中国神华
CHINA SHENHUA

中国神华能源股份有限公司
CHINA SHENHUA ENERGY COMPANY LIMITED

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

(Stock Code: 01088)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the "**Board**") of China Shenhua Energy Company Limited (the "**Company**") is pleased to announce the audited annual results of the Company and its subsidiaries for the year ended 31 December 2024. The annual results have been reviewed by the audit and risk management committee of the Board.

This announcement, containing the full text of the 2024 annual report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of annual results.

The 2024 annual results of the Company are available for viewing on the websites of the Company at www.csec.com or www.shenhuachina.com and the HKEXnews website www.hkexnews.hk.

By order of the Board
China Shenhua Energy Company Limited
Song Jinggang
Chief Financial Officer and Secretary to the Board of Directors

Beijing, 21 March 2025

As at the date of this announcement, the Board comprises the following: Mr. Lv Zhiren and Mr. Zhang Changyan as executive directors, Mr. Kang Fengwei and Mr. Li Xinhua as non-executive directors, Dr. Yuen Kwok Keung, Dr. Chen Hanwen and Mr. Wang Hong as independent non-executive directors, and Ms. Jiao Lei as employee director.

Important Notice

I. The Board, Supervisory Committee and all directors, supervisors and senior management of the Company warrant that this annual report does not contain any misrepresentations, misleading statements or material omissions, and are liable for the authenticity, accuracy and completeness of the information contained in this annual report.

II. This report was approved at the seventh meeting of the sixth session of the Board of the Company. 7 out of 8 directors attended the meeting in person. Li Xinhua (Director) requested for leave due to business engagement and appointed Kang Fengwei (Director) to attend the meeting and vote on his behalf.

III. KPMG has issued a standard unqualified independent auditor's report in accordance with the Hong Kong Standards on Auditing on the Company's financial statements for the year 2024 prepared under the IFRS Accounting Standards.

IV. Lv Zhiren, the Chairman of the Company, Song Jinggang, Chief Financial Officer, and Yu Yanling, person-in-charge of the accounting department, warrant the authenticity, accuracy and completeness of the financial statements contained in this report.

V. The Board proposed the payment of a final dividend in cash of RMB2.26 per share (inclusive of tax) for the year 2024 based on the total registered share capital on the record date of the implementation of the equity distribution. The profit distribution proposal is subject to the approval by shareholders at the shareholders' general meeting. According to the total share capital of 19,868,519,955 shares of the Company as at 31 December 2024, the final dividend totaling RMB44,903 million (inclusive of tax) will be paid.

VI. Disclaimer of forward-looking statements: the forward-looking statements in this report made on the basis of subjective assumptions and judgments on future policies and economic conditions, which are subject to risks, uncertainties and assumptions, may differ materially from the actual outcome. Such statements do not constitute actual commitments to investors. Investors should be aware that undue reliance on or use of such information may lead to risks of investment.

VII. Any appropriation of funds by the controlling shareholder and other related parties for non-operating purposes: No

VIII. Any provision of external guarantee that has violated the applicable decision-making procedures: No

IX. Whether more than half of the directors cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company: No

X. Material risk alert: Due to the impact of factors such as supply and demand in the coal and power generation industries and adjustments in industrial policies, the Group is exposed to certain uncertainties as to the achievement of the business targets for the year 2025. In addition, the Company has explained in detail the risks faced by the Company, such as safety and environmental protection, compliance, project management, market competition, investment, integrated operation, policy and international operation, in the section headed "Directors' Report", which investors should pay attention to.

Contents

Section I Definitions

Unless the context otherwise requires, the following terms used in this report have the following meanings:

China Shenhua/ the Company	China Shenhua Energy Company Limited
The Group	The Company and its subsidiaries
China Energy	China Energy Investment Corporation Limited (國家能源投資集團有限責任公司)
China Energy Group	China Energy and its subsidiaries (excluding the Group)
Shendong Coal	China Energy Shendong Coal Group Co., Ltd.
Shendong Coal Branch	Shendong Coal Branch of China Shenhua Energy Company Limited
Shendong Power	Shenhua Shendong Power Co., Ltd.
Zhunge'er Energy	Shenhua Zhunge'er Energy Co., Ltd.
Baorixile Energy	China Energy Baorixile Energy Co., Ltd.
Beidian Shengli	China Energy Beidian Shengli Energy Co., Ltd.
Baotou Energy	China Energy Baotou Energy Co., Ltd.
Yulin Energy	China Energy Yunlin Energy Co., Ltd.
Trading Group	China Energy Trading Group Limited
Shuohuang Railway	China Energy Shuohuang Railway Development Co., Ltd.
Railway Equipment	China Energy Railway Equipment Co., Ltd.
Huanghua Harbour Administration	China Energy Huanghua Harbour Administration Co., Ltd.
Tianjin Harbour Administration	China Energy (Tianjin) Harbour Administration Co., Ltd.
Zhuhai Harbour Administration	China Energy Zhuhai Harbour Administration Co., Ltd.
Shipping Corporation	Guoneng Yuanhai Shipping Co., Ltd.
Baotou Coal Chemical	China Energy Baotou Coal Chemical Co., Ltd.
Bayannur Energy	Shenhua Bayannur Energy Co., Ltd.
Sichuan Energy	China Energy Sichuan Energy Co., Ltd.

Section I Definitions (Continued)

Fujian Energy	Shenhua (Fujian) Energy Co., Ltd.
EMM Indonesia	PT.GH EMM INDONESIA
Zhunge'er Power	Power-generating division controlled and operated by Zhunge'er Energy
Shenmu Power	China Energy Shaanxi Shenmu Power Co., Ltd.
Taishan Power	China Energy Yudean Taishan Power Co., Ltd.
Cangdong Power	China Energy Hebei Cangdong Power Co., Ltd.
Jinjie Energy	China Energy Jinjie Energy Co., Ltd.
Dingzhou Power	China Energy Hebei Dingzhou Power Generation Co., Ltd.
Mengjin Power	China Energy Mengjin Thermal Power Co., Ltd.
Jiujiang Power	China Energy Shenhua Jiujiang Power Co., Ltd.
Huizhou Thermal	China Energy (Huizhou) Thermal Power Co., Ltd.
Beijing Gas-fired Power	China Energy Guohua (Beijing) Gas-fired Power Co., Ltd.
Shouguang Power	China Energy Shouguang Power Generation Company Limited
Liuzhou Power	China Energy Guangtou (Liuzhou) Power Generation Co., Ltd.
Pembangkitan Jawa	PT. Shenhua Guohua Pembangkitan Jawa Bali
Yongzhou Power	China Energy Group Yongzhou Power Co., Ltd.
Yueyang Power	China Energy Group Yueyang Power Generation Co., Ltd.
Beihai Power	China Energy Guangtou (Beihai) Power Generation Co., Ltd.
Qingyuan Power	China Energy Qingyuan Power Generation Co., Ltd.
Finance Company	China Energy Finance Co., Ltd.
Capital Holdings	China Energy Capital Holdings Co., Ltd
Hangjin Energy	China Energy Hangjin Energy Co., Ltd.
Dayan Mining	Inner Mongolia Dayan Mining Industry Group Co., Ltd.

JORC	Australasian Code for Reporting of Mineral Resources and Ore Reserves
SSE	Shanghai Stock Exchange
HKEx	The Stock Exchange of Hong Kong Limited
Shanghai Listing Rules	Rules Governing the Listing of Stocks on SSE
Hong Kong Listing Rules	Rules Governing the Listing of Securities on the HKEx
China Accounting Standards for Business Enterprises	The latest Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China and the related application guidance, interpretations and other related requirements
IFRS Accounting Standards	IFRS Accounting Standards issued by the International Accounting Standards Board
Company Law	The Company Law of the People's Republic of China
Articles of Association	Articles of Association of China Shenhua Energy Company Limited
EBITDA	Profit for the year + net financial costs + income tax + depreciation and amortization – share of profits and losses of associates
Gearing ratio	Total liabilities/total assets
Total debt to total equity ratio	[Long-term interest-bearing debt + short-term interest-bearing debt (including notes payable)]/ [long-term interest-bearing debt + short-term interest-bearing debt (including notes payable) + total shareholder equity]
Shanghai-Hong Kong Stock Connect	A mutual access and connect mechanism for transactions in stock markets between SSE and HKEx
Shenzhen-Hong Kong Stock Connect	A mutual access and connect mechanism for transactions in stock markets between Shenzhen Stock Exchange and HKEx
RMB	Renminbi unless otherwise specified
Reporting Period	January to December 2024
at the beginning of the period/ at the end of the period	at the beginning of the Reporting Period/at the end of the Reporting Period

Section II Company Profile and Major Financial Indicators

I. INFORMATION OF THE COMPANY

Chinese Name of the Company	中國神華能源股份有限公司
Short Name of Chinese Name of the Company	中國神華
English Name of the Company	China Shenhua Energy Company Limited
Abbreviation/Short Name of English Name of the Company	CSEC/China Shenhua
Legal Representative of the Company	Lv Zhiren
Authorised Representative of the Company under the Hong Kong Listing Rules	Lv Zhiren, Song Jinggang

II. CONTACTS AND CONTACT DETAILS

	Secretary to the Board, Joint Company Secretary	Representative of Securities Affairs, Joint Company Secretary
Name	Song Jinggang	Zhuang Yuan
Address	22 Andingmen Xibinhe Road, Dongcheng District, Beijing (Postal Code: 100011)	22 Andingmen Xibinhe Road, Dongcheng District, Beijing (Postal Code: 100011)
Tel	(8610) 5813 1088	(8610) 5813 3355
Fax	(8610) 5813 1804/1814	(8610) 5813 1804/1814
E-mail	1088@csec.com	ir@csec.com

	Office of the Board of the Company	Hong Kong Office of the Company
Address	22 Andingmen Xibinhe Road, Dongcheng District, Beijing (Postal Code: 100011)	Room B, 54th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong
Tel	(8610) 5813 1088/3355	(852) 2578 1635
Fax	(8610) 5813 1804/1814	(852) 2915 0638

III. PARTICULARS

Registered Address of the Company	22 Andingmen Xibinhe Road, Dongcheng District, Beijing
Postal Code of Registered Address of the Company	100011
Change of Registered Address of the Company	N/A
Office Address of the Company	22 Andingmen Xibinhe Road, Dongcheng District, Beijing
Postal Code of Office Address of the Company	100011
Company Website	www.csec.com and www.shenhuachina.com
E-mail	ir@csec.com

IV. INFORMATION DISCLOSURE AND PLACE FOR DOCUMENT INSPECTION

Media for disclosure of annual report of the Company	China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Stock exchange websites for disclosure of annual report of the Company	www.sse.com.cn and www.hkexnews.hk
Place where the Company's annual report is available for inspection	SSE, Office of the Board of the Company and Hong Kong Office of the Company

V. BASIC INFORMATION ON SHARES

Type	Stock Exchange	Abbreviation	Stock Code
A Share	SSE	China Shenhua	601088
H Share	HKEx	China Shenhua	01088

VI. OTHER RELEVANT INFORMATION

Accounting Firm Engaged by the Company (Chinese Mainland)	Name	KPMG Huazhen LLP
	Office Address	8th, Tower E2, Oriental Plaza, 1 East Chang An Avenue, Beijing
	Signing Auditors	Duan Yuhua, Zheng Ziyun
Accounting Firm Engaged by the Company (Hong Kong)	Name	KPMG (Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance)
	Office Address	8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong
	Signing Auditor	Ho Ying Man
Share Registrar of the Company (A Share)	Name	China Securities Depository and Clearing Corporation Limited Shanghai Branch
	Office Address	188 Yanggao South Road, Pudong New Area, Shanghai
Share Registrar of the Company (H Share)	Name	Computershare Hong Kong Investor Services Limited
	Office Address	17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDEX

Items	Unit	**2024**	2023	Change %
Revenue	RMB million	**338,375**	343,074	(1.4)
Profit for the year	RMB million	**73,202**	75,192	(2.6)
Profit for the year attributable to equity holders of the Company	RMB million	**62,421**	64,625	(3.4)
Basic earnings per share	RMB/share	**3.142**	3.253	(3.4)
Net cash generated from operating activities	RMB million	**93,348**	89,687	4.1
Return on total assets as at the end of the period	%	**11.1**	11.9	Decreased by 0.8 percentage point
Return on net assets as at the end of the period	%	**14.5**	15.7	Decreased by 1.2 percentage points
EBITDA	RMB million	**110,228**	114,573	(3.8)

Items	Unit	**At the end of 2024**	At the end of 2023	Change %
Total assets	RMB million	**661,436**	633,412	4.4
Total liabilities	RMB million	**154,116**	151,761	1.6
Total equity	RMB million	**507,320**	481,651	5.3
Equity attributable to equity holders of the Company	RMB million	**429,653**	411,478	4.4
Total share capital at the end of the period	RMB million	**19,869**	19,869	–
Equity attributable to equity holders per share	RMB/share	**21.62**	20.71	4.4
Gearing ratio	%	**23.3**	24.0	Decreased by 0.7 percentage point
Total debt to total equity ratio	%	**6.1**	7.3	Decreased by 1.2 percentage points

VIII. DIFFERENCE IN ACCOUNTING DATA UNDER DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

Unit: RMB million

	Net profit attributable to equity holders of the Company		Net assets attributable to equity holders of the Company	
	2024	2023	**At the end of 2024**	At the end of 2023
Under China Accounting Standards for Business Enterprises	**58,671**	59,694	**426,866**	408,692
Adjustments for:				
Simple production maintenance, safety production and other related expenditure	**3,750**	4,931	**2,787**	2,786
Under IFRS Accounting Standards	**62,421**	64,625	**429,653**	411,478

Explanation on Differences in Domestic and Overseas Accounting Standards:

Pursuant to the relevant regulations of the related government authorities in the PRC, the Group accrued provisions for simple production maintenance, safety production and other related expenditures, recognised as expenses in profit or loss and separately recorded as a specific reserve in shareholders' equity. On utilisation of the specific reserve as fixed assets within the stipulated scope, the full amount of accumulated depreciation is recognised at the same time when the cost of the relevant assets is recorded. Under IFRS Accounting Standards, these expenses are recognised when incurred. Relevant capital expenditure is recognised as property, plant and equipment and depreciated according to the applicable depreciation method. The deferred tax effect arising from such differences has also been reflected.

IX. MAJOR FINANCIAL DATA OF EACH QUARTER OF 2024

Unit: RMB million

	First quarter (January – March)	Second quarter (April – June)	Third quarter (July – September)	Fourth quarter (October – December)
Revenue	87,647	80,431	85,821	84,476
Profit for the year attributable to equity holders of the Company	17,760	15,011	17,798	11,852
Net cash generated from operating activities	28,553	24,115	30,836	9,844

Subject to external factors such as climate change, supply-demand relationship in the coal and power markets, coal and electricity price fluctuations, as well as other factors including the Group's settlement cycle of cost and expense, asset impairment testing and non-operating expenditures, the Group's operating results varied from quarter to quarter. For the operation profile of the Group in this year, please refer to "Directors' Report" in this report.

Explanation on the differences between quarterly data and disclosed periodic report data:
☐ Applicable ✓ Not applicable

Section III Board's Statement

Dear Shareholders,

In 2024, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company actively implemented the new development philosophies in all aspects, adhered to the general keynote of seeking progress while maintaining stability, put into practice new strategies of energy security in depth, firmly grasped the primary task of high-quality development, and closely focused on the development strategy of "one goal, three roles and six responsibilities" in an upright, innovative, pragmatic and responsible manner, thereby maintaining a good momentum of reform and development characterised by steady progress and continuous improvement. In 2024, the Company celebrated its 20th anniversary, with its share price reaching a new record high and overall performance outperforming both the industry benchmark and market composite indices. During the year, the Company achieved a profit for the year attributable to equity holders of the Company of RMB62.421 billion, basic earnings per share of RMB3.142/share, a gearing ratio at the end of the year of 23.3%, and a total market value at the end of the year of RMB822.1 billion.

By working day and night with relentless diligence, we successfully completed the task of ensuring energy supply to keep people warm and safeguard their livelihood. Being the "ballast" for energy supply, we resolutely giving play to this role and effectively realised the stable and high output of coal, the stable and increased generation of power, and the steady operation of heating units. We overfulfilled the annual coal production plan. The production of commercial coal and the sales of coal recorded year-on-year increases. We vigorously improved our capacity to ensure peak power supply and dedicated full efforts to the "Warmth Project", thereby achieving a year-on-year increase in power generation and heat supply; overcame the adverse impacts of extreme weather and restricted transportation to enable smooth transportation via major energy transportation channels, thereby achieving a year-on-year growth in annual coal transportation volume of railways such as Shuohuang, Baoshen and attaining a record high in terms of import and export volume of Huanghua Harbour; and rigorously enforced safety and environmental responsibilities, strengthened the dual defenses of risk tiered control and hidden hazard investigation and remediation, continued to improve emergency rescue capabilities, and carried out the three-year action to tackle fundamental problems in safe production, thereby achieving sustained safe production. Unswervingly advancing our assistance initiatives, we supported Butuo, Mizhi, and Wubu counties in further consolidating and expanding poverty alleviation achievements, accomplishing the annual goals of rural revitalisation with high quality.

By overcoming difficulties and forging ahead courageously, we accelerated the promotion of green and low-carbon transformation and upgrading. Adhering to the principle of "making efforts in both aspects", we promoted the transformation and upgrading of traditional industries and expanded the scale of investment in renewable energy. We also speeded up the construction of green mines, and as a result, the Company had 14 national-level green mines and 7 provincial-level green mines, with green mines accounting for 84% as of the end of 2024; advocated green transportation by vigorously promoting the construction of "green station areas" and "zero-carbon station areas" and carrying out the enclosed transformation to rapid-loading systems and auxiliary equipment for dedicated railway lines, thereby realising green and environmentally friendly transportation from the source of loading to the port; implemented scientific layout of supportive and guaranteed power supply by commencing the high-quality production of the Huizhou Phase II of the gas power project, being the first one in the country that has adopted the domestic BIM technology, and starting the high-standard construction of other thermal power projects such as Dingzhou Phase III and Cangdong Phase III; deepened the "three simultaneous reforms linkages (三改聯動)" of our existing coal-fired power generation units, thereby adding heating capacity of 9,620 MW and peak shaving capacity of 740 MW, and realizing a year-on-year drop of 2 g/kWh in standard coal consumption for thermal power supply; and actively supported the development of renewable energy projects by adding renewable energy power generation projects with capacity of 366 MW for our external commercial operations, and the new energy industry investment fund and the green low-carbon development investment fund established by the Company through investment promotion remained steady operation.

By leveraging pioneer innovation and digital empowerment, we speeded up the cultivation of new driving forces of high-quality development. Putting into practice the spirit delivered in the important speech of and vital instructions and directives from General Secretary Xi Jinping on technological innovation, we strengthened the development of our philosophy that "innovation is the responsibility of the enterprise", intensified breakthroughs in core key technologies, expedited smart empowerment across industries, and built a hub for original and leading innovation. We also paid close attention to major issues about industrial development such as the clean and efficient utilisation of coal and the group operation of heavy-haul trains and increased our efforts in research and development, among which, the new intelligent heavy-haul electric locomotives initiatively developed by Shuohuang Railway was recognised as one of the "2024 Top Ten Important Central Enterprises (2024年度央企十大國之重器)" by the News Center of the State-owned Assets Supervision and Administration Commission of the State Council; vigorously promoted the development of information technology through deepening the intelligent upgrading of the whole industrial chain and accelerating the establishment of a digital and intelligent management and control system, and as a result, the Company obtained the Level-3 Certification under the national Data Management Capability Maturity Assessment Model; and established a special leading group for strategic emerging industries, which prepared and issued work plans for strategic emerging industries and, with a focus on renewable energy development, actively deployed resources in and expanded into strategic emerging industries such as energy storage, carbon capture and utilization, and hydrogen energy.

By strengthening internal capabilities and pursuing excellence, we implemented our value creation actions in depth. We steadily expanded the "integrated operation" framework, with Xinjie No. 1 and No. 2 Mines obtaining regulatory approvals, Dongyue Railway being listed as a national major construction project, and Tianjin Harbour Administration Phase II Project and Huanghua Port Phase V Project securing approvals; completed the acquisition of equity interest in Hangjin Energy to further reduce competition in the industry while increasing our coal resource reserves and consolidating the advantages of integrated operation; implemented lean management to improve quality and efficiency by exploring the business potential and increasing the production and sales for our coal business, ensuring power generation and stabilising electricity tariff for our power generation business, strengthening coordination and enhancing efficiency for our transportation business, and expanding market and controlling costs for our coal chemical business; adhered to delicacy management of funds, strengthened our capability in financial market research and judgment, optimized and adjusted our fund deposit structure in a timely manner, and carried out large-denomination certificates of deposit and structured deposits business to steadily increase operating income from funds; completed the three-year action plan for quality improvement of listed companies by the SASAC of the State Council with high quality by focusing on enhancing our corporate governance level, which could be reflected by being included in the list of the Best Practice Cases of Board of Directors and Sustainable Development granted by the China Association for Public Companies (中國上市公司協會董事會、可持續發展最佳實踐案例), and being included in the China Central Radio and Television's China ESG Listed Companies Pioneer 100 (2024) list (中央廣播電視總台"中國ESG上市公司先鋒100(2024)") and Forbes 2024 China ESG 50 list (福布斯中國"2024中國ESG50") and other rankings; won the First Prize of the 31st National Enterprise Management Modernization Innovation Achievements for the Company's "Sustainable Development Capability Improvement and Management of Large-scale Energy Enterprises in Comprehensive Implementation of the ESG Concept"; and established a comprehensive "11257" market value management system with a scientifically formulated cash dividend policy, and as a result, the Company has maintained a Grade A rating in SSE's information disclosure evaluations for 11 consecutive years, with total market capitalisation growing positively for four straight years.

By strengthening foundation and consolidating inherent capabilities with concerted efforts and forces, we carried out Party building activities with high-quality towards high-quality development. Constantly persisting on political construction in the first place, we thoroughly put into practice the spirit of the Third Plenary Session of the 20th Central Committee of the Communist Party of China and the new energy security strategy of "four revolutions and one cooperation", firmly and steadily promoted the practice of the spirit delivered in the important speech of and vital instructions and comments from General Secretary Xi Jinping, vigorously responded to the great call that "socialism shall be realised by taking actions", carried out high-quality and effective study and education on Party discipline, and firmly intensified our efforts in various aspects such as rigorous Party management, talent team building, mass organisations and united front work, and excellence in post contributions. We also upheld the principle of "Party and enterprise advancing together and developing as a whole", continuously strengthened the fundamental work at the grassroots level to promote the sustainable and healthy development of the Company's business, continued our efforts in attaining accomplishment in the creation of "one brand for one Party branch, and one characteristic for one branch", and specially planned and organised the united front activity of "2024 Journey to China Shenhua Energy". The Company won the "Excellent Party Building Award (優秀黨建獎)" in the 2024 Shanghai Securities News Gold Quality Award, and continued to rank first among the listed companies in energy sector in China Brand Value Evaluation Information with a brand value of RMB224.6 billion.

At present, the evolution of the world's energy landscape is accelerating, characterised by green energy development, electrification of terminal energy consumption, technological transformation of the energy industry chain, and digitalization of the energy supply chain. The year 2025 and the 15th Five-Year Plan period represent a critical phase for China to accelerate the establishment of a new-type energy system, promote high-quality energy development, and ensure high-level energy security. In 2025, the Company will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implement the spirit of the 20th CPC National Congress and the Second and Third Plenary Sessions of the 20th CPC Central Committee, as well as the spirit of the Central Economic Work Conference, closely focus on the development strategy of "one goal, three roles and six responsibilities", and adhere to the working principle of "seeking progress while maintaining stability, safety-oriented, innovation-driven and high-quality development", in order to make every effort to ensure energy supply, firmly promote transformation and development, strengthen technological innovation, and complete all annual goals and tasks with high standards, thereby securing a successful conclusion of the 14th Five-Year Plan and a smooth launch of the 15th Five-Year Plan of the Company.

Firstly, we will make every effort to ensure energy supply and improve the quality and efficiency of production and operation. We will deepen the three-year action plan to tackle the root causes of production safety, consolidate the foundation of intrinsic safety, and ensure the safe and stable production of various industries. We will consolidate and enhance the capacity for safe energy supply, improve the new management model of coal purchase and sales, make every effort to ensure the continuity of coal production and stable power supply, continuously ensure smooth energy transportation channels, in order to guarantee the completion of the task of ensuring energy supply during important periods and in key regions, striving to serve as the "ballast stone" and "stabilizer" for energy security.

Secondly, we will adhere to the principle of optimizing investment and stabilizing growth, and focus on enhancing the momentum of development. We will acquire high-quality coal resources through multiple channels, and orderly promote the construction of projects including Xinjie No. 1 Mine and Xinjie No. 2 Mine, and Tarangaole Coal Mine. We will steadily promote the layout of supportive and guaranteed coal-fired power projects, and push for the commissioning of projects such as Beihai Phase II, Jiujiang Phase II and South Sumatra No. 1 within the year. We will further optimize the layout of transportation network and steadily promote the construction of projects such as Dongyue Railway, Huanghua Port Phase V, Tianjin Harbour Administration Phase II and Zhuhai Harbour Administration Bulk Cargo Terminal.

Thirdly, we will accelerate green and low-carbon development and resolutely promote transformation and upgrading. We will continue to accelerate the clean and low-carbon development of traditional energy industries and improve the level of clean and efficient utilization of coal. We will promote the development and construction of new energy projects with high quality, and promote the integration and development of coal, thermal power, new energy and other businesses. We will actively explore the development of emerging strategic industries in the future by "broadening paths, expanding fields and optimizing directions", making efforts at both ends and implementing precise policies, in an effort to drive the wheel of transformation and upgrading with technology and capital.

Fourthly, we will stimulate the vitality of technological innovation and achieve self-reliance in science and technology. By continuously improving the construction of the technological innovation system, promoting high-level technological breakthroughs and advancing the transformation and application of technological achievements, we will assist in the implementation of major national technological projects in respect of "clean and efficient utilization of coal to support energy transformation". We will also accelerate the construction of intelligent coal mines, intelligent power stations and intelligent transportation by promoting digital and intelligent transformation, promoting rapid coal quality inspection and large-scale application of Beidou Navigation System.

Fifthly, we will leverage our advantages of being a listed platform to enhance finance and capital operation capabilities. By fully leveraging on the "long-term capital" advantages of state-owned listed companies, the Company will actively assess and seek high-quality asset projects, increase efforts in mergers and acquisitions, so as to consolidate the advantages of integrated operations. The Company will strengthen its financial and capital management, striving to establish a first-class financial management system of the listed company.The Company will also give full play to its role as an investment platform in order to effectively capitalize on the support, incubation and guidance of industry fund investment, and assist in the investment and acquisition of new energy businesses and the transformation of technological innovation achievements.

Sixthly, we will improve modern corporate governance and enhance the capability of governing and developing enterprises. We will amend and improve the Articles of Association, establish a "scientific, rational and efficient" Board of Directors, and complete the reform of the Supervisory Committee, with a view to promoting the standardized performance of duties and efficiency improvement of various governance bodies, and continuously improving the construction of the ESG system to better empower the Company's high-quality development. We will actively support the high-quality development of the capital market, firmly establish the concept of scientific market value management, thereby strengthening the Company's endogenous growth and innovative development, as well as enhancing market recognition and value realization.

Board of Directors
China Shenhua Energy Company Limited
21 March 2025

Section IV
Directors' Report


自主创新引领未来
中心控制室

Overview of China Shenhua's Operating Results for 2024

Table 1 Business Targets and Actual Amount

		Target for 2025	Actual amount in 2024	Change %
Commercial coal production	100 million tonnes	**3.348**	3.271	2.4
Coal sales	100 million tonnes	**4.659**	4.593	1.4
Power generation	100 million kWh	**2,271**	2,232.1	1.7
Revenue	RMB100 million	**3,200**	3,383.75	(5.4)
Cost of sales	RMB100 million	**2,300**	2,365.55	(2.8)
Selling, general and administrative expenses and R&D and net finance costs	RMB100 million	**145**	136.69	6.1
Changes in unit production costs of self-produced coal		**Year-on-year increase of around 6%**	Year-on-year increase of 2.5%	

Table 2 Financial Indicators

		2024	2023	Change %
Revenue	RMB million	**338,375**	343,074	(1.4)
Profit for the year	RMB million	**73,202**	75,192	(2.6)
EBITDA	RMB million	**110,228**	114,573	(3.8)
Profit for the year attributable to equity holders of the Company	RMB million	**62,421**	64,625	(3.4)
Basic earnings per share	RMB/share	**3.142**	3.253	(3.4)
Net cash generated from operating activities	RMB million	**93,348**	89,687	4.1

Table 3 Results of Each Segment

	Coal 2024 RMB million	Coal 2023 RMB million	Power 2024 RMB million	Power 2023 RMB million	Railway 2024 RMB million	Railway 2023 RMB million	Port 2024 RMB million	Port 2023 RMB million
Revenue from external customers	**223,753**	228,149	**94,012**	92,202	**11,120**	13,012	**1,796**	2,017
Inter-segment revenue	**44,865**	45,157	**205**	205	**31,995**	29,949	**5,046**	4,732
Sub-total of segment revenue	**268,618**	273,306	**94,217**	92,407	**43,115**	42,961	**6,842**	6,749
Segment cost of sales	**(199,896)**	(196,959)	**(79,778)**	(77,594)	**(27,111)**	(27,380)	**(4,167)**	(3,844)
Segment profit before income tax	**58,498**	63,753	**11,393**	10,910	**12,604**	11,152	**2,115**	2,307
	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million	**As at 31 December 2024 RMB million**	As at 31 December 2023 RMB million	**As at 31 December 2024 RMB million**	As at 31 December 2023 RMB million	**As at 31 December 2024 RMB million**	As at 31 December 2023 RMB million
Segment total assets	**320,180**	301,482	**181,294**	167,912	**123,595**	125,301	**19,740**	18,885
Segment total liabilities	**(132,074)**	(134,258)	**(142,271)**	(139,580)	**(46,605)**	(51,000)	**(6,445)**	(7,120)

	Shipping 2024 RMB million	Shipping 2023 RMB million	Coal chemical 2024 RMB million	Coal chemical 2023 RMB million	Unallocated items 2024 RMB million	Unallocated items 2023 RMB million	Eliminations 2024 RMB million	Eliminations 2023 RMB million	Total 2024 RMB million	Total 2023 RMB million
Revenue from external customers	**2,061**	1,596	**5,633**	6,098	**–**	–	**–**	–	**338,375**	343,074
Inter-segment revenue	**2,935**	3,240	**–**	–	**894**	548	**(85,940)**	(83,831)	**–**	–
Sub-total of segment revenue	**4,996**	4,836	**5,633**	6,098	**894**	548	**(85,940)**	(83,831)	**338,375**	343,074
Segment cost of sales	**(4,465)**	(4,602)	**(5,459)**	(5,569)	**(24)**	(23)	**84,345**	83,434	**(236,555)**	(232,537)
Segment profit before income tax	**260**	100	**36**	180	**5,989**	3,946	**(689)**	428	**90,206**	92,776
	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million	**As at 31 December 2024 RMB million**	As at 31 December 2023 RMB million	**As at 31 December 2024 RMB million**	As at 31 December 2023 RMB million	**As at 31 December 2024 RMB million**	As at 31 December 2023 RMB million	**As at 31 December 2024 RMB million**	As at 31 December 2023 RMB million
Segment total assets	**7,218**	7,169	**8,180**	7,868	**538,369**	504,228	**(537,140)**	(499,423)	**661,436**	633,412
Segment total liabilities	**(487)**	(601)	**(1,784)**	(2,080)	**(228,360)**	(203,455)	**403,910**	386,333	**(154,116)**	(151,761)

Table 4 Operation Data

		2024	2023	Change %
Commercial coal production	million tonnes	**327.1**	324.5	0.8
Coal sales	million tonnes	**459.3**	450.0	2.1
Transportation turnover of self-owned railway	billion tonne km	**312.1**	309.4	0.9
Loading volume at Huanghua Port	million tonnes	**214.4**	209.5	2.3
Loading volume at Shenhua Tianjin Coal Dock	million tonnes	**44.0**	45.8	(3.9)
Shipping volume	million tonnes	**129.9**	152.9	(15.0)
Shipment turnover	billion tonne nm	**149.4**	164.7	(9.3)
Gross power generation	billion kWh	**223.21**	212.26	5.2
Total power output dispatch	billion kWh	**210.28**	199.75	5.3
Polyethylene sales	thousand tonnes	**332.2**	364.4	(8.8)
Polypropylene sales	thousand tonnes	**313.6**	341.5	(8.2)

Table 5 Commercial Coal Production Volume

	2024 Million tonnes	2023 Million tonnes	Change %
Total production	**327.1**	324.5	0.8
By mines			
Shendong Mines	**190.7**	190.5	0.1
Zhunge'er Mines	**72.9**	72.9	–
Shengli Mines	**28.0**	28.3	(1.1)
Baorixile Mines	**34.0**	31.0	9.7
Baotou Mines	**1.5**	1.8	(16.7)
By regions			
Inner Mongolia	**229.1**	225.9	1.4
Shaanxi Province	**92.2**	92.5	(0.3)
Shanxi Province	**5.8**	6.1	(4.9)

Table 6 Power Business

Power company	Location of unit	Gross power generation 100 million kWh	Total power output dispatch 100 million kWh	Average utilization hours hours	Standard coal consumption for power outpour dispatch g/kWh	Power tariff RMB/MWh	Total installed capacity as at 31 December 2023 MW	Increase/(decrease) in installed capacity for 2024 MW	Total installed capacity as at 31 December 2024 MW	Equity installed capacity as at 31 December 2024 MW
Zhunge'er Power	Inner Mongolia	40.1	36.3	6,173	338	313	660	(60)	600	347
Shendong Power	Inner Mongolia/Shaanxi/ Chongqing	264.9	245.7	5,283	315	376	5,014	–	5,014	4,528
Beidian Shengli	Inner Mongolia	54.0	49.6	4,088	328	317	1,320	–	1,320	829
Cangdong Power	Hebei	119.8	113.9	4,755	295	403	2,520	–	2,520	1,285
Dingzhou Power	Hebei	121.1	112.4	4,804	307	404	2,520	–	2,520	1,021
Taishan Power	Guangdong	281.7	266.6	5,470	304	392	5,120	30	5,150	4,120
Huizhou Thermal	Guangdong	45.3	40.9	6,870	301	378	660	–	660	660
Qingyuan Power	Guangdong	132.9	127.4	6,644	279	381	2,000	–	2,000	1,340
Fujian Energy	Fujian	279.1	267.2	5,747	291	419	4,810	50	4,860	3,419
Jinjie Energy	Shaanxi	203.7	188.3	5,477	309	322	3,720	–	3,720	3,720
Shouguang Power	Shandong	99.6	94.1	4,931	275	404	2,020	–	2,020	1,212
Jiujiang Power	Jiangxi	99.1	94.4	4,957	275	434	2,000	–	2,000	2,000
Sichuan Energy	Sichuan	164.2	155.6	6,316	292	462	2,600	–	2,600	1,666
Mengjin Power	Henan	45.1	41.9	3,762	301	404	1,200	–	1,200	612
Liuzhou Power	Guangxi	21.4	20.1	3,051	316	452	700	–	700	490
Beihai Power	Guangxi	51.5	48.9	2,572	285	461	2,000	–	2,000	1,040
Yongzhou Power	Hunan	68.5	65.1	3,426	282	484	2,000	–	2,000	1,600
Yueyang Power	Hunan	68.8	66.4	3,437	281	478	2,000	–	2,000	1,900
EMM Indonesia	Indonesia	13.7	11.8	4,574	366	482	300	–	300	210
Total of coal-fired power generation units/ weighted average		**2,174.5**	**2,046.6**	**5,030**	**298**	**401**	**43,164**	**20**	**43,184**	**31,999**
Other power types										
Gas-fired power	Beijing/Guangdong	43.2	42.2	4,151	199	557	950	1,244	2,194	2,195
Photovoltaic power	Inner Mongolia, Shaanxi, Fujian, Jiangxi, etc.	8.0	7.8	1,317	–v	320	395	366	761	563
Hydropower	Sichuan	6.4	6.2	5,097	–	227	125	–	125	62

Table 7 Cost of Sales of Coal Segment

	2024 RMB million	2023 RMB million	Change %
Cost of coal purchased	**65,648**	67,886	(3.3)
Raw materials, fuel and power	**8,899**	9,726	(8.5)
Personnel expenses	**15,387**	12,512	23.0
Repair and maintenance	**3,013**	2,980	1.1
Depreciation and amortization	**6,549**	7,983	(18.0)
Transportation charges	**55,180**	52,236	5.6
Others	**29,249**	27,036	8.2
Tax and surcharge	**15,971**	16,600	(3.8)
Total cost of sales	**199,896**	196,959	1.5

Table 8 Cost of Sales of Power Segment

	2024 Cost RMB million	2024 Power output dispatch 100 million KWh	2024 Unit cost RMB/MWh	2023 Cost RMB million	2023 Power output dispatch 100 million KWh	2023 Unit cost RMB/MWh	Change in unit cost %
Cost of power output dispatch	**74,860**	**2,102.8**	**356.0**	72,232	1,997.5	361.6	(1.5)
Raw materials, fuel and power	**57,289**	**2,102.8**	**272.4**	55,866	1,997.5	279.7	(2.6)
Personnel expenses	**4,598**	**2,102.8**	**21.9**	4,207	1,997.5	21.1	3.8
Repair and maintenance	**1,838**	**2,102.8**	**8.7**	1,653	1,997.5	8.3	4.8
Depreciation and amortization	**6,842**	**2,102.8**	**32.5**	6,723	1,997.5	33.7	(3.6)
Others	**4,293**	**2,102.8**	**20.5**	3,783	1,997.5	18.8	9.0
Other operating costs	**3,726**			4,285			
Tax and surcharge	**1,192**			1,077			
Total cost of sales	**79,778**			77,594			

Table 9 Domestic Coal Sales Volume

		2024 Million tonnes	Proportion of domestic sales %	2023 Million tonnes	Change %
Domestic sales		**448.5**	100.0	442.5	1.4
By regions	Northern China	**147.0**	32.8	144.9	1.4
	Eastern China	**154.1**	34.4	146.1	5.5
	Central China and Southern China	**72.9**	16.3	73.6	(1.0)
	Northeast China	**43.6**	9.7	43.3	0.7
	Others	**30.9**	6.8	34.6	(10.7)
By usage	Thermal coal	**348.1**	77.6	342.5	1.6
	Metallurgy	**13.5**	3.0	16.8	(19.6)
	Chemical (including coal slurry)	**53.3**	11.9	58.3	(8.6)
	Others	**33.6**	7.5	24.9	34.9

Table 10 Capital Expenditure Plan

	Plan for 2025 RMB100 million	Completion in 2024 RMB100 million
Coal segment	**96.81**	125.87
Power segment	**174.11**	130.03
Transportation segments	**81.66**	67.18
Including: Railway	**47.58**	56.05
Port	**34.07**	7.79
Shipping	**0.01**	3.34
Coal chemical segment	**54.46**	6.84
Others	**10.89**	0.27
Total	**417.93**	330.19

Table 11 Cost of Sales of Transportation and Coal Chemical Segments

	Railway 2024 RMB million	Railway 2023 RMB million	Railway Change %	Port 2024 RMB million	Port 2023 RMB million	Port Change %	Shipping 2024 RMB million	Shipping 2023 RMB million	Shipping Change %	Coal chemical 2024 RMB million	Coal chemical 2023 RMB million	Coal chemical Change %
Cost of internal transportation business	**18,870**	18,704	0.9	**2,811**	2,520	11.5	**2,523**	3,021	(16.5)	/	/	/
Raw materials, fuel and power	**2,654**	2,702	(1.8)	**402**	376	6.9	**358**	461	(22.3)	**2,779**	3,118	(10.9)
Personnel expenses	**6,391**	5,612	13.9	**470**	389	20.8	**20**	21	(4.8)	**531**	455	16.7
Repair and maintenance	**3,282**	4,971	(34.0)	**191**	249	(23.3)	**23**	32	(28.1)	**547**	368	48.6
Depreciation and amortization	**3,739**	3,458	8.1	**664**	694	(4.3)	**135**	159	(15.1)	**814**	722	12.7
External transportation charges	**573**	524	9.4	/	/	/	**1,755**	2,056	(14.6)	/	/	/
Others	**2,231**	1,437	55.3	**1,084**	812	33.5	**232**	292	(20.5)	**80**	151	(47.0)
Cost of external transportation business	**6,351**	7,476	(15.0)	**877**	892	(1.7)	**1,927**	1,568	22.9	/	/	/
Prime business cost	**25,221**	26,180	(3.7)	**3,688**	3,412	8.1	**4,450**	4,589	(3.0)	**4,751**	4,814	(1.3)
Other business costs	**1,556**	766	103.1	**377**	336	12.2	**7**	5	40.0	**555**	608	(8.7)
Tax and surcharge	**334**	434	(23.0)	**102**	96	6.3	**8**	8	–	**153**	147	4.1
Total cost of sales	**27,111**	27,380	(1.0)	**4,167**	3,844	8.4	**4,465**	4,602	(3.0)	**5,459**	5,569	(2.0)

