales, and improve quality, and achieved production of 135.10 million tonnes and sales volume of 136.36 million tonnes of self-produced commercial coal by optimizing production layout, strengthening on-site management, expanding sales channels and flexibly adjusting sales strategies. Focusing on key regions, critical periods and core users, the Group gave priority to ensuring power generation and residential heating demand. The performance rate of medium- and long-term contracts for the thermal coal reached 95%, providing a solid guarantee for strengthening the national energy security barrier through concrete actions. In its coal chemical business, the Group adhered to standardised operations, strengthened basic management, efficiently coordinated safety production and major equipment overhauls, and achieved an output of 6.06 million tonnes of major products, maintaining stable operation. The coal mining equipment business promoted the quality improvement and expansion of joint reserve and sharing, as well as intelligent transformation, completing an equipment output value of RMB9.2 billion. It actively expanded into international markets and secured export orders of RMB1.0 billion, a year-on-year increase of 22.9%, significantly enhancing high-end supply capacity and market competitiveness.

Chairman's Statement

Deepening and solidifying lean management, and consolidating core achievements in quality and efficiency enhancement. The Group focused on the primary task of high-quality development and made every effort to tap potential and increase efficiency. During the “14th Five-Year Plan” period, the average annual revenue was RMB198.2 billion, an increase of 91.8% from the average of RMB103.3 billion during the “13th Five-Year Plan” period; the average annual net cash inflow from operating activities was RMB39.7 billion, an increase of 109.8% from the average of RMB18.9 billion during the “13th Five-Year Plan” period; and the average annual profit before tax was RMB29.7 billion, an increase of 232.6% from the average of RMB8.9 billion during the “13th Five-Year Plan” period. All these three core indicators have achieved leapfrog growth. During the reporting period, leveraging standardized cost management, the Group strengthened systematic and technology-driven cost reduction; the unit selling cost of self-produced commercial coal decreased by RMB16/tonne year-on-year, increasing profit by RMB2.2 billion. Adhering to slicing mining and scientific blending, the average calorific value of thermal coal sold externally increased by more than 200 kcal year-on-year. The Group actively sought freight discounts and optimised transportation flows to maximise the overall benefits of coal sales. The Group successfully publicly issued RMB4.8 billion of sci-tech innovation bonds at a historically low coupon rate for the same tenor in the energy industry, further optimising its debt structure. The Group comprehensively strengthened the development of modern supply chains, implemented online transformation of procurement business at all levels and penetrating supervision and early warning, deeply promoted the governance of unreasonable “intermediaries”, significantly optimised the supplier structure, reduced procurement costs by more than 7%, and continuously enhanced supply chain resilience. The Finance Company scientifically managed surplus funds, improved the quality and efficiency of fund management, and ranked among the leading non-banking financial institutions in terms of operating scale and profitability.

Optimizing and upgrading the industrial structure, and advancing safe, efficient, and green development in depth. The Group deeply promoted “two combinations”. During the “14th Five-Year Plan” period, the power business achieved breakthrough progress, with total installed capacity in operation and under construction increasing by 131.7% compared to the end of the “13th Five-Year Plan”, accelerating the green and low-carbon transformation and achieving a breakthrough from zero in new energy installed capacity; during the “14th Five-Year Plan” period, coal chemical capacity increased by 1.18 million tonnes/year compared to the end of the “13th Five-Year Plan”, an increase of 17.1%. During the reporting period, the profit before tax of the power business increased by RMB700 million year-on-year. The Phase III 100MW photovoltaic project in the Pingshuo Mining Area achieved its first grid connection. The Wushenqi 2×660MW coal-power integration project progressed steadily. The “source-network-load-storage” integration project of Shanghai Energy Company was preliminarily completed, and the smart micro-grid project was selected for the first batch of pilot projects for construction capacity improvement in new power systems released by the National Energy Administration. For the China Coal Yulin Coal Deep Processing Base Project, mechanical installation has been completed for the air separation and sulfur recovery units. The construction of the Tuke Green and Low-carbon Industrial Park was actively promoted. The methanol synthesis unit of the “Liquid Sunshine” demonstration project of Ordos Energy & Chemical initially met the conditions for single-unit trial. The construction of Libi Coal Mine and Weizigou Coal Mine progressed steadily. The Company participated in the Central Enterprise Strategic Emerging Industry Fund to support central enterprises in the development of strategic emerging industries. Adhering to the principles of putting people first and valuing life, the “six threes” safety management system became increasingly perfected, and the guarantee capability of the safety production system was further enhanced. The Group continuously strengthened pollution prevention and ecological governance, and fully cooperated with national-level audit on environmental protection, with no sudden environmental incidents or major environmental public opinion incidents occurring throughout the year.

Chairman's Statement

Optimizing institutional mechanisms continuously, and accelerating the release of core momentum from reform and innovation. The Group fully advanced the high-quality conclusion of the tasks for the “Action for Deepening and Upgrading Reform”, deepened and solidified regionalisation and specialization reforms, and significantly improved the efficiency of specialised operations. The management of tenure system and contractualisation improved in quality and expanded in scope, the remuneration reform was fully completed, and a strong correlation between enterprise wage distribution and performance was achieved. Special reforms were solidly advanced, achieving the best historical results in the assessments of the “Science and Technology Reform” and “Double Hundred” actions, and the reform of the Board of Supervisors was basically completed. The Group actively constructed a technological innovation system featuring a “small internal brain + large external brain”, achieving historic breakthroughs in the construction of high-level innovation platforms. We participated in the co-construction of the State Key Laboratory of Digital Intelligent Technology for Unmanned Coal Mining, established the Energy and Low-Carbon Innovation Center of the Beijing-Tianjin-Hebei National Center of Technology Innovation, jointly set up the Energy and Low-Carbon Joint Project under the National Key Research and Development Program of China for Disruptive Technology Innovation, and were approved for national major sci-tech special tasks such as the Deep Earth Special Project and the Coal Special Project. Digitalisation and intelligentisation were comprehensively accelerated, with a batch of smart factories and intelligent coal mines built. The “Smart Control” platform was continuously upgraded, phased results were achieved in the construction of the treasury system and the financial sharing system, and the “China Coal Intelligent Vision” large model won the national-level award of the Intelligent Technology Track of the Digital China Innovation Contest. The Group strengthened information disclosure and market value management, maintaining a leading position in the Top 100 Chinese Listed Companies list. It received an “A” rating for information disclosure from the Shanghai Stock Exchange for 16 consecutive years. Since listing, the Group has distributed cumulative dividends of RMB46.1 billion. While rewarding investors with excellent results, this has laid a solid and powerful guarantee for the Group's future long-term development.

Looking ahead to the “15th Five-Year Plan” period, China Coal Energy will thoroughly implement the guiding principles of General Secretary Xi Jinping's important instructions on state-owned enterprises, the energy industry, and the coal industry. We will adhere to the general tone of “seeking progress while maintaining stability, promoting stability through progress, and establishing the new before abolishing the old”. Taking high-quality development as the theme and reform and innovation as the fundamental driving force, we will focus on main responsibilities and core businesses to deepen the “two combinations+” development model and build a closely-knit industrial chain of “coal-electricity-chemical-new energy”. We will strive to cultivate and strengthen strategic emerging industries, construct a new pattern of a modern industrial system, and lay a more solid foundation for building a world-class energy enterprise.

Chairman’s Statement

In 2026, China Coal Energy will continue to thoroughly implement the spirit of the 20th National Congress of the Communist Party of China and all plenary sessions of the 20th CPC Central Committee, earnestly implement the deployments of the Central Economic Work Conference, continuously enhance core functions and improve core competitiveness, and strive to achieve a good start for the “15th Five-Year Plan” period. First, we will uphold the bottom line of safety and environmental protection, practice the concept of green development, improve risk prevention and control mechanisms, facilitate the realisation of the “Carbon Peak and Carbon Neutrality” goals, and achieve synergistic quality improvement in safety and environmental protection. Second, we will consolidate the advantages of core industries, release advanced production capacity, deepen the production and sales collaboration, implement energy supply guarantee policies, and cement the foundation of energy guarantee. Third, we will accelerate industrial transformation and upgrading, adhere to the multi-industry coupling path of “coal-electricity-chemical-new energy”, and cultivate growth poles for high-end and low-carbon industries. Fourth, we will strengthen the dual drive of reform and innovation, activate the momentum of digital-intelligence and reform, and enhance value creation capabilities. Fifth, we will build a scientific and efficient market value management system, strengthen corporate governance and information disclosure, expand investor communication channels, and earnestly maintain our good image in the capital market.

With unremitting efforts, we will sail forward to open a new chapter. Our original aspiration remains as solid as a rock, and we will bravely shoulder our mission and set off again. Standing at a new historical starting point, the Company’s management and staff will continue to firm up confidence in development. We will actively take responsibility and act, strive to push high-quality development to a new level, and repay the trust and support of all shareholders and investors!

Wang Shudong
Chairman

Beijing, China
27 March 2026

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 were prepared in accordance with IFRS Accounting Standards.

I. OVERVIEW

For the year ended 31 December 2025, market prices of coal and coal chemical products trended downwards. The Group anchored itself to target tasks, strengthened production and sales collaboration, made every effort to improve quality and efficiency, deepened reform and innovation, and accelerated transformation and development. For the full year, profit before taxation amounted to RMB22.281 billion, and profit attributable to equity holders of the Company was RMB14.497 billion. The asset-liability ratio at year-end stood at 45.8%. The Group achieved good operating performance and maintained a sound financial position, successfully completing the targets and tasks of the "14th Five-Year Plan" period with high quality.

During the reporting period, the Group's major operations segments, including coal, coal chemical, coal mining equipment and finance, all operated well. Coal enterprises fully leveraged the "Intelligent Control" platform to scientifically organize production and strengthen market development and production-sales linkage. Annual production of self-produced commercial coal reached 135.1 million tonnes, maintaining a historically high level. Meanwhile, efforts were intensified in systematic and technological cost reduction, and lean management was deepened. Despite a decrease of RMB77/tonne in the average selling price of self-produced commercial coal, which reduced revenue by RMB10.511 billion, the unit cost of sales for self-produced commercial coal was RMB328.80/tonne, a decrease of RMB16.04/tonne year-on-year. The coal operations achieved a gross profit of RMB22.034 billion. Coal chemical enterprises coordinated work such as safe production, plant overhauls, and project construction, maintaining stable and efficient operations. In a context where prices of polyolefins, urea, and ammonium nitrate fell by RMB654/tonne, RMB295/tonne, and RMB278/tonne respectively, a gross profit of RMB2.386 billion was achieved, reflecting good management standards and the synergistic effects of coal-chemical integration development. Coal mining equipment enterprises continuously optimized the lean manufacturing system, focused on "Intelligent Manufacturing + Modern Services" to promote industrial upgrading, and actively promoted the sales of complete sets of products as well as the quality improvement and scope expansion of joint storage and sharing of spare parts, achieving a profit before taxation of RMB797 million, an increase of RMB173 million year-on-year. The Finance Company continued to improve the quality and efficiency of fund management centering on the construction of the treasury system. The fund concentration ratio and operational efficiency maintained a leading position in the industry, and the asset scale remained at the RMB100 billion level, reaching a new historical high. Against the backdrop of a significant decline in financial market interest rates, a profit before taxation of RMB1.417 billion was achieved, maintaining year-on-year growth, with further enhanced capabilities in service guarantee and value creation. During the year, the Group's power business recorded a cumulative electricity generation of 18 billion kWh, an increase of 4.64 billion kWh year-on-year, achieving a profit before taxation of RMB1.089 billion, an increase of RMB723 million year-on-year.

Management Discussion and Analysis of Financial Conditions and Operating Results

	For the year ended 31 December 2025	For the year ended 31 December 2024 (Restated)	Unit: RMB100 million	
			Year-on-year Increase/ decrease in amount	Increase/ decrease (%)
Revenue	1,480.57	1,893.96	-413.39	-21.8
Cost of sales	1,182.25	1,515.10	-332.85	-22.0
Gross profit	298.32	378.86	-80.54	-21.3
Sales expenses, general and administrative expenses	78.41	80.17	-1.76	-2.2
Other income, other gains and losses, net	3.51	4.19	-0.68	-16.2
Profit from operations	222.54	301.17	-78.63	-26.1
Finance income	1.46	1.47	-0.01	-0.7
Finance costs	21.49	25.36	-3.87	-15.3
Profit attributable to associates and joint ventures	20.30	25.52	-5.22	-20.5
Profit before income tax	222.81	302.79	-79.98	-26.4
EBITDA	331.67	405.61	-73.94	-18.2
Profit attributable to equity holders of the Company	144.97	181.19	-36.22	-20.0
Net cash generated from operating activities	297.92	341.43	-43.51	-12.7
Including: Net cash flow generated from production and sales activities	234.96	306.52	-71.56	-23.3
Increase in cash inflow due to deposits absorbed from members other than China Coal Energy by Finance Company	62.96	34.91	28.05	80.3
Net cash flows generated from investing activities	-309.25	-120.14	-189.11	157.4
Net cash flows generated from financing activities	-40.46	-239.14	198.68	-83.1

	As at 31 December 2025	As at 31 December 2024 (Restated)	Unit: RMB100 million	
			Compared with the end of last year Increase/ decrease in amount	Increase/ decrease (%)
Assets	3,705.18	3,579.09	126.09	3.5
Liabilities	1,696.76	1,657.99	38.77	2.3
Interest-bearing debts	707.62	635.73	71.89	11.3
Equity	2,008.42	1,921.10	87.32	4.5
Equity attributable to equity holders of the Company	1,603.66	1,517.89	85.77	5.7
Gearing ratio (%) = total interest-bearing debts/ (total interest-bearing debts + equity)	26.1	24.9	An increase of 1.2 percentage points	

Note: In respect of the business combination under common control occurred during the reporting period, the Group has retrospectively adjusted the data of the prior year and as at the end of the prior year in accordance with the relevant requirements of accounting standards.

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 2025, the Group's revenue decreased by RMB41.339 billion to RMB148.057 billion from RMB189.396 billion for the year ended 31 December 2024, representing a decrease of 21.8%. The revenue before netting of inter-segmental sales generated from each operating segment of the Group and the year-on-year changes are as follows:

Unit: RMB100 million

	Revenue before netting of inter-segmental sales			
	For the year ended 31 December 2025	For the year ended 31 December 2024 (Restated)	Year-on-year Increase/ decrease in amount	Year-on-year Increase/ decrease (%)
Coal operations	1,203.97	1,607.12	-403.15	-25.1
Self-produced commercial coal	660.82	773.03	-112.21	-14.5
Proprietary coal trading	537.10	827.04	-289.94	-35.1
Coal chemical operation	186.58	205.18	-18.60	-9.1
Coal mining equipment operations	93.94	111.50	-17.56	-15.7
Finance operations	22.07	25.07	-3.00	-12.0
Other operations	101.12	73.56	27.56	37.5
Net of inter-segmental sales	<u>-127.11</u>	<u>-128.47</u>	<u>1.36</u>	<u>-1.1</u>
The Group	<u>1,480.57</u>	<u>1,893.96</u>	<u>-413.39</u>	<u>-21.8</u>

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 2025 and the year-on-year changes are as follows:

Unit: RMB100 million

	Revenue net of inter-segmental sales			
	For the year ended 31 December 2025	For the year ended 31 December 2024 (Restated)	Year-on-year Increase/ decrease in amount	Year-on-year Increase/ decrease (%)
Coal operations	1,135.10	1,527.53	-392.43	-25.7
Self-produced commercial coal	603.98	715.46	-111.48	-15.6
Proprietary coal trading	525.94	806.16	-280.22	-34.8
Coal chemical operation	176.52	194.06	-17.54	-9.0
Coal mining equipment operations	72.71	90.57	-17.86	-19.7
Finance operations	17.47	19.99	-2.52	-12.6
Other operations	78.77	61.81	16.96	27.4
The Group	<u>1,480.57</u>	<u>1,893.96</u>	<u>-413.39</u>	<u>-21.8</u>

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 2025 and the year-on-year changes are as follows:

	Proportion of revenue net of inter-segmental sales (%)		
	For the year ended 31 December 2025	For the year ended 31 December 2024 (Restated)	Increase/ decrease (percentage point(s))
Coal operations	76.7	80.7	-4.0
Self-produced commercial coal	40.8	37.8	3.0
Proprietary coal trading	35.5	42.6	-7.1
Coal chemical operation	11.9	10.2	1.7
Coal mining equipment operations	4.9	4.8	0.1
Finance operations	1.2	1.1	0.1
Other operations	5.3	3.2	2.1

Management Discussion and Analysis of Financial Conditions and Operating Results

2. Cost of sales

For the year ended 31 December 2025, the Group's cost of sales decreased by RMB33.285 billion to RMB118.225 billion from RMB151.51 billion for the year ended 31 December 2024, representing a decrease of 22.0%. The cost of sales of each operating segment of the Group and the year-on-year changes are as follows:

	For the year ended 31 December 2025	For the year ended 31 December 2024 (Restated)	Unit: RMB100 million	
			Year-on-year Increase/ decrease in amount	Increase/ decrease (%)
Coal operations	983.63	1,297.70	-314.07	-24.2
Self-produced commercial coal	448.36	474.60	-26.24	-5.5
Proprietary coal trading	531.44	819.11	-287.67	-35.1
Coal chemical operation	162.72	177.14	-14.42	-8.1
Coal mining equipment operations	74.00	93.17	-19.17	-20.6
Finance operations	7.57	9.48	-1.91	-20.1
Other operations	78.53	63.62	14.91	23.4
Net of inter-segmental sales	-124.20	-126.01	1.81	-1.4
The Group	<u>1,182.25</u>	<u>1,515.10</u>	<u>-332.85</u>	<u>-22.0</u>

Management Discussion and Analysis of Financial Conditions and Operating Results

3. Gross profit and gross profit margin

For the year ended 31 December 2025, the Group's gross profit decreased by RMB8.054 billion to RMB29.832 billion from RMB37.886 billion for the year ended 31 December 2024, representing a decrease of 21.3%; gross profit margin increased by 0.1 percentage point to 20.1% from 20.0% for the year ended 31 December 2024. 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 2025	For the year ended 31 December 2024 (Restated)	Increase/ decrease (%)	For the year ended 31 December 2025	For the year ended 31 December 2024 (Restated)	Increase/ decrease (percentage point(s))
Coal operations	220.34	309.42	-28.8	18.3	19.3	-1.0
Self-produced commercial coal	212.46	298.43	-28.8	32.2	38.6	-6.4
Proprietary coal trading	5.66	7.93	-28.6	1.1	1.0	0.1
Coal chemical operation	23.86	28.04	-14.9	12.8	13.7	-0.9
Coal mining equipment operations	19.94	18.33	8.8	21.2	16.4	4.8
Finance operations	14.50	15.59	-7.0	65.7	62.2	3.5
Other operations	22.59	9.94	127.3	22.3	13.5	8.8
The Group	298.32	378.86	-21.3	20.1	20.0	0.1

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 operation segment

(1) Revenue

Revenue from the coal operations of the Group was mainly generated from sale of coal produced by the Group's own coal mines and coal preparation plants to domestic and overseas customers (sales of self-produced commercial coal), the purchase of coal from external enterprises for resale to customers (sales of proprietary coal trading), and the provision of coal import and export and domestic agency services.

For the year ended 31 December 2025, the revenue from the Group's coal operations decreased by 25.1% to RMB120.397 billion from RMB160.712 billion for the year ended 31 December 2024, and the revenue net of inter-segmental sales decreased by 25.7% to RMB113.51 billion from RMB152.753 billion for the year ended 31 December 2024.

For the year ended 31 December 2025, the revenue from sales of self-produced commercial coal of the Group decreased by 14.5% to RMB66.082 billion from RMB77.303 billion for the year ended 31 December 2024, mainly attributable to a year-on-year decrease of RMB77/tonne in the selling price of self-produced commercial coal, which reduced revenue by RMB10.511 billion; and a year-on-year decrease of 1.27 million tonnes in sales volume, which reduced revenue by RMB710 million. The revenue net of inter-segmental sales decreased by 15.6% to RMB60.398 billion from RMB71.546 billion for the year ended 31 December 2024.

For the year ended 31 December 2025, the revenue from sales of proprietary coal trading of the Group decreased by 35.1% to RMB53.71 billion from RMB82.704 billion for the year ended 31 December 2024, mainly attributable to a year-on-year decrease of 32.69 million tonnes in the sales volume of proprietary coal trading, which reduced revenue by RMB19.059 billion; and a year-on-year decrease of RMB91/tonne in the selling price, which reduced revenue by RMB9.935 billion. The revenue net of inter-segmental sales decreased by 34.8% to RMB52.594 billion from RMB80.616 billion for the year ended 31 December 2024.

For the year ended 31 December 2025, the revenue from the Group's coal agency business increased by RMB11 million to RMB73 million from RMB62 million for the year ended 31 December 2024.

Management Discussion and Analysis of Financial Conditions and Operating Results

For the year ended 31 December 2025, the sales volume, price and year-on-year changes of coal sales of the Group before netting of inter-segmental sales are as follows:

			For the year ended		For the year ended		Increase/decrease		Year-on-year	
			31 December 2025		31 December 2024		in amount		Increase/decrease	
			Sales	Selling	Sales	Selling	Sales	Selling	Sales	Selling
			volume	price	volume	price	volume	price	volume	price
			(10,000	(RMB/	(10,000	(RMB/	(10,000	(RMB/	(%)	(%)
			tonnes)	tonne)	tonnes)	tonne)	tonnes)	tonne)	(%)	(%)
I.	Self-produced	Total	13,636	485	13,763	562	-127	-77	-0.9	-13.7
	commercial coal	(I) Thermal coal	12,628	448	12,626	499	2	-51	0.0	-10.2
		Domestic sale	12,628	448	12,626	499	2	-51	0.0	-10.2
		(II) Coking coal	1,008	949	1,137	1,254	-129	-305	-11.3	-24.3
		Domestic sale	1,008	949	1,137	1,254	-129	-305	-11.3	-24.3
II.	Proprietary coal trading	Total	10,914	492	14,183	583	-3,269	-91	-23.0	-15.6
		(I) Domestic resale	9,775	499	12,845	590	-3,070	-91	-23.9	-15.4
		(II) Self-operated export	17	1,200	25	1,492	-8	-292	-32.0	-19.6
		(III) Import trading	1,122	420	1,313	494	-191	-74	-14.5	-15.0
III.	Import and export and	Total	1,030	7	537	11	493	-4	91.8	-36.4
	domestic agency★	(I) Import agency	1	1	35	4	-34	-3	-97.1	-75.0
		(II) Export agency	97	27	128	32	-31	-5	-24.2	-15.6
		(III) Domestic agency	932	5	374	5	558	0	149.2	0.0

★: Selling price is agency service fee.

Note: Sales volume of commercial coal includes inter-segmental self-consumption of the Group, which amounted to 19.28 million tonnes for 2025 (including 14.81 million tonnes of self-produced commercial coal and 4.47 million tonnes of proprietary coal trading) and 17.68 million tonnes for 2024 (including 12.25 million tonnes of self-produced commercial coal and 5.43 million tonnes of proprietary coal trading).

Management Discussion and Analysis of Financial Conditions and Operating Results

(2) Cost of sales

For the year ended 31 December 2025, the Group's cost of sales coal operations decreased by 24.2% to RMB98.363 billion from RMB129.77 billion for the year ended 31 December 2024, mainly attributable to the combined impact of a decrease of RMB28.767 billion in the cost of proprietary coal trading resulting from the decline in sales volume and purchase prices of proprietary coal trading (wherein purchase costs were RMB50.403 billion, a decrease of RMB27.855 billion from RMB78.258 billion for the year ended 31 December 2024; transportation costs and port expenses were RMB2.741 billion, a decrease of RMB912 million from RMB3.653 billion for the year ended 31 December 2024), and a decrease of RMB2.624 billion in the cost of sales of self-produced commercial coal, etc., resulting from the year-on-year decrease in unit cost of sales of self-produced commercial coal. The composition of the Group's cost of sales for self-produced commercial coal and the year-on-year changes are set out as follows:

Unit: RMB100 million

Item	For the year ended		For the year ended		Year-on-year	
	31 December 2025	Percentage (%)	31 December 2024	Percentage (%)	Increase/decrease in amount	Increase/decrease (%)
Material costs	71.78	16.0	79.94	16.8	-8.16	-10.2
Staff costs	77.04	17.2	78.88	16.6	-1.84	-2.3
Depreciation and amortisation	65.07	14.5	63.40	13.4	1.67	2.6
Repairs and maintenance	13.11	2.9	14.96	3.2	-1.85	-12.4
Transportation costs and port expenses	75.85	16.9	79.06	16.7	-3.21	-4.1
Sales tax and surcharges	62.15	13.9	70.75	14.9	-8.60	-12.2
Other costs ★	83.36	18.6	87.61	18.4	-4.25	-4.9
Total cost of sales for self-produced commercial coal	448.36	100.0	474.60	100.0	-26.24	-5.5

★: Other costs include expenses related to environmental restoration and governance arising from coal mining, outsourced mining engineering fees, and expenditures on miscellaneous projects directly related to coal production.

Management Discussion and Analysis of Financial Conditions and Operating Results

The composition of the Group's unit cost of sales of self-produced commercial coal for the year ended 31 December 2025 and the year-on-year changes are set out as follows:

Item	For the year ended 31 December 2025	For the year ended 31 December 2024	Unit: RMB/tonne	
			Year-on-year Increase/ decrease in amount	Increase/ decrease (%)
Material costs	52.64	58.09	-5.45	-9.4
Staff costs	56.50	57.32	-0.82	-1.4
Depreciation and amortisation	47.72	46.07	1.65	3.6
Repairs and maintenance	9.61	10.87	-1.26	-11.6
Transportation costs and port expenses	55.62	57.44	-1.82	-3.2
Sales tax and surcharges	45.58	51.41	-5.83	-11.3
Other costs	61.13	63.64	-2.51	-3.9
Total unit cost of sales of self-produced commercial coal	328.80	344.84	-16.04	-4.7

For the year ended 31 December 2025, the Group's unit cost of sales of self-produced commercial coal amounted to RMB328.80/tonne, a decrease of RMB16.04/tonne year-on-year, representing a decrease of 4.7%. This was mainly attributable to the Group's in-depth promotion of standard cost management, strengthening of centralised procurement control of raw materials, and further optimisation of production organisation, which reduced the material cost per tonne of coal year-on-year; the decrease in prices led to a year-on-year decrease in sales tax and surcharges; the year-on-year decrease in other costs due to the year-on-year decrease in loss on decline in value of inventories; and the year-on-year decrease in production and sales volume led to a year-on-year increase in unit depreciation and amortisation cost.

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(3) Gross profit and gross profit margin

For the year ended 31 December 2025, affected by the downward trend in commercial coal selling prices, the gross profit from coal operation segment decreased by 28.8% to RMB22.034 billion from RMB30.942 billion for the year ended 31 December 2024, and the gross profit margin decreased by 1.0 percentage point to 18.3% from 19.3% for the year ended 31 December 2024. Including: The gross profit of self-produced commercial coal decreased by RMB8.597 billion year-on-year, and the gross profit margin decreased by 6.4 percentage points year-on-year; the gross profit of proprietary coal trading decreased by RMB227 million year-on-year, and the gross profit margin increased by 0.1 percentage point year-on-year.

2. Coal chemical operations segment

(1) Revenue

For the year ended 31 December 2025, the revenue from the Group's coal chemical operations decreased by 9.1% to RMB18.658 billion from RMB20.518 billion for the year ended 31 December 2024; revenue net of inter-segmental sales decreased by 9.0% to RMB17.652 billion from RMB19.406 billion for the year ended 31 December 2024, mainly attributable to the year-on-year decrease in sales volume caused by the planned overhaul of polyolefin plants and the year-on-year decrease in prices of major coal chemical products.

The sales volume and selling prices of the Group's major coal chemical products for the year ended 31 December 2025 and the year-on-year changes are set out as follows:

	For the year ended		For the year ended		Year-on-year			
	31 December 2025		31 December 2024		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	138.1	6,337	151.7	6,991	-13.6	-654	-9.0	-9.4
1. Polyethylene	70.1	6,548	77.5	7,337	-7.4	-789	-9.5	-10.8
2. Polypropylene	68.0	6,120	74.2	6,629	-6.2	-509	-8.4	-7.7
II. Urea	242.3	1,752	203.7	2,047	38.6	-295	18.9	-14.4
III. Methanol	196.3	1,737	171.6	1,757	24.7	-20	14.4	-1.1
Including:								
Inter-segment self-consumption	175.1	1,747	169.7	1,758	5.4	-11	3.2	-0.6
External sales	21.2	1,650	1.9	1,621	19.3	29	1,015.8	1.8
IV. Ammonium nitrate	58.9	1,776	57.2	2,054	1.7	-278	3.0	-13.5

Management Discussion and Analysis of Financial Conditions and Operating Results

(2) Cost of sales

For the year ended 31 December 2025, the Group's cost of sales for coal chemical operations decreased by 8.1% to RMB16.272 billion from RMB17.714 billion for the year ended 31 December 2024, mainly attributable to the decrease in material costs resulting from the decrease in procurement prices of raw material coal and fuel coal.

For the year ended 31 December 2025, 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 2025		For the year ended 31 December 2024		Year-on-year	
	31 December 2025	Percentage (%)	31 December 2024	Percentage (%)	Increase/decrease in amount	Increase/decrease (%)
Material costs	86.41	53.1	101.81	57.5	-15.40	-15.1
Staff costs	13.39	8.2	12.53	7.1	0.86	6.9
Depreciation and amortisation	29.62	18.2	28.96	16.3	0.66	2.3
Repairs and maintenance	11.21	6.9	10.82	6.1	0.39	3.6
Transportation costs and port expenses	7.69	4.7	7.35	4.1	0.34	4.6
Sales tax and surcharges	2.63	1.6	2.91	1.6	-0.28	-9.6
Other costs	11.77	7.3	12.76	7.3	-0.99	-7.8
Total cost of sales for coal chemical operations	162.72	100.0	177.14	100.0	-14.42	-8.1

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The unit cost of sales of the major self-produced coal chemical products of the Group for the year ended 31 December 2025 and the year-on-year changes are set out as follows:

Item	For the year ended 31 December 2025	For the year ended 31 December 2024	Unit: RMB/tonne	
			Year-on-year Increase/ decrease in amount	Increase/ decrease (%)
I. Polyolefin	6,315	6,413	-98	-1.5
1. Polyethylene	6,308	6,434	-126	-2.0
2. Polypropylene	6,322	6,391	-69	-1.1
II. Urea	1,317	1,668	-351	-21.0
III. Methanol	1,324	1,780	-456	-25.6
IV. Ammonium nitrate	1,423	1,344	79	5.9

For the year ended 31 December 2025, affected by the decrease in procurement prices of raw material coal and fuel coal, the Group's unit cost of sales for polyolefins, urea, and methanol all decreased year-on-year. For ammonium nitrate, the unit cost of sales increased year-on-year due to the year-on-year decrease in by-product revenue used to offset costs.

(3) *Gross profit and gross profit margin*

For the year ended 31 December 2025, the gross profit of the Group's coal chemical operations segment decreased by 14.9% to RMB2.386 billion from RMB2.804 billion for the year ended 31 December 2024, and the gross profit margin decreased by 0.9 percentage point to 12.8% from 13.7% for the year ended 31 December 2024.

3. *Coal mining equipment operations segment*

(1) *Revenue*

For the year ended 31 December 2025, the revenue from the Group's coal mining equipment operations decreased by 15.7% to RMB9.394 billion from RMB11.15 billion for the year ended 31 December 2024, and revenue net of inter-segmental sales decreased by 19.7% to RMB7.271 billion from RMB9.057 billion for the year ended 31 December 2024, mainly attributable to the year-on-year decrease in sales of scraper conveyors and hydraulic supports.

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(2) Cost of sales

For the year ended 31 December 2025, the Group's cost of sales for coal mining equipment operations decreased by 20.6% to RMB7.4 billion from RMB9.317 billion for the year ended 31 December 2024. 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 2025		For the year ended 31 December 2024		Year-on-year	
	31 December 2025	Percentage (%)	31 December 2024	Percentage (%)	Increase/decrease in amount	Increase/decrease (%)
Material costs	53.24	71.9	71.43	76.7	-18.19	-25.5
Staff costs	7.54	10.2	7.79	8.4	-0.25	-3.2
Depreciation and amortisation	2.49	3.4	2.63	2.8	-0.14	-5.3
Repairs and maintenance	0.83	1.1	0.81	0.9	0.02	2.5
Transportation costs	1.15	1.6	1.09	1.2	0.06	5.5
Sales tax and surcharges	0.42	0.6	0.39	0.4	0.03	7.7
Other costs	8.33	11.2	9.03	9.6	-0.70	-7.8
Total cost of sales for coal mining equipment operations	74.00	100.0	93.17	100.0	-19.17	-20.6

(3) Gross profit and gross profit margin

For the year ended 31 December 2025, the gross profit of the Group's coal mining equipment operations segment increased by 8.8% to RMB1.994 billion from RMB1.833 billion for the year ended 31 December 2024; the gross profit margin increased by 4.8 percentage points to 21.2% from 16.4% for the year ended 31 December 2024.

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4. Finance 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 expands the breadth and depth of financial services, and actively serves the development strategy to ensure the safe, robust, and efficient flow of funds. Additionally, against the backdrop of declining market interest rates for interbank placements, the Group dynamically optimized and adjusted the allocation strategy for interbank placements in a timely manner, achieving favourable value creation and efficiency enhancement. For the year ended 31 December 2025, the revenue from the Group's finance business decreased by 12.0% to RMB2.207 billion from RMB2.507 billion for the year ended 31 December 2024; revenue net of inter-segmental sales decreased by 12.6% to RMB1.747 billion from RMB1.999 billion for the year ended 31 December 2024; and cost of sales decreased by 20.1% to RMB757 million from RMB948 million for the year ended 31 December 2024. Gross profit decreased by 7.0% to RMB1.45 billion from RMB1.559 billion for the year ended 31 December 2024, and gross profit margin increased by 3.5 percentage points to 65.7% from 62.2% for the year ended 31 December 2024.

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 2025, revenue of the other operations segment increased by 37.5% to RMB10.112 billion from RMB7.356 billion for the year ended 31 December 2024; revenue net of inter-segmental sales increased by 27.4% to RMB7.877 billion from RMB6.181 billion for the year ended 31 December 2024; and cost of sales increased by 23.4% to RMB7.853 billion from RMB6.362 billion for the year ended 31 December 2024. Gross profit increased by 127.3% to RMB2.259 billion from RMB994 million for the year ended 31 December 2024, mainly attributable to the increase in power generation volume and the decrease in coal procurement prices, which increased the gross profit of the power business, as well as the increase in gross profit from businesses such as bidding and tendering services and production services; gross profit margin increased by 8.8 percentage points to 22.3% from 13.5% for the year ended 31 December 2024.

