中煤

CHINA COAL ENERGY COMPANY LIMITED*

中國中煤能源股份有限公司

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

(Stock Code: 01898)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL HIGHLIGHTS:

- In 2020, the Group's revenue amounted to RMB140.961 billion, representing an increase of RMB11.626 billion or 9.0% as compared with 2019.
- In 2020, the profit attributable to the equity holders of the Company amounted to RMB5.351 billion, representing a decrease of RMB0.848 billion or 13.7% as compared with 2019.
- In 2020, the basic earnings per share of the Company was RMB0.40, representing a decrease of RMB0.07 as compared with 2019.
- In 2020, EBITDA amounted to RMB25.076 billion, representing an increase of RMB0.213 billion or 0.9% as compared with 2019.
- The Board recommended the payment of final dividends of RMB0.134 per share (inclusive of tax) for the year 2020, which is subject to the approval by the Shareholders at the annual general meeting for the year of 2020.

The Board of China Coal Energy Company Limited is pleased to announce the audited annual results of the Group for the year ended 31 December 2020 prepared by the Group in accordance with the International Financial Reporting Standards ("IFRS Standard"):

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	**Year ended 31 December 2020** *RMB'000*	Year ended 31 December 2019 *RMB'000* (Restated)
Revenue	*6*	**140,961,304**	129,334,706
Cost of sales			
Materials used and goods traded		**(79,194,313)**	(67,301,670)
Staff costs		**(5,264,939)**	(5,545,025)
Depreciation and amortisation		**(9,536,968)**	(9,208,215)
Repairs and maintenance		**(2,415,148)**	(1,861,732)
Transportation costs and port expenses		**(11,876,943)**	(12,435,442)
Sales taxes and surcharges		**(3,650,715)**	(3,485,937)
Others		**(8,557,148)**	(8,490,693)
		(120,496,174)	(108,328,714)
Gross profit		**20,465,130**	21,005,992
Selling expenses		**(843,421)**	(910,698)
General and administrative expenses		**(4,722,337)**	(4,622,416)
Other income		**2,617**	968
Other gains and losses, net		**150,095**	(310,932)
Impairment losses under expected credit loss model, net of reversal		**(3,152)**	18,070
Profit from operations		**15,048,932**	15,180,984
Finance income	*7*	**154,158**	153,681
Finance costs	*7*	**(4,683,634)**	(4,907,542)
Share of profits of associates and joint ventures		**1,163,844**	2,597,358
Profit before income tax		**11,683,300**	13,024,481
Income tax expense	*8*	**(3,363,448)**	(3,500,818)
Profit for the year		**8,319,852**	9,523,663

	Year ended 31 December 2020 RMB'000	Year ended 31 December 2019 RMB'000 (Restated)
Other comprehensive income (expense):		
Items that will not be reclassified to profit or loss		
Share of other comprehensive income of associates, net of related income tax	**308**	12,915
Fair value changes on equity instruments at fair value through other comprehensive income, net of tax	**(51,089)**	(74,174)
	(50,781)	(61,259)
Items that may be reclassified subsequently to profit or loss		
Fair value changes on debt instruments at fair value through other comprehensive income, net of tax	**29,324**	16,048
Impairment loss for debt instruments at fair value through other comprehensive income included in profit or loss, net of reversal	**(9,568)**	11,472
Exchange differences arising on translation of foreign operations	**8,665**	6,182
	28,421	33,702
Other comprehensive expense for the year, net of tax	**(22,360)**	(27,557)
Total comprehensive income for the year	**8,297,492**	9,496,106

	Note	Year ended 31 December 2020 *RMB'000*	Year ended 31 December 2019 *RMB'000* (Restated)
Profit for the year attributable to:			
Equity holders of the Company		**5,350,726**	6,199,338
Non-controlling interests		**2,969,126**	3,324,325
		8,319,852	9,523,663
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**5,321,361**	6,163,010
Non-controlling interests		**2,976,131**	3,333,096
		8,297,492	9,496,106
Basic and diluted earnings per share for the profit attributable to equity holders of the Company (RMB)	*10*	**0.40**	0.47

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

		As at 31 December	
	Notes	**2020**	2019
		RMB'000	*RMB'000*
			(Restated)
Non-current assets			
Property, plant and equipment		**133,678,512**	129,997,971
Right-of-use assets		**376,688**	433,788
Investment properties		**88,768**	79,903
Mining rights		**41,876,581**	38,880,087
Intangible assets		**1,596,331**	1,627,730
Land use rights		**6,189,530**	6,154,374
Goodwill		**6,084**	6,084
Interests in associates		**20,653,583**	20,886,640
Interests in joint ventures		**3,210,569**	3,289,977
Equity instruments at fair value through other comprehensive income		**2,276,738**	2,328,755
Deferred income tax assets		**2,279,022**	2,775,470
Long-term receivables		**296,999**	250,012
Other non-current assets		**6,819,656**	10,732,928
Total non-current assets		**219,349,061**	217,443,719
Current assets			
Inventories		**7,050,244**	8,170,403
Trade receivables	*11*	**7,241,095**	7,314,547
Debt instruments at fair value through other comprehensive income	*11*	**3,520,723**	6,897,430
Contract assets		**1,482,759**	953,581
Prepayments and other receivables		**6,981,047**	6,167,108
Restricted bank deposits		**4,551,140**	3,376,327
Term deposits with initial terms of over three months		**16,356,551**	10,090,101
Cash and cash equivalents		**15,041,195**	12,137,655
Total current assets		**62,224,754**	55,107,152
TOTAL ASSETS		**281,573,815**	272,550,871

	Notes	As at 31 December 2020 RMB'000	2019 RMB'000 (Restated)
Current liabilities			
Trade and notes payables	*12*	**25,142,302**	23,270,439
Contract liabilities		**3,605,775**	2,588,765
Accruals, advances and other payables		**16,639,596**	18,768,153
Taxes payable		**714,956**	1,001,538
Lease liabilities		**37,207**	67,329
Short-term borrowings		**1,668,547**	4,266,347
Current portion of long-term borrowings		**15,472,354**	22,673,139
Current portion of long-term bonds		**5,797,259**	10,991,992
Current portion of provision for close down, restoration and environmental costs		**71,607**	69,762
Total current liabilities		**69,149,603**	83,697,464
Non-current liabilities			
Long-term borrowings		**51,516,595**	34,374,705
Long-term bonds		**21,214,064**	21,934,045
Deferred income tax liabilities		**5,784,058**	5,866,547
Lease liabilities		**409,074**	436,194
Provision		**33,740**	35,457
Provision for employee benefits		**109,805**	101,142
Provision for close down, restoration and environmental costs		**3,197,338**	3,247,028
Deferred revenue		**1,472,858**	1,578,842
Other long-term liabilities		**5,021,082**	4,001,921
Total non-current liabilities		**88,758,614**	71,575,881
Total liabilities		**157,908,217**	155,273,345
Equity			
Share capital		**13,258,663**	13,258,663
Reserves	*13*	**46,917,259**	47,108,224
Retained earnings	*13*	**40,483,559**	36,681,075
Equity attributable to the equity holders of the Company		**100,659,481**	97,047,962
Non-controlling interests		**23,006,117**	20,229,564
Total equity		**123,665,598**	117,277,526
TOTAL EQUITY AND LIABILITIES		**281,573,815**	272,550,871

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

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"). The Company and its subsidiaries (collectively the "Group") is principally engaged in mining and processing of coal, sales of coal and coal-chemical products, manufacturing and sales of coal mining machinery and 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.

These consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

2.1 Going Concern

As at 31 December 2020, the Group's current liabilities exceeded its current assets by approximately RMB6,925 million. When the Group needs money to repay the short-term debts or make investments, the Group can finance the fund by the following ways:

- On 10 March 2020, the Company obtained the approval from China Securities Regulatory Commission to issue corporate bonds up to a maximum amount of RMB10,000,000,000 to professional investors. On 18 March 2020, the Company has issued the first tranche of corporate bonds with a principal amount of RMB3,000,000,000.

- On 16 March 2020, the Company obtained approval from the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) to issue medium-term notes up to a maximum amount of RMB5,000,000,000. On 13 April 2020, the Company has issued the first tranche of medium-term notes amounting to RMB2,000,000,000 with terms of from 5 years to 7 years.

- Unutilised bank facilities are available for draw-down when necessary; and

- Other sources of financing are available given the Group's credit rating and long-term relationship with reputable domestic banks and other financial institutions.

After making enquiries, the directors of the Company have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing these consolidated financial statements.

3. RESTATEMENTS ARISING FROM BUSINESS COMBINATIONS UNDER COMMON CONTROL

3.1 2019 Acquisition

The Group completed the acquisition from China Coal Group the 100% equity interest in Shanxi China Coal Pingshuo Dongrisheng Coal Mining Co., Ltd. ("Dongrisheng Company"), which was previously acquired by China Coal Group on 1 January 2018, for a cash consideration of RMB24,318,000 on 19 March 2019. The acquisition was referred to as the "2019 Acquisition".

3.2 2020 Acquisition

On 30 April 2020, the Group acquired the 51% equity interest in China Coal Xinji Intelligent Technology Co., Ltd ("Xinji Company") for a cash consideration of RMB30,076,000. The acquisition was referred to as the "2020 Acquisition".

As the Group and Xinji Company were under common control of China Coal Group before and after the 2020 Acquisition, the acquisition is considered as a business combination under common control. The principle of merger accounting for business combination involving businesses under common control has therefore been applied. As a result, the consolidated financial statements of the Group have been prepared as if Xinji Company was a subsidiary of the Company ever since it became under common control of China Coal Group.

Accordingly, the consolidated statement of financial position as at 31 December 2019 has been restated to include the assets and liabilities of Xinji Company at carrying amounts in the books of China Coal Group. The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2019 have been restated to include the results and cash flows of Xinji Company as if Xinji Company was a subsidiary of the Company throughout the year ended 31 December 2019. Respective notes to the consolidated financial statements have also been restated. All significant intragroup transactions, balances, income and expenses are eliminated on combination.

As a result of the 2020 Acquisition, the relevant line items in the consolidated statement of financial position as at 31 December 2019 have been restated. The following table shows the effect for each individual line item affected:

	The Group (as previously reported)	**Effect of the 2020 Acquisition**	**Elimination**	**The Group** (restated)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Consolidated statement of financial position at 31 December 2019:				
Non-current assets				
Property, plant and equipment	129,997,871	100	–	129,997,971
Intangible assets	1,627,726	4	–	1,627,730
Deferred income tax assets	2,775,209	261	–	2,775,470
Current assets				
Inventories	8,170,288	115	–	8,170,403
Trade receivables	7,316,222	2,523	(4,198)	7,314,547
Prepayments and other receivables	6,084,181	82,927	–	6,167,108
Cash and cash equivalents	12,137,419	236	–	12,137,655
Current liabilities				
Trade and notes payables	23,249,507	25,130	(4,198)	23,270,439
Accruals, advances and other payables	18,764,686	3,467	–	18,768,153
Taxes payables	1,000,575	963	–	1,001,538
Equity				
Share capital	13,258,663	50,000	(50,000)	13,258,663
Reserves	47,082,724	2,309	23,191	47,108,224
Retained earnings	36,677,706	4,297	(928)	36,681,075
Non-controlling interests	20,201,827	–	27,737	20,229,564

As a result of the 2020 Acquisition, the relevant line items in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019, have been restated. The following table shows the effect for each individual line item affected:

	The Group (as previously reported)	**Effect of the 2020 Acquisition**	**Elimination**	**The Group** (restated)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019:				
Revenue	129,293,733	45,385	(4,412)	129,334,706
Cost of sales	(108,296,660)	(34,661)	2,607	(108,328,714)
General and administrative expenses	(4,619,442)	(4,779)	1,805	(4,622,416)
Other gains and losses, net	(310,696)	(236)	–	(310,932)
Impairment losses under expected credit loss model, net of reversal	18,033	37	–	18,070
Finance income	153,678	3	–	153,681
Finance costs	(4,907,540)	(2)	–	(4,907,542)
Income tax expense	(3,499,326)	(1,492)	–	(3,500,818)
Profit for the year attributable to:				
Equity holders of the Company	6,197,168	4,255	(2,085)	6,199,338
Non-controlling interests	3,322,240	–	2,085	3,324,325
Total comprehensive income for the year attributable to:				
Equity holders of the Company	6,160,840	4,255	(2,085)	6,163,010
Non-controlling interests	3,331,011	–	2,085	3,333,096

4. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS Standards")

Amendments to IFRS Standards that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in IFRS Standards and the following amendments to IFRS Standards issued by the International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to IAS 1 and IAS 8	*Definition of Material*
Amendments to IFRS 3	*Definition of a Business*
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*

Except as described below, the application of the Amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRS Standards in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

4.1 Impacts on application of Amendments to IFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The Group has not elected to apply the optional concentration test on the acquisition of a subsidiary and concluded that such acquisition does not constitute a business in applying the amended definition of a business.

New and amendments to IFRS Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Standards that have been issued but are not yet effective:

IFRS 17	*Insurance Contracts and the related Amendments*[1]
Amendments to IFRS 16	*Covid-19-Related Rent Concessions*[4]
Amendments to IFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform – Phase 2*[5]
Amendments to IFRS 10 and IAS 28	*Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[1]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to IAS 8	*Definition of Accounting Estimates*[1]
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[2]
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[2]
Amendments to IFRS Standards	*Annual Improvements to IFRS Standards 2018 – 2020*[2]

[1] Effective for annual periods beginning on or after 1 January 2023.
[2] Effective for annual periods beginning on or after 1 January 2022.
[3] Effective for annual periods beginning on or after a date to be determined.
[4] Effective for annual periods beginning on or after 1 June 2020.
[5] Effective for annual periods beginning on or after 1 January 2021.

The directors of the Company anticipate that the application of these new and amendments to IFRS Standards will have no material impact on the consolidated financial statements in the foreseeable future.

5. SEGMENT INFORMATION

5.1 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 President Office (總裁辦公室).

The Group's operating and reportable segments are entities or group 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. They are managed according to different nature of products and services, production process and the environment in which they are operating. Most of these entities engage in just one single business under one operating segment, except for a few entities dealing with a variety of operations. Financial information of entities operating more than one segment has been separately presented as discrete segment information for CODM's review.

(b) *Operating and reportable segments*

The Group's operating and reportable segments are coal, coal-chemical products, mining machinery and finance.

- Coal – production and sales of coal;
- Coal-chemical products – production and sales of coal-chemical products;
- Mining machinery – manufacturing and sales of mining machinery;
- Finance – providing deposit, loan, bill acceptance and discount and other financial services to entities within the Group and China Coal Group.