Table 12 Coal Sales Price

	2024 Sales volume Million tonnes	2024 Percentage to total sales volume %	2024 Price (excluding tax) RMB/tonne	2023 Sales volume Million tonnes	2023 Percentage to total sales volume %	2023 Price (excluding tax) RMB/tonne	Change Sales volume %	Change Price (excluding tax) %
Total sales volume/average price (excluding tax)	**459.3**	**100.0**	**564**	450.0	100.0	584	2.1	(3.4)
I. Classify by contract pricing mechanism								
(I) Sales through Trading Group	**437.4**	**95.2**	**578**	427.2	94.9	598	2.4	(3.3)
1. Annual long-term agreement	**246.4**	**53.6**	**491**	258.7	57.5	500	(4.8)	(1.8)
2. Monthly long-term agreement	**154.8**	**33.7**	**705**	110.0	24.4	808	40.7	(12.7)
3. Spot commodity	**36.2**	**7.9**	**627**	58.5	13.0	640	(38.1)	(2.0)
(II) Direct sales through coal mine pit	**21.9**	**4.8**	**285**	22.8	5.1	328	(3.9)	(13.1)
II. Classify by internal and external customers								
(I) Sales to external customers	**381.2**	**83.0**	**573**	370.5	82.3	598	2.9	(4.2)
(II) Sales to internal power segment	**73.5**	**16.0**	**523**	74.6	16.6	525	(1.5)	(0.4)
(III) Sales to internal coal chemical segment	**4.6**	**1.0**	**424**	4.9	1.1	446	(6.1)	(4.9)

Table 13 Coal Resources Reserve

Mines	Coal resources (under PRC standard) As at 31 December 2024 100 million tonnes	Coal resources (under PRC standard) As at 31 December 2023 100 million tonnes	Change %	Recoverable reserve (under PRC standard) As at 31 December 2024 100 million tonnes	Recoverable reserve (under PRC standard) As at 31 December 2023 100 million tonnes	Change %	Marketable reserve (under JORC standard) As at 31 December 2024 100 million tonnes	Marketable reserve (under JORC standard) As at 31 December 2023 100 million tonnes	Change %
Shendong Mines	**158.0**	149.7	5.5	**89.7**	84.5	6.2	**65.4**	63.6	2.8
Xinjie Taigemiao Mines	**110.1**	108.0	1.9	**14.0**	/	/	**9.4**	/	/
Zhunge'er Mines	**40.3**	35.8	12.6	**29.2**	28.4	2.8	**21.3**	20.6	3.4
Shengli Mines	**22.3**	19.1	16.8	**10.2**	12.8	(20.3)	**1.9**	2.1	(9.5)
Baorixile Mines	**12.5**	12.8	(2.3)	**7.5**	7.8	(3.8)	**7.0**	8.3	(15.7)
Baotou Mines	**0.4**	0.4	–	**0.3**	0.3	–	**0.1**	0.2	(50.0)
Total of China Shenhua	**343.6**	325.8	5.5	**150.9**	133.8	12.8	**105.1**	94.8	10.9

Table 14 Seaborne Coal at Ports

	2024 Million tonnes	2023 Million tonnes	Change %
Self-owned ports	**214.6**	198.9	7.9
Huanghua Port	**175.0**	156.2	12.0
Tianjin Coal Dock	**39.6**	42.7	(7.3)
Zhuhai Coal Dock	**–**	–	/
Third-party ports	**32.1**	27.0	18.9
Total seaborne coal sales	**246.7**	225.9	9.2

Table 15 Railway Cargo Transportation Turnover

	2024 billion tonne km	2023 billion tonne km	Change %
Self-owned railways	**312.1**	309.4	0.9
Baoshen Railway	**8.7**	8.8	(1.1)
Shenshuo Railway	**56.4**	54.1	4.3
Ganquan Railway	**2.2**	1.9	15.8
Dazhun Railway	**31.1**	32.3	(3.7)
Bazhun Railway	**2.0**	3.0	(33.3)
Zhunchi Railway	**12.3**	12.9	(4.7)
Shuohuang-Huangwan Railway	**195.4**	192.3	1.6
Huangda Railway	**4.0**	4.1	(2.4)
State-owned railways	**63.8**	58.0	10.0
Total railway turnover	**375.9**	367.4	2.3

Table 16 Shipping Volume

	2024 Million tonnes	2023 Million tonnes	Change %
The Group's internal customers	**77.6**	97.8	(20.7)
External customers	**52.3**	55.1	(5.1)
Total of shipping volume	**129.9**	152.9	(15.0)

中国神华能源股份有限公司 CHINA SHENHUA ENERGY COMPANY LIMITED

主要資產分佈圖 Assets Distribution Map 2024

煤礦 COAL MINE

- A1. 神東礦區 Shendong Mines
- A2. 准格爾礦區 Zhunge'er Mines
- A3. 勝利礦區 Shengli Mines
- A4. 寶日希勒礦區 Baorixile Mines
- A5. 包頭礦區 Baotou Mines
- A6. 新街台格廟礦區 Xinjie Taigemiao Mining Area

電廠 POWER

- B1. 滄東電力 Cangdong Power
- B2. 定州電力 Dingzhou Power
- B3. 准能電力 Zhunge'er Power
- B4. 神東電力 Shendong Power
- B5. 北京燃氣 Beijing Gas Power
- B6. 錦界能源 Jinjie Energy
- B7. 台山電力 Taishan Power
- B8. 惠州熱電 Huizhou Thermal
- B9. 孟津電力 Mengjin Power
- B10. 四川能源 Sichuan Energy
- B11. 福建能源 Fujian Energy
- B12. 南蘇EMM EMM Indonesia
- B13. 壽光電力 Shouguang Power
- B14. 柳州電力 Liuzhou Power
- B15. 九江電力 Jiujiang Power
- B16. 印尼爪哇 Indonesia Java
- B17. 永州電力 Yongzhou Power
- B18. 北電勝利 Beidian Shengli
- B19. 北海電力 Beihai Power
- B20. 岳陽電力 Yueyang Power
- B21. 清遠電力 Qingyuan Power

鐵路 RAILWAY

- C1. 神朔鐵路 Shenshuo Railway
- C2. 朔黃鐵路 Shuohuang Railway
- C3. 黃萬鐵路 Huangwan Railway
- C4. 大准鐵路 Dazhun Railway
- C5. 包神鐵路 Baoshen Railway
- C6. 巴准鐵路 Bazhun Railway
- C7. 甘泉鐵路 Ganquan Railway
- C8. 准池鐵路 Zhunchi Railway
- C9. 黃大鐵路 Huangda Railway
- C10. 塔韓鐵路 Tahan Railway
- C11. 東月鐵路（前期） Dongyue Railway (Preliminary)

港口 PORT

- D1. 黃驊港 Huanghua Port
- D2. 天津煤碼頭 Tianjin Coal Dock
- D3. 珠海煤碼頭 Zhuhai Coal Dock

航運 SHIPPING

- E1. 航運公司 Shipping Company

煤化工 COAL CHEMICAL

- F1. 包頭煤化工 Baotou Coal Chemical

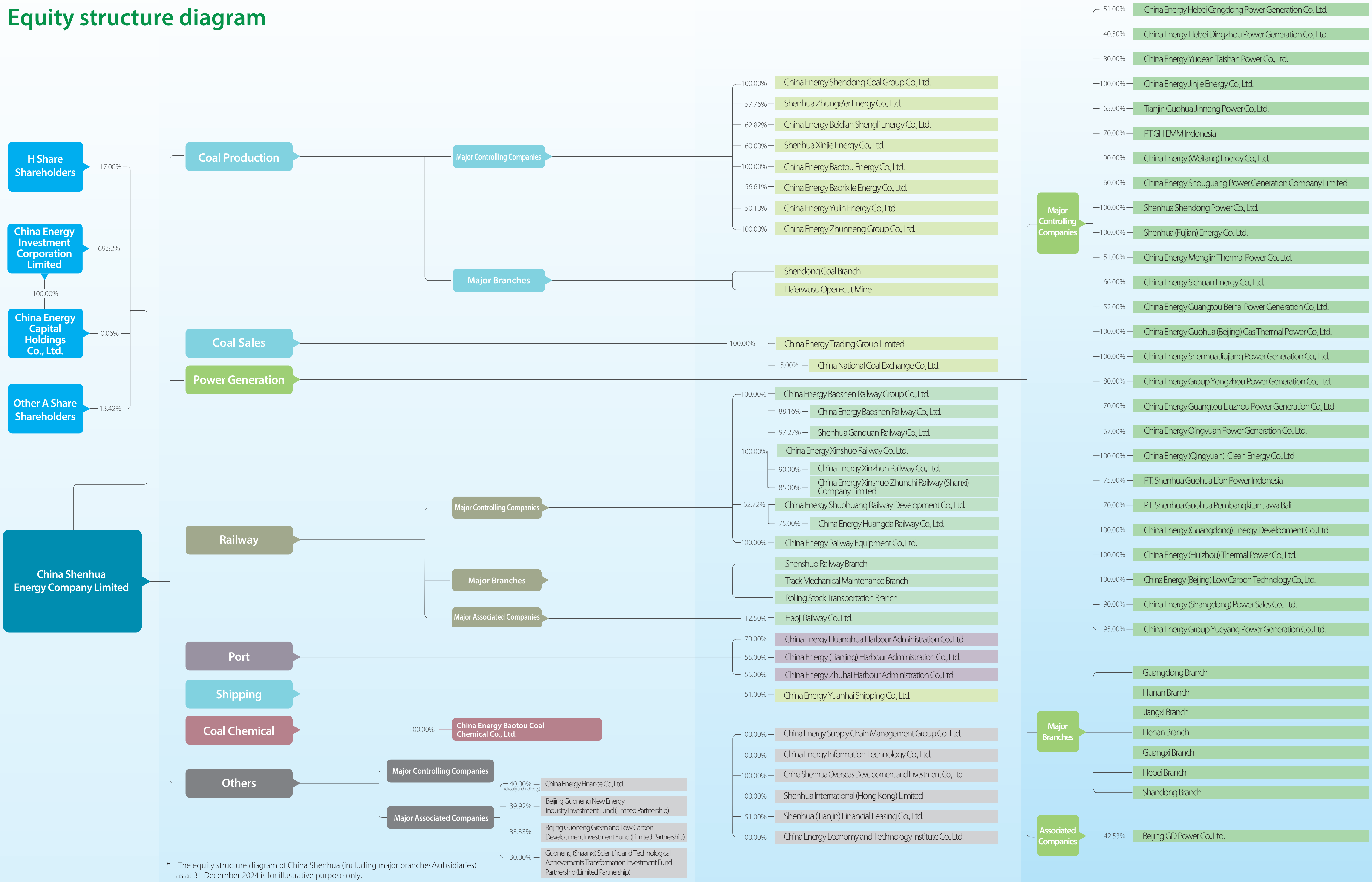
註： ① 於2024年12月31日之分佈圖，僅做示意
② 以審圖號GS(2019)1818號地圖為基礎編製

Note: ① This map as at 31 December 2024 is for illustrative purpose only.
② Prepared on the basis of the map with the approval number of GS(2019)1818.

圖例 Legend

- 省界線 Provincial Boundary
- 國有或地方鐵路線 State-owned or Local Railway
- 自有運營鐵路 Self-owned Railway (in operation)
- 自有礦區 Self-owned mines
- 主要航線 Main Shipping Route

Equity structure diagram



* The equity structure diagram of China Shenhua (including major branches/subsidiaries) as at 31 December 2024 is for illustrative purpose only.

I. DISCUSSION AND ANALYSIS ON OPERATION RESULTS

In the year of 2024, the Group implemented the new strategy of energy security, maintained stable coal production with high output, ensured an unimpeded transportation corridor integrating railway, port and shipping, and achieved integrated, stable and efficient operations. Coal production and sales volume, power generation and other indicators accomplished the annual targets. The operating results for the year slightly decreased year-on-year as affected by downward coal sales prices and electricity sales prices and other factors.

In the year of 2024, the Group recorded profit before income tax of RMB90,206 million (2023: RMB92,776 million), representing a year-on-year decrease of 2.8%; profit for the year attributable to equity holders of the Company of RMB62,421 million (2023: RMB64,625 million); and basic earnings per share of RMB3.142/share (2023: RMB3.253/share), representing a year-on-year decrease of 3.4%.

		Actual amount for 2024	Target for 2024	Proportion of completion %	Actual amount for 2023	Year-on-year change %
Commercial coal production	100 million tonnes	**3.271**	3.161	103.5	3.245	0.8
Coal sales	100 million tonnes	**4.593**	4.353	105.5	4.500	2.1
Gross power generation	100 million kWh	**2,232.1**	2,163	103.2	2,122.6	5.2
Revenue	RMB100 million	**3,383.75**	3,300	102.5	3,430.74	(1.4)
Costs	RMB100 million	**2,365.55**	2,358	100.3	2,325.37	1.7
Selling expenses, general and administrative expenses, research and development costs and net finance costs	RMB100 million	**136.69**	150	91.1	137.27	(0.4)
Changes in unit production costs of self-produced coal	/	**Year-on-year increase of 2.5%**	Year-on-year increase of approximately 10%	/	Year-on year decrease of 2.3%	/

II. INDUSTRY IN WHICH THE COMPANY OPERATED DURING THE REPORTING PERIOD[1]

1. Macroeconomic Environment

In 2024, confronted with the intricate and severe domestic and international situations, all regions and departments in China thoroughly implemented the decisions and arrangements of the CPC Central Committee and the State Council, adhered to the general principle of seeking progress while maintaining stability, fully, accurately and comprehensively implemented the new development philosophy by accelerating the construction of a new development pattern, solidly advancing high-quality development, with the national economy progressing in a stable manner. New progress was made in high-quality development. The main objectives and missions of economic and social development were successfully achieved. Calculated at constant prices, the annual gross domestic product (GDP) increased by 5.0% as compared with the previous year.

2. Coal Market Environment

(1) China's thermal coal market

In 2024, as China's commercial coal consumption kept growing, advanced production capacity of coal was released steadily and orderly and the securing effect of coal was fully realised. The national coal economic operation remained basically stable, and coal price hub declined. As at the end of 2024, the medium – and long-term contract execution price of the National Coal Seaborne Thermal-Coal Price Index (NCEI) (國煤下水動力煤價格指數) (5,500 kcal) was RMB696 per tonne, representing a decrease of RMB14 per tonne as compared with that at the end of the previous year; the annual average medium- and long-term contract price was approximately RMB701 per tonne, representing a decrease of RMB13 per tonne compared with that of last year. The spot trading price trended downwards with oscillation. The average transaction price for thermal coal (5,500 kcal) at Qinhuangdao Port for the year was approximately RMB861 per tonne, representing a year-on-year decrease of approximately 11.0%.

1 The macroeconomic and industry-related contents in this report are for reference only and do not constitute any investment advice. The Company has made every effort to ensure the accuracy and reliability of information in this section, but it does not assume any liability or provide any form of guarantee for the accuracy, completeness or validity of all or part of its content. The Company disclaims all responsibility for any error or omission. The content in this section may contain certain forward-looking statements based on subjective assumptions and judgments of future political and economic developments; therefore there may be uncertainties in these statements. The Company does not undertake any responsibility for updating the information or correcting any subsequent error that may appear. The opinions, estimates and other data set out herein can be amended or withdrawn without prior notice. The data contained in this section are mainly derived from sources such as the National Bureau of Statistics, National Energy Administration, China Coal Market Network, China Coal Resources Network, China Electricity Council, China Coal Transportation & Distribution Association, etc.

	2024	Year-on-year change %
Industrial raw coal output above designated scale in China *(100 million tonnes)*	**47.6**	1.3
Coal import *(100 million tonnes)*	**5.4**	14.4
National coal transportation volume by railway *(100 million tonnes)*	**28.2**	2.5

In respect of the supply side, the securing ability of coal continued to strengthen and coal production maintained growth. During the year, the industrial raw coal output above designated scale in China was 4,760 million tonnes, representing a year-on-year increase of 1.3%. The annual raw coal output in Inner Mongolia Autonomous Region, Shanxi Province, Shaanxi Province and Xinjiang Uygur Autonomous Region accounted for 81.7% of the industrial raw coal output above designated scale in China, of which, raw coal production in Shanxi Province decreased by 6.9% year-on-year. The coal storage in major sectors of society was at a high level. During the year, the total imported coal was 540 million tonnes, representing a year-on-year increase of 14.4%, mainly from Indonesia, Russia, Australia, Mongolia, etc., with the average cost of imported coal decreasing by approximately 14.0%.

In respect of the demand side, China's commercial coal consumption increased by approximately 1.3% year-on-year in 2024. The commercial coal consumption of power generation industry accounted for approximately 58.7% of the total coal consumption, representing a year-on-year increase of 1.2%; commercial coal consumption in the chemical industry increased by 8.3% year-on-year; coal consumption in the steel and building materials sector experienced year-on-year decreases.

(2) International thermal coal market

In 2024, against the backdrop of global economic recovery and geopolitical tensions in certain regions, the reliance on coal in energy consumption increased. The International Energy Agency predicted that the global coal consumption will exceed 8.77 billion tonnes in 2024, reaching a historic high. There was a slight increase in global coal production. According to statistical data, the total coal production in India in 2024 was 1.08 billion tonnes, representing a year-on-year increase of 7.2%; the coal production in Indonesia reached 840 million tonnes, representing a year-on-year increase of 7.8%; the coal production in Mongolia reached 97.72 million tonnes, representing a year-on-year increase of 20.2%. Coal production in the United States, Australia and Russia decreased. Preliminary data compiled by BigMint indicated that global coal exports (including thermal coal and metallurgical coal) reached 1.587 billion tonnes in 2024, representing a year-on-year increase of over 4%. The exported volume of coal from Indonesia amounted to approximately 558 million tonnes, representing a year-on-year increase of 7.0%; and the exported volume from Australia, the United States, Mongolia, and other countries maintained growth. The global demand for coal continued to shift eastwards. The imported volume of China, India, and other countries maintained growth. Due to the impact of slowdown in the growth of demand, high end-user inventories and other factors, the global coal prices experienced overall fluctuations with downward trends in 2024. The spot price of Newcastle NEWC thermal coal decreased by approximately 10.9% as compared to the end of the previous year.

3. Power Market Environment

In 2024, the national power supply system operated stably and the power supply and demand were generally balanced. China's national power consumption reached 9,852.1 billion kWh, representing a year-on-year increase of 6.8%. The power generation by power plants above designated scale in China was 9,419.1 billion kWh, representing a year-on-year increase of 4.6%. Among which, thermal power generation amounted to 6,343.8 billion kWh, representing a year-on-year increase of 1.5%, accounting for 67.4% of the national power generation; thermal power, hydropower, nuclear power, wind power and solar power generation increased year-on-year by 1.5%, 10.7%, 2.7%, 11.1% and 28.2%, respectively. The average utilisation hours of power generation equipment of power plants in China with the installed capacity of 6,000 kW and above were 3,442 hours, decreasing by 157 hours year-on-year. Among them, the average utilisation hours of thermal power equipment were 4,400 hours, decreasing by 76 hours year-on-year (the average utilisation hours of coal power equipment were 4,628 hours, decreasing by 62 hours year-on-year).

The installed capacity of new energy power generation reached 1,450 GW, outweighing the installed capacity of thermal power generation for the first time. In the year of 2024, the combined newly added installed capacity of wind power and solar power generation for the year increased by 360 GW, accounting for 82.6% of the total newly added installed capacity of power generation. As of the end of 2024, the nationwide full-caliber installed capacity of thermal power reached 1,440 GW, of which coal power amounted to 1,190 GW representing a year-on-year increase of 2.6%, accounting for 35.7% of the total installed capacity of power generation (representing a year-on-year decrease of 4.2%).

Coal power fully leveraged its fundamental securing role and systematic regulation function. In the year of 2024, the full-caliber coal power generation accounted for 54.8% of the total power generation, representing a decrease of 3.0 percentage points as compared to the previous year. In 2024, the nationwide full-caliber non-fossil power generation increased by 15.4% year-on-year. The year-on-year increase in full-caliber non-fossil power generation accounted for 84.2% of the increase in the total power generation. Affected by resource availability and other factors, hydropower and wind power experienced significant monthly fluctuations in growth rates during 2024.

The construction of a national centralised power market accelerated. In 2024, power trading centres across China organised and completed a total of 6,179.6 billion kWh of market transactions, representing a year-on-year increase of 9.0%, accounting for 62.7% of total power consumption in the whole society. Among them, the medium and long-term power direct trading volume in the national power market was 4,653.6 billion kWh, representing a year-on-year increase of 5.1%. Power transmission cross regions nationwide reached 924.7 billion kWh representing a year-on-year increase of 9.0%; and power transmission across provinces reached of 2,000 billion kWh, representing a year-on-year increase of 7.1%.

III. BUSINESSES ENGAGED IN BY THE COMPANY DURING THE REPORTING PERIOD

The Company was established in Beijing in November 2004, and was listed on the HKEx in June 2005 and on the SSE in October 2007. The Group is principally engaged in the production and sale of coal and electricity, railway, port and shipping transportation, and coal-to-olefins businesses.

The Group owns high-quality coal resources located in Shendong Mines, Zhunge'er Mines, Shengli Mines, Baorixile Mines and Xinjie Taigemiao Mine, etc. In 2024, the Group realised commercial coal production of 327.1 million tonnes and the sales of coal of 459.3 million tonnes. The Group controls and operates clean coal-fired power generators with high capacity and advanced technical parameters. The Group controlled and operated power generators with an installed capacity of 46,264 MW by the end of 2024, with a total power output dispatch of 210.28 billion kWh in 2024. The Group controls and operates a network of concentric and radial transportation railways around the major coal production bases in western Shanxi, northern Shaanxi and southern Inner Mongolia and the "Shenshuo – Shuohuang Line", a major channel for coal transportation from western to eastern China, as well as Huangda Railway, a new energy channel in Bohai Rim, with total railway operating mileage reaching 2,408 km. The transportation turnover of the self-owned railway reached 312.1 billion tonne km for the year. The Group also controls and operates a number of ports and terminals (with a total ship loading capacity of approximately 270 million tonnes/year), such as Huanghua Port, owns the fleet of ships with approximately 2.24 million tonnes of deadweight capacity and conducts coal-to-olefins projects with approximately 0.6 million tonnes/year of production capacity. During the Reporting Period, there were no significant changes in the principal business scope of the Group.

The integrated operation mode of "production-transportation (railway, port and shipping)-conversion (power generation and coal chemical industry)" formed by the Group on the basis of coal products has the advantages of complete chain, high efficiency, safety and stability, and low-cost operation.

IV. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

The core competitiveness of the Group is mainly:

(I) **Unique operation and profitability model:** the Group has large-scale, highly efficient coal and power generation operations, and possesses a large-scale integrated transportation network consisting of railways, ports and ships, which efficiently connects resource supply of western China with the energy demand of the southeast coast. Hence, we have formed a core competitive advantage of integrated development of coal, power, transportation and coal-to-chemical industry, one-stop operation of production, transportation and sales, in-depth cooperation and effective synergy among various industrial sectors.

(II) **Coal reserves:** the Group possesses an abundant pool of high-quality coal resources which are suitable for developing modern high-output and high-efficient coal mines. The Group ranks among the top-tier listed coal enterprises in China by coal reserves.

(III) **Management team focusing on principal businesses and advanced business concepts:** the management team of the Group has profound knowledge and management experience in the industry, attaches great importance to enhancement of the Company's capabilities in value creation, conducts operation with a focus on the principal businesses of the Company, and persistently focuses on clean generation, clean transportation and clean conversion in the energy sector.

(IV) **Industrial technology and innovation capabilities:** the Group strengthens its industrial technology and innovation capabilities continuously. The Group's technology in green coal exploitation and safety production has secured a leading position in the global market, and that of clean coal-fired power generation, heavy-haul railway transportation and smart port operation has secured a leading position in the domestic market. China Shenhua has basically established an integrated operation model for technological resources, which includes scientific decision-making, systematic management, research and development, and commercialisation of achievements and a technological innovation-driven development model.

V. MAJOR OPERATION RESULTS DURING THE REPORTING PERIOD

(I) Analysis on Principal Businesses

1. Analysis on Changes in the Major Items in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and the Consolidated Statement of Cash Flows

Unit: RMB million

Items	2024	2023	Change %
Revenue	**338,375**	343,074	(1.4)
Cost of sales	**(236,555)**	(232,537)	1.7
General and administrative expenses	**(10,340)**	(9,812)	5.4
Research and development costs	**(2,727)**	(3,007)	(9.3)
Other gains and losses	**(80)**	(3,583)	(97.8)
Other income	**1,115**	1,272	(12.3)
Loss allowance, net of reversal	**(128)**	(285)	(55.1)
Other expenses	**(3,196)**	(5,003)	(36.1)
Interest income	**2,768**	2,634	5.1
Finance costs	**(2,879)**	(3,117)	(7.6)
Share of results of associates	**4,344**	3,565	21.9
Net cash generated from operating activities	**93,348**	89,687	4.1
Net cash used in investing activities	**(85,359)**	(36,974)	130.9
Net cash used in financing activities	**(51,173)**	(76,131)	(32.8)

Detailed explanation on material changes in the business type, composition of profit or source of profit of the Company during the Reporting Period:

☐ Applicable ✓ Not applicable

2. Analysis on Revenue and Costs

(1) Factors affecting the revenue

The revenue of the Group in 2024 recorded a slight year-on-year decrease. The main reasons for the decrease are:

① Affected by the supply-demand relationship in the coal market, the average coal sales price of the Group decreased by 3.4% year-on-year and the revenue from coal sales decreased year-on-year;

② Affected by the planned overhaul of the coal-to-olefin production equipment, the Group's sales volume of polyethylene and polypropylene decreased by 8.8% and 8.2% year-on-year, respectively, and sales revenue from the coal chemical segment decreased year-on-year.

Items	Unit	2024	2023	Change for 2024 compared with that for 2023 %	2022
(I) Coal					
1. Commercial coal production	Million tonnes	**327.1**	324.5	0.8	313.4
2. Coal sales	Million tonnes	**459.3**	450.0	2.1	417.8
Of which: Self-produced coal	Million tonnes	**327.0**	325.4	0.5	316.2
Purchased coal	Million tonnes	**132.3**	124.6	6.2	101.6
(II) Transportation					
1. Transportation turnover of self-owned railway	Billion tonne km	**312.1**	309.4	0.9	297.6
2. Loading volume at Huanghua Port	Million tonnes	**214.4**	209.5	2.3	205.2
3. Loading volume at Tianjin Coal Dock	Million tonnes	**44.0**	45.8	(3.9)	45.2
4. Shipping volume	Million tonnes	**129.9**	152.9	(15.0)	136.3
5. Shipment turnover	Billion tonne nautical miles	**149.4**	164.7	(9.3)	133.6
(III) Power					
1. Gross power generation	Billion kWh	**223.21**	212.26	5.2	191.28
2. Total power output dispatch	Billion kWh	**210.28**	199.75	5.3	179.81
(IV) Coal chemical					
1. Sales of polyethylene	Thousand tonnes	**332.2**	364.4	(8.8)	358.4
2. Sales of polypropylene	Thousand tonnes	**313.6**	341.5	(8.2)	340.6

(2) Analysis of costs

Unit: RMB million

Breakdown of cost items	Amount for 2024	Percentage to cost of sales in 2024 %	Amount for 2023	Percentage to cost of sales in 2023 %	Year-on-year change in amount %
Cost of purchased coal	65,648	27.8	67,886	29.2	(3.3)
Raw materials, fuel and power	34,346	14.5	33,468	14.4	2.6
Personnel expenses	29,231	12.4	25,090	10.8	16.5
Repair and maintenance	9,923	4.2	12,034	5.2	(17.5)
Depreciation and amortisation	20,095	8.5	21,263	9.1	(5.5)
Transportation charges	19,977	8.4	19,026	8.2	5.0
Tax and surcharge	17,784	7.5	18,385	7.9	(3.3)
Others	39,551	16.7	35,385	15.2	11.8
Total cost of sales	236,555	100.0	232,537	100.0	1.7

The cost of sales of the Group in 2024 slightly increased compared to the previous year, of which:

① the main reason for the year-on-year decrease in the cost of purchased coal: the decrease in the price and procurement cost of purchased coal;

② the main reasons for the year-on-year increase in the cost of raw materials, fuel and power: the increase in power output dispatch leads to a corresponding increase in costs;

③ the main reasons for the year-on-year increase in personnel expenses: the policy based increase in social security contributions during the Reporting Period as a result of a relatively low base for the same period last year, which was affected by the assessment cycle and the progress of salary accruals and payment schedules;

④ the main reason for the year-on-year decrease in repair and maintenance costs: the year-on-year decrease in repairs and maintenance costs in railway affected by the maintenance schedule;

⑤ the main reason for the year-on-year increase in transportation charges: the increase in transportation costs for external railway;

⑥ the main reasons for the year-on-year decrease in taxes and surcharges: the year-on-year decrease in resource taxes as a result of the decrease in income from the sale of self-produced coal;

⑦ the main reasons for the year-on-year increase in other costs: Increase in channel dredging fees and expenditures on management of mines and the surrounding area.

Unit: RMB million

Cost of sales by business segment in 2024 (before elimination on consolidation)

By business segment	Breakdown of cost items	2024	2023	Change %
Coal	Cost of purchased coal, raw materials, fuel and power, personnel expenses, repairs and maintenance, depreciation and amortisation, transportation costs, taxes and surcharges, and other operating costs	199,896	196,959	1.5
Power	Raw materials, fuel and power, personnel expenses, repairs and maintenance, depreciation and amortisation, other costs, taxes and surcharges, and other operating costs	79,778	77,594	2.8
Railway	Cost of internal transportation business (raw materials, fuel and power, personnel expenses, repairs and maintenance, depreciation and amortisation, external transportation charges, and other expenses), cost of external transportation business, taxes and surcharges, and other operating costs	27,111	27,380	(1.0)
Port	Cost of internal transportation business (raw materials, fuel and power, personnel expenses, repairs and maintenance, depreciation and amortisation, and other expenses), cost of external transportation business, taxes and surcharges, and other operating costs	4,167	3,844	8.4
Shipping	Cost of internal transportation business (raw materials, fuel and power, personnel expenses, repairs and maintenance, depreciation and amortisation, external transportation charges, and other expenses), cost of external transportation business, taxes and surcharges, and other operating costs	4,465	4,602	(3.0)
Coal chemical	Raw materials, fuel and power, labor costs, repairs and maintenance, depreciation and amortisation, other costs, taxes and surcharges, and other operating costs	5,459	5,569	(2.0)

(3) Principal businesses by business segment

The major business model of the Group is the integrated coal industry chain: i.e. coal production → coal transportation (railway, port and shipping) → conversion of coal (power generation and coal chemical), and there are business intercourses between each segment. The percentages of profit before income tax (before elimination on consolidation) of coal, power, transportation and coal chemical segments of the Group in 2024 were 69%, 13%, 18% and 0%, respectively (2023: 72%, 12%, 16% and 0%).

The following revenue, cost of sales and others of business segments are the data before elimination on consolidation of each segment. For details of costs by business segment, please refer to "Operation Results by Business Segment" in this section and the table of operating results overview in this report.

Principal businesses by business segment in 2024 (before elimination on consolidation)

Business segment	Revenue *RMB million*	Cost of sales *RMB million*	Gross profit margin *%*	Increase/ decrease in revenue as compared with previous year *%*	Increase/ decrease in cost of sales as compared with previous year *%*	Increase/ decrease in gross profit margin as compared with previous year
Coal	268,618	(199,896)	25.6	(1.7)	1.5	Decreased by 2.3 percentage points
Power	94,217	(79,778)	15.3	2.0	2.8	Decreased by 0.7 percentage point
Railway	43,115	(27,111)	37.1	0.4	(1.0)	Increased by 0.8 percentage point
Port	6,842	(4,167)	39.1	1.4	8.4	Decreased by 3.9 percentage points
Shipping	4,996	(4,465)	10.6	3.3	(3.0)	Increased by 5.8 percentage points
Coal chemical	5,633	(5,459)	3.1	(7.6)	(2.0)	Decreased by 5.6 percentage points

(4) *Analysis of the production and sales volume of major products*

Major products	Unit	Production	Sales volume	Inventory at the end of the period	Year-on-year increase/ decrease in production	Year-on-year increase/ decrease in sales volume	Increase/ decrease in inventory as compared with the beginning of the year
					%	%	%
Coal	Million tonnes	327.1	459.3	23.6	0.8	2.1	0.9
Power	Billion kWh	223.21	210.28	/	5.2	5.3	/

(5) *Performance of material purchase contracts and material sales contracts*

☐ Applicable ✓ Not applicable

(6) *Changes in the scope of consolidation due to changes in shareholding of major subsidiaries during the Reporting Period*

☐ Applicable ✓ Not applicable

(7) *Information related to significant changes or adjustment of businesses, products or services of the Company in the Reporting Period*

☐ Applicable ✓ Not applicable

(8) *Major customers*

In 2024, the total revenue from the top five customers of the Group amounted to RMB188,879 million, accounting for 55.8% of the total revenue of the Group, including the revenue of the Group from its largest customer of RMB110,573 million, accounting for 32.7% of the total revenue of the Group. The largest customer of the Group was China Energy (the controlling shareholder of the Company) and its subsidiaries. The Group mainly sells coal products and provides coal transportation service to China Energy and its subsidiaries.

Except for the above, as far as the Board of the Company is aware, none of the directors of the Company, their close associates or shareholders holding more than 5% of issued shares (excluding treasury shares) of the Company has any interests in the top five customers of the Group. The Group has maintained long-term cooperative relationship with the top five customers. The Company is of the view that such cooperative relationships would not cause material risk to the business of the Group.

(9) Major suppliers

In 2024, the total procurement from the top five suppliers of the Group amounted to RMB44,869 million, accounting for 22.1% of the total procurement for the year (less than 30%), of which the procurement from its largest supplier amounted to RMB22,985 million, representing 11.3% of the total procurement for the year.

3. Expenses and other items of income statement

(1) The main reason for year-on-year increase in general and administrative expenses: the increase in labor costs, costs of outsourced services, etc.

(2) The main reason for the year-on-year decrease in R&D costs: mainly affected by R&D investment and progress.

(3) Other gains and losses were aggregated as losses, the main reason for the year-on-year decrease in losses: a year-on-year decrease in impairment losses. The impairment losses during the Reporting Period are mainly due to impairment provisions made by the Group for certain assets such as ships and spare parts based on the impairment test results.

(4) The main reason for the year-on-year decrease in other income: a decrease in government grants received by the Group for its daily activities.

(5) Loss allowance, net of reversal during the Reporting Period are mainly due to: the Group made bad debt provision on certain receivables based on the impairment test results.

(6) The other expenses during the Reporting Period are mainly due to expenses for donations and trading of carbon emission rights.

(7) The main reason for the year-on-year increase in interest income: the Group strengthened its financial market research, optimised and adjusted the fund deposit structure, resulting in the year-on-year increase in interest income.

(8) The main reason for the year-on-year decrease in finance costs: it continued to optimise its debt structure and financing model, strived to reduce its interest-bearing liabilities and financing costs, registering a year-on-year decrease in interest expenses.

(9) The main reason for the year-on-year increase of the share of results of associates: the year-on-year increase in the Group's investment income from associates and an increase in gains arising from the transfer of equity interests in subsidiaries.

4. Research and Development Expenditure

(1) Research and development expenditure

Unit: RMB million

Expensed research and development expenditure in the period	2,727
Capitalised research and development expenditure in the period	1,421
Total research and development expenditure	4,148
Percentage of total research and development expenditure to revenue *(%)*	1.2
Ratio of capitalised research and development expenditure *(%)*	34.3

In 2024, the research and development expenditure of the Group amounted to RMB4,148 million (2023: RMB4,453 million), representing a year-on-year decrease of 6.8%; research and development expenditure accounted for 1.2% of total revenue (2023: 1.3%), representing a year-on-year decrease of 0.1 percentage point.

During the Reporting Period, the R&D projects carried out by the Group mainly included: construction of smart mines, research and application of digital overhaul system for coal mine vehicles, research on prevention and control of dust and occupational diseases in coal mines, construction of intelligent power plants, development of clean and efficient combustion key technology for ammonia-mixed coal-fired boilers, research on technology of carbon dioxide resources and energy utilisation in coal-fired power plant, research and application on heavy-haul trains group operation control system technology, development and application of new resin material technology, etc. In 2024, the Group was granted 2 provincial-level awards, 22 prizes from important industry associations (societies), 9 prizes from the professional association and 28 prizes from the other local and municipal levels; and 637 new patents authorizations were granted, including 237 invention patents.

(2) *Research and development personnel*

Number of research and development personnel in the Group *(Person)*	3,628
Ratio of research and development personnel to the number of total staff *(%)*	4.4

Educational structure of research and development personnel

Category of educational structure	**Number** *Person*
Doctoral degree	85
Master degree	505
Undergraduate	2,588
Junior college	424
High school and below	26

Age structure of research and development personnel

Category of age structure	**Number** *Person*
Under 30 years old (excluding 30 years old)	737
30-40 years old (including 30 years old, excluding 40 years old)	1,145
40-50 years old (including 40 years old, excluding 50 years old)	866
50-60 years old (including 50 years old, excluding 60 years old)	877
60 years old and above	3

As of the end of 2024, the Group had one national key laboratory, and set up 5 national scientific research platforms.

5. Cash Flow

The Group formulated capital management policies that aimed to achieve maximised interests for the shareholders, optimised capital structure while reducing the costs of capital under the premise of safeguarding the operation on an on-going basis, and carried out capital management and investments in accordance with the policy of the Company.

(1) Net cash generated from operating activities: net cash inflow in 2024 was RMB93,348 million (net cash inflow in 2023: RMB89,687 million), representing a year-on-year increase of 4.1%, mainly due to the lower base in the same period of the previous year due to the increase in operating receivables, such as coal sales and electricity sales.

(2) Net cash used in investing activities: net outflow of RMB85,359 million in 2024, mainly for the acquisition of long-term assets such as property, plant and equipment and intangible assets, placement of time deposits, and purchase of structured deposit products, representing an increase of 130.9% compared to a net outflow of RMB36,974 million in 2023, mainly attributable to the increase in time deposits placed with financial institutions and the purchase of structured deposit products.

(3) Net cash used in financing activities: net outflow of RMB51,173 million in 2024, mainly attributable to payment of the Company's final dividend in 2023, representing a decrease of 32.8% from the net outflow of RMB76,131 million in 2023, mainly attributable to a higher base as a result of higher repayment of borrowings for the same period last year.

(II) Explanation on Significant Change of Profit Caused by Non-principal Business

☐ Applicable ✓ Not applicable

(III) Analysis on Assets and Liabilities

1. Assets and Liabilities

Unit: RMB million

Items	As at 31 December 2024 Amount	As at 31 December 2024 Percentage of total assets %	As at 31 December 2023 Amount	As at 31 December 2023 Percentage of total assets %	Change in amount %	Main reasons for changes
Property, plant and equipment	**293,338**	**44.3**	290,839	45.9	0.9	Some power generation projects were completed and put into operation, and assets related to the mining rights of No. 1 Mine and No. 2 Mine in Xinjie Mining Area increased
Construction in progress	**26,753**	**4.0**	18,955	3.0	41.1	Continued investment in coal and power generation projects under construction
Exploration and evaluation assets	**4,861**	**0.7**	5,519	0.9	(11.9)	As Xinjie No. 1 Mine and No. 2 Mine moved from exploration stage to exploitation stage, certain exploration and evaluation assets were transferred to "construction in progress"
Intangible assets	**5,436**	**0.8**	4,662	0.7	16.6	Increase in assets such as software
Interests in associates	**59,904**	**9.1**	55,635	8.8	7.7	Recognition of investment income from associates and capital contribution made to investment funds co-established by the Company in pursuance of an agreement
Other non-current assets	**33,025**	**5.0**	27,070	4.3	22.0	Increase in prepayment for construction and equipment
Inventories	**12,482**	**1.9**	12,846	2.0	(2.8)	Decrease in coal inventories; corresponding decrease in inventories held by the subsidiaries following the disposal of these subsidiaries
Accounts and bills receivables	**15,502**	**2.3**	19,858	3.1	(21.9)	Part of the bills were due and collected
Financial assets at fair value through other comprehensive income	**1,174**	**0.2**	254	0.0	362.2	Increase in notes receivable scheduled for discounting or endorsement
Financial assets at fair value through profit or loss	**17,302**	**2.6**	0[Note]	0.0	/	Purchases of structured deposit products

Note: The amount is less than RMB500,000.