(III) Finance Income and Finance Costs

For the year ended 31 December 2025, the Group's net finance costs decreased by RMB386 million to RMB2.003 billion from RMB2.389 billion for the year ended 31 December 2024, mainly attributable to the impact of the Group's continuous optimization of debt structure and further reduction of comprehensive funding costs.

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(IV) Other Income, Other Gains and Losses, Net

For the year ended 31 December 2025, the Group's other income, other gains and losses, net decreased by RMB68 million to RMB351 million from RMB419 million for the year ended 31 December 2024, mainly attributable to the impact of a year-on-year decrease in gains from non-operating income and expenses and gains on disposal of assets during the year.

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

For the year ended 31 December 2025, the Group's impairment losses under the expected credit loss model (net of reversals) decreased by RMB83 million to RMB88 million from RMB171 million for the year ended 31 December 2024, mainly attributable to the decrease in credit impairment losses recognised by the Group based on accounting standards and the collection status of receivables.

(VI) Share of Profits of Associates and Joint Ventures

For the year ended 31 December 2025, the Group's share of profits of associates and joint ventures decreased by RMB522 million to RMB2.03 billion from RMB2.552 billion for the year ended 31 December 2024, mainly attributable to the downward trend in market prices of coal and other products, which resulted in a year-on-year decrease in the profits of associates and joint ventures, and a corresponding decrease in the share of profits of associates and joint ventures recognised by the Group according to its shareholding ratio.

III. CASH FLOW

As at 31 December 2025, the balance of the Group's cash and cash equivalents was RMB24.64 billion, representing a net decrease of RMB5.184 billion compared to RMB29.824 billion as at 31 December 2024.

Net cash inflows generated from operating activities decreased by RMB4.351 billion to RMB29.792 billion from RMB34.143 billion for the year ended 31 December 2024. Among them, net cash flows generated from production and sales activities amounted to RMB23.496 billion, a decrease of RMB7.156 billion year-on-year, mainly attributable to the impact of downward trends in market prices of coal and coal chemical products.

Net cash outflows generated from investing activities increased by RMB18.911 billion to RMB30.925 billion from RMB12.014 billion for the year ended 31 December 2024, mainly attributable to the combined impact of a year-on-year increase of RMB14.666 billion in cash outflows arising from changes in time deposits with an initial deposit term of more than three months, and a year-on-year increase of RMB4.290 billion in cash used for capital expenditure.

Net cash outflows generated from financing activities decreased by RMB19.868 billion to RMB4.046 billion from RMB23.914 billion for the year ended 31 December 2024, mainly attributable to the combined impact of a year-on-year increase of RMB16.335 billion in net inflows generated from debt financing, and a year-on-year decrease of RMB4.093 billion in dividends paid by the Group externally.

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IV. SOURCES OF CAPITAL

For the year ended 31 December 2025, 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.

V. ASSETS AND LIABILITIES

(I) Property, Plant and Equipment

As at 31 December 2025, the net value of the Group's property, plant and equipment was RMB149.544 billion, representing a net increase of RMB8.662 billion or an increase of 6.1% compared to RMB140.882 billion as at 31 December 2024. Among them, the net value of buildings was RMB30.998 billion, accounting for 20.7%; the net value of mining structures was RMB42.613 billion, accounting for 28.5%; the net value of machinery and equipment was RMB42.097 billion, accounting for 28.2%; the net value of construction in progress was RMB26.266 billion, accounting for 17.6%; and the net value of railways, vehicles and others was RMB7.57 billion, accounting for 5.0%.

(II) Other Non-current Assets

As at 31 December 2025, the net value of the Group's other non-current assets was RMB12.326 billion, representing a net increase of RMB1.012 billion or an increase of 8.9% compared to RMB11.314 billion as at 31 December 2024, mainly attributable to the increase in medium and long-term loans provided by the Finance Company to members other than China Coal Energy.

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(III) Debt Instruments Measured at Fair Value through Other Comprehensive Income

As at 31 December 2025, the net value of the Group's debt instruments measured at fair value through other comprehensive income was RMB971 million, representing a net decrease of RMB2.001 billion or a decrease of 67.3% compared to RMB2.972 billion as at 31 December 2024, mainly attributable to the decrease in notes receivable received from the sale of products by the Group.

(IV) Contract Liabilities

As at 31 December 2025, the balance of the Group's contract liabilities was RMB2.363 billion, representing a net decrease of RMB1.046 billion or a decrease of 30.7% compared to RMB3.409 billion as at 31 December 2024, mainly attributable to the impact of the decrease in coal prices, which led to a reduction in advances received for coal sales.

(V) Borrowings

As at 31 December 2025, the balance of the Group's borrowings was RMB60.268 billion, representing a net increase of RMB6.938 billion or an increase of 13.0% compared to RMB53.33 billion as at 31 December 2024. Including: The balance of long-term borrowings (including long-term borrowings due within one year) was RMB59.222 billion, a net increase of RMB7.007 billion compared to RMB52.215 billion as at 31 December 2024; the balance of short-term borrowings was RMB1.046 billion, a net decrease of RMB69 million compared to RMB1.115 billion as at 31 December 2024.

(VI) Long-term Bonds

As at 31 December 2025, the balance of the Group's long-term bonds (including long-term bonds due within one year) was RMB10.494 billion, representing a net increase of RMB251 million or an increase of 2.5% compared to RMB10.243 billion as at 31 December 2024, mainly attributable to the combined impact of the redemption of RMB3 billion corporate bonds and RMB1.5 billion medium-term notes during the year, and the public issuance of RMB4.8 billion technology innovation corporate bonds.

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VI. EQUITY

As at 31 December 2025, the total equity of the Group was RMB200.842 billion, an increase of RMB8.732 billion or 4.5% from RMB192.110 billion as at 31 December 2024, of which equity attributable to equity holders of the Company was RMB160.366 billion, an increase of RMB8.577 billion or 5.7% from RMB151.789 billion as at 31 December 2024. The items under the equity subject to significant change are analysed as below:

(I) Reserve

As at 31 December 2025, the balance of the Group's reserves was RMB48.218 billion, a decrease of RMB4.108 billion or 7.9% from RMB52.326 billion as at 31 December 2024, mainly attributable to the reduction in reserves caused by the Group's planned utilization of the surplus of special funds from previous years during the year.

(II) Retained Earnings

As at 31 December 2025, the balance of the Group's retained earnings was RMB98.889 billion, an increase of RMB12.685 billion or 14.7% from RMB86.204 billion as at 31 December 2024, mainly attributable to the combined impact of the profit attributable to equity holders of the Company of RMB14.497 billion realized during the year, the distribution of the 2024 final dividend and 2025 interim dividend totaling RMB5.622 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's amounted to RMB370.518 billion, an increase of RMB12.609 billion or 3.5% compared to the beginning of the year. Including: Overseas assets amounted to RMB474 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 2025, the book value of the Group's charge assets was RMB399 million, of which the book value of the pledged assets was RMB217 million, and the book value of charged assets was RMB182 million.

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.

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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 2025, details of the corporate bonds not yet due issued by the Group are as follows.

Disclosure Items	24 China Coal K2	25 China Coal K1	25 China Coal K2	25 China Coal K3	25 China Coal K4
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.	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.	To meet the needs of production and operation, and further optimise the debt structure.
2. Type of issue	Public issue	Public issue	Public issue	Public issue	Public issue
3. Book value	RMB100	RMB100	RMB100	RMB100	RMB100
4. Issue scale	RMB2 billion	RMB1.5 billion	RMB1.3 billion	RMB0.5 billion	RMB1.5 billion
5. Total proceeds raised after deducting the issuance expenses	RMB1.998 billion	RMB1.499 billion	RMB1.299 billion	RMB0.499 billion	RMB1.499 billion
6. Bond balance	RMB2 billion	RMB1.5 billion	RMB1.3 billion	RMB0.5 billion	RMB1.5 billion
7. Coupon rate	2.58%	2.33%	2.60%	1.76%	2.14%
8. Issue object	Professional investor	Professional investor	Professional investor	Professional investor	Professional investor
9. Use details:					
(1) Details and descriptions of the proceeds of each issue for different purposes in the fiscal year	The proceeds of the current corporate bonds were all used for production expenditure, including repayment of due debts.	The proceeds of the current corporate bonds were all used for production expenditure, including repayment of due debts.	The proceeds of the current corporate bonds were all used for production expenditure, including repayment of due debts.	The proceeds of the current corporate bonds were all used for production expenditure, including repayment of due debts and equity investment.	The proceeds of the current corporate bonds were all used for production expenditure, including repayment of due debts and equity investment.
(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	Yes	Yes	Yes

Note: 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 18 March 2025. For further details, please refer to the relevant announcements published by the Company on the Shanghai Stock Exchange and HKSE.

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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 2025, 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 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	<u>35.00</u>					

Note: The principal and interest of China Coal Energy Company Limited's first tranche of medium-term notes for 2020 (Variety 1) (short name "20 China Coal Energy MTN001A") were redeemed on 13 April 2025. 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 at 31 December 2025, all bonds and other debt financing instruments issued by the Group have paid interest and been redeemed on time as agreed, and there is no default or delay in payment of principal and interest.

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XIII. CONTINGENT LIABILITIES

(I) Bank Guarantees

As at 31 December 2025, the Group provided guarantees of RMB1.095 billion, all of which were guarantees provided to equity-accounted investees according to the proportion of equity held. The specific details are as follows:

Unit: RMB10,000

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	Whether the guarantee is overdue or not	Counter-guarantee available or not	Provided the related party or not	
				party	Connected party relationship										
China Coal Energy Company Limited	Company headquarters	Shaanxi Yanchang China Coal Yulin Energy Chemical Company Limited	82,078.55	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	27,440.00	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)															-14,664.00
Total balance of guarantee as at the end of the reporting period (A) (excluding those provided to subsidiaries)															109,518.55
Guarantee provided by the Company to its subsidiaries															
Total guarantee to subsidiaries incurred during the reporting period															0.00
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)															109,518.55
Percentage of total guarantee to net assets of the Company (%)															0.7
Including:															
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															-

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(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

For details regarding the litigation matters involving Yihua Mining, Mengda Mining, and Yinhe Hongtai Company, please refer to the relevant chapters of the Company's 2021 Annual Report, 2022 Annual Report, 2023 Interim Report and Annual Report. After the execution of the cases, in order to safeguard the legitimate rights and interests of the enterprises, the Company, in accordance with the Equity Transfer and Capital Increase Agreement signed with the original shareholders of Yihua Mining and Mengda Mining, made every effort to carry out recourse work, requesting the original shareholders to pay the price difference for the transfer of exploration rights, acceptance fees for the first and second instance cases, late fees, liquidated damages, etc. to Yihua Mining and Mengda Mining. Up to now, both cases have been closed with winning rulings.

As at 31 December 2025, to the best of the Group's knowledge, the Group does not have any material pending or threatened litigation or arbitration.

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XIV. OTHER EVENTS

(I) Entrusted Loans

1. General information

Unit: RMB10,000

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	0

2. Specific project information

Unit: RMB10,000

Borrower	Entrusted loan type	Entrusted loan amount	Beginning	Ending	Source of loan	Use of funds	Determining method of return	Expected Annualized Return (if any)	Actual profit or loss	Actual recovery of return	Whether	Any	Impairment provisions (if any)	
			date of entrusted loan	date of entrusted loan							legal procedures are needed	entrusted loan plan in the future		
Zhongtian Hechuang Energy Company Limited	Project loan	443.90	31 August 2020	31 August 2025	Fiscal funds	National demonstration project for the application of Internet-of-Things of mine safety production administration	-	4.0%	11.31	11.31	Recovered	Yes	No	-

Business Performance

I. PRINCIPAL BUSINESS OPERATIONS OF THE COMPANY IN 2025

(1) Coal Operations

1. Coal production

In 2025, the Group conscientiously assessed market conditions, organized coal production in a scientific and reasonable manner, and made every effort to ensure a safe and stable supply of coal. The Group continued to enhance its capacity to release high-quality and efficient production capacity, actively optimized and adjusted its product structure, and continuously strengthened refined management. The Group persistently promoted the coordinated application of new technologies, new processes and new equipment, and improved the level of mine intelligence and production efficiency, maintaining stable and efficient coal production. During the year, the Group produced 135.10 million tonnes of commercial coal, representing a decrease of 2.47 million tonnes or 1.8% compared with 137.57 million tonnes last year. In 2025, raw coal productivity was 35 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 2025, an aggregate of 18 coal mines had been accepted as intelligent coal mines. Construction of 96 intelligent coal mining working faces was completed, and the “successful research and development of a fully self-developed and controllable intelligent mining and excavation equipment and control system” was selected as a major achievement in the intelligent construction of coal mines.

Table on Commercial Coal Production Volume

Item	Year ended	<i>Unit: 10 thousand tonnes</i>	
	31 December 2025	Year ended 31 December 2024	Change (%)
Production volume of commercial coal	13,510	13,757	-1.8
By region:			
Shanxi	8,651	8,932	-3.1
Inner Mongolia and Shaanxi	4,183	4,075	2.7
Jiangsu	518	514	0.8
Xinjiang and other(s)	158	236	-33.1
By coal type:			
Thermal coal	12,486	12,617	-1.0
Coking coal	1,024	1,140	-10.2

Business Performance

2. Coal sales

In 2025, despite facing a market situation characterized by weak demand for coal products and low prices, the Group adhered to the general principle of “stable and refined sales”, strengthened the efficient coordination between production and sales, and deeply implemented the marketing strategy of “segmenting products and markets”. By optimizing the customer structure and regional layout, the Group flexibly adjusted marketing initiatives, precisely met user demands, and actively increased the proportion of direct coal mine procurement, effectively improving resource allocation efficiency and market responsiveness. Meanwhile, the Group continuously advanced brand building to steadily strengthen its core competitive advantages. Focusing on cost reduction and efficiency enhancement, the Group established a “large-scale logistics” system, systematically integrated logistics resources, optimized transportation routes, and reduced comprehensive sales costs across the entire chain. The cumulative sales volume of commercial coal was 255.80 million tonnes for the year, among which, the sales volume of self-produced commercial coal was 136.36 million tonnes. Amidst significant industry headwinds, the Group effectively stabilized its core sales, demonstrating the resilience and efficacy of its high-quality development.

Table on Coal Sales

Item	Year ended 31 December 2025	Unit: 10 thousand tonnes		Change (%)
		Year ended 31 December 2024		
Sales volume of commercial coal	25,580	28,483		-10.2
By business type:				
Self-produced commercial coal	13,636	13,763		-0.9
Proprietary coal trading	10,914	14,183		-23.0
Import and export and domestic agency	1,030	537		91.8
By sales region:				
North China	8,270	8,582		-3.6
East China	8,686	9,238		-6.0
South China	2,830	3,425		-17.4
Central China	2,115	3,378		-37.4
Northwest China	2,914	2,924		-0.3
Other regions	765	936		-18.3

Business Performance

(2) Coal Chemical Operations

In 2025, the Group proactively addressed the impact of declining chemical product prices, adhered to standardized operations, strengthened foundational management, and effectively coordinated safe production with major equipment overhauls, while steadily advancing project construction, and continuously strengthening refined management, with operational level of equipment consistently improved, achieving “work safety, stable production, long-period operation, fully-loaded operation and producing quality products”. Notably, Shaanxi Company underwent its “overhauls of the entire system every three years” for the first time, the average single-unit operating time of Tuke gasifiers of Ordos Energy Chemical Company increased by 30% year-on-year, and overhauls of Wushenzhao polyolefin unit was completed with high quality. Equipment such as urea, methanol and ammonium nitrate maintained stable operations. During the year, the Group produced 6.061 million tonnes of major coal chemical products, representing a year-on-year increase of 371,000 tonnes.

The Group continued to enhance its marketing network, flexibly adjusted its sales strategies, and optimized its layout and direction, promoting “full production and refined sales” of coal chemical products. The sales volume of major coal chemical products was 6.356 million tonnes during the year, representing a year-on-year increase of 514,000 tonnes. Concentrating on price stabilization and structural optimization, the Group systematically carried out independent urea exports, increasing profit by nearly RMB100 million. Through improvement of the mutual guarantee mechanism for peak and off-peak seasons, the Group achieved cumulative efficiency gains exceeding RMB100 million during the year. In the polyolefin sector, the Group deepened differentiated marketing, accelerated the development and promotion of new-grade products, intensified efforts to cultivate terminal customers, and continuously enhanced its brand influence and market competitiveness.

Business Performance

Table on Production and Sales Volume of Major Coal Chemical Products

Unit: 10 thousand tonnes

Item	Year ended 31 December 2025	Year ended 31 December 2024	Change (%)
Total coal chemical products			
Production volume	606.1	569.0	6.5
Sales volume	635.6	584.2	8.8
Polyolefin			
Production volume	138.6	151.4	-8.5
Sales volume	138.1	151.7	-9.0
Urea			
Production volume	213.4	187.1	14.1
Sales volume	242.3	203.7	18.9
Methanol			
Production volume	195.5	173.0	13.0
Sales volume	196.3	171.6	14.4
Ammonium nitrate			
Production volume	58.6	57.5	1.9
Sales volume	58.9	57.2	3.0

Notes:

- 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+H₂), 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.
- The methanol sales volume of the Group includes internal consumption volume.
- The urea sales volume of the Group includes urea products purchased on a buyout basis from Lingshi Chemical Company, a member of China Coal Group.

Business Performance

(3) Coal Mining Equipment Operations

In 2025, the Group's equipment manufacturing enterprises focused on "intelligent manufacturing + modern services", continuously promoted product and industrial upgrading, and accelerated process innovation and intelligent transformation, steadily improving product delivery efficiency and high-end supply capacity. During the year, the Group achieved equipment output value of RMB9.21 billion. The Group continuously optimized and improved the full life cycle service system of equipment, driving the business transformation from "single product" to "integrated solution". By establishing a marketing system based on "regional coordination – product coordination – service coordination", the Group consolidated the integrated marketing synergy of the sector, leading to a significant improvement in service quality and efficiency. The value of new contracts amounted to RMB11.3 billion during the year. Seizing the market opportunities presented by the "Belt and Road Initiative", the Group actively expanded into the international market, securing export orders of RMB1.05 billion in 2025, representing a year-on-year increase of 22.9%.

Table on Production Value and Revenue of Coal Mining Equipment

Product types	Production value			Revenue	
	Year ended 31 December	Year ended 31 December	Change (%)	Year ended 31 December	Percentage of revenue of the coal mining equipment segment (%)
	2025	2024		2025	
Main conveyor products	46.1	52.1	-11.5	43.2	46.0
Main support products	39.5	43.2	-8.6	37.4	39.8
Other regions	6.5	8.2	-20.7	13.3	14.2
Total	92.1	103.5	-11.0	93.9	100.0

Unit: RMB100 million

Business Performance

(4) Financial Operations

In 2025, the Group continued to advance lean management, innovated and enriched its financial service methods, and strived to overcome external pressures such as a declining interest rate market. The Group proactively addressed difficulties and challenges, focusing on quality and efficiency improvement. By promptly optimizing and adjusting the allocation strategy of interbank deposits, the Group increased credit support, optimized the resource allocation of credit funds, and served to adjust the industrial structure, achieving new progress and accomplishments in various endeavors. The Group established a treasury system with China Coal characteristics, which was evaluated as excellent by SASAC of the State Council. The innovative practice of “daily fund plan management” received commendation, and its submitted case was awarded the 2025 “Best Practice Case Award for Internal Control” issued by the Chinese Association for Public Companies. As at the end of 2025, scale of deposits absorbed amounted to RMB91.94 billion, representing a year-on-year increase of 1.5%; scale of placement of interbank deposits amounted to RMB72.86 billion, representing a year-on-year increase of 4.6%; scale of self-operated loans amounted to RMB27.70 billion, representing a year-on-year decrease of 6.3%.

Table on Financial Operations

Business types	As at	Unit: RMB100 million	
	31 December 2025	As at 31 December 2024	Change (%)
Scale of deposits absorbed	919.4	906.2	1.5
Placement of interbank deposits	728.6	696.4	4.6
Scale of self-operated loans	277.0	295.5	-6.3

(5) Synergy among Business Segments

In 2025, 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 2025, the Group produced 14.81 million tonnes of coal for internal consumption, of which the self-sufficiency rate of coal for coal chemical production exceeded 80%. The coal mining equipment business segment achieved internal product sales and services revenue of RMB2.123 billion, representing 22.6% of the total sales revenue of the segment. For financial operations, newly issued internal loans amounted to RMB3.37 billion and the amount of internal loans as at the end of the Reporting Period was RMB15.12 billion. Through engaging in financing operations with rich varieties and quality service and vigorously coordinating with member entities to lower the interest rates of loans, total finance costs of RMB0.46 billion have been saved.

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 Company, 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 Company'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 Company 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. The Group intensifies efforts to achieve breakthroughs in key technologies, makes new strides in 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 Company 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 Company 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 Company 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, the persistence of international geopolitical conflicts, combined with the frequent occurrence of extreme weather, have further exacerbated the volatility of the global energy market and the uncertainty of supply chains, highlighting the sensitivity of the energy supply system during its transition phase. Against this backdrop, serving as the “ballast stone” of China’s energy supply, coal has played an even more prominent backstop role in responding to sudden supply-demand imbalances and ensuring national energy security. Coal power effectively enhances the overall safety margin of the power system, and will continue to play a vital role in safeguarding China’s energy and electricity security.

According to data from the National Bureau of Statistics and China National Coal Association, the industrial raw coal production above designated size nationwide in 2025 was 4.83 billion tonnes, a year-on-year increase of 1.2%, maintaining a slight growth in total volume. By region, core production areas such as Shanxi, Shaanxi, Inner Mongolia and Xinjiang made outstanding contributions, with combined output accounting for 83% of the national total output. By enterprise, there were 15 large coal enterprises with raw coal output exceeding 50 million tonnes, with total raw coal output reaching 2.70 billion tonnes, a year-on-year increase of 0.7%, reflecting a steady rise in industry concentration. Overall, China’s raw coal market continued its development trend of “ensuring supply, stabilizing prices, and optimizing structure”. The industry layout became more rational, with advanced production capacity being released steadily and orderly. The level of intelligent and green mining at large-scale coal mines continuously improved, and significant progress was made in the clean and efficient utilization of coal. The leading role of large coal enterprises became increasingly prominent, laying a solid energy foundation for the high-quality development of the national economy.

In terms of coal chemical industry, China’s urea sector continued its perfectly competitive market structure, but the pace of industrial integration and technological upgrading accelerated significantly, and the economies of scale for large enterprises became more pronounced. The production capacity of polyolefin industry is intensively launched, leading to an increasingly complex market competition landscape. In 2025, new production capacity nationwide was primarily concentrated in South China, North China, and East China. Market investment entities presented a diversified landscape, and the rapid capacity growth intensified market competition.

In terms of coal mining equipment manufacturing industry, in 2025, top enterprises in coal mining equipment manufacturing industry continued to expand their market share, leveraging their economies of scale, technological expertise and brand influence. Especially, in high-barrier areas such as high-end equipment and intelligent system, the industry was dominated by a few leading enterprises. The integration of the industrial chain continued to deepen. Some enterprises enhanced supply chain stability and cost control by extending upstream, while others expanded into downstream service sectors, deepening customer cooperation and improving overall competitiveness by offering comprehensive solutions and operational services. Furthermore, the industry’s internationalization progressed steadily, with leading enterprises actively expanding into overseas markets and accelerating their global layout.

Business Performance

In terms of power industry, the competitive landscape of China's power industry was characterized by green dominance, central enterprises leading the way, and a diverse cooperative-competitive environment in 2025. Driven by the "dual carbon" goals, the proportion of renewable energy installed capacity exceeded 59%, surpassing thermal power for the first time, with photovoltaic and wind power becoming the main sources of new installations. However, thermal power still contributed approximately 59% of the total power generation. Leveraging their substantial capital, comprehensive industrial chain layout and policy resources, the "five major" central power enterprises dominated new energy investments, energy storage integration, and power market trading. Although the overall industry concentration remained relatively low, the advantages of these top enterprises continued to expand. At the same time, the reform of the electricity market deepened, and green power fully participated in spot market trading, marking the end of the era of guaranteed quantities and fixed prices. The competitive focus for enterprises shifted from scale expansion to cost control, scheduling flexibility, and comprehensive energy service capabilities. Private capital, meanwhile, concentrated on niche areas such as distributed energy and virtual power plants to seek breakthroughs. The entire industry accelerated its evolution towards a new stage of deep integration of clean energy, intelligence, and marketization.

IV. INDUSTRY DEVELOPMENT TRENDS OF THE BUSINESS OF THE GROUP

Looking forward to 2026, with the thorough implementation of the guiding principles from the 2025 Central Economic Work Conference, and under the policy guidance of continuously promoting a comprehensive green transformation, proactive fiscal policies will be strengthened for greater effectiveness, and moderately loose monetary policies will be implemented precisely and forcefully. With the accelerated development of "new quality productive forces" represented by artificial intelligence and green technologies, the momentum of China's high-quality economic development will become more solid.

In terms of coal industry, in the new context of the global energy landscape undergoing profound adjustments and the domestic new energy system being constructed in parallel, ensuring energy security remains the core support for stable economic and social development. As a primary energy source, coal's fundamental role for ensuring baseline supply becomes even more prominent. In 2026, China's coal market is expected to exhibit a pattern of weak balance in supply and demand. Amidst the energy transition, thermal coal's share in power consumption will further decline, coal consumption for sectors like metallurgy and building materials will remain weak, chemical coal will become the main incremental driver but with limited growth potential, and the coal price center will undergo weak fluctuations.

Business Performance

In terms of coal chemical industry, 2026 will be a critical period where structural adjustments are deeply intertwined with the transition towards high-end development. Against the backdrop of the “dual carbon” goals, supply-side structural reforms will continue to advance, the pace of industrial value restructuring will further accelerate, and the market will present both opportunities and challenges. It is estimated that domestic polyolefin production capacity will exceed 100 million tonnes in 2026, with a growth rate slightly lower than that in 2025. The actual supply pressure will remain high, and polyolefin prices will fluctuate in tandem with the crude oil market. Domestic urea production capacity will reach approximately 87 million tonnes, with a growth rate of 6%-7%. A certain level of exports will be necessary to balance supply and demand in the domestic market. It is estimated that domestic urea price will experience limited fluctuations in 2026, and the profitability of the urea industry is expected to remain stable.

In terms of coal mining equipment manufacturing industry, in recent years, China has vigorously promoted the intelligent development of coal mines, the upgrading of equipment in industrial sectors, and the construction of non-coal mines and green mines, creating broader development opportunities for the advancement of high-end and intelligent coal machine and equipment. Coal machine and equipment enterprises are continuously increasing investment in science and technology, accelerating breakthroughs in key core technologies, and enhancing their ability to supply high-end equipment and their adaptability to complex geological conditions. Driven by market demand and industrial policies, coal machine and equipment manufacturing enterprises are accelerating their transformation from “product sellers” to comprehensive solution providers offering “product + full lifecycle services”. In the meantime, leading domestic coal machine and equipment manufacturing enterprises will leverage technologies, standards, and engineering experience accumulated in the intelligent construction to more actively explore international markets such as those along the “Belt and Road”, promoting the “going global” of Chinese technology, equipment and services, and forging new advantages in global competition.

In terms of power industry, China’s electricity market in 2026 will generally feature loose supply and demand, declining prices, structural optimization and improved mechanisms. Total electricity consumption nationwide is expected to grow at a rate of 5% to 6%, reaching approximately 10.9 to 11 trillion kilowatt-hours for the year, representing a year-on-year increase of 5% to 6%, mainly driven by a moderate economic recovery, new quality productive forces and the electrification of end-use energy consumption. Meanwhile, the large-scale commissioning of new energy sources, coupled with the expansion of newly installed thermal power, nuclear power and energy storage capacity, will bring the total installed power capacity to around 4.3 billion kilowatts, thereby shifting the balance of power supply and demand toward a surplus. In terms of electricity prices, influenced by the full participation of new energy in the market, the continuous deepening of the construction of a unified national electricity market, the expansion of the coverage of continuously operating spot markets, the increase in the proportion of cross-provincial and cross-regional transactions, the pattern of power supply and demand, and local requirements for reducing electricity prices, both long-term agreement and spot electricity prices are generally facing downward pressure. At the same time, differentiated pricing mechanisms such as increases in capacity tariffs and green electricity environmental premiums are gradually being implemented. For coal power, capacity tariffs and revenue from ancillary services will offset the decline in electricity prices, further optimizing the allocation of power resources.

Business Performance

V. PRODUCTION AND OPERATION PLANS OF THE GROUP IN 2026

The year 2026 marks the beginning of the “15th Five-Year Plan”. The Group will adhere to the general principle of making progress amid stability. Focusing on enhancing core functions and improving core competitiveness, the Company will continue to promote the “efficiency enhancement and incremental transformation” strategy, concentrate on its main responsibilities and core businesses, strengthen operational management, continuously deepen reforms, intensify technological research, accelerate the green and low-carbon transition, and better coordinate development and security. By continuously enhancing core functions and improving core competitiveness, the Company will strive to promote high-quality development and contribute to safeguarding national energy security. The annual production and sales volumes of self-produced commercial coal, polyolefin products and urea are planned to achieve more than 131.00 million tonnes, more than 1.45 million tonnes and more than 2.03 million tonnes, respectively. Adhering to the main line of improving quality and efficiency, and continuously enhancing value creation, the Company will strive to maintain overall stability in revenue and profits, provided there are no significant changes in the market. The Company will focus on the following work:

Firstly, deepen efficient production and sales collaboration and improve energy supply capability. The Company will leverage the intelligent production and operation management platform, use efficient coordination of production and sales as the driving force of stable growth, scientifically organize production and sales, adhere to the normalized supply of coal for power generation, achieve full production and refined sales of chemical products, accelerate the transformation and upgrading of energy service businesses, and ensure the efficient operation of the entire chain of “production, transportation, sales, storage, distribution and utilization”, continuously improving the ability to create value and increase profitability.

Second, comprehensively strengthen safety management and control to ensure a stable and improving safety situation. The Company will better coordinate development and safety, firmly uphold the “zero fatalities” goal, strictly implement safety responsibilities, effectively prevent and mitigate safety risks, conduct comprehensive investigations and remediation of potential accidents, earnestly enhance standard awareness, continuously solidify the foundation at the grassroots level, and accelerate the cultivation of a “rule-abiding” safety culture, thereby supporting the Company’s high-quality development with high-level safety.

Thirdly, enhance the promotion of key projects and accelerate the optimisation and adjustment of industrial structure. The Company 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 compact 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 Company 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 Company will promote the construction of intelligent management and control platforms for production and operation to effectively enhance the Company’s efficiency of management and control and management level.

Business Performance

Fifthly, strengthen the enhancement of innovation capabilities and actively cultivate new quality productive forces. The Company 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. Taking the implementation of a new round of deepening the reform of state-owned enterprises as a key measure, with focus on building new production relationships, the Company will place greater emphasis on the quality and effectiveness of reforms, and persistently 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 comprehensive risk management to help the enterprises operate steadily and achieve long-term success. The Company will fully identify and assess various risks of the Company, continue to strictly prevent ecological and environmental protection, investment, market changes and competition, operational efficiency, project management and other major and significant risks, formulate prevention and control measures, implement responsibilities for risk prevention and control, 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. The Company 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 Company. Thus, the operation plans disclosed in this Announcement would not constitute any commitment to results to investors by the Company. Investors should be informed and aware of the risks in this connection.

Business Performance

VI. ENVIRONMENTAL POLICIES AND PERFORMANCE

Guided by the Xi Jinping's Thoughts on Socialism with Chinese Characteristics for a New Era, the Group thoroughly implemented the guiding principles of the 20th Party Congress and all the plenary sessions of the 20th Central Committee of the CPC, earnestly practiced Xi Jinping's Thoughts on Ecological Civilization, firmly upheld the vision of "lucid waters and lush mountains are invaluable assets", adhered to comprehensive, systematic, and source-based governance, coordinated ecological protection, energy conservation, and green and low-carbon development, and jointly promoted carbon reduction, pollution control, green expansion and growth. The Group actively participated in carbon peak and carbon neutral action, fully cooperated with central ecological and environmental protection inspections, continuously consolidated the foundation for green and low-carbon development, and conscientiously fulfilled the political responsibility, main responsibility and social responsibility of central enterprises for ecological civilisation construction and ecological environmental protection, so as to support the Company's green, low-carbon, and high-quality development through high-level ecological and environmental protection.

Actively developing green coal. The Group strengthened the control of unorganized emissions at key sites such as coal yards, slag yards, and gangue dumping sites, steadily advance the "shift from road to rail" for bulk cargo transportation and the replacement of vehicles for on-site operations with new energy vehicles, and rigorously implemented emergency measures for heavy pollution weather, thereby making positive contributions to the improvement of regional air quality. The Group continuously promoted projects for the upgrading and deep treatment of various types of wastewater, effectively ensuring compliance with emission standards, and continuously improving the level of water resource utilization. The Group strictly prevented soil and groundwater pollution from the source. Key regulated units completed soil surveys and monitoring as required, conducted timely assessments of risk areas, and formulated and implemented control and remediation plans, ensuring risks were effectively managed. The Group actively explored pathways for the resource utilization of bulk solid wastes such as coal gangue and ash slag, with the comprehensive utilization rate steadily increasing. The Group standardized the management of solid waste storage sites, researched and developed closure plans, and further enhanced the level of management standardization and risk prevention and control capabilities. The Group strengthened the standardized management of hazardous waste throughout the entire process, improved electronic record-keeping and information-based traceability systems to ensure environmental safety, and effectively enhanced management efficiency. The Group strictly implemented soil and water conservation requirements, continuously increased efforts in the reclamation of open-pit mine dumps and the comprehensive treatment of subsidence areas in underground mines, promoted the resource utilization of restored land in an orderly manner, and actively explored new comprehensive utilization models such as "Agricultural-photovoltaic Complementation" and "Fishery-photovoltaic Complementation", thereby promoting the synergistic improvement of ecological, social, and economic benefits. Guided by the green mine construction standards, the Group solidly advanced the creation of green mines. In 2025, a total of 13 new provincial-level green mines were added, continuously improving the level and coverage of green mine development.

