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 2023

FINANCIAL HIGHLIGHTS:

- In 2023, the Group's revenue amounted to RMB192.969 billion, representing a decrease of RMB27.608 billion or 12.5% as compared with 2022.

- In 2023, the profit attributable to the equity holders of the Company amounted to RMB20.184 billion, representing an increase of RMB0.446 billion or 2.3% as compared with 2022.

- In 2023, the basic earnings per share of the Company was RMB1.52, representing an increase of RMB0.03 as compared with 2022.

- In 2023, EBITDA amounted to RMB44.754 billion, representing an increase of RMB0.862 billion or 2.0% as compared with 2022.

- The Board recommended the payment of final dividends of RMB0.442 per share (inclusive of tax) for the year of 2023, which is subject to the approval by the Shareholders at the annual general meeting for the year of 2023.

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 2023 prepared by the Group in accordance with the International Financial Reporting Standards ("**IFRS**"):

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Notes	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000 (Restated)
Revenue	5	**192,968,833**	220,576,859
Cost of sales			
Materials used and goods traded		**(96,353,836)**	(120,016,117)
Staff costs		**(10,462,496)**	(9,337,716)
Depreciation and amortisation		**(10,713,093)**	(9,927,575)
Repairs and maintenance		**(2,774,377)**	(2,895,820)
Transportation costs and port expenses		**(11,486,820)**	(10,766,014)
Sales taxes and surcharges		**(7,154,303)**	(7,240,645)
Others		**(12,440,912)**	(10,794,967)
		(151,385,837)	(170,978,854)
Gross profit		**41,582,996**	49,598,005
Selling expenses		**(1,049,523)**	(928,768)
General and administrative expenses		**(7,029,791)**	(6,633,986)
Other income, other gains and losses, net		**78,933**	(8,516,376)
Impairment losses under expected credit loss model, net of reversal		**(68,501)**	(218,168)
Profit from operations		**33,514,114**	33,300,707
Finance income	6	**104,991**	135,135
Finance costs	6	**(3,099,916)**	(3,863,142)
Share of profits of associates and joint ventures		**3,176,197**	5,010,429
Profit before income tax		**33,695,386**	34,583,129
Income tax expense	7	**(7,273,549)**	(7,479,216)
Profit for the year		**26,421,837**	27,103,913

	Notes	**Year ended 31 December 2023** *RMB'000*	Year ended 31 December 2022 *RMB'000* (Restated)
Profit for the year		**26,421,837**	27,103,913
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		**(917)**	(68,349)
Fair value changes on equity instruments at fair value through other comprehensive income, net of tax		**(483,783)**	754,289
		(484,700)	685,940
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		**12,264**	25,937
Impairment loss for debt instruments at fair value through other comprehensive income included in profit or loss, net of reversal		**(6,679)**	5,621
Exchange differences arising on translation of foreign operations		**7,835**	4,396
		13,420	35,954
Other comprehensive income for the year, net of tax		**(471,280)**	721,894
Total comprehensive income for the year		**25,950,557**	27,825,807
Profit for the year attributable to:			
Equity holders of the Company		**20,183,598**	19,737,989
Non-controlling interests		**6,238,239**	7,365,924
		26,421,837	27,103,913
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**19,713,375**	20,451,635
Non-controlling interests		**6,237,182**	7,374,172
		25,950,557	27,825,807
Basic and diluted earnings per share for the profit attributable to equity holders of the Company (RMB)	*9*	**1.52**	1.49

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Notes	As at 31 December 2023 RMB'000	As at 31 December 2022 RMB'000 (Restated)
Non-current assets			
Property, plant and equipment		**127,702,183**	126,445,836
Investment properties		**65,148**	69,089
Right-of-use assets		**746,675**	362,754
Mining rights		**47,209,528**	39,484,920
Intangible assets		**1,891,370**	1,895,222
Land use rights		**6,537,032**	6,788,002
Goodwill		**6,084**	6,084
Investment in associates		**26,263,281**	25,240,148
Investment in joint ventures		**4,539,186**	4,508,156
Equity instruments designated at fair value through other comprehensive income		**2,866,145**	3,410,938
Deferred tax assets		**2,560,735**	2,356,158
Long-term receivables		**333,051**	406,200
Other non-current assets		**8,766,688**	4,845,680
Total non-current assets		**229,487,106**	215,819,187
Current assets			
Inventories		**8,734,988**	9,350,026
Trade receivables and notes receivables	*10*	**7,492,777**	8,747,383
Debt instruments at fair value through other comprehensive income	*10*	**3,309,821**	5,881,285
Contract assets		**2,336,249**	1,972,141
Prepayments, other receivables and other assets		**6,251,634**	6,934,687
Restricted bank deposits		**9,926,996**	9,175,006
Term deposits with initial terms of over three months		**50,032,871**	51,852,476
Cash and cash equivalents		**31,582,885**	29,998,038
Total current assets		**119,668,221**	123,911,042
TOTAL ASSETS		**349,155,327**	339,730,229

	Notes	As at 31 December 2023 RMB'000	2022 RMB'000 (Restated)
Current liabilities			
Trade and notes payables	*11*	**26,737,859**	25,420,854
Contract liabilities		**5,040,221**	6,236,819
Other payables and accruals		**42,635,896**	37,285,929
Lease liabilities		**107,106**	73,291
Tax payable		**1,625,550**	3,207,822
Short-term borrowings		**122,600**	281,390
Current portion of long-term borrowings		**16,482,683**	30,891,551
Current portion of long-term bonds		**5,325,108**	1,561,811
Current portion of provision for closedown, restoration and environmental costs		**80,942**	38,723
Total current liabilities		**98,157,965**	104,998,190
Non-current liabilities			
Long-term borrowings		**42,774,978**	40,333,864
Long-term bonds		**7,993,019**	12,977,222
Deferred tax liabilities		**4,661,399**	4,416,997
Lease liabilities		**716,090**	372,460
Provision		**39,310**	16,800
Provision for employee benefits		**108,237**	89,605
Provision for closedown, restoration and environmental costs		**5,849,519**	5,141,213
Deferred revenue		**993,739**	2,235,906
Other long-term liabilities		**5,337,510**	4,259,184
Total non-current liabilities		**68,473,801**	69,843,251
Total liabilities		**166,631,766**	174,841,441
Equity			
Share capital		**13,258,663**	13,258,663
Reserves	*12*	**53,342,865**	52,551,361
Retained earnings	*12*	**77,280,846**	64,804,080
Equity attributable to the equity holders of the Company		**143,882,374**	130,614,104
Non-controlling interests		**38,641,187**	34,274,684
Total equity		**182,523,561**	164,888,788
TOTAL EQUITY AND LIABILITIES		**349,155,327**	339,730,229

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Going Concern

The directors of the Group have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

IFRS 17	*Insurance Contracts*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and impact of the new and revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their material accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in notes to the financial statements. The amendments did not have any significant impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of use assets as at 1 January 2022. The quantitative impact on the financial information is summarised below.

Impact on the consolidated statement of financial position:

	Note	**Before the application of Amendments to IAS 12 As at 1 January 2022** *RMB'000*	**Effect of Application of Amendments to IAS 12** *RMB'000*	**After the application of Amendments to IAS 12 As at 1 January 2022** *RMB'000*
Deferred tax assets	*(i)*	2,376,648	89,459	2,466,107
Total non-current assets		216,792,564	89,459	216,882,023
TOTAL ASSETS		322,200,920	89,459	322,290,379
Deferred tax liabilities	*(i)*	5,597,260	822	5,598,082
Total non-current liabilities		91,428,853	822	91,429,675
Total liabilities		179,368,456	822	179,369,278
Retained earnings		51,599,022	81,799	51,680,821
Non-controlling interests		28,722,990	6,838	28,729,828
Total equity		142,832,464	88,637	142,921,101
TOTAL EQUITY AND LIABILITIES		322,200,920	89,459	322,290,379

	Note	Before the application of Amendments to IAS 12 As at 31 December 2022	Effect of Application of Amendments to IAS 12	After the application of Amendments to IAS 12 As at 31 December 2022
		RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	*(i)*	2,242,247	113,911	2,356,158
Total non-current assets		215,705,276	113,911	215,819,187
TOTAL ASSETS		339,616,318	113,911	339,730,229
Deferred tax liabilities	*(i)*	4,412,709	4,288	4,416,997
Total non-current liabilities		69,838,963	4,288	69,843,251
Total liabilities		174,837,153	4,288	174,841,441
Retained earnings		64,703,761	100,319	64,804,080
Non-controlling interests		34,265,380	9,304	34,274,684
Total equity		164,779,165	109,623	164,888,788
TOTAL EQUITY AND LIABILITIES		339,616,318	113,911	339,730,229

Note (i): The deferred tax asset and the deferred tax liability of the same subsidiary have been offset in the statement of financial position for presentation purposes.

Impact on the consolidated statement of profit or loss:

	Before the application of Amendments to IAS 12 For the year ended 31 December 2022	Effect of Application of Amendments to IAS 12	After the application of Amendments to IAS 12 For the year ended 31 December 2022
	RMB'000	*RMB'000*	*RMB'000*
Income tax expense	(7,500,202)	20,986	(7,479,216)
Profit for the year	27,082,927	20,986	27,103,913
Total comprehensive income for the year	27,804,821	20,986	27,825,807

The adoption of amendments to IAS 12 did not have any material impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, other comprehensive income and the consolidated statements of cash flows for the years ended 31 December 2023 and 2022.

(d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact on the financial position or performance of the Group.

4. SEGMENT INFORMATION

4.1 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 Management Office (經營層).

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 operated. 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 sale of coal;
- Coal-chemical products-production and sale of coal-chemical products;
- Mining machinery-manufacturing and sale 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 generation, equipment trading agency services, tendering services and other insignificant manufacturing businesses which are not reportable were combined and disclosed in "Others" segment category.

4.2 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 tax assets, deferred 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 2023								
	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	162,680,722	21,393,577	12,182,654	2,441,925	8,233,954	206,932,832	–	(13,963,999)	192,968,833
Inter-segment revenue	(9,294,508)	(1,050,084)	(2,019,732)	(483,113)	(1,116,562)	(13,963,999)	–	13,963,999	–
Revenue from external customers	153,386,214	20,343,493	10,162,922	1,958,812	7,117,392	192,968,833	–	–	192,968,833
Segment results									
Profit (loss) from operations	28,402,193	3,627,871	785,023	1,307,895	(306,059)	33,816,923	(406,368)	103,559	33,514,114
Profit (loss) before income tax	29,136,496	2,980,356	783,557	1,307,131	548,148	34,755,688	(974,852)	(85,450)	33,695,386
Interest income	373,517	63,696	35,789	–	97,064	570,066	514,363	(979,438)	104,991
Interest expense	(1,564,745)	(538,875)	(79,145)	–	(199,214)	(2,381,979)	(1,528,352)	845,521	(3,064,810)
Depreciation and amortisation	(5,353,755)	(4,975,607)	(393,175)	(1,678)	(497,550)	(11,221,765)	(17,818)	–	(11,239,583)
Share of profits (losses) of associates and joint ventures	1,957,885	(171,561)	43,409	–	879,757	2,709,490	466,707	–	3,176,197
Income tax expense	(6,438,111)	(308,569)	(108,572)	(335,433)	(108,496)	(7,299,181)	–	25,632	(7,273,549)
Other material non-cash items									
Provision for impairment of property, plant and equipment	(173,059)	–	–	–	(9,006)	(182,065)	–	–	(182,065)
(Provision for) reversal of impairment of other assets	(53,646)	(478)	(39,182)	(56,183)	69,543	(79,946)	(1,834)	12,453	(69,327)
Addition to non-current assets	19,791,727	2,075,070	301,661	2,616	133,404	22,304,478	29,853	–	22,334,331
Segment assets and liabilities									
Total assets	181,708,221	56,536,932	17,656,136	103,492,843	25,198,243	384,592,375	5,403,203	(40,840,251)	349,155,327
Including: interests in associates and joint ventures	14,387,287	14,697,924	1,166,709	–	316,619	30,568,539	233,928	–	30,802,467
Total liabilities	72,167,205	21,891,881	9,299,539	97,246,012	17,472,221	218,076,858	51,407,093	(102,852,185)	166,631,766

	Year ended and as at 31 December 2022 (Restated)								
	Coal	Coal-chemical products	Mining machinery	Finance	Others	Total segment	Unallocated	Inter-segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment Revenue									
Total Revenue	190,918,482	22,701,052	10,608,534	2,385,526	7,583,220	234,196,814	–	(13,619,955)	220,576,859
Inter-segment revenue	(10,080,631)	(836,762)	(1,193,437)	(491,760)	(1,017,365)	(13,619,955)	–	13,619,955	–
Revenue from external customers	180,837,851	21,864,290	9,415,097	1,893,766	6,565,855	220,576,859	–	–	220,576,859
Segment results									
Profit (loss) from operations	30,685,890	1,251,372	689,633	1,268,293	(518,302)	33,376,886	(344,505)	268,326	33,300,707
Profit (loss) before income tax	31,892,906	2,795,838	669,441	1,267,635	(577,607)	36,048,213	(1,534,130)	69,046	34,583,129
Interest income	278,074	65,498	31,351	–	61,935	436,858	723,072	(1,024,795)	135,135
Interest expense	(1,658,801)	(750,030)	(84,948)	–	(218,898)	(2,712,677)	(2,007,643)	863,388	(3,856,932)
Depreciation and amortisation	(6,472,392)	(3,225,418)	(449,590)	(1,538)	(423,978)	(10,572,916)	(18,547)	–	(10,591,463)
Share of profits of associates and joint ventures	2,641,984	2,229,363	34,995	–	454	4,906,796	103,633	–	5,010,429
Income tax (expense) credit	(6,691,407)	(260,687)	(87,066)	(313,335)	141,137	(7,211,358)	(287,951)	20,093	(7,479,216)
Other material non-cash items									
Provision for impairment of property, plant and equipment	(669,777)	(702,878)	–	–	(575,961)	(1,948,616)	–	–	(1,948,616)
(Provision for) reversal of impairment of other assets	(6,954,239)	(25,265)	(63,113)	(99,447)	18,618	(7,123,446)	(880)	87,203	(7,037,123)
Addition to non-current assets	6,843,743	3,556,574	198,119	4,837	32,755	10,636,028	11,448	–	10,647,476
Segment assets and liabilities									
Total assets	195,119,177	64,169,942	19,745,269	96,169,284	15,352,034	390,555,706	11,862,103	(62,687,580)	339,730,229
Including: interests in associates and joint ventures	10,271,089	14,738,242	596,740	–	282,827	25,888,898	3,859,406	–	29,748,304
Total liabilities	98,090,149	24,120,937	10,275,823	90,708,338	9,080,775	232,276,022	59,828,301	(117,262,882)	174,841,441

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

4.3 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	
	2023	2022
	RMB'000	*RMB'000*
Domestic markets	**190,834,157**	218,536,929
Overseas markets	**2,134,676**	2,039,930
Total	**192,968,833**	220,576,859

Analysis of non-current assets

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Domestic markets	**223,726,579**	209,645,626
Overseas markets	**596**	265
Total	**223,727,175**	209,645,891

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

4.4 Major customers

No revenue from transactions with a single external customer amounts to 10% or more of the Group's revenue for both 2023 and 2022.