Items	As at 31 December 2024 Amount	As at 31 December 2024 Percentage of total assets %	As at 31 December 2023 Amount	As at 31 December 2023 Percentage of total assets %	Change in amount %	Main reasons for changes
Restricted bank deposits	**14,189**	**2.1**	7,298	1.2	94.4	The increase in the balance of the special account for the mine geographical environment treatment and restoration fund and so forth
Time deposits with original maturity over three months	**63,152**	**9.5**	34,514	5.4	83.0	The increase in time deposits
Cash and cash equivalents	**65,074**	**9.8**	108,174	17.1	(39.8)	Increase in net cash used in investing activities
Accounts and bills payables	**38,205**	**5.8**	38,901	6.1	(1.8)	Some bill payables were due for settlement
Accrued expenses and other payables	**33,315**	**5.0**	30,613	4.8	8.8	Increase in factoring-related financing
Current portion of bonds	**3,020**	**0.5**	–	–	/	The USD debentures of the Company has matured in January 2025, and have been presented in the item "current portion of bonds" from "bonds"
Income tax payable	**3,645**	**0.6**	4,757	0.8	(23.4)	Decrease in profit before tax
Contract liabilities	**4,045**	**0.6**	7,208	1.1	(43.9)	After the disposal of the subsidiary, the contract liabilities assumed by the original subsidiary decreased accordingly
Bonds	**–**	**–**	2,972	0.5	(100.0)	The USD debentures of the Company has matured in January 2025, and have been presented in the item "current portion of bonds" from "bonds"
Long-term liabilities	**19,389**	**2.9**	15,125	2.4	28.2	Increase in long-term payables for mining rights
Accrued reclamation obligations	**9,446**	**1.4**	8,780	1.4	7.6	Increase in the cost of management of mine and the surrounding area

2. Offshore Assets

As at 31 December 2024, the total offshore assets of the Group amounted to RMB30,527 million, representing 4.6% of total assets, which were mainly composed of the power generation assets in Indonesia, and assets from U.S. dollar-denominated bonds issued in Hong Kong, the PRC.

3. Restrictions on Main Assets

None of the Group's main assets are subject to judicial seizure or freezing orders. As at the end of the Reporting Period, the balance of the restricted assets of the Group was RMB14,275 million, of which, the fund in the bank deposit subject to restrictions amounted to RMB14,189 million, mainly the mine geographical environment treatment and restoration fund of coal mines, loan deposits, restoration development deposits, the security deposits for bank acceptance bills and litigation freezing deposits; other restricted assets were RMB86 million in aggregate, mainly consisted of equipment acquired through finance leases.

4. Distributable Reserves to Shareholders

As at 31 December 2024, the distributable reserves of the Company to shareholders were RMB199,017 million.

(IV) Operation Results by Business Segment

1. Coal Segment

(1) Production, operation and construction

The majority of the coal products produced and sold by the Group were thermal coal. In 2024, the Group resolutely carried out the mission of securing energy supply, optimised the layout of the production system, carefully organised production, continuously improved production efficiency, invested more in clean production technology and equipment, stabilised the quality of thermal coal, and completed the task of securing coal supply with high quality. The annual output of commercial coal was 327.1 million tonnes (2023: 324.5 million tonnes), representing a year-on-year increase of 0.8%. The total footage of advancing tunnels at underground mines for this year was 407 thousand meters (2023: 404 thousand meters), of which Shendong Mines recorded footage of advancing tunnels of 394 thousand meters (2023: 385 thousand meters).

Positive progress was made in the continuation of coal resources, the processing of licenses and license application and production capacity increase. Xinjie No. 1 Mine and Xinjie No. 2 Mine of Xinjie Taigemiao Mine were approved by the National Development and Reform Commission, and the preparatory work for the construction was pushed forward in an orderly manner. Consolidation of the mining rights of mines, such as Bulianta Coal Mine, Shangwan Coal Mine, Wanli No. 1 Coal Mine, Heidaigou Open-cut Mine and Haerwusu Open-cut Mine, and the modification of mining licenses for mines such as Jinfeng Cuncaota Coal Mine were completed. Shenshan Open-cut Mine obtained the approval of the National Mine Safety Administration, with its production capacity increased from 0.6 million tonnes/year to 1.2 million tonnes/year.

The application level of achievements of intelligent and digital technologies for coal mines has been further promoted. Following the principle of "adapting to local conditions and adopting one policy for each working face", the Group formulated intelligent production modes for different coal seams in underground coal mines; it continued to promote the in-depth integration of unmanned operation modes and open-cut mining processes, and strengthened the coordination of various production links. By the end of 2024, the Group had built 36 intelligent underground coal mining working faces, 63 intelligent tunneling working faces and 19 intelligent coal preparation plants, and had equipped 369 sets of unmanned production equipment in open-cut coal mines. Also, the Group had developed and applied an aggregate of over 300 coal mining robots in five categories, namely tunneling, mining, transportation, safety control and rescue.

The Group has independently operated railway transportation channels for collection and distribution. These channels concentrated in the vicinity of self-owned core mining areas, and can satisfy the transportation needs in the core mines.

(2) Sales of coal

The coal sold by the Group is primarily produced from its self-owned coal mines. In order to fulfil the needs of customers and adequately make use of railway transportation, the Group also purchases the coal from third parties in the surrounding area of the self-owned mines and along railway lines for blending into various types and grades of coal products, which are then centrally sold to external customers. The Group implemented specialised division management. In particular, production enterprises are responsible for production of coal, the railway, port and shipping companies of the Company are mainly responsible for transportation of coal, and the Trading Group of the Company is mainly responsible for sales of coal. Customers span across multiple industries including power, metallurgy, chemical engineering, and construction materials.

In 2024, the Group coordinated self-produced and purchased coal resources, increased the acquisition of purchased coal resources to ensure stable operation of the integration; promoted the customised production of coal to enhance the alignment level between coal products and market demand; optimised pricing strategies, enriched marketing methods, improved the management of major customers, and continuously improved the ability to cope with market fluctuations. During the year, the coal sales volume of the Group reached 459.3 million tonnes (2023: 450.0 million tonnes), representing a year-on-year increase of 2.1%. The sales volume for the top five external coal customers was 192.4 million tonnes, accounting for 41.9% of the total coal sales volume; in particular, the coal sold to China Energy Group, the largest customer, was 164.9 million tonnes, representing 35.9% of the total coal sales volume. The top five external coal customers primarily consist of companies in the power generation, chemical engineering and coal trading sectors.

In 2024, due to the supply-demand relationship in the coal market, the average coal sales price of the Group was RMB564/tonne (exclusive of tax) (2023: RMB584/tonne), representing a year-on-year decrease of 3.4%.

The production and sales of each kind of coal of the Group in 2024 are set out below:

Types of coal	**Production**	**Sales volume**	**Sales income**	**Sales cost**	**Gross profit**
	Million tonnes	*Million tonnes*	*RMB million*	*RMB million*	*RMB million*
Thermal coal	327.1	459.2	258,778	176,261	82,517
Others	/	0.1	37	37	–
Total	327.1	459.3	258,815	176,298	82,517

The coal sales of the Group in 2024 are set out below:

① By types of sources of coal

Types of sources of coal	2024 Sales volume *Million tonnes*	2024 Percentage to total sales volume *%*	2024 Price (exclusive of tax) *RMB/ tonne*	2023 Sales volume *Million tonnes*	2023 Percentage to total sales volume *%*	2023 Price (exclusive of tax) *RMB/ tonne*	Change Sales volume *%*	Change Price (exclusive of tax) *%*
Self-produced coal	327.0	71.2	527	325.4	72.3	548	0.5	(3.8)
Purchased coal	132.3	28.8	653	124.6	27.7	679	6.2	(3.8)
Total sales volume/average price (exclusive of tax)	459.3	100.0	564	450.0	100.0	584	2.1	(3.4)

The purchased coal sold by the Company includes purchased coal in the surrounding area of the self-owned mines and along the railway lines, and coal sold through import and transit trade.

② By contract pricing mechanism

	2024 Sales volume *Million tonnes*	2024 Percentage to total sales volume *%*	2024 Price (exclusive of tax) *RMB/ tonne*	2023 Sales volume *Million tonnes*	2023 Percentage to total sales volume *%*	2023 Price (exclusive of tax) *RMB/ tonne*	Change Sales volume *%*	Change Price (exclusive of tax) *%*
I. Sales through Trading Group	437.4	95.2	578	427.2	94.9	598	2.4	(3.3)
1. Annual long-term contract	246.4	53.6	491	258.7	57.5	500	(4.8)	(1.8)
2. Monthly long-term contract	154.8	33.7	705	110.0	24.4	808	40.7	(12.7)
3. Spot commodity	36.2	7.9	627	58.5	13.0	640	(38.1)	(2.0)
II. Direct sales at the coal mine pit	21.9	4.8	285	22.8	5.1	328	(3.9)	(13.1)
Total sales volume/average price (exclusive of tax)	459.3	100.0	564	450.0	100.0	584	2.1	(3.4)

Note: The above is a summary of the sales of the coal products with different calorific value of the Group, including thermal coal and other coals.

③ By internal and external customers

	2024			2023			Change	
	Sales volume	Percentage to total sales volume	Price (exclusive of tax)	Sales volume	Percentage to total sales volume	Price (exclusive of tax)	Sales volume	Price (exclusive of tax)
	Million tonnes	*%*	*RMB/ tonne*	*Million tonnes*	*%*	*RMB/ tonne*	*%*	*%*
Sales to external customers	**381.2**	**83.0**	**573**	370.5	82.3	598	2.9	(4.2)
Sales to internal power segment	**73.5**	**16.0**	**523**	74.6	16.6	525	(1.5)	(0.4)
Sales to internal coal chemical segment	**4.6**	**1.0**	**424**	4.9	1.1	446	(6.1)	(4.9)
Total sales volume/average price (exclusive of tax)	**459.3**	**100.0**	**564**	450.0	100.0	584	2.1	(3.4)

④ By sales regions

	2024			2023			Change	
	Sales volume	Percentage to total sales volume	Price (exclusive of tax)	Sales volume	Percentage to total sales volume	Price (exclusive of tax)	Sales volume	Price (exclusive of tax)
	Million tonnes	*%*	*RMB/ tonne*	*Million tonnes*	*%*	*RMB/ tonne*	*%*	*%*
I. Domestic sales	**448.5**	**97.6**	**562**	442.5	98.3	581	1.4	(3.3)
Of which: Sales of imported coal	**6.9**	**1.5**	**622**	5.7	1.3	706	21.1	(11.9)
II. Export and overseas sales	**10.8**	**2.4**	**643**	7.5	1.7	763	44.0	(15.7)
Total sales volume/average price (exclusive of tax)	**459.3**	**100.0**	**564**	450.0	100.0	584	2.1	(3.4)

(3) Coal resources

As at 31 December 2024, under the PRC Standard, the Group had coal reserves amounting to 34.36 billion tonnes, representing an increase of 1.78 billion tonnes as compared with that of the end of 2023; and recoverable coal reserve amounting to 15.09 billion tonnes, representing an increase of 1.71 billion tonnes as compared with that of the end of 2023. The Group's marketable coal reserve amounted to 10.51 billion tonnes under the JORC Standard, representing an increase of 1.03 billion tonnes as compared with that of the end of 2023. In 2024, the Group's coal resources utilisation amounted to 0.35 billion tonnes, and the adjustment of the scope of mining rights and the verification of resource reserves increased the retained resources by a total of approximately 2.12 billion tonnes.

In 2024, the Group's coal exploration expenses (which were incurred before the conclusion of feasibility study and represented the expenses related to exploration and evaluation of coal resources) amounted to RMB0.225 billion (2023: RMB0.226 billion), which was mainly used for the preliminary expenses of Xinjie Mines; the Group's relevant capital expenditure of coal mine development and exploration amounted to RMB11.457 billion (2023: RMB10.794 billion), which was mainly attributable to the payment of the mining right related expenditure for the coal resource of Xinjie No. 1 Mine and Xinjie No. 2 Mine, as well as construction works of various mines, acquisition of land use rights, cost of land requisition and other expenditures.

Unit: 100 million tonnes

Mines	Coal reserve (under the PRC Standard)	Recoverable coal reserve (under the PRC Standard)	Proved reserve (under the PRC Standard)	Trusted reserve (under the PRC Standard)	Marketable coal reserve (under the JORC Standard)
Shendong Mines	158.0	89.7	18.7	36.6	65.4
Xinjie Taigemiao Mines	110.1	14.0	6.2	4.5	9.4
Zhunge'er Mines	40.3	29.2	8.9	9.7	21.3
Shengli Mines	22.3	10.2	2.2	5.4	1.9
Baorixile Mines	12.5	7.5	1.4	4.2	7.0
Baotou Mines	0.4	0.3	0.1	0.0	0.1
Total	343.6	150.9	37.5	60.4	105.1

Notes:

1. Trusted reserve and proved reserve are calculated based on the Classifications for Mineral Resources and Mineral Reserves (GB/T 17766-2020).

2. The trusted reserve of Baotou Mines is 1.05 million tonnes.

Due to variations in factors such as coal seam thickness and geological conditions, mining operations will gradually experience a decline in capacity utilisation and production over their service life. Based on current conditions, the remaining service life of underground coal mines in the Shendong Mines mining area is less than 20 years, as detailed below:

① Yujialiang Coal Mine: approved production capacity of 8.00 million tonnes/year, 2024 commercial coal production of 6.71 million tonnes, recoverable reserves of approximately 23.4 million tonnes at the end of the Reporting Period;

② Cuncaota Coal Mine: approved production capacity of 2.40 million tonnes/year, 2024 commercial coal production of 2.35 million tonnes, recoverable reserves of approximately 23.22 million tonnes at the end of the Reporting Period, and the mining right certificate for deep resources is in the process of obtaining.

Characteristics of the commercial coal produced in the Group's major mines are as follows:

No.	Mines	Major types of coal	Calorific value of major commercial coal product	Sulphur	Ash content
			kcal/kg	*%*	*%*
1	Shendong Mines	Long flame coal/ non-caking coal	4,720-5,730	0.2-0.6	8.4-19.4
2	Zhunge'er Mines	Long flame coal	4,409-4,744	0.4-0.6	25.0-29.8
3	Shengli Mines	Lignite	2,980	1.1	23.8
4	Baorixile Mines	Lignite	3,551	0.2	13.9
5	Baotou Mines	Long flame coal/ non-caking coal	4,073-4,399	0.5-1.0	14.1-18.3

Note: The average calorific value, sulphur content and ash content of major commercial coal products produced by coal mine in each mine site may be inconsistent with the characteristics of the commercial coal products produced by individual coal mine and those of the commercial coal products sold by the Company due to storage conditions and production process.

(4) Operating results

① The operating results of the coal segment of the Group before elimination on consolidation

		2024	2023	Change %	Main reasons for changes
Revenue	RMB million	268,618	273,306	(1.7)	Decrease in average sales price of coal
Cost of sales	RMB million	(199,896)	(196,959)	1.5	Increase in sales and cost of sales of purchased coal
Gross profit margin	%	25.6	27.9	Decreased by 2.3 percentage points	
Profit before income tax	RMB million	58,498	63,753	(8.2)	

② The gross profit from the sales of coal products of the Group by regions before elimination on consolidation

Regions	2024 Sales revenue RMB million	2024 Sales cost RMB million	2024 Gross profit RMB million	2024 Gross profit margin %	2023 Sales revenue RMB million	2023 Sales cost RMB million	2023 Gross profit RMB million	2023 Gross profit margin %
Domestic	251,859	(169,402)	82,457	32.7	257,117	(166,785)	90,332	35.1
Export and overseas	6,956	(6,896)	60	0.9	5,751	(5,688)	63	1.1
Total	258,815	(176,298)	82,517	31.9	262,868	(172,473)	90,395	34.4

③ The gross profit from sales of coal products of the Group by coal source before elimination on consolidation

Coal source	2024 Sales revenue RMB million	2024 Sales cost RMB million	2024 Gross profit RMB million	2024 Gross profit margin %	2023 Sales revenue RMB million	2023 Sales cost RMB million	2023 Gross profit RMB million	2023 Gross profit margin %
Self-produced coal	**172,442**	**(91,501)**	**80,941**	**46.9**	178,242	(89,856)	88,386	49.6
Purchased coal	**86,373**	**(84,797)**	**1,576**	**1.8**	84,626	(82,617)	2,009	2.4
Total	**258,815**	**(176,298)**	**82,517**	**31.9**	262,868	(172,473)	90,395	34.4

Note: The sales cost of purchased coal includes the purchase cost of purchased coal, as well as the transportation and port charges incurred to realise the sales.

④ Unit production cost of self-produced coal

Unit: RMB/tonne

	2024	2023	Change %	Main reasons for changes
Unit production cost of self-produced coal	**166.4**	162.4	2.5	
Raw materials, fuel and power	**27.4**	30.1	(9.0)	Decrease in stripping volume of certain open-cut mines that led to a decrease in related costs of materials
Personnel expenses	**47.3**	37.4	26.5	Lower benchmark for the same period last year as influenced by factors such as assessment; increase in policy related social security contributions
Repair and maintenance	**9.2**	9.1	1.1	
Depreciation and amortisation	**20.7**	23.9	(13.4)	Increase in amortisation of long-term deferred expenses that led to higher benchmark for the same period last year
Other costs	**61.8**	61.9	(0.2)	

Other costs consist of the following three components: (1) expenses directly related to production, including expenses for coal washing, selecting and processing, and mining engineering expenses, etc., accounting for 66%; (2) auxiliary production expenses, accounting for 20%; and (3) land requisition and surface subsidence compensation, environmental protection expenses, tax, etc., accounting for 14%.

2. Power Segment

(1) Production and operation

In 2024, the Group continued to optimise the operation mode of its units, maintain the safe and stable operation of its units and enhance its ability to maintain the peak supply of electricity. The Group carefully studied the supply and demand situation in the power market and accurately implemented power marketing strategies to effectively achieve stable power generation with increased output. The Group realised a total power output dispatch of 210.28 billion kWh throughout the year, accounting for 2.1% of 9,852.1 billion kWh[1] of the total power consumption of the society in the corresponding period, of which the market-based trading power reached 205.20 billion kWh, accounting for 97.6% of the total power output dispatch. The average electricity selling price was RMB403/MWh (2023: RMB414/MWh), representing a year-on-year decrease of 2.7%. A total of 68 domestic coal power units, representing approximately 94% of the total number of domestic coal power units of the Group, are eligible to receive capacity tariffs, and received capacity tariffs of approximately RMB5 billion (including tax) in 2024.

The Group accelerated the construction of new power systems and promoted the green and low-carbon transformation and development of thermal power. It strategically deployed supportive power supply, scientifically planned the Huizhou Phase II gas power project, the first in China to adopt domestically developed BIM technology and advanced the construction of ongoing projects such as Jiujiang Phase II, Beihai Phase II, Qingyuan Phase II. It also commenced high-standard construction of thermal power projects, including Dingzhou Phase III, Cangdong Phase III. The Group intensified the "three simultaneous technical reforms" (三改聯動) of coal-fired power units, completing the transformation of a total of six units of Cangdong Power Plant and other power plants for heat supply, with a new heating capacity of 9,620 MW; completing the transformation of a total of nine units of Jiujiang Power Plant and other power plants for flexibility, with a new peak-adjusting capacity of 740 MW; and completing the energy-saving and carbon-reducing transformation of a total of 21 units of Taishan Power Plant and other power plants. The Group's standard coal consumption for thermal power supply dropped to 292.9 g/kWh in 2024 (2023: 294.9 g/kWh), a year-on-year decrease of 2.0 g/kWh.

The Group increased its investment in renewable energy projects and industry funds. It leveraged land resources including open-cut mine dumps, reclamation areas and idle land along the railway to invest in and construct photovoltaic projects. The increased installed capacity of photovoltaic power generation for external commercial operation was 366 MW in 2024. As at the end of 2024, Beijing Guoneng New Energy Industry Investment Fund and Beijing Guoneng Green and Low-Carbon Development Investment Fund, which were established with the participation of the Company, had completed the investments in the merger and acquisition of a number of new energy projects covering photovoltaic, wind power and hydrogen equipment manufacturing, and the cumulative capital contribution made by the Company according to the investment agreements amounted to approximately RMB1,830 million and RMB674 million, respectively, with recovered principal and gains of RMB539 million and RMB307 million, respectively.

[1] Source: National Energy Administration

(2) Power output dispatch and price of electricity sold

Operation location/ power type	Gross power generation (billion kWh) 2024	2023	Change %	Total power output dispatch (billion kWh) 2024	2023	Change %	Price of electricity sold (RMB/MWh) 2024	2023	Change %
(I) Coal-fired power	**217.45**	207.40	4.8	**204.66**	195.01	4.9	**401**	412	(2.7)
Guangdong	**45.99**	34.06	35.0	**43.49**	32.14	35.3	**388**	458	(15.3)
Shaanxi	**31.74**	33.46	(5.1)	**29.15**	30.75	(5.2)	**335**	337	(0.6)
Fujian	**27.91**	26.61	4.9	**26.72**	25.46	4.9	**419**	431	(2.8)
Hebei	**24.09**	24.04	0.2	**22.63**	22.57	0.3	**404**	398	1.5
Sichuan	**16.42**	14.27	15.1	**15.56**	13.52	15.1	**462**	432	6.9
Inner Mongolia	**14.01**	14.67	(4.5)	**12.80**	13.38	(4.3)	**312**	320	(2.5)
Hunan	**13.73**	10.47	31.1	**13.15**	9.98	31.8	**481**	476	1.1
Chongqing	**10.52**	9.50	10.7	**10.04**	9.08	10.6	**422**	418	1.0
Shandong	**9.96**	10.53	(5.4)	**9.41**	10.00	(5.9)	**404**	418	(3.3)
Jiangxi	**9.91**	11.31	(12.4)	**9.44**	10.79	(12.5)	**434**	436	(0.5)
Guangxi	**7.29**	12.62	(42.2)	**6.90**	11.99	(42.5)	**458**	441	3.9
Henan	**4.51**	4.43	1.8	**4.19**	4.11	1.9	**404**	413	(2.2)
Indonesia (overseas)	**1.37**	1.43	(4.2)	**1.18**	1.24	(4.8)	**482**	498	(3.2)
(II) Gas-fired power	**4.32**	3.94	9.6	**4.22**	3.85	9.6	**557**	555	0.4
Beijing	**3.73**	3.94	(5.3)	**3.64**	3.85	(5.5)	**551**	555	(0.7)
Guangdong	**0.59**	/	/	**0.58**	/	/	**592**	/	/
(III) Hydropower	**0.64**	0.66	(3.0)	**0.62**	0.64	(3.1)	**227**	227	0.0
Sichuan	**0.64**	0.66	(3.0)	**0.62**	0.64	(3.1)	**227**	227	0.0
(IV) Photovoltaic power	**0.80**	0.26	207.7	**0.78**	0.25	212.0	**320**	318	0.6
Inner Mongolia	**0.27**	0.12	125.0	**0.26**	0.11	136.4	**222**	201	10.4
Shaanxi	**0.18**	0.02	800.0	**0.18**	0.02	800.0	**266**	271	(1.8)
Fujian	**0.13**	0.07	85.7	**0.13**	0.07	85.7	**428**	455	(5.9)
Jiangxi	**0.11**	/	/	**0.10**	/	/	**397**	/	/
Guangdong	**0.07**	0.03	133.3	**0.07**	0.03	133.3	**473**	465	1.7
Shandong	**0.03**	0.01	200.0	**0.03**	0.01	200.0	**376**	355	5.9
Hebei	**0.01**	0.01	0.0	**0.01**	0.01	0.0	**300**	319	(6.0)
Henan	**0.00**	0.00	/	**0.00**	0.00	/	**550**	575	(4.3)
Total	**223.21**	212.26	5.2	**210.28**	199.75	5.3	**403**	414	(2.7)

Note: In 2024, both the power generation and output dispatch of the photovoltaic power stations of the Group in Henan Province were 4.01 million kWh (2023, both the power generation and output were 1.86 million kWh), representing a year-on-year increase of 115.6%.

(3) Installed capacity

At the end of the Reporting Period, the total installed capacity of the Group's power generating units reached 46,264 MW, of which the total installed capacity of the coal-fired power generating units was 43,184 MW, accounting for approximately 3.6% of the total installed capacity of thermal power generating units in the PRC (being 1.19 billion kW[1]).

Unit: MW

Power type	Total installed capacity as at 31 December 2023	Installed capacity increased during the Reporting Period	**Total installed capacity as at 31 December 2024**
Coal-fired power	43,164	20	**43,184**
Gas-fired power	950	1,244	**2,194**
Hydropower	125	0	**125**
Photovoltaic power	395	366	**761**
Total	44,634	1,630	**46,264**

In 2024, the total newly added installed capacity of the Group reached 1,630 MW, of which the newly added installed capacity of Unit 3 of China Energy Shenfu (Jinjiang) of Fujian Energy that was put into operation was 50 MW; Taishan Power's coal-fired power generating units completed transformation and added 30 MW installed capacity; the gangue-fired power plants of Zhunge'er Power had their installed capacity decreased by 60 MW; the heat and power co-generation unit of Huizhou Thermal Power Phase II Gas-thermal Power Project and the natural gas-fired (distributed) energy unit of China Energy (Qingyuan) Clean Energy Co., Ltd were established and put into operation with a total newly added installed capacity of 1,244 MW; and photovoltaic power stations located in Jiangxi and Guangdong were commissioned for external commercial operation with a newly added installed capacity of 366 MW.

1 Source: China Electricity Council

(4) *Utilisation rate of power generation equipment*

The average utilisation hours of coal-fired generators of the Group reached 5,030 hours for the year 2024, representing a year-on-year decrease of 191 hours and 402 hours higher than the national average utilisation hours of 4,628 hours[1] for coal-fired generating units with the installed capacity of 6,000KW and above.

	Average utilisation hours *(Hours)*			Power consumption ratio of power plant *(%)*		
Power type	**2024**	2023	Change %	**2024**	2023	Change
Coal-fired power (including gangue-fired power plants)	**5,030**	5,221	(3.7)	**5.07**	5.20	Decreased by 0.13 percentage point
Gas-fired power	**4,151**	4,152	(0.0)	**1.66**	1.56	Increased by 0.10 percentage point
Hydropower	**5,097**	5,228	(2.5)	**0.63**	0.28	Increased by 0.35 percentage point
Photovoltaic power	**1,317**	905	45.5	**1.03**	/	/
Weighted average	**4,960**	5,167	(4.0)	**4.98**	5.11	Decreased by 0.13 percentage point

1 Source: China Electricity Council

(5) *Market transaction of power*

	2024	2023	Change %
Total volume of power in market-based transactions *(billion kWh)*	**205.20**	194.56	5.5
Total volume of on-grid power *(billion kWh)*	**210.28**	199.75	5.3
Percentage of the power in market-based transactions *(%)*	**97.6**	97.4	Increased by 0.2 percentage point

(6) *Operation results of the power sales business*

The principal operation model of the Group's subsidiary, Shandong Power Sales Company, is to earn profit through the price difference between the purchase and sales of electricity; it mainly engages in providing value-added services such as procurement and sales of power, cross-province transactions, power equipment management, green power trading and power demand-side response agency. In 2024, the agent power output dispatch from Shandong Power Sales Company (excluding those from the Group's self-owned power plants) were 11.41 billion kWh, with the corresponding revenue from power sales and power purchase cost amounting to RMB4,664 million and RMB4,642 million, respectively.

No.	Province	Power output dispatch *Billion kWh*		Average price of electricity sold (exclusive of tax) *RMB/MWh*		Unit cost of power purchase (exclusive of tax) *RMB/MWh*	
		2024	2023	**2024**	2023	**2024**	2023
1	Shandong	**11.41**	7.15	**409**	417	**407**	416

(7) Capital expenditure

In 2024, the total capital expenditure of the power generation segment was RMB13,003 million, with a breakdown of capital expenditure of major power generation projects set out as below:

No.	Name of project	Contribution amount for the Reporting Period *RMB million*	Percentage of accumulated investment in project to the total budget as at the end of the Reporting Period *%*	Phase of projects at the end of the Reporting Period
1	Guangdong Huizhou Thermal Power Phase II Gas-thermal Power Project (2×500MW)	950	91.0	Put into operation
2	Jiangxi Jiujiang Power Plant Phase II Expansion Project (2×1,000MW)	2,523	39.1	Under construction
3	Guangxi Beihai Power Plant Phase II Expansion Project (2×1,000MW)	1,427	22.8	Under construction
4	Guangdong Qingyuan Power Plant Phase II Expansion Project (2×1,000MW)	957	17.0	Under construction
5	Hebei Cangdong Power Plant Phase III Expansion Project (2×660MW)	271	5.2	Under construction
6	Hebei Dingzhou Power Plant Phase III Expansion and Thermal Power Project (2×660MW)	171	3.2	Under construction
7	Fujian Shishi Hongshan Thermal Power Plant Phase III Expansion Project (1 x 1,000MW)	/	/	Approved

(8) Operation results

① The operation results of the power generation segment of the Group before elimination on consolidation

		2024	2023	Change %	Main reasons for changes
Revenue	RMB million	**94,217**	92,407	2.0	Increase in the power output dispatch
Cost of sales	RMB million	**(79,778)**	(77,594)	2.8	Increase in the power output dispatch
Gross profit margin	%	**15.3**	16.0	Decreased by 0.7 percentage point	Decrease in the average price of power sales
Profit before income tax	RMB million	**11,393**	10,910	4.4	Year-on-year decrease in impairment losses

② Revenue from and cost of the power sales of the Group before elimination on consolidation

Unit: RMB million

Power type	Revenue from power sales (including heat sales) 2024	2023	Change %	Cost of power sales (including heat sales) 2024	Percentage to total costs of power sales in 2024 %	2023	Percentage to total costs of power sales in 2023 %	Change in 2024 over 2023 %
Coal-fired power	**84,990**	83,252	2.1	**72,130**	**96.4**	70,273	97.3	2.6
Gas-fired power	**2,637**	2,138	23.3	**2,492**	**3.3**	1,812	2.5	37.5
Hydropower	**142**	146	(2.7)	**111**	**0.1**	108	0.1	2.8
Photovoltaic power	**251**	80	213.8	**126**	**0.2**	39	0.1	223.1
Total	**88,020**	85,616	2.8	**74,859**	**100.0**	72,232	100.0	3.6

The Group's cost of power sales is mainly comprised of raw materials, fuel and power, personnel expenses, repair and maintenance, depreciation and amortisation and other costs. The unit cost of power sales of the Group in 2024 was RMB356.0/MWh (2023: RMB361.6/MWh), representing a year-on-year decrease of 1.5%, mainly due to the decline of average coal purchase price.

In 2024, the power segment consumed a total of 73.6 million tonnes (2023: 73.2 million tonnes) of coal sold within the Group (including self-produced coal and purchased coal of the Group), representing a year-on-year increase of 0.5%. The coal sold within the Group that was consumed by the power segment accounted for 76.3% of the total coal consumption of power segment, which was 96.5 million tonnes.

③ Cost of power sales of coal-fired power plant of the Group before elimination on consolidation (including heat sales)

	2024		2023		Change
	Costs	**Percentage**	Costs	Percentage	in costs
	RMB million	***%***	*RMB million*	*%*	*%*
Raw material, fuel and power	**55,281**	**76.6**	54,414	77.4	1.6
Personnel expenses	**4,497**	**6.2**	4,117	5.9	9.2
Repair and maintenance	**1,747**	**2.4**	1,576	2.2	10.9
Depreciation and amortisation	**6,574**	**9.1**	6,553	9.3	0.3
Others	**4,031**	**5.7**	3,613	5.2	11.6
Total cost of power sales of coal-fired power plant	**72,130**	**100.0**	70,273	100.0	2.6

In 2024, the cost of power sales of coal-fired power plant increased by 2.6% year-on-year. Among them, the year-on-year growth of cost of raw materials, fuel and power was mainly due to an increase in costs of coal and others as a result of an increase in power sales; the year-on-year increase in personnel expenses was mainly due to the operation of new units of the Group put into operation, which resulted in the increase in related power production personnel, and the increased policy-related social security contributions; the year-on-year increase in repair and maintenance costs was mainly due to the overhaul plan; the year-on-year increase in depreciation and amortisation was mainly due to an increase in long-term assets such as property, plant and equipment as a result of the operation of new units of the Group.

3. Railway Segment

(1) Production and operation

The railway segment of the Group closely supported integrated operations and the development of the industrial chain, thereby further expanding its "big integration (大一體化)" advantages and establishing a transportation and production ecosystem with efficient and synergy. In 2024, the transportation turnover of self-owned railway of the Group reached 312.1 billion tonnes km (2023: 309.4 billion tonnes km), representing a year-on-year growth of 0.9%.

The Group has been advancing the implementation of major projects to enhance transportation efficiency. The 300 Million-tonne Capacity Expansion and Transformation Project for Shenshuo Railway has been progressing in an orderly manner, with successful development of key equipment such as hydrogen-powered shunting locomotives and hydrogen-powered catenary operation vehicles. The special railway lines for Nuanshui container freight station of Bazhun Railway and the special railway lines of Sandaoqu Railway were successfully opened, with a designed loading capacity of 20 million tonnes/year. The first domestic new intelligent heavy-haul electric locomotive developed under the leadership of Shuohuang Railway was officially rolled out and was awarded the "2024 Top Ten Important Central Enterprises (2024年度央企十大國之重器)". The connectivity test for mobile block sections on heavy-haul railway lines was successfully completed, and the first trial of an unmanned heavy-haul train was a success. Railway Equipment's world's first batch of lightweight rolling stock made from carbon fiber composite materials was put into operation. Dongyue Railway was included in the list of major national construction projects and was approved.

Focusing on the development of large-scale logistics, the Group aims to unlock the potential of channel transportation. In line with major deployments such as the "Belt and Road" initiative and building a powerful country via transportation infrastructure, the Group coordinated bulk cargo sources within the scope of transportation capacity coverage and expanded the reach of its transportation network. In 2024, the Group handled 24.5 million tonnes of the transportation volume of non-coal goods such as metal ores and chemicals (2023: 22.3 million tonnes), representing a year-on-year growth of 9.9%, of which the reverse-direction transportation of non-coal goods reached 18.8 million tonnes during the year.

(2) Operation results

The operation results of the railway segment of the Group before elimination on consolidation are as follows:

		2024	2023	Change %	Main reasons for changes
Revenue	RMB million	**43,115**	42,961	0.4	Increase in transportation turnover of self-owned railway
Cost of sales	RMB million	**(27,111)**	(27,380)	(1.0)	Year-on-year decrease in repair and maintenance costs due to the overhaul plan
Gross profit margin	%	**37.1**	36.3	Increased by 0.8 percentage point	
Profit before income tax	RMB million	**12,604**	11,152	13.0	Year-on-year increase in gross profit margin; year-on-year decrease in impairment losses

In 2024, the unit transportation cost in the railway segment was RMB0.081/tonne km (2023: RMB0.085/tonne km), representing a year-on-year decrease of 4.7%, which was mainly attributable to the year-on-year decrease in repair and maintenance costs due to the overhaul plan.

4. Port Segment

(1) Production and operation

The port segment of the Group deepened the internal and external collaboration in improving the shipping-port-sales collaboration and linkage mechanism, streamlining the loading and unloading process and organising production efficiently. In 2024, the completed loading volume at Huanghua Port was 214.4 million tonnes (2023: 209.5 million tonnes), representing a year-on-year increase of 2.3%, ranking first among ports in "North-to-South Coal Transportation" for six consecutive years, and the throughput of bulk cargo reached 8.2 million tonnes, which was the best level since its commencement. Completed loading volume at Tianjin Coal Dock was 44.0 million tonnes (2023: 45.8 million tonnes), representing a year-on-year decrease of 3.9%.

The Group has been accelerating the development of large multi-functional, comprehensive and modern ports. Huanghua Port (coal port area) Phase V Project (planned coal loading capacity 50 million tonnes/year), Tianjin Harbour Administration Phase II Project (designed annual port capacity of 35 million tonnes of coal and 18 million tonnes of ore) were approved; the construction of Huanghua Port (coal port area) Oil Terminal Project and Zhuhai Gaolan Port Area China Energy Bulk Cargo Terminal Project have been commenced; with the upgraded No. 2 and No.3 unloading berths, Zhuhai Harbour Administration has met the navigational conditions for fully loaded 150,000-tonne-class vessels.

The Group has been vigorously driving the development of green innovative ports. Huanghua Harbour Administration has established a long-term dust suppression system covering the entire coal port production process, an intelligent ecological environment management system, and the "Two Lakes, Three Wetlands (兩湖三濕地)" ecological water circulation system. The dust suppression rate has reached 98%, saving more than 4 million cubic meters of freshwater annually; Tianjin Harbour Administration has developed a clean production system, thereby realizing automated environmental monitoring, intelligent dust management and integrated control; Zhuhai Harbour Administration has been optimizing the whole process of dust control. By a combination of this measure and the development and use of shore power and clean energy, Zhuhai Harbour Administration has developed the roadmap for standardisation of clean and green technologies for bulk cargo terminals.

(2) Operation results

The operation results of the port segment of the Group before eliminations on consolidation are as follows:

		2024	2023	Change %	Main reasons for changes
Revenue	RMB million	**6,842**	6,749	1.4	Increase in loading volume on port
Cost of sales	RMB million	**(4,167)**	(3,844)	8.4	Increase in fees for waterway dredging and others; increase in loading volume on port
Gross profit margin	%	**39.1**	43.0	Decreased by 3.9 percentage points	
Profit before income tax	RMB million	**2,115**	2,307	(8.3)	

The unit transportation cost in the port segment was RMB13.2/tonne in 2024 (2023: RMB12.5/tonne), representing a year-on-year increase of 5.6%, which was mainly due to the increase in fees for waterway dredging and others.

5. Shipping Segment

(1) Production and operation

In 2024, the Group's shipping segment deepened the expansion of integrated and coordinated synergy, completed the task of integrated supply and transportation and strengthened the expansion in both internal and external markets and non-coal cargo sources, and effectively withstood the impact of market volatility. The shipping volume for 2024 was 129.9 million tonnes (2023: 152.9 million tonnes), representing a year-on-year decrease of 15.0% while shipment turnover amounted to 149.4 billion tonnes nautical miles (2023: 164.7 billion tonnes nautical miles), representing a year-on-year decrease of 9.3%. The shipping volume for non-coal transportation was 4.4 million tonnes (2023: 3.7 million tonnes), representing a year-on-year increase of 18.9%.

(2) Operation results

The operation results of the shipping segment of the Group before eliminations on consolidation are as follows:

		2024	2023	Change %	Main reasons for changes
Revenue	RMB million	**4,996**	4,836	3.3	Increase in average shipping price
Cost of sales	RMB million	**(4,465)**	(4,602)	(3.0)	Decrease in shipment turnover as a result of the adjustment of business structure
Gross profit margin	%	**10.6**	4.8	Increased by 5.8 percentage points	
Profit before income tax	RMB million	**260**	100	160.0	

In 2024, the unit transportation cost of the shipping segment was RMB0.030/tonne nautical mile (2023: RMB0.028/tonne nautical mile), representing a year-on-year increase of 7.1%, mainly due to the decrease in shipment turnover.

6. Coal Chemical Segment

(1) Production and operation

The coal chemical segment of the Group comprises the coal-to-olefins project operated by Baotou Coal Chemical, the main products of which include polyethylene (with production capacity of approximately 300,000 tonnes/year), polypropylene (with production capacity of approximately 300,000 tonnes/year) and a small amount of by-products (including industrial sulphur, mixed C5, industrial propane, mixed C4, industrial methanol, refined methanol, etc.). In 2024, the construction of Baotou Coal Chemical Coal-to-Olefins Upgrading Demonstration Project (with production capacity of 750,000 tonnes/year) advanced in an orderly manner.

In 2024, the coal chemical segment commenced regular inspection and maintenance of equipment as planned, enhancing its continuous and stable operation. The Group promoted the research and development of high-end coal-to-olefin products to enhance its brand competitiveness. The polyolefin products under our seven premium brands were exported to more than 20 countries with an export volume of 84.7 thousand tonnes, making a new breakthrough in our history. Major pollutants in wastewater and exhaust gas emissions fully met discharge standards, with energy efficiency leading the industry at an advanced level.