Business Performance

Promoting the green and low-carbon development of coal chemical industry. The coal chemical sector continuously practiced the core values of “safety, green, cleanliness, and efficiency”, persistently advanced the creation of green factories, prepared the Evaluation Requirements for Green Coal Chemical Plants to guide enterprises in achieving pollution and carbon reduction, as well as energy and consumption savings, through measures such as process optimization, technological innovation, equipment upgrades, and management improvements. Adhering to the environmental philosophy of source control and process management, the Group deeply promoted pollution prevention and control, and key projects, including the treatment of VOCs from low-temperature methanol washing tail gas and the zero-discharge of wastewater, have been completed and put into operation, continuously enhancing pollution control capabilities. The Group strengthened environmental management during major overhauls by formulating dedicated environmental control plans and strictly regulating the discharge of “three wastes” during the maintenance process; actively carried out special investigations and rectification of ecological and environmental problems (hidden dangers), and promoted the rectification of issues highlighted by central ecological and environmental inspections as well as prominent long-standing environmental problems, to keep reducing ecological and environmental risks; persistently advanced the construction of leak-free factories, explored comprehensive solid waste utilization technologies, and promoted the construction of environmental intelligent control projects and technical supervision work, thereby continuously solidifying the foundation for the green development of coal chemical industry. Meanwhile, the Group strengthened the clean and efficient utilization of coal, promoted the transformation towards environmental protection and green, low-carbon development, and implemented the construction of a 100,000-tonne/year liquid sunshine project, which produced green hydrogen through wind and solar power, and synthesized methanol by combining it with CO₂ emitted from existing chemical plants, to replace fossil energy and achieve the recycling of carbon dioxide. The Group has jointly developed biomass gasification technology with the Coal Research Institute, and established a biomass gasification pilot platform. It has successfully applied for a major innovation platform (base) construction technology support project in the Inner Mongolia Autonomous Region. This technology has passed the scientific and technological achievement evaluation organized by the China Petroleum and Chemical Industry Federation, demonstrating strong technological innovation and reaching an internationally leading level.

Focusing on the green and low-carbon transformation of electricity. Using the “two combinations” as an important pathway, the Group promoted the development of green electricity to achieve both qualitative and quantitative improvements. The Group deepened the combination between “coal and coal power”, where coal power continuously strengthened its regulating and supporting role through flexible upgrades, providing a solid foundation for the integration of new energy; deepened the combination between “coal power and new energy”, leveraging the Company’s advantages in coal and coal power bases to steadily expand the scale of new energy development, continuously advanced the development of large bases in the “Gobi Desert”, and formed a sound tiered development landscape of “constructing a batch, approving a batch, and reserving a batch”. The Group intensified coordinated development of new energy and the chemical industry. The Ordos Energy Chemical Liquid Sunshine Project has met the conditions for single-unit testing and has obtained several directives for the construction of green hydrogen and green ammonia projects. The scale of green power consumption has steadily increased, ranking among the top in China. The Group adhered to innovation-driven green development, collaborating with external professional institutions to tackle next-generation coal power technologies, and conduct research on incremental distribution network reforms, and deeply investigated cutting-edge green technologies such as grid-forming control technology, green ammonia, and green hydrogen. The Group accelerated digital transformation to empower green power development, and compiled unified technical specifications for the production and operation management and control platform. The construction of smart sites has been recognized as a typical industry case, and the research and development of smart power plants were progressing steadily, providing digital and intelligent support for the efficient operation of green electricity.

Business Performance

Focusing on developing green equipment. Primarily engaged in the research, development, and manufacturing of coal mining and transportation equipment such as armoured-face conveyors, roadheaders, coalcutters, and hydraulic roof supports, as well as associated electromechanical equipment, the Group introduced and absorbed advanced technologies and processes to drive the development of new energy and energy storage products, including photovoltaic inverters and box-type transformers. The Group upgraded the construction of “green factories”, implemented pollution source control, increased the proportion of ultra-high-speed green laser cladding processes replacing traditional chrome plating processes, and enhanced the efficiency of resource recovery and utilization. The Group promoted key projects such as “packaging and pressing of iron scrap”, “upgrading and renovation of wastewater treatment in the industrial park”, “renovation of organic gas catalytic combustion devices”, and “expansion of hazardous waste warehouses”, further promoted the use of water paint, improved the efficiency of VOCs treatment and the level of waste resource utilization, promoted the reduction, recycling and hazard-free treatment of hazardous wastes, and reduced pollutants from the source. The Group began to build “zero-carbon parks”, implemented pilot distributed photovoltaic power generation, increased the procurement of green electricity, and promoted efficient multi-energy complementarity and utilization. The Group conducted ecological and environmental risk identification and assessment, identifying and evaluating over a hundred types of ecological and environmental risks, including basic management, environmental procedures, hazardous chemical control, production processes, and pollution sites, and formulated targeted pre-control measures. Beijing Coal Mining Machinery Company and China Coal Electric Company Limited were awarded the titles of “Beijing Water-Saving Enterprise” and “Shunyi District Water-Saving Unit” in 2024, respectively.

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.

Business Performance

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 2025, the Group did not have any substantial disputes with its suppliers and/or clients.

Capital Expenditure

I. PERFORMANCE FOR CAPITAL EXPENDITURE BUDGETED FOR 2025

(I) Capital Expenditure

In 2025, the Group's capital expenditure plan centred on the coal, coal chemical, coal-fired power, new energy, and coal mining equipment sectors, comprising four categories: capital construction investment, equity investment, technical transformation and renewal investment, and technology and informatisation investment. The total capital expenditure plan for 2025 was RMB21.678 billion. During the reporting period, a total of RMB19.921 billion was completed, representing 91.90% of the annual plan.

Performance for Capital Expenditure Budgeted for 2025 (By Expenditure Item)

Capital Expenditure Items	Actual investment in 2025	Unit: RMB100 million	
		Budgeted investment in 2025	Percentage of total (%)
Total	199.21	216.78	91.90
Capital Construction Investment	124.81	135.30	92.25
Equity Investment	2.00	2.15	93.02
Investment in Technical Transformation and Renewal	60.29	62.05	97.16
Investment in Technology and Informatisation	12.11	17.28	70.08

Performance for Capital Expenditure Budgeted for 2025 (By Business Segment)

Business segment	Actual investment in 2025	Unit: RMB100 million	
		Budgeted investment in 2025	Percentage of total (%)
Total	199.21	216.78	91.90
Coal	68.21	82.99	82.19
Coal Chemical	91.91	86.47	106.29
Coal-fired Power	15.23	13.90	109.57
New Energy	15.39	26.91	57.19
Coal Mining Equipment	5.87	6.12	95.92
Others	2.60	0.39	666.67

(II) 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. The investment completed in 2025 was RMB1.217 billion, with a cumulative completed investment of RMB6.540 billion. The project is currently under construction. It is expected to achieve combined trial operation by the end of 2027.

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 2.4 million tonnes/year. The investment completed in 2025 was RMB295 million, with a cumulative completed investment of RMB3.085 billion. The project is currently under construction. It is expected to achieve combined trial operation by the end of 2026.

With a total investment of RMB5.762 billion, Wushenqi power plant project was designed to have a capacity of 2×660MW. The investment completed in 2025 was RMB1.314 billion, with a cumulative completed investment of RMB1.816 billion. The project is currently under construction. It is expected to be put into operation in the second half of 2027.

With a total investment of RMB23.888 billion, Yulin Coal deep processing base project was designed to have a capacity of 900,000 tonnes/year for polyolefin. The investment completed in 2025 was RMB7.066 billion, with a cumulative completed investment of RMB11.703 billion. The project is currently under construction. It is expected to be put into operation in December 2026.

With a total investment of RMB4.474 billion, “Liquid Sunshine” Project has newly constructed capacities of 625MW wind and solar power generation, 21,000 tonnes/year of hydrogen production from water electrolysis, 100,000 tonnes/year of CO₂ hydrogenation to methanol (including 150,000 tonnes/year of CO₂ capture and refining) and supporting public and auxiliary facilities. The investment completed in 2025 was RMB906 million, with a cumulative completed investment of RMB1.704 billion. The project is currently under construction. It is expected to be put into operation in November 2026.

(III) External Equity Investment

In 2025, external equity investment amounted to RMB200 million, primarily due to the Company’s participation in the Central Enterprise Strategic Emerging Industry Development Fund. The Company contributed RMB1 billion, accounting for 1.96% of the equity. In accordance with the fund’s investment plan and the pace of project progression, an investment of RMB200 million was completed in 2025.

II. ARRANGEMENT FOR CAPITAL EXPENDITURE IN 2026

Adhering to the general tone of seeking progress while maintaining stability, in accordance with the requirements of high-quality development, and implementing the development philosophy of “efficiency enhancement and incremental transformation”, the Company continued to focus on the industrial chain layout of “coal-electricity-chemical-new energy”. Driven by technological innovation and guided by major projects, the 2026 capital expenditure plan was scientifically and reasonably formulated, with investments primarily directed towards the coal, coal chemical, coal-fired power, new energy, and coal mining equipment industries.

The Group’s capital expenditure plan for 2026 is RMB21.326 billion, an increase of 7.05% compared to the actual investment in 2025. Specifically, the plan allocates RMB13.427 billion for capital construction investment, RMB94 million for equity investment, RMB6.286 billion for technical transformation and renewal investment, and RMB1.519 billion for technology and informatisation investment.

Capital Expenditure

The capital expenditure plan by business segment is as follows:

Unit: RMB100 million

Business segment	Budgeted investment in 2026	Actual investment in 2025	Increase/ decrease in budgeted investment in 2026 compared with actual investment in 2025 (%)	Percentage of total (%)
Total	213.26	199.21	7.05	100.00
Coal	72.41	68.21	6.16	33.95
Coal Chemical	84.85	91.91	-7.68	39.79
Coal-fired Power	21.86	15.23	43.53	10.25
New Energy	26.75	15.39	73.81	12.54
Coal Mining Equipment	6.65	5.87	13.29	3.12
Others	0.74	2.60	-71.54	0.35

In 2026, the Group will reasonably arrange the scale and pace of financing according to production and operation needs and the capital expenditure plan, which will be arranged specifically in combination with the Company's actual situation.

According to the Group's development goals and planning, the capital expenditure plan may vary with the development of the Company's business (including potential acquisitions), the progress of investment projects, changes in market conditions, and whether necessary government approvals and regulatory documents are obtained. The Group will make timely disclosures in accordance with the regulations of regulatory authorities and the stock exchange.

III. COMPANY DEVELOPMENT STRATEGY

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implementing the spirit of the 20th National Congress of the Communist Party of China and all plenary sessions of the 20th CPC Central Committee, fully, accurately, and comprehensively implementing the new development philosophy, and implementing major national strategies, the Company deeply integrates into the construction of the new national energy system. With high-quality development as the theme and reform and innovation as the fundamental driving force, the Company focuses on main responsibilities and core businesses, adheres to the dual drive of "efficiency enhancement and incremental transformation", practices the "two combinations+" development model, promotes the "integration of coal and coal-fired power" to hedge against the cyclical fluctuation risks of the coal market and the "integration of coal-fired power and new energy" to hedge against future carbon emission constraint risks, builds a closely-knit "coal-electricity-chemical-new energy" industrial chain, and constructs a new pattern of a modern industrial system. By 2030, the Company aims to build a comprehensive energy enterprise with relatively strong international competitiveness, laying a more solid foundation for becoming a world-class energy enterprise.

Capital Expenditure

Enhancing coal guarantee capability to consolidate the foundation of sustainable development. The Company optimises the coal development layout, actively acquires high-quality resources, releases advanced production capacity in an orderly manner, continuously improves resource guarantee capability, comprehensively promotes the construction of an integrated smart logistics and trade system, enhances the level of integrated marketing, and continuously consolidates the positioning of coal as a strategic core industry.

Advancing the practice of “two combinations” to develop and strengthen the power industry. Based on coal resources and industrial advantages, the Group deeply advances the “two combinations”, scientifically promotes coal-fired power layout at the resource and market ends, carries out flexible, low-carbon, and efficient transformation and upgrading of coal-fired power adapting to local conditions, diversifies the expansion of the new energy industry, utilizes land resources such as coal mining subsidence areas and reclaimed areas in mining districts to promote the integrated development of coal and new energy, explores industrial formats such as source-grid-load-storage integration and fishery-solar hybrid systems, and continuously enhances risk resistance capability.

Developing high-end chemical industry formats, promoting the extension from basic bulk raw materials to high-end chemical materials, and achieving a leap in industrial value. With high-end development, diversification, and low-carbon transformation as the development direction, and park-based and base-based development as the development mode, the Group aims to create demonstration-leading high-end coal chemical industrial clusters and demonstration parks through technological innovation, industrial upgrading, and green transformation, building a modern coal chemical product system.

Enhancing comprehensive energy service capability to lead high-quality industry development. Taking the deep integration of “manufacturing + service” as the basic model, and digital transformation and intelligent upgrading as the main paths, the Group promotes the leap of equipment manufacturing towards “intelligent manufacturing”, integrates emerging technologies such as artificial intelligence, big data, and cloud computing to promote the transformation of the comprehensive energy service industry, relies on the synergy of intelligence, greening, and integration to build a new energy service ecosystem, and achieves large-scale, market-oriented, and branded development of energy services.

Technological Innovations

In 2025, the Group deeply implemented the innovation-driven development strategy, formed a technological innovation system featuring a “small internal brain + large external brain”, constructed a technological innovation operation model of “horizontal and vertical connectivity-innovation-driven-demand-led”, established a technological innovation implementation path of “science-technology-engineering-market”, and built a “six-in-one” technological innovation work guarantee system with “projects, platforms, talents, investment, management, and mechanisms” as core elements. The Group advanced the energy technology revolution in depth, made overall plans to use energy technology innovation resources, promoted the tackling of key core technology and equipment, deepened the integration of technological innovation and industrial innovation, accelerated the construction of a new energy technology innovation system supporting high-level self-reliance and self-strengthening, and continuously strengthened the leading role of technological innovation in high-quality energy development. The Group’s technological innovation system has been continuously improved, innovation capability has been continuously enhanced, and technological achievements have emerged continuously. The supporting and leading role of technological innovation in the Group’s transformation and development has continued to manifest.

I. OPTIMISING SCIENTIFIC RESEARCH MANAGEMENT AND PERFECTING THE INNOVATION SYSTEM FOR CLEAN COAL UTILISATION

Comprehensively deepening the reform of technological innovation systems and mechanisms, and continuously improving the technological innovation system. In accordance with the philosophy of “focusing on national energy security strategic needs, focusing on the layout of national strategic scientific and technological forces, focusing on achieving self-reliance and self-strengthening in energy technology, and focusing on the green and low-carbon transformation of the coal industry”, the Group organised the formulation and revision of a batch of technological innovation management systems conducive to releasing innovation momentum, improving the refined management of technological innovation.

Actively integrating into the national technological innovation system and building a high-level technological innovation R&D platform. The Energy and Low-Carbon Innovation Center, jointly built with the Beijing-Tianjin-Hebei National Center of Technology Innovation was officially put into operation, jointly organising and implementing the Energy and Low-Carbon Joint Project under the National Key Research and Development Program of China for Disruptive Technology Innovation, and releasing the Application Guidelines for the 2025 Energy and Low-Carbon Joint Project: Clean Coal Utilization Under the Special Project for Disruptive Technological Innovation of the National Key Research and Development Program of China, exploring a “central finance + central enterprise” diversified investment mechanism. In the fields of intelligent and unmanned mining, the Group participated in the co-construction of the State Key Laboratory of Unmanned Coal Mining Digital-Intelligence Technology, promoted the official operation of the Information Technology Application Innovation Empowerment Center, and significantly enhanced technological innovation capability.

As of the end of 2025, the Group had built an autonomous, open, and integrated R&D system composed mainly of China Coal-Coal Chemical Research Institute, China Coal-Equipment Research Institute, 1 State Key Laboratory, 1 National Energy R&D (Experiment) Center for Coal Mining and Excavation Machinery and Equipment, 2 National Enterprise Technology Centers, 2 National Energy Technology Equipment Assessment Centers, 10 National Accredited Laboratories, 5 “Mass Entrepreneurship and Innovation” Demonstration Bases, 1 Local-Enterprise Laboratory, and 2 Key Laboratories of Ministries and Commissions, with scientific and technological R&D capability significantly enhanced.

Technological Innovations

II. TACKLING KEY CORE TECHNOLOGIES AND PROMOTING THE R&D AND APPLICATION OF CLEAN AND EFFICIENT TECHNOLOGY EQUIPMENT

Actively undertaking national science and technology plan projects. Focusing on core scientific issues in the field of clean and efficient coal utilisation, the Group was approved for 4 projects under the Enterprise Innovation and Development Joint Fund of the National Natural Science Foundation of China, conducting basic research in directions such as intelligent coal washing and preparation and high-performance polyolefin. The Group was approved for 2 tasks under the National Science and Technology Major Project for Deep Earth, conducting R&D on in-situ fluidisation and integrated mining technologies and equipment for deep solid mineral resources. The Group was approved for 1 task under the National Science and Technology Major Project for Clean and Efficient Coal Utilisation Supporting Energy Transition, carrying out engineering demonstrations of key technologies and equipment for intelligent driving and support of deep roadways.

Innovating the mechanism for tackling major science and technology special projects. The “Prevention and Control of Rock Burst in Inner Mongolia-Shaanxi Mining Areas” major science and technology special project established and implemented applied and promoted regional fracturing technology for rock burst prevention for the first time, supporting the safe and efficient mining of deep coal resources and achieving industry leadership in the field of rock burst prevention and control. The “Resource Utilisation of Coal Gangue” major science and technology special project developed a big data platform for comprehensive utilisation of coal gangue, researched and developed the technical process and supporting equipment system for CO₂ mineralisation by coal gangue, formed an industry-leading technical system for comprehensive resource utilisation of coal gangue, and built the first million-tonne level overburden separation layer grouting demonstration project in China.

Vigorously promoting the transformation and application of scientific and technological achievements. The world’s first set of complete equipment for scraper conveyors for 550m working faces, independently developed by Zhangjiakou Coal Mining Machinery Co., Ltd., was exported to Indonesia, providing high-standard Chinese equipment for “Belt and Road” energy cooperation. The MineHarmony technical equipment developed by the equipment business of the Group constructed a mining control technology system based on the Internet of Things (IoT) architecture, which was rated as one of the top ten scientific and technological innovation achievements of the National Energy R&D Platform and selected as a major progress in national coal mine intelligence.

The annual R&D investment was RMB3.583 billion, and the proportion of total R&D investment to operating revenue increased by 0.18 percentage point year-on-year. During the year, the Group won a total of 76 industry and provincial/ministerial level science and technology progress awards, including 20 science and technology progress awards from the China National Coal Association.

Technological Innovations

III. CULTIVATING AN INNOVATION ECOSYSTEM AND STIMULATING THE CREATIVE VITALITY OF THE TALENT TEAM

The Group vigorously promoted the spirit of practical work, the spirit of scientists, the spirit of labour, and the spirit of craftsmanship, creating an innovation atmosphere that advocates innovation, respects talent, loves science, and is dedicated to science. The Group continuously held the “2035 Lecture Hall” and innovation salon activities, inviting the Energy and Low-Carbon Innovation Center of the Beijing-Tianjin-Hebei National Center of Technology Innovation to visit the enterprise for in-depth exchanges; held the 5th “Youth Innovation” Showcase Conference, selected excellent youth innovation studios, and stimulated the vitality of youth in innovation, entrepreneurship, and efficiency creation. Throughout the year, 6 issues of “Science and Technology Intelligence Communication”, 12 issues of “Mining Frontier Information”, and 6 issues of “Science and Innovation Dynamics” were published, broadening the horizon of innovation and promoting the transformation and application of scientific research achievements.

The Group will continue to firm up the determination to complete national missions, the ambition to lead industry development, and the patience to cultivate innovation capital, further enhance the sense of urgency, responsibility, and mission, dare to explore and pursue excellence, achieve more “from 0 to 1” technological breakthroughs and “from 1 to N” innovation achievements, and fully promote technological innovation to a new level.

Note: The relevant statistical scope refers to the standards of the Notice on Printing and Distributing the Statistical Specifications for Research and Development (R&D) Investment (For Trial Implementation) (Guo Tong Zi [2019] No. 47) issued by the National Bureau of Statistics.

Investor Relations

In 2025, taking “promoting standardised operation, ensuring value transmission, and enhancing market recognition” as the focus, the Group adhered to compliant and standardised operation, established and improved the market value management system, continuously improved the quality of information disclosure, strengthened efficient communication in the securities market, optimised and perfected the ESG management mechanism, and promoted the market recognition and value realisation of the listed company.

ESTABLISHING AND IMPROVING THE MARKET VALUE MANAGEMENT SYSTEM

The Group strictly implemented regulatory requirements, formulated implementation opinions and annual plans for market value management, and clarified the organisational structure and work measures. A daily monitoring system covering multi-dimensional indicators such as stock price, valuation, and ESG was established, implementing a mechanism of “daily notification, weekly analysis, and monthly summary” to track the Company’s market value dynamics in real time and quickly obtain market feedback. Through multi-departmental collaboration and regular special meetings, market value management work was continuously optimised. During the year, over 220 market value monitoring reports and 12 investor relations reports were compiled.

CONTINUOUSLY IMPROVING THE QUALITY OF INFORMATION DISCLOSURE

The Group always upheld the information disclosure principles of being “true, accurate, complete, timely, and fair”, strictly followed the latest domestic and overseas information disclosure standards and industry guidelines, fully considered the regulatory differences between Shanghai and Hong Kong, performed information disclosure obligations in accordance with laws and regulations, and resolutely prevented any false records, misleading statements, or material omissions. The Company continuously optimised information disclosure content and enriched disclosure forms. During the reporting period, it completed the preparation and disclosure of A+H share periodic reports, ESG reports, quarterly reports, results reports, and interim announcements with high quality. Throughout the year, over 60 types of announcements were published, totaling more than 230 documents, and 4 visualised periodic reports were prepared. The Company achieved zero inquiries from regulatory authorities and received an A-grade rating for information disclosure from the Shanghai Stock Exchange for 16 consecutive years.

CONTINUOUSLY IMPROVING THE QUALITY AND EFFICIENCY OF INVESTOR RELATIONS MANAGEMENT

In accordance with the principles of “compliance with laws and regulations, honesty and equality, and proactive action”, the Company smoothed various communication channels. By holding high-quality regular results presentations, monthly production and operation briefings, investor meetings, and conference calls, participating in brokerage strategy conferences, replying to investor mailboxes, answering questions on the SSE E-interactive platform, and conducting reverse roadshows, the Company maintained good communication with various types of investors. The Company strengthened the tracking and analysis of various media reports and market rumours, as well as the collection and assessment of public opinion information. It responded in a timely manner and took the initiative to speak up regarding public opinion that might affect investor decisions or stock trading, maximising the elimination of market information asymmetry. Throughout the year, 107 investor communication activities of various types were carried out, with nearly 300,000 participants. The Company was rated as “Best Practice for 2024 Annual Report Results Presentation of Listed Companies” by the China Association for Public Companies and won the Best Capital Market Communication Award at the 8th Excellence in Investor Relations Awards.

Investor Relations

CONTINUOUSLY IMPROVING ESG MANAGEMENT LEVEL

The Group comprehensively strengthened ESG management, optimised the three-layer governance mechanism of “decision-making level-management level-execution level” and the “1+N” institutional system, and dynamically improved the responsibilities and execution paths of the ESG Committee. The Company systematically formulated 18 key tasks and 87 detailed measures, established 500 indicators meeting various requirements and possessing industry characteristics for the first time, and completed the double materiality analysis and climate special work. The Company prepared ESG reports with high quality and actively participated in ratings and awards. It was rated as an Excellent Enterprise in the Coal Industry by the Chinese Academy of Social Sciences Social Responsibility Index, won the Top Ten Social Responsibility Cases from the China National Coal Association, and the Best Practice Case for Sustainable Development from the China Association for Public Companies. Two cases were selected for the “Blue Book on Social Responsibility of Central Enterprises” by the State-owned Assets Supervision and Administration Commission of the State Council.

Looking ahead, the Group will continue to uphold the value-first philosophy, comprehensively improve the quality and transparency of information disclosure, convey corporate value through multiple dimensions and forms, and use various methods in accordance with laws and regulations to promote the enhancement of the investment value of the listed company and shareholder return capability.

Safety, Health, Environmental Protection and Social Responsibility

I. WORK SAFETY

In 2025, the Group thoroughly implemented the deployment of higher authorities on work safety, firmly anchored the annual work safety targets, took the “Foundation Strengthening Year” of the three-year action for tackling root causes in work safety as the main line, deepened the “six threes” safety management work, compacted safety responsibilities level by level, focused on preventing and controlling risk hazards, continuously rectified “Three Violations” behaviors, constantly consolidated the grassroots foundation, and actively cultivated a “rule-abiding” safety culture. It prevented relatively large and above-level production safety accidents from occurring, and the work safety situation remained generally stable.

First, improving the safety management system. The Group conducted research projects and special seminars on the “six threes” safety management system, formulated ten measures for refined safety management, held special meetings on refined management for coal mines and coal chemical industries, and built consensus on safety management. The Group tightened and solidified work safety responsibilities, signed work safety responsibility statements level by level, implemented quarterly scheduling and dynamic tracking; carried out safety performance evaluations for coal mining enterprises and safety audits and duty performance capability evaluations for coal chemical enterprises, further promoting enterprise leaders to fulfill their duties and responsibilities. The Group continuously improved institutional guarantees, formulated and revised 22 safety management measures such as accident accountability and fire safety, and subsidiaries revised 243 safety management systems, further perfecting the safety management system.

Second, precisely preventing and mitigating major safety risks. The Group identified and determined 1 “key focus” enterprise and 12 “units with safety concerns”, and conducted targeted safety interviews, assigned responsibility for guarantee and assistance, and full-coverage safety inspections. The Group organized and held special meetings on major disaster prevention and control in coal mines, construction and maintenance management in the power industry, and coal chemical project construction, focusing on deploying and promoting major risk control. The Group reviewed the list of major safety risk control measures every quarter, monitored and analyzed key indicators of major risk control in real time, and achieved dynamic monitoring and advanced prevention and control of major risks. The Group improved the safety management system for high-risk operations, formulated guidelines for safety management of high-risk operations in the power, coal chemical, and equipment manufacturing sectors; formulated safety precaution measures for 7 accident-prone operational links such as transportation and lifting, and standardized and strengthened the implementation of measures during operation processes.

Third, steadily improving the level of intrinsic safety. The Group increased safety investment, using approximately RMB6.307 billion in safety expenses throughout the year, a year-on-year increase of 95.3%, providing strong support for safety work. The Group systematically promoted equipment renewal and transformation, established ledgers for the renewal of old equipment and facilities, and focused on upgrading safety protection equipment in coal mines and chemical fields, with equipment reliability and safety performance steadily improving. The Group organized and carried out special inspections on coal mine rock bursts, water prevention and control, “one ventilation and three preventions”, electromechanical transportation, roof, and engineering quality of coal construction projects, continuously improving professional management levels. The Group compiled detailed implementation rules for technical management of coal chemicals and technical supervision assessment evaluation forms, comprehensively carried out technical supervision work, and the guarantee role of the technical support system was significantly enhanced.

Safety, Health, Environmental Protection and Social Responsibility

Fourth, continuously consolidating the grassroots foundation of safety. The Group vigorously carried out activities to achieve standardisation compliance in work safety, conducted regular assessments and evaluations, and continuously improved the level of standardisation. The Group vigorously cultivated a “rule-abiding” safety culture, focused on safety warning education, and classified and collected 629 warning education films from various business fields, incorporating them into the 3-5 minute normalised warning education content of pre-shift meetings at all units; held 7 coal mine, 2 power, and 1 coal chemical work safety technology training classes, and 2 “Black Gold Blue Collar” team leader training classes, promoting the improvement of safety quality and capabilities. The Group accelerated the national engineering experiment for deep mining rock burst and surrounding rock control in the Ordos region, forming 32 phased achievements, achieving “zero rock bursts” in 4 rock burst mines in Ordos and no high-energy events in Dahanu Coal Mine, with the Company’s rock burst prevention and control level continuously improving.

Fifth, always maintaining a high-pressure stance on safety. The Group continuously strengthened normalised safety supervision, formulated supervision plans every quarter, combined “regular + dynamic” and “on-site + remote” methods, carried out safety supervision and inspections uninterrupted, stationed guards during key time periods, and upgraded safety management and control. The Group meticulously organised “Work Safety Month” activities, deeply carried out actions such as the “Thunder Action” for work safety and the “One Thing” whole-chain rectification for building thermal insulation materials safety, effectively promoting the solid implementation of higher-level deployments. The Group continued to deepen safety supervision in professional fields, organised and carried out special supervision and inspections for coal mine water prevention and control, “one ventilation and three preventions”, rock bursts, electromechanical transportation, handling of abnormal working conditions at power construction sites, flood season safety in coal chemical enterprises, and safety management and control of outsourced teams in equipment manufacturing, promoting the implementation of business safety responsibilities. The Group continued to increase the governance of “Three Violations”, vigorously promoted “no operation without monitoring”, held promotion meetings for the standardised installation and usage management of industrial videos in coal mines, further improving the efficiency of remote safety supervision; increased the assessment intensity for “Three Violations”, carried out rewards for teams with “no Three Violations” personnel, and achieved significant results in “Three Violations” governance.

II. OCCUPATIONAL HEALTH

The Group practiced the people-centered development philosophy, adhered to the work policy of “prevention first, combining prevention and treatment”, adopted the strategy of “prevention, treatment, management, education, and construction”, was committed to various tasks of occupational disease prevention and control, and continuously improved the physical and mental health level of employees. First, focusing on strengthening source control, with preventive effects significantly improved. Second, focusing on creating healthy enterprises, a total of 18 enterprises were awarded provincial or municipal “Healthy Enterprises”, an increase of 63% year-on-year, and China Coal Energy North Coal Mining Machine Company was successfully selected as an excellent case of healthy enterprise construction in the fourth batch by the National Health Commission. Third, the investment in occupational disease hazard prevention and control was in place, with a total investment of RMB76.10 million for the year. Fourth, the standards for labour protection equipment were raised, and the level of individual protection was improved. Fifth, regular occupational health check-ups were organised to detect health signs and occupational contraindications in a timely manner, and some employees with pneumoconiosis were organised for “lung lavage and dust cleaning” and rehabilitation treatment, achieving good treatment results.

Safety, Health, Environmental Protection and Social Responsibility

III. ENVIRONMENTAL PROTECTION

The Group adhered to goal orientation, problem orientation, and result orientation, synergistically promoted ecological protection, energy conservation, and green low-carbon development, conscientiously fulfilled the political responsibility, main responsibility, and social responsibility of central enterprises for ecological civilisation construction and ecological environmental protection, with main indicators continuing to improve, no sudden environmental events occurred, and positive results achieved in various tasks. 13 coal mines were selected into the provincial-level and above green mine list.

First, continuously improving the ecological and environmental protection management and control system. The Group established a Leading Group for Energy Conservation and Ecological Environmental Protection, systematically planned and deployed key tasks for ecological environmental protection, coordinated and promoted the solution of relevant major issues, forming an organisational leadership mechanism of upper and lower coordination and linkage and overall promotion; researched, formulated, and revised systems such as the responsibility system for ecological environmental protection at headquarters, further consolidating the management foundation; strictly implemented the requirements of “One Post with Dual Responsibilities” and “Three Managements and Three Musts”, signed safety and environmental protection responsibility statements with subordinate units, decomposed the assessment indicators of the State-owned Assets Supervision and Administration Commission of the State Council level by level and included them in the performance assessment of enterprise heads at all levels, and built a grid-based responsibility system with clear rights and responsibilities and comprehensive coverage.

Second, strictly preventing and controlling ecological and environmental risks. The Group dynamically sorted and updated the list of ecological and environmental risks, and formulated and implemented targeted control measures. The Group improved the emergency plan system for sudden environmental events, organised regular emergency drills, comprehensively improved monitoring, early warning, and emergency response capabilities, and ensured that various risks were controllable; focused on key areas such as water, air, solid waste, and soil, carried out normalised hazard screening, implemented list-based management, and promoted the implementation of rectification with positive progress. Throughout the year, the Group organised multiple actions such as special screenings for illegal water intake and drainage and major screenings for ecological and environmental protection hazards, effectively preventing environmental risks from the source.

Safety, Health, Environmental Protection and Social Responsibility

Third, comprehensively strengthening pollution prevention and control. The Group strengthened the control of unorganised emissions at key sites, promoted the optimisation of transportation structure and the substitution of clean vehicles, and strictly implemented emergency control requirements for heavy pollution weather. The Group continued to promote wastewater treatment and water-saving renovation projects, ensured compliant discharge, and improved water resource utilisation efficiency. The Group strictly implemented measures for the prevention and control of soil and groundwater pollution at the source, conducted timely assessments and control remediation for plots with pollution risks, and effectively prevented environmental risks. The Group promoted the resource utilisation of bulk solid waste, standardised the management of storage sites, and strengthened the full-process informatisation supervision of hazardous waste. The Group increased efforts in mine land reclamation and subsidence area governance, and explored comprehensive land utilisation models such as “PV+”. The Group continued to carry out green mine construction, added multiple provincial-level green mines during the year, and further consolidated the foundation of green development.

IV. SOCIAL RESPONSIBILITY

For details regarding social responsibility, please refer to the Environmental, Social and Governance Report published by the Group on the websites of the Stock Exchange, the Shanghai Stock Exchange, and the Company.

Directors, Senior Management and Employees

I. GENERAL INFORMATION ON DIRECTORS AND SENIOR MANAGEMENT

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	<i>Unit: Share</i>	
										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	61	March 2023	Till the termination date of the terms of office of the fifth session of the Board	0	0	0	/	0	Yes
Gao Shigang ★	President Executive Director	Male	47	January 2026	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	56	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 ★ (Resigned)	President Executive Director	Male	60	March 2023	November 2025	0	0	0	/	0	Yes
Xu Qian	Non-executive Director	Male	45	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	64	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	62	August 2024	Till the termination date of the terms of office of the fifth session of the Board	0	0	0	/	9.00	No
James Kong Tin Wong	Independent Non-executive Director	Male	59	August 2024	Till the termination date of the terms of office of the fifth session of the Board	0	0	0	/	30.00	No

Directors, 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
										0	0
Ni Jiayu★ (Resigned)	Vice President	Male	54	March 2023	December 2025	0	0	0	/	0	Yes
Chai Qiaolin◆	Chief Financial Officer	Male	57	March 2023	Till the employment date of the next session of senior management by the next session of the Board	0	0	0	/	139.47	No
Jiang Qun◆	Secretary to the Board and Company Secretary	Male	55	March 2023	Till the employment date of the next session of senior management by the next session of the Board	0	0	0	/	139.81	No
Total	/	/	/	/	/	0	0	0	/	327.28	/

- Notes:
1. The remunerations of the above Directors 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 and senior management received from the Company.
 3. ★ Mr. Gao Shigang served as the president from December 2025, and was elected as an executive Director of the fifth session of the Board of the Company in January 2026. Mr. Zhao Rongzhe ceased to serve as the president and an executive Director from November 2025. Mr. Ni Jiayu ceased to serve as the vice president from December 2025.
 4. ◆ Distribution ratio of performance-based salaries for this period is 90%, and the total remuneration before tax received from the Company during the reporting period includes deferred performance-based salaries and tenure incentives and the Company's contributions to basic pension insurance, medical insurance, unemployment insurance, work-related injury insurance, housing provident fund and enterprise annuity.
 5. On 27 June 2025, the Company convened the 2024 annual general meeting, at which the Resolution on the Amendments to the Articles of Association and the Cancellation of the Supervisory Committee was considered and approved, resulting in the automatic termination of the positions of the supervisors.