5. REVENUE

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Goods and services	**190,794,102**	218,406,144
Rental income	**215,919**	276,949
Interest income	**1,958,812**	1,893,766
Total	**192,968,833**	220,576,859

(i) Disaggregation of revenue from contracts with customers

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

	Year ended 31 December 2022				
	Coal *RMB'000*	Coal-chemical products *RMB'000*	Mining machinery *RMB'000*	Others *RMB'000*	Total *RMB'000*
Sale of goods recognised					
Sale of coal	180,332,431	–	–	–	180,332,431
Sale of coal-chemical products	–	21,813,351	–	–	21,813,351
Sale of mining machinery	–	–	8,957,280	–	8,957,280
Sale of electric power	–	–	–	4,088,710	4,088,710
Sale of aluminium products	–	–	–	1,806,701	1,806,701
Others	86,621	23,360	309,148	115,070	534,199
Subtotal	180,419,052	21,836,711	9,266,428	6,010,481	217,532,672
Provision of services recognised					
Agent services	63,374	–	20,688	139,913	223,975
Railway services	5,776	–	–	246,623	252,399
Others	109,915	20,019	102,981	164,183	397,098
Subtotal	179,065	20,019	123,669	550,719	873,472
Disaggregation of revenue from contracts with customers	180,598,117	21,856,730	9,390,097	6,561,200	218,406,144
Analysed by geographical markets					
Domestic markets	178,709,620	21,853,043	9,242,351	6,561,200	216,366,214
Overseas markets	1,888,497	3,687	147,746	–	2,039,930
Total	180,598,117	21,856,730	9,390,097	6,561,200	218,406,144

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

	Year ended 31 December 2022			
	Segment revenue	Eliminations	Less: rental and interest income	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Coal	190,918,482	(10,080,631)	(239,734)	180,598,117
Coal-chemical products	22,701,052	(836,762)	(7,560)	21,856,730
Mining machinery	10,608,534	(1,193,437)	(25,000)	9,390,097
Finance	2,385,526	(491,760)	(1,893,766)	–
Others	7,583,220	(1,017,365)	(4,655)	6,561,200
Total	234,196,814	(13,619,955)	(2,170,715)	218,406,144

(ii) Performance obligations for contracts with customers

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

The Group sells coal directly to the customers and revenue is recognised when the customers obtained control of goods transferred. The shipping types include both land and water transports. In the type of land transport, revenue is recognised when the coal is delivered to the customers whereas in the type of water transportation, revenue is recognised when the goods are shipped out.

The consideration received from the customers before the delivery of goods is 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.

Sale 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 is 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.

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

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

6. FINANCE INCOME AND COSTS

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Finance income:		
– Interest income on bank deposits	**81,861**	106,739
– Interest income on entrusted loans	**23,130**	28,396
Total finance income	**104,991**	135,135
Interest expense:		
– Borrowings	**2,253,826**	2,833,864
– Long-term bonds	**547,394**	820,857
– Unwinding of discount	**336,444**	371,307
– Lease liabilities	**18,406**	22,578
Other incidental bank charges	**9,943**	7,720
Net foreign exchange losses (gains)	**25,163**	(1,510)
Finance costs	**3,191,176**	4,054,816
Less: amounts capitalised on qualifying assets *(Note)*	**(91,260)**	(191,674)
Total finance costs	**3,099,916**	3,863,142
Finance costs, net	**2,994,925**	3,728,007

Note:

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

	Year ended 31 December	
	2023	2022
Capitalisation rate used to determine the amount of finance costs eligible for capitalisation	**3.42%-4.73%**	3.45%-4.89%

7. INCOME TAX EXPENSE

	Year ended 31 December 2023 *RMB'000*	2022 *RMB'000* (Restated)
Current income tax – PRC enterprise income tax *(Note(a))*	**7,378,797**	9,308,701
Deferred tax	**(105,248)**	(1,829,485)
	7,273,549	7,479,216

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 2023 and 2022 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% or 20% based on the relevant PRC tax laws and regulations. For Sunfield Resources Pty Ltd, a subsidiary registered in Australia, tax is calculated based on the statutory income tax rate of 30%. For China Japan Coal Ltd, a subsidiary registered in Japan, tax is calculated by 15.0% for the portion under 8 million yen and 23.2% for the portion of 8 million yen or above.

(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 2023 *RMB'000*	2022 *RMB'000* (Restated)
Profit before income tax	**33,695,386**	34,583,129
Tax calculated at statutory income tax rate of 25% (2022: 25%) in the PRC	**8,423,847**	8,645,782
Effect of preferential tax rates on income of certain subsidiaries	**(1,054,166)**	(1,116,570)
Adjustment of income tax of the previous period	**101,961**	33,438
Income not subject to taxation	**(714,882)**	(761,591)
Expenses not deductible for taxation purposes	**146,158**	117,430
Utilisation of previously unrecognised tax losses	**(5,789)**	(678,593)
Tax losses for which no deferred tax asset has been recognised	**367,832**	38,813
Deductible temporary differences for which no deferred tax asset has been recognised	**83,862**	316,681
(Utilisation) Recognition of previously unrecognised deductible temporary differences	**(16,107)**	4,079
Additional expenses allowable for tax deduction	**(105,605)**	(117,375)
Taxable impact regarding transfer of investment in an associate from the Company to a subsidiary	**–**	603,925
Others	**46,438**	393,197
Income tax expense	**7,273,549**	7,479,216

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

	Year ended 31 December 2023			Year ended 31 December 2022		
	Before tax	**Tax charge**	**After tax**	Before tax	Tax credit	After tax
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Fair value changes on equity instruments measured at FVTOCI	**523,493**	**(39,710)**	**483,783**	(965,408)	211,119	(754,289)
Fair value changes on debt instruments measured at FVTOCI	**(15,790)**	**3,526**	**(12,264)**	(30,947)	5,010	(25,937)
Impairment loss on debt instruments at FVTOCI included in profit or loss, net of reversal	**6,679**	**–**	**6,679**	(5,621)	–	(5,621)
Exchange differences arising on translation of foreign operations	**(7,835)**	**–**	**(7,835)**	(4,396)	–	(4,396)
Share of other comprehensive income of associates, net of related income tax	**917**	**–**	**917**	68,349	–	68,349
	507,464	**(36,184)**	**471,280**	(938,023)	216,129	(721,894)
Deferred tax		**(36,184)**			216,129	

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

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Deferred tax	**(36,184)**	216,129

8. DIVIDENDS

During the year ended 31 December 2023, dividends for ordinary shareholders of the Company recognised as distribution are RMB5,475,828,000 being final divided for the year ended 31 December 2022 of RMB0.413 per share for 13,258,663,400 shares.

A total dividend of RMB5,860,215,000 for the year ended 31 December 2023 has been proposed by the directors of the Company and is subject to approval by the shareholders at the 2023 annual general meeting. These consolidated financial statements do not reflect this dividend payable.

	Year ended 31 December 2023
	RMB'000
Proposed final dividend	**5,860,215**

9. 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	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Profit attributable to the equity holders of the Company (RMB'000)	**20,183,598**	19,737,989
Number of ordinary shares in issue (in thousands)	**13,258,663**	13,258,663
Basic earnings per share (RMB per share)	**1.52**	1.49

As the Company had no potential ordinary shares in issue for the years ended 31 December 2023 and 2022, diluted earnings per share equals to basic earnings per share.

10. TRADE RECEIVABLES AND NOTES RECEIVABLES/DEBT INSTRUMENTS AT FVTOCI

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade receivables *(Notes (a), (b) and (c))*	**7,116,996**	8,239,265
Notes receivables *(Notes (f))*	**375,781**	508,118
	7,492,777	8,747,383
Debt instruments at FVTOCI *(Notes (d) and (e))*	**3,309,821**	5,881,285

Notes:

(a) Trade receivables are analysed as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade receivables:		
– Associates	**340,585**	239,872
– Joint ventures	**3,189**	36,241
– Fellow subsidiaries	**900,491**	802,454
– Associates of the Parent Company	**4,820**	325
– Third parties	**5,867,911**	7,160,373
Trade receivables, net	**7,116,996**	8,239,265

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Within 6 months	**5,289,342**	6,330,707
7 months – 1 year	**448,014**	764,323
1 – 2 years	**1,059,141**	773,611
2 – 3 years	**278,909**	310,640
Over 3 years	**626,555**	819,141
Trade receivables, gross	**7,701,961**	8,998,422
Less: Allowance for credit losses	**(584,965)**	(759,157)
Trade receivables, net	**7,116,996**	8,239,265

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.

As at 31 December 2023, the Group obtained a long-term loan of RMB1,345,695,000 from the bank, with future electricity revenue contract rights as collateral in the amount of RMB138,144,000.

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	
	2023	2022
	RMB'000	*RMB'000*
RMB	**7,115,676**	8,210,225
US Dollar ("**USD**")	**1,320**	29,040
	7,116,996	8,239,265

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

(d) Debt instruments at FVTOCI are notes receivable which are considered to be held within a business model whose objective is achieved by both selling and collecting contractual cash flows. The notes receivable are principally bank accepted notes with maturity of less than one year (31 December 2022: less than one year).

(e) As at 31 December 2023, debt instruments at FVTOCI of RMB51,362,000 (31 December 2022: RMB202,163,000) are pledged to banks for issuing notes payable amounting to RMB51,362,000 (31 December 2022: RMB162,163,000).

(f) Transfers of financial assets

As at 31 December 2023, notes receivables of RMB261,652,000 (31 December 2022: RMB388,960,000) were endorsed to suppliers, but were not derecognised as the Group has not transferred the significant risks and rewards relating to these notes receivable.

As at 31 December 2023, the Group endorsed and discounted notes receivables of RMB4,137,515,000 (31 December 2022: RMB4,439,883,000) 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 on payment. In the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of the ownership relating to these notes receivables, and accordingly derecognised the full carrying amounts of the notes receivables and associated trade payables. The maximum exposure to loss for the Group's continuing involvement, if any, in the endorsed and discounted notes receivables will be their carrying amounts. In the opinion of the directors of the Company, the fair values of the Group's continuing involvement in the derecognised notes receivables are not significant.

11. TRADE AND NOTES PAYABLES

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade payables *(Note (a))*	**23,892,446**	23,319,776
Notes payables	**2,845,413**	2,101,078
	26,737,859	25,420,854

Notes:

(a) Trade payables are analysed as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade payables		
– Fellow subsidiaries	**4,242,251**	4,370,584
– Joint venture	**98,373**	–
– Associates	**399,008**	286,138
– Associates of the Parent Company	**99,274**	47,240
– Third parties	**19,053,540**	18,615,814
	23,892,446	23,319,776

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	
	2023	2022
	RMB'000	*RMB'000*
Less than 1 year	**21,060,993**	20,235,004
1–2 years	**1,325,907**	1,234,426
2–3 years	**372,389**	612,110
Over 3 years	**1,133,157**	1,238,236
	23,892,446	23,319,776

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
RMB	**26,735,262**	25,418,300
USD	**2,597**	2,554
	26,737,859	25,420,854

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

(d) As at 31 December 2023, debt instruments at FVTOCI with an amount of RMB51,362,000 (31 December 2022: RMB202,163,000) are pledged to banks for issuing notes payables amounting to RMB51,362,000 (31 December 2022: RMB162,163,000).