The sales of polyethylene and polypropylene products of the Group in 2024 are as follows:

	2024		2023		Change	
	Sales volume	**Price**	Sales volume	Price	Sales volume	Price
	Thousand tonnes	***RMB/ tonne***	*Thousand tonnes*	*RMB/ tonne*	*%*	*%*
Polyethylene	**332.2**	**6,645**	364.4	6,446	(8.8)	3.1
Polypropylene	**313.6**	**5,896**	341.5	5,908	(8.2)	(0.2)

(2) *Operation results*

The operation results of the coal chemical segment of the Group before elimination on consolidation are as follows:

		2024	2023	Change %	Main reasons for changes
Revenue	RMB million	**5,633**	6,098	(7.6)	Decrease in output and sales volume of coal-to-olefins products due to maintenance of coal-to-olefins production equipment as planned
Cost of sales	RMB million	**(5,459)**	(5,569)	(2.0)	
Gross profit margin	%	**3.1**	8.7	Decreased by 5.6 percentage points	
Profit before income tax	RMB million	**36**	180	(80.0)	

(3) *Unit production cost of main products*

	2024 Output *Thousand tonnes*	2024 Unit production cost *RMB/tonne*	2023 Output *Thousand tonnes*	2023 Unit production cost *RMB/tonne*	Change Output *%*	Change Unit production cost *%*
Polyethylene	**336.5**	**5,901**	362.4	5,660	(7.1)	4.3
Polypropylene	**313.7**	**5,703**	340.5	5,487	(7.9)	3.9

In 2024, a total of 4.6 million tonnes of coal (2023: 4.9 million tonnes) was consumed by the coal chemical segment, representing a year-on-year decrease of 6.1%. All of the coal was sold within the Group (including self-produced coal and purchased coal of the Group).

(V) Operations by Region

Unit: RMB million

	2024	2023	Change %
Revenue from external transactions in domestic markets	**325,332**	330,746	(1.6)
Revenue from external transactions in overseas markets	**13,043**	12,328	5.8
Total	**338,375**	343,074	(1.4)

Note: The revenue from external transactions is divided by the location of customers receiving services and purchasing products.

The Group is mainly engaged in the production and sales of coal and power, railway, port and shipping transportation as well as coal-to-olefins businesses in the PRC. In 2024, the revenue from external transactions in domestic markets was RMB325,332 million, accounting for 96.1% of the Group's revenue. The revenue from external transactions in overseas markets was RMB13,043 million, accounting for 3.9% of the Group's revenue.

In 2024, the Group's overseas business operations remained stable with orderly progress in project construction. The generators in South Sumatra EMM and the Pembangkitan Jawa project in Indonesia operated stably, with no report of unplanned shutdown and limited power. Environmental protection facilities operated normally with all indicators meeting standards, and the overall fulfillment of generator safety production metrics was satisfactory. The construction of South Sumatra No. 1 project advanced in an orderly manner, with the main structure of the project has been completed. For the Pennsylvania shale gas project in the United States, the equity gas volume attributable to the Group in 2024 was 116 million cubic meters.

(VI) Analysis on Investments

In 2024, the increase in equity investments in subsidiaries of the Company amounted to RMB3,407 million, mainly representing the increase in capital from the Company in relevant subsidiaries engaged in power generation and coal chemical industries for promoting project constructions; the Group's increase in equity investments in associated companies amounted to RMB725 million, mainly representing the contribution to the investment fund jointly established by the Company according to agreement and the contribution to associates in coal and new energy.

1. Material Investment in Equity Interest

☐ Applicable ✓ Not applicable

2. Material Investment in Non-equity Interest

☐ Applicable ✓ Not applicable

3. Financial Assets at Fair Value

During the Reporting Period, the financial assets at fair value held by the Group were mainly structured deposit products held by the Company, non-trading equity investments that have no significant impact on the investees and bills receivable that are planned to be discounted or endorsed.

Unit: RMB million

Category of assets	At the beginning of the period	Gains and losses from fair value changes for the period	Cumulative changes in fair value included in equity	Impairment provided for the period	Amount of purchase for the period	Amount of disposal/ redemption for the period	Other changes	**At the end of the period**
Financial assets at fair value through profit and loss (structural deposit products)	0	2	/	/	17,300	/	/	**17,302**
Financial assets at fair value through other comprehensive income (unlisted equity investments)	2,486	/	301	/	/	/		**2,787**
Financial assets at fair value through other comprehensive income (accounts and bills receivables)	254	/	/	/	/	/	920	**1,174**
Financial assets at fair value through profit and loss (other non-current financial assets)	/	/	/	/	60	/	/	**60**
Total	2,740	2	301	/	17,360	/	920	**21,323**

Note: In addition to the above financial assets, the subsidiaries of the Company also hold a small amount of delisted stock assets with an amount less than RMB500,000.

(VII) Disposal of Material Assets and Equity Interest

☐ Applicable ✓ Not applicable

(VIII) Analysis of Major Holding and Associated Companies

1. Major Subsidiaries

Unit: RMB million

No.	Company	Registered capital	Total assets	Net assets	Net profit attributable to the equity holders of the parent company			
		As at 31 December 2024			2024	2023	Change %	Main reasons for changes
1	Shendong Coal	4,989	33,103	26,176	12,673	15,747	(19.5)	Decrease in sales price of coal
2	Shuohuang Railway	15,231	44,819	30,443	6,580	5,983	10.0	Increase in self-owned railway transportation turnover; decrease in maintenance costs due to maintenance plan
3	Jinjie Energy	3,802	22,667	20,635	4,235	4,256	(0.5)	
4	Baorixile Energy	1,169	15,940	11,413	3,977	3,217	23.6	Increase in sales volume of coal
5	Zhunge'er Energy	7,102	56,978	46,819	2,722	2,612	4.2	
6	Beidian Shengli	2,925	17,768	11,108	2,207	2,400	(8.0)	Decrease in sales price of coal
7	Trading Group	7,789	29,231	15,458	1,737	1,778	(2.3)	
8	Huanghua Harbour Administration	6,790	12,938	11,544	1,336	1,555	(14.1)	Increase in waterway dredging fee
9.	Sichuan Energy	3,101	10,768	4,810	1,309	478	173.8	Increase in sales of power and average electricity selling price
10	Yulin Energy	2,420	7,924	4,358	1,261	1,485	(15.1)	Decrease in sales price of coal
11	Railway Equipment	6,300	21,052	10,710	1,078	1,511	(28.7)	Higher principal in the same period of the previous year due to the impact of the income tax settlement results and non-operating income
12	Pembangkitan Jawa	2,540	14,962	7,852	964	919	4.9	
13	Fujian Energy	5,420	19,059	8,744	616	964	(36.1)	Decrease in average electricity selling price
14	Shendong Power	3,024	28,764	22,900	545	(355)	/	Lower principal for this year due to the higher impairment losses on assets in the same period of the previous year; decrease in purchase cost of coal
15	Xinshuo Railway	10,888	24,968	14,440	434	781	(44.4)	Decrease in self-owned railway transportation turnover

Notes:

(1) The financial information of the major subsidiaries in the above table was prepared in accordance with the China Accounting Standards for Business Enterprises.

(2) Shendong Coal recorded a revenue of RMB81,012 million and a profit from operations of RMB16,581 million in 2024.

(3) Shuohuang Railway recorded a revenue of RMB22,782 million and a profit from operations of RMB8,924 million in 2024.

(4) The net profit attributable to the equity holders of the parent company of Beidian Shengli in 2023 is restated data. For details, please refer to "Subsidiaries" as set out in the notes to financial statements contained in this report.

2. **Major Companies in Which the Company has Invested**

Please refer to the section headed "Material Related Party/Connected Transactions" of this report for details of the Finance Company.

(IX) Structured Entities Controlled by the Company

☐ Applicable ✓ Not applicable

(X) Compliance with Relevant Laws and Regulations

So far as the Board and management of the Company are aware, during the Reporting Period, the Group has fully complied in all material aspects with the relevant laws and regulations that are related to the business and operation of the Group, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

(XI) Relationship with Stakeholders

For details of remuneration and training of the Group's employees, please refer to the "Employees" under Section V of this report.

The Group attaches great emphasis on good relationships with stakeholders such as customers, suppliers and other business partners to achieve its long-term goals. For details, please refer to the 2024 Environmental, Social and Governance Report of the Company.

In 2024, there was no material dispute between the Group and its stakeholders.

(XII) Donations

During the Reporting Period, the expense on external donations of the Group was RMB2,507 million.

(XIII) Contingent Liabilities

Details of the Group's contingent liabilities are set out in the "Commitments and Contingent Liabilities" in the notes to the financial statements in this report.

(XIV) Pension Plan

Details of the pension plan for the Group's employees are set out in the "Material Accounting Policies" in the notes to the financial statements in this report in relation to the retirement benefit costs. There are no forfeited contributions under the defined contribution pension plans that may be used by the Group, being the contributions processed by employers on behalf of employees who withdrew from such plans prior to vesting fully in such contributions.

(XV) Subsequent Matters

☐ Applicable ✓ Not applicable

VI. THE COMPANY'S OUTLOOK FOR FUTURE DEVELOPMENT

(I) Industry Structure and Trend

In 2025, China's economy will adhere to the overarching principle of pursuing progress while maintaining stability. The country will fully, accurately, and comprehensively implement the new development philosophy, accelerate the establishment of a new development paradigm, and substantively advance high-quality development. The country will further deepen reforms and opening-up, implement more proactive and effective macroeconomic policies to expand domestic demand, promote the integrated development of technological and industrial innovation, stabilise expectations and stimulate vitality, thereby facilitating sustained economic recovery and improvement. Efforts will be made to continuously raise living standards, maintain social harmony and stability, achieve the objectives of the "14th Five-Year Plan" with high quality, and lay a solid foundation for a successful commencement of the "15th Five-Year Plan".

In respect of the coal industry, China's economic growth will continue to drive energy demand, and coal, being one of the most important energy sources in the world, will still play a key role in the market in the foreseeable future despite multiple challenges arising from renewable energy, low-carbon development and environmental protection requirements. It is expected that electricity and chemical coal will be the primary sources of incremental coal consumption. Coal output is projected to remain generally stable. The narrowing price competitiveness of imported coal may result in marginal contraction of import volumes. Overall, the 2025 coal market is anticipated to trend toward balanced and moderately ample supply-demand conditions, feature an expanding share of market-oriented coal transactions, witness a minor downward adjustment in price benchmarks, stabilizing within a reasonable price band. However, seasonal fluctuations and unexpected events and other factors could lead to tight supply situations in certain regions and periods.

In respect of the power industry, taking into account factors such as China's current economic growth potential, the "14th Five-Year Plan" and the national macro-control policies and measures, and according to the forecast results of the China Electricity Council, it is predicted that the national electricity consumption of the whole society will increase by approximately 6% year-on-year in 2025. The installed capacity of new energy will continue to grow, with several regions facing significant pressure on new energy consumption and absorption. By the end of 2025, the proportion of coal power generation in total installed capacity is expected to fall to one-third. Taking into account the growth in electricity consumption demand and the commissioning of new power supplies, the power supply-demand situation in certain regions during peak consumption periods, such as summer in 2025, is expected to be tight but balanced.

(II) Development Strategy of the Company

In 2024, according to the deployment of the CPC Central Committee and the State Council, the energy industry coordinated in respect of the development and safety, so as to promote the high-quality development of energy and realise the improvement and stability of energy security supply and clean transformation, ensuring the solid guarantee for promoting high-quality economic development and meeting the people's need for a better life. Currently, energy supply has entered a normalised phase, with coal's role as the ultimate safeguard in energy supply, alongside coal power's foundational guarantee and systemic regulation in constructing the new-type power system becoming increasingly prominent.

In 2025, the Group will adhere to the guidance of Xi Jinping's Thoughts on Socialism with Chinese Characteristics for a New Era, and fully implement the spirit of the 20th National Congress and the Second and Third Plenary Sessions of the 20th Central Committee of CPC. The Group will put in place the new strategy of "Four Revolutions and One Cooperation" for energy security, and the goals of carbon peaking and carbon neutrality. We will earnestly practice the overall development strategy of "One Target, Three Roles, and Six Responsibilities", continue to consolidate the core advantages in integrated operations, and ensure a safe and stable supply of energy. The Group will intensify coal resource acquisition efforts, accelerate the clean and efficient development and utilisation of coal, and enhance the overall efficiency of energy utilisation. The Group will build a clean and highly efficient thermal power unit and promote the low-carbon transformation of coal power. We will optimise the transportation network layout, promote the integration of dedicated railway and connection lines, and drive innovation in large-scale logistics business, establishing a multi-functional, comprehensive and modern energy transportation channel. We will develop high value-added products such as coal-based new materials, and promote the development of a high-end, diversified and low-carbon coal chemical industry. We will also leverage the advantages of a high-level platform and strong financial position as a listed company, implement market value management and appraisal requirements, strengthen the cooperation with local government and enterprises, promote the steady and sustainable development of renewable energy including wind power and photovoltaic, engage in strategic emerging industries such as energy storage, hydrogen energy, biomass energy projects, and foster future industries and accelerate the development of new quality productive forces so as to lay a solid foundation for the sustainable and sound development of the Company.

(III) Business Plan for 2025

1. Business Targets for 2025

Item	Unit	Target for 2025	Actual amount in 2024	Increase/ (decrease) %
Commercial coal production	100 million tonnes	**3.348**	3.271	2.4
Coal sales	100 million tonnes	**4.659**	4.593	1.4
Gross power generation	100 million kWh	**2,271**	2,232.1	1.7
Revenue	RMB100 million	**3,200**	3,383.75	(5.4)
Cost of sales	RMB100 million	**2,300**	2,365.55	(2.8)
Total of selling expenses, general and administrative expenses, research and development costs and net finance costs	RMB100 million	**145**	136.69	6.1
Percentage change of unit production cost of the self-produced coal	/	**Year-on-year increase of approximately 6%**	Year-on-year increase of 2.5%	/

The above business targets are subject to factors including changes in the scope of consolidated financial statements, risks, uncertainties and assumptions and other factors. The annual actual outcome may differ materially from the targets. Such statements do not constitute actual commitments to investors. Investors should be aware that undue reliance on or use of such information may lead to investment risks.

2. Capital Expenditure Plan for 2025

Unit: RMB100 million

	Plan for 2025	Completion in 2024
Coal segment	**96.81**	125.87
Power segment	**174.11**	130.03
Transportation segments	**81.66**	67.18
Of which: Railway	**47.58**	56.05
Port	**34.07**	7.79
Shipping	**0.01**	3.34
Coal chemical segment	**54.46**	6.84
Others	**10.89**	0.27
Total	**417.93**	330.19

Note: Capital expenditure of the coal segment in the table above does not include mining rights expenditure.

Total capital expenditure of the Group in 2024 amounted to RMB33.019 billion (excluding mining rights expenditure), which was mainly used for the infrastructure project of Xinjie Taigemiao Mine, the purchase of coal mine equipment and technological upgrades, the construction of power projects such as Jiangxi Jiujiang Power Plant Phase II and Guangdong Qingyuan Power Plant Phase II, the capacity expansion and renovation of railway lines, the purchase of railway locomotives, Huanghua Port (coal port area) Oil Products Terminal Project, Zhuhai Port Gaolan Port Area China Energy Bulk Cargo Terminal Project and others, and the construction of coal-to-olefins upgrade demonstration project.

The capital expenditure of the Group in relation to the mining rights in 2024 amounted to RMB3.52 billion, which was mainly used for acquiring the mining rights for Xinjie No. 1 Mine and No. 2 Mine in Taigemiao Area of Xinjie Mining Area, and payment of the down payment for the mining rights of deep resources in Cuncaota Coal Mine of Shendong Mines, etc.

The Board of the Company approved a total planned capital expenditure of 2025 of RMB41.793 billion (excluding mining rights expenditure), including:

(1) Among the capital expenditure of the coal segment, RMB3.093 billion will be used in new construction as well as renovation and expansion projects (including the purchase of infrastructure-related equipment); RMB3.243 billion will be used for equipment purchase; RMB3.345 billion will be used for other expenditure. The major investment projects include: the construction of Xinjie No. 1 Mine and No. 2 Mine in Taigemiao Area of Xinjie Mining Area, the construction of Tarangaole mine of Hangjin Energy, and the construction of green and intelligent mines, etc.

(2) Among the capital expenditure of the power generation segment, RMB11.939 billion will be used in new construction projects (including the purchase of related equipment); RMB552 million will be used in technical renovation in environmental protection; RMB2.311 billion will be used in technical renovation in non-environmental protection, and RMB170 million will be used for other expenditure. The major investment projects include: the ongoing thermal power projects such as Jiangxi Jiujiang Power Plant Phase II, Guangdong Qingyuan Power Plant Phase II and Guangxi Beihai Power Plant Phase II.

The capital expenditure of the new energy business of RMB2.439 billion will be mainly used for the construction of photovoltaic power generation projects in Jiangxi, Shaanxi, etc.

(3) The capital expenditure of the railway segment will be mainly used for the construction of special coal transportation lines for Dongyue railway, the purchase of railway locomotives, railway capacity expansion and renovation projects and others.

(4) The capital expenditure of the port segment will be mainly used for the construction of the Huanghua Port (coal port area) Phase V Project, Huanghua Port (coal port area) Oil Products Terminal Project, Zhuhai Port Gaolan Port Area Guoneng Bulk Cargo Terminal Project and others.

(5) The capital expenditure of the coal chemical segment will be mainly used for coal-to-olefin upgrade demonstration project and others.

(6) Other capital expenditures, which were mainly used for the construction of information technology projects and others.

The Group's capital expenditure plan for 2025 of major investment project is as follows:

Name of project	Expected production capacity	Expected total investment of project *RMB100 million*	Capital expenditure plan for 2025 *RMB100 million*	Shareholdings of the Company *%*
(I) Coal projects				
1. Xinjie No. 1 Mine in Taigemiao Area of Xinjie Mining Area	8 million tonnes/year	150.5	**8.0**	60
2. Xinjie No. 2 Mine in Taigemiao Area of Xinjie Mining Area	8 million tonnes/year	146.8	**8.0**	60
3. Tarangaole Mine of Hangjin Energy	10 million tonnes/year	64.4	**6.0**	100
(II) Power generation projects				
1. Guangdong Qingyuan Power Plant Phase II Expansion Project	Installed capacity 2×1,000MW	71.7	**28.0**	67
2. Jiangxi Jiujiang Power Plant Phase II Expansion Project	Installed capacity 2×1,000MW	73.7	**25.0**	100
3. Guangxi Beihai Power Plant Phase II Expansion Project	Installed capacity 2×1,000MW	59.3	**20.0**	52
4. Hebei Cangdong Power Plant Phase III Expansion Project	Installed capacity 2×660MW	54.7	**18.0**	51
5. Hebei Dingzhou Power Plant Phase III Expansion Project	Installed capacity 2×660MW	54.2	**18.0**	51
(III) Transportation projects				
1. Dongyue Railway (Dongshengdong to Taigemiao Railway Project)	Total length of 128.655 kilometres of main line; the near-to-forward shipment volume of 65.80 million tonnes per year	156.6	**1.0**	65
2. The 300 Million-tonne Capacity Expansion and Renovation Project for Shenshuo Railway	Total length of Shenshuo Railway of 270 kilometers with an estimated annual freight volume of 300 million tonnes	12.4	**1.7**	100
3. Huanghua Port (coal port area) Phase V Project	Designed annual port capacity of 50 million tonnes	48.9	**12.0**	70
4. Tianjin Harbour Administration Phase II Project	Designed annual port capacity of 35 million tonnes (coal) and 18 million tonnes (ores)	61.3	**5.0**	55
5. Zhuhai Port Gaolan Port Area Guoneng Bulk Cargo Terminal Project	Designed annual port capacity of 17.50 million tonnes	11.9	**4.0**	55
(IV) Coal chemical projects				
1. Baotou Coal Chemical Coal-to-Olefin Upgrade Demonstration Project	750,000 tonnes/year	171.5	**50.0**	100

The capital expenditure plans of the Group in 2025 are subject to the development of business plans (including potential acquisitions), the progress of capital projects, market conditions, the outlook for future operation environment and the obtaining of the requisite permits and approval documents. Unless required by law, the Company shall not assume any responsibilities for updating the data of its capital expenditure plans. The Company intends to finance its capital expenditures by cash generated from operating activities, short-term and long-term borrowings, and other debt and equity financing.

(IV) Major Risks and Countermeasures

Investors should be aware that although the Company has reviewed and listed the major risks, and adopted relevant countermeasures, there is no absolute guarantee that all adverse impacts could be eliminated due to the limitation of various factors.

1. Risk of Safety and Environmental Protection

The overall safety production performance of the Group's coal mines remained stable. However, due to industry-specific characteristics, project distribution, extreme weather conditions, and other factors, there are many safety risks intertwined and the landscape for energy supply remains challenging. Additionally, with increasingly stringent national requirements on ecological and environmental protection, the Group faces greater constraints on energy conservation, emissions reduction and environmental protection.

The Group has established the safety production target of preventing major and more severe safety production accidents to achieve "zero death". To cope with the risks of safety production, the Group will continue to firmly establish the awareness of red lines by cementing the accountability for safety production, further improving the dual prevention mechanism for graded safety risk control and the investigation and management of hidden dangers. With in-depth improvement from the root in safety production, the Group will reinforce the development of emergency management system and safety production training, take effective approaches to improve emergency response ability, take advantage of information, develop new ways to formulate safety supervision mechanism, adhere to a people-oriented approach and comprehensively enhance the safety management standards.

To cope with the risks of environmental protection, the Group will intensify efforts in the battle against pollution prevention and control, continuously strengthen environmental monitoring, strictly adhere to the ecological red line, vigorously promote the construction of green mines, green smart heavy-haul railways, green ports and green shipping. Additionally, we will advance the high-quality development of renewable energy, implement green, low-carbon, and energy-saving upgrades, and continue to build the brand of "Ultra-low Emissions" for coal-fired power. The Group will further improve the environmental management system and strengthen the remediation of potential issues and environmental emergency management, actively adapt to requirements of "Dual Control" of total energy consumption and energy intensity in order to achieve energy-saving and emission reduction targets as well as to prevent severe environmental pollution incidents.

2. Compliance Risk

The energy industry is experiencing increasingly stringent compliance regulations. Given the Group's large asset scale and extensive industrial chain, the identification and prevention of risks are challenging, which may lead to legal disputes over contracts and regulatory penalties, among other issues.

To address compliance risks, the Group will continuously optimise its legal and compliance risk prevention system. We will implement tiered and categorised compliance risk identification, early warning, and response mechanisms, and promote the "standardisation of contract templates for major business types". By leveraging information technology, we aim to enhance the effectiveness of compliance management. Additionally, we will improve the institutional management system, strengthen compliance management in key areas such as project approval and licensing for coal-fired power projects, and standardise project construction and operations. Furthermore, we will advance the "layered listing supervision" mechanism for major cases to improve the prevention and response capabilities for significant legal matters.

3. Risk of Project Management

The overall progress of the Group's existing projects is stable. However, there are certain uncertainties in the construction of specific projects. For example, insufficient project risk prediction, insufficient capacity of the design unit and other factors, which may lead to the risks of prolongation of construction period, delay in construction time and increase in investment. The failure to fully implement safety responsibility, weak safety awareness of part of the construction workers, and failure to effectively implement the project safety management system may lead to the risk of safety accidents.

To cope with the risk of project management, the Group will further improve its infrastructure management system and carry out management work at key steps, such as project design, commencement of construction, implementation, completion and acceptance, and handover and commissioning of projects, in a graded manner. The Group will continue to strengthen the unified management of the construction plan, technology, technical economics, safety and quality of projects, improve the functional management of construction, project early management and construction team management and strictly control project design, budget and settlement. The Group will also enhance the project cost control, track and monitor project construction in real time, and timely formulate effective measures to reduce or eliminate the impact of extension of time. The Group will strengthen its construction safety management, establish and improve the management mechanism of the project safety committees covering all participating construction units and the safety control mechanism for the entire lifecycle of projects, strengthen the remediation of hidden safety risks and hazards of construction projects, enforce its administration in safety emergency plans and eliminate major and more severe safety incidents. The Group will also put into practice the quality supervision system for projects under construction, strengthen the supervision and management of the quality behaviours of the participating construction units and the quality of the project entities, and properly carry out the in-process supervision of project quality as well as the quality accreditation work for individual units and constructions, so as to avoid the risk of construction quality accidents.

4. Risk of Market Competition

As the international energy market tends to ease, with high levels of imported coal supporting a gradually easing domestic supply-demand balance, the price of coal faces increased uncertainty. With the speed-up of reform in the power market and the establishment of a new energy system and new power system, the landscape of market competition is evolving at a faster pace, and the scale and price of transactions are uncertain. The country has increased the construction of cross-provincial and cross-region coal transportation railway channels. The coal transportation capacity will be gradually released, and the structure of transportation tends to be diversified. Meanwhile, chemical product prices remain unstable due to fluctuations in international oil prices and domestic overcapacity.

In response to the risks of market competition, the Group will strengthen the research on the macroeconomic situation and improve the accuracy of the pre-judgment to coal market, formulate coal purchase and sale mechanism and price policy through region-specific and time-specific strategies, optimise the structure of coal products, increase brand advantage on an ongoing basis, strengthen the development of new markets and the maintenance of existing markets, take coordinated measures to ensure product and production capacity reserve, focus on coal transfer and consumption markets, take active and prudent approaches to design coal reserve bases and deepen the comprehensive coordination of production, transportation, sales, storage and use of coal. The Group will step up efforts to increase revenue and efficiency of the power market and power business and conduct risk prevention and control to ensure safe production. The Group will continue to increase the collection and distribution capacity of self-owned railways, promote the construction of dedicated railway lines for coal core areas, accelerate the capacity expansion and renovation of railway lines and further expand the "Large-scale Logistics" business to increase the transportation volume of non-coal goods. Additionally, we will actively advance the development of the coal chemical industry, continue to accelerate the development of new energy projects, and deepen synergies among various business segments to create efficiencies and improve quality and effectiveness. By driving innovation in business models and enhancing customer service capabilities, we will continue to consolidate and expand market share, further strengthening our integrated advantages.

5. Investment Risk

The modern industrial system is undergoing profound adjustments, with emerging industries continuously emerging. The policy of carbon peak and carbon neutrality are compelling deep energy conservation and clean and low-carbon development. New energy will usher in extraordinary and leapfrog development, and investment efforts and scale will continue to increase. There are uncertainties in the market and policy and other factors, which may affect the investment returns of the projects.

To cope with investment risks, the Group will intensify its research on industry layout, closely monitor policy changes and market opportunities, and optimise investment strategies. We will improve the investment management system, strengthen preliminary research and feasibility studies for projects, and strictly control the investment decisions of projects, with a particular focus on risk control for major projects. We will continue to focus on investment plans, expand effective investment, reasonably control the pace of project investment. Additionally, we will strengthen research and supervision of investment plan execution, conduct post-project evaluations actively, orderly and in compliance with regulations, and continuously refine the investment risk prevention and control system to improve the efficiency and returns of investment.

6. **Risk of Integrated Operations**

The Group's advantages in integrated operation of coal, power, transportation and coal chemicals come along with the risks arising from the interruption of individual parts of the entire integrated chain. In case of poor organisation or coordination or discontinuation of any part, the balance and high efficiency of integrated operations will be affected and the impact may adversely affect the Group's business results.

To cope with the risk of integrated operations, the Group will continue to strengthen its core advantage of integrated operations. The Group will take an array of measures based on safety production, including focusing on the comprehensive coordination and balance of integrated operations, optimising the layout of coal and power industries, strengthening scientific scheduling and plan management, improving railway collection and distribution system, strengthening the coordination of power grid, and strengthening the production and operation management. Additionally, the Group will actively develop new energy sources, expand the coverage of integrated operations as much as possible, and optimise the allocation of resources across the entire industry and multiple factors, with the aim to continuously enhance the resilience of integrated industrial chain, value chain and supply chain.

7. **Policy Risk**

The business activities of the Group are affected by the national industrial control policies. The goal of "carbon peak and carbon neutrality" has put forward new and higher requirements for the high-quality development of the energy industry. The national proposal for accelerating the building of a new energy system to undergo profound changes in energy supply and demand, structure, and technology will objectively affect the Group's industrial layout, the approval of new and expansion projects, and the reform of operation and management mode.

To cope with the policy risks, the Group will strengthen the research on the latest national industrial policies and regulations, enhance policy coordination, seize the resource continuation policies window period, promote resource continuity, increase in reserves and production, license application and the increase of authorised production capacity. The Group will also focus on its principal business, and prudently advance the goal of carbon peak and carbon neutrality. The Group will reasonably match the investment scale of each segment, and firmly promote the clean and efficient utilisation of coal by adhering to the direction of green, clean and low-carbon development, accelerating the industrial arrangement of renewable energy, and pushing forward industrial upgrading and green and low-carbon transformation. The Group will also refine carbon emission standards of all segments, and strengthen the management of carbon assets, so as to promote green electricity and green certificate trading in a well-coordinated way. Additionally, we will improve the policy risk assessment mechanism, establish a policy monitoring and early warning system, and capture policy trends in real time to enhance the ability to withstand policy risks.

8. Risks of International Operations

As the world enters a new era of turbulence and revolution, the global political and economic landscape will undergo profound changes in the future due to the influence of various factors such as the relationships among major powers, the slowdown of global economic recovery, geopolitical tensions, climate changes and the overlapping of different risks and challenges, and the acceleration of energy transformation and emission reduction initiatives across different countries will lead to more intensified competition in the energy market, which may pose uncertainties on the Group's international operations.

To cope with the risk of international operations, the Group will continue to enhance its study and judgement on international situation, especially on the policy directions of major powers, changes in investment policies of host countries, new energy markets and public security risks. We will diversify our overseas business operations, actively and prudently explore development and cooperation opportunities in coal resources and new energy projects, and facilitate international energy cooperation. We will further carry out resource evaluation, operation performance evaluation and technology assessment for overseas projects based on sound information collection, analysis and research prior to making any decision on overseas projects investment so as to ensure economic and technological feasibility. The Group will strengthen overseas risk screening, regularly monitor overseas political, economic, and legal compliance risks, and take multiple measures to prevent and resolve risks. Furthermore, the Group will strengthen the cultivation and introduction of interdisciplinary talents, actively and steadily implement the "Going Global" strategy in accordance with the requirements of coordinating the overall domestic and international situations.

The exchange rate risk confronted by the Group mainly comes from overseas operations and recognised assets and liabilities that are denominated in foreign currencies. The major foreign currencies are US dollars, Indonesian rupees, etc. For details, please refer to the information in Note "Financial Risk Management Objectives and Policies" to the financial statements of this report. The Group actively monitors exchange rate changes to strike a balance between capital and currencies, reducing the risk of exchange rate fluctuations.

No material change has occurred to the nature and severity of the above significant risks, particularly those environmental, social and governance-related risks, as compared to the previous reporting period, and the Group will further improve its risk assessment and control mechanism, enhance its risk prediction, assessment and control capabilities, and effectively mitigate the influence of such risks.

VII. CASES WHERE THE COMPANY FAILED TO DISCLOSE INFORMATION IN COMPLIANCE WITH STANDARDS DUE TO INAPPLICABILITY OF RELEVANT REGULATIONS OR EXEMPTIONS UNDER SPECIFIC CIRCUMSTANCES, AND EXPLANATIONS THEREOF

☐Applicable ✓ Not applicable

VIII. PERFORMANCE OF THE BOARD AND ITS SPECIAL COMMITTEES

Please refer to the section headed "Corporate Governance and Corporate Governance Report".

IX. OTHERS

Please see the section headed "Significant Events" of this report for management contracts; please see the section headed "Corporate Governance and Corporate Governance Report" of this report for permitted indemnity provision, interests of directors and supervisors in significant transactions, arrangements or contracts and dividends; please see the section headed "Changes in Shares and Particulars of Shareholders" of this report for issuance and listing of securities, and repurchase of listed securities.

I. CORPORATE GOVERNANCE

The Company has established a relatively sound corporate governance structure and a smooth operating mechanism, and there are no material differences from the laws, administrative regulations and requirements of the China Securities Regulatory Commission (the "CSRC") regarding the governance of listed companies.

The Board is responsible for implementing good corporate governance of the Company. The Company has been in compliance with the requirements of corporate governance policies under the Corporate Governance Code as set out in Appendix C1 of the Hong Kong Listing Rules (the "Corporate Governance Code") to establish its own system of corporate governance.

The convening, voting and disclosure procedures of Board meetings of the Company, rules of procedure of the Board and procedures for nomination and appointment of directors are in compliance with relevant requirements. Being a standing decision-making body of the Company, the Board is accountable to the shareholders' general meeting, and exercises functions and powers in accordance with the requirements of Article 136 of the Articles of Association and relevant applicable regulatory requirements. Being a standing executive body of the Company, the operating management, comprised of senior management including the chief executive officer, is accountable to the Board and exercises functions and powers in accordance with the requirements of Article 156 of the Articles of Association and relevant applicable regulatory requirements. The Articles of Association set out the respective duties of the chairman of the Board and the chief executive officer in detail. The chairman of the Board and the chief executive officer of the Company are held by different personnel. On 30 May 2024, the 30th meeting of the fifth session of the Board of the Company considered, approved and elected Mr. Lv Zhiren as the Chairman of the Company, and Mr. Lv Zhiren resigned from his position as the Chief Executive Officer of the Company on the same date. On 30 September 2024, the 1st meeting of the sixth session of the Board of the Company considered, approved and elected Mr. Lv Zhiren as the Chairman of the Company. On 29 November 2024, the 4th meeting of the sixth session of the Board of the Company considered and approved the appointment of Mr. Zhang Changyan as the Chief Executive Officer of the Company.

On 11 January 2023, Mr. Huang Qing resigned as the secretary to the Board and company secretary of the Company. On 22 March 2024, the 27th meeting of the fifth session of the Board of the Company approved the appointment of Mr. Song Jinggang and Mr. Zhuang Yuan as joint company secretaries of the Company and Mr. Song Jinggang was appointed as the authorised representative of the Company under Rule 3.05 of the Hong Kong Listing Rules, effective from 22 March 2024. Mr. Song Jinggang and Mr. Zhuang Yuan attended a total of over 15 hours of training in accordance with the relevant requirements in 2024.

Save as stated above, the Company has been in full compliance with various principles and the provisions of Corporate Governance Code and most of the recommended best practices as specified therein during the year ended 31 December 2024. For the terms of functions and powers of the Board and the Board committees under the Corporate Governance Code, please refer to the Articles of Association, rules of procedure of the Board and the Board committees, which have been published on the websites of the stock exchanges where the Company is listed and on the Company's website.

II. ENSURANCE OF INDEPENDENCE OF LISTED COMPANY BY CONTROLLING SHAREHOLDERS

(I) Measures by the Controlling Shareholder to Ensure the Independence of the Company

China Energy, the controlling shareholder of the Company, complies with the principles of good faith and credibility, exercises shareholder rights and fulfills shareholder obligations in accordance with the law. When China Energy nominates candidates for directors or supervisors, it shall follow the conditions and procedures stipulated in laws and regulations and the Articles of Association. In the event of consideration of the related transactions with the controlling shareholder at the Board and shareholders' general meeting, the interested directors and the controlling shareholder shall abstain from voting. The Company maintains an independent, complete integrated industrial chain. There are potential peer competitions between the coal business and other businesses of China Energy Group and the major business of the Company, and China Energy has taken measures to avoid peer competitions with the Company. For more information, please refer to "Avoidance of Competition" below.

Save as disclosed above, China Shenhua has an independent and complete business system from its controlling shareholder, as well as a market-oriented self-operation capability. The Company is independent from its controlling shareholders in terms of business, personnel, assets, organisation, finance and other aspects.

(II) Avoidance of Competition

There are potential peer competitions between the coal business and other businesses of China Energy Group and the main businesses of the Company. On 24 May 2005, the former Shenhua Group Corporation Limited entered into the Non-competition Agreement with the Company.

The Resolution on the Performance of Non-competition Undertaking was approved at the 45th meeting of the second session of the Board on 27 June 2014 and the Announcement on the Performance of Non-competition Undertaking was disclosed to the public. The Company disclosed that it will gradually commence the acquisition of 14 assets of the former Shenhua Group Corporation Limited and its subsidiaries as planned ("Original Undertaking Assets") (For details, please refer to the H share announcement of the Company dated 27 June 2014 and the A share announcement of the Company dated 28 June 2014). The Company completed acquisitions of 100% equity interest of Ningdong Power, 100% equity interest of Xuzhou Power and 51% equity interest of Zhoushan Power in 2015.

Being the parent company subsequent to the restructuring, China Energy merged with China Guodian Corporation by the way of absorption. As approved by the 2018 first extraordinary general meeting of the Company, the Company entered into the Supplemental Agreement to the Existing Non-Competition Agreement with China Energy. It is agreed by both parties that other than the amendments in the Supplemental Agreement to the Existing Non-competition Agreement, the clauses of the Existing Non-competition Agreement will continue to be performed. Pursuant to the Supplemental Agreement to the Existing Non-competition Agreement, within five years after the completion of China Energy merging with China Guodian Corporation by the way of absorption, the Company will discretionally exercise the options and the preemptive rights to acquire the assets within the retained businesses of China Energy, and will no longer implement the 2014 Non-competition Undertakings. The retained businesses refer to (1) original undertaking assets (excluding the acquisition of three equity assets by the Company completed in 2015) other than the assets of conventional power generation business, and (2) the unlisted businesses held by former China Guodian Corporation which directly or indirectly compete with the main businesses of the Company (excluding the relevant assets that former China Guodian Corporation undertook to inject into its listed subsidiary, former Inner Mongolia Pingzhuang Energy Co., Ltd., in 2007). For details, please refer to the H share announcement of the Company dated 1 March 2018 and the A share announcement of the Company dated 2 March 2018.

On 16 June 2023, the Supplemental Agreement II to the Existing Non-Competition Agreement entered into between the Company and China Energy was approved at the 2022 annual general meeting of the Company, pursuant to which, the period for the Company to seize the opportune moment to exercise the options and pre-emptive rights to acquire the assets involved in the retained businesses of China Energy was extended to 27 August 2028. For details, please refer to the H share announcement of the Company dated 28 April 2023 and the A share announcement of the Company dated 29 April 2023.

In 2023, the Company commenced the acquisition of 100% equity interest in Dayan Mining and 100% equity interest in Hangjin Energy held by China Energy. In August 2024, China Energy Guoyuan Power Co., Ltd. (國家能源集團國源電力有限公司), a wholly-owned subsidiary of China Energy, transferred its 100% equity interests in Dayan Mining to Hangjin Energy at nil consideration, making Dayan Mining a wholly-owned subsidiary of Hangjin Energy. On 21 January 2025, the sixth meeting of the sixth session of the Board of the Company considered and approved the Resolution Regarding the Acquisition of 100% Equity Interests in Hangjin Energy, and approved the signing of the Equity Transfer Agreement Regarding China Energy Hangjin Energy Co., Ltd. (國家能源集團杭錦能源有限責任公司) (the "Equity Transfer Agreement") between China Shenhua and China Energy in relation to the acquisition of 100% equity interest in Hangjin Energy held by China Energy by China Shenhua (the "Transaction"). As of the disclosure date of this report, the Equity Transfer Agreement has been signed and the Transaction closed. (For details, please refer to the H share announcements of the Company dated 21 January 2025, 24 January 2025, 12 February 2025 and 25 February 2025 and the A share announcements of the Company dated 22 January 2025, 25 January 2025, 13 February 2025 and 26 February 2025.)

The Company, as an integration platform of the coal business of China Energy Group, will discretionally exercise the options and the pre-emptive rights to any business opportunities and assets which may constitute potential peer competition, thereby gradually reducing peer competition, pursuant to the agreements set out in the Non-competition Agreement and its relevant supplemental agreements entered into by both parties.

III. GENERAL MEETINGS

(I) Shareholders' Rights

As owners of the Company, the shareholders of the Company are entitled to the rights as stipulated in laws, administrative regulations and the Articles of Association. The shareholders' general meeting is the supreme authority of the Company, through which shareholders can exercise their rights. The controlling shareholder takes part in the Company's operations and decision-makings through shareholders' general meetings and the Board.

Pursuant to Articles 66, 69 and 75 of the Articles of Association, the shareholders may submit written request to the Board for the convening of extraordinary general meetings or class meetings and submit proposals to the Company at shareholders' general meetings. Upon providing the Company with written evidence of the class and number of shares of the Company held by the shareholders, and following verification of the shareholders' identity by the Company, the shareholders are entitled to inspect the relevant information of the Company or obtain the Articles of Association, the register of shareholders, minutes of shareholders' general meetings, resolutions of meetings of the Board and the Supervisory Committee, periodic reports and financial and accounting reports, etc.

(II) Investor Relations

In 2024, the Company did not amend the Articles of Association.