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

5.2 Information about operating and reportable segment profit or loss, assets and liabilities

(a) *Measurement of operating and reportable segment profit or loss, assets and liabilities*

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

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

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

	Year ended and as at 31 December 2020								
	Coal *RMB'000*	Coal-chemical products *RMB'000*	Mining machinery *RMB'000*	Finance *RMB'000*	Others *RMB'000*	Total segment *RMB'000*	Unallocated *RMB'000*	Inter-segment elimination *RMB'000*	Total *RMB'000*
Segment revenue									
Total revenue	113,896,848	17,054,043	8,941,543	1,241,894	7,020,116	148,154,444	–	(7,193,140)	140,961,304
Inter-segment revenue	(4,197,131)	(325,821)	(1,185,986)	(403,747)	(1,080,455)	(7,193,140)	–	7,193,140	–
Revenue from external customers	109,699,717	16,728,222	7,755,557	838,147	5,939,661	140,961,304	–	–	140,961,304
Segment results									
Profit (loss) from operations	11,655,531	1,889,356	457,042	849,970	640,583	15,492,482	(337,523)	(106,027)	15,048,932
Profit (loss) before income tax	10,395,372	1,408,312	402,131	849,291	405,709	13,460,815	(1,817,159)	39,644	11,683,300
Interest income	319,129	38,714	20,276	–	14,278	392,397	1,280,717	(1,518,956)	154,158
Interest expense	(2,177,299)	(1,037,924)	(94,170)	–	(284,864)	(3,594,257)	(2,883,570)	1,810,956	(4,666,871)
Depreciation and amortisation	(6,291,890)	(2,645,550)	(460,524)	(1,412)	(608,579)	(10,007,955)	(19,287)	–	(10,027,242)
Share of profits of associates and joint ventures	508,907	515,976	20,027	–	1,660	1,046,570	117,274	–	1,163,844
Income tax (expense) credit	(2,501,361)	(115,310)	(32,966)	(216,805)	9,481	(2,856,961)	(505,590)	(897)	(3,363,448)
Other material non-cash items									
Provision for impairment of property, plant and equipment	(15,601)	–	–	–	–	(15,601)	–	–	(15,601)
(Provision for) reversal of impairment of other assets	(6,789)	46,473	(57,612)	15,075	(13,057)	(15,910)	112	(21,602)	(37,400)
Addition to non-current assets	4,325,384	5,948,154	269,975	1,558	21,658	10,566,729	35,346	–	10,602,075
Segment assets and liabilities									
Total assets	153,791,317	48,432,897	17,529,288	40,299,025	12,821,013	272,873,540	37,150,889	(28,450,614)	281,573,815
Including: interests in associates and joint ventures	7,521,296	11,493,490	914,596	–	128,660	20,058,042	3,806,110	–	23,864,152
Total liabilities	68,441,751	23,106,958	6,644,003	35,949,046	5,919,125	140,060,883	67,700,482	(49,853,148)	157,908,217

	Year ended and as at 31 December 2019 (Restated)								
	Coal *RMB'000*	Coal-chemical products *RMB'000*	Mining machinery *RMB'000*	Finance *RMB'000*	Others *RMB'000*	Total segment *RMB'000*	Unallocated *RMB'000*	Inter-segment elimination *RMB'000*	Total *RMB'000*
Segment revenue									
Total revenue	104,507,674	17,772,016	8,269,501	1,182,305	5,484,050	137,215,546	–	(7,880,840)	129,334,706
Inter-segment revenue	(4,888,733)	(260,308)	(1,249,136)	(406,202)	(1,076,461)	(7,880,840)	–	7,880,840	–
Revenue from external customers	99,618,941	17,511,708	7,020,365	776,103	4,407,589	129,334,706	–	–	129,334,706
Segment results									
Profit (loss) from operations	13,133,823	2,484,194	303,687	763,115	(901,241)	15,783,578	(424,409)	(178,185)	15,180,984
Profit (loss) before income tax	12,342,933	2,669,489	244,386	763,115	(1,083,399)	14,936,524	(1,893,803)	(18,240)	13,024,481
Interest income	373,743	50,926	15,832	–	16,930	457,431	1,421,888	(1,725,638)	153,681
Interest expense	(2,023,402)	(1,235,573)	(90,258)	–	(199,086)	(3,548,319)	(3,244,804)	1,911,002	(4,882,121)
Depreciation and amortisation	(5,989,253)	(2,586,047)	(439,968)	(1,030)	(647,889)	(9,664,187)	(18,078)	–	(9,682,265)
Share of profits of associates and joint ventures	858,769	1,369,942	15,125	–	–	2,243,836	353,522	–	2,597,358
Income tax (expense) credit	(3,080,829)	(217,385)	(27,341)	(190,673)	166,184	(3,350,044)	(153,072)	2,298	(3,500,818)
Other material non-cash items									
Provision for impairment of property, plant and equipment	(592,415)	–	–	–	–	(592,415)	–	–	(592,415)
(Provision for) reversal of impairment of other assets	(67,618)	38,773	(9,426)	(39,070)	(352)	(77,693)	–	–	(77,693)
Addition to non-current assets	14,866,469	1,444,379	332,276	2,495	1,003,683	17,649,302	18,407	–	17,667,709
Segment assets and liabilities									
Total assets	162,616,669	58,894,891	18,139,397	32,808,304	11,684,570	284,143,831	13,899,144	(25,492,104)	272,550,871
Including: interests in associates and joint ventures	7,581,633	11,734,418	901,124	–	105,000	20,322,175	3,854,442	–	24,176,617
Total liabilities	69,538,778	29,407,744	6,865,944	28,639,839	8,355,676	142,807,981	35,844,113	(23,378,749)	155,273,345

5.3 Geographical information

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

Analysis of revenue

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
		(Restated)
Domestic markets	**140,020,354**	128,008,004
Overseas markets	**940,950**	1,326,702
	140,961,304	129,334,706

Analysis of non-current assets

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
		(Restated)
Domestic markets	**210,168,808**	207,084,731
Overseas markets	**386**	771
	210,169,194	207,085,502

Note: The non-current assets above exclude financial instruments, deferred income tax assets and finance lease receivables.

5.4 Major customers

No revenue from transactions with a single external customer amounts to 10% or more of the Group's revenue for both 2020 and 2019.

6. REVENUE

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
		(Restated)
Goods and services	**139,867,848**	128,331,064
Rental income	**255,309**	227,539
Interest income	**838,147**	776,103
	140,961,304	129,334,706

(i) **Disaggregation of revenue from contracts with customers:**

	Year ended 31 December 2020				
	Coal *RMB'000*	**Coal-chemical products** *RMB'000*	**Mining machinery** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Sales of goods recognised					
Sales of coal	**109,270,085**	**–**	**–**	**–**	**109,270,085**
Sales of coal-chemical products	**–**	**16,605,743**	**–**	**–**	**16,605,743**
Sales of mining machinery	**–**	**–**	**7,226,581**	**–**	**7,226,581**
Sales of electric power	**–**	**–**	**–**	**3,776,234**	**3,776,234**
Sales of aluminum products	**–**	**–**	**–**	**1,188,518**	**1,188,518**
Others	**25,506**	**51,615**	**337,496**	**629,669**	**1,044,286**
	109,295,591	**16,657,358**	**7,564,077**	**5,594,421**	**139,111,447**
Provision of services recognised					
Agent services	**7,435**	**–**	**10,094**	**89,510**	**107,039**
Railway services	**–**	**–**	**–**	**165,142**	**165,142**
Others	**156,652**	**67,768**	**180,011**	**79,789**	**484,220**
	164,087	**67,768**	**190,105**	**334,441**	**756,401**
Revenue from contracts with customers	**109,459,678**	**16,725,126**	**7,754,182**	**5,928,862**	**139,867,848**
Analysed by geographical markets					
Domestic markets	**109,190,715**	**16,293,234**	**7,537,249**	**5,905,700**	**138,926,898**
Overseas markets	**268,963**	**431,892**	**216,933**	**23,162**	**940,950**
	109,459,678	**16,725,126**	**7,754,182**	**5,928,862**	**139,867,848**

	Year ended 31 December 2019 (Restated)				
	Coal *RMB'000*	Coal-chemical products *RMB'000*	Mining machinery *RMB'000*	Others *RMB'000*	Total *RMB'000*
Sales of goods recognised					
Sales of coal	99,270,409	–	–	–	99,270,409
Sales of coal-chemical products	–	17,222,194	–	–	17,222,194
Sales of mining machinery	–	–	6,584,919	–	6,584,919
Sales of electric power	–	–	–	2,506,142	2,506,142
Sales of aluminum products	–	–	–	992,029	992,029
Others	34,046	252,109	262,968	408,435	957,558
	99,304,455	17,474,303	6,847,887	3,906,606	127,533,251
Provision of services recognised					
Agent services	7,427	–	17,816	264,689	289,932
Railway services	–	–	–	148,299	148,299
Others	125,198	32,011	122,064	80,309	359,582
	132,625	32,011	139,880	493,297	797,813
Revenue from contracts with customers	99,437,080	17,506,314	6,987,767	4,399,903	128,331,064
Analysed by geographical markets					
Domestic markets	98,883,172	16,790,870	6,949,155	4,381,165	127,004,362
Overseas markets	553,908	715,444	38,612	18,738	1,326,702
	99,437,080	17,506,314	6,987,767	4,399,903	128,331,064

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 2020			
	Segment revenue	**Eliminations**	**Less: rental and interest income**	**Consolidated**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Coal	**113,896,848**	**(4,197,131)**	**(240,039)**	**109,459,678**
Coal-chemical products	**17,054,043**	**(325,821)**	**(3,096)**	**16,725,126**
Mining machinery	**8,941,543**	**(1,185,986)**	**(1,375)**	**7,754,182**
Finance	**1,241,894**	**(403,747)**	**(838,147)**	**–**
Others	**7,020,116**	**(1,080,455)**	**(10,799)**	**5,928,862**
Total	**148,154,444**	**(7,193,140)**	**(1,093,456)**	**139,867,848**

	Year ended 31 December 2019(Restated)			
	Segment revenue	Eliminations	Less: rental income	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Coal	104,507,674	(4,888,733)	(181,861)	99,437,080
Coal-chemical products	17,772,016	(260,308)	(5,394)	17,506,314
Mining machinery	8,269,501	(1,249,136)	(32,598)	6,987,767
Finance	1,182,305	(406,202)	(776,103)	–
Others	5,484,050	(1,076,461)	(7,686)	4,399,903
Total	137,215,546	(7,880,840)	(1,003,642)	128,331,064

(ii) Performance obligations for contracts with customers

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

The Group sells coal directly to the customers and revenue is recognised when the customers obtained control of goods transferred. The shipping types includes both land and water transportation. In the type of land transportation, revenue is recognised when the coal is delivered to the customers; in the type of water transportation, revenue is recognised when the goods pass the ship's rail.

The consideration 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 contract.

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

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

The consideration 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 contract.

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

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

7. FINANCE INCOME AND COSTS

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
		(Restated)
Finance income:		
– Interest income on bank deposits	**76,879**	82,703
– Interest income on loans receivables	**77,279**	70,978
Total finance income	**154,158**	153,681
Interest expenses:		
– Bank borrowings	**3,131,474**	3,357,089
– Long-term and short-term bonds	**1,598,230**	1,817,248
– Unwinding of discount	**261,237**	135,872
– Lease liabilities	**24,839**	26,912
Other incidental bank charges	**6,372**	14,833
Net foreign exchange losses	**10,391**	10,588
Finance costs	**5,032,543**	5,362,542
Less: amounts capitalised on qualifying assets *(Note)*	**(348,909)**	(455,000)
Total finance expenses	**4,683,634**	4,907,542
Finance costs, net	**4,529,476**	4,753,861

Note:

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

	Year ended 31 December	
	2020	2019
Capitalisation rate used to determine the amount of finance costs eligible for capitalisation	**3.80%-4.89%**	3.43%-5.61%

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
		(Restated)
Current income tax – PRC enterprise income tax *(note (a))*	**2,956,812**	3,490,938
Deferred income tax	**406,636**	9,880
	3,363,448	3,500,818

Notes:

(a) The provision for the PRC enterprise income tax is calculated based on the statutory income tax rate of 25%. The applicable income tax rate in 2020 and 2019 is 25% on the assessable income of each of the companies now comprising the Group, determined in accordance with the relevant PRC income tax rules and regulations, except for certain subsidiaries which are taxed at preferential tax rate of 15% based on the relevant PRC tax laws and regulations.

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

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
		(Restated)
Profit before income tax	**11,683,300**	13,024,481
Tax calculated at statutory income tax rate of 25% (2019: 25%) in the PRC	**2,920,825**	3,256,121
Effect of preferential tax rates on income of certain subsidiaries	**(148,375)**	(248,788)
Adjust income tax of the previous period	**16,563**	35,979
Income not subject to taxation	**(291,616)**	(649,939)
Expenses not deductible for taxation purposes	**122,453**	15,018
Utilisation of previously unrecognised tax losses	**(35,079)**	(16,546)
Tax losses for which no deferred income tax asset has been recognised	**388,988**	669,036
Deductible temporary differences for which no deferred income tax asset has been recognised	**9,985**	185,797
Recognition of previously unrecognised deductible temporary differences	**(12,748)**	(48,178)
Additional expenses allowable for tax deduction	**(111,388)**	(46,641)
Others	**503,840**	348,959
Income tax expense	**3,363,448**	3,500,818

The effective tax rate was 29% for the year ended 31 December 2020 (2019: 27% (restated)).

(c) The tax charge relating to components of other comprehensive income are as follows:

	Year ended 31 December 2020			Year ended 31 December 2019		
	Before tax	**Tax charge/ (credit)**	**After tax**	Before tax	Tax charge/ (credit)	After tax
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Fair value changes on equity instruments measured at FVTOCI	**52,017**	**(928)**	**51,089**	74,303	(129)	74,174
Fair value changes on debt instruments measured at FVTOCI	**(37,575)**	**8,251**	**(29,324)**	(22,931)	6,883	(16,048)
Share of other comprehensive income of associates that will not be reclassified to profit or loss	**(308)**	**–**	**(308)**	(12,915)	–	(12,915)
Impairment loss for debt instruments at FVTOCI included in profit or loss, net of reversal	**9,568**	**–**	**9,568**	(11,472)	–	(11,472)
Exchange differences arising on translation of foreign operations	**(8,665)**	**–**	**(8,665)**	(6,182)	–	(6,182)
Other comprehensive expense	**15,037**	**7,323**	**22,360**	20,803	6,754	27,557
Deferred tax		**7,323**			6,754	

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

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Deferred tax	**7,323**	6,754

9. DIVIDENDS

During the year ended 31 December 2020, dividends for ordinary shareholders of the Company recognised as distribution is RMB1,683,850,000 being final divided for the year ended 31 December 2019 of RMB0.127 per share for 13,258,663,400 shares (2019: RMB1,034,176,000, being final divided for the year ended 31 December 2018 of RMB0.078 per share for 13,258,663,400 shares).

A total dividend of RMB1,771,250,000 for the year ended 31 December 2020 has been proposed by the directors of the Company and is subject to approval by the shareholders at the 2020 annual general meeting. These consolidated financial statements do not reflect this dividend payable.

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Proposed final dividend	**1,771,250**	1,687,931

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the number of 13,258,663,400 ordinary shares in issue during the year.

	Year ended 31 December	
	2020	2019
		(Restated)
Profit attributable to the equity holders of the Company (RMB'000)	**5,350,726**	6,199,338
Number of ordinary shares in issue (in thousands)	**13,258,663**	13,258,663
Basic earnings per share (RMB per share)	**0.40**	0.47

As the Company had no potential ordinary shares in issue for the years ended 31 December 2020 and 2019, diluted earnings per share equals to basic earnings per share.

11. TRADE RECEIVABLES/DEBT INSTRUMENTS AT FVTOCI

	As at 31 December 2020 *RMB'000*	As at 31 December 2019 *RMB'000* (Restated)
Trade receivables *(Notes (a), (b) and (c))*	**7,241,095**	7,314,547
Debt instruments at FVTOCI *(Notes (d) and (e))*	**3,520,723**	6,897,430

Notes:

(a) Trade receivables are analysed as follows:

	As at 31 December 2020 *RMB'000*	As at 31 December 2019 *RMB'000* (Restated)
Trade receivables		
– Associates	**436,132**	450,485
– Joint ventures	**3,932**	12,769
– Fellow subsidiaries	**594,095**	466,937
– Third parties	**6,206,936**	6,384,356
Trade receivables, net	**7,241,095**	7,314,547

Aging analysis of trade receivables presented based on invoice date is as follows:

	As at 31 December 2020 *RMB'000*	As at 31 December 2019 *RMB'000* (Restated)
Within 6 months	**5,161,581**	5,167,134
7 months – 1 year	**941,791**	1,206,096
1 – 2 years	**781,602**	645,842
2 – 3 years	**285,702**	193,327
Over 3 years	**629,443**	623,302
Trade receivables, gross	**7,800,119**	7,835,701
Less: Allowance for credit losses	**(559,024)**	(521,154)
Trade receivables, net	**7,241,095**	7,314,547

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers, domestically and internationally dispersed.

The Group does not hold any collateral as security.

Trade receivables 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.

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

	As at 31 December 2020 *RMB'000*	As at 31 December 2019 *RMB'000*
RMB	**7,239,922**	7,310,151
US Dollar ("USD")	**1,173**	4,396
	7,241,095	7,314,547

(c) The carrying amounts of trade receivables approximate their fair values.

(d) Debt instruments at FVTOCI are notes receivables which are considered to be held within a business model whose objective is achieved by both selling and collecting contractual cash flows. The notes receivables are principally bank accepted notes with maturity of less than one year (31 December 2019: less than one year).

(e) As at 31 December 2020, notes receivables of RMB336,061,000 (2019: RMB447,055,000) are pledged to banks for issuing notes payables amounting to RMB325,358,000 (2019: RMB446,973,000).

As at 31 December 2020, debt instruments at FVTOCI of RMB nil (2019: RMB8,958,000) are pledged to banks for borrowings amounting to RMB nil (2019: RMB9,000,000).

(f) Transfers of financial assets

As at 31 December 2020, notes receivables of RMB674,658,000 (2019: RMB1,248,792,000) were endorsed to suppliers and RMB nil (2019: RMB8,958,000) were discounted to banks of the Group, but were not derecognised as the Group has not transferred the significant risks and rewards relating to these notes receivables.