Directors, Senior Management and Employees

II. MAJOR WORKING EXPERIENCE OF DIRECTORS 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. **Gao Shigang**, born in 1978, is the Deputy Secretary of the Party Committee, an executive Director of the fifth session of the Board and the president of the Company. He is currently the Deputy Secretary of the Party Committee, Director and General Manager of China National Coal Group Corporation. He obtained a master's degree and is qualified as a Senior Engineer. Mr. Gao graduated from Yulin Industrial School (榆林工業學校) in July 1996, majoring in coal mining engineering. He obtained a master's degree of engineering in mining engineering from Xi'an University of Architecture and Technology in January 2019, and obtained a postgraduate qualification and a doctor's degree of engineering in mining engineering from Xi'an University of Science and Technology in December 2024. He is qualified as a Senior Engineer. Mr. Gao successively held positions of Deputy Chief Engineer and Deputy Mine Director of Yujialiang Coal Mine, Secretary of the Party Committee and Mine Director of Liuta Coal Mine, Secretary of the Party Committee and Mine Director of Daliuta Coal Mine of Shenhua Shendong Coal Group Co., Ltd., member of the Party Committee and Deputy General Manager of China Energy Shenhua Shendong Coal Group Co., Ltd., Director, General Manager and Deputy Secretary of the Party Committee of Shenhua Xinjie Energy Co., Ltd., and Secretary of the Party Committee and Chairman of Shenhua Xinjie Energy Co., Ltd.. Mr. Gao has worked in the coal industry for a long time and has extensive experience in coal mining, corporate investment and business management.

Directors, Senior Management and Employees

3. **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.

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., an Assistant to the General Manager of Fude Insurance Holdings Co., Ltd., the acting head and proposed General Manager of Life Insurance Asset Management Company, a director of Gemdale Corporation and a non-executive director of Shougang Fushan Resources Group Limited. 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.

Directors, Senior Management and Employees

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.

Directors, Senior Management and Employees

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 Times Neighborhood Holdings Limited and Carpenter Tan 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) Senior Management

1. **Gao Shigang**, born in 1978, is the Deputy Secretary of the Party Committee, an 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.

Directors, Senior Management and Employees

2. **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 Party Committee and the director of the Procurement (Supply Chain) Management Office 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 Deputy Director member of Chief Financial Officer Expert Committee of Listing Companies Association of China, a supervisor of the sixth session of the Supervisory Committee of the Listing Companies Association of Beijing, standing director of the fourth council of China Association of Mineral Resources Appraisers and a Deputy Director member of the Market Development Professional Committee. 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.
3. **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.

Directors, Senior Management and Employees

III. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

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

Remunerations for Directors 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 2025, the total remuneration for Directors and senior management of the Company was RMB3,272,800 (tax inclusive).

(2) Basis for determining the remuneration of Directors 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. The travelling expenses incurred by the Directors for their participation in the Board meetings, and Shareholders' meetings as well as relevant activities organised by the Board 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 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 AND SENIOR MANAGEMENT OF THE COMPANY

Name	Position Held	Changes	Reasons of Change
Gao Shigang	Executive Director of the fifth Election session of the Board and president		Served as an executive Director in January 2026 and appointed as the president in December 2025
Zhao Rongzhe	Executive Director of the fifth session of the Board and president	Resignation	Ceased to serve as an executive Director and the president due to retirement in December 2025
Ni Jiayu	Vice president of the fifth session of the Board	Resignation	Ceased to serve as the vice president due to job change in December 2025
Zhang Guoxiu	Vice president of the fifth session of the Board	Resignation	Ceased to serve as the vice president for personal reasons in March 2026

On 30 December 2025, the Company convened the fifth meeting of 2025 for the fifth session of the Board to consider and pass the Resolution on Appointment of the President of the Company and Nomination of an Executive Director of the Company, which was considered and passed at the 2026 first extraordinary general meeting held on 30 January 2026. For details, please refer to the relevant announcements published by the Company on the websites of the SSE, the HKSE and the Company on 30 December 2025 and 30 January 2026.

Directors, Senior Management and Employees

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 46,585 employees, of which, 7,193 are female and 39,392 are male, accounting for 15.44% and 84.56%, respectively.

	<i>Number of persons</i>
Number of current employees in the Company	255
Number of current employees in major subsidiaries	25,636
Total number of current employees	46,585
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	30,062
Sales staff	1,101
Technical staff	9,797
Financial staff	952
Administrative staff	2,861
Other staff	1,812
Total	46,585

Education level

Education level by type	Number of persons
Postgraduate or above	1,655
Undergraduate	15,628
Undergraduate or below	29,302
Total	46,585

Directors, 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, and scientifically formulates and implements annual training programs. Relying on high-end external training institutions such as “One School and Four Institutions (一校四院)” and fully leveraging internal training organizations such as the Party School of China Coal and China Coal Vocational Technical Institute, the Company continuously organizes a series of tiered and category-based flagship training programs, including the “Voyage Plan”, “Cornerstone Project”, “Young Marxists Project”, and the “Comprehensive Competency Enhancement Program for Cadres.” A total of 92,000 employees were trained throughout the year, effectively enhancing 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)	33,032,000
Total amount of remunerations paid for outsourcing (RMB thousand)	1,444,517

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 2025 prepared in accordance with the IFRS Accounting Standards.

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 2025 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 Accounting Standards).
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.

Directors' Report

(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 RMB2,876,402,700 to the Shareholders, which was calculated as 35% or RMB5,073,982,200 of the profit attributable to shareholder of the Company of RMB14,497,092,000 for the year ended 31 December 2025 in the consolidated financial statements of the Company prepared under IFRS Accounting Standards deducting interim dividend of RMB2,197,579,500. Such dividends are based on the total issued share capital of 13,258,663,400 Shares of the Company, with RMB0.217 (inclusive of tax) per Share. The above profit distribution plan will take effect only upon the approval of the resolution at the 2025 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.

Directors' Report

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 2025 annual general meeting of the Company (expected to be convened prior to 30 June 2026) and holders of H Shares who are entitled to receive the final dividend for the year ended 31 December 2025, 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 2026) will be separately announced after determining the convening date of the 2025 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 2025, which, among other things, will set out the record date and ex-dividend date for A Shares.

As of 31 December 2025, no arrangement was reached pursuant to which the Shareholders waived or agreed to waive their dividends.

Directors' Report

IV. SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, to the knowledge of the Directors 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 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	7,615,522,208	A Shares	N/A	Beneficial owner	83.21	57.44
Funde Sino Life Insurance Co., Ltd.	1,642,436,147	H Shares	Long position	Interest of controlled corporation by substantial shareholders	39.99	12.39
China CITIC Financial Asset Management Co., Ltd.	494,575,000	H Shares	Long position	Beneficial owner	12.04	3.73

Note: The information disclosed is based on the last reportable disclosure of interests of the relevant entities as at 31 December 2025 as set out on the website of the Stock Exchange.

Save as disclosed above, as at 31 December 2025, to the knowledge of the Directors 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 AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2025, none of the Directors 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 2025, the Company had not granted any rights to any Director 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.

Directors' Report

As at 31 December 2025, save as Mr. Wang Shudong, Mr. Gao Shigang, Mr. Liao Huajun and Mr. Xu Qian, there is no other Director who is a director 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

Directors of the Company have entered into a service contract with the Company, and the term of service of Directors is from the date of appointment until the expiration of the term of the current session of the Board. The service contracts with the Directors shall remain valid at their respective re-election. None of the Directors 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' INTERESTS IN IMPORTANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Apart from the service contracts, for the year ended 31 December 2025, none of the Directors 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

The details of the remuneration of Directors of the Company for the year ended 31 December 2025 are set out in the notes to the consolidated financial statements and "Directors, Senior Management and Employees" of this report.

For the year ended 31 December 2025, no Directors of the Company had agreed to waive any remuneration.

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

Directors' Report

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

For the year ended 31 December 2025, 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 2025, 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 2025 are set out in the notes to the audited financial statements for the year.

XII. DONATION

For the year ended 31 December 2025, the Group donated a total of RMB16,932,900 for charity and other donation purposes.

XIII. SUBSIDIARIES AND ASSOCIATES

The details of subsidiaries and associates of the Company as at 31 December 2025 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 2025, 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 2025, 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.

Directors' Report

XVII. CONNECTED TRANSACTIONS

The followings are the main connected transactions of the Group during year 2025:

(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 determined in accordance with the NCEI Composite Price Index published by the National Coal Exchange, the BSPI Bohai-Rim Steam-Coal Composite Price Index published by the Qinhuangdao Coal Network (秦皇島煤炭網), the CCTD Qinhuangdao Thermal Coal Comprehensive Trading Price Index published by the China Coal Market Network and the CECI China Electricity Coal Index.

For the year ended 31 December 2025, 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 2025 was RMB26.8 billion, and the actual amount incurred was RMB9.771 billion.

Directors' Report

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 unloading 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 unloading 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 2025: (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 2025 and the actual amount incurred was RMB5.720 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 2025 was RMB23.7 billion and the actual amount incurred was RMB6.106 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.

Directors' Report

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 2025, the annual cap of 2025 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 RMB7.4 billion, and the actual amount incurred was RMB2.835 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 2025, the annual cap of 2025 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 RMB174 million, and the actual rental incurred was RMB113 million. The annual cap of 2025 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.

Directors' Report

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 2025, the annual cap of 2025 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 2025, the annual cap of 2025 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 RMB26.008 billion, and the actual maximum daily balance incurred was RMB12.641 billion.

Directors' Report

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.

For the year ended 31 December 2025: (1) the annual cap of 2025 in respect of the coal and coal related products purchased and services accepted by the Group from Shanxi Coking Coal Group was RMB2.5 billion, and the actual amount incurred was RMB983 million; (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 RMB2.71 billion for 2025, and the actual amount incurred was RMB924 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.

Directors' Report

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 2025: the annual cap of 2025 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 RMB680 million, and the actual amount incurred was RMB14 million.

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 76 to 82 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.

Directors' Report

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 2025 mentioned above were entered into and executed in accordance with the pricing principles pertaining thereto.

In note "50. Significant Related Party Transactions" to the financial statements of this annual report, the transactions between the Group and the Parent Company and its subsidiaries, and the transactions between the Group and primary shareholders with significant influence over subsidiaries set out under item (a), and the compensation paid by the Group to the Directors and Supervisors set out under item (c), constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. The Company has complied with the requirements under Chapter 14A of the Hong Kong Listing Rules in respect of such transactions. Save as disclosed above, none of the related party transactions or continuing related party transactions set out in the notes to the financial statements constitutes a connected transaction or continuing connected transaction under the Hong Kong Listing Rules.

(2) Non-continuing Connected Transactions

On 27 October 2025, Pingshuo Group, a subsidiary of the Company, acquired the 30% equity interest in Shanxi China Coal Pingshuo New Energy Co., Ltd. held by Pingshuo Development Company at the consideration of RMB114,930,000. The aforesaid transaction has been completed. For details, please refer to the relevant announcement published by the Company on 27 October 2025 on the websites of the Stock Exchange and the Company.

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.

Directors' Report

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

The momentum for global economic recovery remains unstable amidst complex and evolving international environment and ongoing geopolitical conflicts. While the domestic economy continues to recover with a positive note, the foundation for such recovery remains to be consolidated. Issues such as insufficient effective demand, overcapacity in certain industries and weaker market expectations remain unresolved, posing challenges to high-quality economic development. The cyclical and structural adjustments in the macro economy may affect the total demand and demand structure of energy and related commodities, which in turn may bring uncertainties to the operating results of the Company. The Company will closely follow the macro policy direction and economic developments by continuously promoting the development approach of “efficiency enhancement and incremental transformation”, implementing the model of “two combinations”, establishing the mechanism of “two hedging”, and building a compact industrial chain of “coal, coal power, coal chemical and new energy”. Also, the Company will continuously optimize its business layouts and operating strategies, and strive to enhance its resilience across economic cycles, so as to cope with the potential impacts arising from evolving macroeconomic environment.

Directors' Report

(2) Risks of Fluctuation in Product Prices

Against the backdrop of continued progress towards the “dual carbon” goals and profound adjustment of the energy structure, the growth rate of consumption of coal as a primary energy source is expected to slow down and its supply-demand dynamics are likely to ease, placing downward pressure on its market price. The continued release of new production capacity in the coal chemical industry may result in periodic supply-demand imbalances and intensified price competitions for certain products. Meanwhile, with the deepening of the power market-oriented reform, the rapid growth in the installed capacity of new energy, and changes in the supply-demand dynamics in the power market and in the price formation mechanism, the profitability of coal-fired power generation business may be affected. In the face of market fluctuations, the Company will strengthen the analysis and assessment of market trends, continue to optimise its product mix and customer structure, deepen the synergy and digital transformation of its coal, coal chemical and power marketing systems, and improve its integrated logistics network, thereby enhancing industry chain resilience and market responsiveness.

(3) Risks of Safe Production

The Company's coal mining, power generation, coal chemical and other lines of business involve high-risk operating process with numerous major risks, entailing extensive and challenging safety management. With the expansion of production scale and adoption of new business models and new processes, the Company faces new challenges in safety management. The Company has always given high priority to safe production. The Company is committed to establish a rigorous and efficient system for the prevention and control of safety risks by continuously improving the production safety responsibility system for all employees, strengthening proactive control of major risks, strengthening the identification and rectification of potential accident hazards, increasing investment in production safety and intelligent development, and strengthening primary-level management and promoting the development of a “rule-abiding” safety culture, so as to continuously strengthen intrinsic safety.

(4) Ecological and Environmental Risks

With the further advancement of the Beautiful China initiative, national laws and regulations, policies and standards on ecological and environmental protection have become increasingly stringent, and the government has followed a problem-oriented approach and a strict regulatory posture in ecological and environmental protection supervision. As its principal businesses fall within key regulatory sectors for ecological and environmental protection, the Company continues to face high standards and stringent requirements in areas such as pollutant emission, solid and hazardous waste disposal, and ecological restoration and governance. The Company will firmly uphold and practice the concept that lucid waters and lush mountains are invaluable assets, and promote carbon reduction, pollution control, green expansion and economic growth in a coordinated manner. It will strictly fulfil its primary responsibilities for ecological and environmental protection, continue to increase capital investment and governance efforts, advance cleaner production and resource recycling by benchmarking against best industry practices, and strengthen whole-process control of ecological and environmental risks as well as emergency response capabilities, so as to ensure that its production and operating activities comply with the requirements of national policies and regulations.

Directors' Report

(5) Risks of Project Investment

As it advances industrial transformation and upgrading and pursues high-quality development, the Company has maintained a steady level of project investment. As affected by multiple factors, including national industrial policies, changing energy markets, technological iteration, construction conditions and approval progress, investment projects are subject to risks such as insufficient preliminary feasibility studies, cost overruns, delays in construction progress, or investment returns falling short of expectations after commencement of operations. The Company will continue to improve its investment decision-making and management systems by strengthening preliminary feasibility studies and risk assessment, strictly adhering to the decision-making procedures, and strengthening whole-process project management and control. It will focus on its primary responsibilities and principal business and strategic priorities, and manage the pace of investment in a prudent and appropriate manner, with a view to enhancing investment returns and quality while preventing investment risks.

(6) Risks of Rising Costs

As affected by multiple factors, including complex mining conditions, continued increase in production safety and environmental protection investments, rising prices of bulk raw materials and rising labor costs, and increased mandatory expenditures for industrial transformation and upgrading, the Company faces pressure on cost control from its principal business segments. If the market prices of the Company's key products decline while cost control proves ineffective, the operating profit of the Company will come under pressure. The Company will firmly embrace the philosophy of lean management, and will take a multi-pronged approach to reinforce its cost competitiveness; it will continuously advance standard cost management and vigorously promote production technology innovation and process optimization, so as to enhance resource utilization efficiency and labor productivity; strengthen centralized management and cost reduction and efficiency enhancement in procurement, logistics and other processes; and enhance the governance of loss-making entities and the disposal of inefficient or non-performing assets.

(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 analyse the trend of the global exchange market, effectively control and prevent the risks of foreign exchange rate by using various financial instruments.

Directors' Report

XX. SIGNIFICANT EVENTS

(1) Share Capital Structure

As of 31 December 2025, the structure of the share capital of the Company was as follows:

Type of Shares	Number of Shares	Unit: Share(s)	
		Percentage (%)	
A Shares	9,152,000,400		69.03
Of which: A Shares held by China Coal Group	7,615,522,208		57.44
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	7,747,873,208		58.44

(2) Distribution of Final Dividend for 2024 and Interim Dividend for 2025

1. Upon consideration and approval by the Company's 2024 annual general meeting, cash dividends of RMB3,418,258,200 were distributed to the Shareholders, which was calculated as 35% or RMB6,354,595,800 of the profit attributable to the equity holders of the Company of RMB18,155,988,000 as set out in the consolidated financial statements for the year ended 31 December 2024 prepared under IFRS Accounting Standards deducting 2024 interim dividend of RMB2,936,337,600 that had been distributed. Based on the total issued share capital of 13,258,663,400 Shares of the Company, RMB0.258 (inclusive of tax) per Share was distributed.
2. Upon authorization by the general meeting of the Company and consideration and approval by the Board, cash dividends of RMB2,197,579,500 were distributed to the Shareholders, representing 30% of the profit attributable to shareholders of the Company which was RMB7,325,265,000 as set out in the consolidated financial statements for the six months ended 30 June 2025 prepared in accordance with IFRS Accounting Standards. Based on the total issued share capital of 13,258,663,400 Shares of the Company, RMB0.166 (inclusive of tax) per Share was distributed.

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

(3) Amendments to the Articles of Association and the Rules of Procedures of the Board of Directors

In 2025, the Company made amendments to the Articles of Association and the Rules of Procedures of the Board of Directors, which were considered and approved at the second meeting of the fifth session of the Board of Directors held on 25 April 2025, and came into effect upon consideration and approval at the annual general meeting.

(4) 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 2025, 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 27 June 2025, the annual general meeting of the Company for 2024 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 Accounting Standards for 2025. 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 for 2024 and interim dividends for 2025.

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 2025, reserves available for distribution by the Group in accordance with the relevant laws and regulations of the PRC were RMB41.008 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 and senior management. The insurance was effective in the fiscal year ended 31 December 2025 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.

Directors' Report

XXIX. SUBSEQUENT EVENTS

On 18 March 2026, the Company has received the notice of acceptance of registration from China Interbank Market Traders Association (Zhong Shi Xie Zhu [2026] MTN No. 205), and the registered amount of the Company's medium-term notes amounting to RMB5,000,000,000 has been accepted. The amount of registration shall be valid for two years from the date of the notice, and the medium-term notes may be issued in stages within the validity period of registration.

China Coal Energy Company Limited

Chairman, Executive Director

Wang Shudong

Beijing, China

27 March 2026

As at the date of this directors' report, the Company's executive Directors are Wang Shudong, Gao Shigang and Liao Huajun; 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.

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 the Shareholders' General Meetings, Work Regulations of the Central Committee of the Communist Party of China, Rules of Procedures of the Board of Directors, 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 Audit and Risk Management Committee of the Board 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 complied 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 2025, 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 2025, 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

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 had fully complied with the Model Code throughout the year of 2025.

Corporate Governance Report

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
2024 annual general meeting	27 June 2025	The websites of the SSE, the HKSE and the Company
2025 first A Shareholders' class meeting	27 June 2025	The websites of the SSE, the HKSE and the Company
2025 first H Shareholders' class meeting	27 June 2025	The websites of the SSE, the HKSE and the Company

Particulars of Shareholders' General Meetings:

A total of 11 resolutions were considered at the 2024 annual general meeting: the resolution in relation to the Directors' report of the Company for the year 2024; the resolution in relation to the report of the Supervisory Committee of the Company for the year 2024; the resolution in relation to the financial report of the Company for the year 2024; the resolution in relation to the profit distribution plan of the Company for the year 2024; the resolution in relation to the proposal of the Shareholders' general meeting to authorise the Board to formulate and implement the 2025 interim dividend plan; the resolution in relation to the continued grant of the general mandate to the Company to issue debt financing instruments; the resolution in relation to the capital expenditure budget of the Company for the year 2025; 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 2025 of the Company; the resolution in relation to the emoluments of the Directors and the Supervisors of the Company for the year of 2025; the resolution in relation to the amendments to the Articles of Association and cancellation of the Supervisory Committee; the resolution in relation to the amendments to the Rules of Procedures of the Shareholders' General Meetings and other procedures; and received the work report of the independent non-executive Directors.

A total of two resolutions were considered at the 2025 first A Shareholders' class meeting: the resolution in relation to the amendments to the provisions of the Articles of Association in relation to "Shareholders' class meetings"; and the resolution in relation to the amendments to the provisions of the Rules of Procedures of the Shareholders' General Meetings in relation to "Shareholders' class meetings".

A total of two resolutions were considered at the 2025 first H Shareholders' class meeting: the resolution in relation to the amendments to the provisions of the Articles of Association in relation to "Shareholders' class meetings"; and the resolution in relation to the amendments to the provisions of the Rules of Procedures of the Shareholders' General Meetings in relation to "Shareholders' class meetings".

Corporate Governance Report

V. PERFORMANCE OF DUTIES BY DIRECTORS

Under the Articles of Association, the Board has the following principal responsibilities: to convene the general meetings and report its work to general meetings; to implement the resolutions passed at the general meetings; to decide on the operational guideline, operational plan, mid-to long-term development program and investment scheme of the Company; to formulate the profit distribution plan and loss recovery plan of the Company; to formulate proposals for increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of shares of the Company; to draft plans for the Company's material acquisitions, purchase of shares of the Company, merger, division, dissolution or change in corporate form; within the scope authorized by the general meeting, to decide on such matters as the Company's external investments, assets disposal, acquisition and disposal of assets, pledge of assets, provision of guarantees, entrusted wealth management, connected transactions, external donations, etc., and to exercise such powers according to the listing rules of the securities regulatory authorities and the stock exchanges in the place where the Company's Shares are listed; to decide to appoint or dismiss the Company's president (general manager), the secretary to the Board and other senior management, and to determine their remunerations, awards and punishment; and according to nominations of the president (general manager), to decide to appoint or dismiss senior management including vice presidents (deputy general managers) and chief financial officer (financial controller), and determine their remunerations, rewards and punishment; to promote the development of the rule of law in enterprises and to supervise the management's operation in accordance with the law; to establish the Company's basic management system; to formulate amendments to the Articles of Association; to manage the information disclosure issues of the Company; to determine the establishment of special committees of the Board; to propose to general meetings for the engagement or change of accounting firms performing audit for the Company; to determine the risk management system, internal control system and compliance management system of the Company, and to monitor the implementation; to receive work report submitted by the president (general manager) and to check his work; to exercise other functions and powers as stipulated by laws, administrative regulations, department rules and relevant requirements in the listing rules of the stock exchanges in the place where the Company's Shares are listed or as conferred by the general meetings and the Articles of Association.

Corporate Governance Report

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 2025, 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 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 12 professional trainings organised by the Listed Companies Association of Beijing during the reporting period. Mr. Liao Huajun participated in 12 professional trainings organised by the Listed Companies Association of Beijing during the reporting period. Mr. Zhao Rongzhe participated in 12 professional trainings organised by the Listed Companies Association of Beijing during the reporting period. Mr. Xu Qian participated in 12 professional trainings organised by the Listed Companies Association of Beijing during the reporting period. Mr. Jing Fengru participated in 12 professional trainings organised by the Listed Companies Association of Beijing and one platform training on independent Directors of listed companies organised by the SSE during the reporting period. Ms. Zhan Yanjing participated in 12 professional trainings organised by the Listed Companies Association of Beijing and one platform training on independent Directors of listed companies organised by the SSE during the reporting period. Mr. James Kong Tin Wong participated in 12 professional trainings organised by the Listed Companies Association of Beijing and one platform training on independent Directors of listed companies organised by the SSE during the reporting period.

Apart from the working relationships in the Company, there was no financial, business, family relationship or other material relationship among the Directors 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	4/5	1	0	No	3/3
Liao Huajun	No	3/5	2	0	No	3/3
Zhao Rongzhe	No	3/4	1	0	No	3/3
Xu Qian	No	3/5	2	0	No	0/3
Jing Fengru	Yes	5/5	0	0	No	3/3
Zhan Yanjing	Yes	4/5	1	0	No	0/3
James Kong Tin Wong	Yes	5/5	0	0	No	0/3

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	5
Including: Number of meetings held on-site	5
Number of meetings held by telecommunication	0
Number of meetings held on-site and by telecommunication	0

Corporate Governance Report

In 2025, the Board convened a total of five meetings, at which all the resolutions were passed after consideration. Details of the meetings are as follows:

1. The first meeting of 2025 for the fifth session of the Board convened on 21 March 2025. It mainly considered the resolution in relation to the Annual Report for 2024 of the Company, the resolution in relation to the Directors' Report for 2024 of the Company, the resolution in relation to the Financial Report for 2024 of the Company, the resolution in relation to the Profit Distribution Plan for 2024 of the Company, the resolution in relation to the Production, Operation and Financial Plan for 2025 of the Company, the resolution in relation to the Continuous Risk Assessment Report for 2024 of Finance Company, the resolution in relation to the Continued Grant of the General Mandate to the Company to Issue Debt Financing Instruments, the resolution in relation to the Evaluation Report on the Company's Action Plan to "Improve Quality and Efficiency and Focus on Returns" for the year 2024, the resolution on the Capital Expenditure Budget for 2025 of the Company, the resolution in relation to the emoluments of the Directors and the Supervisors of the Company for the year of 2025, the resolution in relation to the Assessment Report Regarding Internal Control for 2024 of the Company, the resolution in relation to the Major Risk Assessment Report for 2025 of the Company, the resolution in relation to the Environmental, Social and Governance (ESG) Report for 2024 of the Company, and the resolution in relation to the Implementation Opinions on Strengthening the Company's Market Value Management. The report in regard to the execution of Board resolutions for 2024 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 Audit and Risk Management Committee for 2024 and the report regarding the performance of duties by the accounting firms for 2024 were heard at the meeting.
2. The second meeting of 2025 for the fifth session of the Board convened on 25 April 2025. It mainly considered the resolution in relation to the First Quarterly Report for 2025 of the Company, the resolution in relation to the proposal of the Shareholders' general meeting to authorize the Board to formulate and implement the 2025 interim dividend plan, the resolution in relation to the Action Plan to "Improve Quality and Efficiency and Focus on Returns" for 2025 of the Company, the resolution in relation to the annual performance targets for senior management for 2025 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 2025 of the Company, the resolution in relation to the amendments to the Articles of Association and the Cancellation of the Supervisory Committee, the resolution in relation to the amendments to 20 relevant procedures including the Rules of Procedures of the Shareholders' General meetings and the Rules of Procedures of the Board of Directors, and the resolution in relation to the amendments to the Rules of Procedures of the Management Team, the resolution in relation to the convening of the 2024 annual general meeting, A Shareholders' class meeting and H Shareholders' class meeting. The reports in regard to the Company's completion status of audit in 2024, key audit arrangement for 2025 of the Company, and the reports in regard to the Company's completion status of safety, health, environmental protection and energy conservation work in 2024 and work arrangements for 2025 were heard at the meeting.

Corporate Governance Report

3. The third meeting of 2025 for the fifth session of the Board convened on 22 August 2025. It mainly considered the resolution in relation to the Interim Report for 2025 of the Company, the resolution in relation to the Continuous Risk Assessment Report on the Finance Company for the half year of 2025, the resolution in relation to the interim profit distribution plan for 2025 of the Company, and the resolution in relation to the Interim Assessment Report on the Action Plan to “Improve Quality and Efficiency and Focus on Returns” for 2025 of the Company.
4. The fourth meeting of 2025 for the fifth session of the Board convened on 27 October 2025. It mainly considered the resolution in relation to the Third Quarterly Report for 2025 of the Company, the resolution in relation to Pingshuo Group’s acquisition of the 30% equity interest in Shanxi China Coal Pingshuo New Energy Co., Ltd. held by Pingshuo Development Company, the resolution in relation to the amendments to the Measures for the Administration of Remuneration for Senior Management of the Company, and the resolution in relation to the remuneration payment plan for senior management for 2024 and annual base salary plan for senior management for 2025 of the Company. The report on Heilongjiang Coal Chemical Group was heard at the meeting.
5. The fifth meeting of 2025 for the fifth session of the Board convened on 30 December 2025. It considered the resolution in relation to the appointment of the president of the Company and the nomination of an executive Director of the Company, the resolution in relation to the amendments to the Interim Measures for Performance Evaluation of Senior Management of the Company, the resolution in relation to changes in the accounting policies of the Company, and the resolution in relation to the convening of the first extraordinary general meeting for 2026 of the Company.

Corporate Governance Report

(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 2025, 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 ensuring 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 letters 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.

Corporate Governance Report

(3) Implementation of Resolutions Passed at the Shareholders' General Meetings by the Board in 2025 are as follows:

No.	Session of Shareholders' General Meeting	Subject Matter	Status
1	2024 Annual General Meeting of China Coal Energy	<ol style="list-style-type: none"> 1. To approve the Director's Report of the Company for 2024; 2. To approve the Supervisory Committee's Report of the Company for 2024; 3. To approve the Annual Financial Report of the Company for 2024; 4. To approve the Profit Distribution Plan for 2024 of the Company; 5. To approve the authorization of the Board to formulate and implement the 2025 interim cash dividend plan in accordance with the resolution of the Shareholders' general meeting, provided that the conditions for profit distribution are met. The distribution shall be made from the net profit attributable to the shareholders of the listed company for the first half of 2025 (using the lower amount in accordance with the PRC GAAP and IFRS Accounting Standards), at a ratio of no less than 30%; 6. To agree to authorize the Board, and agree the Board to further authorize the management team of the Company to make decision on and deal with the matters in connection with the issuances of the domestic and overseas debt financing instruments of the Company on an one-off or multi-tranche basis in the aggregate amount of not more than RMB40 billion for a valid period from the date of approval by the 2024 annual general meeting and ending on 31 December 2027; 	<ol style="list-style-type: none"> 1. In August 2025, the final dividends for 2024 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 2025 in accordance with PRC GAAP and IFRS Accounting Standards respectively. 3. In October 2025, the interim dividends for 2025 were distributed to holders of A Shares and H Shares of the Company, respectively.

Corporate Governance Report

No.	Session of Shareholders' General Meeting	Subject Matter	Status
7.		To approve the Capital Expenditure Budget for 2025 of the Company;	
8.		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 2025 in accordance with PRC GAAP and IFRS Accounting Standards, respectively;	
9.		To approve the resolution on the remuneration of Directors and Supervisors of the Company for 2025;	
10.		To approve the amendments to the Articles of Association. To approve the Cancellation of the Supervisory Committee, with the Audit and Risk Management Committee exercising the powers of the Supervisory Committee as prescribed by the Company Law of the People's Republic of China, and the automatic termination of the positions of the incumbent Supervisors of the Company;	
11.		To approve the amendments to the Rules of Procedures of the Shareholders' General Meetings and other procedures.	

Corporate Governance Report

No.	Session of Shareholders' General Meeting	Subject Matter	Status
2	2025 First A Shareholders' Class Meeting of China Coal Energy	<ol style="list-style-type: none">1. To approve the amendments to the provisions of the Articles of Association in relation to "Shareholders' class meetings";2. To approve the amendments to the provisions of the Rules of Procedures of the Shareholders' General Meetings in relation to "Shareholders' class meetings".	
3	2025 First H Shareholders' Class Meeting of China Coal Energy	<ol style="list-style-type: none">1. To approve the amendments to the provisions of the Articles of Association in relation to "Shareholders' class meetings";2. To approve the amendments to the provisions of the Rules of Procedures of the Shareholders' General Meetings in relation to "Shareholders' class meetings".	

Corporate Governance Report

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

As of the reporting date, there are five special committees under the Board, details of which are set forth below:

Special Committees	Fifth Session	
	Chairman	Members
Strategy and investment committee	Wang Shudong	Gao Shigang, Liao Huajun, 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 (ESG Committee)	Gao Shigang	Jing Fengru, James Kong Tin Wong
Audit and risk management committee	Zhan Yanjing	Xu Qian, Jing Fengru, James Kong Tin Wong
Remuneration and assessment committee	Jing Fengru	Liao Huajun, Zhan Yanjing

(1) Strategy and Investment Committee

The strategy and investment committee comprises three executive Directors, one non-executive Director and three independent non-executive Directors. The Work Manual of the Strategy and Investment Committee clearly defines the status, composition, terms of reference, decision-making procedures as well as rules of procedure of the strategy and investment committee. The strategy and investment 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 strategy and investment committee comply with the relevant requirements of the Listing Rules. The strategy and investment committee is accountable to the Board.

In 2025, the strategy and investment committee held one meeting, at which the resolutions in relation to the Company's 2024 Annual Report, the Director's Report for 2024, and the 2025 Capital Expenditure Budget of the Company, etc. All the resolutions were approved. The attendance of all members was in compliance with the securities regulatory requirements of the places of listing.

Corporate Governance Report

(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.

Corporate Governance Report

In 2025, the nomination committee held one meeting, at which it considered the resolution regarding the appointment of the president of the Company and nomination of an executive Director of the Company. The resolution was approved. The attendance of all members was in compliance with the securities regulatory requirements of the places of listing.

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, and legal affairs. The existing diversified composition of the Board injects different views and facilitates the performance of the Board.

(3) Safety, Health and Environmental Protection Committee (ESG Committee)

The safety, health and environmental protection committee (ESG committee) comprises one executive Director and two independent non-executive Directors. The Work Manual of the Safety, Health and Environmental Protection Committee (ESG 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 (ESG committee). The safety, health and environmental protection committee (ESG 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 (ESG committee) is accountable to the Board.

In 2025, the safety, health and environmental protection committee held two meetings, at which resolutions including the 2024 Annual Report, the Directors' Report for 2024 and the 2024 Environmental, Social and Governance (ESG) Report of the Company were considered, and the reports in relation to the completion status in 2024 and work arrangements for 2025 of safety, health, environmental protection and energy conservation work of the Company were heard. All the resolutions were approved. The attendance of all members was in compliance with the securities regulatory requirements of the places of listing.