12. RESERVES AND RETAINED EARNINGS

	Capital reserve *RMB'000*	Statutory reserve funds *RMB'000* *(note a)*	General reserve *RMB'000*	Future development fund *RMB'000* *(note b)*	Safety fund *RMB'000* *(note c)*	Other funds related to coal mining *RMB'000* *(note d)*	Translation reserve *RMB'000*	Other reserves *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*
At 31 December 2021 as previously reported (Restated)	31,685,801	5,518,104	582,543	2,286,884	2,844,039	72,510	(89,870)	6,351,778	51,599,022	100,850,811
Effect of adoption of amendments to IAS 12 *(note 3(c))*	–	–	–	–	–	–	–	–	81,799	81,799
At 1 January 2022 (Restated)	31,685,801	5,518,104	582,543	2,286,884	2,844,039	72,510	(89,870)	6,351,778	51,680,821	100,932,610
Profit for the year (Restated)	–	–	–	–	–	–	–	–	19,737,989	19,737,989
Other comprehensive income (expense), net of tax	–	–	–	–	–	–	4,396	709,250	–	713,646
Appropriations	–	610,507	518,422	696,112	573,693	(6,338)	–	–	(2,392,396)	–
Share of other changes of reserves of associates and joint ventures	–	–	–	–	–	–	–	340,310	(230,042)	110,268
Acquisition of a subsidiaries under common control in 2022	(135,677)	–	–	–	–	–	–	–	–	(135,677)
Dividends	–	–	–	–	–	–	–	–	(4,000,797)	(4,000,797)
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	–	–	–	–	–	–	(11,379)	8,534	(2,845)
Others	–	–	–	–	–	–	–	276	(29)	247
At 31 December 2022 (Restated)	31,550,124	6,128,611	1,100,965	2,982,996	3,417,732	66,172	(85,474)	7,390,235	64,804,080	117,355,441

	Capital reserve RMB'000	Statutory reserve funds RMB'000 (note a)	General reserve RMB'000	Future development fund RMB'000 (note b)	Safety fund RMB'000 (note c)	Other funds related to coal mining RMB'000 (note d)	Translation reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
At 31 December 2022 as previously reported	31,550,124	6,128,611	1,100,965	2,982,996	3,417,732	66,172	(85,474)	7,390,235	64,703,761	117,255,122
Effect of adoption of amendments to IAS 12 *(note 3(c))*	–	–	–	–	–	–	–	–	100,319	100,319
At 1 January 2023 (Restated)	31,550,124	6,128,611	1,100,965	2,982,996	3,417,732	66,172	(85,474)	7,390,235	64,804,080	117,355,441
Profit for the year	–	–	–	–	–	–	–	–	20,183,598	20,183,598
Other comprehensive income (expense), net of tax	–	–	–	–	–	–	7,835	(478,058)	–	(470,223)
Appropriations	–	495,475	167,047	272,703	192,494	(12,156)	–	–	(1,115,563)	–
Share of other changes of reserves of associates and joint ventures	–	–	–	–	–	–	–	193,847	(184,433)	9,414
Contributions from and transactions within non-controlling interests	–	–	–	(34,445)	(62,349)	–	–	–	(934,364)	(1,031,158)
Dividends	–	–	–	–	–	–	–	–	(5,475,828)	(5,475,828)
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	–	–	–	–	–	–	43,865	(43,865)	–
Others	–	5,246	–	–	–	–	–	–	47,221	52,467
At 31 December 2023	31,550,124	6,629,332	1,268,012	3,221,254	3,547,877	54,016	(77,639)	7,149,889	77,280,846	130,623,711

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. 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 RMB5 to RMB50 per ton of raw coal mined. The subsidiaries of the Company which are engaged in coal-chemical, machinery manufacturing, electricity metallurgy and other relevant business are required to set aside an amount of certain percentage of revenue to a safety fund. The safety fund can be used for safety facilities and environment improvement, and is not available for distribution to shareholders. Upon incurring qualifying safety expenditure, an equivalent amount should be transferred from safety fund to retained earnings.

(d) Other funds relevant to coal mining

(i) Transformation and environmental restoration fund

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

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

(ii) Sustainable development fund

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

13. CONTINGENT LIABILITIES

During the years 2010 and 2011, the Company made a number of acquisitions in Yinhe Hongtai in the open market and then it becomes a subsidiary. In 2021, Wushenqi State-owned Assets Investment and Management Co., LTD. ("**Wushenqi**") launched claims to Yinhe Hongtai, for the contract entered on 26 July, 2007 for the transfer of relevant mining right to Yinhe Hongtai. Wushenqi claimed that contract was invalid as this transfer of mining right violated the relevant rules and regulations of the Inner Mongolia Autonomous Region while it was determined below the required minimum transfer price for high-quality thermal coal. The Company has been sued for the differences between the required minimum prices and the actual transfer considerations paid by the then-existing owner of the entity.

In mid-January 2022, Ordos Intermediate People's Court made the first instance judgment on this case, and ordered Yinhe Hongtai to pay for the under-paid transfer price. In October 2023, Yinhe Hongtai received a remanded second instance judgment of affirmance.

The Company is in the process of negotiating with Wushenqi regarding the above contractual disputes on the transfer of mining rights as well as the specific settlement of the court judgment, which has yet to be clarified as to the specific settlement and the financial impact on the Company.The Company will continue to monitor the latest developments in these litigations to assess the possible implications.

14. FINANCIAL GUARANTEE CONTRACTS

The Group has guaranteed the bank loans of a related party and a third party for no compensation. Under the terms of the financial guarantee contracts, the Group will make payments to reimburse the lenders upon failure of the guaranteed entities to make payments when due.

Terms, face value and credit risk of the liabilities guaranteed were as follows:

		As at 31 December	
		2023	2022
	Year of maturity	**Face value**	Face value
		RMB'000	*RMB'000*
Bank loans of:			
– Related parties	2035	**1,074,066**	1,248,639
– Third parties *(Note)*	2045	**314,200**	334,000
Total		**1,388,266**	1,582,639

Note: The third party refer to Shaanxi Jingshen Railway Company Limited ("**Shaanxi Jingshen**"), which is accounted for as equity instruments at fair value through other comprehensive income by the Group.

15. 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	
	2023	2022
	RMB'000	*RMB'000*
Property, plant and equipment	**3,304,488**	4,603,830
Mining rights	**235,000**	235,000
Technical know-how	**–**	9,391
	3,539,488	4,848,221

(b) Investment commitments

According to the agreement entered into on 15 July 2006, Zhongtian Synergetic was established by the Company, China Petroleum & Chemical Corporation and the other two independent parties. In 2022, the Company transferred its equity interest in Zhongtian Synergetic to China Coal Northwest Energy Co., Ltd ("**Northwest Energy**"), a subsidiary of the Company, without compensation. As a 38.75% shareholder, Northwest Energy has invested RMB6,787 million in Zhongtian Synergetic as at 31 December 2023 and is committed to a further investment of RMB481 million by instalments in the future.

According to the agreement entered into on October 2014, Shaanxi Jingshen was established by Shaanxi Yulin (a subsidiary of the Company), Shaanxi Coal and Chemical Industry Group Co., Ltd., Shaanxi Yulin Coal Distribution Co., Ltd. and a number of other independent parties. As a 4% shareholder, Shaanxi Yulin has invested RMB215 million in Shaanxi Jingshen as at 31 December 2023 and is committed to a further investment of RMB33 million in the future.

According to the agreement entered into in June 2021, China Coal Pingshuo Group Co., Ltd. ("**Pingshuo Group**"), a subsidiary of the Company, invested RMB1 billion as a limited partner to subscribe for the fund shares of Shuozhou Huashuo Jinshi Energy Industry Transformation Master Fund Partnership (limited partnership) ("**Partnership**"). Pingshuo Group has invested RMB200 million in Partnership as at 31 December 2023 and is committed to investing the remaining subscribed capital during the investment period of the Partnership.

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

The group had no material event subsequent to the end of reporting period and up to date of this announcement.

CHAIRMAN'S STATEMENT

Dear Shareholders,

In 2023, China Coal Energy thoroughly implemented the spirit of the 20th Party Congress, firmly grasped the theme of high-quality development in the practice of Chinese modernisation of energy, and fully implemented the development direction of "efficiency enhancement and incremental transformation". The Group continuously strengthened core functions and improved core competitiveness, taking solid steps towards high-quality development. During the reporting period, the Group realised revenue of RMB193.0 billion, representing a year-on-year decrease of RMB27.6 billion, or 12.5%, as there was a decline in coal and coal chemical prices. However, with the continuous release of advanced production capacity, the improvement of asset quality, and the ongoing promotion of lean management, the Group's profit attributable to the equity holders reached RMB20.2 billion, representing a year-on-year increase of RMB0.4 billion, or 2.3%. The return on net assets was 14.71%, the net cash inflow from operating activities was RMB43.0 billion. The gearing ratio decreased by 5.8 percentage points to 28.5%. The Group's profitability and operational capabilities remained strong, and its financial structure became more robust.

Continuously releasing advanced production capacity and upholding its primary responsibility to ensure national energy security. The Group fully implemented the national energy supply requirements, continuously released advanced production capacity, and achieved a self-produced commercial coal production of 134.22 million tonnes, representing a year-on-year increase of 15.05 million tonnes, or 12.6%. The self-produced commercial coal sales volume was 133.91 million tonnes, representing a year-on-year increase of 13.57 million tonnes, or 11.3%. The increase in self-produced commercial coal production and sales provided solid support for fulfilling the coal supply, effectively offsetting the impact of declining coal prices. The coal chemical business demonstrated leading operational efficiency, with the production of main coal chemical products of 6.04 million tonnes, representing a year-on-year increase of 370,000 tonnes, or 6.5%. The coal mining equipment business closely followed the transformation and development needs of the coal industry, adhering to high-end, intelligent, and green development. The Group achieved a coal machinery production value of RMB11.4 billion, representing a year-on-year increase of RMB1.5 billion, or 14.8%, and accumulative value of contract increased by 12.8%. Mid-to-high-end orders for leading products remained at approximately 85%. The financial business actively assumed the responsibility of constructing and operating the treasury for China Coal Group, leading the industry in terms of capital concentration and management efficiency, and the asset scale reached over RMB100 billion, which further enhanced the service guarantee capability.

Continuously deepening lean management and effectively addressing the changes and development in stable growth. The Group promoted cost reduction, quality enhancement, and efficiency improvement throughout the entire industry chain and value chain. The Group strengthened scientific organization of production and sales, regional and industrial collaboration, and deepened lean management to solidly promote high-quality and stable growth. The unit cost of sales of self-produced commercial coal was RMB354/tonne, representing a year-on-year decrease of RMB13/tonne, or 3.6%, resulting in a profit increase of RMB1.8 billion. The unit cost of sales of polyolefin decreased by RMB506/tonne year-on-year, or 7.1%, and the unit cost of sales of urea decreased by RMB240/tonne year-on-year, or 12.8%. The coal mining equipment business intensified its focus on technological research and development, continuously improved manufacturing capabilities, thus steadily increasing economic efficiency. The Finance Company enhanced precise credit services, scientifically optimised asset allocation strategies, and the comprehensive interest rate of the placement of interbank was nearly 100 basis points higher than the market average, taking the lead in terms of value creation capabilities. It was recognized as the "Best Fund Management Financial Company of 2023" by the Financial Times. The Group strengthened its digital empowerment for improvement on quality and efficiency by accelerating digital transformation. Nine coal mines passed the acceptance of intelligent coal mine projects. East Open Pit Mine, Yaoqiao Coal Mine, and Wangjialing Coal Mine were recognized as the first batch of national intelligent demonstration coal mines. The coal chemical intelligent factory of Shaanxi Company was recognized as an industrial internet pilot demonstration by the Ministry of Industry and Information Technology and was selected as a "Smart Manufacturing Demonstration Factory Enlisting Unit". Dahaize Coal Mine achieved international leading levels in intelligent mining project after the technological appraisal, and its achievements in 5G dual-frequency of its intelligent mining won the Energy Challenge Award in Mobile World Congress, marking a key technological breakthrough in the in-depth integration of the coal industry and intelligent technology.

Continuously optimising industrial layout and solidly promote safe, efficient, green, and low-carbon development. The Group advanced the characteristic of China Coal Energy of "two combinations" construction, promoting in-depth integration and development across industries, creating a dense industrial chain of "coal, coal power, coal chemical and new energy", and exploring the construction of a new energy system. Consolidating the advantages of the coal business, Dahaize Coal Mine as a national key coal mine for energy supply, with an annual production capacity of 20 million tonnes of high-quality thermal coal, successfully completed trial operation and passed the final acceptance. East Open Pit Mine and Anjialing Coal Mine were approved to increase production capacity by 10 million tonnes/year. The construction of Libi Coal Mine and Weizigou Coal Mine steadily progressed. Actively promoting the construction of pithead coal power, Pingshuo Antaibao 2×350MW low calorific value coal power generation project entered the final stage, and Wushenqi 2×660MW integrated coal power project received approval and completed investment decisions. The Group accelerated the promotion of green transformation and development, developed new energy industries in coal mining subsidence areas and reclamation areas, realised grid-connected power generation for the first phase of the 263MW photovoltaic project at the Shanghai Energy New Energy demonstration base. The 100MW photovoltaic and energy storage project in the Pingshuo Mine Area is about to be completed and put into operation. The Group steadily advanced the high-end, low-carbon, and park-oriented development of the modern coal chemical industry, explored the coupling development of new energy and chemicals. Shaanxi Yulin's coal chemical phase II project, with an annual output of 900,000 tonnes of polyolefin, is about to start construction and the "Liquid Sunshine" project has completed investment decisions and been included in the "14th Five-Year Plan for Energy Sector Technology Innovation" as a demonstration project. The Group coordinated development and safety, further improved the safety and environmental management system and mechanisms, continuously increased investment in safety and environmental protection, conducted in-depth investigations and governance of safety and environmental issues, and maintained overall stability in safety, as a result of which no environmental emergencies occurred.

Continuously deepening reform and innovation and constantly enhancing the vitality and momentum for high-quality development. The Group thoroughly implemented actions to deepen and improve the reform of state-owned enterprises, achieved high standards in completing various phased tasks, with 6 enterprises newly shortlisted for the "Double Hundred Action Plan" and "Science and Technology Reform Action Plan" of the SASAC. The Group successfully completed the reform of affiliated enterprise headquarters, effectively enhancing management efficiency. The Group established the coal business department and the power and new energy business department to optimise the functions of the coal chemical business department and equipment business department, further enhancing the professional management level of each business sector. The Group constructed a high-standard integrated intelligent control platform for production and operation management, learning from leading global practices, promoting conceptual transformation, process reengineering, and value enhancement through digitalization and intelligent transformation. The Group strengthened the construction of the technology innovation system, innovated management mechanisms, focused on key technology breakthroughs, leading "Enlisting and Leading". The Group obtained 29 beyond industrial-level awards for technological advancement and 273 authorised patents, and achieved international leadership in research outcomes such as Rock Burst Prevention and Control in the Areas of Inner Mongolia and Shaanxi. The Group successfully completed the tasks of the phase in the quality advancement of listed companies controlled by central enterprises, continuously improved corporate governance, and innovated methods to strengthen market value management. The Company was honored with awards such as the "2023 Best Practice of Listed Company Board Offices", "Hong Kong Golden Bull Award", "ESG Golden Bull Award Top 100", "Central Enterprise Top 50" by institutions such as China Association for Public Companies. The case study of the Company of "Efficient Assistance of the First Bond Issuance of a Company under the Registration System in Facilitating Capital Financing in the Industrial Chain" was recognized by the China Securities Regulatory Commission, Shanghai Stock Exchange, and Shenzhen Stock Exchange as an outstanding case study of serving the real economy in the bond market.