As at 31 December 2020, the Group endorsed and discounted notes receivables of RMB3,362,382,000 (2019:RMB5,654,075,000) to suppliers and banks and such notes receivables were derecognised. In accordance with the relevant laws in the PRC, the holders of these notes receivables have a right of recourse against the Group if the issuing banks default payment. In the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership relating to these notes receivables, and accordingly derecognised the full carrying amounts of the notes receivables and associated accounts payables. The maximum exposure to loss from the Group's continuing involvement, if any, in the endorsed and discounted notes receivables equals to their carrying amounts. In the opinion of the directors of the Company, the fair values of the Group's continuing involvement in the derecognised notes receivables are not significant.

12. TRADE AND NOTES PAYABLES

	As at 31 December 2020 *RMB'000*	As at 31 December 2019 *RMB'000* (Restated)
Trade payables *(note (a))*	**20,620,266**	18,727,585
Notes payables	**4,522,036**	4,542,854
	25,142,302	23,270,439

Notes:

(a) Trade payables are analysed as follows:

	As at 31 December 2020 *RMB'000*	As at 31 December 2019 *RMB'000* (Restated)
Trade payables		
– Fellow subsidiaries	**3,309,928**	2,155,635
– A joint venture	**–**	30,000
– Associates	**239,786**	182,416
– Third parties	**17,070,552**	16,359,534
	20,620,266	18,727,585

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.

Aging analysis of trade payables based on date of delivery of goods and service received is as follows:

	As at 31 December 2020 *RMB'000*	As at 31 December 2019 *RMB'000* (Restated)
Less than 1 year	**16,704,426**	15,513,380
1 – 2 years	**1,971,010**	967,445
2 – 3 years	**554,814**	542,438
Over 3 years	**1,390,016**	1,704,322
	20,620,266	18,727,585

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

	As at 31 December 2020 *RMB'000*	As at 31 December 2019 *RMB'000* (Restated)
RMB	**25,142,251**	23,268,451
USD	**51**	1,988
	25,142,302	23,270,439

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

(d) As at 31 December 2020, term deposits amounting to RMB894,569,000 (2019: RMB520,872,000) are pledged to banks for issuance of bank acceptance notes amounting to RMB1,298,746,000 (2019: RMB1,044,380,000).

As at 31 December 2020, notes receivables with amount of RMB336,061,000 (2019: RMB447,055,000) are pledged to banks for issuing notes payables amounting to RMB325,358,000 (2019: RMB446,973,000).

13. RESERVES AND RETAINED EARNINGS

	Capital reserve *RMB'000* *(note a)*	Statutory reserve funds *RMB'000*	General reserve *RMB'000* *(note b)*	Future development fund *RMB'000* *(note c)*	Safety fund *RMB'000* *(note d)*	Other funds related to coal mining *RMB'000*	Translation reserve *RMB'000*	Other reserves *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*
At 1 January 2019 as previously reported	31,654,119	4,219,863	286,224	1,787,912	1,706,255	94,143	(70,793)	6,626,989	32,357,258	78,661,970
Acquisition of a subsidiary under common control in 2020 *(Note 3.2)*	25,500	–	–	–	–	–	–	–	1,199	26,699
At 1 January 2019 (Restated)	31,679,619	4,219,863	286,224	1,787,912	1,706,255	94,143	(70,793)	6,626,989	32,358,457	78,688,669
Profit for the year (Restated) *(Note 3.2)*	–	–	–	–	–	–	–	–	6,199,338	6,199,338
Other comprehensive income (expense), net of tax	–	–	–	–	–	–	6,182	(42,510)	–	(36,328)
Transfer	–	–	–	–	–	–	–	(157,395)	157,395	–
Appropriations	–	312,661	115,019	109,500	355,129	(18,842)	–	–	(873,476)	(9)
Share of other change of reserves of associates and joint ventures	–	–	–	–	–	–	–	122,586	(122,586)	–
Acquisition of a subsidiary under common control in 2019 *(Note 3.1)*	(24,318)	–	–	–	–	–	–	–	–	(24,318)
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	(3,877)	(3,877)
Dividends	–	–	–	–	–	–	–	–	(1,034,176)	(1,034,176)
At 31 December 2019 (Restated)	31,655,301	4,532,524	401,243	1,897,412	2,061,384	75,301	(64,611)	6,549,670	36,681,075	83,789,299
Profit for the year	–	–	–	–	–	–	–	–	5,350,726	5,350,726
Other comprehensive income (expense), net of tax	–	–	–	–	–	–	8,665	(38,030)	–	(29,365)
Appropriations	–	314,433	69,520	(230,022)	(133,352)	(1,610)	–	–	(18,969)	–
Share of other change of reserves of associates and joint ventures	–	–	–	–	–	–	–	(144,394)	144,394	–
Acquisition of a subsidiary under common control in 2020 *(Note 3.2)*	(25,500)	–	–	–	–	–	–	–	(4,576)	(30,076)
Dividends	–	–	–	–	–	–	–	–	(1,683,850)	(1,683,850)
Others	–	–	–	–	–	–	–	(10,675)	14,759	4,084
At 31 December 2020	**31,629,801**	**4,846,957**	**470,763**	**1,667,390**	**1,928,032**	**73,691**	**(55,946)**	**6,356,571**	**40,483,559**	**87,400,818**

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 before reaching 50% threshold mentioned above. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as the relevant PRC Group Entities' share capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the relevant PRC Group Entities.

(b) Future development fund

Pursuant to the relevant PRC regulations, the Group is required to set aside an amount to a future development fund at RMB6 to RMB8 (2019: RMB6 to RMB8) per ton of raw coal mined. The fund can be used for future development of the coal mining operations, and is not available for distribution to shareholders. Upon incurring qualifying development expenditures, an equivalent amount should be transferred from future development fund to retained earnings.

(c) Safety fund

Pursuant to certain regulations issued by the Ministry of Finance (財政部) and the State Administration of Work Safety (安全監管總局) of the PRC, the subsidiaries of the Company which are engaged in coal mining are required to set aside an amount to a safety fund at RMB10 to RMB30 per ton of raw coal mined. The subsidiaries of the Company which are engaged in coal-chemical, machinery manufacturing, metallurgy and other relevant business are required to set aside an amount of certain percentage of revenue to a safety fund. The safety fund can be used for safety facilities and environment improvement, and is not available for distribution to shareholders. Upon incurring qualifying safety expenditure, an equivalent amount should be transferred from safety fund to retained earnings.

(d) Other funds relevant to coal mining

(i) Transformation and environmental restoration fund

Pursuant to two regulations issued by the Shanxi provincial government on 15 November 2007, both of which were effective from 1 October 2007, mining companies of the Group located in Shanxi Province are required to set aside an amount to a coal mine industry transformation fund and environmental restoration fund at RMB5 and RMB10 per ton of raw coal mined respectively. According to the relevant rules, such funds will be specifically utilised for the transformation costs of the coal mine industry and for the land restoration and environmental cost, and is not available for distribution to shareholders. Upon incurring qualifying transformation and environmental restoration expenditures, an equivalent amount should be transferred from transformation and environmental restoration fund to retained earnings.

Pursuant to a regulation issued by the Shanxi provincial government, transformation and environmental restoration fund was no longer required to be set aside since 1 August 2013.

(ii) ***Sustainable development fund***

Pursuant to a regulation issued by the Jiangsu Province Xuzhou municipal government on 20 October 2010, the Company's subsidiary in Xuzhou is required to set aside an amount to a sustainable development fund at RMB10 per ton of raw coal mined. The fund will be used for the transformation costs of the mine, land restoration and environmental cost, and is not available for distribution to shareholders. Upon incurring qualifying expenditures, an equivalent amount should be transferred from sustainable development fund to retained earnings. The sustainable development fund was no longer required to be set aside since 1 January 2014 according to related requirement of the local government.

14. CONTINGENT LIABILITIES

The Group is a defendant in a number of lawsuits including those related to mining rights, which are arising in the ordinary course of business. While the outcome of such lawsuits cannot be determined at present, the management believes that any resulting liabilities will not have a material adverse effect on the Group's financial position as at 31 December 2020 or operating results for the year ended 31 December 2020.

15. FINANCIAL GUARANTEE CONTRACTS

The Group has guaranteed the bank loans of a number of related parties and third parties 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 and face value of the liabilities guaranteed were as follows:

	Year of maturity	**As at 31 December 2020 Face value** ***RMB'000***	As at 31 December 2019 Face value *RMB'000*
Bank loans of:			
– Related parties	2035	**10,769,519**	12,823,594
– Third parties	2045	**316,000**	284,000
Total		**11,085,519**	13,107,594

In addition to the above disclosed, outstanding financial guarantee provided by the Group in respect of unutilised bank facilities of Zhongtian Synergetic Energy Company Limited ("Zhongtian Synergetic"), an associate of the Group, and Yan'an Hecaogou Coal, Company Limited ("Hecaogou Coal"), a joint venture of the Group, amounted to approximately RMB8,600 million and RMB710 million respectively, as at 31 December 2020 (31 December 2019: RMB6,910 million and RMB655 million respectively).

16. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for by the Group at the end of the reporting period but not yet incurred is as follows:

	As at 31 December 2020 *RMB'000*	As at 31 December 2019 *RMB'000*
Property, plant and equipment	**5,561,655**	6,905,253
Mining rights	**235,000**	235,000
	5,796,655	7,140,253

(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 other three companies. As a 38.75% shareholder, by 31 December 2020 the Company has invested RMB6,787 million in Zhongtian Synergetic and is committed to further invest RMB481 million by instalments in the future.

According to the agreement entered into in October 2014, Shanxi Jingshen Railway Company Limited ("Jingshen Railway") was established by China Coal Shaanxi Yulin Energy & Chemical Company Limited ("Shaanxi Yulin") (a subsidiary of the Company), Shanxi Coal and Chemical Industry Group Co., Ltd., Shanxi Yulin Coal Distribution Co., Ltd. and other six companies. As a 4% shareholder, by 31 December 2020 Shanxi Yulin has invested RMB215 million in Jingshen Railway and is committed to further invest RMB33 million in the future.

CHAIRMAN'S STATEMENT

Dear Shareholders,

In 2020, facing the COVID-19 emergency and the complex and ever-changing domestic and foreign environments, China Coal Energy accurately assessed the situation and maintained its strategic focus by acting courageously and forging ahead with coordinated efforts in various tasks in epidemic prevention control and in operation and development. The Company presented its resilience against various risks in the face of all challenges. "Zero infection" for all staff was achieved. With new achievements in major production and operation indicators, the "13th Five-Year Plan" was concluded with a resounding success.

A new level in economic strength. During the reporting period, the Company's revenue reached a record high of more than RMB140 billion, representing a year-on-year increase of RMB11.6 billion and an increase of RMB81.7 billion or 137.9% over 2015. Profit before income tax reached RMB11.68 billion, representing a year-on-year decrease of RMB1.34 billion and an increase of RMB15.26 billion over 2015. Net cash inflow generated from production and sales activities amounted to RMB23.71 billion, representing a year-on-year increase of RMB1.56 billion and an increase of RMB16.43 billion or 225.7% over 2015. Total assets exceeded RMB280 billion and equity attributable to the equity holders of the Company exceeded RMB100 billion, representing an increase of RMB23.5 billion and RMB17.0 billion over the end of 2015 respectively. Production volume of commercial coal reached 110 million tonnes, representing a year-on-year increase of 8.17 million tonnes and an increase of 14.54 million tonnes or 15.3% over 2015. Sales volume of coal amounted to 265 million tonnes, representing a year-on-year increase of 34.16 million tonnes, almost doubling the figure in 2015.

A new breakthrough in structural adjustment. During the "13th Five-Year Plan" period, the coal production structure was further optimised by phasing out 30.90 million tonnes of outdated production capacity and introducing more than 50 million tonnes of advanced production capacity in aggregate. Together with the successful acquisition of Libi Coal Mine with an annual output of 4 million tonnes of anthracite, the Company's coal product varieties were enriched and quality of supply was continuously improved. The achieved synergetic development of coal, electricity and coal chemical integration and the operating situation of "work safety, stable production, long-period operation, fully-loaded operation and producing quality products" of modern coal chemical plants that had been put into operation successively allowed the output of major products to increase by 43.9% from 3.28 million tonnes to 4.72 million tonnes. Benefitting from the newly added pit-mouth power plants with an installed capacity of 2.62 million KW, the power generation business recorded a profit before income tax of over RMB400 million in 2020 as the clean and efficient use of coal became a new growth driver. The shift to the intelligent production and operation was expedited, with production value doubling over 2015 in coal mining equipment business. As for the financial operations, lean management and technological innovation were deepened, expanding the asset scale from RMB22.0 billion to RMB40.3 billion and increasing profit before income tax from RMB380 million to RMB850 million, the service assurance function of which became more prominent.

A new boost in corporate vitality. During the three-year campaign to reform state-owned enterprises to meet world-class standards, the trial run of the "Double-Hundred Action" (雙百行動) made substantial progress and accentuated the vitality of the system and mechanism. The coal marketing system was restructured to fully cover key areas and sectors, which further enhanced the Company's market influence. By promoting construction of a technological innovation system, improving the incentive mechanism, enhancing development of the key technologies, and promoting construction of smart mines and intelligent plants, the Group has achieved a number of major technological innovations. A number of coal mines were selected into the first batch national demonstration construction project of intelligent coal mine, and the coal chemical digital plant became a national demonstration project of intelligent manufacture. The Company continues to improve corporate governance, safeguard the interests of shareholders, and has been graded A for many years by the Shanghai Stock Exchange for its information disclosure. In 2020, it successfully issued the first "registration-based" corporate bonds in the PRC and was awarded the title of "Excellent Issuer of Innovative Corporate Bond Products" (公司債券創新產品優秀發行人) by the Shanghai Stock Exchange.

A new safeguard for steady development. The Company continued to improve the safety management system and step up its input on safe production standardisation. All coal mines in production were rated as safe and efficient mines, and construction of "leak-free plants" by key coal chemical companies has passed expert review process, indicating higher assurance on safety and continuation of safe production. As the Company solidly promoted energy-saving and low-carbon transformation and increased effort on environmental restoration, a number of coal mines were listed in the national green mine catalogue, several coal chemical companies achieved "zero discharge" of wastewater, and the coal consumption of power plants decreased year by year. The Company reasonably controlled its debt scale and enjoyed a steadier and sounder financial structure, with the gearing ratio decreased by 9.4 percentage points from the end of 2015 to 43.6%. The Company actively contributed to social welfare while promoting its high-quality development, achieving a total contribution to the society of nearly RMB100 billion during the "13th Five-Year Plan" period. The Company carried out targeted poverty alleviation projects to help lift all targeted impoverished areas out of poverty.

In 2021, China Coal Energy will continue to pursue the new development concept in depth with the supply-side structural reform as the main objective and high-quality development as the guide, seize the strategic opportunities arising from the country's vigorous development of new energy, resolutely put the overall goals about "carbon emissions peak" and "carbon neutrality" into practice, and forge ahead as a world-class energy enterprise. First, the Company will continue to promote the optimisation, adjustment, transformation and upgrade of the structure of the industry, consolidate the advantages of coal, electricity and chemical integration, speed up the launch of projects in the new energy industry, and explore new growth poles of the Company. Second, the Company will continue to deepen the reform of the system and mechanism and stimulate the internal momentum of the enterprise riding on the three-year campaign to reform state-owned enterprises. Third, the Company will deepen the initiative to meet world-class standards, strive for efficiency enhancement through quality improvement and cost reduction, and continue to improve the Company's operation quality to ensure the achievement of the annual production and operation targets. Fourth, the Company will continue to improve the technological innovation system, increase its effort in technological innovation, strengthen the research on core technologies, and enhance technology management and the influence of the Company. Fifth, the Company will firmly stick to safe development, continue to increase assurance on safety, pay great attention to ecology and environment protection and energy saving, effectively prevent and defuse various risks, and consolidate the working mechanism for epidemic control normalisation to ensure the steady and sound development of the Company. Sixth, the Company will strengthen corporate governance and information disclosure mechanism, continue to improve compliance management and internal control, continuously maintain and enhance its corporate value, continue to strengthen communication with various investors, and consolidate the desirable image of solidity, standardisation, truthfulness and transparency.

In 2021, the Company's management and staff of all levels will continue to work hard and make greater achievements during the "14th Five-Year Plan" period, and reward all shareholders and investors with excellent performance!