The Company has formulated an effective shareholder communication policy. The Company has formulated the Measures on the Administration of Investor Relations of China Shenhua Energy Company Limited to clarify the shareholder communication methods and the organisation and implementation of investor relations activities; the shareholders are provided with channels to express their opinions through telephone calls, online results briefings, on-site meetings and other means. For details of investor relations activities conducted by the Company in 2024, please refer to the "Investor Relations" section of this report. The Company has reviewed the implementation and effectiveness of the shareholder communication policy and considers that the Company has established an effective channel of communication with its shareholders.

(III) Convening of General Meetings during the Reporting Period

Meetings	Date	The designated website for publishing the poll results	Date of disclosure of the poll results	Resolutions
2023 Annual General Meeting				All the 7 resolutions were considered and approved at the 2023 Annual General Meeting by a combination of on-site voting by poll and internet voting.
2024 First A Shareholders Class Meeting	21 June 2024	The website of the SSE The website of the HKEx	22 June 2024 21 June 2024	Resolution on Granting the Board the General Mandate to Repurchase H Shares was considered and approved at the 2024 First A Shareholders Class Meeting by a combination of on-site voting by poll and internet voting.
2024 First H Shareholders Class Meeting				Resolution on Granting the Board the General Mandate to Repurchase H Shares was considered and approved at the 2024 First H Shareholders Class Meeting by way of on-site voting by poll.
2024 First Extraordinary General Meeting	30 September 2024	The website of the SSE The website of the HKEx	1 October 2024 30 September 2024	All the 3 resolutions were considered and approved at this extraordinary general meeting by a combination of on-site voting by poll and internet voting.
2024 Second Extraordinary General Meeting	20 December 2024	The website of the SSE The website of the HKEx	21 December 2024 20 December 2024	Resolution on the Election of Zhang Changyan as an Executive Director of the Sixth Session of the Board of the Company was considered and approved at this extraordinary general meeting by a combination of on-site voting by poll and internet voting.

All the resolutions tabled at the general meetings above were passed.

The Company accepted registration of shareholders' attendance, and arranged a dedicated session to facilitate effective deliberation on proposals at the meetings. Shareholders actively participated in the meetings and were entitled to exercise their various rights, such as the right to know, the right to speak, the right to raise inquiries and the right to vote. Directors, supervisors and senior management of the Company attended the meetings. Shareholders interacted with the management through special Q&A sessions at the meetings.

The Company's shareholders' representative, supervisors' representative, witness lawyers and the representative of Hong Kong Share Registrar acted as scrutineers at the general meetings. The PRC legal advisor of the Company issued the legal opinion. Representatives of the auditors attended the annual general meeting in a non-voting capacity.

IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Changes in Shareholding and Remuneration of Directors, Supervisors and Senior Management

1. Directors, Supervisors and Senior Management in office as at the end of the Reporting Period

Unit: RMB ten thousand

Name	Position	Gender	Age	Date of appointment (from the first appointment date)	Scheduled expiration of term of office	Pre-tax remuneration received in the Company during the Reporting Period (including the performance-based remuneration paid for the previous term of office)[1]	Social insurance, housing funds and corporate annuities paid by the Company[2]	Other monetary income[3]	Total (1)+(2)+(3)	Whether to receive compensation from related parties of the Company
Lv Zhiren	Secretary of the Party Committee	Male	60	20 May 2024	–	122.55	26.46	–	149.01	No
	Executive Director			24 June 2022	29 September 2027					
	Chairman			30 May 2024	29 September 2027					
Zhang Changyan	Deputy Secretary of the Party Committee	Male	54	22 November 2024	–	6.00	2.13	–	8.13	No
	Chief Executive Officer			29 November 2024	–					
	Executive Director			20 December 2024	29 September 2027					
Kang Fengwei	Non-executive Director	Male	56	30 September 2024	29 September 2027	–	–	–	–	Yes
Li Xinhua	Non-executive Director	Male	52	30 September 2024	29 September 2027	–	–	–	–	Yes
Yuen Kwok Keung	Independent Non-executive Director	Male	60	29 May 2020	29 September 2027	30.00	–	–	30.00	No
Chen Hanwen	Independent Non-executive Director	Male	56	29 May 2020	29 September 2027	30.00	–	–	30.00	No
Wang Hong	Independent Non-executive Director	Male	65	30 September 2024	29 September 2027	5.00	–	–	5.00	No
Jiao Lei	Employee Director	Female	43	30 September 2024	29 September 2027	16.82	5.43	–	22.25	No
Tang Chaoxiong	Chairman of the Supervisory Committee	Male	56	24 June 2022	29 September 2027	–	–	–	–	Yes
Yuan Rui	Supervisor	Male	41	30 September 2024	29 September 2027	–	–	–	–	Yes
Zhang Feng	Employee Supervisor	Male	49	5 July 2022	29 September 2027	85.28	22.21	–	107.49	No
Wang Xingzhong	Member of the Party Committee	Male	56	5 December 2019	–	109.12	26.26	–	135.38	No
	Executive Vice President			30 December 2019	–					

Unit: RMB ten thousand

Name	Position	Gender	Age	Date of appointment (from the first appointment date)	Scheduled expiration of term of office	Pre-tax remuneration received in the Company during the Reporting Period (including the performance-based remuneration paid for the previous term of office)(1)	Social insurance, housing funds and corporate annuities paid by the Company(2)	Other monetary income(3)	Total (1)+(2)+(3)	Whether to receive compensation from related parties of the Company
Li Zhiming	Member of the Party Committee	Male	56	3 February 2021	–	106.82	26.30	–	133.12	No
	Executive Vice President			26 March 2021	–					
Song Jinggang	Member of the Party Committee	Male	50	9 June 2022	–	104.52	25.68	–	130.20	No
	Chief Financial Officer			26 August 2022	–					
	Secretary to the Board			28 April 2023	–					
Total						616.11	134.47	-	750.58	–

Notes:

(1) The remuneration received by the directors, supervisors and senior management listed in the above table from the Company covers the period during which they held their respective positions in the Company in 2024. The remuneration received by Mr. Zhang Changyan covers one month, i.e. December 2024; the remuneration received by Mr. Wang Hong covers two months, i.e. the period from November 2024 to December 2024; and the remuneration received by Ms. Jiao Lei covers three months, i.e. the period from October 2024 to December 2024. In addition to the remuneration set forth in the table above, the Company also, in accordance with the relevant regulations, paid incentive income of RMB232,100 (before tax) to Mr. Lv Zhiren, an executive director, for his term of service in 2023, and incentive income of RMB673,100 (before tax) in total to senior management for their terms of office in 2023, including RMB241,200 (before tax) paid to Mr. Wang Xingzhong, RMB229,100 (before tax) paid to Mr. Li Zhiming, and RMB202,800 (before tax) paid to Mr. Song Jinggang.

(2) The remuneration package of directors and supervisors for 2024 is subject to approval by the general meeting of the Company; the remuneration package of the senior management has been approved by the Board of the Company.

(3) None of the personnel mentioned above held or traded any shares in the Company during the term of service in 2024.

(4) It was approved by the 2024 first extraordinary general meeting of the Company that the term of service of the sixth session of the Board and the Supervisory Committee shall be three years (30 September 2024 to 29 September 2027). The terms of office in the above table are determined by the dates of appointment by the shareholders' general meeting or the Board. If there are no dates of appointment by the shareholders' general meeting or the Board, the terms of office are determined by the dates of appointment by the Party Organisations.

(5) The ages were calculated as at 31 December 2024.

2. Directors, Supervisors and Senior Management Who Left Office During the Reporting Period

Unit: RMB ten thousand

Name	Position	Gender	Age	Date of appointment of directors, supervisors and senior management (from the first appointment date)	Expiration of term of office	Pre-tax remuneration received in the Company during the Reporting Period (including the performance-based remuneration paid for the previous term of office) (1)	Social insurance, housing funds and corporate annuities paid by the Company (2)	Other monetary income (3)	Total (1)+(2)+(3)	Whether to receive compensation from related parties of the Company
Xu Mingjun	Secretary of the Party Committee	Male	61	7 September 2018	17 November 2023	56.35	–	–	56.35	No
	Executive Vice President			29 November 2018	30 September 2024					
	Executive Director			29 May 2020	30 September 2024					
Jia Jinzhong	Non-executive Director	Male	61	29 May 2020	30 September 2024	–	–	–	–	Yes
Yang Rongming	Non-executive Director	Male	59	25 June 2021	30 September 2024	–	–	–	–	Yes
Bai Chong-En	Independent Non-executive Director	Male	61	29 May 2020	30 September 2024	25.00	–	–	25.00	No
Liu Xiaolei	Employee Director	Female	50	5 July 2022	30 September 2024	62.57	17.94	–	80.51	No
Zhou Dayu	Supervisor	Male	59	17 June 2016	30 September 2024	–	–	–	–	Yes
Total						143.92	17.94	–	161.86	

Notes:

(1) The remuneration received by the directors, supervisors and senior management listed in the above table from the Company covers the period during which they held their respective positions in the Company in 2024. In addition to the remuneration set forth in the table above, the Company also paid incentive income of RMB241,500 (before tax) to Mr. Xu Mingjun, an executive director, for his term of service in 2023 in accordance with the relevant regulations.

(2) The remuneration package of directors and supervisors for 2024 is subject to approval by the 2024 annual general meeting of the Company; the remuneration package of the senior management has been approved by the Board.

(3) None of the personnel mentioned above held or traded any shares in the Company during the term of service in 2024.

(4) The ages were calculated as at 31 December 2024.

(II) Details of Current Directors, Supervisors and Members of Senior Management of the Company, and Those Who Left Office during the Reporting Period

1. Key Career Experience

(1) Directors in office as at the end of the Reporting Period

Name	Biographical details
 Lv Zhiren Secretary of the Party Committee, Chairman, Executive Director	Male, born in November 1964, Chinese, a member of the Communist Party and a senior engineer. Mr. Lv has extensive work experience in corporate management in strategy, operation, risk, ESG and other fields. He graduated from the School of Economics and Management of Beijing Union University in 1987, majoring in national economic management and obtained an EMBA degree from Shanghai University of Finance and Economics in 2005. Mr. Lv has served as an executive director of the Company since June 2022, and the secretary of the Party Committee and the chairman of the Company since May 2024. Mr. Lv served as the Chief Executive Officer of the Company from December 2021 to May 2024, and deputy secretary of the Party Committee of the Company from November 2021 to May 2024. He served as secretary of the Party Committee of GD Power Development Co., Ltd. from September 2018 to November 2021, deputy general manager of GD Power Development Co., Ltd. from September 2018 to December 2021, director of GD Power Development Co., Ltd. from February 2020 to December 2021, director, secretary of the Party Committee and deputy general manager of Beijing GD Power Co., Ltd. from February 2019 to December 2021, and vice president of the Company from March 2017 to September 2018. Prior to the foregoing, Mr. Lv had served as the general manager of the strategic planning department of the former Shenhua Group Corporation Limited and the Company.

Name	Biographical details
 Zhang Changyan Deputy Secretary of the Party Committee, Executive Director, Chief Executive Officer	Male, born in August 1970, Chinese, a member of the Communist Party and a senior economist. Mr. Zhang graduated from Xi'an Jiaotong University in 1993, majoring in electrical engineering and received a master's degree of Business Administration from Tsinghua University in 2001. Mr. Zhang has been serving as the deputy secretary of the Party Committee and Chief Executive Officer of the Company since November 2024 and as an executive director of the Company since December 2024. Mr. Zhang served as the chairman (legal representative) and secretary of the Party Committee of China Energy Group Media Center Co., Ltd. from February 2022 to November 2024. He served as the chairman (legal representative) and secretary of the Party Committee of China Energy Fujian Energy Co., Ltd. and Shenhua Fujian Energy Co., Ltd. from December 2020 to February 2022. He served as the employees' representative supervisor of the Company from December 2019 to July 2022, the deputy secretary of the Party Committee of the Company from August 2019 to December 2020 and general counsel of the Company from December 2019 to January 2021. From May 2018 to August 2019, he served as the secretary and a deputy director of the coal industry operation and management center of China Energy Investment Corporation Limited. From January 2012 to May 2018, he served as the director of the coal and chemical management department of the former China Guodian Corporation. Prior to the foregoing, Mr. Zhang successively served as the general manager and deputy secretary of the leading Party members group of Guodian Anhui Power Co., Ltd., a group leader of the preparatory team of Guodian Anhui Power Co., Ltd., the deputy general manager and a member of the leading Party members group of the East China Branch of former China Guodian Corporation, and the deputy general manager of Guodian East China New Energy Investment Co., Ltd.

Name	Biographical details
 Kang Fengwei Non-executive Director	Male, born in July 1968, Chinese, a member of the Communist Party and a professorate senior engineer. Mr. Kang has been engaged in railway transportation, production and management for a long time. He graduated from the Mechanical Engineering Department of Beijing Jiaotong University in 1991, majoring in railway vehicles and obtained a master's degree in vehicle engineering from the School of Mechanical Engineering of Southwest Jiaotong University in 2004, and obtained a PhD degree in applied economics from Beijing Jiaotong University in 2023. Mr. Kang has served as a non-executive director of the Company since September 2024 and as assistant to the general manager and chief engineer of China Energy since May 2023. Mr. Kang served as deputy chief engineer of China Energy from November 2022 to May 2023, secretary of the Party Committee and chairman (legal representative) of China Energy Railway Equipment Co., Ltd. from March 2021 to April 2023, secretary of the Party Committee and chairman (legal representative) of Shenhua Railway Equipment Co., Ltd. from November 2019 to March 2021, and deputy secretary of the Party Committee, standing deputy general manager (in charge), executive director, general manager, deputy secretary of the Party Committee, secretary of the Party Committee, executive director (legal representative) and general manager of Rolling Stock Branch of the Company from March 2015 to November 2019. Prior to the foregoing, Mr. Kang had successively held the posts of deputy secretary of the Party Committee and the section head of Xi'an Passenger Vehicle Section of Xi'an Railway Bureau, deputy secretary of the Party Committee and general manager of Shaanxi Guotie Investment and Development Group Corporation (陝西國鐵投資發展集團公司) under Xi'an Railway Bureau, head of the supporting centre and director of the diversified operation and management division of Xi'an Railway Bureau, director of the vehicle division of Xi'an Railway Bureau, and deputy director of Xi'an Regulatory Bureau under the National Railway Administration.

Name	Biographical details
 Li Xinhua Non-executive Director	Male, born in October 1972, Chinese, a member of the Communist Party and a professorate senior engineer. Mr. Li has been engaged in coal enterprise management for a long time. He graduated from the Mine Construction Department of Fuxin Mining Institute in 1994, majoring in mine construction, and obtained a master's degree in business administration from Northwest University in 2004 and a doctorate degree in geotechnical engineering from Liaoning Technical University in 2017. Mr. Li has served as a non-executive director of the Company since September 2024 and the director of the coal and transportation industry management department of China Energy since March 2023. Mr. Li served as secretary of the Party Committee and chairman (legal representative) of China Energy Shendong Coal Group Co., Ltd. from March 2021 to March 2023, secretary of the Party Committee and chairman (legal representative) of Shenhua Shendong Coal Group Co., Ltd. from December 2020 to March 2021, general manager, deputy secretary of the Party Committee, director, secretary of the Party Committee and chairman (legal representative) of Shenhua Group Baotou Mining Co., Ltd. and Shenhua Baotou Energy Co., Ltd. from November 2019 to December 2020, and deputy general manager of Shenhua Xinjiang Energy Company Limited from May 2013 to November 2019. Prior to the foregoing, Mr. Li had successively held the posts of director of the planning and construction division of Maiduoshan Mine of Shenhua Ningxia Coal Industry Group Co., Ltd., deputy secretary of the Party Committee and head of Baijigou Mine, and deputy secretary of the Party Committee and manager of Jinneng Coal Industry Branch.

Name	Biographical details
 Yuen Kwok Keung Independent Non-executive Director	Male, born in June 1964, Chinese, Senior Counsel, Hong Kong Grand Bauhinia Medal, and Justice of the Peace. Dr. Yuen received a master's degree in laws from City University of Hong Kong in 1997 and an honorary doctor degree in laws from Hong Kong Shue Yan University and City University of Hong Kong in 2018 and 2021, respectively. Dr. Yuen has extensive legal experience. Dr. Yuen has served as an independent non-executive director of the Company since May 2020. Dr. Yuen is a Senior Counsel with Temple Chambers. Dr. Yuen is also a committee member of the International Commercial Expert Committee of the International Commercial Court of the Supreme People's Court of the People's Republic of China, a co-chairperson of the Hong Kong International Arbitration Centre, and chairman of the council of Hong Kong Mediation Accreditation Association Limited. Dr. Yuen had served as an independent non-executive director of Hong Kong Aerospace Technology Group Limited (2022 to 2023), Secretary for Justice of the Hong Kong Special Administrative Region (2012 to 2018), Recorder of the High Court (2006 to 2012), a member of the Judicial Officers Recommendation Commission (2009 to 2018), chairman of the Hong Kong Bar Association (2007 to 2009), a non-official member of the Advisory Committee on Corruption of the Independent Commission Against Corruption (2009 to 2012), a non-executive director of Mandatory Provident Fund Schemes Authority (2010 to 2012), and a member of the Hong Kong Exchange Fund Advisory Committee (2018 to 2024).

Name	Biographical details
 Chen Hanwen Independent Non-executive Director	Male, born in January 1968, Chinese and a member of the Communist Party. Dr. Chen graduated from Accounting Department of School of Economics of Xiamen University in 1997 with a doctorate degree in economics. Dr. Chen has extensive experience in accounting, auditing theory and practice, corporate governance, internal control and risk management. Dr. Chen has served as an independent non-executive director of the Company since May 2020. Dr. Chen is an honorary dean and a professor of the School of Internal Audit in Nanjing Audit University, and he serves as an standing director of China Audit Society concurrently. Dr. Chen serves as an external supervisor of Bank of Communications Co., Ltd. and an independent director of Shenwan Hongyuan Group Co., Ltd. and Bank of Suzhou Co., Ltd. Prior to the foregoing, Dr. Chen had served as an independent director of Beijing Tri-Prime Gene Pharmaceutical Co., Ltd., a distinguished professor of Huiyuan, a first-level professor at the International Business School, a professor and a doctoral tutor of the Accounting Department of the International Business School, and a national second-level professor of University of International Business and Economics, and the deputy dean of the Graduate School, the deputy dean of the School of Management, the director, professor, and doctoral tutor of the Accounting Department of Xiamen University.

Name	Biographical details
 Wang Hong Independent Non-executive Director	Male, born in August 1959, Chinese, a member of the Communist Party, a doctoral tutor and a researcher. Mr. Wang has extensive corporate management experience in strategic planning for state-owned enterprises, investment management and technological innovation. He obtained a bachelor's degree in machine design from China University of Mining and Technology in 1982 and a master's degree in business administration from Wright State University in the United States in 2009, respectively, and completed the directorship duty training for listed company directors at Shanghai National Accounting Institute in 2014. Mr. Wang is a reputable expert in the mine tunnelling field in China, and was awarded 3 second prizes of National Science and Technology Progress Award, more than 10 grand and first prizes of provincial and ministerial-level science and technology awards, Sun Yueqi Energy Award, and National Outstanding Engineer Award, etc. Mr. Wang has served as an independent non-executive director of the Company since September 2024 and a first-level chief scientist of China Coal Technology & Engineering Group Corporation since December 2019, and deputy secretary of the Party Committee and standing director of the China Coal Society since October 2024. Prior to the foregoing, Mr. Wang had successively held the posts of deputy general manager of China Coal Technology & Engineering Group Corporation, director of Tiandi Science & Technology Co., Ltd., deputy dean and dean of China Coal Research Institute and director of the National Engineering Laboratory of Coal Mining Equipment.

Name	Biographical details
 Jiao Lei Employee Director	Female, born in March 1981, Chinese, a member of the Communist Party of China and a senior economist. She graduated from Nankai University majoring in Monetary and Banking in 2005, and received her MBA degree from Purdue University in 2010. Ms. Jiao has served as an employee director of the Company since September 2024 and the manager of the capital operation division of the capital operation department of the Company since April 2022. From June 2018 to April 2022, she served as a staff member of the capital operation department and deputy manager of the capital operation division of the Company. From December 2010 to June 2018, she served as the head of capital operation of the capital operation division of the capital operation department of the former Shenhua Group Corporation Limited and the Company. Prior to the foregoing, Ms. Jiao worked as the manager of credit business in the head office of Agricultural Bank of China.

(2) Supervisors in office as at the end of the Reporting Period

Name	Biographical details
 Tang Chaoxiong Chairman of the Supervisory Committee	Male, born in February 1968, Chinese, a member of the Communist Party and a senior accountant. Mr. Tang has extensive experience in financial management. He graduated from Changsha Institute of Water Conservancy and Electric Power in 1991, majoring in finance and accounting. Mr. Tang has served as the chairman of the Supervisory Committee of the Company since June 2022, and secretary of the Party Committee and chairman of China Energy Group Shared Service Center Co., Ltd. since August 2024. Mr. Tang served as the head of audit department of China Energy from April 2023 to August 2024 and the head of capital operation department of China Energy from April 2021 to April 2023. From June 2021 to November 2024, Mr. Tang served as a non-executive director of China Longyuan Power Group Corporation Limited. From November 2016 to April 2021, Mr. Tang served as the chief financial officer, deputy general manager and Member of the Party Committee of Guodian Technology & Environment Group Corporation Limited, and from September 2015 to November 2016, he served as the director, deputy general manager, chief financial officer and a member of the leading Party members group of Guodian Technology & Environment Group Corporation Limited. From May 2010 to September 2015, he served as the deputy general manager and a member of the leading Party members group of the former Guodian Capital Holdings Co., Ltd. From December 2006 to May 2010, he served as the deputy general manager and a member of the leading Party members group of the former Guodian Finance Co., Ltd. Prior to the foregoing, Mr. Tang had served as the deputy director of the accounting division and the audit division of the finance and property rights management department of State Power Corporation of China, and the director of the finance and accounting division of the finance and property rights department of the former China Guodian Corporation.

Name	Biographical details
 Yuan Rui Supervisor	Male, born in November 1983, Chinese, a member of the Communist Party and a lecturer (college). Mr. Yuan is proficient in corporate financial management, capital operation, coal sales and the development of new energy projects. He graduated from the School of Economics of Peking University with a bachelor's degree in economics in 2006, and later obtained a doctor's degree in economics from the School of Economics of Peking University, majoring in political economics. Mr. Yuan has served as a shareholders' representative supervisor of the Company since September 2024 and the deputy director of the financial and capital department of China Energy since March 2023. From September 2021 to March 2023, Mr. Yuan served as the deputy director of the capital operation department of China Energy. From April 2020 to September 2021, he served as the deputy general manager and member of the Party Committee of China Energy Guangxi Power Co., Ltd. and Guangxi Branch of the Company. From May 2018 to April 2020, he served as the director assistant of the financial and industrial operation and management centre of China Energy Group and the general manager assistant of China Energy Capital Holdings Co., Ltd. Prior to the foregoing, Mr. Yuan had successively held the posts of deputy general manager of Shenhua Trading Group Eastern China Energy Company, and the secretary of party branch and director of Zhejiang Office of Shenhua Trading Group Eastern China Energy Company.

Name	Biographical details
 Zhang Feng Employee Supervisor	Male, born in November 1975, Chinese, a member of the Communist Party of China and a senior engineer. He graduated from the Power Engineering Department of North China Electric Power University in 1997, majoring in power plant centralised control operation. Mr. Zhang has served as an employee supervisor of the fifth session of the Supervisory Committee of the Company since July 2022, the deputy director of the office of commission for discipline inspection of the Company since April 2022. From June 2018 to April 2022, he served as a staff member and the manager of the general office of the organisational personnel department (human resources department) of the Company. From February 2013 to June 2018, he served as senior director of general manager working department, secretary of the leading Party members group, deputy division-level staff member of general manager working department, secretary of Youth League Committee, assistant to the director and deputy director of the general office of the leading Party members group of GD Power Development Co., Ltd. Prior to the foregoing, Mr. Zhang had served as the chief engineer of the information department of Guodian Zhejiang Beilun No. 1 Power Generation Co., Ltd. and other positions.

(3) Senior management in office as at the end of the Reporting Period

For the biographical details of Zhang Changyan, our Chief Executive Officer, please refer to the biographical details of directors. The biographical details of other senior management are as follows:

Name	Biographical details
 Wang Xingzhong Member of the Party Committee, Executive Vice President	Male, born in April 1968, Chinese, a member of the Communist Party and a professor-level senior engineer. Mr. Wang has long experience in railway transport, operation and management. He graduated from the Shanghai Railway Institute (上海鐵道學院) in 1989, majoring in railway engineering and obtained a master's degree and a Ph.D. degree in engineering from China Academy of Railway Sciences (中國鐵道科學研究院) in 2011. Mr. Wang has served as executive vice president and a member of the Party Committee of the Company since December 2019, and a director of Beijing GD Power Co., Ltd. since February 2023. Mr. Wang has served as a director and vice chairman of Haoji Railway Co., Ltd. since March 2023, and the employee director of the fifth session of the Board of the Company from May 2020 to July 2022. Mr. Wang served as the director and deputy secretary of operating management center of transport industry of China Energy and the Company from May 2018 to December 2019, and the general manager of transport management department of the former Shenhua Group Corporation and the Company from February 2015 to May 2018. Prior to the foregoing, Mr. Wang had successively served as deputy secretary of the Party Committee and chairman of Shenhua Baoshen Railway Group Co., Ltd., deputy secretary of the Party Committee, chairman and general manager of Shenhua Baoshen Railway Co., Ltd., chairman of Shenhua Ganquan Railway Co., Ltd., deputy general manager of Shenhua Zhunge'er Energy Co., Ltd. and general manager of Dazhun Railway Company.

Name	Biographical details
 Li Zhiming Member of the Party Committee, Executive Vice President	Male, born in January 1968, Chinese, a member of the Communist Party and a professorate senior engineer. Mr. Li has extensive experience in management of coal enterprises. He graduated from Heilongjiang Institute of Mining and Technology in 1990, majoring in industrial and civil construction and obtained a master's degree of Engineering from China University of Mining and Technology in 2002. Mr. Li has served as a member of the Party Committee of the Company since February 2021 and executive vice president of the Company since March 2021. He served as the director of Inner Mongolia Branch of China Energy and the Company from October 2022 to August 2024. From December 2015 to December 2020, he successively served as president, deputy secretary of the Party Committee, chairman (legal representative) and secretary of the Party Committee of Shenhua Beidian Shengli Energy Co., Ltd., and executive vice president, president, secretary of the Party Committee and executive director of Shengli Energy Branch of the Company. Prior to the foregoing, Mr. Li had served as deputy general manager of engineering management department of the former Shenhua Group Corporation and the Company, deputy general manager of Shenhua Zhunge'er Energy Co., Ltd. and other positions.

Name	Biographical details
 Song Jinggang Member of the Party Committee, Chief Financial Officer, Secretary to the Board	Male, born in November 1974, Chinese, a member of the Communist Party and a senior accountant. Mr. Song has extensive experience in financial management and corporate governance. He graduated from Chongqing Institute of Industrial Management in 1997, majoring in accounting, and obtained a master's degree in business administration from Sichuan College of Business Administration in 2005. Mr. Song served as a member of the Party Committee of the Company since June 2022, the chief financial officer of the Company since August 2022 and the secretary to the Board of the Company since April 2023, and the joint company secretary of the Company since March 2024. From October 2020 to June 2022, Mr. Song served as a director, general manager and deputy secretary of the Party Committee of China Energy Capital Holdings Co., Ltd. From April 2020 to October 2020, he served as the director, general manager and deputy secretary of the Party Committee of China Energy Finance Company Limited. From December 2019 to April 2020, he served as the first-level business director of China Energy Capital Holdings Co., Ltd. and the former Guodian Finance Co., Ltd. From April 2017 to December 2019, he served as the deputy secretary of the Party Committee, director and first-level business director of Changjiang Property Insurance Co., Ltd. Prior to the foregoing, Mr. Song had served as the deputy director of the financial management department of the former China Guodian Corporation, the chief accountant and a member of the leading Party members group of Guodian Changyuan Electric Power Co., Ltd. and a member of the leading Party members group of Guodian Hubei Electric Power Co., Ltd., deputy chief accountant and head of financial property department of Guodian Dadu River Basin Hydropower Development Co., Ltd.

The Company resolutely implements the overall requirements on Party construction in the new era, and strengthens the overall leadership of the Party. The Company has improved the Articles of Association and rules and regulations of the Company, institutionalised the Party Committee research and discussion as a prerequisite procedure of major decision-making, and organically integrated the Party leadership with the improvement of corporate governance.

Mr. Gao Ning has served as the secretary of the commission for discipline inspection and a member of the Party Committee of the Company since April 2024, and Mr. Cui Weishan ceased to serve as the secretary of the commission for discipline inspection and a member of the Party Committee of the Company from February 2024.

Name	**Biographical details**
 Gao Ning Secretary of the Commission for Discipline and Member of the Party Committee	Male, born in May 1972, Chinese, a member of the Communist Party and a political work specialist. He obtained a university qualification in Law from the Party School of Heilongjiang Provincial Committee in 2003. Mr. Gao has served as the secretary of the commission for discipline and a member of the Party Committee since April 2024. He served as the general manager, deputy secretary of the Party Committee, and director of China Energy Group Real Estate Co., Ltd . (國家能源集團置業有限公司) from September 2019 to April 2024. He served as the deputy director of the general office, general management department, and the general management department (the general office of the leading Party members group and the office of the board) of China Energy from May 2018 to April 2024. He served as the deputy director of the general office of the former Shenhua Group Corporation Limited and the Company from May 2016 to May 2018. Prior to the foregoing, Mr. Gao had served as the director of general office reception and administrative reception (public security department) of the former Shenhua Group Corporation Limited and the Company.

The directors and supervisors of the Company have performed their duties in accordance with the requirements of the Articles of Association, Rules of Procedure of the Board Meeting and Rules of Procedure of the Supervisory Committee Meeting of the Company. Zhang Changyan, Chief Executive Officer and deputy secretary of the Party Committee, is accountable to the Board and exercises the authority of the Chief Executive Officer in accordance with the requirements of the Articles of Association. Other senior management members are responsible for the business operations of the Company, subject to the decision and authorisation of the Board.

2. Positions Held in the Shareholders' Companies

Category	Name	Name of shareholders' company	Position	Commencement of term of office	Expiry of term of office
Directors of China Shenhua	Kang Fengwei	China Energy	Assistant to General Manager, Chief Engineer	2023-05	–
	Li Xinhua	China Energy	Director of the Coal and Transportation Industry Management Department	2023-03	–
Supervisors of China Shenhua	Tang Chaoxiong	China Longyuan Power Group Corporation Limited	Non-executive Director	2021-06	2024-11
		China Energy Group Shared Service Center Co., Ltd.	Secretary of the Party Committee, Chairman	2024-08	–
	Yuan Rui	China Energy	Deputy Director of the Financial and Capital Department	2023-03	–
Senior management of China Shenhua	Wang Xingzhong	Beijing GD Power Co., Ltd.	Director	2023-02	–
	Li Zhiming	China Energy	Director of Inner Mongolia Branch	2022-10	2024-08

3. Positions Held in Other Entities

Name	Name of other entity	Position	Commencement of term of office	Expiry of term of office
Yuen Kwok Keung	Temple Chambers	Senior Counsel	2018-05	–
	International Commercial Court of the Supreme People's Court of the People's Republic of China	Member of the International Commercial Expert Committee	2018-08	–
	Hong Kong Exchange Fund Advisory Committee	Member	2018-09	–
	Hong Kong International Arbitration Centre	Co-Chairman	2020-06	–
Chen Hanwen	China Audit Society	Standing Director	2005-07	–
	China Business Executives Academy, Dalian	Chair Professor	2013-01	–
	Bank of Communications Co., Ltd.	External Supervisor	2019-06	–
	Shenwan Hongyuan Group Co., Ltd.	Independent Director	2021-05	–
	Nanjing Audit University	Professor and Doctoral Supervisor	2021-07	–
	Bank of Suzhou Co., Ltd.	Independent Director	2023-02	–
Wang Hong	China Coal Technology & Engineering Group Corporation	First-level Scientist	2019-12	–
	China Coal Society	Deputy Secretary of the Party Committee, Standing Director	2024-10	–

(III) Remuneration of Directors, Supervisors and Senior Management

Decision-making procedures for the remuneration of the directors, supervisors and senior management	The remuneration package of directors and supervisors of the Company was submitted to the shareholders' general meeting for approval after consideration and approval by the Remuneration and Assessment Committee of the Board and the Board, and the remuneration package of senior management was submitted to the Board for approval after consideration and approval by the Remuneration and Assessment Committee of the Board.
Whether the directors should abstain from discussing their own remuneration matters at the Board	Yes
Details of the recommendations made by the Remuneration and Assessment Committee or the special meeting of independent directors regarding the remuneration of the directors, supervisors and senior management	The Remuneration and Assessment Committee of the Board convened meetings to consider and approve the proposal on the remuneration of the directors, supervisors and senior management of the Company, and agreed to submit the matters related to the remuneration of the directors, supervisors and senior management to the Board for consideration.
Basis for remuneration determination of the directors, supervisors and senior management	The remuneration package for relevant directors and supervisors was formulated by the Company in accordance with international and local practices, with reference to the remuneration levels of directors and supervisors at large-scale listed companies in China, and by considering the Company's scale and industry-specific factors. The remuneration package for senior management was formulated in compliance with the annual remuneration regulations and the annual and tenure-based performance evaluation results.
Actual payment of remuneration of the directors, supervisors and senior management	Please refer to "Changes in Shareholding and Remuneration of Directors, Supervisors and Senior Management" in this section
Total remuneration actually received by all the directors, supervisors and senior management as at the end of the Reporting Period	Please refer to "Changes in Shareholding and Remuneration of Directors, Supervisors and Senior Management" in this section

(IV) Changes of Directors, Supervisors and Senior Management of the Company

Name	Position	Particulars of changes	Reason for the change
Lv Zhiren	Chairman	Elected	Elected as the chairman of the fifth session of the Board at the 30th meeting of the fifth session of the Board of the Company; elected as an executive director of the sixth session of the Board at the first extraordinary general meeting of the Company in 2024; elected as the chairman of the sixth session of the Board at the first meeting of the sixth session of the Board of the Company
	Chief Executive Officer	Ceased to serve	Adjustment of work arrangements
Zhang Changyan	Executive Director	Elected	Elected at the second extraordinary general meeting of the Company in 2024
	Chief Executive Officer	Appointed	Appointment approved at the fourth meeting of the sixth session of the Board of the Company
Kang Fengwei	Non-executive Director	Elected	Elected at the first extraordinary general meeting of the Company in 2024
Li Xinhua	Non-executive Director	Elected	Elected at the first extraordinary general meeting of the Company in 2024
Wang Hong	Independent Non-executive Director	Elected	Elected at the first extraordinary general meeting of the Company in 2024
Jiao Lei	Employee Director	Elected	Elected by the employees of the Company through democratic election
Yuan Rui	Supervisor	Elected	Elected at the first extraordinary general meeting of the Company in 2024
Xu Mingjun	Executive Director	Ceased to serve	Expiry of term of office
	Executive Vice President	Ceased to serve	Retirement
Jia Jinzhong	Non-executive Director	Ceased to serve	Expiry of term of office
Yang Rongming	Non-executive Director	Ceased to serve	Expiry of term of office
Bai Chong-En	Independent Non-executive Director	Ceased to serve	Expiry of term of office
Liu Xiaolei	Employee Director	Ceased to serve	Expiry of term of office
Zhou Dayu	Supervisor	Ceased to serve	Expiry of term of office

At the first extraordinary general meeting of the Company in 2024, Lv Zhiren was elected as an executive director of the sixth session of the Board, Kang Fengwei and Li Xinhua were elected as non-executive directors of the sixth session of the Board, and Yuen Kwok Keung, Chen Hanwen and Wang Hong were elected as independent non-executive directors of the sixth session of the Board. Through the democratic election by the employees, Jiao Lei was elected as an employee director of the sixth session of the Board; Zhang Changyan was elected as an executive director of the sixth session of the Board at the second extraordinary general meeting in 2024. Among them, Zhang Changyan, Kang Fengwei, Li Xinhua, Wang Hong and Jiao Lei are the new directors appointed in 2024 (the "New Directors" and each the "New Director").

Prior to the aforesaid general meetings or democratic election by the employees, the New Directors have obtained legal opinion (the "Legal Opinion") from Haiwen & Partners LLP, which is qualified to advise on laws of Hong Kong, and have confirmed that they understand their responsibilities as directors of listed companies in accordance with Rule 3.09D to the Hong Kong Listing Rules. The dates on which the New Directors obtained the Legal Opinion are as follows:

Name of New Director	Date on which the Legal Opinion was Obtained
Zhang Changyan	3 December 2024
Kang Fengwei	19 September 2024
Li Xinhua	19 September 2024
Wang Hong	19 September 2024
Jiao Lei	19 September 2024

(V) Securities Transaction of Directors, Supervisors and Senior Management

During the Reporting Period, none of the directors, supervisors and senior management of the Company held shares of the Company, and no changes in shareholding of the Company requiring disclosure under the Administrative Rules Concerning the Holding and Change of Shares held by Directors, Supervisors and Senior Management of a Listed Company promulgated by the CSRC were identified.

As at 31 December 2024, none of the directors, supervisors or chief executive of the Company held any shares of the Company, nor did they have any interest or short position in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) which were required, pursuant to section 352 of the Securities and Futures Ordinance, to be recorded in the register referred therein, or to be notified to the Company and the HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Hong Kong Listing Rules.

The securities transactions of the directors of the Company have been carried out in accordance with the Model Code which is complied with by the Company. The Model Code is also applicable to the supervisors and senior management of the Company. After making specific enquiries to all directors, supervisors and senior management, the directors, supervisors and senior management of the Company have confirmed that they have fully complied with the relevant standards specified in the Model Code and the code of conduct regarding securities transactions by directors during their respective terms of office in 2024.

(VI) Penalties Imposed by Securities Regulatory Authorities in the Past Three Years

☐Applicable ✓ Not applicable

(VII) Others

When considering any matters or transactions at any Board meeting, the directors are required to declare any direct or indirect interests and abstain from voting where appropriate. Saved as ① their own service contracts, ② the 2024-2025 Factoring Services Agreement between China Shenhua Energy Company Limited and Guoneng (Beijing) Commercial Factoring Co., Ltd. entered into by the Company and Guoneng Factoring on 22 March 2024, ③ the Science and Technology Innovation Seed Fund established by six subsidiaries of the Company and five subsidiaries of China Energy through joint investment, and ④ other related party/connected transactions between the Company, and China Energy, the controlling shareholder, and its subsidiaries, none of the directors and supervisors of the Company have any material personal interests, directly or indirectly, in material contracts, transactions or arrangements entered into by the Company or any of its subsidiaries in 2024 and subsisting during or at the end of the year; the directors and supervisors of the Company have confirmed that they and their associates have not entered into any connected transaction with the Company and its subsidiaries.

The Company has entered into service contracts with all of its directors and supervisors. None of the directors or supervisors has entered into or proposed to enter into any service contract with members of the Group which cannot be terminated by the Group within one year without any compensation (other than statutory compensation). The Company has maintained appropriate liability insurance for its directors, supervisors and senior management. The directors of the Company are entitled to be indemnified for the verification and inspection costs, individual investigation costs, corporate verification and inspection expenses, corporate investigation expenses, losses arising from negotiable securities compensation claims incurred by or related to the execution and performance of their duties subject to the applicable laws and under the coverage of directors liability insurance taken out by the Company for its directors. These provisions are valid during the year ended 31 December 2024 and remain to be valid as at the date of this report.

Other than their working relationships in the Company, none of the directors, supervisors or senior management has any financial, business or family relationship or any relationship in other material aspects with each other. As at 31 December 2024, the Company had not granted any equity securities or warrants to its directors, supervisors and senior management or their respective spouses or children under the age of 18.

V. BOARD OF DIRECTORS

(I) Functions and Powers of the Board

The Board of the Company shall be accountable to the shareholders at general meetings, and please refer to Article 136 of the Articles of Association for its functions and powers.

The Board of the Company has fulfilled its responsibilities in respect of corporate governance in accordance with Rule A.2.1 of Appendix C1 to the Hong Kong Listing Rules: (1) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (2) to review and monitor the training and continuous professional development of the directors and senior management; (3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and (5) to review the Company's compliance with the Corporate Governance Code and disclosure in the corporate governance report.

During the Reporting Period, the Board of the Company reviewed and revised various corporate governance-related systems, such as the rules of procedure for the chairman's thematic meetings and internal control; organised directors and senior management to participate in various training programmes conducive to their continuous professional development; reviewed the compliance management of the Company; reviewed the Company's compliance with the Corporate Governance Code and approved the disclosure in the section headed "Corporate Governance and Corporate Governance Report" of this report.

