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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

ACTION PLAN OF “ENHANCING QUALITY AND EFFICIENCY AND FOCUSING ON RETURNS” FOR THE YEAR 2024

China Coal Energy Company Limited (the “**Company**”) has formulated the action plan of “Enhancing Quality and Efficiency and Focusing on Returns” based on its actual situation, and coordinated and promoted its high-quality development and investment value enhancement, after thoroughly studying and implementing the spirit of the 20th Party Congress, earnestly implementing the requirements of the Opinions of the State Council on Further Improving the Quality of Listed Companies and the Work Plan for Improving the Quality of Listed Companies Controlled by Central Enterprises issued by the SASAC of the State Council, and responding to the Initiative of Shanghai Stock Exchange on Carrying Out the Special Action of “Enhancing Quality and Efficiency and Focusing on Returns” for Companies listed in Shanghai, which focused on improving business quality, developing new and high-quality productivity, improving corporate governance, strengthening investor communication, and improving long-term returns for investors.

I. Guiding Ideology

Guided by Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, the Company thoroughly implemented General Secretary Xi Jinping’s important expositions on the development of state-owned enterprise reform and the construction of capital market, and comprehensively implemented the spirit of the 20th Party Congress. Embarking on a new development stage, the Company was committed to a new development philosophy and built a new pattern of development. Centering on the “14th Five-Year Plan” and the development idea of “efficiency enhancement and incremental transformation”, the Company promoted further improvement of its governance ability, competitiveness, innovation ability, risk resistance ability, and return ability, and strived to be a role model of high-quality development with prominent main business, excellent and strong development, perfect governance, and honest operation in the capital market, so as to make positive contributions to accelerating the construction of a world-class energy enterprise, better ensuring national energy security, and contributing to the sustainable and healthy development of the capital market.

II. Analysis of Present Situation of the Company

The Company thoroughly implemented the spirit of the 20th Party Congress, firmly grasped the theme of high-quality development, and fully implemented the development idea of “efficiency enhancement and incremental transformation”. It deeply advanced the construction of the “two combinations” (combination of coal and coal power, combination of coal power and renewable energy) demonstration projects with China Coal characteristics., continued to promote the in-depth integrated development of coal production, coal chemical, coal mining equipment manufacturing, finance, coal-fired power and new energy and other businesses, built a dense industrial chain of “coal, coal power, coal chemical and new energy”, and explored the construction of a new energy system. As of the end of 2023, the Company’s coal resources with self-owned mining rights amounted to 26.648 billion tonnes, and it had a rich variety of coal resources, including high-quality thermal coal, coking coal, and anthracite. Focusing on ensuring energy supply and green and low-carbon transformation, the Company continued to increase investment in technology and accumulated a number of core technological achievements. East Open Pit Mine, Yaoqiao Coal Mine, and Wangjialing Coal Mine were recognized as the first batch of national intelligent demonstration coal mines. Dahaize Coal Mine achieved international leading levels in intelligent mining projects after the technological appraisal, and its achievements in 5G dual frequency intelligent mining won the Energy Challenge Award in the Mobile World Congress. 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”.

In 2023, the Company produced 134.22 million tonnes of commercial coal, 6.036 million tonnes of major coal chemical products, and RMB11.43 billion of coal mining equipment. The net profit attributable to shareholders of the Company was RMB19.5 billion, the return on net assets was 14.21%, the net cash inflow from operating activities was RMB43.0 billion, and the gearing ratio was 47.7%, which maintained a good momentum of high-quality development.

The Company has a sound governance structure which has been fully recognized by the capital market and regulatory authorities. The Company has been awarded the Grade A rating for information disclosure by the Shanghai Stock Exchange for 14 consecutive years. After the implementation of the new Securities Law in March 2020, the Company successfully issued the first “registration-based” corporate bond in China and won the title of “Outstanding Issuer of Corporate Bonds and Innovation Products” by the Shanghai Stock Exchange. In addition, with excellent ESG performance, it has been included in the list of “Central Enterprises ESG • Pioneer 100 Index” for three consecutive years. China Coal Finance Co., Ltd., a subsidiary of the Company, was recognized as the “Best Fund Management Financial Company of 2023” by the Financial Times.

III. Optimization Objectives and Work Initiatives

In 2024, the Company will continue to thoroughly implement the spirit of the 20th Party Congress, adhere to the fundamental principle of high-quality development and the general principle of pursuing progress while ensuring stability, and deeply implement the development idea of “efficiency enhancement and incremental transformation”. It will steadily promote cost reduction, quality enhancement, and efficiency improvement throughout the entire industry chain and value chain, strengthen the scientific organization of production and sales, regional and industrial collaboration, and accelerate the development of new and high-quality productivity, thereby rewarding all shareholders with the new achievements of Chinese-style modern energy practice and the new achievements of high-quality development.

(I) The Company will organize development and safety and promote high-quality production and operation as well as reform and development. The Company will continue to optimize the industrial layout, solidly facilitate safe, efficient, green, and low-carbon development, strengthen the scientific organization and collaboration of production and sales, deepen lean management, improve quality, reduce costs and increase efficiency, continuously improve the market-oriented operation mechanism, continuously enhance core functions and improve core competitiveness.