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND OPERATING RESULTS

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

I. Overview

For the year ended 31 December 2020, under the impact of the COVID-19 pandemic and the pressure on significant downward in coal and coal chemical product prices, the Group thoroughly upheld new development concept and stuck to high quality development, and forged ahead with coordinated efforts in various works in pandemic prevention and control as well as operation and development. The Group realised revenue of RMB140.961 billion for the year, representing a year-on-year increase of RMB11.626 billion; with the year-on-year decrease in profit attributable to associates and joint ventures by RMB1.433 billion, the Group realised profit before tax of RMB11.683 billion, representing a year-on-year decrease of RMB1.341 billion; profit attributable to equity holders of the Company amounted to RMB5.351 billion, representing a year-on-year decrease of RMB848 million; net cash flow generated from operating activities amounted to RMB22.632 billion, representing a year-on-year increase of RMB651 million, while upon excluding the decrease in unit deposits of members (other than China Coal Energy) absorbed by Finance Company, net cash inflow generated from production and sales activities amounted to RMB23.707 billion, representing a year-on-year increase of RMB1.562 billion, indicating the continuous strong operating and cash generating capability. By taking advantage of scientific organisation of production and full marketing network coverage, the Group strived to increase its production and sales to secure energy supply. The coal sales volume of the Group reached a record high in that the production volume and sales volume of self-produced commercial coal amounted to 110.01 million tonnes and 111.05 million tonnes, representing a year-on-year increase of 8.17 million tonnes and 9.10 million tonnes respectively; sales volume of proprietary trading coal amounted to 146.44 million tonnes, representing a year-on-year increase of 25.17 million tonnes. By continually enhancing lean management and scientific cost control, unit cost of sales for self-produced commercial coal recorded a year-on-year decrease of RMB21.15/tonne. Coal chemical enterprises optimised production organization with safe, efficient and stable operation. Unit cost of sales of polyolefin recorded a year-on-year decrease of RMB551/tonne, maintaining a leading profitability level in the industry. Coal mining equipment operations recorded year-on-year growth of revenue and profit before income tax with continuous implementation of "Double-Hundred" Action ("雙百"行動) and strengthening in the vitality of the system and structure.For financial operations, with continuous reinforcement in lean management, financial services and technological innovation, major operation indicators attained their optimal levels.

Unit: RMB100 million

	For the year ended 31 December 2020	For the year ended 31 December 2019 (restated)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Revenue	**1,409.61**	1,293.35	116.26	9.0
Profit before income tax	**116.83**	130.24	-13.41	-10.3
Profit attributable to associates and joint ventures	**11.64**	25.97	-14.33	-55.2
EBITDA	**250.76**	248.63	2.13	0.9
Profit attributable to the equity holders of the Company	**53.51**	61.99	-8.48	-13.7
Net cash generated from operating activities	**226.32**	219.81	6.51	3.0

Unit: RMB100 million

	As at 31 December 2020	As at 31 December 2019 (restated)	**Compared with the end of last year** Increase/ decrease in amount	Increase/ decrease (%)
Assets	**2,815.74**	2,725.51	90.23	3.3
Liabilities	**1,579.08**	1,552.73	26.35	1.7
Interest-bearing debts	**956.69**	942.40	14.29	1.5
Equity	**1,236.66**	1,172.78	63.88	5.4
Equity attributable to the equity holders of the Company	**1,006.59**	970.48	36.11	3.7
Gearing ratio (%) = total interest-bearing debts/(total interest-bearing debts + equity)	**43.6**	44.6	A decrease of 1.0 percentage point	

II. Operating Results

(I) Consolidated operating results

Revenue, cost of sales and gross profit before netting of inter-segmental sales generated from each operating segment of the Group for the year ended 31 December 2020 and the year-on-year changes are set out as follows:

Unit: RMB100 million

	For the year ended 31 December 2020 (before netting of inter-segmental sales)			**Year-on-year increase/ decrease in amount**		
	Revenue	**Cost of sales**	**Gross profit**	Revenue	Cost of sales	Gross profit
Coal operations	**1,138.97**	**988.02**	**150.95**	93.89	105.22	-11.33
Coal chemical operations	**170.54**	**145.93**	**24.61**	-7.18	-0.85	-6.33
Coal mining equipment operations	**89.42**	**75.54**	**13.88**	6.72	3.94	2.78
Financial operations	**12.42**	**3.93**	**8.49**	0.60	0.39	0.21
Other operations	**70.19**	**60.67**	**9.52**	15.35	6.24	9.11
Inter-segment elimination	**-71.93**	**-69.13**	**-2.80**	6.88	6.73	0.15
The Group	**1,409.61**	**1,204.96**	**204.65**	116.26	121.67	-5.41

1. Revenue

For the year ended 31 December 2020, the Group's revenue increased from RMB129.335 billion for the year ended 31 December 2019 to RMB140.961 billion, representing an increase of RMB11.626 billion or 9.0%, which was mainly due to the year-on-year increase in the Group's commercial coal sales, the year-on-year increase in revenue from coal mining equipment operations as well as the operation of key power generation projects, offsetting the impact on revenue by the decline in market prices of major products.

Revenue net of inter-segmental sales generated from each operating segment of the Group for the year ended 31 December 2020 and the year-on-year changes are set out as follows:

Unit: RMB100 million

	Revenue net of inter-segmental sales			
	For the year ended 31 December 2020	For the year ended 31 December 2019 (restated)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Coal operations	**1,097.00**	996.19	100.81	10.1
Coal chemical operations	**167.28**	175.12	-7.84	-4.5
Coal mining equipment operations	**77.56**	70.20	7.36	10.5
Financial operations	**8.38**	7.76	0.62	8.0
Other operations	**59.39**	44.08	15.31	34.7
The Group	**1,409.61**	1,293.35	116.26	9.0

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 2020 and the year-on-year changes are set out as follows:

	Proportion of revenue net of inter-segmental sales (%)		
	For the year ended 31 December 2020	For the year ended 31 December 2019 (restated)	**Increase/ decrease (percentage point(s))**
Coal operations	**77.8**	77.0	0.8
Coal chemical operations	**11.9**	13.5	-1.6
Coal mining equipment operations	**5.5**	5.4	0.1
Financial operations	**0.6**	0.6	–
Other operations	**4.2**	3.5	0.7

2. ***Cost of sales***

For the year ended 31 December 2020, the Group's cost of sales increased by 11.2% from RMB108.329 billion for the year ended 31 December 2019 to RMB120.496 billion, which was mainly due to the combined effect of the year-on-year increase in the Group's commercial coal sales, the increase in sales scale of coal mining equipment, the commencement of operation of key power generation projects, as well as the year-on-year decrease in unit cost of sales of the Group's coal and coal chemical products.

The changes in the major items of the Group's cost of sales are analysed as follows:

The costs of materials used and goods traded increased by 17.7% from RMB67.302 billion for the year ended 31 December 2019 to RMB79.194 billion, which was mainly attributable to the year-on-year increase in proprietary trading coal and proprietary trading polyolefin.

Staff costs decreased by 5.0% from RMB5.545 billion for the year ended 31 December 2019 to RMB5.265 billion, which was mainly attributable to the temporary 50% reduction in social security expenses as a result of the national policy for supporting COVID-19 pandemic prevention and control.

Depreciation and amortisation costs increased by 3.6% from RMB9.208 billion for the year ended 31 December 2019 to RMB9.537 billion, which was mainly attributable to the increase in the original value of property, plant and equipment as well as mining rights upon the commencement of operation of original construction projects and the recognition of proceeds from transfer of mining rights.

Repairs and maintenance costs increased by 29.7% from RMB1.862 billion for the year ended 31 December 2019 to RMB2.415 billion, which was mainly due to the overall repair of coal chemical equipment and inspection and repair of normal production equipment as arranged under the production plan.

Transportation costs and port expenses decreased by 4.5% from RMB12.435 billion for the year ended 31 December 2019 to RMB11.877 billion, which was mainly attributable to the year-on-year decrease in sales volume of proprietary trading coal that bears the railroad transportation costs and port expenses.

Sales taxes and surcharges increased by 4.7% from RMB3.486 billion for the year ended 31 December 2019 to RMB3.651 billion, which was mainly attributable to the year-on-year increase in the Group's resource tax as a result of coal production enterprises of the Group applying new resource tax rates which become higher in some regions upon the implementation of the "Resource Tax Law" since 1 September 2020.

Outsourced mining engineering fees decreased by 0.8% from RMB3.450 billion for the year ended 31 December 2019 to RMB3.424 billion, which was mainly attributable to the year-on-year decrease in outsourced mining engineering projects according to the production organisation and arrangement.

Other costs increased by 1.8% from RMB5.041 billion for the year ended 31 December 2019 to RMB5.133 billion, which was mainly attributable to the increase in expenses such as production related sporadic engineering expenditure and auxiliary expenses.

3. Gross profit and gross profit margin

For the year ended 31 December 2020, affected by the downward market prices of coal and coal chemical products, the Group's gross profit decreased by 2.6% from RMB21.006 billion for the year ended 31 December 2019 to RMB20.465 billion, and integrated gross profit margin decreased by 1.7 percentage points from 16.2% for the year ended 31 December 2019 to 14.5%. Meanwhile, the Group proactively expanded its production and sales scale and conducted scientific cost control, coal mining equipment operations and financial operations recorded increase in profits and the commencement of key power generation project operations have significantly increased the profit of other operations, all of which have in turn effectively offset the decrease in market price of coal and coal chemical products.

The gross profit and gross profit margin from each operating segment of the Group for the year ended 31 December 2020 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 2020	For the year ended 31 December 2019 (restated)	**Increase/ decrease (%)**	**For the year ended 31 December 2020**	For the year ended 31 December 2019 (restated)	**Increase/ decrease (%)**
Coal operations	**150.95**	162.28	-7.0	**13.3**	15.5	-2.2
Self-produced commercial coal	**145.92**	156.44	-6.7	**29.6**	31.5	-1.9
Proprietary coal trading	**4.47**	5.31	-15.8	**0.7**	1.0	-0.3
Coal chemical operations	**24.61**	30.94	-20.5	**14.4**	17.4	-3.0
Coal mining equipment operations	**13.88**	11.10	25.0	**15.5**	13.4	2.1
Financial operations	**8.49**	8.28	2.5	**68.4**	70.1	-1.7
Other operations	**9.52**	0.41	2,222.0	**13.6**	0.7	12.9
The Group	**204.65**	210.06	-2.6	**14.5**	16.2	-1.7

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

(II) Operating results of segments

1. Coal Operations Segment

(1) Revenue

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

For the year ended 31 December 2020, for coal operations of the Group, the revenue increased by 9.0% from RMB104.508 billion for the year ended 31 December 2019 to RMB113.897 billion, and revenue net of inter-segmental sales increased by 10.1% from RMB99.619 billion for the year ended 31 December 2019 to RMB109.70 billion.

For the year ended 31 December 2020, the revenue from sales of the self-produced commercial coal of the Group decreased by 0.7% from RMB49.596 billion for the year ended 31 December 2019 to RMB49.227 billion, which was mainly attributable to the year-on-year increase of 9.10 million tonnes in the sales volume leading to an increase of RMB4.430 billion in the sales revenue of self-produced commercial coal; the year-on-year decrease of RMB43/tonne in the comprehensive sales price leading to a decrease in revenue of RMB4.799 billion. Revenue net of inter-segmental sales decreased by 0.2% from RMB47.708 billion for the year ended 31 December 2019 to RMB47.636 billion.

For the year ended 31 December 2020, the revenue from sales of proprietary coal trading of the Group increased by 17.8% from RMB54.450 billion for the year ended 31 December 2019 to RMB64.143 billion, which was mainly attributable to the year-on-year increase of 25.17 million tonnes in the sales volume and RMB11.303 billion in the revenue from sales of proprietary coal trading; the year-on-year decrease of RMB11/tonne in the comprehensive sales price leading to a decrease in revenue of RMB1.610 billion. Revenue net of inter-segmental sales increased by 19.6% from RMB51.529 billion for the year ended 31 December 2019 to RMB61.616 billion.

For the year ended 31 December 2020, revenue from coal agency business of the Group decreased by RMB15 million from RMB33 million for the year ended 31 December 2019 to RMB18 million.

The Group's coal sales volume before netting of inter-segmental sales and selling prices for the year ended 31 December 2020 and the year-on-year changes are set out as follows:

			For the year ended 31 December 2020		For the year ended 31 December 2019		Year-on-year Increase/decrease in amount		Year-on-year Increase/ decrease	
			Sales volume *(10,000 tonnes)*	**Selling price *(RMB/ tonne)***	Sales volume *(10,000 tonnes)*	Selling price *(RMB/ tonne)*	Sales volume *(10,000 tonnes)*	Selling price *(RMB/ tonne)*	Sales volume *(%)*	Selling price *(%)*
I. Self-produced commercial coal	Total		**11,105**	**443**	10,195	486	910	-43	8.9	-8.8
	(I)	Thermal coal	**9,986**	**402**	9,162	432	824	-30	9.0	-6.9
		1. Domestic sale	**9,977**	**402**	9,143	431	834	-29	9.1	-6.7
		2. Export	**9**	**508**	19	579	-10	-71	-52.6	-12.3
	(II)	Coking coal	**1,119**	**808**	1,033	973	86	-165	8.3	-17.0
		Domestic sale	**1,119**	**808**	1,033	973	86	-165	8.3	-17.0
II. Proprietary coal trading	Total		**14,644**	**438**	12,127	449	2,517	-11	20.8	-2.4
	(I)	Domestic sale	**14,502**	**437**	11,984	447	2,518	-10	21.0	-2.2
	(II)	Self-operated export*	**21**	**1,062**	35	1,247	-14	-185	-40.0	-14.8
	(III)	Import trading	**121**	**402**	108	392	13	10	12.0	2.6
III. Import and export and domestic agency★	Total		**795**	**2**	806	4	-11	-2	-1.4	-50.0
	(I)	Import agency	**17**	**4**	139	4	-122	0	-87.8	0.0
	(II)	Export agency	**95**	**7**	156	8	-61	-1	-39.1	-12.5
	(III)	Domestic agency	**683**	**2**	511	3	172	-1	33.7	-33.3

* : Briquette export.

★: Selling price is agency service fee.

Note: Sales volume of the commercial coal includes the inter-segment self-consumption volume of the Group, which amounted to 13.25 million tonnes for 2020 and 14.42 million tonnes for 2019.

(2) Cost of sales

For the year ended 31 December 2020, the Group's cost of sales of coal business increased by 11.9% from RMB88.280 billion for the year ended 31 December 2019 to RMB98.802 billion, which was mainly attributable to the year-on-year increase in the sales volume of the Group's proprietary coal trading of 25.17 million tonnes, leading to the year-on-year increase in cost by RMB10.157 billion; the year-on-year increase in cost of sales of self-produced commercial coal by RMB683 million as a result of the combined effect by the year-on-year increase in the sales of self-produced commercial coal by 9.10 million tonnes and the year-on-year decrease in unit cost of sales of self-produced commercial coal by RMB21.15/tonne due to the Group's scientific cost control. The composition of the cost of sales of the Group's coal operations and its year-on-year changes are set out as follows:

Unit: RMB100 million

Item	**For the year ended 31 December 2020**	**Percentage (%)**	For the year ended 31 December 2019 (restated)	Percentage (%)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Materials costs	**62.80**	**6.4**	61.86	7.0	0.94	1.5
Proprietary coal trading cost☆	**617.35**	**62.5**	515.78	58.5	101.57	19.7
Staff costs	**33.46**	**3.4**	34.63	3.9	-1.17	-3.4
Depreciation and amortisation	**59.67**	**6.0**	54.68	6.2	4.99	9.1
Repairs and maintenance	**13.44**	**1.4**	12.62	1.4	0.82	6.5
Transportation costs and port expenses	**108.84**	**11.0**	113.30	12.8	-4.46	-3.9
Sales taxes and surcharges	**32.24**	**3.3**	30.49	3.5	1.75	5.7
Outsourcing mining engineering fees	**34.24**	**3.5**	34.50	3.9	-0.26	-0.8
Other costs★	**25.98**	**2.5**	24.94	2.8	1.04	4.2
Total cost of sales for coal operations	**988.02**	**100.0**	882.80	100.0	105.22	11.9

☆: This cost does not include transportation costs and port expenses related to proprietary coal trading, amounting to RMB1.961 billion for 2020 and RMB2.341 billion for 2019, both of which are set out in the item of transportation costs and port expenses.

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

For the year ended 31 December 2020, the Group's cost of sales for self-produced commercial coal amounted to RMB34.635 billion, representing a year-on-year increase of RMB683 million or 2.0%; unit cost of sale for self-produced commercial coal amounted to RMB311.88/tonne, representing a year-on-year decrease of RMB21.15/tonne or 6.4%.