In 2024, China Coal Energy will continue to thoroughly implement the spirit of the 20th Party Congress and the Second Plenary Session of the 20th Central Committee, adhere to the fundamental principle of high-quality development and the general principle of making progress amid stability, deeply implement the development direction of "efficiency enhancement and incremental transformation", and actively integrate into the construction of a new development layout. **First**, centering on the "14th Five-Year Plan" and constructing a world-class energy enterprise, we will continue to optimise the industrial layout, promote the high-quality development and construction of the "two combinations" demonstration projects, continuously improve the energy security guarantee capacity and accelerate the green and low-carbon transformation. **Second**, focusing on strengthening core functions and enhancing core competitiveness, we will further deepen reform and upgrade action to enhance innovation and value creation capabilities. The Group will vigorously improve the modern enterprise governance capabilities, and continuously enhance and improve market-oriented operating mechanisms. **Third**, we will insist on running in line with world-class standards, continuously improve refined management, accelerate the digital transformation and digitization to solidly promote high-quality and stable growth. **Fourth**, we will further improve the technology innovation system, strengthen the construction of innovation capabilities, gather internal and external research advantages to form a collaborative force for innovation, and intensify efforts in key core technology breakthroughs and outcome transformations, speed up the formation of new qualitative productivity. **Fifth**, coordinating development and safety, we will strictly carry out safety and environmental protection work, soundly modify long-term effective mechanisms for compliance management, effectively prevent and resolve various major risks, and strongly control risks in key areas. **Sixth**, further promoting the special action of advancing the quality of listed companies controlled by central enterprises, we will continue to improve the level of corporate governance and the quality of information disclosure, further enhance communication and exchange with investors, strengthen market value management through multiple channels and maintain a good image in the capital market.

The management and staff of the Company will make persistent efforts and forge ahead by working together. We will actively participate in Chinese modernization of energy and reward all Shareholders and investors with new achievements in pursuing high-quality development.

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 2023, the Group paid close attention to production and operation management, continued to deepen reform and innovation, fully exploited potential efficiency gains, and steadily promoted high-quality development. Despite challenges arising from continuous macro control policies and the decline in market prices of major products, especially coal, the Group maintained a high level of profitability and a good and steady growth trend since the "14th Five-Year Plan" period. Profit before tax for the year was RMB33.695 billion, representing a decrease of 2.6% over the previous year, an increase of 20.9% over 2021, and a three-year compound growth rate of 10.0%; profit attributable to the equity holders of the Company was RMB20.184 billion, representing an increase of 2.3% over the previous year, an increase of 33.0% over 2021, and a three-year compound growth rate of 15.3%; the net cash inflow from operating activities was RMB42.965 billion, which remained above RMB40.0 billion in the past three years, reflecting good capital management and strong operating cash generation capabilities.

During the reporting period, the Group's major business segments such as coal, coal chemical, coal mining equipment and finance all maintained sound operation. Under the circumstances that the comprehensive selling price of self-produced commercial coal decreased by RMB114/tonne and the revenue decreased by RMB15.242 billion year-on-year, coal enterprises accelerated the release of advanced production capacity and completed the production of commercial coal of 134.22 million tonnes, representing a year-on-year increase of 15.05 million tonnes. At the same time, the Group improved the level of refined management and control of costs and expenses, vigorously improved quality and tapped potential, and strictly controlled costs and expenses. The unit cost of sales for self-produced commercial coal was RMB353.83/tonne, representing a year-on-year decrease of 3.6%, and the gross profit was RMB34.269 billion. The Group has successfully secured energy supply and effectively offset the downward price shocks. Coal chemical enterprises were generally in good operation with balanced production and sales. While the selling price of polyolefin decreased by RMB494/tonne year-on-year and the selling price of urea decreased by RMB189/tonne year-on-year, coal chemical enterprises effectively reduced costs, and achieved a gross profit of RMB2.922 billion, representing a year-on-year increase of RMB0.192 billion and demonstrating a good management level and the synergy effect of the integrated development of coal chemicals. The coal mining equipment business adhered to the direction of high-end, intelligent and green development, continued to optimise the product structure, seized high-quality orders, achieved revenue of RMB12.183 billion and profit before tax of RMB784 million, and continued to maintain a sound growth trend. Finance Company continued to promote financial innovation, continuously improved the level of intensive and lean management, led the industry in terms of capital concentration and operational efficiency, and achieved a profit before tax of RMB1.307 billion under the general downward trend of financial market interest rates, representing a year-on-year increase of RMB39 million, and continuously enhanced its service guarantee and value creation capabilities.

Unit: RMB100 million

	For the year ended 31 December 2023	For the year ended 31 December 2022 (restated)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Revenue	**1,929.69**	2,205.77	-276.08	-12.5
Cost of sales	**1,513.86**	1,709.79	-195.93	-11.5
Gross profit	**415.83**	495.98	-80.15	-16.2
Sales expenses	**10.50**	9.29	1.21	13.0
General and administrative expenses	**70.30**	66.34	3.96	6.0
Other income, other gains and losses, net	**0.79**	-85.16	85.95	–
Profit from operations	**335.14**	333.01	2.13	0.6
Finance income	**1.05**	1.35	-0.30	-22.2
Finance costs	**31.00**	38.63	-7.63	-19.8
Profit attributable to associates and joint ventures	**31.76**	50.10	-18.34	-36.6
Profit before income tax	**336.95**	345.83	-8.88	-2.6
EBITDA	**447.54**	438.92	8.62	2.0
Profit attributable to the equity holders of the Company	**201.84**	197.38	4.46	2.3
Net cash generated from operating activities	**429.65**	436.34	-6.69	-1.5
In which: Net cash flow generated from production and sales activities	**354.40**	400.49	-46.09	-11.5
Increase in cash inflow due to deposits absorbed from members other than China Coal Energy by Finance Company	**75.25**	35.85	39.40	109.9
Net cash generated from investing activities	**-150.57**	-220.46	69.89	-31.7
Net cash generated from financing activities	**-262.98**	-226.87	-36.11	15.9

Unit: RMB100 million

	As at 31 December 2023	As at 31 December 2022 (restated)	**Compared with the end of last year** Increase/ decrease in amount	Increase/ decrease (%)
Assets	**3,491.55**	3,397.30	94.25	2.8
Liabilities	**1,666.32**	1,748.41	-82.09	-4.7
Interest-bearing debts	**726.98**	860.46	-133.48	-15.5
Equity	**1,825.23**	1,648.89	176.34	10.7
Equity attributable to the equity holders of the Company	**1,438.82**	1,306.14	132.68	10.2
Gearing ratio (%) = total interest-bearing debts/ (total interest-bearing debts + equity)	**28.5**	34.3	A decrease of 5.8 percentage points	

Note: According to the relevant requirements, companies are required to recognize deferred income taxes for transactions which incur equivalent temporary difference for taxes payables and deductible temporary difference at initial recognition under "Amendment to International Accounting Standard No.12 – Income Tax" issued by the International Accounting Standards Board in May 2021. The Group has adopted such amendment which is effective for the period beginning on 1 January 2023, for lease transaction which the leasees initially recognize lease liabilities and included into right-of-use assets at the beginning date of the lease period as well as for transactions which recognize estimated liabilities and included into the relevant asset costs due to the existence of decommissioning obligations for, among others, fixed assets, the Group recognized the corresponding deferred income tax assets and deferred income tax liabilities, respectively, and made retrospective adjustments to the data for the last year and for the end of last year.

II. OPERATING RESULTS

(I) Consolidated operating results

1. Revenue

For the year ended 31 December 2023, the Group's revenue decreased by RMB27.608 billion or 12.5% from RMB220.577 billion for the year ended 31 December 2022 to RMB192.969 billion. The revenue before netting of inter-segmental sales generated from each operating segment of the Group and the year-on-year changes are set out as follows:

Unit: RMB100 million

	Revenue before netting of inter-segmental sales			
	For the year ended 31 December 2023	For the year ended 31 December 2022	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Coal operations	**1,626.81**	1,909.18	-282.37	-14.8
Self-produced commercial coal	**806.19**	861.48	-55.29	-6.4
Proprietary coal trading	**814.88**	1,041.16	-226.28	-21.7
Coal chemical operation	**213.94**	227.01	-13.07	-5.8
Coal mining equipment operations	**121.83**	106.09	15.74	14.8
Financial operations	**24.42**	23.86	0.56	2.3
Other operations	**82.34**	75.83	6.51	8.6
Net of inter-segmental sales	**-139.65**	-136.20	-3.45	2.5
The Group	**1,929.69**	2,205.77	-276.08	-12.5

Revenue net of inter-segmental sales generated from each operating segment of the Group for the year ended 31 December 2023 and the year-on-year changes are set out as follows:

Unit: RMB100 million

	Revenue net of inter-segmental sales			
			Year-on-year	
	For the year ended 31 December 2023	For the year ended 31 December 2022	Increase/ decrease in amount	Increase/ decrease (%)
Coal operations	**1,533.86**	1,808.38	-274.52	-15.2
Self-produced commercial coal	**740.36**	793.31	-52.95	-6.7
Proprietary coal trading	**788.55**	1,009.04	-220.49	-21.9
Coal chemical operations	**203.44**	218.64	-15.20	-7.0
Coal mining equipment operations	**101.63**	94.15	7.48	7.9
Financial operations	**19.59**	18.94	0.65	3.4
Other operations	**71.17**	65.66	5.51	8.4
The Group	**1,929.69**	2,205.77	-276.08	-12.5

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 2023 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 2023	For the year ended 31 December 2022	**Increase/ decrease (percentage point(s))**
Coal operations	**79.5**	82.0	-2.5
Self-produced commercial coal	**38.4**	36.0	2.4
Proprietary coal trading	**40.9**	45.7	-4.8
Coal chemical operations	**10.5**	9.9	0.6
Coal mining equipment operations	**5.3**	4.3	1.0
Financial operations	**1.0**	0.9	0.1
Other operations	**3.7**	2.9	0.8

2. Cost of Sales

For the year ended 31 December 2023, the Group's cost of sales decreased by RMB19.593 billion or 11.5% from RMB170.979 billion for the year ended 31 December 2022 to RMB151.386 billion. The cost of sales of each operating segment of the Group and the year-on-year changes are as follows:

Unit: RMB100 million

	For the year ended 31 December 2023	For the year ended 31 December 2022	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Coal operations	**1,284.12**	1,478.30	-194.18	-13.1
Self-produced commercial coal	**473.81**	441.92	31.89	7.2
Proprietary coal trading	**806.65**	1,032.33	-225.68	-21.9
Coal chemical operations	**184.72**	199.71	-14.99	-7.5
Coal mining equipment operations	**100.54**	87.24	13.30	15.2
Financial operations	**10.49**	9.92	0.57	5.7
Other operations	**71.56**	70.59	0.97	1.4
Inter-segment elimination	**-137.57**	-135.97	-1.60	1.2
The Group	**1,513.86**	1,709.79	-195.93	-11.5

3. Gross profit and gross profit margin

For the year ended 31 December 2023, the Group's gross profit decreased by RMB8.015 billion or 16.2% from RMB49.598 billion for the year ended 31 December 2022 to RMB41.583 billion; gross profit margin decreased by 1.0 percentage point from 22.5% for the year ended 31 December 2022 to 21.5%. The gross profit and gross profit margin of each operating segment of the Group and the year-on-year changes are set out as follows:

Unit: RMB100 million

	Gross profit			**Gross profit margin (%)**		
	For the year ended 31 December 2023	For the year ended 31 December 2022	Increase/ decrease (%)	**For the year ended 31 December 2023**	For the year ended 31 December 2022	Increase/ decrease (percentage point(s))
Coal operations	**342.69**	430.88	-20.5	**21.1**	22.6	-1.5
Self-produced commercial coal	**332.38**	419.56	-20.8	**41.2**	48.7	-7.5
Proprietary coal trading	**8.23**	8.83	-6.8	**1.0**	0.8	0.2
Coal chemical operations	**29.22**	27.30	7.0	**13.7**	12.0	1.7
Coal mining equipment operations	**21.29**	18.85	12.9	**17.5**	17.8	-0.3
Financial operations	**13.93**	13.94	-0.1	**57.0**	58.4	-1.4
Other operations	**10.78**	5.24	105.7	**13.1**	6.9	6.2
The Group	**415.83**	495.98	-16.2	**21.5**	22.5	-1.0

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, resale of coal purchased from external enterprises to customers (sales of proprietary trading coal) and coal import and export and domestic agency services.

For the year ended 31 December 2023, for coal operations of the Group, the revenue decreased by 14.8% from RMB190.918 billion for the year ended 31 December 2022 to RMB162.681 billion, and revenue net of inter-segmental sales decreased by 15.2% from RMB180.838 billion for the year ended 31 December 2022 to RMB153.386 billion.

For the year ended 31 December 2023, the revenue from sales of self-produced commercial coal of the Group decreased by 6.4% from RMB86.148 billion for the year ended 31 December 2022 to RMB80.619 billion, which was mainly attributable to the year-on-year decrease of RMB114/tonne in the selling price of self-produced commercial coal and the decrease of RMB15.242 billion in revenue; the sales volume increased by 13.57 million tonnes year-on-year and the revenue increased by RMB9.713 billion. Revenue net of inter-segmental sales decreased by 6.7% from RMB79.331 billion for the year ended 31 December 2022 to RMB74.036 billion.