- 1. Continuously optimizing the industrial structure.** Centering on the “14th Five-Year Plan” and the objective of constructing a world-class energy enterprise, the Company will continue to optimize the industrial layout, promote high-quality development and construction of the “two combinations” demonstration projects, proactively unleash advanced production capacity, continuously improve the energy security and guarantee capacity, and accelerate the green and low-carbon transformation. It will maintain a good momentum of high-quality and sustainable development of the dense industrial chain of “coal, coal power, coal chemical, and new energy”, and promote the coupling development of the whole chain.
- 2. Strengthening scientific organization and efficient collaboration of production and sales.** Coal enterprises will continue to organize and carry out the optimization of mine production layout and production system to ensure safe, efficient, and continuous stable production. Coal chemical enterprises will strive to improve the operation level of equipment to ensure safe, stable, long-period, and full-load operation. Power enterprises will strengthen equipment reliability control and improve professional operation. The Company will accelerate the construction of a marketing management system covering major products such as coal, coal chemicals and electricity, and improve the Company’s marketing synergy and management efficiency.
- 3. Further promoting lean management.** Benchmarking with world class and industry leading enterprises, the Company will advance lean management, further promote quality improvement, cost reduction and efficiency enhancement, while comprehensively improve its management level. Great efforts will be put on fostering digitalization and intelligent transformation. The Company will continuously strengthen the construction of management system and management capability, and improve the level of refined management and penetrative control.

- 4. Deepening the implementation of reform actions.** The Company will actively promote the injection of high-quality assets into the listed company. The Company will carry out in-depth reform and improvement actions, focusing on improving innovation capabilities and value creation capabilities, vigorously improving modern corporate governance capabilities, and continuously improving the market-oriented operation mechanism. It will continue to deepen the three system reforms to further stimulate vitality and improve efficiency.

(II) The Company will strengthen the improvement of innovation capabilities and actively cultivate new and high-quality productivity. By thoroughly implementing the spirit of the 20th Party Congress and the relevant instructions, approval and requirements of General Secretary Xi Jinping, the Company 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, keep on intensifying efforts in key core technology breakthroughs and outcome transformations for areas related to coal, coal chemical, transformation and development, thereby accelerating the formation of new and high-quality productivity.

- 1. Accelerating the implementation of the technological innovation system.** By giving full play to the role of the “internal brain” through joint actions of departments and making use of the resources and strength of the “external brain” through internal and external collaboration, the Company will strengthen development needs and scenario application, coordinate and promote major scientific and technological breakthroughs and the application and transformation of achievements, increase investment in strategic new industries and future industries, and promote the precise layout of scientific and technological research and development and the implementation of innovation demonstration projects.
- 2. Vigorously promoting key core technology breakthroughs.** The Company will increase direct investment in scientific and technological research and development and innovation demonstration. It will push forward the implementation of key scientific and technological projects of the Company with high quality, actively apply for national key research and development plans, and undertake scientific and technological research projects of national ministries and commissions.
- 3. Continuously deepening industry-university-research exchange and cooperation.** The Company will strengthen its core position in innovation. Through cooperation with high-level research universities and leading scientific and technological enterprises, the Company can realize resource sharing and complementary advantages, and promote the continuous improvement of scientific and technological innovation strength.
- 4. Further promoting digital and intelligent transformation.** Focusing on the development of an integrated industrial chain of “coal, coal power, coal chemical, and new energy”, the Company will build an intelligent management and control platform with core functions such as major Party building, major planning, and production coordination, so as to achieve the linking up of the whole business process and the synergy of the entire value chain, and continuously enhance digital empowerment for quality and efficiency enhancement as well as transformation and development.

(III) The Company will continuously improve the corporate governance mechanism and further enhance the standardized operation level. Through insisting on deeply promoting the unity of strengthening the Party's leadership and improving corporate governance, it will continue to improve the corporate governance mechanism with the legalization of powers and responsibilities, transparency of powers and responsibilities, coordinated operation, and effective checks and balances, thereby putting the interests of investors in a more prominent position, and effectively protecting the interests of shareholders and minority investors.

- 1. Continuously improving the corporate governance mechanism.** The Company will explore and innovate the working mechanism of the board of directors, arrange for directors to conduct regular research and special research, and strengthen daily communication and communication before meetings concerning major events, so as to provide strong support for the scientific, efficient, and accurate decision-making of the board of directors. The Company shall implement the latest regulatory requirements such as the Administrative Measures for Independent Directors of Listed Companies and set up special meetings for independent directors to provide better support and guarantee for independent directors to perform their duties.
- 2. Strengthening compliance management in a strict and practical manner.** The Company will improve the long-term mechanism for compliance management, effectively preventing and defusing various major risks, and vigorously preventing and controlling risks in key areas. Connected transactions should be conducted in a standardized manner to ensure that all connected transactions comply with laws, regulations, and regulatory requirements. The Company will carry out regular compliance management training to strengthen the compliance awareness of all employees and ensure standardized operation.