The composition of the Group's unit cost of sales of self-produced commercial coal for the year ended 31 December 2020, and the year-on-year changes are set out as follows:

Unit: RMB/tonne

Item	For the year ended 31 December 2020	Percentage (%)	For the year ended 31 December 2019 (restated)	Percentage (%)	Year-on-year Increase/ decrease in amount	Increase/ decrease (%)
Materials costs	**56.55**	**18.1**	60.67	18.2	-4.12	-6.8
Staff costs	**30.13**	**9.7**	33.96	10.2	-3.83	-11.3
Depreciation and amortisation	**53.73**	**17.2**	53.64	16.1	0.09	0.2
Repairs and maintenance	**12.11**	**3.9**	12.38	3.7	-0.27	-2.2
Transportation costs and port expenses	**80.35**	**25.8**	87.91	26.4	-7.56	-8.6
Sales taxes and surcharges	**29.03**	**9.3**	29.91	9.0	-0.88	-2.9
Outsourcing mining engineering fees	**30.83**	**9.9**	33.84	10.2	-3.01	-8.9
Other costs	**19.15**	**6.1**	20.72	6.2	-1.57	-7.6
Total unit cost of sales of self-produced commercial coal	**311.88**	**100.0**	333.03	100.0	-21.15	-6.4

For the year ended 31 December 2020, the Group's unit cost of sales of self-produced commercial coal amounted to RMB311.88/tonne, representing a year-on-year decrease of RMB21.15/tonne or 6.4%, which was mainly attributable to the Group's continuous optimisation of production organisation, proactive release of advanced production capacity, increased efforts to lower cost and excavate the underground mines, as well as the decrease in procurement cost of diesel, leading to a year-on-year decrease in unit materials costs; national policies to support COVID-19 pandemic prevention and control such as the temporary 50% reduction in social security expenses, leading to a year-on-year decrease in staff costs; the decrease in the proportion of sales volume of self-produced commercial coal that bears railroad transportation and port expenses for the total sales volume of self-produced commercial coal of the Group, as well as decrease in the transportation fees of certain railroad, leading to a year-on-year decrease in unit transportation costs and port expenses; the year-on-year decrease in outsourcing mining engineering projects pursuant to the production organisation and arrangement as well as the year-on-year increase in the production volume of self-produced commercial coal, leading to the year-on-year decrease in unit outsourcing mining engineering fees. Besides, the Group's expansion of production scale resulted in the year-on-year increase in production related sporadic engineering expenditure and auxiliary expenses in other costs, but the dilution effect of the increase in production volume of self-produced commercial coal led to the year-on-year decrease in unit other costs.

(3) *Gross profit and gross profit margin*

For the year ended 31 December 2020, the Group's gross profit from coal operations segment decreased by 7.0% from RMB16.228 billion for the year ended 31 December 2019 to RMB15.095 billion, while gross profit margin decreased by 2.2 percentage points from 15.5% for the year ended 31 December 2019 to 13.3%, which was mainly due to the combined effect of the year-on-year increase in sales volume of the Group's self-produced commercial coal, the year-on-year decrease in unit cost of sales, the year-on-year decline in price of self-produced commercial coal, the year-on-year decrease in gross profit of proprietary coal trading operations and the year-on-year decrease in gross profit margin.

2. Coal Chemical Operations Segment

(1) *Revenue*

For the year ended 31 December 2020, the revenue from coal chemical operations of the Group decreased by 4.0% from RMB17.772 billion for the year ended 31 December 2019 to RMB17.054 billion and revenue net of inter-segmental sales decreased by 4.5% from RMB17.512 billion for the year ended 31 December 2019 to RMB16.728 billion, which was mainly attributable to the relatively large year-on-year decrease in the price of coal chemical products under the influence of sluggish international oil price as well as the year-on-year decrease in sales volume of urea and methanol under the scheduled inspection and repairs by Ordos Energy Chemical Company and China Coal Yuanxing Company as arranged under their plans.

The sales volume and selling prices of the major coal chemical products of the Group for the year ended 31 December 2020 and the year-on-year changes are set out as follows:

		For the year ended 31 December 2020		For the year ended 31 December 2019		Year-on-year Increase/decrease in amount		Year-on-year Increase/ decrease	
		Sales volume *(10,000 tonnes)*	**Selling price *(RMB/ tonne)***	Sales volume *(10,000 tonnes)*	Selling price *(RMB/ tonne)*	Sales volume *(10,000 tonnes)*	Selling price *(RMB/ tonne)*	Sales volume *(%)*	Selling price *(%)*
I.	Polyolefin	**147.4**	**6,385**	145.0	7,214	2.4	-829	1.7	-11.5
	Polyethylene	**74.5**	**6,121**	75.2	6,919	-0.7	-798	-0.9	-11.5
	Polypropylene	**72.9**	**6,655**	69.8	7,531	3.1	-876	4.4	-11.6
II.	Urea	**224.8**	**1,625**	229.1	1,763	-4.3	-138	-1.9	-7.8
III.	Methanol	**68.8**	**1,332**	95.8	1,543	-27.0	-211	-28.2	-13.7
	Inter-segment self-consumption volume◆	**65.3**	**1,324**	82.0	1,528	-16.7	-204	-20.4	-13.4
	External sales	**3.5**	**1,487**	13.8	1,628	-10.3	-141	-74.6	-8.7

◆: The amount of inter-segment self-consumption volume represents the amount of methanol consumed by China Coal Yuanxing Company and China Coal Shaanxi Company to Mengda Chemical Company and Ordos Energy Chemical Company.

Besides, leveraging on channel advantage, the Group commenced the business of procurement of polyolefin from third parties and sale to its customers. For the year ended 31 December 2020, the procurement and sale of polyolefin amounted to 141,000 tonnes, realising sales revenue of RMB1.016 billion.

(2) Cost of sales

For the year ended 31 December 2020, cost of sales for the coal chemical operations of the Group decreased by 0.6% from RMB14.678 billion for the year ended 31 December 2019 to RMB14.593 billion, which was mainly attributable to the combined effect of continual strengthened lean management on cost by each coal chemical enterprise, the year-on-year decrease in procurement price of raw materials and fuel coal along with the downward trend of the coal market, the increase in sales volume of polyolefin in proprietary trading, and the increase in repair expenses for the repairs and maintenance of some coal chemical enterprises pursuant to their production plan and arrangement. The composition of the cost of sales for the Group's coal chemical operations and the year-on-year changes are set out as follows:

Unit: RMB100 million

Item	**For the year ended 31 December 2020**	**Percentage (%)**	For the year ended 31 December 2019	Percentage (%)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Materials costs (excluding cost of polyolefin in proprietary trading)	**74.27**	**51.0**	81.89	55.8	-7.62	-9.3
Cost of polyolefin in proprietary trading	**10.06**	**6.9**	1.10	0.7	8.96	814.5
Staff costs	**7.36**	**5.0**	8.25	5.6	-0.89	-10.8
Depreciation and amortisation	**25.89**	**17.7**	27.35	18.6	-1.46	-5.3
Repairs and maintenance	**7.03**	**4.8**	4.78	3.3	2.25	47.1
Transportation costs and port expenses	**9.09**	**6.2**	9.65	6.6	-0.56	-5.8
Sales taxes and surcharges	**3.03**	**2.1**	3.25	2.2	-0.22	-6.8
Other costs	**9.20**	**6.3**	10.51	7.2	-1.31	-12.5
Total cost of sales for coal chemical operations	**145.93**	**100.0**	146.78	100.0	-0.85	-0.6

The cost of sales of the major self-produced coal chemical products of the Group for the year ended 31 December 2020 and the year-on-year changes are set out as follows:

Unit: RMB/tonne

Item	For the year ended 31 December 2020	For the year ended 31 December 2019	Year-on-year Increase/ decrease in amount	Increase/ decrease (%)
I. Polyolefin	**5,511**	6,062	-551	-9.1
(1) Polyethylene	**5,593**	6,128	-535	-8.7
(2) Polypropylene	**5,427**	5,991	-564	-9.4
II. Urea	**1,302**	1,294	8	0.6
III. Methanol	**1,368**	1,373	-5	-0.4

(3) Gross profit and gross profit margin

For the year ended 31 December 2020, affected by the significant year-on-year decrease in market price of coal chemical products under the influence of sluggish international oil price, the gross profit of the Group's coal chemical operations decreased by 20.5% from RMB3.094 billion for the year ended 31 December 2019 to RMB2.461 billion, while gross profit margin decreased by 3.0 percentage points from 17.4% for the year ended 31 December 2019 to 14.4%.

3. Coal Mining Equipment Operations Segment

(1) Revenue

For the year ended 31 December 2020, the Group's revenue from coal mining equipment operations increased by 8.1% from RMB8.270 billion for the year ended 31 December 2019 to RMB8.942 billion. Revenue net of other inter-segmental sales increased by 10.5% from RMB7.020 billion for the year ended 31 December 2019 to RMB7.756 billion, which was mainly attributable to the year-on-year increase in revenue due to the further optimisation of coal mining equipment product structure and the expansion of sales and business scale of accessories.

(2) Cost of sales

For the year ended 31 December 2020, the Group's cost of sales for the coal mining equipment operations increased by 5.5% from RMB7.160 billion for the year ended 31 December 2019 to RMB7.554 billion. The composition of the Group's cost of sales for the coal mining equipment operations and the year-on-year changes are set out as follows:

Unit: RMB100 million

Item	**For the year ended 31 December 2020**	**Percentage (%)**	For the year ended 31 December 2019	Percentage (%)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Material costs	**54.36**	**72.0**	50.20	70.1	4.16	8.3
Staff costs	**6.92**	**9.2**	6.48	9.1	0.44	6.8
Depreciation and amortisation	**4.06**	**5.4**	3.71	5.2	0.35	9.4
Repairs and maintenance	**1.12**	**1.5**	1.07	1.5	0.05	4.7
Transportation costs	**1.23**	**1.6**	1.88	2.6	-0.65	-34.6
Sales taxes and surcharges	**0.40**	**0.5**	0.38	0.5	0.02	5.3
Other costs	**7.45**	**9.8**	7.88	11.0	-0.43	-5.5
Total cost of sales for coal mining equipment operations	**75.54**	**100.0**	71.60	100.0	3.94	5.5

(3) Gross profit and gross profit margin

For the year ended 31 December 2020, the gross profit of the Group's coal mining equipment operations segment increased by 25.0% from RMB1.110 billion for the year ended 31 December 2019 to RMB1.388 billion; and the gross profit margin increased by 2.1 percentage points from 13.4% for the year ended 31 December 2019 to 15.5%, which was mainly attributable to the year-on-year increase in high-end products and accessories sales business with higher gross profit margin.

4. Financial Operations Segment

For financial operations, which is mainly engaged by Finance Company, the Group deepened lean management concept, strengthened financial technology innovation, offered multi-dimensional, extensive and customised financial services by precisely targeting financial needs of member enterprises to secure safe, stable and efficient capital flow, and enhanced detailed operations of interbank deposits by dynamically optimizing deployment strategies at appropriate times, thereby realising better value appreciation and effectiveness. For the year ended 31 December 2020, revenue of financial operations of the Group increased by 5.1% from RMB1.182 billion for the year ended 31 December 2019 to RMB1.242 billion; revenue net of inter-segmental sales increased by 8.0% from RMB776 million for the year ended 31 December 2019 to RMB838 million. Cost of sales increased by 11.0% from RMB354 million for the year ended 31 December 2019 to RMB393 million. Gross profit increased by 2.5% from RMB828 million for the year ended 31 December 2019 to RMB849 million. Gross profit margin decreased by 1.7 percentage points from 70.1% for the year ended 31 December 2019 to 68.4%.

5. Other Operations Segment

Other operations segment of the Group mainly includes thermal power generation, aluminum processing, import of equipment and accessories, tendering and bidding services, railway transportation and other business. Benefitted from the stable operation of key power generation projects including the Project of the Second Power Plant 2×660MW located in the north of Wucai Bay, Zhundong, Xinjiang and the 2×350MW thermal power project by Shanghai Energy Company, for the year ended 31 December 2020, the revenue from other operations of the Group increased by 28.0% from RMB5.484 billion for the year ended 31 December 2019 to RMB7.019 billion; revenue net of inter-segmental sales increased by 34.7% from RMB4.408 billion for the year ended 31 December 2019 to RMB5.939 billion; cost of sales increased by 11.5% from RMB5.443 billion for the year ended 31 December 2019 to RMB6.067 billion; gross profit increased by RMB911 million from RMB41 million for the year ended 31 December 2019 to RMB952 million; gross profit margin increased by 12.9 percentage points from 0.7% for the year ended 31 December 2019 to 13.6%.

(III) Selling, general and administrative expenses

For the year ended 31 December 2020, the Group's selling, general and administrative expenses increased by RMB33 million from RMB5.533 billion for the year ended 31 December 2019 to RMB5.566 billion, which was mainly attributable to the increase in technology innovation by the Group, leading to the year-on-year increase in research and development expenses.

(IV) Other gains and losses

For the year ended 31 December 2020, other net gains and losses of the Group increased by RMB461 million from RMB-311 million for the year ended 31 December 2019 to RMB150 million, which was mainly attributable to the year-on-year decrease in impairment provisions recognised based on the results of the impairment tests conducted by the Group on assets that showed signs of impairment according to Accounting Standards.

(V) Profit from operations

For the year ended 31 December 2020, the Group's profit from operations decreased by 0.9% from RMB15.181 billion for the year ended 31 December 2019 to RMB15.049 billion. Profits from operations for each operating segment of the Group and the year-on-year changes are as follows:

Unit: RMB100 million

Item	**For the year ended 31 December 2020**	For the year ended 31 December 2019 (restated)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
The Group	**150.49**	151.81	-1.32	-0.9
Of which: Coal operations	**116.56**	131.34	-14.78	-11.3
Coal chemical operations	**18.89**	24.84	-5.95	-24.0
Coal mining equipment operations	**4.57**	3.04	1.53	50.3
Finance operations	**8.50**	7.63	0.87	11.4
Other operations	**6.41**	-9.01	15.42	–

Note: The above profits from operations for each operating segment are figures before netting of inter-segmental sales.

(VI) Finance income and finance costs

For the year ended 31 December 2020, the Group's net finance costs decreased by 4.7% from RMB4.754 billion for the year ended 31 December 2019 to RMB4.529 billion, which was mainly attributable to the combined effect of the Group's increased efforts on the optimisation of debt structure to lower integrated capital cost, the transformation from capitalisation of interest expenses to accounting as expenses for some construction projects that have commenced production, the increase in provisions for close down, restoration and environmental costs by coal production enterprises based on the mine geological environment governance and restoration fund in accordance with relevant policies issued by the State in 2019, and the increase in finance costs recognised at effective interest rate method such as other long-term liabilities recognised for gains from granting mining rights to be paid in instalments.

(VII) Share of profits of associates and joint ventures

For the year ended 31 December 2020, the Group's share of profits of associates and joint ventures decreased by 55.2% from RMB2.597 billion for the year ended 31 December 2019 to RMB1.164 billion, which was mainly attributable to the year-on-year decrease in market price of coal and coal chemical products, and the decrease in production volume of some associates and joint ventures of the Group pursuant to their scheduled inspection and repairs during the reporting period, leading to the year-on-year decrease in the profits of associates and joint ventures, and thus, the Group's share of profits of associates and joint ventures recognised in accordance with its shareholding.

(VIII) Profit before income tax

For the year ended 31 December 2020, the profit before income tax of the Group decreased by 10.3% from RMB13.024 billion for the year ended 31 December 2019 to RMB11.683 billion.

(IX) Income tax expense

For the year ended 31 December 2020, the Group's income tax expenses decreased by 3.9% from RMB3.501 billion for the year ended 31 December 2019 to RMB3.363 billion.

(X) Profit attributable to the equity holders of the Company

For the year ended 31 December 2020, the profit attributable to the equity holders of the Company decreased by 13.7% from RMB6.199 billion for the year ended 31 December 2019 to RMB5.351 billion.

III. Cash Flow

As at 31 December 2020, the balance of the Group's cash and cash equivalents amounted to RMB15.041 billion, representing a net increase of RMB2.903 billion as compared to RMB12.138 billion as at 31 December 2019.