Corporate Governance Report

(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 2025, the audit and risk management committee held a total of six meetings, at which the resolutions such as the Company's 2024 Annual Report, financial report, the profit distribution plan and internal control report were considered, and the audit opinions on the Company's financial report for 2024, the inspection on external guarantees, connected transactions and other matters, the implementation of the resolutions of the Board for 2024, 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 2024, and the performance of supervisory duties by the audit and risk management committee over the accounting firms for 2024, the performance of duties by the accounting firms for 2024, and the reports on the audit plan of the Company for 2025 were heard. All the resolutions were approved at respective meetings. The attendance of all members was in compliance with the securities regulatory requirements of the places of listing.

(5) Remuneration and Assessment Committee

The remuneration and assessment committee comprises two independent non-executive Directors and one executive Director. The Work Manual of the Remuneration and Assessment Committee clearly defines the status, composition, terms of reference, decision-making procedures as well as rules of procedure of the remuneration and assessment committee. The major responsibilities of the remuneration and assessment 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 and assessment committee is accountable to the Board.

In 2025, the remuneration and assessment committee held four meetings, at which the resolutions in relation to the remunerations of the Directors and Supervisors of the Company for 2025, operational performance assessment indicators for senior management for 2025, as well as remuneration payment plan for senior management for 2024 and annual base salary plan for senior management for 2025 were considered. All the resolutions were approved. The attendance of all members was in compliance with the securities regulatory requirements of the places of listing.

Corporate Governance Report

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 2025 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, Chief Financial Officer and other senior management personnel. The management of the Company, led 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 2025, the Company's chairman was Mr. Wang Shudong. Mr. Gao Shigang 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 specific rules and regulations for the Company; proposing the appointment or dismissal of the Company's vice presidents, chief financial officer (financial controller), and other senior management and make recommendations on their remunerations, awards and punishment. Besides the Directors, 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, Senior Management and Employees" in this report.

Corporate Governance 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 and senior management.

XI. REMUNERATION OF AUDITORS

In 2025, the Company's international auditor was Ernst & Young, and the domestic auditor was Ernst & Young Hua Ming LLP. The audit fees for the Company's 2025 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 RMB742,400 and RMB27.2446 million respectively.

XII. 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.

Corporate Governance Report

(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 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.

Corporate Governance Report

(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. It is responsible for the organisation, coordination and planning of the risk management works of the Company, 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.

Corporate Governance Report

(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, 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 the management team 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 to conduct corresponding procedures and disclose such information in accordance with relevant requirements to the public.

Corporate Governance Report

For accidental material insider information which the Company is informed of, the secretary to the Board is able to effectively communicate with Directors, 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, the extent of which 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.

Corporate Governance Report

In 2025, 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 2024 and the first three quarters of 2025, 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 Control Audit*

According to the Identification Standards for Significant Defects of Risk Management and Internal Control of the Company, during the year ended 31 December 2025, 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.

XIII. 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 Accounting Standards 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 116 to 263, which comprise the consolidated statement of financial position as at 31 December 2025, 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as 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 (“HKSA”) as 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”), as applicable to audits of financial statements of public interest entities. We have also 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.

Independent Auditor's Report

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 2025, the carrying amounts of the property, plant and equipment, intangible assets, land use rights and mining rights of the Group were RMB149.54 billion, RMB1.93 billion, RMB6.84 billion and RMB44.02 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 the amount of the non-current assets with impairment indicators and the complexity of the impairment tests involving critical judgements and estimates (including the sales volume, sales prices, future production costs and the discount rate, etc.), we identified the 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 6, 7(a), 19, 21, 22 and 23 to the consolidated financial statements.

Our procedures in relation to the 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 estimates (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 in 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 as 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.

Independent Auditor's Report

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 HKSA's 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 HKSA's, 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.

Independent Auditor's Report

- 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 (practising certificate number: P05575).

Ernst & Young
Certified Public Accountants

Hong Kong
27 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

		Year ended 31 December 2025 <i>RMB'000</i>	Year ended 31 December 2024 <i>RMB'000</i> (Restated)
Revenue	<i>9</i>	<u>148,056,698</u>	<u>189,396,004</u>
Cost of sales			
Materials used and goods traded		(64,399,512)	(95,956,093)
Staff costs		(10,726,839)	(10,855,273)
Depreciation and amortisation		(10,278,296)	(9,920,925)
Repairs and maintenance		(2,739,753)	(2,935,360)
Transportation costs and port expenses		(12,230,654)	(12,346,791)
Sales taxes and surcharges		(6,626,964)	(7,491,203)
Others		(11,222,531)	(12,004,371)
		<u>(118,224,549)</u>	<u>(151,510,016)</u>
Gross profit		29,832,149	37,885,988
Selling expenses		(1,060,056)	(1,077,843)
General and administrative expenses		(6,780,708)	(6,938,713)
Other income, other gains and losses, net	<i>10</i>	351,093	418,646
Impairment losses under expected credit loss model, net of reversal	<i>12</i>	<u>(88,327)</u>	<u>(171,247)</u>
Profit from operations		22,254,151	30,116,831
Finance income	<i>11</i>	146,403	146,547
Finance costs	<i>11</i>	(2,149,057)	(2,535,888)
Share of profits of associates and joint ventures		<u>2,029,836</u>	<u>2,551,945</u>
Profit before income tax		22,281,333	30,279,435
Income tax expense	<i>16</i>	<u>(4,407,425)</u>	<u>(6,591,857)</u>
Profit for the year		<u>17,873,908</u>	<u>23,687,578</u>

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Year ended 31 December 2025 <i>RMB'000</i>	Year ended 31 December 2024 <i>RMB'000</i> (Restated)
Profit for the year	<u>17,873,908</u>	<u>23,687,578</u>
Other comprehensive income/(loss):		
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Share of other comprehensive income/(loss) of associates	12,367	(353)
Net loss on equity instruments designated at fair value through other comprehensive income	<u>(253,122)</u>	<u>(330,823)</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<u>(240,755)</u>	<u>(331,176)</u>
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	4,332	(2,547)
Reclassified impairment loss included in the consolidated statement of profit or loss	<u>(2,016)</u>	2,016
Exchange differences on translation of foreign operations	<u>12,749</u>	<u>(33,029)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>15,065</u>	<u>(33,560)</u>
Other comprehensive loss for the year, net of tax	<u>(225,690)</u>	<u>(364,736)</u>
Total comprehensive income for the year	<u>17,648,218</u>	<u>23,322,842</u>
Profit for the year attributable to:		
Equity holders of the Company	14,497,092	18,118,939
Non-controlling interests	<u>3,376,816</u>	<u>5,568,639</u>
	<u>17,873,908</u>	<u>23,687,578</u>
Total comprehensive income for the year attributable to:		
Equity holders of the Company	14,268,519	17,754,956
Non-controlling interests	<u>3,379,699</u>	<u>5,567,886</u>
	<u>17,648,218</u>	<u>23,322,842</u>
Basic and diluted earnings per share for the profit attributable to equity holders of the Company (RMB)	<u>1.09</u>	<u>1.37</u>

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Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	As at 31 December	
		2025 RMB'000	2024 RMB'000 (Restated)
Non-current assets			
Property, plant and equipment	19	149,543,947	140,881,600
Investment properties		59,304	61,229
Right-of-use assets	20	857,402	838,564
Mining rights	21	44,019,931	45,792,554
Intangible assets	22	1,928,607	1,862,194
Land use rights	23	6,837,017	7,012,754
Goodwill		6,084	6,084
Investments in associates	24(b)	29,694,177	27,113,744
Investments in joint ventures	24(c)	4,665,948	4,541,951
Equity investments designated at fair value through other comprehensive income	25	2,300,287	2,414,434
Deferred tax assets	39	3,283,781	2,764,995
Long-term receivables	26	150,630	242,808
Other non-current assets	27	12,325,975	11,313,881
Total non-current assets		255,673,090	244,846,792
Current assets			
Inventories	28	6,995,004	7,743,353
Trade receivables and notes receivable	29	7,316,396	8,493,533
Debt instruments at fair value through other comprehensive income	29	970,651	2,972,380
Contract assets	30	2,457,022	2,389,502
Prepayments and other receivables	31	8,388,208	7,110,365
Restricted bank deposits	32	11,482,439	10,548,876
Term deposits with initial terms of over three months	32	52,595,101	43,980,791
Cash and cash equivalents	32	24,639,831	29,823,501
Total current assets		114,844,652	113,062,301
TOTAL ASSETS		370,517,742	357,909,093
Current liabilities			
Trade payables and notes payable	33	24,275,485	27,073,538
Contract liabilities	34	2,362,835	3,408,804
Other payables and accruals	35	54,045,525	52,562,951
Lease liabilities	36	118,453	91,995
Tax payable		1,091,435	1,241,981
Short-term borrowings	37	1,045,605	1,115,460
Current portion of long-term borrowings	37	21,246,852	11,869,050
Current portion of long-term bonds	38	3,199,649	4,748,680
Current portion of provision for close-down, restoration and environmental costs	40	55,951	96,501
Total current liabilities		107,441,790	102,208,960

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	As at 31 December	
		2025 RMB'000	2024 RMB'000 (Restated)
Non-current liabilities			
Long-term borrowings	37	37,975,456	40,345,761
Long-term bonds	38	7,294,642	5,494,153
Deferred tax liabilities	39	4,394,834	4,443,628
Lease liabilities	36	722,366	727,732
Provision		608	49,715
Provision for employee benefits		64,677	113,677
Provision for close-down, restoration and environmental costs	40	6,202,828	6,772,823
Deferred revenue	41	963,684	959,022
Other long-term liabilities	42	4,614,947	4,683,341
Total non-current liabilities		62,234,042	63,589,852
Total liabilities		169,675,832	165,798,812
Equity			
Share capital	43	13,258,663	13,258,663
Reserves	44	48,217,695	52,326,384
Retained earnings	44	98,889,429	86,203,832
Equity attributable to the equity holders of the Company		160,365,787	151,788,879
Non-controlling interests		40,476,123	40,321,402
Total equity		200,841,910	192,110,281
TOTAL EQUITY AND LIABILITIES		370,517,742	357,909,093

The consolidated financial statements on pages 116 to 263 were approved and authorised for issue by the Board of Directors on 27 March 2026 and are signed on its behalf by:

Wang Shudong
Chairman of the Board
Executive Director

Chai Qiaolin
Chief Financial Officer

Xu Ling
Manager of Finance Department

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to the equity holders of the Company				Non-controlling interests	Total equity
	Share capital	Reserves	Retained earnings	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024 as previously reported	13,258,663	52,207,282	86,241,352	151,707,297	40,321,402	192,028,699
Acquisition of a subsidiary under common control (Note 3)	–	119,102	(37,520)	81,582	–	81,582
At 1 January 2025 (restated)	13,258,663	52,326,384	86,203,832	151,788,879	40,321,402	192,110,281
Profit for the year	–	–	14,497,092	14,497,092	3,376,816	17,873,908
Other comprehensive (loss)/income, net of tax	–	(228,573)	–	(228,573)	2,883	(225,690)
Total comprehensive income	–	(228,573)	14,497,092	14,268,519	3,379,699	17,648,218
Appropriations (Note 44)	–	(3,633,663)	3,633,663	–	–	–
Share of other changes in reserves of associates and joint ventures (Note 44)	–	(174,822)	176,515	1,693	–	1,693
Contributions from and transactions within non-controlling interests	–	–	–	–	157,837	157,837
Dividend attributable to the equity holders of the Company (Note 17)	–	–	(5,621,673)	(5,621,673)	–	(5,621,673)
Dividends paid to non-controlling shareholders	–	–	–	–	(3,230,906)	(3,230,906)
Acquisition of non-controlling interests (Note 44)	–	6,894	–	6,894	(151,909)	(145,015)
Acquisition of a subsidiary under common control (Note 3)	–	(78,525)	–	(78,525)	–	(78,525)
At 31 December 2025	13,258,663	48,217,695	98,889,429	160,365,787	40,476,123	200,841,910

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to the equity holders of the Company				Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Reserves RMB'000	Retained earnings RMB'000	Subtotal RMB'000		
At 31 December 2023 as previously reported	13,258,663	53,342,865	77,280,846	143,882,374	38,641,187	182,523,561
Acquisition of a subsidiary under common control (Note 3)	–	119,000	(369)	118,631	–	118,631
At 1 January 2024 (restated)	<u>13,258,663</u>	<u>53,461,865</u>	<u>77,280,477</u>	<u>144,001,005</u>	<u>38,641,187</u>	<u>182,642,192</u>
Profit for the year (restated)	–	–	18,118,939	18,118,939	5,568,639	23,687,578
Other comprehensive loss, net of tax	–	(363,983)	–	(363,983)	(753)	(364,736)
Total comprehensive income (restated)	<u>–</u>	<u>(363,983)</u>	<u>18,118,939</u>	<u>17,754,956</u>	<u>5,567,886</u>	<u>23,322,842</u>
Appropriations	–	(1,095,586)	1,095,586	–	–	–
Share of other changes in reserves of associates and joint ventures	–	(3,321)	4,424	1,103	–	1,103
Contributions from and transactions within non-controlling interests	–	269,034	–	269,034	969,426	1,238,460
Dividend attributable to the equity holders of the Company	–	–	(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 (restated)	<u><u>13,258,663</u></u>	<u><u>52,326,384</u></u>	<u><u>86,203,832</u></u>	<u><u>151,788,879</u></u>	<u><u>40,321,402</u></u>	<u><u>192,110,281</u></u>

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	<i>Note</i>	2025 RMB'000	2024 RMB'000 (Restated)
OPERATING ACTIVITIES			
Cash generated from operations	46	34,758,609	41,110,468
Income tax paid		(4,966,675)	(6,967,096)
Net cash generated from operating activities		<u>29,791,934</u>	<u>34,143,372</u>
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(21,580,655)	(17,153,196)
Proceeds from disposals of property, plant and equipment		113,682	53,943
Payments for land use rights, mining rights and intangible assets		(206,478)	(928,710)
Dividends received		426,379	1,702,835
Loan repayments from the Parent Company (as defined in <i>Note 1</i>) and fellow subsidiaries		2,470,099	910,039
Loan repayment from associates		4,558	–
Loans granted to the Parent Company and fellow subsidiaries		(4,734,424)	(4,004,869)
Interest income on loans to the Parent Company and fellow subsidiaries		274,702	230,233
Interest received on term deposits		1,052,714	1,124,094
(Increase)/decrease in placement of term deposits with initial terms of over three months		(8,614,310)	6,052,080
Purchases of equity instruments at fair value through other comprehensive income		(200,000)	(1,000)
Proceeds from disposals of equity investments designated at fair value through other comprehensive income		–	281
Increase in investment in associates		(385,780)	–
Receipt of mining rights transfer consideration		454,162	–
Net cash used in investing activities		<u>(30,925,351)</u>	<u>(12,014,270)</u>

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
		(Restated)
FINANCING ACTIVITIES		
New borrowings	20,822,487	14,836,760
Repayment of borrowings	(13,703,139)	(20,757,315)
Proceeds from issuance of long-term bonds	4,795,509	2,000,000
Contributions from non-controlling interests	22,837	1,238,460
Dividends paid to the Company's shareholders	(5,621,673)	(10,288,723)
Dividends paid to non-controlling interests	(3,598,475)	(3,024,123)
Acquisition of non-controlling interest of subsidiaries	(45,015)	(282,820)
Interest paid	(1,991,110)	(2,397,950)
Repayment of long-term bonds	(4,500,000)	(5,000,000)
Repayment of lease liabilities	(153,355)	(233,162)
Payment for the acquisition of subsidiaries under common control	(70,673)	–
Payment for bond issuance costs	(3,500)	(5,000)
	<u>(4,046,107)</u>	<u>(23,913,873)</u>
Net cash used in financing activities		
	(5,179,524)	(1,784,771)
Net decrease in cash and cash equivalents		
Cash and cash equivalents, at beginning of the year	29,823,501	31,582,891
Effect of foreign exchange rate changes	(4,146)	25,381
	<u>24,639,831</u>	<u>29,823,501</u>
Cash and cash equivalents at end of the year		

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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 the PRC. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in mining and processing of coal, sale of coal and coal-chemical products, manufacture and sale 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 Renminbi (“RMB”), which is the functional currency of 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. RESTATEMENTS ARISING FROM BUSINESS COMBINATIONS UNDER COMMON CONTROL

2025 Acquisition

On 1 October 2025, the Group acquired a 100% equity interest in Shanxi Zhongmei Pingshuo Clean Energy Co., Ltd. (“Clean Energy Company” “山西中煤平朔清潔能源有限責任公司”) from China Coal Pingshuo Development Group Co., Ltd. (“Pingshuo Development Company” “中煤平朔發展集團有限公司”), a subsidiary of the Parent Company, for a cash consideration of RMB78,525 thousand. The acquisition was referred to as the “2025 Acquisition”.

As the Group and Clean Energy Company were under common control of China Coal Group before and after the 2025 Acquisition, the acquisition was accounted for as a business combination under common control. The pooling of interests method has therefore been applied. As a result, the consolidated financial statements of the Group have been prepared as if Clean Energy Company was a subsidiary of the Company ever since it was under common control of China Coal Group.

Accordingly, the consolidated statement of financial position as at 31 December 2024 has been restated to include the assets and liabilities of Clean Energy Company at carrying amounts in the books of the Group. 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 ended 31 December 2024 have been restated to include the results and cash flows of Clean Energy Company as if Clean Energy Company was a subsidiary of the Company since 1 January 2024. Respective notes to the consolidated financial statements have also been restated. All significant intragroup transactions, balances, income and expenses are eliminated on combination.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. RESTATEMENTS ARISING FROM BUSINESS COMBINATIONS UNDER COMMON CONTROL (CONTINUED)

2025 Acquisition (continued)

As a result of the 2025 Acquisition, the relevant line items in the consolidated statement of financial position as at 31 December 2024 have been restated. The following table shows the effect on each individual line item affected:

	The Group (as previously reported) <i>RMB'000</i>	Effect of the 2025 Acquisition <i>RMB'000</i>	Consolidation adjustment <i>RMB'000</i>	The Group (after the 2025 Acquisition) <i>RMB'000</i>
Consolidated statement of financial position at 31 December 2024				
Non-current assets				
Property, plant and equipment	140,613,121	268,479	–	140,881,600
Right-of-use assets	838,241	323	–	838,564
Land use rights	6,999,562	13,192	–	7,012,754
Other non-current assets	11,478,015	24,144	(188,278)	11,313,881
Current assets				
Trade and bills receivables	8,492,302	1,231	–	8,493,533
Prepayments and other receivables	7,114,877	4,395	(8,907)	7,110,365
Cash and cash equivalents	29,823,483	18	–	29,823,501
Current liabilities				
Trade payables and notes payable	27,040,702	41,553	(8,717)	27,073,538
Accruals, advances and other payables	52,562,787	164	–	52,562,951
Current portion of long-term borrowings	11,869,035	2,903	(2,888)	11,869,050
Non-current liabilities				
Long-term borrowings	40,345,761	189,764	(189,764)	40,345,761
Equity				
Share capital	13,258,663	119,000	(119,000)	13,258,663
Reserves	52,207,282	102	119,000	52,326,384
Retained earnings	86,241,352	(41,704)	4,184	86,203,832

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. RESTATEMENTS ARISING FROM BUSINESS COMBINATIONS UNDER COMMON CONTROL (CONTINUED)

2025 Acquisition (continued)

As a result of the 2025 Acquisition, the relevant line items in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows for the year ended 31 December 2024 have been restated. The following table shows the effect on each individual line item affected:

	The Group (as previously reported) RMB'000	Effect of the 2025 Acquisition RMB'000	Consolidation adjustment RMB'000	The Group (after the 2025 Acquisition) RMB'000
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024				
Revenue	189,398,754	10,994	(13,744)	189,396,004
Materials used and goods traded	(95,947,322)	(16,761)	7,990	(95,956,093)
Staff costs	(10,848,399)	(6,874)	–	(10,855,273)
Depreciation and amortisation	(9,908,385)	(12,540)	–	(9,920,925)
Repairs and maintenance	(2,934,939)	(421)	–	(2,935,360)
Others	(12,000,158)	(4,213)	–	(12,004,371)
General and administrative expenses	(6,936,982)	(1,731)	–	(6,938,713)
Other income, gains and losses, net	418,677	(31)	–	418,646
Finance costs	(2,534,892)	(6,749)	5,753	(2,535,888)
Profit for the year attributable to:				
Equity holders of the Company	18,155,988	(37,049)	–	18,118,939
Total comprehensive income for the year attributable to:				
Equity holders of the Company	17,792,005	(37,049)	–	17,754,956
Consolidated statement of cash flows for the year ended 31 December 2024:				
Net cash generated from/(used in):				
Operating activities	34,139,934	3,438	–	34,143,372
Investing activities	(12,048,635)	(11,411)	45,776	(12,014,270)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

5. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (CONTINUED)

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.

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. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (CONTINUED)

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* 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 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (CONTINUED)

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS1, 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. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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 48, 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;
- 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; and
- Level 3 – inputs are unobservable inputs for the asset or liability.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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 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 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 profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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 Accounting Standards 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 Accounting Standards 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

(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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(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.

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. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The ECLs 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. 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 payables and notes payable, 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 6, 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 judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:

Determination on lease term of contracts with renewal options

The Group applies judgement 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 2025 the management of the Group conducted an impairment test on asset groups with signs of impairment as of December 31, 2025. 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 judgements, 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. 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 48.2.

(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 judgement 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 carry forward 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 past experience and the best estimation of future expenditures, taking into account the existing relevant PRC regulations. However, insofar 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 2025, the amount recognised as provision for close-down, restoration and environmental costs was RMB6,258,779 thousand and is disclosed in Note 40.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. 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 2025 certain of the Group's financial assets, being unquoted equity instruments amounting to RMB2,295,114 thousand (2024: RMB2,409,332 thousand), 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 48.3 for further disclosures.

8. SEGMENT INFORMATION

8.1 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 resource allocation and performance assessment. These entities are managed according to the nature of the products and services, production processes and environments in which they operate. Most of these entities engage in 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 the CODM's review.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. SEGMENT INFORMATION (CONTINUED)

8.1 General information (Continued)

(b) Operating and reportable segments

The Group's operating and reportable segments mainly include the 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 – Manufacture and sale of coal mining equipment; and
- Finance – Provision of deposit-taking, loans, bills acceptance and discounting 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 separately reported are combined and disclosed in the category of “Others” segment.

8.2 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 tax assets, deferred tax liabilities, taxes payable or tax advance payments and assets and liabilities of the head office.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. SEGMENT INFORMATION (CONTINUED)

8.2 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 2025								
	Coal RMB'000	Coal chemical products RMB'000	Coal mining equipment 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	120,397,028	18,658,201	9,393,837	2,207,172	10,111,285	160,767,523	-	(12,710,825)	148,056,698
Inter-segment revenue	(6,887,226)	(1,006,290)	(2,123,194)	(460,257)	(2,233,858)	(12,710,825)	-	12,710,825	-
Revenue from external customers	<u>113,509,802</u>	<u>17,651,911</u>	<u>7,270,643</u>	<u>1,746,915</u>	<u>7,877,427</u>	<u>148,056,698</u>	<u>-</u>	<u>-</u>	<u>148,056,698</u>
Segment results									
Profit/(loss) from operations	17,595,658	1,774,968	693,162	1,418,020	1,499,146	22,980,954	(502,257)	(224,546)	22,254,151
Profit/(loss) before income tax	17,181,337	2,347,575	796,911	1,417,350	2,036,673	23,779,846	(1,335,827)	(162,686)	22,281,333
Interest income	316,690	44,755	71,268	-	124,231	556,944	215,164	(625,705)	146,403
Interest expense	(1,219,047)	(295,500)	(79,376)	-	(150,833)	(1,744,756)	(1,041,871)	687,565	(2,099,062)
Depreciation and amortisation	(6,879,265)	(2,994,563)	(354,863)	(3,180)	(665,976)	(10,897,847)	(15,531)	-	(10,913,378)
Share of profits of associates and joint ventures	511,301	823,493	111,977	-	583,065	2,029,836	-	-	2,029,836
Income tax expense	(3,458,310)	(269,390)	(124,254)	(365,084)	(212,483)	(4,429,521)	-	22,096	(4,407,425)
Other material non-cash items									
Provision for impairment of property, plant and equipment	(2,201)	-	(922)	-	-	(3,123)	-	-	(3,123)
Reversal/(provision for) of impairment of other assets	12,863	1,634	(57,829)	14,604	1,427	(27,301)	-	(61,856)	(89,157)
Addition to non-current assets	7,451,536	9,227,495	374,434	12,099	2,408,868	19,474,432	238,710	-	19,713,142
Segment assets and liabilities									
Total assets	<u>177,326,175</u>	<u>63,659,107</u>	<u>17,434,867</u>	<u>105,325,816</u>	<u>31,608,796</u>	<u>395,354,761</u>	<u>6,499,300</u>	<u>(31,336,319)</u>	<u>370,517,742</u>
Including: Interests in associates and joint ventures	9,387,647	15,985,087	1,350,804	-	7,636,587	34,360,125	-	-	34,360,125
Total liabilities	<u>70,283,151</u>	<u>21,821,968</u>	<u>8,923,951</u>	<u>92,137,293</u>	<u>15,021,376</u>	<u>208,187,739</u>	<u>48,516,720</u>	<u>(87,028,627)</u>	<u>169,675,832</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. SEGMENT INFORMATION (CONTINUED)

8.2 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 (continued)

	Year ended and as at 31 December 2024 (restated)								
	Coal	Coal			Total		Inter-		Total
	Coal	chemical	Coal	Finance	Others	segment	Unallocated	segment	Total
	RMB'000	products	mining	RMB'000	RMB'000	RMB'000	RMB'000	elimination	RMB'000
		RMB'000	equipment					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	7,355,705	202,241,425	-	(12,845,421)	189,396,004
Inter-segment revenue	(7,958,553)	(1,112,123)	(2,092,891)	(507,754)	(1,174,100)	(12,845,421)	-	12,845,421	-
Revenue from external customers	<u>152,753,092</u>	<u>19,405,870</u>	<u>9,056,657</u>	<u>1,998,780</u>	<u>6,181,605</u>	<u>189,396,004</u>	<u>-</u>	<u>-</u>	<u>189,396,004</u>
Segment results									
Profit/(loss) from operations	25,915,034	2,238,342	548,322	1,396,442	438,176	30,536,316	(434,747)	15,262	30,116,831
Profit/(loss) before income tax	25,767,515	2,902,727	623,869	1,395,790	1,005,403	31,695,304	(1,380,550)	(35,319)	30,279,435
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)	-	(140,185)	(2,092,681)	(1,239,120)	781,246	(2,550,555)
Depreciation and amortisation	(6,633,980)	(2,927,248)	(340,542)	(2,165)	(522,525)	(10,426,460)	(17,659)	-	(10,444,119)
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	58,580	(173,101)
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	<u>181,146,562</u>	<u>56,083,193</u>	<u>18,070,545</u>	<u>103,874,768</u>	<u>28,624,278</u>	<u>387,799,346</u>	<u>5,264,599</u>	<u>(35,154,852)</u>	<u>357,909,093</u>
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	<u>74,716,618</u>	<u>18,311,294</u>	<u>9,639,135</u>	<u>90,811,745</u>	<u>13,481,667</u>	<u>206,960,459</u>	<u>51,810,075</u>	<u>(92,971,722)</u>	<u>165,798,812</u>

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. SEGMENT INFORMATION (CONTINUED)

8.3 Geographical information

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

Analysis of revenue

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Domestic markets	147,236,954	188,523,689
Overseas markets	819,744	872,315
Total	<u>148,056,698</u>	<u>189,396,004</u>

Analysis of non-current assets

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Domestic markets	249,898,186	239,418,842
Overseas markets	40,206	5,713
Total	<u>249,938,392</u>	<u>239,424,555</u>

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

8.4 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 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. REVENUE

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
		(Restated)
Goods and services	145,961,272	187,119,648
Rental income	348,511	277,576
Interest income	1,746,915	1,998,780
Total	<u>148,056,698</u>	<u>189,396,004</u>

(i) Disaggregation of revenue from contracts with customers

	Year ended 31 December 2025				
	Coal	Coal	Coal	Others	Total
	<i>RMB'000</i>	chemical products <i>RMB'000</i>	mining equipment <i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Sale of goods recognised					
Sale of coal	113,161,483	-	-	-	113,161,483
Sale of coal-chemical products	-	17,304,780	-	-	17,304,780
Sale of coal mining equipment	-	-	5,889,094	-	5,889,094
Sale of electric power	-	-	-	5,686,465	5,686,465
Sale of aluminium products	-	-	-	1,020,734	1,020,734
Others	27,271	53,705	74,250	275,983	431,209
Subtotal	<u>113,188,754</u>	<u>17,358,485</u>	<u>5,963,344</u>	<u>6,983,182</u>	<u>143,493,765</u>
Provision of services recognised					
Agent services	21,746	-	129,380	418,612	569,738
Railway services	3,150	-	-	113,308	116,458
Others	48,206	246,376	1,133,793	352,936	1,781,311
Subtotal	<u>73,102</u>	<u>246,376</u>	<u>1,263,173</u>	<u>884,856</u>	<u>2,467,507</u>
Disaggregation of revenue from contracts with customers	<u>113,261,856</u>	<u>17,604,861</u>	<u>7,226,517</u>	<u>7,868,038</u>	<u>145,961,272</u>
Analysed by geographical market					
Domestic markets	113,023,447	17,456,507	6,793,570	7,868,038	145,141,562
Overseas markets	238,409	148,354	432,947	-	819,710
Total	<u>113,261,856</u>	<u>17,604,861</u>	<u>7,226,517</u>	<u>7,868,038</u>	<u>145,961,272</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. REVENUE (CONTINUED)

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

	Year ended 31 December 2024 (Restated)				
	Coal <i>RMB'000</i>	Coal chemical products <i>RMB'000</i>	Coal mining equipment <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Sale of goods recognised					
Sale of coal	152,176,070	–	–	–	152,176,070
Sale of coal-chemical products	–	19,322,481	–	–	19,322,481
Sale of coal mining equipment	–	–	8,882,460	–	8,882,460
Sale of electric power	–	–	–	4,318,047	4,318,047
Sale of aluminium products	–	–	–	966,057	966,057
Others	118,092	41,669	79,160	220,606	459,527
Subtotal	<u>152,294,162</u>	<u>19,364,150</u>	<u>8,961,620</u>	<u>5,504,710</u>	<u>186,124,642</u>
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	<u>221,942</u>	<u>35,787</u>	<u>67,336</u>	<u>669,941</u>	<u>995,006</u>
Disaggregation of revenue from contracts with customers	<u>152,516,104</u>	<u>19,399,937</u>	<u>9,028,956</u>	<u>6,174,651</u>	<u>187,119,648</u>
Analysed by geographical market					
Domestic markets	151,810,606	19,399,219	8,864,425	6,174,651	186,248,901
Overseas markets	705,498	718	164,531	–	870,747
Total	<u>152,516,104</u>	<u>19,399,937</u>	<u>9,028,956</u>	<u>6,174,651</u>	<u>187,119,648</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. 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 2025			
	Segment revenue <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Less: rental and interest income <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Coal	120,397,028	(6,887,226)	(247,946)	113,261,856
Coal chemical products	18,658,201	(1,006,290)	(47,050)	17,604,861
Coal mining equipment	9,393,837	(2,123,194)	(44,126)	7,226,517
Finance	2,207,172	(460,257)	(1,746,915)	–
Others	10,111,285	(2,233,858)	(9,389)	7,868,038
Total	160,767,523	(12,710,825)	(2,095,426)	145,961,272

	Year ended 31 December 2024 (Restated)			
	Segment revenue <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Less: rental and interest income <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Coal	160,711,645	(7,958,553)	(236,988)	152,516,104
Coal chemical products	20,517,993	(1,112,123)	(5,933)	19,399,937
Coal mining equipment	11,149,548	(2,092,891)	(27,701)	9,028,956
Finance	2,506,534	(507,754)	(1,998,780)	–
Others	7,355,705	(1,174,100)	(6,954)	6,174,651
Total	202,241,425	(12,845,421)	(2,276,356)	187,119,648

(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 the sales contracts.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. 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 the 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 the sales contracts.

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

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

10. OTHER INCOME, OTHER GAINS AND LOSSES, NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Impairment loss of:		
– Property, plant and equipment	(3,123)	(12,198)
– Prepayments	(830)	(1,854)
Gain on disposal of:		
– Intangible assets	2,170	–
– Property, plant and equipment	8,626	8,550
Government grants	312,278	304,614
Others	31,972	119,534
Total	<u>351,093</u>	<u>418,646</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. FINANCE INCOME AND COSTS

	Year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Restated)
Finance income:		
– Interest income on bank deposits	122,527	122,719
– Interest income on entrusted loans	23,876	23,828
	<hr/>	<hr/>
Total finance income	146,403	146,547
	<hr/> <hr/>	<hr/> <hr/>
Interest expense:		
– Borrowings	1,549,496	1,810,785
– Long-term bonds	302,183	434,134
– Unwinding of discount	358,444	393,383
– Lease liabilities	37,501	35,307
Other incidental bank charges	20,425	10,714
Net foreign exchange losses/(gains)	29,570	(25,381)
	<hr/>	<hr/>
Finance costs	2,297,619	2,658,942
Less: amounts capitalised on qualifying assets (<i>note</i>)	(148,562)	(123,054)
	<hr/>	<hr/>
Total finance costs	2,149,057	2,535,888
	<hr/> <hr/>	<hr/> <hr/>
Finance costs, net	2,002,654	2,389,341
	<hr/> <hr/>	<hr/> <hr/>

Note:

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

	Year ended 31 December	
	2025	2024
Capitalisation rates used to determine the amount of finance costs eligible for capitalisation	2.36%~3.68%	2.80%~3.85%
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Impairment loss (recognised) reversed on:		
– Trade receivables	(41,646)	(100,753)
– Other receivables	15,703	1,910
– Contract assets	(15,131)	(5,214)
– Loans to the Parent Company and fellow subsidiaries	(49,269)	(65,174)
– Debt instruments at FVTOCI	2,016	(2,016)
	<u>(88,327)</u>	<u>(171,247)</u>

Details related to provisions of expected credit losses of financial assets are set out in note 48.2.