The Board of the Company is responsible for the preparation of the accounts. The Company's accounting firm has stated its reporting responsibilities in its audit report on the financial statements for the year 2024.

(II) Board Meetings

Number of Board meetings held during the year	11
Including: Number of meetings held on-site	2
Number of meetings held by correspondence	2
Number of meetings held on-site with correspondence	7

Note: Number of meetings held by correspondence includes Board meetings held by way of written resolutions.

In 2024, the Board of the Company held a total of 11 meetings, at which all the proposals were considered and approved. Details of the meetings are as follows:

No.	Name	Date	Methods	Meeting Resolutions
1	The 26th meeting of the fifth session of the Board	26 February 2024	On-site with correspondence	All 4 resolutions were considered and approved, please refer to the H share announcement of the Company dated 26 February 2024 and A share announcement of the Company dated 27 February 2024 for details
2	The 27th meeting of the fifth session of the Board	22 March 2024	On-site with correspondence	All 17 resolutions were considered and approved, please refer to the H share announcement of the Company dated 22 March 2024 and A share announcement of the Company dated 23 March 2024 for details
3	The 28th meeting of the fifth session of the Board	27 March 2024	Written	All 2 resolutions were considered and approved, please refer to the H share announcement of the Company dated 27 March 2024 and A share announcement of the Company dated 28 March 2024 for details
4	The 29th meeting of the fifth session of the Board	26 April 2024	On-site with correspondence	All 7 resolutions were considered and approved, please refer to the H share announcement of the Company dated 26 April 2024 and A share announcement of the Company dated 27 April 2024 for details
5	The 30th meeting of the fifth session of the Board	30 May 2024	On-site with correspondence	All 3 resolutions were considered and approved, please refer to the H share announcement of the Company dated 30 May 2024 and A share announcement of the Company dated 31 May 2024 for details

No.	Name	Date	Methods	Meeting Resolutions
6	The 31st meeting of the fifth session of the Board	30 August 2024	On-site with correspondence	All 10 resolutions were considered and approved, please refer to the H share announcement of the Company dated 30 August 2024 and A share announcement of the Company dated 31 August 2024 for details
7	The first meeting of the sixth session of the Board	30 September 2024	On-site	All 2 resolutions were considered and approved, please refer to the H share announcement of the Company dated 30 September 2024 and A share announcement of the Company dated 1 October 2024 for details
8	The second meeting of the sixth session of the Board	30 September 2024	On-site	All 1 resolution was considered and approved, please refer to the H share announcement of the Company dated 30 September 2024 and A share announcement of the Company dated 1 October 2024 for details
9	The third meeting of the sixth session of the Board	25 October 2024	On-site with correspondence	All 6 resolutions were considered and approved, please refer to the H share announcement of the Company dated 25 October 2024 and A share announcement of the Company dated 26 October 2024 for details
10	The fourth meeting of the sixth session of the Board	29 November 2024	Written	All 3 resolutions were considered and approved, please refer to the H share announcement of the Company dated 29 November 2024 and A share announcement of the Company dated 30 November 2024 for details
11	The fifth meeting of the sixth session of the Board	20 December 2024	On-site with correspondence	All 5 resolutions were considered and approved, please refer to the H share announcement of the Company dated 20 December 2024 and A share announcement of the Company dated 21 December 2024 for details

(III) Performance of Duties of the Directors

1. Performance of Duties of the Directors in Office as at the end of the Period

Name of director	Independent director or not	Attendance at Board meetings: Required attendance at Board meetings this year	Attendance in person	Attendance by correspondence	Attendance by proxy	Absence	Two consecutive absences without personal attendance	In-person attendance rate	Attendance rate of shareholders' general meetings
Lv Zhiren	No	11	11	2	0	0	No	11/11	5/5
Zhang Changyan	No	1	1	0	0	0	No	1/1	1/1
Kang Fengwei	No	5	4	1	1	0	No	4/5	1/2
Li Xinhua	No	5	4	1	1	0	No	4/5	2/2
Yuen Kwok Keung	Yes	11	11	9	0	0	No	11/11	4/5
Chen Hanwen	Yes	11	11	6	0	0	No	11/11	5/5
Wang Hong	Yes	5	5	1	0	0	No	5/5	2/2
Jiao Lei	No	5	5	1	0	0	No	5/5	2/2

Note: In the above table, in-person attendance rate = attendance at Board meetings in person/required attendance at Board meetings; and attendance rate of shareholders' general meetings = attendance at shareholders' general meetings in person/required attendance at shareholders' general meetings (same below).

2. Performance of Duties of the Directors Who Left Office during the Reporting Period

Name of director	Independent director or not	Attendance at Board meetings: Required attendance at Board meetings this year	Attendance in person	Attendance by correspondence	Attendance by proxy	Absence	Two consecutive absences without personal attendance	In-person attendance rate	Attendance rate of shareholders' general meetings
Xu Mingjun	No	6	1	1	5	0	Yes	1/6	3/4
Jia Jinzhong	No	6	5	5	1	0	No	5/6	3/4
Yang Rongming	No	6	6	1	0	0	No	6/6	4/4
Bai Chong-En	Yes	6	4	3	2	0	No	4/6	4/4
Liu Xiaolei	No	6	6	1	0	0	No	6/6	4/4

The Company ensures the necessary conditions for directors to carry out their work and actively adopts the suggestions and opinions put forward by the directors. The Company's "Rules of Procedure of the Board" and "Working Rules for Independent Directors" provide policy guarantees for directors to perform their duties; the departments are designated to handle the affairs of the Board, the affairs of independent directors and the work of the independent board committee, assist directors in carrying out research, attending meetings and expressing opinions.

In 2024, the Board of the Company held 11 meetings and considered 60 resolutions, and disclosed the voting results of all resolutions in a timely manner. If any director or any associate of the director is interested in the resolution of the Board meeting, or the director has a related party/connected relationship with the enterprise involved in the resolution of the Board meeting, the related/connected director abstained from voting. All directors acted in good faith, prudently and diligently in the interest of the Company as a whole in the performance of their duties and duly exercised their powers of management, operation, and decision-making over the Company.

(IV) Independence of the Board and Performance of Duties of Independent Directors

The Company has developed and implemented various systems to ensure that the Board receives independent views and opinions. These include engaging independent financial advisers to advise the independent board committee on the resolution of material related party/connected transactions; conducting various forms of research activities for independent directors, such as on-site visits to production and operation sites; accessing relevant information through the Company's internal system; regularly receiving digitalised information submitted by the Company such as special reports of directors and supervisors and weekly stock updates to obtain reference information for decision-making. The address book of the management of the Company is open to the independent directors to facilitate the communication of information between the independent directors and the management at any time.

During the Reporting Period, the fifth session of the Board of the Company had three independent non-executive directors: Yuen Kwok Keung, Bai Chong-En and Chen Hanwen; the sixth session of the Board had three independent non-executive directors: Yuen Kwok Keung, Chen Hanwen and Wang Hong, among whom Chen Hanwen is a professional in audit and accounting. He is an honorary dean and a professor of the School of Internal Audit of Nanjing Audit University, and he also serves in a number of auditing and accounting academic research institutions in China. He is a member of the Institute of Internal Auditors, focusing on auditing and accounting theory and practice, internal control, risk management and corporate governance. He has published many papers in international accounting journals and authoritative journals in the field of economic management in China.

The independent directors of the Company conduct self-assessments on their independence annually and submit the findings to the Board. The Board assessed the independence of current independent directors during the Reporting Period and issued special opinions. The Company has received annual written confirmation from each of the independent non-executive directors confirming their independence. The Company is of the view that all of the independent non-executive directors are independent. The number and background of the independent directors are in compliance with the requirements of the listing rules of the places of listing.

During the Reporting Period, the independent directors of the Company strictly complied with the requirements of relevant laws and regulations, the Articles of Association, relevant rules of procedure of meetings and the independent directors system of the Company. They maintained their independence as independent directors, performed their functions of supervision, participated in the formation of various important decisions of the Company and reviewed periodic reports, financial reports and related party/connected transactions of the Company. Therefore, the independent directors of the Company play an important role in the regulated operation of the Company and protect the legitimate interests of minority shareholders. The Company has formulated the "Working Rules for Independent Directors", which provides an institutional guarantee for independent directors to perform their duties; provides various conditions and support to the independent directors to ensure that they can carry out their work; actively adopts the suggestions and opinions from independent directors, and continues to follow up on their implementation. The Company has designated a department to undertake the affairs of independent directors and the work of the independent board committee to assist independent directors in conducting research, convening meetings, expressing independent opinions and others.

For the attendance of independent directors at Board meetings and shareholders' general meetings, please refer to the section of "Performance of Duties of the Directors". For details of the work of independent directors, please refer to the 2024 Work Report of Independent Directors disclosed together with this report.

(V) Implementation of Resolutions Passed at the General Meetings by the Board

No.	General Meeting	Subject Matter	Status
1	2023 Annual General Meeting	To approve the Report of the Board of Directors of China Shenhua Energy Company Limited for the Year 2023	–
		To approve the Report of the Supervisory Committee of China Shenhua Energy Company Limited for the Year 2023	–
		To approve the Financial Report of China Shenhua Energy Company Limited for the year 2023	–
		To approve the profit distribution plan of the Company for the year 2023	Completed
		To approve the remuneration of directors and supervisors of the Company for the year 2023	Completed
		To approve the appointment of KPMG Huazhen LLP and KPMG as the PRC and the international auditors of the Company for the year of 2024, respectively	For details, please see the section headed "Significant Events" of this report
		To approve the grant of the general mandate for the Board to repurchase H shares	As at the end of the Reporting Period, the repurchase of H shares has not yet commenced
2	2024 First A Shareholders Class Meeting	To approve the grant of the general mandate for the Board to repurchase H shares	As at the end of the Reporting Period, the repurchase of H shares has not yet commenced
3	2024 First H Shareholders Class Meeting	To approve the grant of the general mandate for the Board to repurchase H shares	As at the end of the Reporting Period, the repurchase of H shares has not yet commenced
4	2024 First Extraordinary General Meeting	To elect Lv Zhiren as an executive director of the sixth session of the Board of the Company, and Kang Fengwei and Li Xinhua as non-executive directors of the sixth session of the Board of the Company	–
		To elect Yuen Kwok Keung, Chen Hanwen and Wang Hong as independent non-executive directors of the sixth session of the Board of the Company	–
		To elect Tang Chaoxiong and Yuan Rui as shareholders' representative supervisors of the sixth session of the Supervisory Committee of the Company	–
5	2024 Second Extraordinary General Meeting	To elect Zhang Changyan as an executive director of the sixth session of the Board of the Company	–

(VI) Diversity of the Board

The Board of the Company has established the board diversity policy for members of the Board, which mainly includes policy statements, measurable objectives, monitoring and reporting, which were set out and disclosed in the rules of procedure of the nomination committee of the Board of the Company.

When selecting the candidates in accordance with the board diversity policy of the Company, the Board will use a series of diversified terms, including but not limited to gender, age, culture and educational background, race, skills, knowledge and professional experience, and will determine taking both the characteristics and role of the personnel into account. The objectives of the board diversity policy of the Company include but are not limited to no less than half of the members of the Board shall be external directors (i.e. those who do not hold any positions other than directors in the Company); the proportion of independent directors on the Board shall not be less than one-third, with a minimum of three independent directors, including at least one accounting professional and at least one independent director who is ordinarily resident in Hong Kong, China; at least one female director and at least one director who is familiar with the production and operation of the Company's main business segments, such as coal, electricity or transportation, etc.

In 2024, the Board of the Company completed its re-election and appointed one additional executive director. The Nomination Committee, in full consideration of the board diversity policy and with a view to further optimizing the Board structure and ensuring the scientific decision-making of the Board, after careful consideration and multiple rounds of candidate comparisons, a suitable candidate was finally proposed. After review by the Nomination Committee, recommendations were made to the Board. As at the end of the Reporting Period, the Board consisted of 8 directors, including 2 executive directors, 2 non-executive directors, 3 independent non-executive directors and 1 employee director. Among them, there were 7 male directors and 1 female director, and 7 directors from Mainland China and 1 director from the Hong Kong Special Administrative Region of China. The directors are from various domestic and overseas industries, and the composition of the members features diversity. Each director's knowledge base and field of expertise are professional and complementary in the overall Board structure, which guarantees the scientific decision-making of the Board. The Board expects the number of its female members to remain at least at the current level. The Board will continue to seek opportunities to increase the proportion of female members in the future as appropriate.

The following directors' skills matrix graphically illustrates the professional skills or knowledge and experience of the members of the Board.

Directors' skills matrix

Skills and experience		Number of directors *person*
Energy	Possessing many years of experience in the operation and management of large-scale coal and power generation enterprises, assets or projects.	4
Transportation	Possessing many years of experience in the operation and management of domestic railways, ports and shipping enterprises.	2
Strategic management	Responsible for or participated in the formulation and implementation of the long-term development direction, objectives, tasks and strategies of enterprises.	3
Economics and finance	Being an expert or veteran in the field of economics or finance who has been responsible for or involved in relevant research or internal management in enterprises.	2
Finance and audit	Possessing experience in corporate financial management and auditing, or being a professional in these fields.	1
Risk management	Possessing experience in corporate risk and internal control management or being a professional in this field.	2
Law	Legal professionals, or possessing experience in corporate legal affairs management.	2
ESG management	Possessing experience in enterprise ESG management or ESG risk management.	3

(VII) Continuous Professional Development of Directors

All directors of the Company proactively participate in continuous professional development to develop and refresh their own knowledge and skills, thereby ensuring that they contribute to the Board with comprehensive information and in compliance with necessary requirements.

All directors have provided their relevant training records for the year of 2024 to the Company, and all directors have attended relevant training programs organised by regulatory authorities or industry associations as required. During the year, the total duration spent by all directors on attending various training programs such as special training programs for directors and supervisors, training programs for independent directors and training programs on compliance management of listed companies, together with the duration spent by them on reading materials in relation to the performance of duties of directors such as the operational and financial information of the Company and industry information regularly provided by the Company to the directors, accumulated to approximately 138 hours.

1. **Directors in Office as at the end of the Reporting Period**

No.	Name	Position	Training content	Training sponsor	Cumulative training time *hours*
1	Lv Zhiren	Chairman, Executive Director	Training in relation to the Chairman's performance of duties, Company Law, ESG and sustainable development, as well as reference materials regularly sent by the Company to assist directors in their performance of duties	Beijing Bureau of the CSRC, China Association for Public Companies, etc.	22
2	Zhang Changyan	Executive Director, Chief Executive Officer	Training on responsibilities for New Directors, as well as reference materials regularly sent by the Company to assist directors in their performance of duties	Haiwen & Partners LLP	3
3	Kang Fengwei	Non-executive Director	Training on responsibilities for New Directors, special trainings for directors and supervisors on integrity building and financial fraud cases, as well as reference materials regularly sent by the Company to assist directors in their performance of duties	Beijing Bureau of the CSRC, The Listed Companies Association of Beijing, Haiwen & Partners LLP	10.5
4	Li Xinhua	Non-executive Director	Training on responsibilities for New Directors, special trainings for directors and supervisors on integrity building and financial fraud cases, as well as reference materials regularly sent by the Company to assist directors in their performance of duties	Beijing Bureau of the CSRC, The Listed Companies Association of Beijing, Haiwen & Partners LLP	9
5	Yuen Kwok Keung	Independent Non-executive Director	Follow-up training for independent directors, as well as reference materials regularly sent by the Company to assist directors in their performance of duties	SSE	21

No.	Name	Position	Training content	Training sponsor	Cumulative training time *hours*
6	Chen Hanwen	Independent Non-executive Director	Follow-up training for independent directors, special trainings for directors and supervisors on Company Law and integrity building, as well as reference materials regularly sent by the Company to assist directors in their performance of duties	SSE, Beijing Bureau of the CSRC, The Listed Companies Association of Beijing, etc.	26
7	Wang Hong	Independent Non-executive Director	Training on responsibilities for New Directors, special trainings for directors and supervisors on integrity building and financial fraud cases, as well as reference materials regularly sent by the Company to assist directors in their performance of duties	SSE, The Listed Companies Association of Beijing, Haiwen & Partners LLP	11
8	Jiao Lei	Employee Director	Training on responsibilities for New Directors, special trainings for directors and supervisors on M&A and restructuring, ESG and sustainable development, as well as reference materials regularly sent by the Company to assist directors in their performance of duties	Beijing Bureau of the CSRC, The Listed Companies Association of Beijing, Haiwen & Partners LLP	12

2. Directors Who Left Office During the Reporting Period

No.	Name	Position	Training content	Training sponsor	Cumulative training time *hours*
1	Yang Rongming	Non-executive Director	Training on Company Law	Beijing Bureau of the CSRC, The Listed Companies Association of Beijing	13.5
2	Liu Xiaolei	Employee Director	Training on Company Law	The Company	10

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

(I) Composition of the Committees

As at the end of the Reporting Period, the Company has established five special committees under the Board, and the details are as follows:

Special committees under the sixth session of the Board

Strategy and Investment Committee	Lv Zhiren (Chairman), Zhang Changyan, Kang Fengwei, Li Xinhua
Audit and Risk Management Committee	Chen Hanwen (Chairman), Yuen Kwok Keung, Wang Hong
Remuneration and Assessment Committee	Yuen Kwok Keung (Chairman), Lv Zhiren, Chen Hanwen
Nomination Committee	Wang Hong (Chairman), Lv Zhiren, Chen Hanwen
Safety, Health, Environment and ESG Working Committee	Zhang Changyan (Chairman), Li Xinhua, Jiao Lei

(II) The Duties and Performance of Duties of the Special Committees

During the Reporting Period, each special committee under the Board did not express any dissenting views in performing their duties. The performance of duties of each special committee is set out as follows:

1. Strategy and Investment Committee

(1) Major duties of the Strategy and Investment Committee

Studying the Company's long-term development strategic planning and annual comprehensive plan; studying the adjustment of the principal business, negative list of investment projects, major investment and financing, asset restructuring, transfer of property rights, capital operation, reform and restructuring and other major issues that require decisions by the Board, and providing consideration opinions to the Board; and other authorities as conferred by the Board.

(2) Work summary for the year

In 2024, the Strategy and Investment Committee held 3 meetings by way of written resolutions, including the implementation of the Group's comprehensive plan for 2023 and the comprehensive plan arrangement for 2024. All proposals were approved.

(3) Attendance of committee meetings by each committee member

① Attendance of incumbent committee members as at the end of the Reporting Period

Name of director	Independent director or not	Number of required attendance at the committee meeting	Number of attendance in person	Number of attendance by correspondence	Number of attendance by proxy	Number of absence
Lv Zhiren	No	3	3	3	0	0
Zhang Changyan	No	0	0	0	0	0
Kang Fengwei	No	1	1	1	0	0
Li Xinhua	No	1	1	1	0	0

Note: Attendance by correspondence includes the number of written meetings. Same as below.

② Attendance of committee members who left office during the Reporting Period

Name of director	Independent director or not	Number of required attendance at the committee meeting	Number of attendance in person	Number of attendance by correspondence	Number of attendance by proxy	Number of absence
Jia Jinzhong	No	2	2	2	0	0

(4) Convening of committee meetings

Convening date	Meeting content	Key opinions and suggestions
21 February 2024	To consider the Proposal on the Implementation of the 2023 Comprehensive Plan of China Shenhua and the Comprehensive Plan Arrangement for 2024.	Agreed.
22 April 2024	To consider the Proposal Regarding the Optimisation and Adjustment of the 14th Five-Year Plan of China Shenhua Energy Company Limited.	Agreed.
18 October 2024	To consider the Proposal Regarding Amendments to the Investment Management Measures of China Shenhua Energy Company Limited (Trial).	Agreed.

2. Audit and Risk Management Committee

(1) Major duties of the Audit and Risk Management Committee

Supervising and assessing the work of the external auditors; proposing to engage or replace the external auditors; supervising and evaluating the internal audit work; coordinating the internal audit and the external audit; auditing the financial information of the Company and its disclosure; supervising and evaluating the internal control of the Company; and other matters authorised by laws and regulations, the Articles of Association and the Board.

(2) Work summary for the year

In 2024, the Audit and Risk Management Committee performed its duties in strict compliance with the Rules of Procedures of the Audit and Risk Management Committee of the Board, the Rules on Work of the Audit and Risk Management Committee of the Board and the Rules on Work of the Annual Report of the Audit and Risk Management Committee of the Board. The Audit and Risk Management Committee held a total of 13 meetings for the consideration and approval of 41 proposals, listened to 6 reports and conducted one separate communication with our auditor, KPMG. All proposals were approved.

① Financial reporting

The Audit and Risk Management Committee fulfilled its mandatory duties to review the 2023 financial report. Before conducting formal review on the results for the year 2023, the Audit and Risk Management Committee conducted a preliminary review of the 2023 financial report (draft) at a meeting and approved the 2023 Financial Report of China Shenhua Energy Company Limited (Draft). On 18 March 2024, the Audit and Risk Management Committee listened to the report of annual audit work by the Company's auditors, KPMG Huazhen LLP ("KPMG Huazhen") and KPMG (collectively known as "KPMG"), reviewed the audit report on internal control, confirmed the effectiveness of internal control on the annual financial report, and convened separate meetings with KPMG to further discuss on information disclosure, audit independence, fraud risk, audit scope and other matters. The Audit and Risk Management Committee considered and approved the Proposal of the 2023 Financial Report of China Shenhua Energy Company Limited fully based on sufficient consideration of the opinions on the annual audit from KPMG, and reviewed the financial information in the 2023 annual report of the Company.

The Audit and Risk Management Committee conducted the necessary process to review the interim financial report of 2024. On 26 June 2024, the Audit and Risk Management Committee considered and approved the 2024 Interim Review Plan of China Shenhua Energy Company Limited, approved KPMG to conduct the interim review in accordance with such review plan. On 27 August 2024, the Audit and Risk Management Committee listened to KPMG's work report on the 2024 interim review of China Shenhua and had communication with them on noteworthy items thereof. The Audit and Risk Management Committee considered and approved the Proposal of the Interim Financial Report of 2024 of China Shenhua Energy Company Limited fully based on sufficient consideration of the review opinions from KPMG, and reviewed the financial information in the 2024 interim report of the Company.

The Audit and Risk Management Committee carefully considered the first and third quarterly financial reports of 2024 of the Company, and the financial information in the first and third quarterly reports of 2024, and approved the relevant proposals.

In addition, on 21 October 2024, the Audit and Risk Management Committee received KPMG's report on the Company's 2024 audit work plan and issued corresponding work directives.

② Selection and appointment of accounting firm and the supervision over its performance of duties

After fully assessing the performance of duties by KPMG during the audit in 2023, on 18 March 2024, the Audit and Risk Management Committee considered and approved the Proposal Regarding the Assessment Report on the Performance of Duties by the Accounting Firm of China Shenhua Energy Company Limited in 2023 and the Proposal Regarding the Report of the Audit and Risk Management Committee of the Fifth Session of the Board of China Shenhua Energy Company Limited on the Fulfillment of Supervisory Duties of the Accounting Firm in 2023, and was of the opinion that KPMG's qualifications and other aspects were compliant and effective, it maintained its independence in performance of duties, was diligent and responsible, and expressed its opinions in a fair manner.

Before the selection and appointment of auditors for 2024, the Audit and Risk Management Committee considered the Proposal Regarding the Selection and Appointment of Accountants of China Shenhua for 2024-2025. During the selection and appointment process, the Audit and Risk Management Committee has carefully considered the relevant proposals and assessed on KPMG's audit fee, relevant qualifications, professional ability and independence. The Audit and Risk Management Committee believes that KPMG has the professional ability, experience and qualifications to provide audit services for the Company, and possesses the corresponding independence and capability to protect investors' interests, which enables it to meet the Company's annual audit work requirements for 2024 and is in the interests of the Company and its shareholders as a whole. The Audit and Risk Management Committee approved the re-appointment of KPMG as the auditors of the Company, and recognised the annual audit fee.

The Audit and Risk Management Committee attaches great importance to the information security of the Company in the course of receiving audit services. KPMG provided reports on quality management, data protection and information security to ensure that relevant measures have been taken to safeguard the Company's information security.

③ Review of the effectiveness of the internal audit of the Company

On 18 March 2024, the Audit and Risk Management Committee considered and approved the proposals including the Company's internal audit work report for 2023 and the main points of internal audit work for 2024, and put forward requirements for the implementation of internal audit work in 2024. On 27 August 2024, the Audit and Risk Management Committee considered and approved the Proposal Regarding the Internal Audit Report of China Shenhua Energy Company Limited for the First Half of 2024, affirming the internal audit work of China Shenhua for the first half of 2024 and requiring the internal audit department and the external auditors to disclose the issues identified to facilitate further investigation and studies.

④ Review of the operation of risk management and internal control system of the Company

During the Reporting Period, the Audit and Risk Management Committee reviewed the internal control evaluation plan of the Company, reviewed the annual internal control evaluation report and other material matters related to internal control and risk management of the Company, completed the supervision and guidance on internal control and risk management entrusted by the Board, communicated with the management and provided recommendations on developing the internal control and risk management system, thereby effectively promoting the internal control and risk compliance management of the Company.

In terms of performing its duties of reviewing the internal control evaluation report, the Audit and Risk Management Committee conducted a preliminary review of, considered and approved the Company's internal control evaluation report for 2023 in March 2024; considered and approved the Proposal Regarding Amendments to the Measures for Internal Control Evaluation of China Shenhua Energy Company Limited and the Proposal Regarding the Work Plan for Internal Control Evaluation of China Shenhua Energy Company Limited for 2024, and received a comprehensive briefing on the Report on Climate Risk Management and Control of China Shenhua Energy Company Limited for the first half of 2024 in August 2024; and considered and approved the Proposal on List for Climate Risks and Opportunities for 2025 of China Shenhua Energy Company Limited in December 2024. In terms of financial monitoring, the Audit and Risk Management Committee, by considering proposals, considered and unanimously approved the Company's proposals on Implementation of the Annual Business Plans for 2023 and the Annual Business Plans and Arrangements for 2024, financial information in financial reports and periodic reports, profit distribution plan for 2023, capital budget and debt financing plan for 2024, utilising part of its idle self-owned funds for structured deposit products and other matters. In terms of operation monitoring, the Audit and Risk Management Committee considered and approved proposals including the budget for external donations for 2024, amendments to the measures for the management of external donations, daily related party/continuing connected transactions related to factoring services, the establishment of subsidiaries through joint ventures and participation in the establishment of Guoneng Science and Technology Innovation Seed Fund, effectively fulfilling its supervisory responsibilities. In terms of compliance monitoring, the Audit and Risk Management Committee considered and approved its performance report for 2023 and the 2023 Environmental, Social and Governance Report of the Company, ensuring the Company's lawful and compliant operations.

After performing the relevant duties, the Audit and Risk Management Committee has not identified any material risk within the Company and raised no objections to the supervised matters during the Reporting Period.

In 2024, the Audit and Risk Management Committee did not receive any reports or complaints through any means from the Company's employees or other stakeholders (such as customers and suppliers) regarding any misconduct by the Company.

(3) *Attendance of committee meetings by each committee member*

① Attendance of incumbent committee members as at the end of the Reporting Period

Name of director	Independent director or not	Number of required attendance at the committee meeting	Number of attendance in person	Number of attendance by correspondence	Number of attendance by proxy	Number of absence
Chen Hanwen	Yes	13	13	5	0	0
Yuen Kwok Keung	Yes	13	11	5	2	0
Wang Hong	Yes	3	3	0	0	0

② Attendance of committee members who left office during the Reporting Period

Name of director	Independent director or not	Number of required attendance at the committee meeting	Number of attendance in person	Number of attendance by correspondence	Number of attendance by proxy	Number of absence
Bai Chong-En	Yes	10	7	2	3	0

(4) Convening of committee meetings

On 17 March 2025, the Audit and Risk Management Committee received KPMG's briefing on the audit work in 2024, and held discussions with them on the scope of their audit work and audit procedures, key audit matters and critical matters requiring attention, auditors' independence and other matters that required the management's attention; listened to the report on the execution of the agreements on continuing connected transactions; reviewed the financial information in the financial report for the year 2024 and the 2024 annual report and internal control audit report, and assessed the effectiveness of internal control on financial reporting; reviewed the internal control evaluation report and other relevant proposals, and agreed to submit such reports to the Board for consideration.

Convening date	Meeting content	Key opinions and suggestions
17 January 2024	To consider the Proposal Regarding the Selection and Appointment of Accountants of China Shenhua for 2024-2025.	Agreed.
23 February 2024	To consider the Proposal on Implementation of the Annual Business Plans for 2023 and the Annual Business Plans and Arrangements for 2024 of China Shenhua Energy Company Limited and the Proposal on the Budget for External Donations for 2024 of China Shenhua Energy Company Limited	Agreed. The Company shall properly disclose the information on its business plans for 2024.
12 March 2024	To consider the proposal in respect of the 2023 financial report (draft) and the 2023 internal control evaluation report (draft) of the Company; to listen to a report on the implementation of the opinions of the Audit and Risk Management Committee of the fifth session of the Board of the Company at the meeting in 2023.	Agreed.
18 March 2024	To listen to the report of KPMG's audit work and the implementation of the Company's continuing connected transaction agreements for 2023; to consider 15 proposals, including the Proposal on Internal Control Audit Report for 2023 of China Shenhua Energy Company Limited	Agreed. The Company shall: ① provide the audit report of the relevant accounting firm on the continuous risk assessment report of the Finance Company; ② diligently carry out the preparation and disclosure of the annual report; ③ keep the ESG report of the Company in consistent with its financial report and annual report; ④ implement the internal audit work strictly in accordance with the work plan at the beginning of the year.

Convening date	Meeting content	Key opinions and suggestions
25 March 2024	To consider the Proposal of Establishment of a Joint Venture, Guoneng Hebei Dingzhou Power No. 2 Co., Ltd., and the Proposal on Expansion of the 2024 China Shenhua's Donation Budget for the Inner Mongolia Ecological Comprehensive Treatment Fund via the Public Welfare Foundation of China Energy Group.	Agreed.
19 April 2024	To consider 4 proposals, including the Proposal of the First Quarter 2024 Financial Report of China Shenhua Energy Company Limited.	Agreed. The Company shall: ① actively plan and draw up plans, and take effective measures to ensure the successful completion of annual business performance targets; ② increase investment in the construction of financial management informatization; ③ strengthen the management of annual financial report audit institutions, requiring KPMG to provide reports on quality control, information security and specific measures to comply with the Anti-espionage Law; ④ strengthen the review and control of quarterly reports to ensure the accuracy of disclosed materials and the standardisation of language expression.
29 May 2024	To consider the Proposal on the Participation by 6 Subsidiaries of China Shenhua Energy Company Limited in the Establishment of Guoneng Science and Technology Innovation Seed Fund.	Agreed The Company shall strengthen the compliance management and risk control of the funds in which it invests.
26 June 2024	To consider 2024 Interim Review Work Plan of China Shenhua Energy Company Limited.	Agreed.
19 July 2024	To consider the Proposal on Confirmation and Approval of Independence of KPMG in Provision of Non-Assurance Services.	Agreed.

Convening date	Meeting content	Key opinions and suggestions
27 August 2024	To listen to the report of KPMG on the Company's interim review in 2024 and the report on climate risk management and control of the Company in the first half of 2024; to consider 6 proposals including the Proposal on the 2024 Interim Financial Report of China Shenhua Energy Company Limited.	Agreed. The Company shall: ① take further measures to improve the financial data; ② strengthen the control of financial reports to ensure the truthfulness, accuracy and reliability of their information; ③ effectively disclose the information in interim reports, pay attention to the changes of market public opinions, and strengthen the communication and exchange with the capital market; ④ ensure the completeness and detailedness of working papers and supporting basis of continuous risk assessment reports and climate risk management and control reports of Finance Company; ⑤ set higher standard for, attach great importance to the internal control evaluation work and further deepen and implement the work; ⑥ require KPMG to provide more high-quality management suggestions on the Company's internal control and compliance management; ⑦ report issues identified by internal audit and KPMG to the Audit and Risk Management Committee for further investigation and study.

Convening date	Meeting content	Key opinions and suggestions
21 October 2024	To listen to the report of KPMG on the audit work plan for 2024; to consider 3 proposals including the Proposal on the Financial Report of China Shenhua Energy Company Limited for the Third Quarter of 2024.	Agreed. The Company shall: ① require the Finance Department and KPMG to further improve work efficiency and speed up the progress of annual financial reporting without compromising the audit quality; ② require the Office of the Board to keep abreast to the latest regulatory policies and information disclosure rules, so as to disclose the Company's information in a timely, accurate and fair manner.
13 December 2024	To consider the Proposal on Authorizing the Use of Part of Idle Owned Funds for Structured Deposits and the Proposal on List for Climate Risks and Opportunities for 2025 of China Shenhua Energy Company Limited.	Agreed. The Company shall: ① strengthen the compliance control, risk management and control over the selection of banks and the use of funds, as well as the balance of internal capital demand; ② further improve the reporting mechanism of the proposal on the Company's list of climate risks and opportunities.
18 December 2024	To consider the Proposal on Expansion of China Shenhua's External Donation Budget in 2024 for Donating Funds to Inner Mongolia Ecological Comprehensive Treatment Fund.	Agreed.

3. Remuneration and Assessment Committee

(1) The principal duties of the Remuneration and Assessment Committee

To make recommendations to the Board on formulation of the remuneration plan or proposal for directors, supervisors, chief executive officer and other senior management, including but not limited to the criteria, procedures and the major systems of performance assessment, key incentive and punishment plans and systems; to study the assessment standards for directors, supervisors, chief executive officer and other senior management, and examine the performance of duties by directors, supervisors, chief executive officer and other senior management of the Company and carry out annual assessment of their performance of duties; to supervise the implementation of the remuneration system of the Company, review and approve the remuneration determined by performance in accordance with the Company's objectives determined by the Board; to exercise the following duties as authorised by the Board: to determine the specific remuneration of all the executive directors, supervisors, chief executive officer and other senior management, including non-monetary benefits, pension rights and compensation (including the compensation for the loss or termination of their duties or appointment); to review and approve the payment of compensation to executive directors, supervisors, chief executive officer and other senior management in relation to the loss or termination of their duties or appointment, so as to ensure that such compensation is determined in accordance with the related terms of the contract; or otherwise, such compensation shall be fair and reasonable and does not impose an undue burden on the Company; to review and approve the compensation arrangements involved in the dismissal or removal of directors due to their improper conduct, so as to ensure that such arrangements are determined in accordance with the related terms of the contract; or otherwise, such compensation shall be reasonable and appropriate; to make recommendations to the Board on the remuneration of the non-executive directors (factors to be considered include remuneration packages offered by comparable companies, time commitment and responsibilities of each director, employment conditions for other positions of the Group and whether the remuneration should be based on performance, etc.); to ensure that none of the directors or any of their associates determines their own remunerations; to review and/or approve matters related to share schemes under Chapter 17 of the Hong Kong Listing Rules, and to execute other matters as authorised by the Board.

(2) *Work summary for the year*

In 2024, the Remuneration and Assessment Committee held 4 meetings by way of written resolutions, at which all proposals were approved.

In terms of director's annual remuneration of 2024, the Remuneration and Assessment Committee assessed the performance of executive directors who hold management position in the Company based on the remuneration policy for management and made recommendation on remuneration. Non-executive directors were not remunerated, and a remuneration of RMB300,000 per annum was proposed for independent non-executive directors. The Remuneration and Assessment Committee will make recommendations to the Board on the director's remuneration scheme formulated by it.

The Remuneration and Assessment Committee adopted the mode (ii) as set out under the Code Provision E.1.2(c) of the Corporate Governance Code, which is to make recommendations to the Board on the remuneration packages for individual executive director and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment).

(3) *Attendance of committee meetings by each committee member*

① Attendance of incumbent committee members as at the end of the Reporting Period

Name of director	Independent director or not	Number of committee meetings required to be attended	Number of attendances in person	Number of attendances by correspondence	Number of attendances by proxy	Number of absences
Yuen Kwok Keung	Yes	4	4	4	0	0
Lv Zhiren	No	1	1	1	0	0
Chen Hanwen	Yes	4	4	4	0	0

② Attendance of committee members who left office during the Reporting Period

Name of director	Independent director or not	Number of committee meetings required to be attended	Number of attendances in person	Number of attendances by correspondence	Number of attendances by proxy	Number of absences
Xu Mingjun	No	3	3	3	0	0

(4) Particulars of committee meetings convened

Convening date	Meeting content	Key opinions and suggestions
5 February 2024	To consider the Proposal on the Appraisal Indicator Results of 2023 Annual Business Performance of Management Level of the Company and the Proposed Annual Values in 2024.	Agreed.
18 March 2024	To consider the Proposal on 2023 Remuneration of the Directors and Supervisors of China Shenhua Energy Company Limited, the Proposal on 2023 Remuneration of the Senior Management Personnel of China Shenhua Energy Company Limited and the Proposal on the Appraisal Results of Business Performance of Management Level in 2023 or Their Term of Office.	Agreed.
27 August 2024	To consider the Proposal on Signing the Appointment Agreements for Management Members and the Results of Business Performance Responsibility Letters and the Proposal on the Appraisal Indicator Results of Business Performance of Management Level of China Shenhua Energy Company Limited on Their Term of Office during 2021-2023 and the Proposed Annual Values within 2024-2026.	Agreed.
21 October 2024	To consider the Proposal on Considering the Appointment Agreement and the Results of Business Performance Responsibility Letter with Li Zhiming.	Agreed.

4. Nomination Committee

(1) The principal duties of the Nomination Committee

To formulate the Board diversity policy, regularly review the structure, size and diversity of the Board, and to make recommendations to the Board with regard to any proposed changes; to assess and verify the independence of independent non-executive directors; to develop standards, procedures and systems for selection of directors, chief executive officer and other senior management, and make recommendations to the Board, taking into account the Company's corporate strategy and the combination of skills, knowledge, experience and diversity needed in the future; to expand search for qualified candidates of directors, chief executive officer and other senior management; to examine the candidates of directors, chief executive officer and other senior management and make recommendations; to nominate candidates for members of the Board committees (other than members of the Nomination Committee and the chairman of any Board committee); to draft development plans for chief executive officer, other senior management and key backup talents taking into account the Company's corporate strategy and the combination of skills, knowledge, experience and diversity needed in the future; to review the board diversity policy where appropriate, and review the quantitative objectives set up by the Board to implement the Board diversity policy and the achievement progress thereof, as well as to disclose the review results in the corporate governance report annually; to make recommendations to the Board on the appointment or re-appointment of directors, chief executive officer and other senior management and succession planning; and to carry out any other matters as authorised by the Board.

(2) Work summary for the year

In 2024, the Nomination Committee held 5 meetings by way of written resolutions, and 1 meeting was held on-site, at which all proposals were approved.

The Nomination Committee reports annually on the diversity status of the Board in the corporate governance report of the Company annually and oversees the implementation of the Board diversity policy. The Nomination Committee is of the view that (1) the Board diversity policy of the Company complies with the relevant requirements of the place of listing which can meet the development needs of the Company; (2) the structure of the Board of the Company under the prevailing diversity policy is reasonable and enables the Board to effectively fulfill its corporate governance responsibilities.

(3) Attendance of committee meetings by each committee member

① Attendance of incumbent committee members as at the end of the Reporting Period

Name of director	Independent director or not	Number of committee meetings required to be attended	Number of attendances in person	Number of attendances by correspondence	Number of attendances by proxy	Number of absences
Wang Hong	Yes	3	3	2	0	0
Lv Zhiren	No	3	3	2	0	0
Chen Hanwen	Yes	6	6	5	0	0

② Attendance of committee members who left office during the Reporting Period

Name of director	Independent director or not	Number of committee meetings required to be attended	Number of attendances in person	Number of attendances by correspondence	Number of attendances by proxy	Number of absences
Bai Chong-En	Yes	3	3	3	0	0
Xu Mingjun	No	3	3	3	0	0

(4) Particulars of committee meetings convened

Convening date	Meeting content	Key opinions and suggestions
8 February 2024	To consider the Proposal on Assessing the Effectiveness of the Diversity Policy of the Board of China Shenhua.	Agreed.
18 March 2024	To consider the Proposal on the Appointment of a Joint Company Secretary.	Agreed.
27 August 2024	To consider the Proposal on the Nomination of Candidates for Executive Directors and Non-executive Directors of the Sixth Session of the Board of the Company and the Proposal on the Nomination of Candidates for Independent Non-executive Directors of the Sixth Session of the Board.	Agreed.