Net cash inflow generated from operating activities increased by RMB651 million from RMB21.981 billion for the year ended 31 December 2019 to RMB22.632 billion, which was mainly attributable to the combined effect of the Group's continual reinforcement of lean capital management, reduction of operating capital occupation, the year-on-year increase in net cash inflow generated from production and sales activities by RMB1.562 billion as well as the decrease of RMB911 million in deposits absorbed from members other than China Coal Energy by Finance Company.

Net cash outflow used in investing activities increased by RMB5.586 billion from RMB8.657 billion for the year ended 31 December 2019 to RMB14.243 billion which was mainly attributable to the combined effect of the year-on-year increase of RMB8.331 billion in cash outflow arisen from the change in term deposits with an initial deposit period of more than three months, the year-on-year increase in entrusted loans of RMB1.125 billion recovered by Pingshuo Group from Sujin Shuozhou Coal Gangue Power Generation Company Limited (originally named China Coal Pingshuo No.1 Coal Gangue Power Generation Company Limited), the difference in gain of RMB689 million from granting the mining rights of Libi Coal Mine compensated by China Coal Group to China Coal Huajin Company, and the year-on-year decrease in cash utilised as capital expenditure by RMB727 million.

Net cash outflow generated from financing activities decreased by RMB4.091 billion from RMB9.566 billion for the year ended 31 December 2019 to RMB5.475 billion, which was mainly attributable to the combined effect of the year-on-year increase in the net debt facility of the Group as arranged pursuant to its annual financing plan and overall capital status, as well as the year-on-year increase in cash received from investment from minority shareholders absorbed by subsidiaries of the Group during the reporting period.

IV. Sources of Capital

For the year ended 31 December 2020, 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 become due. 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 2020, the net value of property, plant and equipment of the Group amounted to RMB133.679 billion, representing a net increase of RMB3.681 billion or 2.8% as compared to RMB129.998 billion as at 31 December 2019, among which, the net value of buildings was RMB34.466 billion, accounting for 25.8%; that of mining structure was RMB29.583 billion, accounting for 22.1%; that of plant, machinery and equipment was RMB44.716 billion, accounting for 33.5%; that of construction in progress was RMB20.575 billion, accounting for 15.4%; and that of railways, transportation vehicles and other was RMB4.339 billion, accounting for 3.2%.

(II) Mining rights

As at 31 December 2020, the net value of the Group's mining rights amounted to RMB41.877 billion, representing a net increase of RMB2.997 billion or 7.7% as compared to RMB38.880 billion as at 31 December 2019, which was mainly attributable to the combined effect of the coal production enterprise of the Group recognised the proceeds from transfer of mining rights payable in instalment in accordance with China's relevant policy, as well as the completion of acquisition of 100% equity interests in Panjiayao Coal by Pingshuo Group after years, where its inclusion into the scope of consolidation increased the mining rights and the amortisation of mining rights for the period.

(III) Investments in associates and joint ventures

As at 31 December 2020, the net value of the Group's investment in associates and joint ventures amounted to RMB23.864 billion, representing a net decrease of RMB313 million or 1.3% as compared to RMB24.177 billion as at 31 December 2019, which was mainly attributable to the combined effect of recognisation of investment gains in associates and joint ventures by the Group, and the receipt of dividends declared from associates and joint ventures.

(IV) Other non-current assets

As at 31 December 2020, the net value of other non-current assets of the Group was RMB6.820 billion, representing a net decrease of RMB3.913 billion or 36.5% as compared to RMB10.733 billion as at 31 December 2019, which was mainly due to the aforesaid inclusion of Panjiayao Coal into the scope of consolidation, leading to the corresponding decrease in previous prepayments.

(V) Trade receivables

As at 31 December 2020, the Group's net value of trade receivables amounted to RMB7.241 billion, representing a net decrease of RMB74 million or 1.0% as compared to RMB7.315 billion as at 31 December 2019, which was mainly due to the Group's increased recovery of sales loans, leading to the decrease in trade receivables.

(VI) Debt instruments at fair value through other comprehensive income

As at 31 December 2020, the Group's net value of debt instruments at fair value through other comprehensive income was RMB3.521 billion, representing a net decrease of RMB3.376 billion or 48.9% as compared to RMB6.897 billion as at 31 December 2019, which was mainly due to the significant decrease in bill receivables arisen from the increase in utilization of acceptance notes by the Group through discount and endorsement transfer.

(VII) Borrowings

As at 31 December 2020, the balance of borrowings of the Group amounted to RMB68.658 billion, representing a net increase of RMB7.344 billion or 12.0% as compared to RMB61.314 billion as at 31 December 2019, among which, the balance of long-term borrowings (including long-term borrowings due within one year) was RMB66.989 billion, representing a net increase of RMB9.941 billion as compared to RMB57.048 billion as at 31 December 2019; and the balance of short-term borrowings amounted to RMB1.669 billion, representing a net decrease of RMB2.597 billion as compared to RMB4.266 billion as at 31 December 2019.

(VIII) Lease liabilities

As at 31 December 2020, the balance of lease liabilities of the Group (including lease liabilities due within one year) amounted to RMB446 million, representing a net decrease of RMB58 million or 11.5% as compared to RMB504 million as at 31 December 2019, which was mainly due to the payment of lease fees by the Group in accordance with the requirements of contracts.

(IX) Long-term bonds

As at 31 December 2020, the balance of the long-term bonds of the Group (including the portion due within one year) amounted to RMB27.011 billion, representing a net decrease of RMB5.915 billion or 18.0% as compared to RMB32.926 billion as at 31 December 2019, which was mainly due to the payment of medium-term notes due by the Group.

(X) Provision for close down, restoration and environmental costs

As at 31 December 2020, the net provision for close-down, restoration and environmental costs of the Group amounted to RMB3.197 billion, representing a net decrease of RMB50 million or 1.5% as compared to RMB3.247 billion as at 31 December 2019, which was mainly due to the fact that coal enterprises of the Group made provision for mine geological environment governance and restoration fund in accordance with relevant national policies, where amortization was made based on effective interest rate method.

(XI) Other long-term liabilities

As at 31 December 2020, the other net long-term liabilities of the Group amounted to RMB5.021 billion, representing a net increase of RMB1.019 billion or 25.5% as compared to RMB4.002 billion as at 31 December 2019, which was mainly because the mining rights are added to the proceeds from transfer of mining rights payable by the Group's coal enterprises in accordance with relevant national policy, and the Group classified part of the discounted income with payment period of over one year as other long-term liabilities, as well as the aforesaid inclusion of Panjiayao Coal into the scope of consolidation, where the recognisation of outstanding acquisition consideration in accordance with the requirements of related agreement increased other long-term liabilities.

VI. Equity

As at 31 December 2020, the equity of the Group was RMB123.666 billion, representing an increase of RMB6.388 billion or 5.4% from RMB117.278 billion as at 31 December 2019, among which, the equity attributable to the equity holders of the Company was RMB100.659 billion, representing an increase of RMB3.611 billion or 3.7% from RMB97.048 billion as at 31 December 2019. The items under the equity subject to significant change are analyzed as below:

(I) Reserve

As at 31 December 2020, the reserve of the Group was RMB46.917 billion, representing a decrease of RMB191 million or 0.4% from RMB47.108 billion as at 31 December 2019, which was mainly due to the decrease of RMB509 million in the balance of the special fund from the previous year as the Group utilised the fund as planned during the reporting period, as well as the increase in reserve by RMB384 million due to the withdrawal of the surplus reserve and the reserve for general risk.

(II) Retained earnings

As at 31 December 2020, the retained earnings of the Group was RMB40.484 billion, representing an increase of RMB3.803 billion or 10.4% from RMB36.681 billion as at 31 December 2019, which was mainly because of the Group's profit attributable to the equity holders of the Company for the reporting period of RMB5.351 billion, the decrease of RMB1.684 billion for distribution of dividends in 2019, the increase of RMB509 million for adjusted unutilised special fund from the previous year as it was planned to be used during the reporting period, and the decrease of RMB384 million for the withdrawal of the surplus reserve and the reserve for general risk.

VII. Significant Charge of Assets

The Group did not have significant charge of assets during the reporting period. As at 31 December 2020, the book value of the Group's charge of assets amounted to RMB1.583 billion, of which the book value of pledged assets was RMB336 million and the book value of mortgaged assets was RMB1.247 billion.

VIII. Significant Investment

Save as disclosed in this announcement, the Group had no significant investment during the reporting period.

IX. Material Acquisitions and Disposals

Save as disclosed in this announcement, the Group did not have material acquisitions and disposals in relation to subsidiaries, associates and joint ventures during the reporting period.

X. Issuance of Corporate Bonds and Interest and Principal Payment of Other Bonds and Debt Financing Instruments

The goal of registration and issuance of debt securities by the Group is to replenish the working capital of the Group and adjust the debt structure. During the reporting period, the Company issued corporate bonds of RMB3.0 billion and medium-term notes of RMB2.0 billion.

As of 31 December 2020, the Company has paid the principal and interest of its other bonds and debt financing instruments by the agreed time. No default or delayed payment of principal and interest has occurred.

XI. Issues, Difficulties and Risks Arising from the Operation of the Company and Relevant Strategies and Measures

(1) Risks of Fluctuation in Macro Economy

The coal industry is a fundamental sector of the Chinese economy, which is closely linked to the macro economy and significantly affected by other relevant industries including electricity, metallurgy, construction materials and chemical industry. Currently, owing to the complicated and harsh circumstances of the world economy, there are still many unstable factors affecting the macro economy, which may have certain impacts on the operating results of the Company. In addition, changes in the national industrial policies, adjustment to the environmental protection criteria, public health emergencies and other factors may also affect the production and operation of the Company. The Company will adhere to its strategic goals of continuing to optimise its industrial layout and expediting the industry structure adjustments by executing strict budget planning, strengthening regular monitoring and analysis, and enhancing risk management so as to strive to achieve stable and orderly production and operation.

(2) Risks of Fluctuation in Product Prices

Due to various factors such as demand and supply, characteristics of products, transportation capacity and weather, it remains difficult to accurately determine the trend of prices of coal and coal chemical products. The volatility in international crude oil prices significantly affects the prices of domestic chemical products, which further poses a certain impact on the profit margin of the coal chemical products of the Company. The Company will enhance market research and judgement, flexibly adjust its marketing strategy and increase the profitability of its products.

(3) Risks of Safe Production

Restricted by factors such as natural conditions and characteristics of production, the production processes of coal mining and coal chemical products involve higher safety risks which make safety management more difficult. The Company continues to improve the safety management and risk prevention system, vigorously promotes safe and efficient construction of coal mines and upgrades the level of automatic production. Meanwhile, the Company makes great efforts to ensure the safe operation at every production stage by laying emphasis on the enhancement of system protection capacity and the launch of special projects regularly to address major disasters.

(4) Risks of Project Investment

New investment projects normally require longer time from the feasibility study to effective production. Due to the uncertainty in the approval process and constant changes in the industry of the project and related industries, the date of completion of the project and the actual yield of the project after it is put into operation may be different from the expectation to a certain extent. The Company will strengthen the preliminary project work by expediting the procedures for relevant certificates and licenses and ensuring rational investment scale and pace so as to control investment costs and avoid investment risks.

(5) Risks of Environmental Protection

The production of coal and coal chemical as well as power generation may affect the ecological environment to a certain extent. The Company has implemented the national decisions and deployment on the construction of ecological culture, and voluntarily put the concept of green development into practice. By continuously perfecting the ecological and environmental protection management and control structure and constantly conducting pollution governance, emission reduction and ecology governance, the Company has strengthened daily supervision and checks to effectively prevent various types of ecological and environmental risks.

(6) Risks of Rising Costs

In recent years, the pressure of coal cost control has been relatively greater due to factors such as complex coal mining conditions, increasing investments in the maintenance of large equipment, safety and environmental protection, and decrease in the production volume of certain mines. The Company will continue to exert greater effort in cost control by adopting new technologies, new working processes and new equipment, optimizing production layout, improving production efficiency and reducing material purchase costs and unit consumption level to prevent cost increases.

(7) Risks of Foreign Exchange

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

XII. Contingent Liabilities

(1) Bank guarantees

As at 31 December 2020, the Group provided guarantees of RMB14.167 billion in total, of which guarantees of RMB11.086 billion were provided to the equity investment entities in proportion to the Group's shareholdings.

(2) 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.

(3) Contingent legal liabilities

For the year ended 31 December 2020, the Group was not involved in any material litigation or arbitration, and to the knowledge of the Group, there was no material litigation or arbitration pending or threatened against or involving the Group.

BUSINESS PERFORMANCE

I. Principal Business Operations of the Company in 2020

The Company is a large-scale energy enterprise integrating businesses such as coal production and trading, coal chemical operations, coal mining equipment manufacturing and relevant services as well as pit-mouth power generation. The Company principally engaged in coal business with overall strength leading the industry due to its advanced technology for coal mining, washing and preparation of coal and comprehensive marketing and customer service networks. By optimizing the industrial structure and vigorously developing new coal chemical operations, the Company has gained extensive experience in coal conversion, clean and efficient utilization, and the Company's facility operational efficiency and main econotechnical indicators have stayed ahead in the industry, with a distinct low-cost competitive advantage. Centering on coal-power integrated development, the Company endeavored to develop power generation business with focus on pit-mouth power generation and thus benefited from the increasing advantage of the coal-power integration. By taking full advantages of the professional expertise in coal mining equipment, the Company has enriched its product structure, strove to improve the quality of products and services to consolidate the market share and extend the industry value chains of coal.

(1) Coal Operations

1. Coal production

In 2020, coal enterprises strove to overcome adverse effects. Despite of insufficient coal production in the first quarter, coal production enterprises optimised the relation between excavation, stripping and extraction and scientifically organised production to improve production efficiency and strengthen coordination of production, transport and sales, achieving a record high in annual coal output in recent years. Pingshuo Group took full advantage of its scale and high output and efficiency, continued to ramp up stripping to fully release the production capacity of open-cast coal mines, and maximised production, leading to a stable increase in coal output. Shanghai Energy Company and China Coal Huajin Company proceeded with the relocation of villages and coordinated processes of mining and tunneling, which laid a solid foundation for the continued stability of mine production. Northwest Energy Company strengthened production organization and optimised its excavation process to improve efficiency, resulting in a record high in commercial coal output. During the reporting period, commercial coal output of the Company amounted to 110.01 million tonnes, of which thermal coal output was 98.94 million tonnes and coking coal output was 11.07 million tonnes.

Adhering to prioritizing life and safety, the Company continued to step up investment in safety to lay a solid foundation for safety, focused on the prevention and resolution of major safety risks, and continued to carry out assurance projects for system optimisation, equipment upgrading, quality enhancement and management improvement. Thirteen coal mines were rated as national level I standardised coal mines for safe production. With the steady increase in its ability to ensure safety, the Company has achieved safe production.

Adhering to the development direction of "safety, efficiency, green and intelligentizing", the Company focused on strengthening investment in research and development and vigorously promoted informatisation, automation and intelligence construction. A total of six intelligent coal mining working faces have been built, and four mines have been listed in the country's first batch of intelligent coal mine examples. The high output and efficiency of coal mine production were boosted by the accelerated conversion process of technological innovation achievements. Through the innovative intelligent mining technologies and equipment, technology and production were closely bonded together. During the reporting period, raw coal productivity of the Company was 36.9 tonnes per worker-shift, maintaining a leading level in the coal industry. The Company actively put the concept of green development into practice, through promoting ecosystem restoration, building green mines and establishing leak-free plants.

2. Coal sales

In 2020, in the face of the huge impact of the COVID-19 outbreak and the severe challenges arising from the tempestuous coal market, the Company resolutely executed the major decisions and plans of the central government, earnestly fulfilled the responsibility for national energy security as a central state-owned enterprise, actively implemented measures to ensure supply and price stability, and strictly followed the mechanism in relation to medium to long-term contracts to ensure the stable development of the country's economy and society. The Company continued to reinforce the results of marketing system restructuring, strengthen the coal marketing management function, consolidate its advantages of industrialisation and promote the construction of the internal market to highlight the synergy stemming from segment integration. The Company continued to improve the coal marketing network, keep up with the market, strive for market expansion, optimise the customer and product structure, strengthen precise policy implementation and intelligent logistics construction and coordinate production, transport and sales, resulting in a rising regional market share and an all-time high in sales scale. China Coal Energy's branding advantage, market voice and influence were, therefore, further enhanced. The cumulative sales volume of commercial coal for the year was 265.44 million tonnes, representing a year-on-year increase of 14.8%. The trade receivable turnover days were curbed to within 10 days, representing an industry-leading operation quality.