13. EXPENSES BY NATURE

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

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Depreciation <i>(note (a))</i>	8,965,076	8,618,983
Amortisation <i>(note (b))</i>	1,948,302	1,825,136
Materials used and goods traded	64,613,312	96,245,325
Transportation costs and port expenses	12,230,654	12,346,791
Sales tax and surcharges	6,626,964	7,491,203
Auditor's remuneration		
– Audit service	10,500	10,500
Repairs and maintenance	2,785,832	3,008,625
Lease expenses under recognition exemption <i>(note (d))</i>	135,845	133,015
Employee benefit expense (including directors' emoluments) <i>(note (c))</i>	15,405,045	15,773,746
Provision for impairment of inventories	105,395	444,813
Other expenses	13,238,388	13,628,435
	<u>126,065,313</u>	<u>159,526,572</u>
Total cost of sales, selling expenses and general and administrative expenses		

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13. EXPENSES BY NATURE (CONTINUED)

Notes:

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000 (Restated)
Depreciation for the year		
– Property, plant and equipment (Note 19)	8,962,780	8,653,763
– Investment properties	3,980	3,946
– Right-of-use assets (Note 20)	128,864	108,585
Less:		
– Capitalised in inventories which remained unsold as at year end	(16,048)	(45,546)
– Capitalised in construction in progress	(114,500)	(101,765)
	<u>8,965,076</u>	<u>8,618,983</u>
Amount charged to profit or loss		
Charged to:		
Expenses		
– Cost of sales	8,505,979	8,227,694
– Selling expenses and general and administrative expenses	459,097	391,289
	<u>8,965,076</u>	<u>8,618,983</u>

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000 (Restated)
Amortisation for the year		
– Land use rights (Note 23)	184,707	173,641
– Mining rights (Note 21)	1,466,314	1,417,333
– Intangible assets (Note 22)	192,328	140,204
– Long-term deferred expenses included in other non-current assets	112,231	96,973
Less: Capitalised in construction in progress	(7,278)	(3,015)
	<u>1,948,302</u>	<u>1,825,136</u>
Amount charged to profit or loss		

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000 (Restated)
Charged to:		
Cost of sales	10,726,839	10,855,273
Selling expenses and general and administrative expenses	4,678,206	4,918,473
	<u>15,405,045</u>	<u>15,773,746</u>

(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 RMB885,996 thousand (2024: RMB801,048 thousand) during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i> (Restated)
Wages, salaries and allowances	9,689,940	10,065,344
Housing subsidies (<i>note (a)</i>)	1,120,922	1,047,398
Contributions to pension plans (<i>note (b)</i>)	1,971,559	1,910,520
Welfare and other expenses	2,622,624	2,750,484
	<u>15,405,045</u>	<u>15,773,746</u>

Notes:

- (a) These mainly include the Group's contributions to government-sponsored housing funds in the PRC at rates ranging from 12% to 25% (2024: 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% (2024: 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 2025 in respect of the Group's defined contribution schemes to be used by the Group to reduce the existing level of contributions.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. 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	
	2025	2024
	No. of employees	No. of employees
Directors	–	–
Non-director individuals	5	5
	<u>5</u>	<u>5</u>

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Basic salaries, housing subsidies, other allowances and benefits-in-kind	2,491	2,838
Contributions to pension plans	781	745
Discretionary bonuses	4,857	6,796
	<u>8,129</u>	<u>10,379</u>

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

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

	Year ended 31 December	
	2025	2024
	No. of employees	No. of employees
HK\$1,500,001 to HK\$2,000,000	5	–
HK\$2,000,001 to HK\$2,500,000	–	5
	<u>5</u>	<u>5</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. 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 2025 are set out below:

Name	2025						Employer's contribution to benefits scheme	Total
	Emoluments paid or payable in respect of a person's service as a director or supervisor, whether of the Company or its subsidiary undertaking							
	Fees	Salary	Bonus	Housing allowance	Social benefits			
	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 (note i)	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Non-executive director:								
Mr. XU Qian	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Independent non-executive directors:								
Mr. JING Fengru	-	90	-	-	-	-	-	90
Mrs. ZHAN Yanjing	-	90	-	-	-	-	-	90
Mr. HUANG Jiangtian	-	300	-	-	-	-	-	300
Subtotal	-	480	-	-	-	-	-	480
Supervisors:								
Mrs. ZHANG Qiaoqiao	-	438	460	51	45	145		1,139
Mr. ZHANG Feng	-	438	478	51	45	146		1,158
Subtotal	-	876	938	102	90	291		2,297
Total	-	1,356	938	102	90	291		2,777

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. 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 2024 are set out below:

Name	2024						Employer's contribution to benefits scheme	Total
	Emoluments paid or payable in respect of a person's service as a director or supervisor, whether of the Company or its subsidiary undertaking							
	Fees	Salary	Bonus	Housing allowance	Social benefits			
	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	-	30	-	-	-	-	30	
Mr. HUANG Jiangtian	-	60	-	-	-	-	60	
Mr. ZHANG Chengjie	-	100	-	-	-	-	100	
Mrs. XIONG Lushan	-	200	-	-	-	-	200	
Subtotal	-	480	-	-	-	-	480	
Supervisors:								
Mr. WANG Wenzhang	-	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	

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

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

Notes:

- (i) Mr. ZHAO Rongzhe resigned as an executive director in November 2025.

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 2025 in respect of their services as directors and supervisors of the Group is RMB291 thousand (2024: RMB430 thousand).

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 (2024: Nil).

(c) Directors' and supervisors' termination benefits

During the years ended 31 December 2024 and 2025, no payment to the directors and supervisors as compensation for the early termination of the appointment was made by the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

- (d) During the years ended 31 December 2024 and 2025, 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 (2024: Nil).

During the years ended 31 December 2024 and 2025, and as at 31 December 2024 and 2025, 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 2024 and 2025, 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.

16. INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax		(Restated)
– PRC enterprise income tax (<i>note (a)</i>)	4,915,559	6,891,392
Deferred tax (<i>Note 39</i>)	(508,134)	(299,535)
	<u>4,407,425</u>	<u>6,591,857</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. INCOME TAX EXPENSE (CONTINUED)

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 a preferential tax rate of 15% or 20% according to the preferential policy of CIT law for the 12-month periods ended 31 December 2025 and 2024. 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 at 15.0% for the portion under JPY8,000 thousand and 23.2% for the portion of JPY8,000 thousand or above.

- (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 2024 and 2023). 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	
	2025	2024
	<i>RMB '000</i>	<i>RMB '000</i> (Restated)
Profit before income tax	22,281,333	30,279,435
Tax calculated at statutory income tax rate of 25% (2024: 25%) in the PRC	5,570,333	7,569,859
Adjustment of income tax of the previous period	26,228	67,036
Effect of preferential tax rates on income of certain subsidiaries	(658,668)	(972,874)
Income not subject to taxation	(510,559)	(640,255)
Expenses not deductible for tax purposes	274,253	278,895
Utilisation of previously unrecognised deductible temporary differences	(13,542)	(9,183)
Utilisation of previously unrecognised tax losses	(31,643)	(635)
Unrecognised tax loss for the year	325,171	361,573
Unrecognised deductible temporary differences for the year	3,165	52,277
Additional expenses allowable for tax deduction	(577,313)	(114,836)
Income tax expense	4,407,425	6,591,857

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. INCOME TAX EXPENSE (CONTINUED)

Notes: (continued)

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

	Year ended 31 December 2025			Year ended 31 December 2024		
	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	314,147	(61,025)	253,122	452,430	(121,607)	330,823
Fair value changes on debt instruments measured at FVTOCI	(5,911)	1,579	(4,332)	3,436	(889)	2,547
Impairment loss on debt instruments at FVTOCI included in profit or loss, net of reversal	2,016	–	2,016	(2,016)	–	(2,016)
Exchange differences arising on translation of foreign operations	(12,749)	–	(12,749)	33,029	–	33,029
Share of other comprehensive income of associates	(12,367)	–	(12,367)	353	–	353
	<u>285,136</u>	<u>(59,446)</u>	<u>225,690</u>	<u>487,232</u>	<u>(122,496)</u>	<u>364,736</u>
Deferred tax		<u>(59,446)</u>			<u>(122,496)</u>	

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred tax	<u>(59,446)</u>	<u>(122,496)</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. DIVIDENDS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Cash dividends on ordinary shares declared and paid:		
Final dividend (<i>note (a)</i>)	3,420,735	5,860,329
Special dividend (<i>note (a)</i>)	–	1,498,229
Interim dividend (<i>note (b)</i>)	2,200,938	2,930,165
Total	<u>5,621,673</u>	<u>10,288,723</u>
Proposed dividends on ordinary shares:		
Proposed final dividend (<i>note (c)</i>)	<u>2,876,403</u>	<u>3,418,258</u>

Notes:

- (a) During the year ended 31 December 2025, the Company declared a final dividend based on a number of 13,258,663,400 ordinary shares, amounting to a total of approximately RMB3,420,735 thousand for 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 RMB7,358,558 thousand for the year ended 31 December 2023). The declaration of the aforementioned dividends was approved at the 2024 annual general meeting of the Company held on 27 June 2025.
- (b) On 22 August 2025, the board of directors of the Company formulated and implemented the interim profit distribution plan for the year 2025 and declared an interim dividend, amounting to a total of approximately RMB2,200,938 thousand.
- (c) The board of directors of the Company proposed to distribute final dividends for the year ended 31 December 2025 amounting to RMB2,876,403 thousand, which are subject to approval at the 2025 annual general meeting and are not recognised as a liability as at 31 December 2025.

18. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

	Year ended 31 December	
	2025	2024
		(Restated)
Profit attributable to the equity holders of the Company (RMB'000)	14,497,092	18,118,939
Number of ordinary shares outstanding (in thousands)	<u>13,258,663</u>	<u>13,258,663</u>
Basic earnings per share (RMB per share)	<u>1.09</u>	<u>1.37</u>

There were no differences between the basic and diluted earnings per share amounts for the years ended 31 December 2025 and 2024 as the Group had no dilutive potential ordinary shares in issue during those years.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19. PROPERTY, PLANT AND EQUIPMENT

	Buildings <i>RMB'000</i>	Mining structures <i>RMB'000</i>	Plant, machinery and equipment <i>RMB'000</i>	Railway structures <i>RMB'000</i>	Motor vehicles, fixtures and others <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2024 (restated)							
Opening net book amount	32,209,221	34,485,827	43,420,937	3,985,234	2,658,243	11,223,377	127,982,839
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 (<i>Note 13</i>)	(1,683,565)	(1,431,852)	(4,990,836)	(153,988)	(393,522)	–	(8,653,763)
Provision and other changes for impairment	(6,588)	–	(3,736)	–	–	(1,874)	(12,198)
Closing net book amount	<u>31,559,749</u>	<u>42,459,134</u>	<u>41,638,470</u>	<u>3,815,616</u>	<u>3,205,461</u>	<u>18,203,170</u>	<u>140,881,600</u>
At 31 December 2024 (restated)							
Cost	52,260,009	63,519,689	103,544,735	5,529,547	6,330,986	19,383,564	250,568,530
Accumulated depreciation	(18,709,199)	(20,229,525)	(57,739,882)	(1,713,931)	(3,042,778)	–	(101,435,315)
Impairment provision	(1,991,061)	(831,030)	(4,166,383)	–	(82,747)	(1,180,394)	(8,251,615)
Net book amount	<u>31,559,749</u>	<u>42,459,134</u>	<u>41,638,470</u>	<u>3,815,616</u>	<u>3,205,461</u>	<u>18,203,170</u>	<u>140,881,600</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings <i>RMB'000</i>	Mining structures <i>RMB'000</i>	Plant, machinery and equipment <i>RMB'000</i>	Railway structures <i>RMB'000</i>	Motor vehicles, fixtures and others <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2025							
Opening net book amount (restated)	31,559,749	42,459,134	41,638,470	3,815,616	3,205,461	18,203,170	140,881,600
Additions	57,086	1,442,441	1,756,424	75	847,645	14,174,047	18,277,718
Transfers upon completion of Construction	1,282,033	650,321	3,936,486	-	159,403	(6,028,243)	-
Transfer to investment properties	(2,054)	-	-	-	-	-	(2,054)
Transfer to intangible assets, Mining rights and Land use rights	-	-	-	-	-	(79,776)	(79,776)
Change in rehabilitation provision	-	(450,808)	-	-	(12,847)	-	(463,655)
Disposals	(3,697)	-	(96,792)	-	(3,494)	-	(103,983)
Reclassification	(22,799)	-	22,799	-	-	-	-
Depreciation charges (<i>Note 13</i>)	(1,872,296)	(1,487,932)	(5,160,448)	(148,375)	(293,729)	-	(8,962,780)
Provision and other changes for impairment	-	-	65	-	-	(3,188)	(3,123)
Closing net book amount	<u>30,998,022</u>	<u>42,613,156</u>	<u>42,097,004</u>	<u>3,667,316</u>	<u>3,902,439</u>	<u>26,266,010</u>	<u>149,543,947</u>
At 31 December 2025							
Cost	53,560,112	65,161,643	107,757,208	5,529,622	7,196,607	27,449,592	266,654,784
Accumulated depreciation	(20,571,029)	(21,717,457)	(61,496,243)	(1,862,306)	(3,211,481)	-	(108,858,516)
Impairment provision	<u>(1,991,061)</u>	<u>(831,030)</u>	<u>(4,163,961)</u>	-	<u>(82,687)</u>	<u>(1,183,582)</u>	<u>(8,252,321)</u>
Net book amount	<u>30,998,022</u>	<u>42,613,156</u>	<u>42,097,004</u>	<u>3,667,316</u>	<u>3,902,439</u>	<u>26,266,010</u>	<u>149,543,947</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19. 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 an appropriate reserve base that reflects the economically recoverable reserve of the developed mine.

During the year ended 31 December 2025, the depreciation charges of the Group were recorded in cost of sales with an amount of RMB8,386,498 thousand (2024: RMB8,122,373 thousand (restated)), selling expenses and general and administrative expenses with an amount of RMB446,977 thousand (2024: RMB386,772 thousand), construction in progress with an amount of RMB113,257 thousand (2024: RMB99,072 thousand), and cost of inventories which remained unsold as at year end with an amount of RMB16,048 thousand (2024: RMB45,546 thousand), respectively.

As at 31 December 2025, bank borrowings are secured on property, plant and equipment for the carrying value of RMB181,919 thousand (31 December 2024: Nil).

As at 31 December 2025, the Group was in process of applying the ownership certificates of buildings with a net book amount of RMB2,068,041 thousand (31 December 2024: RMB2,607,499 thousand).

As at 31 December 2025, the carrying amount of the Group's temporarily idle property, plant and equipment was RMB78,493 thousand (31 December 2024: RMB85,665 thousand).

As at 31 December 2025, the carrying amount of equipment leased out by the Group through operating leases was RMB139,114 thousand (31 December 2024: RMB188,754 thousand).

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For the year ended 31 December 2025

20. RIGHT-OF-USE ASSETS

	Land <i>RMB'000</i>	Buildings <i>RMB'000</i>	Machinery <i>RMB'000</i>	Motor vehicles and other equipment <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2024 (restated)					
Carrying amount	492,839	239,787	7,836	6,616	747,078
As at 31 December 2024 (restated)					
Carrying amount	431,186	404,447	2,655	276	838,564
For the year ended 31 December 2024 (restated)					
Additions	–	206,971	1,780	–	208,751
Deductions	–	2,327	13	6,340	8,680
Depreciation charges (<i>Note 13</i>)	61,653	39,984	6,948	–	108,585
Total cash outflow for leases					<u>233,162</u>

	Land <i>RMB'000</i>	Buildings <i>RMB'000</i>	Machinery <i>RMB'000</i>	Motor vehicles and other equipment <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2025 (restated)					
Carrying amount	431,186	404,447	2,655	276	838,564
As at 31 December 2025					
Carrying amount	423,653	354,290	79,190	269	857,402
For the year ended 31 December 2025					
Additions	59,772	7,700	81,239	–	148,711
Deductions	–	1,002	–	7	1,009
Depreciation charges (<i>Note 13</i>)	67,305	56,855	4,704	–	128,864
Total cash outflow for leases					<u>153,355</u>

For the years ended 31 December 2024 and 2025, 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 2025, the expense relating to short-term leases was RMB135,845 thousand (For the year ended 31 December 2024: RMB133,015 thousand).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21. MINING RIGHTS

	<i>RMB'000</i>
Year ended 31 December 2024	
Opening net book amount	47,209,528
Additions	233
Transferred from property, plant and equipment	3
Amortisation charges (<i>Note 13</i>)	(1,417,333)
Other	123
	<hr/>
Closing net book amount	<u>45,792,554</u>
At 31 December 2024	
Cost	61,592,967
Accumulated amortisation	(8,852,896)
Impairment provision	(6,947,517)
	<hr/>
Net book amount	<u>45,792,554</u>
<i>RMB'000</i>	
Year ended 31 December 2025	
Opening net book amount	45,792,554
Additions	149,874
Amortisation charges (<i>Note 13</i>)	(1,466,314)
Other	(456,183)
	<hr/>
Closing net book amount	<u>44,019,931</u>
At 31 December 2025	
Cost	61,286,658
Accumulated amortisation	(10,319,210)
Impairment provision	(6,947,517)
	<hr/>
Net book amount	<u>44,019,931</u>

The amortisation charges were mainly recorded in cost of sales for the years ended 31 December 2025 and 2024.

At 31 December 2025, the Group's mining right was not pledged to secure certain bank loans.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

22. INTANGIBLE ASSETS

	Technical know-how <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
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 (<i>Note 13</i>)	(63,447)	(76,757)	(140,204)
Other	(64,568)	93	(64,475)
	<u>876,454</u>	<u>985,740</u>	<u>1,862,194</u>
Closing net book amount	<u>876,454</u>	<u>985,740</u>	<u>1,862,194</u>
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)
	<u>876,454</u>	<u>985,740</u>	<u>1,862,194</u>
Net book amount	<u>876,454</u>	<u>985,740</u>	<u>1,862,194</u>
	Technical know-how <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2025			
Opening net book amount	876,454	985,740	1,862,194
Additions	68,500	142,429	210,929
Transfer from property, plant and equipment	–	78,496	78,496
Amortisation charges (<i>Note 13</i>)	(84,840)	(107,488)	(192,328)
Other	(1,180)	(29,504)	(30,684)
	<u>858,934</u>	<u>1,069,673</u>	<u>1,928,607</u>
Closing net book amount	<u>858,934</u>	<u>1,069,673</u>	<u>1,928,607</u>
At 31 December 2025			
Cost	1,719,924	1,839,643	3,559,567
Impairment provision	(10,294)	(3,015)	(13,309)
Accumulated amortisation	(850,696)	(766,955)	(1,617,651)
	<u>858,934</u>	<u>1,069,673</u>	<u>1,928,607</u>
Net book amount	<u>858,934</u>	<u>1,069,673</u>	<u>1,928,607</u>

The amortisation charges were mainly recorded in cost of sales, selling expenses and general and administrative expenses for the years ended 31 December 2025 and 2024.

Other intangible assets mainly include computer software licenses.

At 31 December 2025, the Group's intangible asset was not pledged to secure certain bank loans.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

23. LAND USE RIGHTS

	<i>RMB'000</i>
Year ended 31 December 2024 (restated)	
Opening net book amount	6,550,507
Additions	692,919
Transferred from property, plant and equipment	25,299
Amortisation charges (<i>Note 13</i>)	(173,641)
Other	(82,330)
	<hr/>
Closing net book amount	7,012,754
	<hr/> <hr/>
At 31 December 2024 (restated)	
Cost	9,034,635
Accumulated amortisation	(1,932,839)
Impairment provision	(89,042)
	<hr/>
Net book amount	7,012,754
	<hr/> <hr/>
	<i>RMB'000</i>
Year ended 31 December 2025	
Opening net book amount (restated)	7,012,754
Additions	8,446
Transferred from property, plant and equipment	1,280
Amortisation charges (<i>Note 13</i>)	(184,707)
Other	(756)
	<hr/>
Closing net book amount	6,837,017
	<hr/> <hr/>
At 31 December 2025	
Cost	9,043,605
Accumulated amortisation	(2,117,546)
Impairment provision	(89,042)
	<hr/>
Net book amount	6,837,017
	<hr/> <hr/>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

23. LAND USE RIGHTS (CONTINUED)

At 31 December 2025, the Group's land use right was not pledged to secure certain bank loans (2024: Nil).

During the year ended 31 December 2025, the Group's land use rights represented upfront payments for leasehold land located in the PRC with lease periods of between 30 and 50 years.

The amortisation charges were recorded in cost of sales with an amount of RMB111,004 thousand (2024: RMB100,779 thousand (restated)), selling expenses and general and administrative expense with an amount of RMB69,049 thousand (2024: RMB69,863 thousand) and construction in progress with an amount of RMB4,654 thousand (2024: RMB2,999 thousand).

As at 31 December 2025, the Group was in process of applying the ownership certificates of land use rights with net carrying amounts of RMB39,096 thousand (31 December 2024: RMB105,505 thousand).

24(a) SUBSIDIARIES

The following is a list of the principal subsidiaries as at 31 December 2025. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(a) SUBSIDIARIES (CONTINUED)

(i) Principal subsidiaries

Company name	Place of establishment	Registered capital	Attributable equity interest held by the		Held by non-controlling interests	Principal activities and place of operation	Type of legal entity
			Company	Group			
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	62.78%	62.78%	37.22%	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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(a) SUBSIDIARIES (CONTINUED)

(i) Principal subsidiaries (continued)

Company name	Place of establishment	Registered capital	Attributable equity interest held by the		Held by non-controlling interests	Principal activities and place of operation	Type of legal entity
			Company	Group			
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%	Power generation 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”) (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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(a) SUBSIDIARIES (CONTINUED)

(i) Principal subsidiaries (continued)

Company name	Place of establishment	Registered capital	Attributable equity interest held by the		Held by non-controlling interests	Principal activities and place of operation	Type of legal entity
			Company	Group			
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 12,258,660,000	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 in Qinhuangdao, the PRC	Limited liability company

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests

The non-controlling interests are set out as below:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Subsidiaries with material non-controlling interests		
Shanghai Energy Company	4,750,759	4,886,163
China Coal Huajin Company	18,741,980	19,160,913
Mengda Mining	5,016,215	4,686,242
Yihua Mining	3,967,328	3,887,796
Others	7,999,841	7,700,288
	<u>40,476,123</u>	<u>40,321,402</u>

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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests (continued)

Summarised statement of financial position

	Shanghai Energy Company	
	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Current assets	3,241,322	3,904,093
Non-current assets	<u>16,613,475</u>	<u>16,271,454</u>
	<u>19,854,797</u>	<u>20,175,547</u>
Current liabilities	2,948,119	3,237,492
Non-current liabilities	<u>4,004,018</u>	<u>3,794,310</u>
	<u>6,952,137</u>	<u>7,031,802</u>
Equity attributable to the equity holders of the Company	<u>8,151,901</u>	<u>8,257,582</u>
Non-controlling interests of Shanghai Energy Company	<u>4,869,589</u>	<u>4,932,414</u>
Non-controlling interests of Shanghai Energy Company's subsidiaries	<u>(118,830)</u>	<u>(46,251)</u>
Net assets	<u>12,902,660</u>	<u>13,143,745</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests (continued)

Summarised statement of financial position (continued)

	China Coal Huajin Company	
	As at	As at
	31 December	31 December
	2025	2024
	RMB'000	RMB'000
		(Restated)
Current assets	24,759,698	25,879,774
Non-current assets	21,538,176	19,758,382
	46,297,874	45,638,156
Current liabilities	6,352,145	5,756,899
Non-current liabilities	3,364,300	3,101,925
	9,716,445	8,858,824
Equity attributable to the equity holders of the Company	17,839,449	17,618,419
Non-controlling interests of China Coal Huajin Company	17,421,831	17,134,022
Non-controlling interests of China Coal Huajin Company's subsidiaries	1,320,149	2,026,891
Net assets	36,581,429	36,779,332

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests (continued)

Summarised statement of financial position (continued)

	Mengda Mining	
	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Current assets	1,785,064	1,282,018
Non-current assets	<u>19,636,261</u>	<u>20,125,638</u>
	<u>21,421,325</u>	<u>21,407,656</u>
Current liabilities	1,854,462	3,814,616
Non-current liabilities	<u>4,813,289</u>	<u>3,809,975</u>
	<u>6,667,751</u>	<u>7,624,591</u>
Equity attributable to the equity holders of the Company	<u>9,737,359</u>	<u>9,096,823</u>
Non-controlling interests of Mengda Mining	<u>5,016,215</u>	<u>4,686,242</u>
Net assets	<u>14,753,574</u>	<u>13,783,065</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(a) SUBSIDIARIES (CONTINUED)

(ii) Material non-controlling interests (continued)

Summarised statement of financial position (continued)

	Yihua Mining	
	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Current assets	1,176,573	680,087
Non-current assets	<u>16,682,363</u>	<u>17,459,901</u>
	<u>17,858,936</u>	<u>18,139,988</u>
Current liabilities	2,732,629	4,019,913
Non-current liabilities	<u>6,324,459</u>	<u>5,503,381</u>
	<u>9,057,088</u>	<u>9,523,294</u>
Equity attributable to the equity holders of the Company	<u>4,834,520</u>	<u>4,728,898</u>
Non-controlling interests of Yihua Mining	<u>3,967,328</u>	<u>3,887,796</u>
Net assets	<u>8,801,848</u>	<u>8,616,694</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(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 2025 RMB'000	Year ended 31 December 2024 RMB'000
Revenue	7,676,596	9,488,233
(Loss)/profit before income tax	(52,111)	795,025
Income tax expense	<u>19,360</u>	<u>(199,559)</u>
(Loss)/profit for the year	(32,751)	595,466
Other comprehensive income/(loss) for the year	<u>1,253</u>	<u>(855)</u>
Total comprehensive (loss)/income for the year	<u>(31,498)</u>	<u>594,611</u>
Dividends declared to non-controlling interests of Shanghai Energy Company	<u>78,275</u>	<u>165,630</u>
Profit attributable to equity holders of the Company	24,901	400,512
Profit attributable to the non-controlling interests of Shanghai Energy Company	15,011	241,027
Loss attributable to the non-controlling interests of Shanghai Energy Company's subsidiaries	<u>(72,663)</u>	<u>(46,073)</u>
Other comprehensive income/(loss) attributable to the equity holders of the Company	730	(504)
Other comprehensive income/(loss) attributable to the non-controlling interests of Shanghai Energy Company	439	(304)
Other comprehensive income/(loss) attributable to the non-controlling interests of Shanghai Energy Company's subsidiaries	<u>84</u>	<u>(47)</u>
Total comprehensive income attributable to the equity holders of the Company	25,631	400,008
Total comprehensive income attributable to the non-controlling interests of Shanghai Energy Company	15,450	240,723
Total comprehensive loss attributable to the non-controlling interests of Shanghai Energy Company's subsidiaries	<u>(72,579)</u>	<u>(46,120)</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(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	Year ended
	31 December	31 December
	2025	2024
	RMB'000	RMB'000
		(Restated)
Revenue	10,007,337	14,874,990
Profit before income tax	4,294,342	7,990,056
Income tax expense	(1,115,600)	(2,040,208)
Profit for the year	3,178,742	5,949,848
Other comprehensive income/(loss) for the year	3,665	(932)
Total comprehensive income for the year	3,182,407	5,948,916
Dividends declared to non-controlling interests of China Coal Huajin Company	2,177,242	1,942,066
Profit attributable to equity holders of the Company	1,423,009	2,458,509
Profit attributable to the non-controlling interests of China Coal Huajin Company	1,367,204	2,399,020
Profit attributable to the non-controlling interests of China Coal Huajin Company's subsidiaries	388,529	1,092,319
Other comprehensive income (loss) attributable to the equity holders of the Company	1,089	(306)
Other comprehensive income (loss) attributable to the non-controlling interests of China Coal Huajin Company	1,046	(293)
Other comprehensive income (loss) attributable to the non-controlling interests of China Coal Huajin Company's subsidiaries	1,530	(333)
Total comprehensive income attributable to the equity holders of the Company	1,424,098	2,458,203
Total comprehensive income attributable to the non-controlling interests of China Coal Huajin Company	1,368,250	2,398,727
Total comprehensive income attributable to the non-controlling interests of China Coal Huajin Company's subsidiaries	390,059	1,091,986

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For the year ended 31 December 2025

24(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 2025 RMB'000	Year ended 31 December 2024 RMB'000
Revenue	4,515,075	4,982,724
Profit before income tax	1,164,907	1,242,091
Income tax expense	<u>(194,350)</u>	<u>(156,493)</u>
Profit for the year	970,557	1,085,598
Other comprehensive loss for the year	<u>(48)</u>	<u>–</u>
Total comprehensive income for the year	<u>970,509</u>	<u>1,085,598</u>
Dividends declared to non-controlling interests of Mengda Mining	<u>–</u>	<u>–</u>
Profit attributable to equity holders of the Company	640,568	716,495
Profit attributable to the non-controlling interests of Mengda Mining	<u>329,989</u>	<u>369,103</u>
Other comprehensive loss attributable to the equity holders of the Company	(32)	–
Other comprehensive loss attributable to the non-controlling interests of Mengda Mining	<u>(16)</u>	<u>–</u>
Total comprehensive income attributable to the equity holders of the Company	640,536	716,495
Total comprehensive income attributable to the non-controlling interests of Mengda Mining	<u>329,973</u>	<u>369,103</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(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 2025 RMB'000	Year ended 31 December 2024 RMB'000
Revenue	3,240,477	3,680,891
Profit before income tax	731,997	840,095
Income tax expense	<u>(108,256)</u>	<u>(113,127)</u>
Profit for the year	623,741	726,968
Other comprehensive income for the year	<u>–</u>	<u>570</u>
Total comprehensive income for the year	<u>623,741</u>	<u>727,538</u>
Dividends declared to non-controlling interests of Yihua Mining	<u>200,125</u>	<u>–</u>
Profit attributable to equity holders of the Company	344,084	401,029
Profit attributable to the non-controlling interests of Yihua Mining	<u>279,657</u>	<u>325,939</u>
Other comprehensive income attributable to the equity holders of the Company	–	314
Other comprehensive income attributable to the non-controlling interests of Yihua Mining	<u>–</u>	<u>256</u>
Total comprehensive income attributable to the equity holders of the Company	344,084	401,343
Total comprehensive income attributable to the non-controlling interests of Yihua Mining	<u>279,657</u>	<u>326,195</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(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 2025 RMB'000	Year ended 31 December 2024 RMB'000	Year ended 31 December 2025 RMB'000	Year ended 31 December 2024 RMB'000 (Restated)	Year ended 31 December 2025 RMB'000	Year ended 31 December 2024 RMB'000	Year ended 31 December 2025 RMB'000	Year ended 31 December 2024 RMB'000
Net cash inflow from operating activities	500,906	1,276,503	4,513,542	6,370,996	1,194,447	1,611,450	1,216,241	1,482,776
Net cash inflow (outflow) from investing activities	(1,045,146)	(1,202,531)	(1,940,252)	(2,334,472)	(1,888,759)	(2,632,201)	(1,257,861)	(1,204,432)
Net cash inflow (outflow) from financing activities	(174,397)	(589,786)	(2,217,649)	(3,205,067)	694,329	1,020,743	41,632	(278,340)
Net cash inflow (outflow) inflow	<u>(718,637)</u>	<u>(515,814)</u>	<u>355,641</u>	<u>831,457</u>	<u>17</u>	<u>(8)</u>	<u>12</u>	<u>4</u>

24(b) INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Beginning of the year	27,113,744	26,263,281
Additions	1,085,780	–
Share of profits	1,885,944	1,942,657
Dividends	(405,350)	(1,092,944)
Others	14,059	750
End of the year	<u>29,694,177</u>	<u>27,113,744</u>

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 2025, 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(b) INVESTMENTS IN ASSOCIATES (CONTINUED)

Details of a material associate as at 31 December 2025 and 2024

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(2024:38.75)	Equity
Huajin Coking Coal Co., LTD. ("Huajin Coking Coal")	Lvliang, the PRC	49(2024:49)	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 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Current assets	3,122,055	2,473,996	6,792,183	6,764,706
Non-current assets	44,855,323	46,688,314	17,500,679	17,340,246
Current liabilities	8,087,711	5,585,939	4,287,660	3,116,982
Non-current liabilities	9,197,599	15,080,193	6,286,485	7,691,486
Equity attributable to the equity holders of the Company	30,692,068	28,496,178	11,158,656	10,691,000
Non-controlling interests	–	–	2,560,061	2,605,484

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(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 2025 <i>RMB'000</i>	Year ended 31 December 2024 <i>RMB'000</i>	Year ended 31 December 2025 <i>RMB'000</i>	Year ended 31 December 2024 <i>RMB'000</i>
Revenue	15,308,949	16,691,466	6,409,601	6,838,683
Profit before income tax	2,689,888	3,093,903	1,505,215	1,557,747
Profit for the year	<u>2,195,890</u>	<u>2,609,099</u>	<u>821,039</u>	<u>859,586</u>
Other comprehensive income	—	—	—	—
Total comprehensive income for the year	<u>2,195,890</u>	<u>2,609,099</u>	<u>821,039</u>	<u>859,586</u>
Dividends declared from the associate during the year	<u>—</u>	<u>513,028</u>	<u>191,302</u>	<u>402,615</u>

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	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Opening net assets at 1 January	28,496,178	27,260,025	10,691,000	10,640,150
Profit for the year	2,195,890	2,609,099	821,039	859,586
Dividends	—	(1,323,944)	(390,412)	(821,663)
Others	—	(49,002)	37,029	12,927
Closing net assets at 31 December	<u>30,692,068</u>	<u>28,496,178</u>	<u>11,158,656</u>	<u>10,691,000</u>
The Group's shares of net assets	<u>11,893,178</u>	<u>11,042,270</u>	<u>5,467,741</u>	<u>5,238,590</u>
Carrying value of interest in associate	<u>11,893,178</u>	<u>11,042,270</u>	<u>5,467,741</u>	<u>5,238,590</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(b) INVESTMENTS IN ASSOCIATES (CONTINUED)

Aggregate information of associates that are not individually material

	Year ended/as at 31 December 2025 <i>RMB'000</i>	Year ended/as at 31 December 2024 <i>RMB'000</i>
The Group's share of profit	627,644	521,800
The Group's share of other comprehensive (loss) income	(694)	936
	<hr/>	<hr/>
The Group's share of total comprehensive income	626,950	522,736
	<hr/>	<hr/>
Aggregate carrying amount of the Group's interests in these associates	<u>12,333,258</u>	<u>10,832,884</u>

24(c) INVESTMENTS IN JOINT VENTURES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Beginning of the year	4,541,951	4,539,186
Share of profit	143,892	609,288
Dividends	(19,896)	(606,523)
Others	1	-
	<hr/>	<hr/>
End of the year	<u>4,665,948</u>	<u>4,541,951</u>

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 2025 and 2024:

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24(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 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Current assets	673,721	852,138
Non-current assets	4,465,609	4,543,383
Current liabilities	337,099	618,098
Non-current liabilities	484,517	509,472
Net assets	4,317,714	4,267,951

Summarised statement of profit or loss and other comprehensive income

	Hecaogou Coal	
	Year ended 31 December 2025 <i>RMB'000</i>	Year ended 31 December 2024 <i>RMB'000</i>
Revenue	877,826	2,746,450
Profit before income tax	96,701	1,260,403
Profit for the year	49,793	1,066,930
Total comprehensive income	49,793	1,066,930
Dividends declared from the joint venture during the year	–	600,000

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.