Convening date	Meeting content	Key opinions and suggestions
30 September 2024	To consider the Proposal on the Nomination of Members to the Strategy and Investment Committee, Audit and Risk Management Committee, Remuneration and Assessment Committee and Safety, Health, Environment and ESG Working Committee of the Sixth Session of the Board.	Agreed.
27 November 2024	To consider the Proposal on Appointing Zhang Changyan as Chief Executive Officer of China Shenhua Energy Company Limited and the Proposal on Nomination of Zhang Changyan as Candidate for Executive Director of the Sixth Session of the Board of China Shenhua Energy Company Limited.	Agreed.
20 December 2024	To consider the Proposal on Nomination of Members to the Strategy and Investment Committee and Safety, Health, Environment and ESG Working Committee of the Sixth Session of the Board.	Agreed.

5. Safety, Health, Environment and ESG Working Committee

(1) The principal duties of the Safety, Health, Environment and ESG Working Committee

To supervise the implementation of safety, health, environmental protection and ESG working plans of the Company; to make recommendations to the Board or the chief executive officer on material issues in respect of safety, health, environmental protection and ESG working of the Company, including but not limited to climate change, biodiversity and water resources management, as well as employee development and other relevant risks and opportunities; to give adequate consideration and assessment of the sustainable risks and opportunities in respect of strategy formulation, material transactions, investment decision-making and other matters; to inquire into the material incidents and responsibilities regarding the Company's production, operations, property assets, staff or other facilities, as well as to review and supervise the handling of such incidents; to review the Company's annual ESG report; to review the Statement of the Board disclosed in the Company's annual ESG report; to supervise and review the identification, evaluation and management process of the matters related to the Company's ESG governance activities and the progress of related objectives, including but not limited to climate change, biodiversity and water resources management and employee development; and other issues as authorised by the Board.

(2) Work summary for the year

In 2024, the Safety, Health, Environment and ESG Working Committee held 2 meetings by way of written resolutions, at which all proposals were approved.

(3) Attendance of committee meetings by each committee member

① Attendance of incumbent committee members as at the end of the Reporting Period

During the Reporting Period, the Safety, Health, Environment and ESG Working Committee of the sixth session of the Board of the Company did not hold any meeting.

② Attendance of committee members who left office during the Reporting Period

During the Reporting Period, the Safety, Health, Environment and ESG Working Committee of the fifth session of the Board of the Company held 2 meetings.

Name of director	Independent director or not	Number of committee meetings required to be attended	Number of attendances in person	Number of attendances by correspondence	Number of attendances by proxy	Number of absences
Lv Zhiren	No	2	2	2	0	0
Yang Rongming	No	2	2	2	0	0
Liu Xiaolei	No	2	2	2	0	0

(4) Particulars of committee meetings convened

Convening date	Meeting content	Key opinions and suggestions
7 February 2024	To consider China Shenhua's 2023 Environmental, Social Responsibility and Corporate Governance Work and 2024 Work Highlights	Agreed.
18 March 2024	To consider the 2023 Environmental, Social and Corporate Governance Report of China Shenhua Energy Company Limited	Agreed.

VII. SUPERVISORY COMMITTEE'S REPORT

In accordance with the relevant requirements under, among others, the Company Law and the Articles of Association, the Supervisory Committee of the Company has consistently acted in the spirit of responsibility towards all shareholders, faithfully fulfilled its supervisory responsibilities, and proactively carried out its work to safeguard the lawful rights and interests of the Company and its shareholders.

(I) Performance of Duties of the Supervisory Committee

The sixth session of the Supervisory Committee of the Company currently comprises 3 supervisors, namely Tang Chaoxiong, Yuan Rui and Zhang Feng. Please refer to this report for biographical details of the 3 supervisors.

During the Reporting Period, in compliance with the requirements of the Articles of Association and the Rules of Procedures of Meetings of the Supervisory Committee of China Shenhua Energy Company Limited, the Supervisory Committee of the Company exercised rigorous supervision over the Company's lawful operations, financial position and the performance of duties of the Board and the management of the Company, and raised no objections to the supervised matters during the Reporting Period.

1. Attendance at the Meeting

In 2024, the Supervisory Committee of the Company held 5 meetings in total. Details are set out as follows:

Meeting	Date	Venue	Method of meeting	Attendance of supervisors	Subject matter	Poll results
The eighteenth meeting of the fifth session of the Supervisory Committee	22 March 2024	Beijing	On-site	All	Proposal of the 2023 Financial Report of China Shenhua Energy Company Limited	Passed unanimously
					Proposal of the 2023 Profit Distribution Plan of China Shenhua Energy Company Limited	Passed unanimously
					Proposal of the 2023 Annual Report of China Shenhua Energy Company Limited	Passed unanimously
					Proposal of the 2023 Environmental, Social and Corporate Governance Report of China Shenhua Energy Company Limited	Passed unanimously
					Proposal of the 2023 Supervisory Committee Report of China Shenhua Energy Company Limited	Passed unanimously
					Proposal of the 2023 Internal Control Evaluation Report of China Shenhua Energy Company Limited	Passed unanimously
The nineteenth meeting of the fifth session of the Supervisory Committee	26 April 2024	Beijing	On-site	All	Proposal of the 2024 First Quarterly Financial Report of China Shenhua Energy Company Limited	Passed unanimously
					Proposal of the 2024 First Quarterly Report of China Shenhua Energy Company Limited	Passed unanimously

Meeting	Date	Venue	Method of meeting	Attendance of supervisors	Subject matter	Poll results
The twentieth meeting of the fifth session of the Supervisory Committee	30 August 2024	Beijing	In-writing	All	Proposal of the 2024 Interim Financial Report of China Shenhua Energy Company Limited	Passed unanimously
					Proposal of the 2024 Interim Report of China Shenhua Energy Company Limited	Passed unanimously
					Proposal of the nomination of candidate for shareholders' representative supervisor of the sixth session of the Supervisory Committee of the Company	Passed unanimously
The first meeting of the sixth session of the Supervisory Committee	30 September 2024	Beijing	On-site	All	Proposal of the election of the chairman for the sixth session of the Supervisory Committee	Passed unanimously
The second meeting of the sixth session of the Supervisory Committee	25 October 2024	Beijing	In-writing	All	Proposal of the 2024 Third Quarterly Financial Report of China Shenhua Energy Company Limited	Passed unanimously
					Proposal of the 2024 Third Quarterly Report of China Shenhua Energy Company Limited	Passed unanimously

Through listening to reports by the Company's management, conducting rigorous consideration on meeting proposals and maintaining effective communication with the Company's management, the Supervisory Committee put forward operational recommendations, including enhancing market capitalisation management, improving the effectiveness of internal control evaluations and promoting high-quality development of the listed company. The management has diligently implemented these recommendations and provided timely feedback.

2. **Investigation and Research**

In August 2024, the supervisors of the Company conducted on-site survey at Beidian Shengli and Baorixile Energy and gained in-depth understanding on safe production at open-pit coal mines, joint operation of coal-fired power and new energy sources, acquisition of resources and progress of major projects. Aspects on compliance management, communication of information, development of new energy sources and continuation of resources were sufficiently explored and exchanged, opinions and recommendations were made.

(II) Independent Opinion of the Supervisory Committee on the Lawful Operation of the Company

In 2024, the Company conducted one annual general meeting, two extraordinary general meetings, one class meeting of holders of A shares, one class meeting of holders of H shares, and eleven Board meetings. Supervisors of the Company attended meetings as required.

The Board and the management of the Company have acted in strict accordance with the Company Law, the Articles of Association and relevant regulations of the jurisdiction where the Company is listed, performed their duties with integrity and diligence and conscientiously implemented the resolutions approved and authorisation granted by the general meetings; and that the decisions and operations are in compliance with the laws and regulations and the Articles of Association. During the Reporting Period, having reviewed the directors' attendance in meetings and performance of their duties, all directors of the Company have diligently and faithfully performed their duties as directors. the Supervisory Committee is not aware of any act committed by the Board and the management of the Company during their performance of duties which were in breach of laws, regulations and the Articles of Association or prejudicial to the interests of the Company.

(III) Independent Opinion of the Supervisory Committee on the Financial Position of the Company

The Company maintained standardized financial accounting practices and a robust internal control system, with its financial statements presenting an objective, true and fair view of the financial position and operating results of the Company in all material aspects. The financial statements for 2024 have been audited by KPMG Huazhen LLP and KPMG in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards respectively, each of whom has issued a standard unqualified audit report.

(IV) Independent Opinion of the Supervisory Committee on Related Party Transactions of the Company

After careful review of the related party transactions of the Company in 2024, the Supervisory Committee is of the opinion that related party transactions with China Energy Group, China Energy Finance Co., Ltd., Guoneng (Beijing) Commercial Factoring Co., Ltd., China Energy Capital Holdings Co., Ltd., China Shenhua Coal-based Oil and Chemical Co., Ltd. (中國神華煤制油化工有限公司), China Energy Group Zhejiang Power Co., Ltd. (國家能源集團浙江電力有限公司), China Energy (Beijing) Private Equity Fund Management Co., Ltd. (國能（北京）私募基金管理有限公司), Guohua Energy Investment Co., Ltd. and Guohua Investment Development Asset Management (Beijing) Co., Ltd. constitute necessary activities for daily operations, were priced on arm's-length terms in accordance with fair market principles, and strictly adhered to the principles of fairness, equitability, and transparency. These transactions were conducted after completing the statutory approval procedures, complied with the applicable listing rules of the place where the shares of the Company are listed, and were disclosed in a standardised and transparent manner. No action was identified to harm the Company's interests.

(V) Independent Opinion of the Supervisory Committee on the Major Acquisition and Disposal of Assets of the Company

During the Reporting Period, there were no acquisition or disposal of major assets by the Company.

(VI) Independent Opinion of the Supervisory Committee on the Self-assessment Report on Internal Control of the Company

The self-assessment report on internal control of the Company truthfully presents the establishment and implementation of the internal control of the Company, and the internal control system is well-established and operates effectively.

(VII) Independent Opinion of the Supervisory Committee on the Establishment and Implementation of the Management System of Inside Information and Insiders

The management system of inside information and insiders of the Company is sound and comprehensive, has been effectively implemented, and ensures the security of inside information.

The Supervisory Committee of the Company will continue to perform its supervisory duties diligently with due care to facilitate the standardised operation of the Company and to safeguard the lawful interests of the Company and its shareholders in compliance with the Company Law and the Articles of Association.

VIII. RISK MANAGEMENT AND INTERNAL CONTROL

(I) Establishment and Implementation of the Risk Management and Internal Control System

During the Reporting Period, the Company complied with the relevant regulations and code of conduct of risk management and internal control in a satisfactory manner.

The Company has established the audit department to perform the internal audit functions. The Company conducts annual review and evaluation on the risk management and internal control system during the Reporting Period. After evaluation, the Company concludes that during the Reporting Period, effective internal control system has been established and implemented effectively for all important businesses and matters, and the Company's objectives of risk management and internal control have been achieved.

1. The Main Characteristics of Risk Management and Internal Control System

The Company has established a risk-oriented internal control system which is characterised by the establishment of a closed-loop management mechanism integrating regular material risk assessment and monitoring, annual internal control evaluation, daily risk audit and special supervision and inspection of internal control, and the establishment of an organisational structure with hierarchical responsibilities of the Board and its Audit and Risk Management Committee, various functional departments of the headquarters and the subsidiaries (branches) of the Company to ensure effective operation of risk management and internal control. The objectives of the Company's internal control are to reasonably ensure compliance of its operation and management with laws and regulations, safety of assets, authenticity and completeness of its financial reports and related information, so as to improve operational efficiency and effectiveness, and facilitate the accomplishment of its development strategies.

2. The Board is responsible for the risk management and internal control system

In accordance with the relevant laws and regulations of the PRC as well as the corporate regulatory system on internal control of the Company, the Board is responsible for the risk management and internal control system as well as reviewing the effectiveness of such system and faithfully disclosing the internal control evaluation report. Due to the inherent limitations of its internal control, the Company aims to manage rather than eliminate the risk of failure to achieve business goals and may only provide reasonable rather than absolute assurance against material misstatement or loss. In addition, there are certain risks in inferring the effectiveness of future internal control based on the result of internal control evaluation as changes in the circumstances may cause internal control to become inappropriate or the degree of compliance with control policies and procedures to be reduced.

The Company reports to the Board and the Audit and Risk Management Committee on the annual internal control evaluation and presents the Internal Control Evaluation Report on an annual basis, and timely reports on material matters and management plans related to internal control risks of the Company based on actual circumstances, so as to help the Board to assess the monitoring and effectiveness of risk management of the Company.

3. Procedures for Identifying, Evaluating and Managing Material Risks

The Company's procedures for identifying, evaluating and managing material risks include: risk assessment and reporting at the beginning of the year, quarterly material risk monitoring, special supervision and inspection on risk management and internal control, and annual evaluation of its internal control. At the end of each year, the Company will organise a comprehensive risk assessment for the following year, collect various types of risk-related information in a timely manner in accordance with the strategic objectives and the operational and management objectives, effectively identify various types of risks affecting such strategies and operational and management objectives in conjunction with the internal and external environment of the Company, analyse and evaluate the identified risks, analyse the likelihood and conditions of the occurrence of risks, evaluate their impact on the Company's achievement of its objectives and determine the results of risk assessment. The Company will determine risk response strategies based on risk preference and risk tolerance, take appropriate control measures and disclose after review by the Board, as well as follow up and monitor significant risks on a quarterly basis. The Company will supervise the management and control of significant risks through annual evaluation of internal control.

4. The Procedures for Reviewing the Effectiveness of the Risk Management and Internal Control System and for Addressing Severe Internal Control Deficiencies

The Company has an internal control supervision and inspection mechanism for annual evaluation of internal control. The procedures for evaluation of internal control include: formulation of internal control evaluation plan, formation of a working group for internal control inspection; commencement of self-evaluation, inspection and evaluation of internal control; communication, identification and rectification of internal control deficiencies; preparation of internal control evaluation report for disclosure after review by the Board.

Significant and material deficiencies will be finally identified by the Board. For the identified significant and material deficiencies, the Board shall adopt appropriate countermeasures in a timely manner to keep the risks under control within a tolerable extent and hold the relevant departments or personnel accountable therefor.

5. The Company's Management Continuously Monitors the Risks (Especially Environmental, Social and Governance Risks), and the Scope and Quality of the Internal Control System

The person in charge of the Company is responsible for leading the establishment of a sound and effective operating internal control risk management system. The management of the Company is responsible for the internal control risk management. It is responsible for the implementation of internal control risk management, studying and reviewing internal control risk management related matters, organizing the formulation of special systems, work plans and countermeasures for internal control risk management in various fields and supervising the implementation thereof. The management of the Company is responsible for organizing and promoting the Environmental, Social and Corporate Governance (ESG) management tasks, preparing the Company's medium and long-term ESG planning and annual work plan, approving the implementation rules of the Company's ESG management work, organizing and promoting the identification, assessment, management process and achievement of related objectives of ESG activities of the Company.

The management of the Company studies and reviews important matters such as internal audit work plan and work systems, listens to and reviews annual and semiannual internal audit work reports on a regular basis, monitors the operation of internal audit work, and confirms to the Board and the Audit and Risk Management Committee the effectiveness of the risk management and internal control system.

The Company has engaged an accounting firm to carry out third-party independent verification of the ESG report.

6. Handling and Release of Inside Information

The Company has formulated the Regulations on Registration of Inside Information and Insiders, and has amended the internal systems such as the Regulations on Information Disclosure and Internal Reporting of Material Matters during the Reporting Period, which set forth the details of the scope of inside information and insiders, the process of reporting, registration and filing, as well as prohibited conduct. Prior to the release of inside information, the Company implements differentiated handling of the flow of inside information, strictly controls the scope of insiders and registers the insiders of inside information in a complete and timely manner, and requires them to sign undertakings of confidentiality to strictly prevent the leakage of inside information.

7. Assurance of the Company's Internal Control Functions

The Company has set up an internal control risk department with internal control risk management personnel who possess auditing, accounting and management background and relevant qualifications. Each department of the Company has designated internal control risk management personnel who are responsible for internal control and special risk management in different business areas. Each subsidiary and branch has set up internal control risk management department and internal control risk personnel who are responsible for the internal control risk management of each subsidiary. The Company conducts professional training for internal control risk management personnel every year and organises occasional trainings for the management and all employees in relation to internal control risk management. The Company entrusts experienced intermediaries to jointly implement the annual internal control evaluation work to ensure the quality of the annual internal control evaluation work.

8. Internal Control Evaluation

The Company reviews and evaluates its risk management and internal control system on an annual basis during the Reporting Period. The Company's report on the internal control evaluation for 2024 has been reviewed and approved by the Board, which, together with the Audit and Risk Management Committee of the Company, considers that the inspection and supervision mechanism is able to evaluate the effectiveness of the Company's internal control and risk management operations. According to the evaluation, during the Reporting Period, the Company has included all the businesses and matters involving significant risks (including the financial, operational and compliance aspects) in the scope of evaluation, and the internal control system has been established and effectively implemented for all significant businesses and matters, and the objectives of the Company's internal control have been achieved. The Company has complied with the provisions of the code of conduct related to risk management and internal control.

According to the 2024 Report on Internal Control Evaluation reviewed and approved by the Board, no material defects were found in the internal control of financial reporting as at the reference date of the Report on Internal Control Evaluation, pursuant to the identification of material defects in the internal control over the financial reporting of the Company. The Board is of the opinion that the Company has maintained effective internal control over its financial reporting in all material aspects in accordance with the requirements under the Enterprise Internal Control Normative System and relevant regulations. Based on the identification of material defects in the internal control over non-financial reporting of the Company, no material defects were identified by the Company in the internal control over non-financial reporting as at the reference date of the Report on Internal Control Evaluation. Nothing that would affect the evaluation result of the effectiveness of internal control has occurred from the reference date of the Report on Internal Control Evaluation to the date of issuance of the Report on Internal Control Evaluation.

During the Reporting Period, the Company did not have any material control failures or significant control weaknesses and the Company's procedures in relation to financial reporting and compliance with the Hong Kong Listing Rules are effective.

Material defects in the internal control during the Reporting Period:

☐Applicable ✓ Not applicable

(II) Description of Self-Assessment Report on Internal Control and Audit Report on Internal Control

KPMG Huazhen LLP, engaged by the Company, has issued the standard unqualified Audit Report on Internal Control. The Audit Report on Internal Control is of the opinion that: as at 31 December 2024, China Shenhua had maintained effective internal control over its financial reporting in all material aspects in accordance with the Basic Standard for Enterprise Internal Control and the relevant requirements. The above audit opinions are in line with the opinions set out in the Self-assessment Report of the Board.

Please refer to the relevant report disclosed on the website of the SSE at the same time as this report for the 2024 Report on Internal Control Evaluation and Audit Report on Internal Control.

(III) Management Control over Subsidiaries

The Company exercises effective control over its subsidiaries in major areas and key areas through the establishment of rules and regulations, supervision and evaluation, and information technology construction. In terms of control system, according to the provisions of the articles of association of its subsidiaries, the Company reviews resolutions involving the appointment and removal and appraisal of personnel, the appointment of directors, supervisors and senior management and the establishment of organisation for submission to the general meeting, the board and the supervisory committee of the subsidiaries for consideration, and exercises nomination rights and voting rights in accordance with the provisions of the articles of association of the subsidiaries. In terms of finance, the Company has established an integrated and efficient financial information system and formulated relevant financial accounting system, fund management, guarantee and other related systems to standardise the accounting and fund supervision and control of its subsidiaries and branches. In terms of internal control, the Company inspects and evaluates the effectiveness of the internal control of its subsidiaries, supervises and inspects the rectification of internal control deficiencies. In terms of related party transactions, the Company formulates the management system for related party transactions, defines the procedures of management, review and approval, supervision and inspection of related party transactions of its subsidiaries. In terms of material matters, the Company formulates a system in relation to information disclosure, internal reporting of material matters and inside information management to standardise the confidentiality and transmission of material information, and the review and disclosure process of material matters. The resolutions of the meetings of the subsidiaries' board meetings and general meetings, together with other documents of importance, shall be submitted to the Company by the subsidiaries in a timely manner.

IX. AUDITORS' REMUNERATION AND RELATED MATTERS

Please refer to "APPOINTMENT AND REMOVAL OF AUDITORS" in the "Significant Events" section of this report.

X. CORPORATE CULTURE

The core value of the Company's corporate culture is to remain committed to the strategy of "One Goal, Three Functions, Six Roles" while upholding the corporate philosophy of "Empowering Social Development, Boosting Economic Growth". The Company serves the mission of the "ballast for energy supply, pioneer in energy revolution" by devoting itself to the core value of "promoting green development and pursuing excellence". Guided by the spirit of "socialism is established through action", we strive to develop the spirit of "diligence, dedication, innovation, and ambition".

The Company adheres to the principle of consistently implementing corporate culture in a strict and unified manner. To ensure that the corporate culture is clearly communicated to all employees, the Company has formulated a work plan for the study and promotion of corporate culture through a handbook, integrating theoretical learning and thematic activities. By fully utilising the corporate culture column on the Company's website, study, promotion and implementation are widely carried out to help employees gain a deep understanding of the corporate culture system and its rich connotations. Furthermore, we continuously organise activities for selecting and rewarding advanced models of spiritual civilisation and corporate culture to publicise their exemplary and leading roles, thereby creating a positive and uplifting working atmosphere and providing spiritual strength for building a world class integrated energy listed company with global competitiveness.

The development plans and decisions made by the Board are in line with the corporate culture of the Company. The Board is also committed to establishing a sound compliance culture to ensure the Company's compliance with the securities regulations in both the Chinese mainland and Hong Kong. During the Reporting Period, the Company stepped up the building of law-based governance and promoting the theory of compliance with the laws to be embraced by its employees. The Company advanced the implementation of the plan of "Law-based China Shenhua" and the "Eighth Five-Year" plan for legal awareness education. The Company strengthened legal review to ensure that projects are conducted in compliance with laws, formulated and issued its "Regulations for Implementation of Management and Control of Compliance Risk", to establish a comprehensive compliance risk management and control mechanism to be implemented before, during and after the process of actions.

XI. EMPLOYEES

(I) Employees as at the end of 2024

Number of current employees of the headquarters of the Company *(number of persons)*	183
Number of current employees of the subsidiaries and branches of the Company *(number of persons)*	83,168
Total number of current employees of the Group *(number of persons)*	**83,351**
Number of retired employees in respect of which the Company and subsidiaries bear cost *(number of persons)*	16,086

Function

Category of function	**Number of persons**
Operation and repair	51,654
Management and administration	14,825
Finance	1,534
Research and development	3,628
Technical support	8,103
Sales and marketing	635
Others	2,972
Total	**83,351**

Education Level

Category of education level	**Number of persons**
Postgraduate and above	4,631
University graduate	39,840
College graduate	19,447
Specialised secondary school graduate	7,474
Graduate of technical school, high school and below	11,959
Total	**83,351**

(II) Remuneration Policy

The Company adheres to the principle of performance-efficiency orientation and continues to deepen the reform of income distribution system and optimises the income distribution structure under the principle of enhanced incentive constraints and appropriately differentiated compensation structures. The Company implements performance-based remuneration for all employees, strengthens the linkage between remuneration and unit performance and individual appraisal results, and continues to improve the distribution mechanism based on position value and performance contribution, gives full play to the role of salary incentive, and stimulates the vitality of corporate talents.

For details of the salaries of the Group's employees in 2024, please refer to "Profit for the Year" in the notes to the financial statements in this report.

(III) Training Program

The Company has established a training system with different levels and channels to provide the employees with appropriate training in job skills, production safety and group management, etc. In 2024, the cumulative training expenditure totaled approximately RMB385 million. The number of attendances in training was approximately 1,106,600 with training hours of approximately 9,125,000 hours in aggregate. For details, please refer to the 2024 Environment, Social and Governance Report of the Company.

(IV) Outsourced Work in 2024

Total number of working hours of outsourced work	101.84 million hours
Total remuneration paid for outsourced work	RMB5,956 million

(V) Gender Diversity of Employees

The differences in education levels, cultural backgrounds, occupational backgrounds and job requirements of employees are the main factors affecting the gender diversity among employees. The Company continuously recruits professionals of different genders and ethnic groups in accordance with its development needs to cultivate and develop a talent pipeline of an appropriate scale, high-end leadership, a well-balanced structure and excellent quality. This ensures that the Company establishes and maintains its talent advantage in the industry in which it operates and lay a solid talent foundation for the realisation of the Company's development strategy. For further details about the diversity of employees, please refer to the 2024 Environment, Social and Governance Report of the Company.

As at the end of 2024, the Group had 12,025 female employees, accounting for 14.4% of total employees, and 71,326 male employees, accounting for 85.6% of total employees.

XII. PROFIT DISTRIBUTION POLICY DURING THE REPORTING PERIOD

(I) Formulation, Implementation or Adjustment of Cash Dividend Policy

In accordance with the requirements of the relevant laws and regulations and the Articles of Association, the profit distribution policy of the Company shall maintain continuity and stability and take full consideration of achieving reasonable returns for investors. The Company shall give priority to profit distribution in cash dividends. The profit distribution policy of the Company complies with the Opinions of the State Council on Further Improving the Quality of Listed Companies (《國務院關於進一步提高上市公司質量的意見》) and the Guideline on Encouragement of Cash Dividend Distribution of Listed Companies promulgated by the CSRC.

Pursuant to the Articles of Association, the profit distribution of the Company shall be made based on the net profit for the relevant accounting year attributable to shareholders of the Company in the consolidated financial statements prepared under the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards, whichever is lower ("Distribution Base"). Annual profit distribution in cash shall be no less than 35% of the Distribution Base subject to the relevant conditions.

In order to implement the Securities Law of the PRC, strengthen the protection of investors' legitimate rights and interests, and respond to the demands of investors, especially minority shareholders, as approved on the 2022 first extraordinary general meeting of the Company and in line with the Articles of Association, the profit distributed by the Company in cash for each year from 2022 to 2024 shall not be less than 60% of the net profit attributable to shareholders of the Company realised in that year (i.e. Distribution Base).

In order to proactively implement securities regulatory requirements, respond to shareholders' demand, further strengthen the Company's close ties with its long-term and patient shareholders, the Board of the Company proposed a plan for shareholders' return for 2025-2027, that is, subject to the provisions of the Articles of Association, the profit to be distributed in cash annually from 2025 to 2027 shall be no less than 65% of the Company's net profit attributable to the equity holders of the Company realised in the corresponding year (i.e. Distribution Base) and the Company may also implement interim profit distribution during such period after taking into comprehensive consideration of its operational performance and capital needs. The plan is still subject to approval by the general meeting of the Company.

(II) Special Description for Cash Dividend Policy

Whether it complies with the provisions of the Articles of Association or the requirements of the proposals of the general meeting	✓ Yes
Whether the criteria and percentage of dividends are clear and unambiguous	✓ Yes
Whether the relevant decision procedures and mechanism are complete	✓ Yes
Whether independent directors have performed their duties and responsibilities and played their full role	✓ Yes
Whether minority shareholders have adequate opportunities to express opinions and concerns, and whether their legitimate rights are fully protected	✓ Yes

(III) Cash Dividend Plan

1. Cash Dividend Plan for 2024

The Group's net profit attributable to equity holders of the Company for 2024 under the China Accounting Standards for Business Enterprises amounted to RMB58,671 million, with basic earnings per share of RMB2.953/share; profit for the year attributable to equity holders of the Company under the International Financial Reporting Standards amounted to RMB62,421 million, with basic earnings per share of RMB3.142/share. As at 31 December 2024, the profit available for distribution to shareholders of the Company under the China Accounting Standards for Business Enterprises amounted to RMB199,017 million.

The Board of the Company proposed the payment of a final dividend in cash of RMB2.26 per share (inclusive of tax) for the year 2024 based on the total share capital registered on the record date of distribution. Calculated based on the total share capital of 19,868,519,955 shares of the Company as at 31 December 2024, the final dividend amounts to RMB44,903 million (inclusive of tax), representing 71.9% of the profit for the year attributable to equity holders of the Company under the IFRS Accounting Standards, or 76.5% of the net profit for the year attributable to equity holders of the Company under the China Accounting Standards for Business Enterprises.

	Profit distribution plan for the recent three years (including the Reporting Period)			
	Dividend per 10 shares (inclusive of tax)	Amount of cash dividend (inclusive of tax)	Net profit attributable to equity holders of the Company in the consolidated financial statements of the respective dividend year in accordance with China Accounting Standards for Business Enterprises	Percentage to the net profit attributable to equity holders of the Company in the consolidated financial statements
	RMB	*RMB million*	*RMB million*	*%*
Final dividend for the year 2024 (subject to approval of the general meeting)	22.6	44,903	58,671	76.5
Final dividend for the year 2023	22.6	44,903	59,694	75.2
Final dividend for the year 2022	25.5	50,665	69,626	72.8

2. Dividend Distribution in the Last Three Years

Unit: RMB million

Accumulated cash dividends (tax inclusive) in the last three fiscal years (1)	140,471
Accumulated amount of shares repurchased and cancelled in the last three fiscal years (2)	0
Accumulated amount of cash dividends and shares repurchased and cancelled in the last three fiscal years (3)=(1)+(2)	140,471
Average annual net profit attributable to equity holders of the Company in the last three fiscal years (4)	62,664
Cash dividend ratio in the last three fiscal years (%) (5)=(3)/(4)	224.2
Net profit attributable to equity holders of the Company for the latest fiscal year	58,671
Retained profit at the end of the period in the financial statement of the Company for the latest fiscal year	199,017

Note: The financial data in the above table is prepared in accordance with the China Accounting Standards for Business Enterprises.

3. The aforementioned final dividend plan for the year 2024 was in compliance with the requirement of the Articles of Association, and there were no circumstances under which the cash dividend plan may prejudice the interests of the listed company or minority shareholders as stipulated in No. 3 Guideline for the Supervision of Listed Companies – Cash Dividend Distribution of Listed Companies. Such final dividend plan has been approved by the Board. When proposing the final dividend plan for the year 2024, the Board has attended to and considered the opinions and concerns of the shareholders of the Company. The Company will hold the 2024 annual general meeting on Friday, 20 June 2025 to consider the relevant resolutions, including the above dividend plan as proposed by the Board.

4. The final dividend for the year 2024, which is denominated and declared in RMB, will be paid in RMB to holders of the Company's A shares (including holders of the Company's A shares through the Northbound Trading Link of the Shanghai-Hong Kong Stock Connect, hereinafter referred to as the "Northbound Shareholders"), and holders of the Company's H shares through the Southbound Trading Link (including Shanghai and Shenzhen markets, hereinafter referred to as the "Southbound Shareholders"). Dividends to holders of the Company's H shares, except the Southbound Shareholders, will be paid in HKD. The dividend paid in HKD is calculated as the average benchmark rate of RMB against HKD of five business days preceding the date of declaration of such dividend, as published by the Bank of China.

In accordance with the preliminary arrangement of profit distribution plan for year 2024 and the annual general meeting of the Company, the final dividend for the year 2024 for the Company's H shareholders is estimated to be distributed on or about 20 August 2025.

5. **Pursuant to the Articles of Association:**

(1) After the SSE is closed in the afternoon on Tuesday, 17 June 2025, the shareholders of A shares of the Company and their proxies of shareholders as registered in the China Securities Depository and Clearing Corporation Limited Shanghai Branch are entitled to attend and vote at the 2024 annual general meeting of the Company;

(2) According to the relevant regulations of China Securities Depository and Clearing Corporation Limited Shanghai Branch and market practice adopted for final dividend distribution for A shares, the Company will publish a separate announcement on implementation of profit distribution in respect of the distribution of final dividend for the year 2024 to holders of A shares after the 2024 annual general meeting to determine the record date, ex-rights date and dividend distribution date for the distribution of final dividend for the year 2024 to holders of A shares.

6. **The Arrangement of Temporary Closure of the Register of Members of H Shares of the Company:**

		Temporary closure of the register of members			
No.	**Corresponding rights**	**First day (inclusive)**	**Last day (inclusive)**	**The last day for registering members**	**The Company's share registrar for H shares**
1	Attending and voting at the 2024 annual general meeting	Tuesday, 17 June 2025	Friday, 20 June 2025	4:30 p.m. on Monday, 16 June 2025	Computershare Hong Kong Investor Services Limited
2	Entitled to the final dividend for the year 2024	Saturday, 28 June 2025	Friday, 4 July 2025	4:30 p.m. on Friday, 27 June 2025	Computershare Hong Kong Investor Services Limited

7. In accordance with the provision of Enterprise Income Tax Law of the PRC and its implementation regulations and the State Taxation Administration of the PRC (Guo Shui Han [2008] No. 897), the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise shareholders whose names appear on the register of members for H shares of the Company when distributing final dividends. The Company shall withhold and pay enterprise income tax in respect of the final dividend for the year 2024 of the Company for the non-resident enterprise shareholders whose name would appear on the register of members for H shares of the Company on 4 July 2025.

8. According to Guo Shui Han [2011] No. 348 issued by the State Taxation Administration, the Company shall distribute cash dividends to the individual shareholders whose names appear on the register of members for H shares, and has obligations to withhold and pay individual income tax for dividend payable. The individual shareholders of H shares are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements entered into between their countries of residence and China and the tax arrangements between China's mainland and Hong Kong (Macau).

If the individual shareholders of the H shares who are Hong Kong or Macau residents or residents of the countries which have an agreed tax rate of 10% with China, the Company shall withhold individual income tax at a rate of 10%. If the individual shareholders of the H shares are residents of countries which have an agreed tax rate of less than 10% with China, the Company shall withhold individual income tax on behalf of them in accordance with relevant provisions required by the Announcement of the State Taxation Administration in relation to the Administrative Measures on Preferential Treatment Entitled by Non-resident Taxpayers under Tax Treaties (No. 35 Announcement of the State Taxation Administration in 2019). If the individual shareholders of the H shares are residents of countries which have an agreed tax rate of over 10% but less than 20% with China, the Company shall withhold the individual income tax on behalf of them at the agreed actual rate. In case the individual shareholders of the H shares are residents of countries which have not entered into any tax agreement with China, or the agreed tax rate with China is 20% or otherwise, the Company shall withhold the individual income tax at a rate of 20%.

The Company shall use the registered address ("registered address") as recorded in the register of members of H shares on 4 July 2025 as the criterion in determining the residence of the individual shareholders of H shares who are entitled to receive the final dividend for the year 2024 of the Company, and withhold and pay individual income tax accordingly. If the residence of the individual shareholders of H shares is inconsistent with the registered address, such shareholders shall notify the Company's share registrar for H shares at or before 4:30 p.m. on 27 June 2025 with the relevant evidence at Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, telephone (852) 2862 8555.

9. With respect to the Southbound Shareholders, according to the relevant requirements of China Securities Depository and Clearing Corporation Limited, China Securities Depository and Clearing Corporation Limited Shanghai Branch and Shenzhen Branch shall receive cash dividends distributed by the Company as the nominee of the Southbound Shareholders for Shanghai market and Shenzhen market, respectively and distribute such cash dividends to the relevant Southbound Shareholders through its depository and clearing system.

According to the relevant provisions under the "Notice of MOF, SAT and CSRC on the Tax Policies for Shanghai-Hong Kong Stock Connect Pilot Programme" (Cai Shui [2014] No. 81) and the "Notice of MOF, SAT and CSRC on the Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Programme" (Cai Shui [2016] No. 127) under the Ministry of Finance, State Administration of Taxation of China and CSRC, the Company shall withhold individual income tax at the rate of 20% with respect to dividends received by individual investors in China's mainland for investing in H-shares listed on the HKEx through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. The dividends and bonuses earned by securities investment funds in China's mainland investing in shares listed on the HKEx through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect shall be withheld on an individual income tax basis. The Company is not required to withhold income tax on dividends derived by enterprise investors in China's mainland, and such enterprises shall report the income and make tax payment by themselves. The record date and the relevant arrangements of dividend distribution for Southbound Shareholders are the same as those of the Company's shareholders of H shares.

10. **The Company assumes no responsibility arising from any delayed or inaccurate determination of the tax status of the shareholders or any dispute over the withholding and collection arrangements. Shareholders should consult their tax advisers regarding China's mainland, Hong Kong and other tax implications of owning and disposing of the Company's H shares.**

11. **Pursuant to the Articles of Association, the Company is entitled to forfeit the dividends which have been declared for more than six years but yet to be claimed, subject to compliance with relevant Chinese laws and administrative regulations. Shareholders are advised to collect the dividends distributed by the Company in a timely manner.**

XIII. THE SHARE OPTIONS INCENTIVE PLAN, EMPLOYMENT STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVE SITUATION OF THE COMPANY AND THEIR IMPACTS

☐Applicable ✓ Not applicable

XIV. APPRAISAL MECHANISM FOR SENIOR MANAGEMENT, AND THE ESTABLISHMENT AND IMPLEMENTATION OF THE INCENTIVE MECHANISM DURING THE REPORTING PERIOD

The Company adheres to strategy guidance for the evaluation mechanism of senior executives, and continuously strengthens evaluation of operating performance in respect of the strategic guidance and strategy promotion functions; insists on classified evaluation by selecting core competitive indicators to reflect differentiated evaluation; insists on precision and effectiveness to ensure scientific and objective evaluation results, and reasonably reflects operating performance and contribution; adheres to incentives and constraints and the unity of responsibilities, rights and interests, with strong incentives and rigid constraints based on both annual evaluation and tenure evaluation.

Evaluation indicators include quantitative indicators such as the key production indicators of each business segment, total profit, full labour productivity, market value growth rate, as well as constraint indicators in terms of safety, health and environmental protection, highlighting quality and efficiency, emphasizing sustainable development, and fully mobilizing the enthusiasm of senior management. The annual and tenure performance evaluation of senior management is conducted based on the completion of relevant metrics, and the remuneration will be paid in accordance with the evaluation results.

I. ENVIRONMENTAL INFORMATION

(I) Environmental Protection Information of the Companies and Their Significant Subsidiaries Classified as the Key Units for Environmental Supervision as Published by the Competent Environmental Protection Authorities of the PRC

1. Information on Pollutant Discharge

As at 31 December 2024, a total of 43 subsidiaries of the Group that belonged to the key units for environmental supervision ("Key Units") published by the environmental protection authorities (including key discharge units for atmospheric environment, water environment, soil pollution and key units for the control of environmental risks), were mainly coal-fired power plants, coal chemical plants and coal mines etc., which are located in areas including Inner Mongolia, Shaanxi, Hebei, Fujian and Guangdong.

Key Units in terms of atmospheric environment include public thermal power plants, coal-to-chemical captive power plants, heating boilers for mines and coking plants etc. The main pollutants are sulfur dioxide, nitrogen oxides and soot, which are emitted organisationally and continuously to the atmosphere through the chimneys. The emission standards implemented include Emission Standards for Air Pollutants Produced by Thermal Plants (GB13223-2011), Emission Standards for Air Pollutants Produced by Boilers (GB13271-2014) and Emission Standards for Pollutants Produced by Coking Chemical Industry (GB16171–2012).

Key Units in terms of water environment include coal chemical enterprises. The main pollutants are chemical oxygen demand (COD), which are discharged continuously or discontinuously to the surface water through the sewage outfall of the enterprises. The emission standard implemented is the Comprehensive Emission Standards for Sewage (GB8978-1996).