Through mechanism and model innovation, multi-platform cooperation and expansion of its multi-purchasing sources, the Company further optimised its resources channels and supplier structure. As the proportion of million-tonne suppliers was greatly increased, the trade volume foundation of hundreds of million tonnes was further consolidated and the ability to supply high-quality coal continued to increase. During the whole year, the sales volume of proprietary coal trading reached 146.44 million tonnes, representing a year-on-year increase of 20.8%.

Sales volume of commercial coal ***(10 thousand tonnes)***		**2020**	2019	Change (%)
(I)	Domestic sales of self-produced coal	**11,096**	10,176	9.0
	By region: North China	**3,177**	2,839	11.9
	East China	**3,955**	3,856	2.6
	South China	**1,149**	1,011	13.6
	Others	**2,815**	2,470	14.0
	By coal type: Thermal coal	**9,977**	9,143	9.1
	Coking coal	**1,119**	1,033	8.3
(II)	Self-produced coal export	**9**	19	-52.6
	By region: Taiwan, China	**9**	19	-52.6
	By coal type: Thermal coal	**9**	19	-52.6
(III)	Proprietary trading	**14,644**	12,127	20.8
	Of which: Domestic resale	**14,502**	11,984	21.0
	Self-operated exports	**21**	35	-40.0
	Import trading	**121**	108	12.0
(IV)	Agency sales	**795**	806	-1.4
	Of which: Import agency	**17**	139	-87.8
	Export agency	**95**	156	-39.1
	Domestic agency	**683**	511	33.7
Total		**26,544**	23,128	14.8

3. *Coal reserve*

Unit: 100 million tonnes

Major mining areas	Major coal type	Resource reserve	Recoverable reserve
Shanxi	Thermal coal	44.24	24.56
	Coking coal	19.91	9.57
	Anthracite	9.13	4.77
Inner Mongolia	Thermal coal	88.23	55.22
Heilongjiang	Thermal coal	3.09	1.36
Jiangsu	Thermal coal	6.07	2.22
	Coking coal	1.20	0.35
Shaanxi	Thermal coal	51.78	35.29
Xinjiang	Thermal coal	6.55	3.85
Total	–	230.20	137.19

In 2020, resource reserve utilised amounted to 167 million tonnes and resource reserve verified to decrease amounted to 154 million tonnes. Pursuant to the requirements of the latest mining standards of the PRC and relevant documents, each mining right owner was organising and commencing the data conversion for coal resource reserve under new and old classification standards. As of the end of 2020, the Company's coal resource reserve with mining rights amounted to 23.02 billion tonnes and recoverable reserve amounted to 13.719 billion tonnes.

(2) Coal Chemical Operations

The process for manufacturing the Company's major coal chemical products starts with the gasification of coal as a raw material into synthetic gas ($CO+H_2$), which is then purified to produce synthetic ammonia or methanol. Synthetic ammonia and carbon dioxide are used to produce urea. Through the MTO reaction, methanol is turned into ethylene and propylene monomers, which are polymerised to form polyethylene and polypropylene. In 2020, in the face of the negative impact caused by the COVID-19 outbreak and the sharp decrease in international oil prices, the Company took the initiative in optimising production organisation to maintain the safe and stable production of coal chemical products. The Company coordinated overhaul management and improved work cooperation, continued to promote the refined management of equipment and pushed ahead its operation system in compliance with the requirements of "work safety, stable production, long-period operation, fully-loaded operation and producing quality products". The Company sought to reduce costs and consumption and enhance quality and efficiency in every aspect of production, technology and management to further increase the productivity of coal chemical products. Through measures such as operation optimisation, technological transformation and management enhancement, the coal chemical operation was lifted to the next level.

The Company has established three dedicated coal chemical research institutes to construct an innovative platform, speed up the training of key technical personnel and constantly improve technological innovation capabilities. The Company worked on product differentiation and product chain extension based on its existing process to fulfil the national strategic requirements to ensure food security and strengthen the protection of cultivated land. The production of 102,000 tonnes of urea granules containing polyglutamic acid created a value of RMB6.98 million. The Company produced and developed modified polyolefin products in accordance with the market-oriented principle. The production of 114,000 tonnes of various polyolefin products during the year created a value of RMB27.70 million, which increased the core competitiveness of the Company's coal chemical products.

The Company implements centralised management for the sales of coal chemical products, and conducts centralised sales and sales on advanced payment basis. In 2020, the Company overcame unfavourable factors such as significant price fluctuations and choppy logistics. By flexibly adjusting marketing strategies, optimising customer structure and strengthening quality management and after-sales service, actively seeking preferential freight prices from third parties, making reasonable arrangements for front-end warehouses, the Company managed to sell all the coal chemical products manufactured. During the year, the accumulated sales volume of polyolefin, urea and methanol amounted to 1.474 million tonnes, 2.248 million tonnes and 688,000 tonnes, respectively, and a payment recovery rate of 100% was achieved. The Company focused on enriching product structure and steadily expanding the scale of proprietary trading of chemical products, for which 141,000 tonnes of products were procured and sold, realising a sales revenue of RMB1.02 billion. The Company actively fulfilled social responsibilities. It switched to produce anti-epidemic supplies, organising the production and sales of more than 27,400 tonnes of polypropylene raw materials during the year; the Company also went all out to satisfy the needs of spring ploughing and more than 600,000 tonnes of urea were rolled out to ensure sufficient supply.

Production and sales volume of self-produced coal chemical products *(10 thousand tonnes)*	**2020**	2019	Change (%)
(I) Polyolefin			
1. Polyethylene: Production volume	**74.3**	74.5	-0.3
Sales volume	**74.5**	75.2	-0.9
2. Polypropylene: Production volume	**72.1**	70.8	1.8
Sales volume	**72.9**	69.8	4.4
(II) Urea			
1. Production volume	**188.6**	199.1	-5.3
2. Sales volume	**224.8**	229.1	-1.9
(III) Methanol			
1. Production volume	**69.0**	94.6	-27.1
2. Sales volume	**68.8**	95.8	-28.2

Notes: 1. The urea sales volume of the Company includes the buyout of urea products of Lingshi Coal Chemical Company, a subsidiary of China Coal Group.

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

(3) Coal Mining Equipment Operations

The Company continuously optimised the organisation of production to realise the close connection and linkage between technology, procurement, production and outsourcing. Production efficiency was thus greatly improved. The cumulative value of coal mining equipment for the year amounted to RMB8.7 billion, representing a year-on-year increase of 6.7%. The Company deeply explored the coal machine market by timely tracking changes in the market situation, seizing valid orders and constantly increasing the marketing scale and efficiency to consolidate the market share of leading products. New contract value for the year increased by 4.8% year-on-year. The Company continued to promote non-coal and transformation products. The operations of non-coal chains, water treatment, modified vehicles, drilling equipment, refuse collection vehicles and other non-coal products as well as tunnel boring machines, wind power maintenance and other transformation equipment continued to expand. The Company strove to build a marketing structure for diversified products and continued to expand market boundaries. Revenue from accessories and non-coal business accounted for 43% of the total.

	Production value ***(RMB100 million)***			**Sales revenue** ***(RMB100 million)***	
Coal mining equipment	**2020**	2019	Change (%)	**2020**	Percentage of sales revenue of the coal mining equipment segment (%)
Main conveyor products	**37.5**	34.9	7.4	**37.7**	42.2
Main support products	**31.5**	28.5	10.5	**30.1**	33.7
Others	**18.0**	18.1	-0.6	**21.6**	24.2
Total	**87.0**	81.5	6.7	**89.4**	–

Notes: 1. The sales revenue in the table represents the sales revenue of the coal mining equipment segment before netting of inter-segmental sales.

2. The production value (revenue) of main products includes the production value (revenue) of related accessories and services. The revenue of others includes part of the trade revenue.

(4) Financial Service Operations

Building on its own business development and the whole industry value chain for coal business, the Company proactively gave full play to the advantages of capital management mechanism of Finance Company and the uniform digital finance platform information technology, so as to push forward development of the Company with high quality. The Company dynamically captured the pattern of capital flow, accurately analyzed interest rate trend of the market, timely optimised and adjusted its allocation strategy of the interbank deposit category and term, and greatly enhanced effective management of its capital. By way of continuously digging deep into the Company's internal financial demands and innovative methods of digital financial platform functions and financial service, the Company established its advantages of a full-range bill business chain, including bill acceptance, discount, rediscount, buy-out and repurchase rediscount, and thus enhanced its financial service capability. In 2020, more than 930 bills were discounted, with a discount amount of RMB3.39 billion and daily average self-operated loans amount of RMB13.20 billion. At the end of 2020, deposits absorbed amounted to RMB35.83 billion and the placement of interbank deposits amounted to RMB25.00 billion, all hitting the highest level in the history.

Financial operations *(RMB100 million)*	**2020**	2019	Change (%)
Scale of deposits absorbed	**358.3**	285.8	25.4
Placement of interbank deposits	**250.0**	169.4	47.6
Daily average scale of self-operated loans	**132.0**	117.6	12.2

(5) Synergy among Business Segments

The Company fully capitalised on the advantages of integrated coal, power and chemical industry value chains, stabilised its traditional principal business, optimised the layout of industry structure, and promoted the transformation and upgrade of enterprises to continuously enhance synergetic development among the business segments. In 2020, the power plants and chemical enterprises of the Company jointly promoted clean utilization and conversion of coal, and consumed 5.87 million tonnes of self-produced low calorific value coal in total. The coal chemical projects in the regions of Inner Mongolia and Shaanxi exerted more efforts into local transformation of self-produced coal and purchased 3.17 million tonnes of coal from surrounding coal mines of the Company. The coal mining equipment business segment achieved internal product sales and services revenue of RMB1.2 billion, representing 13.3% of the total sales revenue of the segment. For the finance segment, newly issued internal loans amounted to RMB5.26 billion in aggregate and the amount of internal loan as at the end of the year was RMB7.59 billion, offering financing convenience with rich varieties, quality service and efficient approval process. Hence, financing costs have been lowered and a total of finance expenses amounting to RMB400 million have been saved.

II. Analysis of Core Competitiveness

The Company's core business segments focus on coal, coal chemical, power generation and coal mining equipment. Leveraging on bases located in Shanxi, Inner Mongolia, Shaanxi, Jiangsu and Xinjiang, the Company is dedicated to becoming a world first-class clean energy supplier and an integrated energy service provider with global competitiveness.

The principal coal business of the Company has distinctive scale advantages with its leading technologies and techniques in coal mining, washing, preparation and blending in the industry. The production costs of the coal mines are lower than most of the coal enterprises in China. The Company boasts abundant coal resources. 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 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 located is the production base of high-quality anthracite in the PRC. The Company's coal key construction projects have achieved progress smoothly. Muduchaideng Coal Mine and Nalin River No.2 Coal Mine have conducted completion acceptance, and other projects such as Dahaize Coal Mine and Libi Coal Mine all progress steadily and orderly. It is the professional and sophisticated management mode, the capable and efficient production mode, 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.

The Company focuses on coal power generation and coal chemical to continuously promote industrial structure optimization, and strives to establish a new circular economic business line for coal, power, chemical, etc. In terms of coal chemical business, the equipment maintained the operating situation of "work safety, stable production, long period operation, fully-loaded operation and producing quality products", and the indicator of unit consumption and a number of other indicators are at the forefront of the industry; Technology Transformation Project of Annual Methanol Output of 1 Million Tonnes from Synthetic Gas located in Inner Mongolia is progressing steadily, which will supply methanol raw materials for Mengda Chemical Company after completion, further perfecting the regional industrial chain. In terms of coal-power business, the Company is vigorously pushing forward low calorific value coal and pit-mouth power generation projects. The 2×350MW thermal power project for Shanghai Energy Company has conducted completion acceptance, the Project of the Second Power Plant 2×660MW located for the north of Wucai Bay, Zhundong, Xinjiang has been formally connected to the grid, and the 2×350MW low calorific value coal power generation project in Antaibao has commenced construction.

The Company is one of the largest coal traders in the PRC with branches in major coal consumption regions, transshipment ports and major coal import regions of the PRC. Capitalizing on its own marketing network of coal sales and logistics system, well-established port service and high-calibre professional teams, the Company is able to provide customers with high quality services with excellent capabilities for market exploration and distribution.

The Company is the only large-scale energy enterprise in China, or even in the world, 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 solution, with the advantages of the whole industry chain for coal business.

The Company insisted on innovation-driven growth and became the leader of the industry. The Company established equipment research institutes and institute of coal chemical engineering, constructed gas treatment centers as well as rock burst prevention and water control research centers in its mining areas, and witnessed a significant boost to its technology R&D capabilities and innovation. As a result, the Company has made major breakthroughs in a series of key technologies, achieved success in green coal mining, intelligent development and low-cost mining. The Company steadily advanced the development of new coal chemical products and established a solid foundation for enterprises to reduce their energy consumption and expand their market. The Company also aimed at smart, high-end and non-coal development for coal machinery equipment, meeting market demands as well as needs of corporate transformation development, and dramatically enhancing its corporate core competitiveness.

The Company adheres to the cultural concept of "harmony", continuously improves its enterprise management system and keeps providing an institutional environment for development and growth. The Company has established a sound corporate management system and is gradually improving its internal control and risk control systems. The Company 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 enhanced its advantages on productivity and operating efficiency. By being committed to building the "harmony" culture, creating a harmonious atmosphere and promoting the construction of the "harmony" culture of "respect and inclusion, trust and support, united minds and actions, harmonious development", the Company has established a good corporate image and concentrated cohesive staff.

In recent years, the Company has adhered to the existing strategy and has 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 Company has promoted a shift of development model from a scale and speed-oriented extensive growth model to a quality and efficiency-focused intensive model, thus continuously improving its core competitiveness. The Company 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 laying a solid foundation for promoting high-quality development of the Company.

III. Competitive Landscape in the Industry

With the effective control of the COVID-19 pandemic and the stable recovery of the economy in the PRC, the demand for coal increased slightly on the back of the renewed demand for electricity, cement and building materials and related products. According to the data published by the China Coal Transport and Distribution Association, total national coal consumption in 2020 was 4.047 billion tonnes, representing an increase of 12% year-on-year. As the supply-side reform continued to deepen, the coal industry in the PRC had shifted from "total capacity reduction" to the stage of "structural capacity reduction and systematic capacity optimisation" and saw a constant ramp-up in premium coal production capacity. According to data published by the National Energy Administration, the coal production of enterprises above designated size nationwide in 2020 was 3.84 billion tonnes, representing a year-on-year increase of 0.9% which was 3.1 percentage points lower than the increase in the previous year. Following the reorganisation and integration of local coal enterprises, the controllability of supply improved gradually as the concentration of the industry continued to increase. After the integration, the specialised major state-owned coal enterprises would become more competitive and influential in the market. As obsolete production capacity is being phased out amid the current supply-side reform, the constant optimisation of the capacity structure and the significant improvement in the supply system will usher in new opportunities and challenges for major state-owned coal enterprises.

According to statistics from relevant industry associations and the customs, domestic urea production in 2019 reached 54.812 million tonnes, representing a year-on-year increase of 5.3%, whereas urea exports amounted to 4.945 million tonnes, with apparent consumption of the same increasing by 0.5% year-on-year to 50.05 million tonnes. With the advancement of policies on national food security and fertiliser reduction and efficiency enhancement, supply and demand in the fertiliser industry increased simultaneously, bringing both positive and negative factors into play. In 2020, domestic polyolefin production was 45.86 million tonnes, representing a year-on-year increase of 13.8%, while imports amounted to 25.20 million tonnes, with apparent consumption of the same rising by 14.2% year-on-year to 68.29 million tonnes. Affected by the pandemic, the polyolefin industry was suppressed before showing an uptick. As economic stimulus policies rolled out and the demand for anti-epidemic supplies increased, the supply and demand dynamics in the polyolefin market improved in general. With the orderly recovery of domestic and international economies, the business environment for novel coal chemical enterprises eased up to some extent. As one of the basic organic chemical raw materials, methanol saw significant price drops due to the plunge in international oil prices. The glut intensified in the first half of 2020. In the third quarter, due to the reduction in imports resulted from the curb on international output and the slow recovery of the downstream segment in the country, the glut was alleviated, leading to a marked improvement in the profitability of coal (methanol)-to-olefins enterprises.