Notes to the Consolidated Financial Statements

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24(c) INVESTMENTS IN JOINT VENTURES (CONTINUED)

Reconciliation of summarised financial information

Summarised financial information	Hecaogou Coal	
	2025 RMB'000	2024 RMB'000
Opening net assets at 1 January	4,267,951	4,382,881
Profit for the year	49,793	1,066,930
Others	(30)	18,140
Dividends	—	(1,200,000)
Closing net assets at 31 December	<u>4,317,714</u>	<u>4,267,951</u>
The Group's share of net assets	<u>2,158,857</u>	<u>2,133,976</u>
Carrying value of interest in joint ventures	<u>2,128,891</u>	<u>2,103,994</u>

Aggregate information of joint ventures that are not individually material

	Year ended/ as at 31 December 2025 RMB'000	Year ended/ as at 31 December 2024 RMB'000
	The Group's share of profit	<u>118,995</u>
The Group's share of total comprehensive income	<u>118,995</u>	<u>75,440</u>
Aggregate carrying amount of the Group's interests in these joint ventures	<u>2,537,057</u>	<u>2,437,957</u>

Notes to the Consolidated Financial Statements

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25. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Listed equity investments, at fair value:		
– A Company listed in the PRC:		
Chongqing Iron & Steel Co., Ltd. (重慶鋼鐵股份有限公司)	5,173	5,102
	5,173	5,102
Unlisted equity investments, at fair value:		
– Non-listed companies established in the PRC:		
Taiyuan Coal Gasification Longquan Energy Development Co., Ltd. (太原煤氣化龍泉能源發展有限公司)	592,192	825,808
Haoji Railway Co., Ltd. (浩吉鐵路股份有限公司)	1,055,386	1,119,723
Shaanxi Jingshen Railway Co., Ltd. (陝西靖神鐵路有限責任公司)	202,176	216,633
Tangshan Caofeidian Coal Port Co., Ltd. (唐山曹妃甸煤炭港務有限公司)	47,594	47,044
China State-Owned Enterprise Strategic Emerging Industries Development Fund Co., Ltd. (央企戰略性新興產業發展基金有限責任公司) (note (a))	200,000	–
Others	197,766	200,124
	2,295,114	2,409,332
Total	2,300,287	2,414,434

The Group holds non-controlling interests (between 1.96% 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 2025, the Group received dividends amounting to RMB12,400 thousand (for the year ended 31 December 2024: RMB5,410 thousand) from unlisted equity investments.

Note:

- (a) The main business scope of China State-Owned Enterprise Strategic Emerging Industries Development Fund Co., Ltd. includes private equity fund management and venture capital fund management services, with primary investment focus on strategic emerging industries to support industrial development. The Company has subscribed to RMB1,000,000 thousand of fund shares (meeting the definition of an equity instrument from the issuer's perspective), representing a 1.96% ownership interest. As of 2025, the Company has made capital contributions totalling RMB200,000 thousand.

Notes to the Consolidated Financial Statements

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26. LONG-TERM RECEIVABLES

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Finance lease receivables	<u>150,630</u>	<u>242,808</u>
Total	<u><u>150,630</u></u>	<u><u>242,808</u></u>

The long-term receivables are neither past due nor impaired as at 31 December 2025 and 2024. The carrying amounts of long-term receivables approximate to their fair values.

27. OTHER NON-CURRENT ASSETS

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Loans to the Parent Company and fellow subsidiaries (<i>note (a)</i>)	10,227,204	8,751,361
Prepayments for mining rights (<i>note (b)</i>)	315,000	1,015,000
Prepayment for Coal Production Quotas (<i>note (c)</i>)	317,068	519,838
Prepayments for land use rights (<i>note (b)</i>)	346,368	369,569
Deductible value-added tax	409,269	243,810
Prepayments for construction in progress and equipment	260,031	52,811
Others	<u>451,035</u>	<u>361,492</u>
Total	<u><u>12,325,975</u></u>	<u><u>11,313,881</u></u>

Notes:

(a) According to the Financial Services Framework Agreement, the provision of loans to the Parent Company and fellow subsidiaries are within the service scope of China Coal Finance provided to China Coal Group. Loans to the Parent Company and fellow subsidiaries are unsecured and repayable within 12 months from the end of the reporting period, bearing interest at rates ranging from 1.70%-2.95% (31 December 2024: ranging from 1.80%-3.20%) per annum.

Included in the carrying amount of the loans to the Parent Company and fellow subsidiaries as at 31 December 2025 is an allowance for expected credit losses of RMB210,051 thousand (31 December 2024: RMB172,570 thousand (restated)). Details of the impairment assessment are set out in Note 48.2.

(b) As the relevant legal procedures related to mining rights licences and land use rights are still in process, such payments are recorded as other non-current assets.

(c) As at 31 December 2025, a prepayment of RMB317,068 thousand to the Property Rights Trading Center was still outstanding for obtaining an additional coal production quota to improve coal production capacity, as the transaction was still under review by the energy administration department of the local government. The amount will be recognised as an intangible asset upon receiving the final approval from the energy administration department of the local government.

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28. INVENTORIES

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Coal	1,388,501	1,221,382
Coal mining machinery and equipment	2,916,615	3,436,118
Coal-chemical products	609,405	641,911
Auxiliary materials, spare parts and tools	<u>2,080,483</u>	<u>2,443,942</u>
	<u>6,995,004</u>	<u>7,743,353</u>

As at 31 December 2025, the allowance of impairment loss on inventories was RMB932,563 thousand (31 December 2024: RMB949,371 thousand).

29. TRADE RECEIVABLES AND NOTES RECEIVABLE/DEBT INSTRUMENTS AT FVTOCI

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i> (Restated)
Trade receivables (<i>notes (a), (b) and (c)</i>)	7,251,488	8,402,926
Notes receivable (<i>notes (f)</i>)	<u>64,908</u>	<u>90,607</u>
	<u>7,316,396</u>	<u>8,493,533</u>
Debt instruments at FVTOCI (<i>notes (d), (e) and (f)</i>)	<u>970,651</u>	<u>2,972,380</u>

Notes to the Consolidated Financial Statements

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29. TRADE RECEIVABLES AND NOTES RECEIVABLE/DEBT INSTRUMENTS AT FVTOCI (CONTINUED)

Notes:

(a) Trade receivables are analysed as follows:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Trade receivables:		
– Associates	388,803	470,745
– Joint ventures	31,329	2,387
– Parent Company and fellow subsidiaries	1,286,612	1,232,641
– Associates of the Parent Company	–	1,060
– Third parties	5,544,744	6,696,093
	<u>7,251,488</u>	<u>8,402,926</u>
Trade receivables, net	<u>7,251,488</u>	<u>8,402,926</u>

The following is an 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 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Within 6 months	4,388,718	5,974,666
Above 6 months – 1 year	949,346	437,222
1 – 2 years	1,113,857	1,350,520
2 – 3 years	475,078	560,505
Over 3 years	1,032,468	757,957
	<u>7,959,467</u>	<u>9,080,870</u>
Trade receivables, gross	<u>7,959,467</u>	<u>9,080,870</u>
Less: Allowance for credit losses	<u>(707,979)</u>	<u>(677,944)</u>
Trade receivables, net	<u>7,251,488</u>	<u>8,402,926</u>

The Group normally allows a credit period of 30 to 45 days to its trade customers in the Chinese mainland and no more than 6 months to 1 year to its overseas trade customers with good trading history.

As at 31 December 2025, the Group's trade receivables from the sale of electric power amounting to RMB217,479 thousand (31 December 2024: RMB301,793 thousand) and the corresponding contractual right on further sales of electric power were pledged to secure long-term bank loans amounting to RMB822,106 thousand (31 December 2024: RMB1,037,478 thousand).

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 48.2.

Notes to the Consolidated Financial Statements

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29. TRADE RECEIVABLES AND NOTES RECEIVABLE/DEBT INSTRUMENTS AT FVTOCI (CONTINUED)

Notes: (continued)

(b) The carrying amounts of trade receivables are denominated in the following currencies:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
RMB	7,246,333	8,394,035
United State Dollar ("USD")	5,155	8,891
	<u>7,251,488</u>	<u>8,402,926</u>

(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 2024: less than one year).

(e) As at 31 December 2025, there were no debt instruments at FVTOCI pledged to banks for issuing notes payable (31 December 2024: Nil).

(f) Transfers of financial assets

As at 31 December 2025, notes receivable endorsed but not matured amounting to RMB53,392 thousand (31 December 2024: RMB37,650 thousand) were not derecognised as the Group has not transferred the significant risks and rewards relating to these notes receivable.

As at 31 December 2025, notes receivable endorsed or discounted but not matured under debt instruments at FVTOCI amounting to RMB926,986 thousand (31 December 2024: RMB2,271,739 thousand) were derecognised. In accordance with the relevant laws in the PRC, the holders of these notes receivable 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 receivable, and accordingly derecognised the full carrying amounts of the notes receivable and associated trade payables. The maximum exposure to loss for the Group's continuing involvement, if any, in the endorsed and discounted notes receivable 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 receivable are not significant.

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For the year ended 31 December 2025

30. CONTRACT ASSETS

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Coal mining machinery and others	<u>2,457,022</u>	<u>2,389,502</u>

As at 31 December 2025, the allowance for expected credit loss on contract assets was RMB19,838 thousand (31 December 2024: RMB9,930 thousand).

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.

31. PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Advances to suppliers (note (a))	2,300,016	2,314,278
Other prepayments	–	8,163
Interest receivables	17,404	16,156
Dividend receivables	280,391	269,124
Loans to the Parent Company and fellow subsidiaries (note (b))	2,148,639	1,396,690
Value added tax related to contract assets	287,647	258,640
Deductible value added tax and others	1,015,574	834,599
Other amounts due from related parties, gross (note (c))	1,169,055	1,244,311
Other amounts due from third parties, gross (note (d))	<u>1,490,334</u>	<u>1,096,959</u>
Less: Allowance for credit losses	<u>(320,852)</u>	<u>(328,555)</u>
Prepayments and other receivables, net	<u>8,388,208</u>	<u>7,110,365</u>

Notes to the Consolidated Financial Statements

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31. PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Notes:

(a) Advances to suppliers are analysed as follows:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Advances to suppliers		
– Associates	93,480	84,738
– Parent Company and fellow subsidiaries	162,373	339,042
– Third parties	2,044,163	1,890,498
	<u>2,300,016</u>	<u>2,314,278</u>

Included in the carrying amount of advances to suppliers as at 31 December 2025 are accumulated impairment losses of RMB44,870 thousand (31 December 2024: RMB44,079 thousand).

(b) According to the Financial Services Framework Agreement, the provision of loans to the Parent Company and fellow subsidiaries are within the service scope of China Coal Finance provided to China Coal Group. Loans to the Parent Company and fellow subsidiaries are unsecured and repayable within 12 months from the end of the reporting period, bearing interest at rates ranging from 2.05% to 2.95% (2024: ranging from 2.50% to 3.30%) per annum.

The allowance for credit losses of loans to the Parent Company and fellow subsidiaries as at 31 December 2025 amounted to RMB27,591 thousand (31 December 2024: RMB15,803 thousand). Details of impairment assessment of loans to the Parent Company and fellow subsidiaries are set out in Note 48.2.

(c) Other amounts due from related parties are analysed as follows:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Other amounts due from related parties, gross		
– Associates	955,055	953,584
– Joint ventures	77,333	94,474
– Associates of the Parent Company	–	9,225
– Subsidiaries of the Parent Company	136,667	187,028
	<u>1,155,791</u>	<u>1,230,774</u>
Less: Allowance for credit losses	(13,264)	(13,537)
Other amounts due from related parties, net	<u>1,155,791</u>	<u>1,230,774</u>

Other amounts due from related parties are unsecured, interest-free and repayable on demand.

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31. PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

(d) Aging analysis of other amounts due from third parties is as follows:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Within 1 year	1,050,879	648,543
1 to 2 years	110,584	57,354
2 to 3 years	21,525	24,459
Over 3 years	307,346	366,603
Other amounts due from third parties, gross	1,490,334	1,096,959
Less: Allowance for credit losses	(279,997)	(299,215)
Other amounts due from third parties, net	<u>1,210,337</u>	<u>797,744</u>

Details of the impairment assessment of other receivables excluding loans to the Parent Company and fellow subsidiaries are set out in Note 48.2.

(e) The carrying amounts of other receivables approximate to their fair values.

(f) There is no collateral for other receivables.

(g) As at 31 December 2025, the other receivables were primarily denominated in RMB, excluding one item denominated in Japanese Yen, which amounted to RMB201 thousand (31 December 2024: RMB207 thousand).

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32. CASH AND BANK DEPOSITS

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Restricted bank deposits (<i>note (a)</i>)	11,482,439	10,548,876
Term deposits with initial terms of over three months (<i>note (b)</i>)	52,595,101	43,980,791
Cash and cash equivalents	24,639,831	29,823,501
– Cash on hand	18	14
– Deposits at banks (<i>note (c)</i>)	24,639,813	29,823,487
	<u>88,717,371</u>	<u>84,353,168</u>

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 2025, included in the restricted bank deposits were mandatory reserve deposits amounting to RMB4,708,046 thousand (31 December 2024: RMB4,357,124 thousand) set aside in the People's Bank of China.
- (b) At 31 December 2025, the interest rates of term deposits with initial terms over three months ranged from 1.10% to 2.97% (31 December 2024: 1.60% to 2.75%) 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 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
RMB	88,518,834	84,132,434
USD	183,004	201,287
Others	15,533	19,447
	<u>88,717,371</u>	<u>84,353,168</u>

The RMB is not freely convertible into other currencies, however, under the Chinese mainland'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.

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33. TRADE PAYABLES AND NOTES PAYABLE

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Trade payables (<i>note (a)</i>)	22,377,996	23,633,011
Notes payable	<u>1,897,489</u>	<u>3,440,527</u>
	<u>24,275,485</u>	<u>27,073,538</u>

Notes:

(a) Trade payables are analysed as follows:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Trade payables		
– Parent Company and fellow subsidiaries	4,349,524	3,455,873
– Joint ventures	109,059	82,205
– Associates	496,910	460,022
– Third parties	<u>17,422,503</u>	<u>19,634,911</u>
	<u>22,377,996</u>	<u>23,633,011</u>

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 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Less than 1 year	19,194,785	21,074,295
1 to 2 years	1,821,215	1,470,148
2 to 3 years	700,049	525,022
Over 3 years	<u>661,947</u>	<u>563,546</u>
	<u>22,377,996</u>	<u>23,633,011</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. TRADE PAYABLES AND NOTES PAYABLE (CONTINUED)

Notes: (continued)

(b) The carrying amounts of trade and notes payable are denominated in the following currencies:

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i> (Restated)
RMB	24,272,914	27,070,903
USD	2,571	2,635
	<u>24,275,485</u>	<u>27,073,538</u>

(c) The carrying amounts of trade and notes payable approximate to their fair values.

(d) As at 31 December 2025, there were no debt instruments at FVTOCI pledged to banks for issuing notes payable (31 December 2024: Nil) (Note 29(e)).

34. CONTRACT LIABILITIES

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Coal	1,514,717	2,481,911
Coal-chemical products	333,462	265,622
Coal mining equipment	427,523	579,056
Other	87,133	82,215
	<u>2,362,835</u>	<u>3,408,804</u>

Notes to the Consolidated Financial Statements

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34. CONTRACT LIABILITIES (CONTINUED)

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	Coal <i>RMB'000</i>	Coal-chemical products <i>RMB'000</i>	Coal mining equipment <i>RMB'000</i>	Total <i>RMB'000</i>
For the year ended 31 December 2025				
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>2,466,566</u>	<u>255,443</u>	<u>547,051</u>	<u>3,269,060</u>
	Coal <i>RMB'000</i>	Coal-chemical products <i>RMB'000</i>	Coal mining equipment <i>RMB'000</i>	Total <i>RMB'000</i>
For the year ended 31 December 2024				
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>3,429,577</u>	<u>377,482</u>	<u>1,119,489</u>	<u>4,926,548</u>

There is no revenue recognised from the performance obligation satisfied in prior periods.

The closing balance as at 31 December 2025 is expected to be settled in the following years:

	31 December 2025 <i>RMB'000</i>
2026	2,292,958
2027	15,979
On or for 2028	<u>53,898</u>
	<u>2,362,835</u>

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 9, the previously recognised contract liabilities are recognised as revenue.

For the coal mining equipment, 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 coal mining equipment is delivered to the customers, the previously recognised contract liabilities are recognised as revenue.

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35. OTHER PAYABLES AND ACCRUALS

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Payables for acquisition of subsidiaries	317,457	656,219
Dividends payable	1,170,891	1,544,772
Payables for site restoration and resident relocation compensation	153,616	228,040
Water resource compensation payable	114,652	133,543
Salaries and staff welfare payable	5,849,763	5,795,213
Interest payable	34,375	33,874
Commission payable	500	3,500
Payables for mining rights	223,891	62,000
Payables for the transfer of mining rights	1,762,390	5,057,210
Amount due to a non-controlling interest of a subsidiary	17,815	17,047
Contractors' deposits	422,857	435,023
Deposits from the Parent Company and fellow subsidiaries (note (a))	39,340,301	33,035,556
Other amounts due to related parties (note (b))	556,836	508,642
Other amounts due to third parties	2,486,493	3,149,182
Other tax payable	1,593,688	1,903,130
	<hr/>	<hr/>
Total	54,045,525	52,562,951

Notes:

- (a) The balance represents the deposits from the Parent Company, fellow subsidiaries and Guoyuan Times Coal Asset Management Co., Ltd., an 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 1.35% (31 December 2024: 0.1% to 2.15%) per annum.
- (b) Other amounts due to related parties are analysed below:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Amounts due to related parties, gross		
– The Parent Company	33,209	27,563
– Subsidiaries of the Parent Company	499,774	438,706
– Associates of the Parent Company	–	19,469
– Associates	23,605	21,802
– Joint ventures	248	1,102
	<hr/>	<hr/>
	556,836	508,642

Amounts due to related parties are unsecured, interest-free and payable on demand.

- (c) The carrying amounts of other payables and accruals approximate to their fair values.

Notes to the Consolidated Financial Statements

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36. LEASE LIABILITIES

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Lease liabilities payable:		
– Within one year	118,453	91,995
– Within a period of more than one year but not exceeding two years	189,379	97,689
– Within a period of more than two years but not exceeding five years	364,820	385,698
– Within a period of more than five years	<u>168,167</u>	<u>244,345</u>
Subtotal	<u>840,819</u>	<u>819,727</u>
Less: Amount due for settlement with 12 months shown under current liabilities	<u>(118,453)</u>	<u>(91,995)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u><u>722,366</u></u>	<u><u>727,732</u></u>

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37. BORROWINGS

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Short-term borrowings		
Bank loans and loans from other financial institutions		
– Secured (<i>note (c)</i>)	20,778	–
– Pledged loan (<i>note (d)</i>)	52,227	–
– Unsecured	972,600	1,062,460
	<u>1,045,605</u>	<u>1,062,460</u>
Subtotal		
	<u>1,045,605</u>	<u>1,062,460</u>
Loans from non-controlling interest's shareholder		
– Unsecured	–	53,000
	<u>–</u>	<u>53,000</u>
Total	<u>1,045,605</u>	<u>1,115,460</u>
Long-term borrowings		
Bank loans and loans from other financial institutions		
– Pledged loan (<i>note (e)</i>)	822,106	1,037,478
– Unsecured	57,826,781	50,591,338
	<u>58,648,887</u>	<u>51,628,816</u>
Subtotal		
	<u>58,648,887</u>	<u>51,628,816</u>
Loans from non-controlling interests' shareholders		
– Unsecured	172,135	180,270
	<u>172,135</u>	<u>180,270</u>
Loans from the Parent Company		
– Unsecured	401,286	405,725
	<u>401,286</u>	<u>405,725</u>
Total	<u>59,222,308</u>	<u>52,214,811</u>
Less: Amount due within one year shown under current liabilities	<u>(21,246,852)</u>	<u>(11,869,050)</u>
Non-current portion	<u>37,975,456</u>	<u>40,345,761</u>
Total short-term and long-term borrowings	<u><u>60,267,913</u></u>	<u><u>53,330,271</u></u>

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37. BORROWINGS (CONTINUED)

Notes:

- (a) The exposures of the Group's borrowings are as follows:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Fixed-rate borrowings	286,341	2,035,994
Variable-rate borrowings	59,981,572	51,294,277
	60,267,913	53,330,271

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 2025	As at 31 December 2024
Fixed-rate borrowings	2.13% to 4.75%	1.95% to 5.22%
Variable-rate borrowings	1.85% to 4.05%	1.75% to 4.50%

- (b) As at 31 December 2025 and 2024, all borrowings were denominated in RMB.
- (c) As at 31 December 2025, the Group's bank borrowings of RMB20,778 thousand were secured by mortgage over machinery and equipment with a carrying value of RMB181,919 thousand (original cost of RMB245,765 thousand).
- (d) As at 31 December 2025, the Group's contractual rights on future receivables from providing a lease of coal machinery and the corresponding repair and maintenance services between the Group's subsidiaries were pledged to secure bank loans amounting to RMB52,227 thousand.
- (e) As at 31 December 2025, the Group's trade receivables from the sale of electric power amounting to RMB217,479 thousand (31 December 2024: RMB301,793 thousand) and the corresponding contractual rights on future sales of electric power were pledged to secure long-term bank loans amounting to RMB822,106 thousand (31 December 2024: RMB1,037,478 thousand).

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38. LONG-TERM BONDS

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Bonds payable:		
– medium-term notes	3,602,124	5,135,148
– corporate bonds	6,892,167	5,107,185
Commission payable	<u>500</u>	<u>4,000</u>
	<u>10,494,791</u>	<u>10,246,333</u>
Less: Current portion of bonds payable	3,199,649	4,748,680
Current portion of commission payable	<u>500</u>	<u>3,500</u>
Non-current portion	<u>7,294,642</u>	<u>5,494,153</u>

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.

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38. LONG-TERM BONDS (CONTINUED)

Notes:

- (a) On 22 April 2021, the Company issued 30,000,000 medium-term notes with a par value of RMB100 each and received total proceeds of RMB3,000,000 thousand. 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. As at 31 December 2025, the remaining balance was reclassified to the current portion of bonds payable.
- (b) On 9 April 2020, the Company issued 5,000,000 medium-term notes with a par value of RMB100 each and received total proceeds of RMB500,000 thousand. 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 seven years. The effective interest rate is 3.38% per annum.

In addition, the Company is obliged to pay RMB3,500 thousand to the underwriter as the underwriting commission, which is payable in seven instalments of RMB500 thousand annually. As agreed with the underwriter, the first instalment of RMB500 thousand was paid on 9 April 2020 when the transaction was completed and the same amount is payable on 9 April in each of the following six years.

- (c) On 15 July 2024, the Company issued 20,000,000 corporate bonds with a par value of RMB100 each and received net proceeds of RMB1,998,400 thousand after deducting the underwriting commission of RMB1,600 thousand. 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, and the interest charge will be paid on 16 July annually. The effective interest rate is 2.59% per annum.
- (d) On 11 March 2025, the Company issued 15,000,000 corporate bonds with a par value of RMB100 each and received net proceeds of RMB1,498,868 thousand after deducting the underwriting commission of RMB1,132 thousand. The bonds are fully repayable on 11 March 2030 when they become due. These bonds carry a coupon rate of 2.33% per annum with terms of 5 years, and the interest charge will be paid on 12 March annually. The effective interest rate is 2.59% per annum.
- (e) On 11 March 2025, the Company issued 13,000,000 corporate bonds with a par value of RMB100 each and received net proceeds of RMB1,299,019 thousand after deducting the underwriting commission of RMB981 thousand. The bonds are fully repayable on 11 March 2040 when they become due. These bonds carry a coupon rate of 2.60% per annum with terms of 15 years, and the interest charge will be paid on 12 March annually. The effective interest rate is 2.61% per annum.
- (f) On 22 July 2025, the Company issued 5,000,000 corporate bonds with a par value of RMB100 each and received net proceeds of RMB499,624 thousand after deducting the underwriting commission of RMB376 thousand. The bonds are fully repayable on 24 July 2030 when they become due. These bonds carry a coupon rate of 1.76% per annum with terms of 5 years, and the interest charge will be paid on 24 July annually. The effective interest rate is 1.78% per annum.
- (g) On 22 July 2025, the Company issued 15,000,000 corporate bonds with a par value of RMB100 each and received net proceeds of RMB1,498,871 thousand after deducting the underwriting commission of RMB1,129 thousand. The bonds are fully repayable on 24 July 2040 when they become due. These bonds carry a coupon rate of 2.14% per annum with terms of 15 years, and the interest charge will be paid on 24 July annually. The effective interest rate is 2.15% per annum.

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Interest payable for long-term bonds	<u>200,400</u>	<u>249,183</u>

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39. 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 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position	3,283,781	2,764,995
Net deferred tax liabilities recognised in the consolidated statement of financial position	<u>(4,394,834)</u>	<u>(4,443,628)</u>
Net deferred tax liabilities	<u><u>(1,111,053)</u></u>	<u><u>(1,678,633)</u></u>

The movements in net deferred tax liabilities are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Beginning of the year	(1,678,633)	(2,100,664)
Credited to profit or loss (<i>Note 16</i>)	508,134	299,535
Credited to other comprehensive income (<i>Note 16</i>)	<u>59,446</u>	<u>122,496</u>
End of the year	<u><u>(1,111,053)</u></u>	<u><u>(1,678,633)</u></u>

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39. 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 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
(Charged)/Credited to profit or loss	(2,903)	(33,608)	98,610	60,187	5,790	-	(11,291)	-	(137,687)	(20,902)
(Charged)/Credited to other comprehensive income	-	-	-	-	-	-	-	(1,579)	29,851	28,272
At 31 December 2025	28,618	825,804	161,163	256,941	960,748	58,277	1,080,641	2,433	1,532,193	4,906,818

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 RMB7,345,155 thousand (2024: RMB7,327,714 thousand) and tax losses of RMB7,809,310 thousand (2024: RMB8,381,302 thousand) as at 31 December 2025. The accumulated tax losses will expire between 2025 and 2030 (2024: between 2025 and 2029). 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39. DEFERRED INCOME TAX (CONTINUED)

Tax losses that have not been recognised as deferred tax assets will expire in the following years:

	31 December 2025 RMB'000	31 December 2024 RMB'000
2025	–	1,763,964
2026	2,144,887	2,249,641
2027	1,628,035	1,628,035
2028	1,330,418	1,330,418
2029	1,405,285	1,409,244
2030	1,300,685	–
	<u>7,809,310</u>	<u>8,381,302</u>

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 2023	<u>(447,654)</u>	<u>(483,360)</u>	<u>(4,435,413)</u>	<u>(173,282)</u>	<u>(1,022,586)</u>	<u>(6,562,295)</u>
(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	<u>(486,220)</u>	<u>(459,522)</u>	<u>(4,379,959)</u>	<u>(45,413)</u>	<u>(1,206,967)</u>	<u>(6,578,081)</u>
(Charged)credited to profit or loss	(5,809)	332,260	63,691	–	138,894	529,036
Charged to other comprehensive income	–	–	–	31,174	–	31,174
At 31 December 2025	<u>(492,029)</u>	<u>(127,262)</u>	<u>(4,316,268)</u>	<u>(14,239)</u>	<u>(1,068,073)</u>	<u>(6,017,871)</u>

Note:

Pursuant to certain regulations of the PRC government, the Group is required to set aside amounts for the renovation and reformation fund (Note 44 (b)), safety fund (Note 44 (c)), transformation and environmental restoration fund (Note 44 (d) (i)) and sustainable development fund (Note 44 (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 fund and safety fund are no longer tax deductible when they are set aside but are 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.

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40. PROVISION FOR CLOSE DOWN, RESTORATION AND ENVIRONMENTAL COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Beginning of the year	6,869,324	5,930,461
Interest charge on unwinding of discounts	141,558	154,739
Provision	13,133	971,065
Payments	(288,448)	(186,941)
Write-back of unused provisions	(476,788)	–
End of the year	<u>6,258,779</u>	<u>6,869,324</u>
Less: current portion	<u>(55,951)</u>	<u>(96,501)</u>
Non-current portion	<u><u>6,202,828</u></u>	<u><u>6,772,823</u></u>

41. 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 RMB95,863 thousand (2024: RMB81,934 thousand) have been received in the current year.

42. OTHER LONG-TERM LIABILITIES

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Payables for mining rights (<i>note (a)</i>)	975,521	983,202
Payables for the transfer of mining rights (<i>note (b)</i>)	5,238,934	8,194,635
Payables for the acquisition of subsidiaries (<i>note (c)</i>)	–	342,370
Others	<u>56,405</u>	<u>68,068</u>
	<u>6,270,860</u>	<u>9,588,275</u>
Less: Current portion of payables for mining rights	(82,129)	(62,000)
Current portion of payables for the transfer of mining rights	(1,573,784)	(4,500,564)
Current portion of payables for the acquisition of subsidiaries	<u>–</u>	<u>(342,370)</u>
	<u><u>4,614,947</u></u>	<u><u>4,683,341</u></u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

42. 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 instalments. 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 was RMB4,272,294 thousand in the year ended 31 December 2019, which shall be paid by instalments within the effective period of mining rights and RMB589,949 thousand that will be paid within one year is included in other payables.

Yihua Mining, a subsidiary of the Group entered into a 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 was RMB3,388,697 thousand in the year ended 31 December 2023, which shall be paid by instalments within the effective period of mining rights and RMB910,615 thousand 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 a mining rights transfer contract with the Natural Resources Department of Xinjiang Uygur Autonomous Region. The total amount of the mining rights transfer contract was RMB1,068,223 thousand, which shall be paid by instalments within the effective period of mining rights and RMB58,350 thousand that will be paid within one year is included in other payables.

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 was RMB539,384 thousand, which shall be paid by instalments within the effective period of mining rights and RMB14,870 thousand that will be paid within one year is included in other payables.

- (c) Payable for the acquisition of subsidiaries arose from the transaction that the Company's subsidiary, Pingshuo Group, acquired a 100% equity interest in 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, and the amount was fully paid during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

43. SHARE CAPITAL

	Number of shares (thousands)	Share capital RMB'000
At 31 December 2025:		
Domestic shares ("A shares") of RMB1.00 each		
– held by China Coal Group	7,615,522	7,615,522
– held by other shareholders	1,536,478	1,536,478
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
	<u>13,258,663</u>	<u>13,258,663</u>
	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
	<u>13,258,663</u>	<u>13,258,663</u>

During 2025, the Group traded through centralised bidding through the Shanghai Stock Exchange, increased its holdings of 4,314,300 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 2025 and 2024, China Coal Hong Kong Company Limited, a wholly-owned subsidiary of China Coal Group, held approximately 132,351 thousand H Shares of the Company, representing approximately 1.00% of the Company's total share capital.

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44. RESERVES AND RETAINED EARNINGS

	Capital reserve <i>RMB'000</i>	Statutory reserve funds <i>RMB'000</i> <i>(note a)</i>	General reserve <i>RMB'000</i>	Renovation and reformation fund <i>RMB'000</i> <i>(note b)</i>	Safety fund <i>RMB'000</i> <i>(note c)</i>	Other funds related to coal mining <i>RMB'000</i> <i>(note d)</i>	Translation reserve <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total <i>RMB'000</i>
At 31 December 2023 as previously reported	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
Acquisition of a subsidiary under common control <i>(Note 3)</i>	119,000	-	-	-	-	-	-	-	(369)	118,631
At 1 January 2024 (restated)	<u>31,669,124</u>	<u>6,629,332</u>	<u>1,268,012</u>	<u>3,221,254</u>	<u>3,547,877</u>	<u>54,016</u>	<u>(77,639)</u>	<u>7,149,889</u>	<u>77,280,477</u>	<u>130,742,342</u>
Profit for the year (restated)	-	-	-	-	-	-	-	-	18,118,939	18,118,939
Other comprehensive loss, net of tax	-	-	-	-	-	-	(33,029)	(330,954)	-	(363,983)
Appropriations (restated)	-	-	101,559	(755,535)	(421,657)	(19,953)	-	-	1,095,586	-
Share of other changes in 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	-	-	-	-	-	-	-	71,111	-	71,111
Contributions from and transactions within non-controlling interests	-	-	-	-	-	-	-	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 (restated)	<u>31,669,124</u>	<u>6,629,332</u>	<u>1,369,571</u>	<u>2,465,719</u>	<u>3,126,220</u>	<u>34,063</u>	<u>(111,725)</u>	<u>7,144,080</u>	<u>86,203,832</u>	<u>138,530,216</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

44. RESERVES AND RETAINED EARNINGS (CONTINUED)

	Capital reserve RMB'000	Statutory reserve funds RMB'000	General reserve RMB'000	Renovation and reformation fund RMB'000	Safety fund RMB'000	Other funds related to coal mining RMB'000	Translation reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
		(note a)		(note b)	(note c)	(note d)				
At 31 December 2024 as previously reported	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
Acquisition of a subsidiary under common control (Note 3)	119,000	-	-	-	102	-	-	-	(37,520)	81,582
At 1 January 2025 (restated)	<u>31,669,124</u>	<u>6,629,332</u>	<u>1,369,571</u>	<u>2,465,719</u>	<u>3,126,220</u>	<u>34,063</u>	<u>(111,725)</u>	<u>7,144,080</u>	<u>86,203,832</u>	<u>138,530,216</u>
Profit for the year	-	-	-	-	-	-	-	-	14,497,092	14,497,092
Other comprehensive loss, net of tax	-	-	-	-	-	-	12,749	(241,322)	-	(228,573)
Appropriations	-	-	12,929	(1,478,415)	(2,148,390)	(19,787)	-	-	3,633,663	-
Share of other changes in reserves of associates and joint ventures	-	-	-	-	-	-	-	(174,822)	176,515	1,693
Acquisition of non-controlling interests (note e)	-	-	-	-	-	-	-	6,894	-	6,894
Dividends	-	-	-	-	-	-	-	-	(5,621,673)	(5,621,673)
Acquisition of a subsidiary under common control (Note 3)	-	-	-	-	-	-	-	(78,525)	-	(78,525)
At 31 December 2025	<u>31,669,124</u>	<u>6,629,332</u>	<u>1,382,500</u>	<u>987,304</u>	<u>977,830</u>	<u>14,276</u>	<u>(98,976)</u>	<u>6,656,305</u>	<u>98,889,429</u>	<u>147,107,124</u>

Notes:

(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 until the 50% threshold mentioned above is reached. 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 fixed 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, to ensure the continuous and stable 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

44. RESERVES AND RETAINED EARNINGS (CONTINUED)

Notes: (continued)

(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 funds

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 amounts to a coal mine industry transformation fund and an environmental restoration fund at RMB5 and RMB10 per ton of raw coal mined, respectively. According to the relevant rules, such funds 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 funds to retained earnings.