For the year ended 31 December 2023, the revenue from sales of proprietary coal trading of the Group decreased by 21.7% from RMB104.116 billion for the year ended 31 December 2022 to RMB81.488 billion, which was mainly attributable to the year-on-year decrease of RMB168/tonne in the selling price of proprietary coal trading and the decrease of RMB21.224 billion in revenue; the sales volume decreased by 1.73 million tonnes year-on-year and the revenue decreased by RMB1.404 billion. Revenue net of inter-segmental sales decreased by 21.9% from RMB100.904 billion for the year ended 31 December 2022 to RMB78.855 billion.

For the year ended 31 December 2023, revenue from the coal agency business of the Group increased by RMB49 million from RMB97 million for the year ended 31 December 2022 to RMB146 million.

The Group's coal sales volume before netting of inter-segmental sales and selling prices for the year ended 31 December 2023 and the year-on-year changes are set out as follows:

		For the year ended 31 December 2023		For the year ended 31 December 2022		Year-on-year Increase/decrease in amount		Year-on-year Increase/decrease	
		Sales volume (10,000 tonnes)	**Selling price *(RMB/ tonne)***	Sales volume (10,000 tonnes)	Selling price *(RMB/ tonne)*	Sales volume *(10,000 tonnes)*	Selling price *(RMB/ tonne)*	Sales volume *(%)*	Selling price *(%)*
I. Self-produced commercial coal	Total	**13,391**	**602**	12,034	716	1,357	-114	11.3	-15.9
	(I) Thermal coal	**12,298**	**532**	11,036	622	1,262	-90	11.4	-14.5
	1. Domestic sale	**12,298**	**532**	11,035	622	1,263	-90	11.4	-14.5
	2. Export	☆	☆	1	2,430	-1	–	-100.0	–
	(II) Coking coal	**1,093**	**1,386**	998	1,750	95	-364	9.5	-20.8
	Domestic sale	**1,093**	**1,386**	998	1,750	95	-364	9.5	-20.8
II. Proprietary coal trading	Total	**12,649**	**644**	12,822	812	-173	-168	-1.3	-20.7
	(I) Domestic sale	**12,490**	**640**	12,669	806	-179	-166	-1.4	-20.6
	(II) Self-operated export	**53**	**1,779**	60	2,115	-7	-336	-11.7	-15.9
	(III) Import trading	**106**	**634**	93	743	13	-109	14.0	-14.7
III. Import and export and domestic agency★	Total	**2,454**	**6**	1,439	7	1,015	-1	70.5	-14.3
	(I) Import agency	**7**	**16**	60	8	-53	8	-88.3	100.0
	(II) Export agency	**33**	**58**	46	61	-13	-3	-28.3	-4.9
	(III) Domestic agency	**2,414**	**5**	1,333	5	1,081	0	81.1	0.0

☆: No occurrence.

★: Selling price is agency service fee.

Note: Sales volume of commercial coal includes the inter-segmental self-consumption of the Group which amounted to 18.39 million tonnes (including 12.42 million tonnes for self-produced commercial coal and 5.97 million tonnes for proprietary coal trading) for 2023 and 17.05 million tonnes for 2022.

(2) Cost of sales

For the year ended 31 December 2023, the Group's cost of sales of coal operations decreased by 13.1% from RMB147.830 billion for the year ended 31 December 2022 to RMB128.412 billion, which was mainly attributable to the year-on-year increase in the cost of self-produced commercial coal of RMB3.189 billion due to expansion in sales scale in self-produced commercial coal and the year-on-year decrease in the procurement cost of proprietary coal trading of RMB23.063 billion with the year-on-year decrease in the purchase price of purchased coal and the year-on-year decrease in sales volume. The composition of the cost of sales of the Group's coal operations and the year-on-year changes are set out as follows:

Unit: RMB100 million

Item	**For the year ended 31 December 2023**	**Percentage (%)**	For the year ended 31 December 2022	Percentage (%)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Material costs (excluding proprietary coal trading procurement cost)	**73.96**	**5.8**	78.54	5.3	-4.58	-5.8
Proprietary coal trading procurement cost☆	**783.67**	**61.0**	1,014.30	68.6	-230.63	-22.7
Staff costs	**73.74**	**5.7**	66.78	4.5	6.96	10.4
Depreciation and amortisation	**70.79**	**5.5**	63.18	4.3	7.61	12.0
Repairs and maintenance	**17.54**	**1.4**	15.51	1.0	2.03	13.1
Transportation costs and port expenses	**105.70**	**8.2**	97.72	6.6	7.98	8.2
Sales taxes and surcharges	**66.66**	**5.2**	67.40	4.6	-0.74	-1.1
Outsourcing mining engineering fees	**52.17**	**4.1**	40.01	2.7	12.16	30.4
Other costs ★	**39.89**	**3.1**	34.86	2.4	5.03	14.4
Total cost of sales for coal operations	**1,284.12**	**100.0**	1,478.30	100.0	-194.18	-13.1

☆: This cost does not include transportation costs and port expenses related to proprietary coal trading which amounted to RMB2.298 billion in 2023 and RMB1.803 billion in 2022 and are set out in the item of transportation costs and port expenses.

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

The composition of the Group's unit cost of sales of self-produced commercial coal for the year ended 31 December 2023 and the year-on-year changes are set out as follows:

Unit: RMB/tonne

Item	**For the year ended 31 December 2023**	**Percentage (%)**	For the year ended 31 December 2022	Percentage (%)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Material costs	**55.23**	**15.6**	65.27	17.8	-10.04	-15.4
Staff costs	**55.07**	**15.6**	55.49	15.1	-0.42	-0.8
Depreciation and amortisation	**52.86**	**14.9**	52.50	14.3	0.36	0.7
Repairs and maintenance	**13.10**	**3.7**	12.89	3.5	0.21	1.6
Transportation costs and port expenses	**61.77**	**17.5**	66.22	18.0	-4.45	-6.7
Sales taxes and surcharges	**49.78**	**14.1**	56.01	15.3	-6.23	-11.1
Outsourcing mining engineering fees	**38.96**	**11.0**	33.33	9.1	5.63	16.9
Other costs	**27.06**	**7.6**	25.51	6.9	1.55	6.1
Total unit cost of sales of self-produced commercial coal	**353.83**	**100.0**	367.22	100.0	-13.39	-3.6

For the year ended 31 December 2023, the Group's unit cost of sales of self-produced commercial coal amounted to RMB353.83/tonne, representing a year-on-year decrease of RMB13.39/tonne or 3.6%, which was mainly attributable to the year-on-year decrease in material costs per unit as a result of the Group's continuous optimisation of production organisation, vigorous promotion of system cost reduction and technology cost reduction, and the dilution effect of the increase in production volume of self-produced commercial coal; the year-on-year decrease in the selling price of self-produced commercial coal and the year-on-year decrease in gross profit margin led to the year-on-year decrease in the unit sales tax and surcharges; the proportion of the sales volume of self-produced commercial coal that bears railway transportation and port expenses to the total sales volume of self-produced commercial coal of the Group decreased, resulting in a year-on-year decrease in unit transportation costs and port expenses; the increase in the amount of outsourced mining engineering works in accordance with the arrangement of production organisations and geological conditions led to the year-on-year increase in the cost of outsourced mining engineering per unit.

(3) Gross profit and gross profit margin

For the year ended 31 December 2023, the gross profit from coal operations segment decreased by 20.5% to RMB34.269 billion from RMB43.088 billion for the year ended 31 December 2022 due to the decline in the selling price of commercial coal, and the gross profit margin decreased by 1.5 percentage points to 21.1% from 22.6% for the year ended 31 December 2022. In particular, the gross profit of self-produced commercial coal recorded a year-on-year decrease of RMB8.718 billion, and the gross profit margin recorded a year-on-year decrease of 7.5 percentage points.

2. Coal Chemical Operations Segment

(1) Revenue

For the year ended 31 December 2023, the revenue from coal chemical operations of the Group decreased by 5.8% from RMB22.701 billion for the year ended 31 December 2022 to RMB21.394 billion; revenue net of inter-segmental sales decreased by 7.0% from RMB21.864 billion for the year ended 31 December 2022 to RMB20.344 billion, which was mainly attributable to the year-on-year decrease in the selling price of coal chemical products and the decrease in the scale of trading of purchased chemical products.

The sales volume and selling prices of the major coal chemical products of the Group for the year ended 31 December 2023 and the year-on-year changes are set out as follows:

	For the year ended 31 December 2023		For the year ended 31 December 2022		**Year-on-year**			
					Increase/decrease in amount		Increase/decrease	
	Sales volume ***(10,000 tonnes)***	**Selling price** ***(RMB/ tonne)***	Sales volume *(10,000 tonnes)*	Selling price *(RMB/ tonne)*	Sales volume *(10,000 tonnes)*	Selling price *(RMB/ tonne)*	Sales volume *(%)*	Selling price *(%)*
I. Polyolefin	**147.9**	**6,907**	146.9	7,401	1.0	-494	0.7	-6.7
1. Polyethylene	**76.3**	**7,145**	74.0	7,479	2.3	-334	3.1	-4.5
2. Polypropylene	**71.6**	**6,652**	72.9	7,323	-1.3	-671	-1.8	-9.2
II. Urea	**214.1**	**2,423**	179.2	2,612	34.9	-189	19.5	-7.2
III. Methanol	**191.9**	**1,748**	185.5	1,931	6.4	-183	3.5	-9.5
Of which:								
Inter-segment self-consumption	**188.2**	**1,750**	155.2	1,936	33.0	-186	21.3	-9.6
External sales	**3.7**	**1,629**	30.3	1,905	-26.6	-276	-87.8	-14.5
IV. Ammonium nitrate	**58.7**	**2,341**	46.9	2,632	11.8	-291	25.2	-11.1

(2) Cost of sales

For the year ended 31 December 2023, the cost of sales of the coal chemical operations of the Group decreased by 7.5% from RMB19.971 billion for the year ended 31 December 2022 to RMB18.472 billion, which was mainly attributable to the decrease in the purchase price of raw coal and fuel coal, and the decrease in the maintenance expenses of chemical device. The composition of the Group's cost of sales for the coal chemical operations and the year-on-year changes are set out as follows:

Unit: RMB100 million

Item	**For the year ended 31 December 2023**	**Percentage (%)**	For the year ended 31 December 2022	Percentage (%)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Material costs	**113.03**	**61.2**	128.08	64.1	-15.05	-11.8
Staff costs	**13.95**	**7.6**	11.69	5.9	2.26	19.3
Depreciation and amortisation	**28.62**	**15.5**	28.34	14.2	0.28	1.0
Repairs and maintenance	**6.11**	**3.3**	9.95	5.0	-3.84	-38.6
Transportation costs and port expenses	**7.81**	**4.2**	8.96	4.5	-1.15	-12.8
Sales taxes and surcharges	**3.24**	**1.8**	3.05	1.5	0.19	6.2
Other costs	**11.96**	**6.4**	9.64	4.8	2.32	24.1
Total cost of sales for coal chemical operations	**184.72**	**100.0**	199.71	100.0	-14.99	-7.5

The unit cost of sales of the major self-produced coal chemical products of the Group for the year ended 31 December 2023 and the year-on-year changes are set out as follows:

Unit: RMB/tonne

Item	**For the year ended 31 December 2023**	For the year ended 31 December 2022	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
I. Polyolefin	**6,577**	7,083	-506	-7.1
1. Polyethylene	**6,566**	7,102	-536	-7.5
2. Polypropylene	**6,588**	7,063	-475	-6.7
II. Urea	**1,629**	1,869	-240	-12.8
III. Methanol	**1,893**	2,040	-147	-7.2
IV. Ammonium nitrate	**1,505**	1,076	429	39.9

(3) Gross profit and gross profit margin

For the year ended 31 December 2023, the gross profit of the Group's coal chemical operations segment increased by 7.0% from RMB2.730 billion for the year ended 31 December 2022 to RMB2.922 billion, and the gross profit margin increased by 1.7 percentage points from 12.0% for the year ended 31 December 2022 to 13.7%.

3. Coal Mining Equipment Operations Segment

(1) Revenue

For the year ended 31 December 2023, the Group's revenue from coal mining equipment operations increased by 14.8% from RMB10.609 billion for the year ended 31 December 2022 to RMB12.183 billion. Revenue net of inter-segmental sales increased by 7.9% from RMB9.415 billion for the year ended 31 December 2022 to RMB10.163 billion, which was mainly attributable to the year-on-year increase in revenue as a result of the increase in demand for related products driven by the intelligent upgrading and transformation of coal mines.

(2) Cost of sales

For the year ended 31 December 2023, the Group's cost of sales for the coal mining equipment operations increased by 15.2% from RMB8.724 billion for the year ended 31 December 2022 to RMB10.054 billion, which was mainly attributable to the increase in the cost of raw materials such as steel as a result of the increase in orders. 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 2023**	**Percentage (%)**	For the year ended 31 December 2022	Percentage (%)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Material costs	**74.76**	**74.4**	62.84	72.0	11.92	19.0
Staff costs	**8.91**	**8.9**	8.87	10.2	0.04	0.5
Depreciation and amortisation	**3.30**	**3.3**	3.80	4.4	-0.50	-13.2
Repairs and maintenance	**1.28**	**1.3**	0.90	1.0	0.38	42.2
Transportation costs	**1.74**	**1.7**	1.27	1.5	0.47	37.0
Sales taxes and surcharges	**0.41**	**0.4**	0.38	0.4	0.03	7.9
Other costs	**10.14**	**10.0**	9.18	10.5	0.96	10.5
Total cost of sales for coal mining equipment operations	**100.54**	**100.0**	87.24	100.0	13.30	15.2

(3) Gross profit and gross profit margin

For the year ended 31 December 2023, the gross profit of the Group's coal mining equipment operations segment increased by 12.9% from RMB1.885 billion for the year ended 31 December 2022 to RMB2.129 billion; the gross profit margin decreased by 0.3 percentage point from 17.8% for the year ended 31 December 2022 to 17.5%.