During the "13th Five-Year Plan" period, green development was the focus of the power industry in the PRC. As the adjustment of the power supply structure continued to deepen and the structure of thermal power units continued to improve, the proportion of supercritical and ultra-supercritical coal-fired units increased. In 2020, power consumption across the country experienced a decline before going up, with an uptick for the whole year. According to the data published by the China Electricity Council, total electricity consumption of the country for the whole year was 7.5 trillion KWh, representing a year-on-year increase of 3.1%. Electricity generation of the country was 7.6 trillion KWh, representing a year-on-year increase of 4.0%, among which 5.2 trillion KWh of electricity were generated with thermal power, representing an increase of 2.5% year-on-year and accounting for 67.9% of national power generation. As at the end of 2020, the installed capacity of power plants nationwide was 2.2 billion KW, representing a year-on-year increase of 9.5%, among which 1.25 billion KW came from thermal power plants, accounting for 56.6% of the total installed capacity. The average utilisation of power generation equipment throughout the year was 3,758 hours, representing a year-on-year decrease of 1.9%, among which the average utilisation of thermal power equipment was 4,216 hours, representing a year-on-year decrease of 2.2%. In view of the economic recovery at the moment, electricity consumption of the whole country is expected to continue to grow, and the electricity market is expected to stabilise and recover.

IV. Industry Development Trends of the Business of the Company

2021 marks the start of the "14th Five-Year Plan" period, when the national economy is going to build on a new development pattern. Driven by the "double cycle" strategy and the ramp-up of new infrastructure, growth of the macroeconomy will resume at a faster pace, ushering in a rebound in domestic energy consumption growth. Benefiting from the orderly release of premium coal production capacity under the supply-side reform and the policy adjustments to imported coal, coupled with the continuous advancement of the production, supply, storage and sales systems at the policy level and the further improvement and implementation of the mechanism in relation to medium to long-term contracts, the basic circumstance of "tight balance" between supply and demand in the coal market is expected to continue. New dynamics will be formed gradually amid the rising coal demand, the release of new production capacity and high coal prices. At present, coal consumption still accounts for a large proportion of the country's total energy consumption. Therefore, coal will still play a dominant role. Given the proposed "Carbon Emissions Peak" and "Carbon Neutrality" targets and the faster development of a low-carbon economy, adjustment to the energy structure is set to accelerate. Growth in coal consumption and demand may slow down gradually. However, the significance of coal as the basic energy source of the PRC will not be shaken for the while.

The prospects for the novel coal chemical industry, which is closely related to the coal industry, are bright. For the urea sector, domestic and foreign urea production capacity and output are poised to increase, and the competitiveness of exports from the PRC will gradually decline. However, due to the COVID-19 pandemic, governments of various countries attach great importance to food security. Food reserve remains high. The rising prices resulting from tight global food supply drive the growth of demand for fertilisers as well as the prices of urea and other products. For the polyolefin sector, the plastics industry in the PRC is in a critical period of transition from high growth to a mature industry and towards the mid to high-end market. The plastics industry will have new development opportunities and a new business environment. With the promotion of urbanisation and the internal circulation of the economy, the demand for pipes, rotational moulds, medical protective products and fast-moving consumer goods will see faster growth. The trends of "plastics for steel" and "plastics for wood" offer great potential for the plastics industry, which can support the price of polyolefins to a certain extent. For the methanol sector, domestic and foreign production capacity continues to expand, and the capacity in the PRC is dominated by the coal-to-methanol process. As for downstream demand, the coal (methanol)-to-olefins process will continue to be the largest area of consumption. With the gradual recovery of the domestic economy and the uptick in international oil prices amid fluctuations, the price range of methanol in the PRC is expected to edge up.

In terms of energy structure, with the deepening of the low-carbon development energy policy in the PRC, the continuous advancement of power system reforms and the faster transition of the source of electricity, carbon emissions peak and carbon neutrality will become the main targets in the battle against pollution during the "14th Five-Year Plan" period. Increments in installed capacity and electricity consumption nationwide will be dominated by new energies such as wind power and photovoltaics. Total installed capacity of wind power and photovoltaics will exceed 1.2 billion KW by 2030. Meanwhile, the establishment of a national carbon emission rights trading market will commence in 2021, which will subject more than 2,000 domestic coal-fired power enterprises to carbon emission quotas. The role of coal-fired electricity is transforming from a main energy source to a basic and supplemental power source. The proportion of coal-fired installed capacity will decline, but the significance of coal-fired electricity in the power structure will remain unchanged for the while.

V. Production and Operation Plans of the Company in 2021

In 2020, the Company spared no efforts in overcoming adverse factors such as the pandemic, continuously optimised production structure, focused on enhancing production efficiency, strengthened the coordination among production, transportation and sales, strived to explore the market, greatly improved quality and efficiency, and fully underwent reform, thereby achieving sound operating results. The Company surpassed its annual production and operation plan, with a commercial coal output of 110.01 million tonnes; sales volume of self-produced commercial coal of 111.05 million tonnes; polyolefin output of 1.464 million tonnes and polyolefin sales volume of 1.474 million tonnes; urea output of 1.886 million tonnes and urea sales volume of 2.248 million tonnes. The Company recorded revenue of RMB141.0 billion, representing a year-on-year increase of 9%. The unit cost of sales of self-produced commercial coal amounted to RMB311.88/tonne, representing a year-on-year decrease of RMB21.15/tonne. The profit attributable to the equity holders of the Company amounted to RMB5.351 billion, representing a year-on-year decrease of 13.7%.

In 2021, adhering to the main principle of progression with stability and focusing on further supply-side structural reform, the Company will, based on reform and innovation, deepen corporate reform, strengthen technology innovation, optimise deployment and structure, foster transformation and upgrade, prevent and resolve material risks, and strive to enhance profitability. On the premise that there will be no material changes to the markets, the annual production and sales volumes of self-produced commercial coal, polyolefin products and urea are planned to achieve more than 105.00 million tonnes, more than 1.40 million tonnes and more than 2.00 million tonnes, respectively. The Company will continue to increase efforts to reduce costs and increase efficiency, reasonably control the selling cost of major products, and strive to maintain its revenue size and profitability. The Company will focus on the following tasks:

Firstly, the Company will spare no effort to stabilise production and increase sales. By continuously facilitating the optimization of production deployment and system of coal mines, the Company aims to realize centralised and efficient production to stabilize coal production volume. The Company will enhance management of coal chemical processes to maintain the "work safety, stable production, long period operation, fully-loaded operation and producing quality products". Through continuous enhancement of market structure construction and putting comprehensive coverage of marketing network into full play, the Company will further lift up its optimization, integration and marketing capability for coal resources in high regions, while focuses on increasing its profitability and efficiency.

Secondly, the Company will continue to reinforce safety management, keep on increasing investment on safety, constantly optimise systems and projects, greatly commence equipment upgrade, comprehensively improve ability to ensure security, strive to enhance the quality of safety, and resolutely ensure safety production.

Thirdly, the Company will emphasise on strengthening cost control. By continuously increasing quality and efficiency and mobilizing all staff to enhance efficiency, the Company will reinforce target-oriented management, maintain stringent cost control, and constantly develop its quality and effectiveness.

Fourthly, the Company will continue to improve the industry chain level, seize the opportunity of domestic big circulation as the main body and domestic and international double circulation policy, accelerate the integration of coal, power and chemicals, conduct scalable development and work on upgrading the industry chain. Accelerating the deployment and development of new energy industry, the Company will foster the mutual compliment and synergy between new energy industry and its existing major businesses.

Fifthly, the Company will strive to promote reform and innovation, continue to advance the reform of its organization and mechanisms, consolidate the Three System Reforms, and continuously stimulate corporate vitality. The Company will emphasise on technology innovation, enhance the construction of innovation ability, and accelerate the development of new energy.

Sixthly, the Company will firmly proceed the construction of key projects. The Company will focus on the management of the key parts of infrastructures construction, so as to speed up the construction of its existing key projects, exemplify the advantage of industry synergy and professional management, while significantly facilitate the preliminary works for projects.

Seventhly, the Company will effectively prevent and control material risks. With focus on reinforcing safety and risk control while continuously optimise the dual-prevention mechanism for safe production, the Company is dedicated to realizing safety production. The Company will deepen the implementation of normalised pandemic prevention deployment to effectively prevent pandemic risk. Insisting on the problem-oriented, target-oriented and result-oriented strategy, the Company will effectively prevent operation risk arising from changes in external environment. The Company will enhance fund raising and financing management, reasonably control liability scale, and secure the safe and effective turnover of the fund chain. The Company will continue to enhance the governance of ecological and environmental protection, speed up the inspection and rectification of ecological and environmental issues, comprehensively complete the national goals and missions on energy conservation and ecological and environmental protection, and effectively control environment risk.

Meanwhile, since various uncertainties still exist amidst COVID-19 pandemic and external environment, supervision pressures on safe production and environmental production have edged 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 herein would not constitute any commitment to results to investors by the Company. Investors should be informed and aware of risks in this connection.

SIGNIFICANT EVENTS

(1) Share Capital Structure

As of 31 December 2020, the structure of the share capital of the Company was as follows:

Unit: Share(s)

Type of Shares	Number of Shares	Percentage (%)
A Shares	9,152,000,400	69.03
Of which: A Shares held by China Coal Group	7,605,207,608	57.36
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	7,737,558,608	58.36

(2) Distribution of Final Dividends for 2019

The Company's 2019 profit distribution plan was considered and approved at the Company's 2019 annual general meeting held on 16 June 2020. Cash dividends of RMB1,687,931,100 were distributed to the Shareholders, representing 30% of the net profit attributable to the equity holders of the Company which was RMB5,626,437,000 for the year of 2019 as set out in the consolidated financial statements of 2019 prepared in accordance with PRC GAAP. Based on the total issued share capital of 13,258,663,400 shares of the Company, RMB0.127 (inclusive of tax) per share would be distributed.

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

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

The Articles of Association and the Rules of Procedures of the Board were not amended during the reporting period.

(4) Transaction of Assets

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

(5) Other Significant Events

1. Registration and Issuance of Corporate Bonds

The Company successfully registered corporate bonds of RMB10.0 billion on 10 March 2020, and completed the public issuance of the first tranche of corporate bonds for 2020 on 18 March 2020. The issuance amount was RMB3.0 billion with a term of 5 years at an interest rate of 3.60%.

For details, please refer to the announcements of the Company published on the websites of the SSE, the HKSE and the Company on 12 March, 18 March and 19 March 2020.

2. Registration and Issuance of Medium-term Notes

The Company successfully registered medium-term notes of RMB5.0 billion on 16 March 2020, and completed the issuance of the first tranche of medium-term notes for 2020 on 13 April 2020. The issuance amount for category 1 was RMB1.5 billion with a term of 5 years at a coupon rate of 3.28%. The issuance amount for category 2 was RMB500 million with a term of 7 years at a coupon rate of 3.60%.

For details, please refer to the announcements of the Company published on the websites of the SSE, the HKSE and the Company on 17 March and 14 April 2020.

EMPLOYEE

As at 31 December 2020, the total number of employees in the Group is 41,593 (2019: 42,112).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to improving its corporate governance level. For the year ended 31 December 2020, the Company strictly complied with the provisions of Corporate Governance Code set out in appendix 14 of Hong Kong Listing Rules.

AUDIT AND RISK MANAGEMENT COMMITTEE

The audit and risk management committee of the Company has reviewed the annual results for the year ended 31 December 2020.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in appendix 10 of Hong Kong Listing Rules ("Model Code"). The Company confirmed after careful inquiry that all Directors and Supervisors had been complying with the Model Code during the year ended 31 December 2020.

REMUNERATION OF DIRECTORS AND SUPERVISORS

For the year ended 31 December 2020, no Directors or Supervisors have agreed to waive any remuneration.

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

DIVIDENDS

On 24 March 2021, pursuant to the relevant PRC laws and regulations, the Board recommended the payment of cash dividends of RMB1,771,250,100 to the Shareholders, representing 30% of the net profit attributable to the Shareholders for the year ended 31 December 2020, which was RMB5,904,167,000 as set out in the consolidated financial statements prepared in accordance with PRC GAAP. The proposed dividend distribution will be made based on the Company's total issued share capital of 13,258,663,400 shares, representing a dividend of RMB0.134 per share (tax inclusive). The above proposed profit distribution plan is subject to the approval of Shareholders at the 2020 annual general meeting. Cash dividends will be distributed to Shareholders registered at the relevant record date upon approval.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China which came into effect on 1 January 2008 and its implementing rules and other relevant 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 organizations, 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" issued by the State Administration of Taxation on 28 June 2011, 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 for subsequent taxation handling.

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 Hong Kong Stock Exchange 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 Hong Kong Stock Exchange 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 Hong Kong Stock Exchange 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.

The Company will convene the 2020 annual general meeting on 11 May 2021. For information on the latest registration date and the period of closure of share register for attending the 2020 annual general meeting of the Company and for receiving the final dividend for the year ended 31 December 2020, please refer to the notice of annual general meeting issued by the Company on 24 March 2021. Further announcement on the dividend distribution date (expected to be prior to 31 August 2021) will be issued after the 2020 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 2020, which, among other things, will set out the record date and ex-rights date of dividend distribution for A Shares.

As of 31 December 2020, no arrangement was reached pursuant to which the Shareholders waived or agreed to waive their dividends.

PURCHASE, SALE OR REPURCHASE OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2020, the Company and its subsidiaries did not purchase, sell or repurchase any listed securities of the Company.

AUDITORS

Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Certified Public Accountants LLP (special general partnership) were appointed as overseas auditors and domestic auditors for the year end of 31 December 2020. The former has audited the prepared financial statements of the Company in accordance with IFRS and provided unqualified opinion.

RELEASE OF ANNUAL REPORT ON HKSE WEBSITE

According to the provisions of Hong Kong Listing Rules on the reporting period, the annual report for 2020 will include all the information disclosed in this result announcement for 2020, and will be disclosed on the websites of the Company and HKSE on or prior to 30 April 2021.

DEFINITIONS

In this announcement, 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
Pingshuo Group	China Coal Pingshuo Group Company Limited
Shanghai Energy Company	Shanghai Datun Energy Resources Company Limited
China Coal Huajin Company	China Coal Huajin Energy Group Limited
China Coal Shaanxi Company	China Coal Shaanxi Yulin Energy & Chemical Company Limited
China Coal Yuanxing Company	Inner Mongolia China Coal Yuanxing Energy Chemical Company Limited
Northwest Energy Company	China Coal Northwest Energy Company Limited

Ordos Energy Chemical Company	China Coal Ordos Energy Chemical Company Limited
Mengda Chemical Company	Inner Mongolia China Coal Mengda New Energy & Chemical Company Limited
Finance Company	China Coal Finance Co., Ltd.
Panjiayao Coal	Shanxi China Coal Panjiayao Coal Co., Ltd.
Muduchaideng Coal Mine	Muduchaideng Coal Mine Project of Ordos Yihua Mining Resources Company Limited
Nalin River No.2 Coal Mine	Nalin River No.2 Coal Mine Project of Wushenqi Mengda Mining Company Limited
Dahaize Coal Mine	Dahaize Coal Mine Project of China Coal Shaanxi Yulin Energy & Chemical Company Limited
Wangjialing Coal Mine	Wangjialing Coal Mine Project of China Coal Huajin Energy Group Limited
Libi Coal Mine	Libi Coal Mine of China Coal Huajin Group Jincheng Energy Company Limited
Technological Transformation Project of Annual Methanol Output of 1 Million Tonnes from Synthetic Gas	the technological transformation project of annual methanol output of 1 million tonnes from synthetic gas of China Coal Ordos Energy Chemical Company Limited
HKSE	The Stock Exchange of Hong Kong Limited
HKSE Website	www.hkexnews.hk
SSE	the Shanghai Stock Exchange
SSE Website	www.sse.com.cn
Company Website	www.chinacoalenergy.com
Articles of Association	the articles of association passed at the inaugural meeting of the Company on 18 August 2006 and approved by the relevant state authorities, as amended and supplemented from time to time
A Share(s)	the ordinary share(s) issued to domestic investors in China with approval from CSRC, which are listed on the SSE and traded in RMB

H Share(s)	the overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company, which are listed on the HKSE for subscription in Hong Kong dollars
Share(s)	the ordinary shares of the Company, including A Share(s) and H Share(s)
Shareholder(s)	the shareholder(s) of the Company, including holder(s) of A Shares and holder(s) of H Shares
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
RMB	RMB yuan

By Order of the Board
China Coal Energy Company Limited
Peng Yi
Vice Chairman and Executive Director

Beijing, the PRC
24 March 2021

As at the date of this announcement, the executive director of the Company is Peng Yi; the non-executive directors of the Company are Du Ji'an, Zhao Rongzhe and Xu Qian; and the independent non-executive directors of the Company are Zhang Ke, Zhang Chengjie, and Leung Chong Shun.

* *For identification purpose only*