Pursuant to a regulation issued by the Shanxi provincial government, transformation and environmental restoration funds were 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.

(e) Acquisition of non-controlling interests

(i) Pingshuo Group controlled and held a 70% equity interest in Shanxi Zhongmei Pingshuo New Energy Co., Ltd. (“Pingshuo New Energy”). In December 2025, Pingshuo Group acquired an additional 30% equity interest in Pingshuo New Energy from the non-controlling shareholder at a consideration of RMB114,930 thousand. The Company recognised the excess of this consideration over the carrying amount of the 30% share of Pingshuo New Energy’s net assets amounting to RMB8,766 thousand as a decrease in other reserves.

(ii) During the year, the Company gradually acquired an additional 0.35% equity interest in Shanghai Energy Company and increased its ownership interest in Shanghai Energy Company from 62.43% to 62.78%. A cash consideration of RMB30,085 thousand was paid to the non-controlling shareholders. The Company recognised the excess of the carrying amount of the 0.35% share of Shanghai Energy Company’s net assets over this cash consideration amounting to RMB15,660 thousand as an increase in other reserves.

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45. 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 Yihe Hongtai became a subsidiary. Thereafter in 2021, Wushenqi State-owned Assets Investment and Management Co., LTD. (“Wushenqi”) launched claims to Yinhe Hongtai regarding the contract entered into 26 July 2007 for the transfer of a relevant mining right to Yinhe Hongtai. Wushenqi claimed that the contract was invalid as this transfer of mining right violated the relevant rules and regulations of the Inner Mongolia Autonomous Region and it was determined to be below the required minimum transfer price for high-quality thermal coal. Yinhe Hongtai has been sued for the difference between the required minimum prices and the actual transfer consideration 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 consideration. In October 2023, Yinhe Hongtai received a retrial judgment that upheld the original verdict. On 15 May 2024, the Intermediate People’s Court of Ordos City organised bilateral mediation. As at the date of the approval of this financial statements, the mediation are still in the process. The Group will continue following up on the latest progress of this case to assess the potential impact.

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46. CASH GENERATED

46.1 Reconciliation of profit before income tax to cash generated from operations

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Restated)
Profit before income tax	22,281,333	30,279,435
Adjustments for:		
Depreciation charge	8,965,076	8,618,983
Amortisation charge	1,948,302	1,825,136
Provision for impairment of property, plant and Equipment	3,123	12,198
Provision for impairment of prepayments	830	1,854
Provision for impairment of inventories	105,395	444,813
Impairment loss, net of reversal		
– Receivables	25,943	98,843
– Loans to the Parent Company and fellow subsidiaries	49,269	65,174
– Contract assets	15,131	5,214
– Debt instruments at FVTOCI	(2,016)	2,016
Net gains on disposals of property, plant and equipment, land use rights and right of use assets	(9,699)	(13,457)
Share of profits of associates and joint ventures	(2,029,836)	(2,551,945)
Effect of foreign exchange rate changes	(25,424)	(25,381)
Interest income on term deposits with initial terms of over three months and loans to joint ventures and associates	(100,066)	(98,909)
Interest expense	2,099,062	2,556,308
Dividend income	(12,400)	(5,410)
	<hr/>	<hr/>
Operating cash flows before movement in working capital	33,314,023	41,214,872
Changes in working capital:		
Decrease in inventories	792,744	679,432
Decrease/(increase) in trade receivables and debt instruments at FVTOCI	768,659	(3,281,805)
Increase in contract assets	(82,651)	(58,467)
(Increase)/decrease in prepayments and other receivables	(352,677)	366,613
Increase in restricted bank deposits	(933,563)	(621,880)
Decrease/(increase) in trade and notes payable	(2,260,320)	1,399,665
Decrease in contract liabilities	(1,045,969)	(1,631,417)
Increase in accruals, advances and other payables	4,558,363	3,043,455
	<hr/>	<hr/>
Cash generated from operations	34,758,609	41,110,468

Notes to the Consolidated Financial Statements

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46. CASH GENERATED (CONTINUED)

46.2 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	Bonds	Other	Lease	Total
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
	<i>(Note 37)</i>	<i>(Note 38)</i>	<i>(Note a)</i>	<i>(Note 36)</i>	
At 1 January 2024 (restated)	59,417,371	13,318,127	102,003	823,196	73,660,697
New bonds and borrowings	14,836,760	2,000,000	–	–	16,836,760
Repayment of bonds and borrowings (restated)	(20,757,315)	(5,000,000)	–	–	(25,757,315)
Dividend and interest paid (restated)	(2,322,025)	(75,925)	(13,312,846)	–	(15,710,796)
Bonds commission fee paid	–	–	(5,000)	–	(5,000)
Finance costs (restated)	2,155,480	4,131	506	35,307	2,195,424
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)
	<u>53,330,271</u>	<u>10,242,833</u>	<u>1,579,276</u>	<u>819,727</u>	<u>65,972,107</u>
At 31 December 2024 (restated)	<u>53,330,271</u>	<u>10,242,833</u>	<u>1,579,276</u>	<u>819,727</u>	<u>65,972,107</u>
New bonds and borrowings	20,822,487	4,800,000	(4,491)	–	25,617,996
Repayment of bonds and borrowings	(13,703,139)	(4,500,000)	–	–	(18,203,139)
Dividend and interest paid	(1,936,518)	(48,280)	(9,226,460)	–	(11,211,258)
Bonds commission fee paid	–	–	(3,500)	–	(3,500)
Finance costs	1,754,812	238	–	37,501	1,792,551
Dividend declared	–	–	8,852,579	–	8,852,579
Repayments of leases liabilities	–	–	–	(153,355)	(153,355)
Addition of lease liabilities	–	–	–	135,715	135,715
Transfer	–	(500)	500	–	–
Others	–	–	–	1,231	1,231
	<u>60,267,913</u>	<u>10,494,291</u>	<u>1,197,904</u>	<u>840,819</u>	<u>72,800,927</u>
At 31 December 2025	<u>60,267,913</u>	<u>10,494,291</u>	<u>1,197,904</u>	<u>840,819</u>	<u>72,800,927</u>

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46. CASH GENERATED (CONTINUED)

46.2 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 2025 and 2024 include:

The Group endorsed bank acceptance notes amounting to RMB820,264 thousand (2024: RMB1,233,636 thousand) 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 RMB135,715 thousand (2024: RMB208,751 thousand), in respect of lease arrangements.

47. FINANCIAL GUARANTEE CONTRACTS

The Group has guaranteed the bank loans of a related party 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:

		As at 31 December 2025 Face value RMB'000	As at 31 December 2024 Face value RMB'000
Bank loans of:			
– A related party (<i>Note 51</i>)	2035	820,786	947,426
– Third party (<i>note(b)</i>)	2045	274,400	294,400
Total		<u>1,095,186</u>	<u>1,241,826</u>

Note:

- (a) As at 31 December 2025, the Group provides joint and several liability guarantees in proportion to the Group's equity interests in the guaranteed parties for those guaranteed debts listed above, with corresponding counter-guarantees provided by the guaranteed parties.
- (b) 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.

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48. FINANCIAL RISK MANAGEMENT

48.1 Categories of financial instruments

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i> (Restated)
Finance Assets		
Financial assets at fair value through Other comprehensive income:		
Equity instruments at FVTOCI	2,300,287	2,414,434
Debt instruments at FVTOCI	970,651	2,972,380
Financial assets at amortised cost:		
Trade and notes receivable	7,316,396	8,493,533
Other receivables	2,161,509	2,195,058
Loans to the Parent Company and fellow subsidiaries	12,348,252	10,132,248
Restricted bank deposits and term deposits over three months	64,077,540	54,529,667
Cash and cash equivalents	24,639,831	29,823,501
Total	<u>113,814,466</u>	<u>110,560,821</u>
	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i> (Restated)
Finance Liabilities		
Financial liabilities at amortised cost		
– Borrowings	60,267,913	53,330,271
– Bonds	10,494,791	10,246,333
– Trade and other payables	70,818,859	71,749,101
– Other long-term liabilities (<i>note</i>)	6,194,326	9,177,837
Total	<u>147,775,889</u>	<u>144,503,542</u>

Note: Including other long-term liabilities due within one year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.2 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 2025.

(a) *Market risk*

(i) Foreign currency risk

The Group's operations such as export sales, imports of machinery and equipment, foreign currency deposits (Note 32 (c)), trade receivables (Note 29 (b)) and trade and notes payable (Note 33 (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 2025 would have increased/decreased by RMB18,559 thousand (2024: RMB21,018 thousand), 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 (2024: 50 basis points) higher/lower with all other variables held constant, post-tax profit for 2025 would have been lower/higher by RMB293,244 thousand (2024: RMB256,934 thousand) after consideration of capitalisation of interest expenses.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.2 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 2025, 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 47. 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 contracts

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 issuers' credit ratings, and receives the acceptance notes from issuers with good credit ratings.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.2 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 2025:

	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	970,651	–	–	970,651
Financial assets at amortised cost:				
Trade and notes receivables (note ii)	64,908	7,837,157	122,310	8,024,375
Other receivables	652,738	1,579,455	232,038	2,464,231
Loans to the Parent Company and fellow subsidiaries	12,585,894	–	–	12,585,894
Restricted bank deposits and term deposits over three months	64,077,540	–	–	64,077,540
Cash and cash equivalents	24,639,831	–	–	24,639,831
Other items subject to ECL				
Contract assets (note ii)	N/A	2,476,860	–	2,476,860
Finance lease receivables (note ii)	N/A	150,630	–	150,630
Financial guarantee contracts (note i)	1,095,186	–	–	1,095,186

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.2 Financial risk management objectives and policies (continued)

Financial risk factors (continued)

(b) Credit risk and impairment assessment (continued)

As at 31 December 2024 (restated):

	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 (<i>note ii</i>)	90,607	8,958,560	122,310	9,171,477
Other receivables	945,957	1,323,543	247,772	2,517,272
Loans to the Parent Company and fellow subsidiaries	10,320,621	–	–	10,320,621
Restricted bank deposits and term deposits over three months	54,529,667	–	–	54,529,667
Cash and cash equivalents	29,823,501	–	–	29,823,501
Other items subject to ECL				
Contract assets (<i>note ii</i>)	N/A	2,399,432	–	2,399,432
Finance lease receivables (<i>note ii</i>)	N/A	242,808	–	242,808
Financial guarantee contracts (<i>note i</i>)	1,241,826	–	–	1,241,826

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 receivable, finance lease receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL.

Notes to the Consolidated Financial Statements

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48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.2 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 2024	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)
	<u>302,174</u>	<u>385,700</u>	<u>687,874</u>
As at 31 December 2024	302,174	385,700	687,874
– Impairment losses recognised	64,030	–	64,030
– Impairment losses reversed	(2,613)	(4,640)	(7,253)
– Write offs	(29)	(16,890)	(16,919)
– Others	–	85	85
	<u>363,562</u>	<u>364,255</u>	<u>727,817</u>
As at 31 December 2025	363,562	364,255	727,817

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.

Notes to the Consolidated Financial Statements

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48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.2 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 <i>RMB'000</i>	Lifetime ECL (not credit- impaired) <i>RMB'000</i>	Lifetime ECL (credit- impaired) <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2024	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
	<u>260,929</u>	<u>15,553</u>	<u>238,312</u>	<u>514,794</u>
As at 31 December 2024	<u>260,929</u>	<u>15,553</u>	<u>238,312</u>	<u>514,794</u>
– Impairment losses recognised	46,566	9	249	46,824
– Impairment losses reversed	(1,506)	(25)	(15,982)	(17,513)
– Write-offs	(3,827)	–	–	(3,827)
– Others	–	39	–	39
	<u>302,162</u>	<u>15,576</u>	<u>222,579</u>	<u>540,317</u>
As at 31 December 2025	<u>302,162</u>	<u>15,576</u>	<u>222,579</u>	<u>540,317</u>

(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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.2 Financial risk management objectives and policies (continued)

Financial risk factors (continued)

(c) *Liquidity risk (continued)*

Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facilities and cash and cash equivalents (Note (32)) on the basis of expected cash flows.

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 <i>RMB'000</i>	Less than 1 year <i>RMB'000</i>	Between 1 and 2 years <i>RMB'000</i>	Between 2 and 5 years <i>RMB'000</i>	Over 5 years <i>RMB'000</i>	Total <i>RMB'000</i>	Carrying amount <i>RMB'000</i>
At 31 December 2025							
Borrowings	2.36%	23,570,702	16,772,658	18,427,754	5,739,571	64,510,685	60,267,913
Bonds	2.55%	3,224,297	666,493	2,454,739	5,876,231	12,221,760	10,494,791
Trade and other payables	N/A	70,980,158	-	-	-	70,980,158	70,818,859
Other long-term liabilities	N/A	-	362,987	1,088,961	5,505,639	6,957,587	6,194,326
Lease liabilities	N/A	174,489	228,758	395,353	172,098	970,698	840,819
Financial guarantees	N/A	1,095,186	-	-	-	1,095,186	-
Total		<u>99,044,832</u>	<u>18,030,896</u>	<u>22,366,807</u>	<u>17,293,539</u>	<u>156,736,074</u>	<u>148,616,708</u>
At 31 December 2024 (Restated)							
Borrowings	2.65%	14,146,455	22,948,224	15,034,803	4,269,780	56,399,262	53,330,271
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	71,971,328	-	-	-	71,971,328	71,749,101
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		<u>92,235,542</u>	<u>26,575,357</u>	<u>17,247,840</u>	<u>12,843,419</u>	<u>148,902,158</u>	<u>145,323,269</u>

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 47.

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48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.3 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 2025 RMB'000	31 December 2024 RMB'000	Fair value hierarchy	Valuation technique(s) and key input(s)
1) Listed equity Instruments at FVTOCI	5,173	5,102	Level 1	Quoted bid prices in an active market
2) Debt instruments at FVTOCI	970,651	2,972,380	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	2,295,114	2,409,332	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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.3 Fair value estimation (continued)

(ii) Reconciliation of Level 3 fair value measurements of financial assets

Unlisted equity instruments at FVTOCI

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Beginning of the year	2,409,332	2,861,220
Additions	200,000	1,000
Deductions	–	(281)
Fair value change recognised in other comprehensive income	<u>(314,218)</u>	<u>(452,607)</u>
End of the year	<u><u>2,295,114</u></u>	<u><u>2,409,332</u></u>

Included in other comprehensive income is a loss of RMB314,218 thousand (2024: loss of RMB452,607 thousand) 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 2025		As at 31 December 2024	
	Carrying amount <i>RMB'000</i>	Fair value <i>RMB'000</i>	Carrying amount <i>RMB'000</i>	Fair value <i>RMB'000</i>
Long-term bonds (including amounts due within one year) (Level 1)	<u>7,294,642</u>	<u>7,366,906</u>	<u>5,494,153</u>	<u>5,668,761</u>

The fair value of long-term bonds was based on quoted market price.

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49. 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 2025 and 2024 were as follows:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Total borrowings, bonds and deposits from the Parent Company and fellow subsidiaries	110,102,505	96,608,660
Less: Cash and cash equivalents	(24,639,831)	(29,823,501)
Net debt	85,462,674	66,785,159
Total equity	200,841,910	192,110,281
Total capital	286,304,584	258,895,440
Gearing ratio	30%	26%

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50. 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 2025 RMB'000	As at 31 December 2024 RMB'000
Property, plant and equipment	11,662,632	13,508,372
Mining rights	235,000	235,000
	<u>11,897,632</u>	<u>13,743,372</u>

(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 2025 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 2025 and is committed to a further investment of RMB32 million in the future.

According to the agreement entered into in October 2025, Central Enterprise Strategic Emerging Industry Development Fund Co., Ltd. (“Zhanxin Fund”) was established by the Company, China Guoxin Holdings Co., Ltd., Beijing Financial Street Capital Operation Group Co., Ltd. and nine other independent parties. As a 1.96078% shareholder, the Company has invested RMB200 million in Zhanxin Fund as at 31 December 2025 and is committed to a further investment of RMB800 million by instalments in the future.

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51. 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 2025 and 2024.

(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	
	2025 RMB'000	2024 RMB'000 (Restated)
Transactions with the Parent Company and fellow subsidiaries		
<i>Integrated Materials and Services Mutual Provision* (note (i)):</i>		
Purchase of production materials, machinery and equipment from the Parent Company and fellow subsidiaries	5,639,386	5,433,897
Charges for social and support services provided by the Parent Company and fellow subsidiaries	80,359	69,411
Sale of production materials, machinery and equipment to the Parent Company and fellow subsidiaries	6,105,254	8,698,071
Agency fees for coal export and sales to the Parent Company	4,350	6,963
Mine Construction, Design and General Contracting Services* (note (ii)):		
Charges for mine construction and design services provided by the Parent Company and fellow subsidiaries	2,835,450	2,642,702
Leasing:		
Property leasing service received from the Parent Company and fellow subsidiaries** (note (iii))	108,715	69,332
Property leasing service provided to the Parent Company and fellow subsidiaries** (note (iii))	3,868	3,917
Finance leasing services provided to the Parent Company and fellow subsidiaries** (note (iv))	13,506	–
Interest income related to other finance leasing services provided to the Parent Company and fellow subsidiaries	17,298	19,174
Coal Supplies* (note (v))		
Coal purchased from the subsidiaries of the Parent Company	9,771,378	15,076,263

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

51. 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	
	2025 RMB'000	2024 RMB'000 (Restated)
Financial services* (note (vi))		
Loans provided to the Parent Company and fellow subsidiaries	4,734,424	4,004,869
Loans repayment received from the Parent Company and fellow subsidiaries	2,470,099	910,039
Deposits received from the Parent Company and fellow subsidiaries	6,374,879	4,044,818
Interest paid or payable to the Parent Company and fellow subsidiaries	300,708	326,819
Interest received or receivable from the Parent Company and fellow subsidiaries	274,702	230,167
Charges for providing financial services	439	554
Entrusted loans repayment to the Parent Company	405,725	–
Entrusted loans provided by the Parent Company	401,286	–
Interest paid or payable arising from entrusted loans entrusted by the Parent Company	11,718	17,131
Fee paid for use of trademark (note (vii))	RMB1	RMB1

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

51. 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	
	2025 RMB'000	2024 RMB'000
Transactions with associates of the Group:		
Sales and services provided:		
Sales of machinery and equipment	178,537	123,748
Sales of materials and spare parts	55,301	18,797
Railway rental income	150,001	149,537
Income from providing labour services	5,977	6,140
Sales of coal	2,856,955	3,580,795
Sales of production material and ancillary services	154,096	119,195
Purchases of goods and services:		
Purchases of coal	3,581,602	5,679,226
Purchases of materials and spare parts	254,815	319,225
Purchases of transportation services	1,862,495	1,963,088
Purchase of machinery and equipment	188,546	–
Receipt of railway custody service	458,574	497,290
Receipt of labor services	44,757	–
Financial services:		
Interest income on provision of loans and entrusted loans	26,527	28,182
Transactions with Guoyuan Times Coal Asset Management Co., Ltd, and its subsidiaries		
Income from providing production materials and auxiliary services	295	6,103
Sales of machinery and equipment	–	4,514
Sales of materials and spare parts	–	83
Purchases of coal	–	770,217
Customer deposits (decreased)	(78,994)	(554,237)
Interest expenses on customer deposits	26,027	24,699
Transactions with the ultimate shareholder of a primary shareholder with significant influence over the Company's subsidiaries** (note (viii))		
Sale of coal	923,671	911,051
Purchases of coal	982,535	1,342,411

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

51. 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	
	2025	2024
	RMB'000	RMB'000
Commitments to the Parent Company and fellow subsidiaries:		
With the Parent Company and fellow subsidiaries		
– Purchases of services	972,754	223,612
– Purchases of goods	81,847	82,110
Total	<u>1,054,601</u>	<u>305,722</u>
Loan guarantees to associates and joint ventures of the Group:		
– Associates	<u>820,786</u>	<u>947,426</u>

Notes:

In the opinion of the directors, the above transactions were entered into by the Group in the normal course of its business.

* These transactions constitute connected transactions of the Company that are subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

** These related party transactions also constitute continuing connected transactions that are subject to the announcement, reporting and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

(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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

51. 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 the 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 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 2023, which is effective until December 2026.

The transaction amount consists of cash payments for the principal and interest portion of the lease liability and the rentals subject to recognition exemption under IFRS 16 Leases which are recognised in profit or loss.

(iv) The Company and China Coal Group entered into a 2024 Finance Lease Cooperation Framework Agreement on 25 October 2023, effective until December 2026 pursuant to which the Company agreed to provide finance leasing services including direct leasing services and sale and leaseback services to China Coal Group.

(v) 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 2026.

(vi) China Coal Finance Co., Ltd. and China Coal Group entered into a Financial Services Framework Agreement on 23 October 2023, under which China Coal Finance Co., Ltd. provides financial services to China Coal Group within its business scope. This agreement was renewed to extend the term to 31 December 2026.

(vii) 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 portion 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.

(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 purchase the coal and coal-related products and accepts services from the Group. The agreement was renewed to extend the term to 31 December 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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

51. 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 2025 and 2024, majority of the following Group’s activities are conducted with other government-related entities:

- Sales of coal;
- Sales 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 plans.

These transactions are conducted in accordance with the contracts which the Group entered into based on market prices.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

51. 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	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Salary, allowances and other benefits		
– Directors and supervisors	2,486	3,791
– Other key management	3,482	4,328
	<u>5,968</u>	<u>8,119</u>
Pension costs-defined contribution plans		
– Directors and supervisors	291	430
– Other key management	479	453
	<u>770</u>	<u>883</u>
	<u>6,738</u>	<u>9,002</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

52. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	607,507	390,995
Intangible assets	100,809	94,151
Investments in subsidiaries*	113,905,850	110,192,765
Investments in associates*	4,350,370	4,350,370
Investments in joint ventures*	213,433	213,433
Equity instruments at FVTOCI	1,255,386	1,119,724
Deferred tax assets	392,122	392,122
Loans to subsidiaries	3,452,243	3,482,213
Other non-current assets	6,502	6,693
	<u>124,284,222</u>	<u>120,242,466</u>
Current assets		
Inventories	354,125	751,251
Trade receivables	519,620	1,143,427
Prepayments and other receivables	124,973	78,956
Amounts due from subsidiaries	11,493,178	9,309,895
Term deposits with initial terms of over three months	3,025,681	2,350,000
Cash and cash equivalents	5,735,429	9,050,956
	<u>21,253,006</u>	<u>22,684,485</u>
TOTAL ASSETS	<u><u>145,537,228</u></u>	<u><u>142,926,951</u></u>
EQUITY		
Share capital	13,258,663	13,258,663
Reserves	45,827,230	45,891,568
Retained earnings	36,441,385	30,555,245
Total equity	<u><u>95,527,278</u></u>	<u><u>89,705,476</u></u>

* 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 directly attributable costs of investment. Investment income is recognised when the subsidiaries declare a dividend.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

52. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Statement of financial position of the Company (continued)

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
LIABILITIES		
Non-current liabilities		
Long-term borrowings	15,836,886	25,618,800
Long-term bonds	<u>7,294,642</u>	<u>5,494,153</u>
	<u>23,131,528</u>	<u>31,112,953</u>
Current liabilities		
Trade and notes payable	292,948	678,224
Contract liabilities	9,745	18,311
Accruals, advances and other payables	9,985,060	10,599,687
Taxes payable	4,210	52,923
Current portion of long-term bonds	3,199,649	4,748,680
Current portion of long-term borrowings	<u>13,386,810</u>	<u>6,010,697</u>
	<u>26,878,422</u>	<u>22,108,522</u>
Total liabilities	<u><u>50,009,950</u></u>	<u><u>53,221,475</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>145,537,228</u></u>	<u><u>142,926,951</u></u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

52. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Reserve movement of the Company

	Capital reserve <i>RMB'000</i>	Statutory reserve funds <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	<u>38,713,240</u>	<u>6,579,767</u>	<u>572,807</u>	<u>28,538,341</u>	<u>74,404,155</u>
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	<u><u>38,713,240</u></u>	<u><u>6,579,767</u></u>	<u><u>598,561</u></u>	<u><u>30,555,245</u></u>	<u><u>76,446,813</u></u>
Profit and total comprehensive income for the year	–	–	(64,338)	11,507,813	11,443,475
Appropriations	–	–	–	–	–
Dividends	–	–	–	(5,621,673)	(5,621,673)
Others	–	–	–	–	–
At 31 December 2025	<u><u>38,713,240</u></u>	<u><u>6,579,767</u></u>	<u><u>534,223</u></u>	<u><u>36,441,385</u></u>	<u><u>82,268,615</u></u>

53. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 18 March 2026, the Company received the registration notice from National Association of Financial Market Institutional Investors (中市協註[2026]MTN205號). The registration notice approved the Company to issue medium term notes (MTN) under a registration limit of RMB5,000,000 thousand by instalments within 2 years from the date of the registration notice.

54. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements were approved and authorised for issue by the board of directors on 27 March 2026.

Financial Summary for Recent Five Years

	<i>Unit: RMB'000</i>				
	2021	2022	2023	2024	2025
	Annual	Annual	Annual	Annual	Annual
	Report	Report	Report	Report	Report
	(Restated)	(Restated)		(Restated)	
Revenue and Profit					
Revenue	239,828,439	220,576,859	192,968,833	189,396,004	148,056,698
Profit before income tax	27,869,271	34,583,129	33,695,386	30,279,435	22,281,333
Income tax expense	6,561,988	7,479,216	7,273,549	6,591,857	4,407,425
Profit for the year	21,307,283	27,103,913	26,421,837	23,687,578	17,873,908
Attributed to					
Equity holders of the Company	15,172,278	19,737,989	20,183,598	18,118,939	14,497,092
Non-controlling interests	6,135,005	7,365,924	6,238,239	5,568,639	3,376,816
Dividends	3,984,572	5,472,161	5,860,215	7,854,596	5,073,982
Basic earnings per share attributable to the equity holders of the Company (RMB per share)	1.14	1.49	1.52	1.37	1.09
Assets and Liabilities					
Non-current assets	216,792,564	215,819,187	229,487,106	244,846,792	255,673,090
Current assets	105,408,356	123,911,042	119,668,221	113,062,301	114,844,652
Current liabilities	87,939,603	104,998,190	98,157,965	102,208,960	107,441,790
Net current assets	17,468,753	18,912,852	21,510,256	10,853,341	7,402,862
Total assets less current liabilities	234,261,317	234,732,039	250,997,362	255,700,133	263,075,952
Non-current liabilities	91,428,853	69,843,251	68,473,801	63,589,852	62,234,042
Net assets	142,832,464	164,888,788	182,523,561	192,110,281	200,841,910
Equity attributable to the equity holders of the Company	114,109,474	130,614,104	143,882,374	151,788,879	160,365,787
Non-controlling interests	28,722,990	34,274,684	38,641,187	40,321,402	40,476,123

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 <i>(Registered Public Interest Entity Auditors)</i>
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
Pingshuo Group	China Coal Pingshuo Group Company Limited
Pingshuo Development Company	China Coal Pingshuo Development Co., Ltd.
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
China Coal Finance Lease Company	Beijing China Coal Finance Lease Co., Ltd.

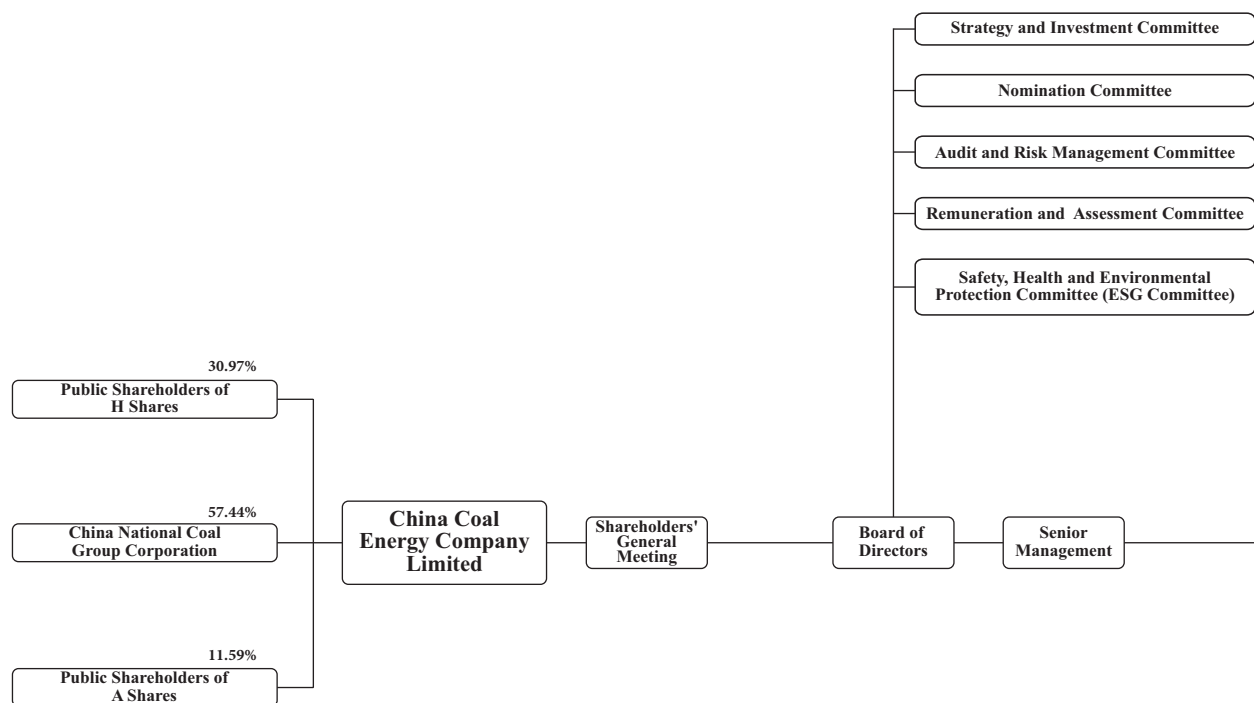
Definitions

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
Pingshuo Mine Area	a mining area located in Shuozhou City, Shanxi Province, mainly comprising Antaibao Open Pit Mine and its underground mine, Anjialing Open Pit Mine and its underground mine as well as East Open Pit Mine
Hujierte Mine Area	a mining area located in Ordos City, Inner Mongolia Autonomous Region, comprising the Hulusu Mine, Menkeqing Mine, Muduchaideng Mine, the Shalajida Minefield and the Dahaimiao Minefield
Dahaize Coal Mine	Dahaize Coal Mine Project of China Coal Shaanxi Energy & Chemical Group Company Limited
Wangjialing Coal Mine	Wangjialing Coal Mine Project of China Coal Huajin Energy Group 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
Antaibao 2×350MW low calorific value coal power generation project	Antaibao 2×350MW low calorific value coal power generation project of China Coal Pingshuo 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 Energy & Chemical Group Company Limited 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 2×660MW pithead coal power project
Wushenzhao polyolefin unit	Engineering plastics project of Ordos Energy Chemical Company, Wushenzhao Branch
“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

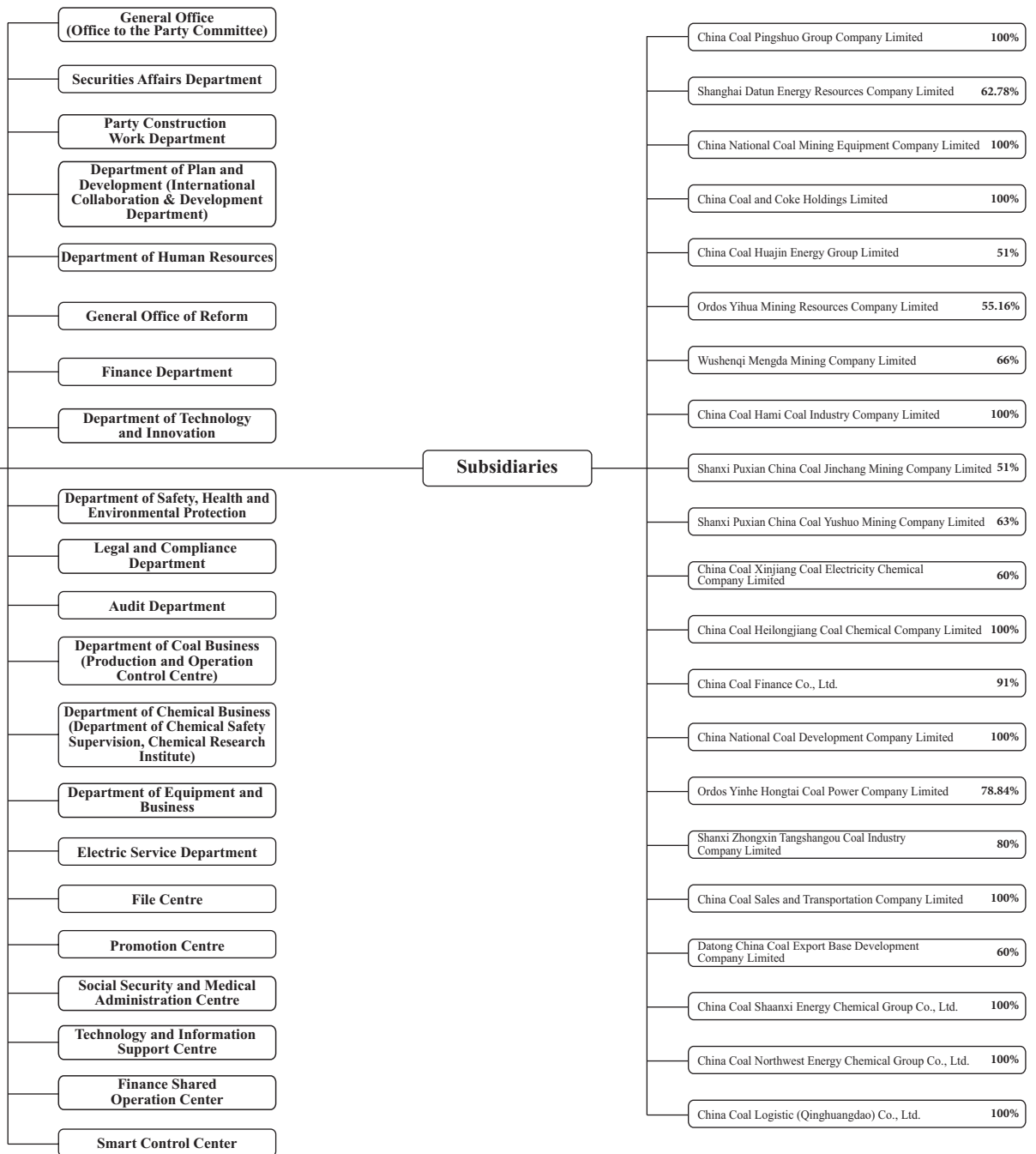
Definitions

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 the 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 share(s) 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





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