4. *Financial Operations Segment*

The financial operations segment of the Group is mainly engaged by Finance Company, which deepened the concept of lean management and strengthened financial technology innovation, strengthened the construction and application of the treasury system, continuously improved the ability of precise credit services, actively served the development strategy of "efficiency enhancement and incremental transformation", ensured the safe, stable and efficient flow of funds, and dynamically optimised and adjusted the allocation strategy of deposits with banks in a timely manner when the interest rate of deposits in the interbank market declined, with the business scale reaching a new record high and achieving better value and efficiency. For the year ended 31 December 2023, the revenue of financial operations of the Group increased by 2.3% from RMB2.386 billion for the year ended 31 December 2022 to RMB2.442 billion; revenue net of inter-segmental sales increased by 3.4% from RMB1.894 billion for the year ended 31 December 2022 to RMB1.959 billion. Cost of sales increased by 5.7% from RMB992 million for the year ended 31 December 2022 to RMB1.049 billion. Gross profit decreased by 0.1% to RMB1.393 billion from RMB1.394 billion for the year ended 31 December 2022 due to factors such as the decline in financial market interest rates. Gross profit margin decreased by 1.4 percentage points to 57.0% from 58.4% for the year ended 31 December 2022.

5. *Other Operations Segment*

Other operations segment of the Group mainly includes power generation, aluminium processing, import of equipment and accessories, tendering and bidding services, railway transportation and other business. For the year ended 31 December 2023, the revenue from other operations segment increased by 8.6% from RMB7.583 billion for the year ended 31 December 2022 to RMB8.234 billion; the revenue net of inter-segmental sales increased by 8.4% from RMB6.566 billion for the year ended 31 December 2022 to RMB7.117 billion; cost of sales increased by 1.4% from RMB7.059 billion for the year ended 31 December 2022 to RMB7.156 billion. Gross profit increased by 105.7% from RMB524 million for the year ended 31 December 2022 to RMB1.078 billion, mainly attributable to the increase in gross profit of the Group's businesses of power generation, tendering and bidding and production services. Gross profit margin increased by 6.2 percentage points from 6.9% for the year ended 31 December 2022 to 13.1%.

(III) Sales expenses

For the year ended 31 December 2023, the Group's sales expenses increased by 13.0% from RMB929 million for the year ended 31 December 2022 to RMB1.050 billion, which was mainly attributable to the year-on-year increase in staff remuneration and product sales related expenses, etc.

(IV) General and administrative expenses

For the year ended 31 December 2023, the Group's general and administrative expenses increased by 6.0% from RMB6.634 billion for the year ended 31 December 2022 to RMB7.030 billion, which was mainly attributable to the change in the scope of consolidation for subsidiaries acquired in the fourth quarter of 2022 and the year-on-year increase in research and development expenses.

(V) Finance income and finance costs

For the year ended 31 December 2023, the Group's net finance costs decreased by 19.7% from RMB3.728 billion for the year ended 31 December 2022 to RMB2.995 billion, which was mainly attributable to the decrease in the scale of the Group's interest-bearing liabilities and continuous optimisation of debt structure, which has further lowered the consolidated cost of funds.

(VI) Share of profits of associates and joint ventures

For the year ended 31 December 2023, the Group's share of profits of associates and joint ventures decreased by 36.6% from RMB5.010 billion for the year ended 31 December 2022 to RMB3.176 billion, which was mainly attributable to the decrease in market prices of coal and coal chemical products, resulting in the year-on-year decrease in profits of associates and joint ventures, and thus the corresponding decrease in the Group's share of profits of associates and joint ventures recognized in proportion to its shareholding.

(VII) Other income, other gains and losses, net

For the year ended 31 December 2023, the Group's other income, other gains and losses, net amounted to RMB79 million, compared to the net loss of RMB8.516 billion for the year ended 31 December 2022, which was mainly attributable to the provision for impairment of RMB183 million for construction in progress and fixed assets with indications of impairment based on the impairment test results during the year, and the provision for impairment of RMB8.768 billion for assets such as the exploration right of Shalajida Coal Mine in the previous year, representing a year-on-year decrease of RMB8.585 billion.

III. CASH FLOW

As at 31 December 2023, the balance of the Group's cash and cash equivalents amounted to RMB31.583 billion, representing a net increase of RMB1.585 billion as compared to RMB29.998 billion as at 31 December 2022.

Net cash inflow generated from operating activities decreased by an inflow of RMB669 million from RMB43.634 billion for the year ended 31 December 2022 to RMB42.965 billion. Among which, net cash flow generated from production and sales activities amounted to RMB35.440 billion, representing a year-on-year decrease of RMB4.609 billion, which was mainly attributable to the decline in market prices of coal and coal chemical products.

Net cash outflow generated from investing activities decreased by an outflow of RMB6.989 billion from RMB22.046 billion for the year ended 31 December 2022 to RMB15.057 billion, which was mainly attributable to the combined effect of the year-on-year decrease of RMB17.324 billion in cash outflow arising from changes in fixed-term deposits with an initial deposit period of more than three months, the year-on-year increase of RMB596 million in cash inflow received in cash dividends from invested companies, the year-on-year increase of RMB7.561 billion in cash utilised as capital expenditure as well as the year-on-year increase of RMB3.250 billion in cash outflow generated from the increase in provision of self-operated loans provided to members other than China Coal Energy by Finance Company.

Net cash outflow generated from financing activities increased by an outflow of RMB3.611 billion from RMB22.687 billion for the year ended 31 December 2022 to RMB26.298 billion, which was mainly attributable to the combined effect of the year-on-year increase of RMB5.379 billion in dividends paid by the Group to external parties, the year-on-year decrease of RMB1.050 billion in the net outflow of debt financing, and the year-on-year decrease of RMB493 million in cash outflow for interest payment.

IV. SOURCES OF CAPITAL

For the year ended 31 December 2023, the Group's funds were mainly derived from the proceeds generated from business operations, bank borrowings and net proceeds raised in capital markets. The Group's funds were mainly used for investments in production facilities and equipment for coal, coal chemical, coal mining equipment and power generation operations, repayment of debts payable by the Group, and as the Group's working capital and general recurring expenditures.

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

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

V. ASSETS AND LIABILITIES

(I) Property, plant and equipment

As at 31 December 2023, the net value of the Group's property, plant and equipment was RMB127.702 billion, representing a net increase of RMB1.256 billion or 1.0% as compared to RMB126.446 billion as at 31 December 2022. Among them, the net value of buildings was RMB32.149 billion, accounting for 25.2%; that of mining structures was RMB34.486 billion, accounting for 27.0%; that of machinery and equipment was RMB43.20 billion, accounting for 33.8%; that of construction in progress was RMB11.223 billion, accounting for 8.8%; that of railways, transportation vehicles and others was RMB6.644 billion, accounting for 5.2%.

(II) Mining rights

As at 31 December 2023, the net value of the Group's mining rights was RMB47.210 billion, representing a net increase of RMB7.725 billion or 19.6% as compared to RMB39.485 billion as at 31 December 2022, which was mainly attributable to the combined effect of the payment related to mining rights by coal production enterprises of the Group and the amortisation of mining rights.

(III) Other non-current assets

As at 31 December 2023, the net value of the Group's other non-current assets was RMB8.767 billion, representing a net increase of RMB3.921 billion or 80.9% as compared to RMB4.846 billion as at 31 December 2022, which was mainly attributable to the increase in loans with medium-and long-term maturity provided by Finance Company to members other than China Coal Energy.

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

As at 31 December 2023, the net value of the Group's debt instruments at fair value through other comprehensive income was RMB3.310 billion, representing a net decrease of RMB2.571 billion or 43.7% as compared to RMB5.881 billion as at 31 December 2022, which was mainly attributable to the decrease in bills receivables collected by the Group for sales of products.

(V) Tax payable

As at 31 December 2023, the balance of tax payable of the Group was RMB1.626 billion, representing a net decrease of RMB1.582 billion or 49.3% as compared to RMB3.208 billion as at 31 December 2022, which was mainly attributable to the decrease in operating profits for the fourth quarter of the Group year-on-year as affected by the decrease in prices of coal and coal chemical products, resulting in a significant decrease in tax payable as compared to the end of the previous year.

(VI) Borrowings

As at 31 December 2023, the balance of the Group's borrowings was RMB59.380 billion, representing a net decrease of RMB12.127 billion or 17.0% from RMB71.507 billion as at 31 December 2022. Among which, the balance of long-term borrowings (including long-term borrowings due within one year) was RMB59.257 billion, representing a net decrease of RMB11.969 billion as compared to RMB71.226 billion as at 31 December 2022; the balance of short-term borrowings was RMB123 million, representing a net decrease of RMB158 million as compared to RMB281 million as at 31 December 2022.

(VII) Long-term bonds

As at 31 December 2023, the balance of the Group's long-term bonds (including long-term bonds due within one year) was RMB13.318 billion, representing a net decrease of RMB1.221 billion or 8.4% as compared to RMB14.539 billion as at 31 December 2022, which was mainly attributable to the payment for corporate bonds "18 China Coal 02" and "18 China Coal 06" during the year.

VI. EQUITY

As at 31 December 2023, the equity of the Group was RMB182.523 billion, representing an increase of RMB17.634 billion or 10.7% from RMB164.889 billion as at 31 December 2022, among which, the equity attributable to the equity holders of the Company was RMB143.882 billion, representing an increase of RMB13.268 billion or 10.2% from RMB130.614 billion as at 31 December 2022. The items under the equity subject to significant change are analysed as below:

(I) Reserve

As at 31 December 2023, the reserve of the Group was RMB53.343 billion, representing an increase of RMB792 million or 1.5% from RMB52.551 billion as at 31 December 2022, which was mainly attributable to the combined effect of the increase of RMB1.116 billion for special fund balance, surplus fund and reserve for general risk, the increase of RMB0.194 billion for reserve in associates and joint ventures, and the decrease of RMB0.470 billion for other comprehensive income resulting from the decrease in fair value of investment in equity instruments not held for trading purposes, etc.

(II) Retained earnings

As at 31 December 2023, the retained earnings of the Group was RMB77.281 billion, representing an increase of RMB12.477 billion or 19.3% from RMB64.804 billion as at 31 December 2022, which was mainly attributable to the combined effect of realising profit attributable to the equity holders of the Company of RMB20.184 billion, distribution of dividends for 2022 of RMB5.476 billion, the adjusted provision of unutilised special fund, and provision of surplus fund and reserve for general risk during the year.

VII. OVERSEAS ASSETS

At the end of the reporting period, total assets of the Group amounted to RMB349.155 billion, representing an increase of RMB9.425 billion or 2.8% as compared to the beginning of the year, among which, overseas assets amounted to RMB474 million, accounting for 0.14% of total assets. During the reporting period, there was no material change in the Group's overseas assets.

VIII. SIGNIFICANT CHARGE OF ASSETS

The Group did not have significant charge of assets during the reporting period. As at 31 December 2023, the book value of the Group's charge assets amounted to RMB821 million, of which the book value of pledged assets was RMB190 million and the book value of mortgaged assets was RMB631 million.

IX. SIGNIFICANT INVESTMENT

The Group had no significant investment during the reporting period.

X. MATERIAL ACQUISITIONS AND DISPOSALS

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

XI. ISSUANCE OF BONDS AND DEBT FINANCING INSTRUMENTS AND PRINCIPAL AND INTEREST PAYMENT THEREOF

As of 31 December 2023, the Group has paid the principal and interest of its bonds and other debt financing instruments by the agreed time. No default or delayed payment of principal and interest has occurred.

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

(1) Risks of Fluctuation in Macro Economy

In the context of energy transformation, the coal industry will be affected by multiple restrictions such as safety, environmental protection, financing, carbon emission, public opinion, and market pricing, at the same time it will be greatly influenced by related industries such as power, metallurgy, building materials, chemicals, which are closely related to the macro economy. Currently, the macro economy is recovering, but there are still many uncertainties which may have certain impacts on the operating results of the Group, such as the systematic decline in international energy prices, the unexpected increase in new energy and hydropower generation, as well as the lower-than-expected real estate policies. In addition, factors such as the changes in national industrial policies, the adjustment in environmental protection standards and sudden safety production accidents may also have a certain impact on the production and operation of the Group. Adhering to its general tone of making progress in the midst of stability, the Group will fully implement the development concept of "efficiency enhancement and incremental transformation", organically integrate the deepening and upgrading of state-owned enterprise reform, strengthen scientific and technological innovation, promote transformation and upgrading, accelerate industrial structure adjustment, while strengthening operation and management, firmly establish a sense of risk prevention, strictly implementing budget and strengthening monitoring and analysis, the Group strives to achieve effective improvement in quality and reasonable growth in volume of its operation and development.

(2) Risks of Fluctuation in Product Prices

With the rapid development of the new energy industry in China, the substitution of coal and electricity has accelerated, and the growth rate of coal demand may fall year-on-year. At the same time, affected by the improvement of international coal supply and demand situation, the cost of imported coal may decline, which will restrain the domestic coal market price to a certain extent. Due to various factors such as demand and supply, characteristics of products, transportation capacity, weather and international crude oil price, it remains difficult to accurately determine the trend of prices of coal chemical products. The Group will enhance market research and judgment, flexibly adjust marketing strategies, continuously optimise the structures of its markets and customers, improve its ability to resist market risks. We will accelerate the marketing integration of coal and coal chemical products, promote the digital transformation of marketing and the construction of intelligent logistics system, and build a marketing system with China coal characteristics.

(3) Risks of Safe Production

Due to the inherent characteristics of the industry, the Group and other coal mining and coal chemical enterprises are high-risk industries in terms of safety. Among them, coal plate enterprises have potential safety risks such as mine gas, water damage, rock burst, roof and lifting transportation, with complete types of disasters and great difficulty in safety management. Coal chemical plate enterprises are characterized by high temperature and high pressure, toxic and harmful, once leakage causes explosion, it will have serious casualties and social impact. The Group will continue to improve the safety management system and strengthen the establishment of the dual prevention mechanism, pay close attention to the implementation of safety responsibilities, regularly organise emergency drills, deal with major disasters in advance, further prevent and resolve potential safety risks, and investigate and rectify hidden dangers. The Group will continue to increase investment in safety, promote the construction of intelligent, standardised, safe and efficient mines, strengthen safety quality improvement of all staff, strengthen safety infrastructure construction, and improve its intrinsic safety level.