(IV) The Company will strengthen communication with investors to actively convey the Company's value. Adhering to the principles of "proactive, accurate, coordinated, effective, comprehensive, honest and compliant", the Company will continue to carry out investor relations management through multiple channels, platforms, and forms, innovate communication methods, and maintain positive interaction with investors.

- 1. Improving the level of information disclosure continuously.** Information disclosure will be conducted in accordance with laws and regulations. By fully grasping the important new trend of digital, intelligent, and online disclosure of information, the Company will continuously optimize the content of information disclosure, which will focus on market trends and investors' concerns. A variety of visualized forms such as briefings and graphic presentations will be adopted to interpret regular reports. The Company will strengthen benchmarking with outstanding enterprises in the industry in terms of ESG performance in a bid to further improve the preparation quality of ESG reports.

2. **Insisting on the benign interaction mechanism with multiple platforms, means, channels, and levels.** On the premise of complying with the information disclosure rules, the Company will continue to maintain timely and effective communication with various investors through various platforms and channels such as investor conference calls, SSE e-interaction platform, investor mailbox, forum and WeChat. A briefing on production and operation will be held on a monthly basis to have in-depth exchange with investors on the Company's monthly production, sales and market changes. Reasonable arrangements will be made for investors and analysts to visit the Company for on-site investigation and discussion, and investors will be invited to the front line of the Company's production to facilitate investors' understanding and recognition of the Company's development ideas and business models. The Company will attach great importance to investor protection, continue to improve the investor consultation and feedback mechanism, understand investors' demands and make targeted responses in a proactive, timely and in-depth way.
 3. **Holding regular performance briefings with high quality.** The Company should hold high-quality performance briefings that focus on the protection of the rights of various investors, especially minority investors, to participate in briefings. The chairman or president, independent directors and senior management of the Company should attend briefings in person. Questions should be collected before briefings, and questions about the industry situation, the Company's development, production and operation, project progress, dividend distribution and other issues of common concern to investors should be fully communicated at briefings, and the details of briefings should be disclosed in a timely manner afterwards. In 2024, the Company will hold four performance briefings where a large number of investors, industry analysts, and relevant media will be invited.
- (V) **The Company will boost the long-term returns of investors and effectively improve the sense of gain and satisfaction of investors.** By insisting on long-term and stable cash dividend distribution, it will share development results with shareholders. The Company will firmly develop the awareness about delivering returns to shareholders, pay close attention to the market evaluation of the Company's value, actively improve the level of returns to investors, and enrich the means of delivering returns to investors.
1. **Insisting on long-term and stable cash dividend distribution.** The Company will strive to maintain its momentum of high-quality development and good operating results, coordinate and balance the dialectic and unified relationship among reform, development, stability, and investor returns. By consolidating the foundation of delivering high-quality returns to shareholders continuously and insisting on the distribution of cash dividends in the proportion of not less than 20% to 30% committed to the capital market every year, the Company shares the development results with shareholders.

2. **Continuously strengthening market capitalization management.** The Company will continue to pay attention to the dynamics of the capital market and collect information properly. A system of daily newsletters, weekly summaries, and monthly reports is established, and investor relation reports are prepared on a regular basis while special analysis reports are prepared from time to time, such that the Company can provide timely feedback on the management of investor relations, existing problems, and hot topics concerned by the capital market. The Company will strengthen the research and application of various market capitalization analysis tools and carry out research on market capitalization management plans and measures.

(VI) **The Company will strengthen the responsibility of “key minorities” and optimize the incentive and restraint mechanism.** It will strengthen the risk and benefit-sharing restraints between the Company’s controlling shareholders, de facto controllers, directors, supervisors, and senior management and the Company and minority shareholders.

1. **Continuously raising the awareness of responsibility and regulatory requirement of “key minorities”.** The Company will maintain close communication with “key minorities” such as its controlling shareholders, shareholders holding more than 5% of the Company’s shares and directors, supervisors, and senior management of the Company, follow up on the fulfillment of commitments of relevant parties, and continuously strengthen the awareness of responsibility and performance of relevant parties. The Company will arrange the directors, supervisors and senior management to actively participate in training and meetings related to the governance of listed companies and laws and regulations held by the stock exchanges, the CSRC, and other regulatory authorities, thereby continuously raising the awareness of regulatory requirement and performance ability of “key minorities”, and jointly promoting the standardized operation of the Company.
2. **Strengthening the incentive and restraint of senior management.** The Company will continue to optimize the remuneration incentive and restraint mechanism and study the effective integration of market capitalization management into the assessment system on the basis of reasonably linking the remuneration of senior management with the operating efficiency of the listed company and matching the remuneration changes in principle with the operating performance of the Company.

IV. Other Matters

The Company will continue to evaluate the specific initiatives of the action plan of “Enhancing Quality and Efficiency and Focusing on Returns” and fulfil its information disclosure obligations in a timely manner. The Company’s planning, work plans, and related forecasts contained in this report are forward-looking statements and do not constitute any commitment by the Company to investors, and investors are advised to pay attention to the relevant risks.

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

Beijing, the PRC
24 April 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*