(4) Risks of Environmental Protection

In the process of production and operation, the coal and coal chemical enterprises will produce and discharge pollutants and will face many challenges such as water resource management, energy conservation and emission reduction, environmental regulatory policies, and environmental governance due to their own industry characteristics. The Company will adhere to the direction of green, low-carbon and environmentally friendly development, benchmark against the target task of "carbon emissions peak and carbon neutrality", and promote ecological and environmental governance as a whole. It will also accelerate the construction of key environmental protection projects such as air, solid waste, wastewater and ecology, the restoration and treatment of the ecological environment according to local conditions and develop new industries. We will continuously improve the ecological and environmental protection management system, strengthen daily management and statistical monitoring, reinforce supervision and inspection, continue to carry out pollution control, emission reduction and ecological governance, tighten the assessment and accountability of ecological and environmental protection, strive to promote comprehensive management of ecological environment, thereby effectively resolving ecological and environmental risks.

(5) Risks of Project Investment

New investment projects normally require longer construction period from feasibility study to effective production. Due to the uncertainty in the approval process and the policy adjustment of the industry of the projects and related industries, fluctuations in economic cycles, and changes in commodity market prices, the actual yield of the projects after being put into operation may be different from the expectation to a certain extent. The Group will strive to strengthen the preliminary project work by actively planning for project declaration, expediting relevant approval procedures, and orderly facilitating the feasibility study and special demonstration review of the project. Rational investment scale and pace can be ensured by strictly controlling investment cost and ensuring safety of capital investment. It will also strengthen the compliance review of the conditions for project commencement and pay close attention to the management of project construction progress, cost, quality, safety management, so as to effectively prevent project investment risks.

(6) Risks of Rising Costs

The underground geological conditions of coal mines are complex and changeable with high mining difficulties and costs. Coupled with the significant increase in coal mining resource costs, environmental costs, safety costs, conversion costs of coal mine, transportation costs and commodity prices, the cost pressure of coal enterprises have increased to a certain extent. The Group will continue to exert greater effort in cost control, strengthen standard cost and quota management, strive to divide small accounting units and carry out cost variance analysis. It will also further promote cost reduction on system, science and technology and management. By actively promoting key core technology research, adopting new technologies, new working processes and new equipment, optimising production layout, improving production efficiency, and reducing material procurement costs and unit consumption level, the Group may gain new advantages in cost competition continuously.

XIII. CONTINGENT LIABILITIES

(I) Bank guarantees

As at 31 December 2023, the Group provided guarantees of RMB1.388 billion in total, which were all provided to the invested companies in proportion to the Group's shareholdings.

(II) Environmental protection responsibilities

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

(III) Contingent legal liabilities

For details of the litigation involving Yihua Mining, Mengda Mining and Yinhe Hongtai Company, please refer to the relevant section of the Company's 2021 annual report. In October 2023, these three mining companies received the second-instance (final) judgement from Inner Mongolia Autonomous Region Supreme People's Court, and it is judged that the results of the first-instance judgement shall be maintained. At present, the cases of Yihua Mining and Mengda Mining have been enforced with a total amount of RMB3.706 billion, while the case of Yinhe Hongtai Company is still under enforcement. Relevant matters would not constitute any material impact on the production and operation and financial condition of the Company. Adhering to the principle of respecting history and complying laws and regulations, the Company will organise involved enterprises to conduct relevant consequential work, thereby fully safeguarding the interest of the Company.

BUSINESS PERFORMANCE

I. PRINCIPAL BUSINESS OPERATIONS OF THE COMPANY IN 2023

(1) Coal Operations

1. Coal production

In 2023, the Group conscientiously implemented the national major strategic deployment, fully implemented the "two combinations" development strategy, made every effort to secure the coal energy supply. The Group strengthened production organisation, optimised production layout, and accelerated stripping of open pit mines. The Group increased its unit production and input level, actively promoted stable production and output target achievement for introduced new investment mines to achieve stable production and reached a new high in coal production. During the year, the Group produced 134.22 million tonnes of commercial coal, representing an increase of 15.05 million tonnes or 12.6% compared with 119.17 million tonnes last year. In 2023, raw coal productivity was 37.04 tonnes per worker-shift, maintaining a leading level in the coal industry. Encouraging results were seen in the construction of intelligent coal mines. As at the end of 2023, an aggregate of 9 coal mines had been accepted as intelligent coal mines. Construction of 46 intelligent coal mining working faces was completed, of which 2 intelligent coal mining faces were awarded the top prize in the national coal mining face intelligent innovation competition.

Table on Commercial Coal Production Volume

Unit: 10 thousand tonnes

Item	Year ended 31 December 2023	Year ended 31 December 2022	Change (%)
Production volume of commercial coal	**13,422**	11,917	12.6
By region:			
Shanxi	**8,763**	8,064	8.7
Inner Mongolia and Shaanxi	**3,903**	3,133	24.6
Jiangsu	**465**	533	-12.8
Xinjiang and other(s)	**291**	187	55.6
By coal type:			
Thermal coal	**12,330**	10,919	12.9
Coking coal	**1,092**	998	9.4

2. Coal sales

In 2023, facing a complex and changing external environment and the difficult task of reform and development, the Group focused on the geographical markets, leveraged channel advantages, strengthened production and sales coordination, and made every effort to secure the supply of electricity coal. The Group rigorously implemented the national coal price policy, took the lead in maintaining the market order, and ensured full fulfilment of electricity coal contracts, thus effectively reduced the overall energy cost in society. The Group actively expanded into the market of local small and medium-sized power generation enterprises and non-power generation users, maintaining stable market share. The cumulative sales volume of commercial coal was 284.94 million tonnes for the year, of which, the sales volume of self-produced commercial coal was 133.91 million tonnes, representing a year-on-year increase of 11.3%, hence making positive contribution to secure energy supply of the country and serve social and economic development with practical actions.

Table on Coal Sales

Unit: 10 thousand tonnes

Item	**Year ended 31 December 2023**	Year ended 31 December 2022	**Change (%)**
Sales volume of commercial coal	**28,494**	26,295	8.4
By business type:			
Self-produced commercial coal	**13,391**	12,034	11.3
Proprietary coal trading	**12,649**	12,822	-1.3
Import and export and domestic agency	**2,454**	1,439	70.5
By sales region:			
North China	**9,216**	8,773	5.0
East China	**9,484**	8,546	11.0
South China	**3,659**	3,394	7.8
Central China	**2,751**	2,548	8.0
Northwest China	**2,676**	2,061	29.8
Other regions	**708**	973	-27.2

3. Coal reserve

Unit: 100 million tonnes

Major mining areas	Major coal type	Resource reserve	Recoverable reserve	Verified reserve
Shanxi	Thermal coal	83.93	30.56	8.96
	Coking coal	19.77	9.88	4.24
	Anthracite	7.88	3.32	1.82
Inner Mongolia	Thermal coal	87.98	52.95	19.94
Heilongjiang	Thermal coal	3.02	1.41	0.53
Jiangsu	Thermal coal	3.71	1.07	0.80
	Coking coal	2.56	1.05	0.67
Shaanxi	Thermal coal	51.11	34.95	10.46
Xinjiang	Thermal coal	6.52	3.52	2.18
Total		266.48	138.71	49.60

As of the end of 2023, the Group's coal resources with self-owned mining rights amounted to 26.648 billion tonnes, recoverable reserve amounted to 13.871 billion tonnes, and verified reserve amounted to 4.960 billion tonnes. Resources utilised during the year amounted to 210 million tonnes.

(2) Coal Chemical Operations

In 2023, the Group focused on achieving "work safety, stable production, long period operation, fully-loaded operation and producing quality products" for its equipment and creating benchmarks for energy efficiency. The Group continued to strengthen basic production management, scientifically evaluated the operation status of equipment, effectively controlled unplanned suspension, pay close attention to energy conservation and consumption reduction and abnormal working condition management, and advanced the establishment of the "smart control" platform for coal chemical industry. During the year, the Group produced 6.036 million tonnes of major coal chemical products, representing a year-on-year increase of 6.5%. In 2023, Shaanxi Company's intelligent coal chemical factory was recognized as an industrial internet pilot demonstration by the Ministry of Industry and Information Technology and selected as an enlisting unit for the 2023 intelligent manufacturing demonstration factory list.

The Group actively responded to the volatile coal chemical market, flexibly adjusted marketing strategies and market layouts, continuously improved customer service and evaluation mechanisms, effectively reduced logistics costs and stock. The sales volume of major coal chemical products was 6.126 million tonnes during the year, representing a year-on-year increase of 9.7%. The Group strictly implemented the national policies of securing supply and stabilising the price of chemical fertilisers. All chemical fertilisers were supplied to the domestic market, successfully fulfilling the national commercial reserve of chemical fertiliser for 2022-2023, and the allocation ahead of schedule for 2023-2024, which actively contributed to food security of the country. Ordos Energy Chemical Company was recognized as an "Efficient Fertiliser Advanced Enterprise." The Group deepened the implementation of differentiated strategies, vigorously developed and promoted differentiated and customised polyolefin products, achieving a sales volume of 109,000 tonnes and a gain of RMB17.29 million. Pingshuo Energy Chemical Company successfully completed the annual overhaul, achieving a historic high in ammonium nitrate production and sales. The Group continued to expand the market for coal chemical by-products, improved pricing mechanisms and sales channels, and achieved full production and sales for coal chemical by-products.

Table on Production and Sales Volume of Major Coal Chemical Products

Unit: 10 thousand tonnes

Item	**Year ended 31 December 2023**	Year ended 31 December 2022	**Change (%)**
Total coal chemical products			
Production volume	**603.6**	566.7	6.5
Sales volume	**612.6**	558.5	9.7
Polyolefin			
Production volume	**148.7**	148.0	0.5
Sales volume	**147.9**	146.9	0.7
Urea			
Production volume	**206.6**	183.4	12.6
Sales volume	**214.1**	179.2	19.5
Methanol			
Production volume	**190.1**	187.9	1.2
Sales volume	**191.9**	185.5	3.5
Ammonium nitrate			
Production volume	**58.2**	47.4	22.8
Sales volume	**58.7**	46.9	25.2

Notes:

1. The process for manufacturing the Group's major coal chemical products starts with the gasification of coal as a raw material into synthetic gas (CO+H2), which is then purified to produce synthetic ammonia or methanol. Synthetic ammonia and carbon dioxide are used to produce urea. Synthetic ammonia is oxidised into nitric acid, which is then neutralised with ammonia to produce ammonium nitrate. Through the MTO reaction, methanol is turned into ethylene and propylene monomers, which are polymerised to form polyethylene and polypropylene.

2. The methanol sales volume of the Group includes internal consumption volume (1.882 million tonnes for 2023, compared to 1.552 million tonnes for 2022).

(3) Coal Mining Equipment Operations

In 2023, the equipment enterprises of the Group actively seized the market orders, organised production efficiently and scientifically, and made every effort to reduce costs, enhance the quality and improve efficiency. Through transformation and upgrade, deepening reforms, and technological innovation, production and operations maintained a positive trend, achieving double improvement in economic benefits and quality of development. The high-end and intelligent development of coal mining equipment products achieved significant results. During the year, the Group produced RMB11.43 billion of coal mining equipment, representing a year-on-year increase of 14.8%. Accumulative value of contracts increased by 12.8% year-on-year, and the proportion of mid-to-high-end orders for leading products remained at around 85%. The Group continued to expand the scale of non-coal industries, cultivating more than 10 categories of non-coal products and new comprehensive energy services models. The Group actively expanded the market, with the scale of international markets expanding and overseas business growing continuously.

Table on Production Value and Revenue of Coal Mining Equipment

Unit: RMB100 million

	Production value			**Revenue**	
Product types	**Year ended 31 December 2023**	Year ended 31 December 2022	**Change (%)**	**Year ended 31 December 2023**	**Percentage of revenue of the coal mining equipment segment (%)**
Main conveyor products	**52.1**	45.2	15.3	**47.3**	38.8
Main support products	**38.3**	32.5	17.8	**41.5**	34.1
Others	**23.9**	21.9	9.1	**33.0**	27.1
Total	**114.3**	99.6	14.8	**121.8**	100.0

(4) Financial Operations

In 2023, the Group focused on the development of the entire coal industry chain and the new energy industry, fully implemented the Administrative Measures for Finance Company of Enterprise Group, deepened the lean management of funds, vigorously promoted financial technology innovation, continuously improved value creation capabilities, further strengthened the establishment of risk control systems, actively undertook the mission of constructing, operating and managing the treasury for China Coal Group, and Finance Company was recognized as "Best Fund Management Financial Company of 2023" by Financial Times. Despite external pressures such as declining interest rates, the Group continued to strengthen deposit business management, timely optimised and adjusted interbank deposit allocation strategies. Credit support was further strengthened and allocation of credit funds and resources was optimised to support the Group's industry structure adjustments. As at the end of 2023, scale of deposits absorbed amounted to RMB97.00 billion, representing a year-on-year increase of 7.2%; placement of interbank deposits amounted to RMB76.97 billion, representing a year-on-year increase of 4.6%; scale of self-operated loans amounted to RMB21.37 billion, representing a year-on-year increase of 25.3%, all hitting the highest level in history.

Table on Financial Operations

Unit: RMB100 million

Business types	**As at 31 December 2023**	As at 31 December 2022	**Change (%)**
Scale of deposits absorbed	**970.0**	904.5	**7.2**
Placement of interbank deposits	**769.7**	735.7	**4.6**
Scale of self-operated loans	**213.7**	170.6	**25.3**

(5) Synergy among Business Segments

In 2023, focusing on leveraging the advantages of coal-electricity-chemical industry chain, the Group further pushed forward the regional integrated management and continuously optimised the regional industry structure, thereby realising the synergetic development among business segments and improving the overall competitiveness and risk resistance capacity. In 2023, the Group produced 12.42 million tonnes of coal for internal consumption, representing a year-on-year increase of 1.41 million tonnes. The coal mining equipment business segment achieved internal product sales and services revenue of RMB2.020 billion, representing 16.6% of the total sales revenue of the segment. For financial operations, newly issued internal loans amounted to RMB6.17 billion and the amount of internal loans as at the end of the year was RMB14.01 billion, offering financing convenience with rich varieties and quality service. Hence, financing costs have been lowered, saving a total of RMB480 million in finance costs.

II. ANALYSIS OF CORE COMPETITIVENESS

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

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

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

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

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

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

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

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

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

III. COMPETITIVE LANDSCAPE IN THE INDUSTRY

In recent years, against the backdrop of climate change and geopolitical dynamics, global energy security has encountered continuous threats and there has been a profound transformation in the energy system, with the promotion of green and low-carbon transition. Energy security issues have become more prominent. Despite the declining share of coal in total energy consumption, coal and coal power still play a crucial role in the national energy consumption given the domestic resource endowment and energy security considerations, acting as the "solid foundation" and "stabiliser" for ensuring energy security. According to data published by the National Bureau of Statistics, the raw coal production of coal enterprises above designated size nationwide in 2023 was 4.66 billion tonnes, representing a year-on-year increase of 2.9%, hitting the highest level in history. Of these, the number of enterprises with a raw coal output of over 100 million tonnes nationwide reached 8, one more as compared to last year, and these enterprises have achieved a total raw coal output of 2.23 billion tonnes, representing an increase of 70 million tonnes or 3% over 2022, the number of enterprises with raw coal production of over 50 million tonnes nationwide reached 17, and these enterprises have achieved a total output of 2.79 billion tonnes, representing an increase of 70 million tonnes or 2.6% over 2022. Overall, with the deepening of the supply-side structural reform in the coal industry and increasing concentration of the industry, the Group's market power of large coal enterprises has been further increased.

In terms of coal chemical industry, the market competition of China's urea industry is relatively sufficient. In 2023, the concentration of production capacity among the top five companies in the urea industry was 18.3%, an increase of 0.5 percentage point compared to 2022, and it is expected to maintain stable with a slight increase in 2024. The production capacity of polyolefin industry was intensively launched in 2023, and the market competition has become more intense with a downward trend in concentration ratio in the industry.

In terms of the coal mining equipment manufacturing industry, with the rapid development of intelligent and digital transformation in the coal industry, the demand for coal mining equipment continued to grow, showing a promising prospect for the market of intelligent coal mining equipment. However, higher requirements for high-end, intelligent, and green coal mining equipment have been proposed. Meanwhile, the concentration of the coal mining equipment manufacturing industry has been further increased. In 2024, the overall market share of the top five coal mining equipment enterprises is expected to exceed 50% of the sales revenue of the "Top 50" coal mining machinery enterprises, and the market share of segmented markets such as high-end coal mining equipment and intelligent coal mining equipment shall be around 80%.

IV. INDUSTRY DEVELOPMENT TRENDS OF THE BUSINESS OF THE GROUP

Looking forward to 2024, in terms of coal industry, in the current context of significant changes in energy landscape, ensuring energy security remains a top priority for stable and sustained economic development. It is expected that relevant departments at the national level will strategically plan and address medium to long-term issues in the development of the coal industry. This includes further improving the coal production, supply, storage, and sales system, steadily advancing the "carbon emissions peak and carbon neutrality" action plan, and further optimising the medium and long-term coal pricing mechanism, thus maintaining the coal prices within a reasonable range, balancing various relationships, such as government and market, supply and energy conservation, cost and price, to ensure the stable and long-term development of the industry.

In terms of coal chemical industry, it is expected that domestic urea production capacity will increase by 4.25 million tonnes in 2024, with a projected capacity release of 8.25 million tonnes, retirement capacity of 2.40 million tonnes, and technical transformation capacity of 1.60 million tonnes. The annual production capacity growth rate is expected to be 5.5%. China's urea demand mainly comes from three parts, namely, agricultural demand, industrial demand and export demand. Strong demand in agriculture and stable demand from industry and exports are anticipated in 2024, leading to an improvement in the domestic urea supply situation in 2024. It is expected that the supply and demand of the urea market will be balanced, and the urea industry is expected to maintain a reasonable level of profitability. The domestic polyolefin industry is still in the capacity release period in 2024. It is estimated that the new polyethylene production capacity will reach 6.13 million tonnes and the new polypropylene production capacity will reach 8.805 million tonnes. With the stabilisation and recovery of the domestic economy, stable growth in domestic polyolefin demand is expected in 2024, but the export situation for plastic products is not optimistic. Given the intensive launch of capacity, the overall profitability of the polyolefin industry is expected to hover at a low level in 2024.

In terms of coal mining equipment manufacturing industry, in accordance with the national policies such as Guiding Opinions on Accelerating the Intelligent Development of Coal Mines, Notice on Supporting and Encouraging the Development and Application of Intelligent Coal Mining Technology and Equipment, and Guidelines for Intelligent Development of Coal Mines, coupled with the introduction of supporting policies in major coal producing regions, the demand for high-end, intelligent, and green coal mining equipment will continue to increase in the coming years with the construction of national intelligent coal mining. Coal mining equipment will develop in the direction of innovation-driven, intelligent manufacturing, green manufacturing and service-oriented manufacturing. Meanwhile, professional service models are expected to become the mainstream for coal mining equipment, driven by market demand and industrial policies. Suppliers providing comprehensive equipment and providers offering a full life cycle will still be the main direction for major coal mining machinery enterprises to compete in the market.

V. PRODUCTION AND OPERATION PLANS OF THE GROUP IN 2024

In 2024, the Group will adhere to the general principle of making progress amid stability. Focusing on enhancing core functions and improving core competitiveness, the Group will continue to promote the "efficiency enhancement and incremental transformation" strategy, which emphasise the improvement of technological innovation capabilities and value creation capabilities. The Group will strive to achieve high-quality development of enterprises. The annual production and sales volumes of self-produced commercial coal, polyolefin products and urea are planned to achieve more than 129.00 million tonnes, more than 1.45 million tonnes and more than 1.85 million tonnes, respectively. The Group will continue to carry out special actions to improve quality and efficiency and stabilize the growth, and strive to achieve satisfying operating results in the absence of major changes in the market. The Group will focus on the following tasks:

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

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

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

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

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

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

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

Eighthly, strengthen market value management and improve corporate governance capabilities. The Group will deeply promote the dedicated work of improving the quality of listed companies controlled by state-owned enterprises, continuously strengthen the compliance awareness of managers at all levels, enhance the standardised operation level and information disclosure quality of the Group, strengthen regular and multi-level communication with investors, and maintain a good image of the Group in the capital market.

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

SIGNIFICANT EVENTS

(1) Share Capital Structure

As of 31 December 2023, 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	7,606,743,708	57.37
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	7,739,094,708	58.37

(2) Distribution of Final Dividends for 2022

The Company's 2022 profit distribution plan was considered and approved at the Company's 2022 annual general meeting held on 13 June 2023. Cash dividends of RMB5,472,160,500 were distributed to the Shareholders, representing 30% of the net profit attributable to the equity holders of the listed company which was RMB18,240,535,000 as set out in the consolidated financial statements for 2022 prepared in accordance with PRC GAAP. Based on the total issued share capital of 13,258,663,400 Shares of the Company, RMB0.413 (inclusive of tax) per Share was distributed.

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

(3) Transaction of Assets

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

EMPLOYEE

As at 31 December 2023, the total number of employees in the Group was 47,122 (2022: 46,450).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to improving its corporate governance level. For the year ended 31 December 2023, the Company strictly complied with the code provisions of Corporate Governance Code set out in appendix C1 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 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

For the year ended 31 December 2023, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in appendix C3 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 2023.

REMUNERATION OF DIRECTORS AND SUPERVISORS

For the year ended 31 December 2023, 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 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

In order to better reward Shareholders, safeguard values of the Company and Shareholders, and maintain the continuity and stability of profit distribution policies, the Company has carried on the cash dividend of 30% according to the lower of profit available for distribution under two accounting standards in recent years.

On 20 March 2024, pursuant to the relevant PRC laws and regulations, the Board recommended the payment of cash dividends of RMB5,860,214,700 to the Shareholders, representing 30% of the net profit attributable to the equity holders of the listed company for the year ended 31 December 2023, which was RMB19,534,049,000 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 RMB0.442 per Share (tax inclusive). The above proposed profit distribution plan is subject to the approval of Shareholders at the 2023 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 and its implementing rules, the Company is required to withhold enterprise income tax at a rate of 10% before distributing the final dividend to non-resident enterprise Shareholders whose names appear on the Company's H Share register of members. Any Shares registered in the name of the non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organisations, will be treated as being held by non-resident enterprise Shareholders and therefore an enterprise income tax shall be withheld for their dividends receivables.

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

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

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

For Shareholders who are entitled to participate in the 2023 annual general meeting of the Company (expected to be convened prior to 30 June 2024) and holders of H Shares who are entitled to receive the final dividend for the year ended 31 December 2023, the latest registration date and the period of closure of H Share register as well as the dividend distribution date (expected to be prior to 31 August 2024) will be separately announced after determining the convening date of the 2023 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 2023, which, among other things, will set out the record date and ex-dividend date for A Shares.

As of 31 December 2023, 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 2023, the Company and its subsidiaries had not purchased, sold or repurchased any listed securities of the Company.

AUDITORS

Ernst & Young and Ernst & Young Hua Ming LLP (special general partnership) were appointed as overseas auditors and internal auditors of the Company for the year ended 31 December 2023, respectively. The former has audited the financial statements of the Company prepared in accordance with IFRS and provided unqualified opinion.

RELEASE OF ANNUAL REPORT ON HKSE WEBSITE

According to the requirements in respect of the reporting period of the Hong Kong Listing Rules, the Annual Report for 2023 includes all information disclosed in this announcement, and will be disclosed on the Company website and HKSE Website on or prior to 30 April 2024.

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
Shanghai Energy	Shanghai Datun Energy Resources Company Limited
Pingshuo Group	China Coal Pingshuo Group Company Limited
Mengda Mining	Wushenqi Mengda Mining Company Limited

Finance Company	China Coal Finance Co., Ltd.
Ordos Energy Chemical Company	China Coal Ordos Energy Chemical Company Limited
Zhongtian Hechuang	Zhongtian Hechuang Energy Co., Ltd.
Shaanxi Company	China Coal Shaanxi Energy & Chemical Group Company Limited
Yihua Mining	Ordos Yihua Mining Resources Company Limited
Yinhe Hongtai Company	Ordos Yinhe Hongtai Coal Power Company Limited
Pingshuo Mine Area	a mining area located in Shanxi Province, mainly comprising Antaibao Open Pit Mine, Anjialing Open Pit Mine as well as East Open Pit Mine
Pingshuo Energy and Chemical Company	Shanxi China Coal Pingshuo Energy and Chemical Company Limited
East Open Pit Mine	East Open Mine of China Coal Pingshuo Group Company Limited
Dahaize Coal Mine	Dahaize Coal Mine Project of China Coal Shaanxi Yulin Energy & Chemical Company Limited
Wangjialing Coal Mine	Wangjialing Coal Mine Project of China Coal Huajin Energy Group Limited
Anjialing Coal Mine	Anjialing Open Pit Mine of China Coal Pingshuo Group Company Limited
Libi Coal Mine	Libi Coal Mine of China Coal Huajin Group Jincheng Energy Company Limited
Weizigou Coal Mine	Weizigou Coal Mine of China Coal Energy Xinjiang Hongxin Coal Industry Company Limited
Yaoqiao Coal Mine	Yaoqiao Coal Mine of Shanghai Datun Energy Resources Co., Ltd.
Antaibao 2×350MW low calorific value coal power generation project	Antaibao 2×350MW low calorific value coal power generation project of China Coal Antaibao Thermal Power Company Limited
Wushenqi 2×660MW integrated coal power project	China Coal Northwest Energy Chemical Company Limited Wushenqi Tuke Industrial Park 2x660MW pithead coal power project
"two combinations"	combination of coal and coal power, combination of coal power and renewable energy
Liquid Sunlight	it is the synthesis of liquid sun fuel, which is the production of hydrogen by using solar energy and other renewable energy to electrolyte, and hydrogen reaction with carbon dioxide to produce green methanol

CSRC	China Securities Regulatory Commission
SASAC	State-owned Assets Supervision and Administration Commission of the State Council
HKSE	The Stock Exchange of Hong Kong Limited
HKSE Website	www.hkexnews.hk
SSE	the Shanghai Stock Exchange
SSE Website	www.sse.com.cn
Company Website	www.chinacoalenergy.com
Articles of Association	the articles of association passed at the inaugural meeting of the Company on 18 August 2006 and approved by the relevant state authorities, as amended and supplemented from time to time
A Share(s)	the ordinary share(s) issued to domestic investors in China with approval from CSRC, which are listed on the SSE and traded in RMB
H Share(s)	the overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company, which are listed on the HKSE for subscription in Hong Kong dollars
Share(s)	the ordinary shares of the Company, including A Share(s) and H Share(s)
Shareholder(s)	the shareholder(s) of the Company, including holder(s) of A Shares and holder(s) of H Shares
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
RMB	RMB yuan

By Order of the Board
China Coal Energy Company Limited
Wang Shudong
Chairman of the Board, Executive Director

Beijing, the PRC
20 March 2024

As at the date of this announcement, the Company's executive directors are Wang Shudong, Liao Huajun and Zhao Rongzhe; non-executive director is Xu Qian; independent non-executive directors are Zhang Chengjie, Jing Fengru and Hung Lo Shan Lusan.

* *For identification purpose only*