In 2024, the Key Units discharged in accordance with the requirements under the national and local pollutant discharge standards, and the total amount of pollutant discharge was controlled within the permitted range. The emissions of the Key Units in terms of atmospheric environment are as follows:

Name of the entity	Main pollutants	Total emissions	Average emission concentration	Approved total emission	Number of emission outlets	Distribution of emission outlets	Excessive emissions	Operation rate of pollution prevention facilities
		tonne	*mg/Nm³*	*tonne/year*	*unit*		*hour*	*%*
Taishan Power	SO_2	1,422	15.6	4,780	6	Units No. 1 and 2 share one emission outlet; each of Units No. 3-7 has one emission outlet	0	100
	NO_X	2,270	24.9	9,560			0	
	Soot	134	1.5	1,620			0	
Huizhou Thermal	SO_2	393	24.0	501.5	1	All units share one emission outlet	1	100
	NO_X	594	36.2	716.5			2	
	Soot	19	1.1	71.7			2	
Qingyuan Power	SO_2	774	18.7	795	2	Each unit has one emission outlet	0	99.99
	NO_X	942	23.0	961			4	
	Soot	52	1.4	308			0	
Liuzhou Power	SO_2	124	17.4	3,727.2	2	Each unit has one emission outlet	0	100
	NO_X	223	32.3	1,863.6			0	
	Soot	12	2.0	559			0	
Beihai Power	SO_2	48	2.0	771.2	2	Each unit has one emission outlet	0	100
	NO_X	379	13.4	712.9			2	
	Soot	29	2.1	136.2			0	
China Energy Shenfu (Shishi) Power Generation Co., Ltd.	SO_2	1,036	25.3	3,675	2	Each unit has one emission outlet	1	100
	NO_X	1,790	44.2	3,675			0	
	Soot	176	4.3	309			0	
China Energy Shenfu (Jinjiang) Thermal Power Co., Ltd.	SO_2	48	9.1	256.8	2	Boilers No. 1 and 2 share one emission outlet; Boiler No. 3 has one emission outlet	1	100
	NO_X	261	52.7	366.8			3	
	Soot	5	1.0	73.4			1	

Name of the entity	Main pollutants	Total emissions	Average emission concentration	Approved total emission	Number of emission outlets	Distribution of emission outlets	Excessive emissions	Operation rate of pollution prevention facilities
		tonne	*mg/Nm³*	*tonne/year*	*unit*		*hour*	*%*
China Energy Shenfu (Longyan) Power Generation Co., Ltd.	SO_2	207	15.9	358	1	All units share one emission outlet	1	100
	NO_X	549	42.5	839			15	
	Soot	32	2.5	360			1	
China Energy (Lianjiang) Gangdian Co., Ltd.	SO_2	1,157	27.1	1,632.2	2	Each unit has one emission outlet	0	100
	NO_X	1,792	42.1	2,282.2			20	
	Soot	132	3.1	466.6			2	
Jiujiang Power	SO_2	270	7.2	2,805	2	Each unit has one emission outlet	0	100
	NO_X	1,530	43.0	3,014			0	
	Soot	30	0.9	1,050			0	
Yongzhou Power	SO_2	433	18.7	895	2	Each unit has one emission outlet	0	99.68
	NO_X	854	37.2	1,080			28	
	Soot	29	1.7	110			0	
Yueyang Power	SO_2	440	17.5	1,352.8	2	Each unit has one emission outlet	0	100
	NO_X	754	32.0	1,932.6			0	
	Soot	45	2.0	386.5			0	
China Energy Chongqing Wanzhou Electric Power Co., Ltd.	SO_2	774	17.9	2,545.2	2	Each unit has one emission outlet	0	99.85
	NO_X	1,788	42.2	2,952			4	
	Soot	73	1.8	735			0	
China Energy Jiangyou Thermal Power Co., Ltd.	SO_2	196	16.3	385	2	Each unit has one emission outlet	0	99.98
	NO_X	420	33.1	550			0	
	Soot	65	5.1	110			0	
China Energy Sichuan Tianming Power Generation Co., Ltd.	SO_2	652	16.2	924.4	2	Each unit has one emission outlet	0	100
	NO_X	1,709	42.6	1,733			0	
	Soot	118	2.9	174.2			0	
Mengjin Power	SO_2	356	19.6	1,079	2	Each unit has one emission outlet	0	100
	NO_X	729	39.8	1,542			0	
	Soot	52	2.9	308			0	
Shouguang Power	SO_2	576	17.3	1,347.5	2	Each unit has one emission outlet	0	100
	NO_X	1,057	32.0	1,925			0	
	Soot	66	2.0	192.5			0	

Name of the entity	Main pollutants	Total emissions	Average emission concentration	Approved total emission	Number of emission outlets	Distribution of emission outlets	Excessive emissions	Operation rate of pollution prevention facilities
		tonne	*mg/Nm^3*	*tonne/year*	*unit*		*hour*	*%*
Cangdong Power	SO_2	490	10.5	1,303.1	2	Every two units share one emission outlet	0	100
	NO_X	1,003	21.5	1,563.8			0	
	Soot	101	2.2	584.1			0	
Dingzhou Power	SO_2	573	12.8	1,814.3	2	Every two units share one emission outlet	0	100
	NO_X	905	19.7	2,591.9			0	
	Soot	90	2.0	521.9			0	
Dianta Power Plant of Shendong Power	SO_2	495	20.4	1,031.8	1	All units share one emission outlet	0	100
	NO_X	826	35.4	1,474			0	
	Soot	52	2.3	294.8			0	
Shendong Power Daliuta Thermal Power Plant	SO_2	0.3	0.6	47.3	1	All units share one emission outlet	1	100
	NO_X	12	13.7	67.6			1	
	Soot	0.2	0.2	13.5			0	
Shendong Power Guojiawan Power Plant	SO_2	39	3.7	420	1	All units share one emission outlet	0	100
	NO_X	285	29.2	600			0	
	Soot	23	2.3	120			0	
Shenmu Power	SO_2	179	20.8	189	1	All units share one emission outlet	0	100
	NO_X	269	34.5	270			0	
	Soot	19	2.3	54			0	
Jinjie Energy (Power Plant)	SO_2	1,271	17.2	1,581	3	Every two units share one emission outlet	0	100
	NO_X	2,237	30.2	3,335			31	
	Soot	210	2.8	335			0	
Power Plant of Guoneng Yili Energy Co., Ltd.	SO_2	471	23.2	880	4	Each unit has one emission outlet	0	100
	NO_X	848	43.9	1,760			0	
	Soot	16	0.7	60			0	
Zhunge'er Power	SO_2	350	19.0	3,840	2	Each of Phase I and Phase II has one emission outlet	0	100
	NO_X	668	39.1	3,840			1	
	Soot	53	3.0	576			1	

Name of the entity	Main pollutants	Total emissions	Average emission concentration	Approved total emission	Number of emission outlets	Distribution of emission outlets	Excessive emissions	Operation rate of pollution prevention facilities
		tonne	*mg/Nm³*	*tonne/year*	*unit*		*hour*	*%*
Shengli Energy	SO_2	278	11.6	1,016.4	2	Each unit has one emission outlet	0	100
	NO_X	697	28.5	1,271			0	
	Soot	65	2.7	290.4			0	
Baotou Coal Chemical	SO_2	153	14.1	2,685.1	5	Emission outlets of thermoelectric boilers, sulphur recovery facilities, MTO units	0	100
	NO_X	355	33.1	1,337.1			0	
	Soot	35	3.1	413.4			0	
Bayannur Energy	SO_2	61	30.0	203.1	3	Coke oven chimney, coke pushing floor dust extraction station, coal loading floor dust extraction station	8	100
	NO_X	263	200.0	941.8			7	
	Soot	23	15.0	123.2			1	
Baotou Energy Wanli First Colliery	SO_2	11	28.8	79.7	2	Each plant has one emission outlet	22	100
	NO_X	35	89.4	80			49	
	Soot	6	14.3	17.1			47	
Zhunge'er Energy	SO_2	21	109.2	42.0	4	5 coal-fired boilers share one emission outlet and each of 3 gas-fired boilers has one emission outlet	0	100
	NO_X	28	145.3	76.2			0	
	Soot	3	18.1	12.5			0	
China Shenhua Ha'erwusu Open-cut Mine	SO_2	19	178.3	42	1	4 boilers share one emission outlet	0	100
	NO_X	25	222.6	52.5			0	
	Soot	2	31.0	8.8			0	
Huangyuchuan Colliery of Guoneng Yili Energy Co., Ltd.	SO_2	13	46.0	72.1	4	Two emission outlets for each of the colliery and coal preparation plant	0	100
	NO_X	33	118.2	90.2			22	
	Soot	3	10.9	18.0			15	
Shendong Coal Bu'ertai Colliery	SO_2	34	143.0	53.2	1	One emission outlet for coal-fired boiler	0	100
	NO_X	48	195.0	72.5			0	
	Soot	3	19.0	14.5			0	

Notes: The unorganized emissions of pollutants from two Key Units in terms of atmospheric environment, Shuiquan Open-cut Mine of Baotou Energy and Baorixile Energy are mainly dust generated during loading operations, transportation operations, etc. Dust pollution is reduced through the installation of fog cannon trucks, sprinkler trucks, dust removal systems as well as covering vehicles with felt cloth.

In 2024, the Key Units, in terms of water environment, including one enterprise, i.e. Baotou Coal Chemical, achieved zero external discharge of polluted wastewater and 100% operation rate of pollution prevention facilities.

In 2024, the Key Units, in terms of soil pollution, included three enterprises, i.e. Baotou Coal Chemical, Bayannur Energy, Explosive Plant of Zhunge'er Energy. In addition to the three enterprises above, the Key Units, in terms of key environment risk control, also included 13 enterprises, i.e. Zhunge'er Energy, Ha'erwusu Open-cut Mine, Bu'ertai Colliery, Bulianta Colliery, Daliuta Colliery, Jinjie Energy (Coal Mine), Shendong Equipment Maintenance Center, Baorixile Energy, Dianta Power Plant of Shendong Power, Mengjin Power, Cangdong Power, Yulin Vehicle Maintenance Branch of Railway Equipment (鐵路裝備榆林車輛維修分公司) and Cangzhou Locomotive and Vehicle Maintenance Branch of Railway Equipment (鐵路裝備滄州機車車輛維修分公司), generated 58,900 tonnes of hazardous waste and entrusted qualified units to dispose of the waste or recycle in compliance with the laws and regulations, other than 175.8 tonnes of hazardous waste in inventory as at the end of the Reporting Period.

Investors should be aware that the above data is the results of the self-monitoring of the Company, which have not been confirmed by the local ecological and environmental protection regulatory authorities and may differ from the final data recognised by the local ecological and environmental protection regulatory authorities.

Under the current laws and regulations, the management believes that there is no contingent risk in relation to environmental protection that may bring material and adverse effects to the financial position or operating results of the Group. Contingent liabilities which may arise in the future cannot be accurately predicted.

2. Construction and Operation of Pollution Prevention and Control Facilities

The Group has built desulfurisation, denitration, dust collectors, wastewater, solid waste and noise prevention and control facilities in accordance with national and local pollution prevention and environmental protection standards. During the Reporting Period, the pollution prevention and control facilities operated effectively and stably in general, and no environmental pollution incidents of general or above level occurred.

3. Environmental Impact Appraisal of Construction Project and Other Administrative Approvals on Environmental Protection

The Group strictly regulated the environmental protection management of construction project and implemented the "three simultaneous" system of environmental impact assessment, energy conservation assessment, water and soil conservation inspection and acceptance, as well as environmental protection inspection and acceptance. The environmental impact appraisal has been conducted on all construction projects of Key Units and has received approvals from relevant government authorities as required. During the Reporting Period, all the Key Units have strictly implemented the pollutant discharge license system and obtained pollutant discharge permit which are all within the validity period.

4. Emergency Plan for Unexpected Environmental Incidents

The Group carried out related work in accordance with the national emergency plan and management requirements for unexpected environmental incidents. The Key Units have strengthened their emergency facilities and implemented regular emergency drills to improve their ability to prevent, control and deal with environmental incidents. The emergency plans for unexpected environmental incidents of the Key Units and the filing status can be searched on the websites of the local ecological environmental protection authorities.

5. Environmental Self-monitoring Plan

The Group has standardised the management of the online environmental protection monitoring system in accordance with relevant national standards and administrative regulations for online monitoring of pollution sources. All the Key Units have completed the compilation of their self-monitoring plans, installed online monitoring facilities for water and air pollutants as required, and connected these facilities to the monitoring platform of the local ecological and environmental authorities, enabling real-time monitoring.

6. Administrative Penalty for Environmental Problems during the Reporting Period

☐ Applicable ✓ Not applicable

7. Other Environmental Information that should be Disclosed

☐ Applicable ✓ Not applicable

(II) Environmental Issues of Subsidiaries Other Than Those Classified as Key Units

1. Administrative Penalties for Environmental Issues

Unit name	Date	Penalty No.	Amount of penalty *RMB0'000*	Reasons for penalty	Rectification progress
Shendong Coal Branch	5 January 2024	No. 3 of Shan K Shen Mu Huan Fa [2024]	40	Failure to pass the inspection and acceptance of production capacity increase of affiliated collieries	The environmental impact assessment report and submission components for the project have been completed. The approval procedures are being carried out in accordance with relevant regulations, and rectification is in progress.
Baoshen Railway	25 March 2024	No. 7 of Da Shui Fa Zi [2024]	2	Beyond planned water usage for year 2023	The rectification has been completed.
Jinjie Energy (Coal Mine)	11 March 2024	No. 22 of Shan K Shen Mu Huan Fa [2024]	20	Failure to obtain the pollutant discharge permit for 1 coal-fired boiler renovated	The pollutant discharge permit has been obtained.
	10 May 2024	No. 46 of Shan K Shen Mu Huan Fa [2024]	5	Particulate matter exceeded standards due to failure of boiler online monitoring equipment	The rectification has been completed.
	5 June 2024	No. 75 of Shan K Huan Fa [2024]	5	The operation and maintenance of boiler flue gas online monitoring facilities was not standardised	The rectification has been completed.
	24 December 2024	No. 147 of Shan K Shen Mu Huan Fa [2024]	16	The discharge destinations of two dewatering water outlets did not comply with regulations	Rectification in progress. The comprehensive utilisation project for coal mine dewatering water is being accelerated to commence operation at its designed capacity.

Unit name	Date	Penalty No.	Amount of penalty *RMB0'000*	Reasons for penalty	Rectification progress
Yulin Energy Qinglongsi Colliery (榆林能源青龍寺煤礦)	25 April 2024	No. 39 of Shan K Fu Gu Huan Fa [2024]	9.7	Failure to obtain the environmental protection approval procedures for a newly constructed natural gas boiler and a LNG gasification station	The approval has been obtained.
	25 July 2024	No. 114 of Shan K Huan Fa [2024]	5	The monitoring frequency of the COD and ammonia nitrogen analysers was set to once every two hours; the setting of COD measurement range did not align with the filed documentation	The rectification has been completed.
	25 July 2024	No. 115 of Shan K Huan Fa [2024]	10	Failure to conduct self-monitoring for domestic wastewater and exhaust gas in the first quarter of 2024	The rectification has been completed.
	17 October 2024	No. 89 of Shan K Fu Gu Huan Fa [2024]	15	The labeling of the hazardous waste temporary storage facility was not standardised	The rectification has been completed.
Yulin Energy Guojiawan Colliery (榆林能源郭家灣煤礦)	8 September 2024	No. 78 of Shan K Fu Gu Huan Fa [2024]	8	The record-keeping of the industrial solid waste management ledger was not standardised	The rectification has been completed.

2. **Other Environmental Information**

During the Reporting Period, the total emissions of major pollutants of the Group were as follows: sulfur dioxide 22,200 tonnes, nitrogen oxides 47,800 tonnes, soot 3,400 tonnes, and chemical oxygen demand (COD) 365.74 tonnes. The total generation of hazardous waste was 66,100 tonnes. Other than the inventory at the end of period of 475 tonnes, all were disposed of in compliance with regulations or recycled.

The 2024 Environmental, Social and Governance Report of the Company, disclosed concurrently with this report, has been independently verified by KPMG Huazhen LLP, and an assurance report was issued.

3. **Reasons for Non-disclosure of Environmental Information by Subsidiaries Other Than Those Classified as the Key Units**

☐ Applicable ✓ Not applicable

(III) Follow-up Progress or Changes in the Disclosure of Environmental Information during the Reporting Period

☐ Applicable ✓ Not applicable

(IV) Actions Taken by the Company to Protect Ecology, Prevent Pollution and Take on Environmental Responsibilities

During the Reporting Period, the Group strictly complied with *the Environmental Protection Law of the People's Republic of China* and other national and local environmental protection laws and regulations. The Group established and continuously improved its environmental protection management system, and implemented high-standard measures for pollution prevention and environmental protection activities. The Group promoted in-depth treatment of flue gas pollutants from coal-fired boilers, strengthened the control of unorganized emissions of fine particulate matter, and improved the level of coordinated treatment of air pollutants. The Group continuously carried out mine water standard improvement and comprehensive utilization projects. It also promoted zero discharge of wastewater from the power industry and chemical industry and took coordinated steps to enhance the efficient utilization of water resources. The Group promoted the construction of the "waste-free group", strengthened the comprehensive utilisation of solid wastes such as coal gangue and ash, and ensured the hazardous waste was disposed of in compliance with laws and regulations. The Group strictly observed the red lines for ecological protection, took steps to enhance the integrated protection of mountains, rivers, forests, farmlands, lakes, grasslands and deserts, and promoted ecological remediation and governance and protection of biodiversity in a well-coordinated way.

In 2024, the Group invested RMB3,768 million in environmental protection (including RMB1,912 million in ecological construction). The open-cut mine land reclamation area increased by 1.70 million square meters, the underground mines subsidence area's land governance coverage expanded by 31.81 million square meters, and the greening coverage area increased by 28.70 million square meters. Through the Public Welfare Foundation of China Energy Group, a total of RMB2,137 million was donated to the Inner Mongolia Autonomous Region Government for comprehensive ecological governance in Inner Mongolia, and such fund will be used for local ecological protection work.

(V) Measures Taken to Reduce Carbon Emissions during the Reporting Period and Their Effects

During the Reporting Period, the Group continued to focus on the green and low-carbon development of power generation, and took the research and development of low-carbon technology as a support, striving to promote the low-carbon development of the entire industrial chain through a combination of approaches such as clean energy substitution, the implementation of energy-saving and emission-reduction technologies, and carbon asset management. The Group carried out in-depth coal consumption control and reduction projects, promoted the application of carbon reduction technologies such as ammonia co-firing and biomass co-firing, and promoted the substitution of traditional energy with clean energy, so as to achieve "carbon reduction at source". The standard coal consumption for power supply was reduced to 292.9 g/kWh. The Group continuously optimised production processes, accelerated equipment replacement and upgrades, enhanced production efficiency and effectively reduced carbon emissions per unit of product to achieve the goal of "controlling carbon emissions in the production process". The Group adhered to the principle of integrating and dividing and steadily constructed new energy projects. The Group added an installed external commercially operated renewable energy capacity of 366 MW. The renewable energy generation exceeded 1 billion kWh during the year. The Group carried out key technological breakthroughs in low-energy consumption and low-cost carbon capture, and promoted the application of "end-of-pipe carbon sequestration" technologies. The CCUS device at Jinjie Energy captured and produced 26,000 tonnes of CO_2 throughout the year.

In 2024, the Group was in the process of reaching carbon peak. While the total carbon emission recorded year-on-year increase, the direct carbon dioxide emission decreased by approximately 523,000 tonnes through the carbon reduction measures above.

II. DETAILS OF THE COMPANY'S EFFORTS TO EXPAND POVERTY ALLEVIATION ACHIEVEMENTS AND RURAL REVITALISATION

In 2024, the Group thoroughly implemented the national requirements for rural revitalisation, by implementing its budget, targets, and key projects according to its annual rural revitalisation action plan, with more focus on thriving industries, creating more job opportunities, and assisting farmers in achieving sustainable income growth. The Group advanced rural development in a solid and orderly manner, improved rural governance, and worked towards the modernisation of agriculture and rural areas as well as common prosperity.

In 2024, the Group contributed approximately RMB106 million to assistance funds for three targeted counties, namely Mizhi County and Wubu County in Shaanxi Province and Butuo County in Sichuan Province. The Group also introduced external assistance funds of RMB600,000 and implemented 34 assistance projects in key areas such as education, healthcare, industry, and infrastructure construction, benefiting approximately 220,000 people. Additionally, the Group provided training for 20,220 skilled professionals and grassroots cadres and facilitated the purchase and sales of agricultural products amounting to RMB40.61 million.

Apart from the targeted counties, the Group carried out 56 projects focusing on partnerships with local communities, rural revitalisation, and assistance offered to targeted regions, with a total investment of RMB310 million.

For more information on environmental and social responsibilities, please refer to the Company's 2024 Environmental, Social and Governance Report.

I. PERFORMANCE OF COMMITMENTS

Background of undertakings	Type of undertakings	Undertaking party	Contents of undertakings	Date of commitment	Any deadline for performance	Duration of commitment	Whether timely and strictly performed	In case of failure to perform in time, the specific reasons for the incomplete performance shall be stated	In case of failure to perform in time, future plans shall be described
Undertaking made in connection with initial public offering	Non-competition undertaking	China Energy	The two parties entered into the "Non-competition Agreement" on 24 May 2005, the "Supplemental Agreement to the Existing Non-Competition Agreement" on 1 March 2018, and the "Supplemental Agreement II to the Existing Non-Competition Agreement" on 28 April 2023. As the Company is an integrated platform which is responsible for the coal business and affiliated to China Energy, China Energy has undertaken not to compete with the Company in respect of the Company's principal businesses (coal exploration, mining, processing, sales; production and sales of comprehensively processed coal products; development and management of mineral products; railway transportation; port transportation; the industries and ancillary services related to the businesses aforementioned) in any domestic or international regions, and granted the Company options and pre-emptive rights to purchase and acquire any business opportunities and assets which may pose potential competition.	24 May 2005, 1 March 2018, 28 April 2023	Yes	Long-term; 27 August 2028	Yes, in progress	N/A	N/A

For details of the commitments, please refer to "Avoidance of Competition" of Section V of this report.

II. APPROPRIATION OF FUNDS BY ITS CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES FOR NON-OPERATIONAL PURPOSES DURING THE REPORTING PERIOD

☐ Applicable ✓ Not applicable

III. GUARANTEES IN VIOLATION OF REGULATIONS

☐ Applicable ✓ Not applicable

IV. AUDIT OPINIONS AND OTHER EXPLANATIONS

(I) Explanation from the Board and the Supervisory Committee for the "Non-standard Audit Report" Issued by the Auditors

☐ Applicable ✓ Not applicable

(II) The Company's Analysis and Explanation about the Reasons for and Impact of Changes in Accounting Policies, Accounting Estimates or Accounting Methods

☐ Applicable ✓ Not applicable

(III) The Company's Analysis and Explanation about the Reasons for and Impact of Correction to Material Previous Errors

☐ Applicable ✓ Not applicable

V. APPOINTMENT AND REMOVAL OF AUDITORS

Name of Domestic Auditors of the Company	KPMG Huazhen LLP
Name of Audit Partner of Domestic Auditors of the Company	Duan Yuhua
Remuneration of Domestic Auditors of the Company *(RMB million)*	9.64
Term of Auditing of Domestic Auditors of the Company *(year)*	6
Name of Signing Certified Public Accountant of Domestic Auditors of the Company	Duan Yuhua, Zheng Ziyun
Cumulative Term of Audit Services of Signing Certified Public Accountant of Domestic Auditors of the Company *(year)*	1
Name of International Auditors of the Company	KPMG
Remuneration of International Auditors of the Company *(RMB million)*	1.88
Term of Auditing of International Auditors of the Company *(year)*	6

On 21 June 2024, KPMG Huazhen LLP and KPMG were appointed as the domestic and international (Hong Kong) auditors of the Company respectively for 2024 at the Company's 2023 annual general meeting. The Company has not changed its auditors in any year of the last three years.

	Name	Remuneration
Internal Control Auditor	KPMG Huazhen LLP	RMB1.28 million

In 2024, the above two auditors did not serve as the external auditors of subsidiaries of the Company. In 2024, the total audit fees of the Company amounted to RMB12.8 million, representing an increase of 34.7% from last year, mainly affected by factors such as changes in scope of audit and complexity of accounting treatments.

In 2024, the subsidiaries of the Company engaged KPMG Advisory (China) Limited to provide them with non-assurance services such as optimization and upgrading of its standardized cost management system, at a total fee of RMB0.96 million.

VI. INSOLVENCY OR RESTRUCTURING RELATED MATTERS

☐ Applicable ✓ Not applicable

VII. MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, the Group did not have any material litigation or arbitration.

As at 31 December 2024, the Group was the plaintiff, defendant or the party to certain immaterial litigations and arbitrations. The management believes that any possible legal liability which may be incurred from such cases will not have any material impact on the financial position of the Group.

VIII. PENALTIES AND RECTIFICATIONS IMPOSED ON THE LISTED COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER, DE FACTO CONTROLLER AND ACQUIRERS

☐ Applicable ✓ Not applicable

IX. EXPLANATION FOR INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

After enquiring the National Enterprise Credit Information Publicity System, neither the Company nor China Energy, the controlling shareholder of the Company, was listed as an enterprise in serious violation of the law and lacking in credibility during the Reporting Period.

X. MATERIAL RELATED PARTY/CONNECTED TRANSACTIONS

(I) Related Party/Connected Transactions During the Daily Operation

The Company has a related party/connected transaction team led directly by the Chief Financial Officer, which is responsible for the management of related party/connected transactions; and the Company has established a business process, which properly delineates the responsibilities of the Company, its subsidiaries and branches in the management of related party/connected transactions. The Company has also established routine examinations, reporting systems and accountability systems in the subsidiaries and branches of the Company, as to ensure the related party/connected transactions be conducted in accordance with the terms of framework agreements.

As at the end of the Reporting Period and during the Reporting Period, the continuing related party/connected transaction agreements entered into by the Company included:

1. Non-exempt Continuing Related Party/Connected Transactions Between the Group and China Energy Group

China Energy directly holds 69.52% equity interest in the Company, and it is a related party of the Company as defined under the Shanghai Listing Rules and a connected person of the Company as defined under the Hong Kong Listing Rules. On 16 June 2023, the Company's 2022 annual general meeting approved the 2024-2026 Mutual Coal Supply Agreement and the 2024-2026 Mutual Supplies and Services Agreement with China Energy on 28 April 2023 and determined the annual transaction caps of each year from 2024 to 2026 for such related party/connected transactions during the daily operation with the validity period of the agreements from 1 January 2024 to 31 December 2026. (Please refer to the Company's H share announcement on 28 April 2023 and the A share announcement on 29 April 2023, as well as the circular in relation to the general meeting on 17 May 2023)

Finance Company, is 60% owned by China Energy, the Company's controlling shareholder. Therefore, it is a related party of the Company as defined under the Shanghai Listing Rules and a connected person of the Company as defined under the Hong Kong Listing Rules. Within its business scope, Finance Company provides the members of the Group with financial services. On 16 June 2023, the Company's 2022 annual general meeting approved the 2024-2026 Financial Services Agreement entered into between the Company and Finance Company on 28 April 2023 and determined the annual transaction caps of each year from 2024 to 2026 for such related party/connected transactions during the daily operation with the validity period of the agreement from 1 January 2024 to 31 December 2026. (Please refer to the Company's H share announcement on 28 April 2023 and the A share announcement on 29 April 2023, as well as the circular in relation to the general meeting on 17 May 2023)

Guoneng (Beijing) Commercial Factoring Co., Ltd. ("Guoneng Factoring") is an indirect wholly-owned subsidiary of China Energy, the controlling shareholder of the Company. Accordingly, Guoneng Factoring is a related party of the Company as defined under the Shanghai Listing Rules and a connected person of the Company as defined under the Hong Kong Listing Rules. On 28 April 2023, the Company and Guoneng Factoring entered into the Factoring Services Agreement between China Shenhua Energy Company Limited and Guoneng (Beijing) Commercial Factoring Co., Ltd. (the "Original Factoring Services Agreement") and agreed on the annual caps for the transactions for the years from 2023 to 2025 thereunder with a validity period from 1 January 2023 to 31 December 2025. In order to further meet the Group's phased, lump-sum, large-scale funding requirements and leverage on the service advantages of Guoneng Factoring more fully, on 22 March 2024, the twenty-seventh meeting of the fifth session of the Board of the Company approved the Factoring Services Agreement between China Shenhua Energy Company Limited and Guoneng (Beijing) Commercial Factoring Co., Ltd. for the years from 2024 to 2025 (the "New Factoring Services Agreement") entered into between the Company and Guoneng Factoring and the annual transaction caps from 2024 to 2025 thereunder with the validity period from 1 January 2024 to 31 December 2025, and the Original Factoring Services Agreement was terminated. (Please refer to the Company's H share announcements on 28 April 2023 and 22 March 2024 and the A share announcements on 29 April 2023 and 23 March 2024)

A. The Mutual Coal Supply Agreement entered into between the Company and China Energy

On 28 April 2023, the Company entered into the Mutual Coal Supply Agreement with China Energy. The Mutual Coal Supply Agreement is effective from 1 January 2024 to 31 December 2026. Pursuant to the Mutual Coal Supply Agreement, the Group and China Energy Group mutually supply coal.

The pricing policy for mutual coal supply under the Mutual Coal Supply Agreement sets out below: the price of the mutual supply of coal under this agreement is calculated by the unit price RMB/tonne multiplied by the actual weight. The unit price of coal shall be determined by both parties after arm's length negotiations with reference to the market price and conditions and the following factors, provided that the transaction terms shall not be less favourable than those provided by independent third parties:

(1) The national industrial policy as well as industry and market conditions in the PRC;

(2) The specified guidelines issued by National Development and Reform Commission of the People's Republic of China (NDRC) in relation to the coal purchase prices (if any);

(3) The current trading coal prices of the local coal exchange or market in the PRC, i.e., the price of the coal with comparable quality that is sold to or by independent third parties under normal market conditions and on normal commercial terms in the same or nearby regions. For local spot coal price, reference is generally made to (i) the spot price index of the local coal exchange or market in Bohai-rim region or nearby provinces as published on China Coal Market Website (www.cctd.com.cn) operated by China Coal Transportation and Distribution Association in the PRC; (ii) the sale price of local large-scale coal enterprises as published by each coal industry website (if any); and/or (iii) the price quotations of a number of enterprises with comparable quality, quantity and location;

(4) The quality of the coal (including the estimated calorific value of coal as required by different coal-fired power generating units);

(5) The quantity of coal; and

(6) The transportation fees.

Where the price of mutual coal supplies between both parties is not applicable under the pricing principles of this agreement due to any changes by laws and regulations, policies and market of China, both parties may adjust pricing principles based on aforesaid changes.

B. *The Mutual Supplies and Services Agreement entered into between the Company and China Energy*

On 28 April 2023, the Company entered into the Mutual Supplies and Services Agreement with China Energy. The Mutual Supplies and Services Agreement is effective from 1 January 2024 to 31 December 2026. Pursuant to the Mutual Supplies and Services Agreement, the Group and China Energy Group mutually supply products and provide services.

The pricing principles for the products and services provided under the Mutual Supplies and Services Agreement are set out below:

(1) General pricing principles

a. Government-prescribed price and government-guided price: if at any time, the government-prescribed price is applicable to any particular product or service, such product or service shall be supplied at the applicable government-prescribed price. Where a government-guided fee standard is available, the price shall be agreed within the range of the government-guided price.

b. Tender and bidding price: where tender and bidding process is necessary under applicable laws and regulations, the price shall be ultimately determined in accordance with the tender and bidding process.

c. Market price: the price shall be determined in accordance with normal commercial terms and on the following basis: the price of the same or similar products or services provided by an independent third party during its ordinary course of business on normal commercial terms. The management shall consider at least two comparable transactions with independent third parties for the same period when determining whether the price for any product or service transaction under this agreement is the market price.

d. Agreed price: to be determined by adding a reasonable profit margin over a reasonable cost. The management shall consider at least two comparable transactions with independent third parties for the same period when determining the reasonable profit of any product or service transaction under this agreement.

(2) In addition to the above, the parties further agree on the following pricing principles in respect of the following products and services:

a. Rail transportation: price prescribed by National Development and Reform Commission of the People's Republic of China (NDRC) and other related government competent authorities.

b. Construction: where tender and bidding process is necessary under applicable laws and regulations, the price will ultimately be determined in accordance with the tender and bidding process; where tender and bidding process is not necessary under applicable laws and regulations, the market price will be enforced.

c. Refined oil products: the government-guided price.

d. Power transaction: government-guided price shall prevail if there is any; the uniform clearing price shall prevail in centralised price bidding transaction; the independent negotiated transaction shall refer to transaction price of the recent market comparable transactions.

e. Hardware and software equipment and related services: market price (including tender and bidding price).

f. Chemical products: market price.

g. Production equipment and spare parts, office products: market price.

h. Tendering services: price prescribed by National Development and Reform Commission of the People's Republic of China.

i. Technical consulting services: agreed price with a profit margin of approximately 10%.

j. Information technology services: both parties negotiate and agree on the service price within the scope of budget, which is reviewed by professional institution(s) with pricing reviewing qualification according to relevant national and industrial rules and regulations on construction pricing, pricing mechanisms and fee standards, with reference to the market customs of the information technology industry, actual standards and market price, taking into account the actual condition of the Company's information technology construction.

k. Logistics and support services and training services: agreed price (cost plus a profit margin of approximately 5%).

l. Basic social security and pension management services and staff data recording services: agreed price (cost plus a profit margin of approximately 5%).

m. Various daily administrative services to China Energy Group (exclusive of financial management and services): agreed price (cost plus a profit margin of approximately 5%).

Where the price of mutual supplies and services between the Group and China Energy Group is not applicable under the pricing principles of this agreement due to the changes in laws and regulations, policies and the market of China, both parties may adjust the pricing principles of respective supplies and services based on aforesaid changes.

C. ***The Financial Services Agreement entered into between the Company and Finance Company***

On 28 April 2023, the Company entered into the Financial Services Agreement with Finance Company, which is effective from 1 January 2024 to 31 December 2026. Pursuant to the Financial Services Agreement, Finance Company would provide comprehensive credit (without any pledge or guarantee provided by the members of the Group) approved by regulatory authorities and other financial services to the members of the Group, and the members of the Group may place deposits in Finance Company.

The pricing policy of the Financial Services Agreement is as follows:

(1) In terms of deposits and loans or similar services provided by Finance Company to the members of the Group, subject to compliance with the relevant rules and regulations of the People's Bank of China (the "PBOC") and other relevant regulatory authorities:

a. The interest rates for deposits placed by the members of the Group with Finance Company shall be no less than the benchmark deposit interest rate for the same period published by the PBOC and the interest rates paid by major commercial banks in the PRC for comparable deposits services provided to the members of the Group and shall be negotiated on normal commercial terms.

b. The interest rates for loans granted by Finance Company to the members of the Group shall be no more than the loan prime rate for the corresponding period stipulated by the PBOC and no more than the interest rates stipulated by major commercial banks in the PRC for comparable loans services provided to the members of the Company and shall be negotiated on normal commercial terms.

With respect to the interest rates for deposits placed by the members of the Group with Finance Company, Finance Company will pay close attention to the benchmark deposit interest rates for the same period published by the PBOC on a regular basis and ascertain the deposit interest rates of major commercial banks in the PRC (i.e. the five major commercial banks, namely Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank and Bank of Communications), to ensure the interest rates for deposits placed by the members of the Company with Finance Company shall be no less than the interest rates paid by major commercial banks in the PRC for comparable deposits services provided to the members of the Group. Furthermore, deposit pricing by Finance Company will be under strict supervision and the Company will enforce relevant internal approval procedures.

(2) In terms of paid services provided by Finance Company to the members of the Group:

a. Finance Company can provide paid consultation, agency, settlement, transfer, online banking, entrusted loans, non-financial letters of guarantee, bill acceptance and other related services to the members of the Group.

b. Subject to compliance with the relevant rules and regulations of the PBOC and other relevant regulatory authorities, the service fees charged by Finance Company for the provision of the above financial services to the members of the Group shall be no more than the service fees charged by major commercial banks and other financial institutions in the PRC for comparable financial services provided to the members of the Group and shall be negotiated on normal commercial terms.

With respect to the service fees charged by Finance Company for the provision of financial services to the members of the Group, Finance Company will ascertain the service fee rates charged by major commercial banks on a regular basis and ensure the service fees charged by Finance Company for the provision of financial services to the members of the Group shall be no more than the service fees charged by major commercial banks in the PRC for comparable financial services provided to the members of the Group. In addition, price determination of service fees charged by Finance Company will be under strict supervision and the Company will enforce relevant internal approval procedures.

D. The New Factoring Services Agreement entered into by the Company and Guoneng Factoring

On 22 March 2024, the Company entered into the New Factoring Services Agreement with Guoneng Factoring, which is effective from 1 January 2024 to 31 December 2025. Pursuant to the New Factoring Services Agreement, Guoneng Factoring provides factoring services and related consulting, agency, asset management and other services to the members of the Group.

The pricing principles for the provision of factoring services by Guoneng Factoring to the members of the Group are as follows:

(1) For the provision of factoring services by Guoneng Factoring to the members of the Group, subject to compliance with the laws, regulations and relevant rules of relevant regulatory authorities, the financing cost shall not be higher than that determined by an independent third-party factoring company for providing the same kind of services to the members of the Group, and it should be determined on normal commercial terms. Where it is difficult to obtain the financing cost determined by the independent third-party factoring company for providing the same kind of services, it shall not be higher than the financing cost calculated based on the Loan Prime Rate (LPR) of the PBOC for the same period;

(2) For the service fee charged for the provision of other relevant services by Guoneng Factoring to the members of the Group, the service fee shall not be higher than that charged by an independent third-party factoring company for providing the same kind of services to the members of the Group, and should be determined on normal commercial terms. Where it is difficult to obtain the service fee charged by the independent third-party factoring company for providing the same kind of services, it shall be determined at the cost plus a reasonable profit margin (around 10%).

2. Non-exempt Continuing Connected Transactions Between the Group and Other Parties

E. Continuing Connected Transactions Framework Agreement between the Company and China State Railway Group Co., Ltd. ("China Railway")

China Railway Taiyuan Group Co., Ltd. ("Taiyuan Railway Bureau") is the controlling shareholder of Daqin Railway Co., Ltd., which is a substantial shareholder of Shuohuang Railway, a significant subsidiary of the Company. China Railway is the controlling shareholder of Taiyuan Railway Bureau. Therefore, China Railway constitutes a connected person of the Company as defined under the Hong Kong Listing Rules. On 28 October 2022, the Company and Taiyuan Railway Bureau which acted for and on behalf of China Railway entered into the 2023-2025 Continuing Connected Transactions Framework Agreement, effective from 1 January 2023 to 31 December 2025. Pursuant to the Continuing Connected Transactions Framework Agreement, the Group and China Railway Group (China Railway and its subsidiaries, including Taiyuan Railway Bureau Group (including Taiyuan Railway Bureau and its subsidiaries)) have agreed to provide transportation service, supply coal and provide other products and services to each other. (For details, please refer to the Company's H share announcement on 28 October 2022 and the A share announcement on 29 October 2022)

The prices of the transactions under the Continuing Connected Transactions Framework Agreement shall be agreed in the implementation agreements in accordance with the following general pricing principles:

(1) The prices of transportation service mutually provided by China Railway Group and the Group shall be determined in the following priority:

a. The prices as determined by the government;

b. If the prices are not specified by the government, the prices shall be determined in accordance with the pricing standards and rules of national railways within the guidance prices set by the government;

c. If the prices are not specified by the government and the government has not set applicable guidance prices, the prices shall be determined in accordance with the applicable industry price settlement rules;

d. Except for applying the prices specified by the government, the guidance prices set by the government and the industry settlement rules, if there are comparable market prices or pricing standards, priority shall be given to such market prices or pricing standards as reference to determine the prices upon negotiation;

e. If none of the above-mentioned pricing standards is available, the prices shall be determined with reference to the prices of non-connected transactions between the connected persons and independent third parties;

f. If neither comparable market prices nor prices of non-connected transactions are available for reference, the prices shall be determined upon negotiation according to the aggregate of the total actual costs for providing the relevant services, reasonable profits and taxes and additional charges paid.

(2) The price of coal mutually supplied by China Railway Group and the Group is the product of the unit price RMB/tonne multiplied by the actual weight. The unit price of coal shall be determined by both parties after arm's length negotiations with reference to the market price and conditions and the following factors, provided that the transaction terms shall not be less favourable than those provided by independent third parties:

a. The national industrial policy as well as industry and market conditions in the PRC;

b. The specified guidelines issued by National Development and Reform Commission of the People's Republic of China (NDRC) in relation to the coal purchase prices (if any);

c. The current coal trading prices of the local coal exchange or market in the PRC, i.e., the price of the coal with comparable quality that is sold to or by independent third parties under normal market conditions and on normal commercial terms in the same or nearby regions.

For local spot coal price, reference is generally made to (i) the spot price index of the local coal exchange or market in Bohai-rim region or nearby provinces as published on China Coal Market Website (www.cctd.com.cn) operated by China Coal Transportation and Distribution Association in the PRC; (ii) the sale price of local large-scale coal enterprises as published by each coal industry website (if any); and/or (iii) the price quotations of a number of enterprises with comparable quality, quantity and location (if any);

d. The quality of the coal (including the estimated calorific value of coal as required by different coal-fired power generating units);

e. The quantity of coal; and

f. The transportation fees.

(3) The price of other products and services mutually provided by China Railway Group and the Group shall be determined in accordance with the following general principles and order:

a. Government-prescribed price and government-guided price: if at any time, the government-prescribed price is applicable to any particular product or service, such product or service shall be supplied at the applicable government-prescribed price. Where a government-guided fee standard is available, the price shall be agreed within the range of the government-guided price;

b. Tender and bidding price: where tender and bidding process is necessary under applicable laws and regulations, the price shall be ultimately determined in accordance with the tender and bidding process;

c. Market price: the price shall be determined in accordance with normal commercial terms and on the following basis: the price of the same or similar products or services provided by an independent third party during its ordinary course of business on normal commercial terms. The management shall consider at least two comparable transactions with independent third parties for the same period when determining whether the price for any product or service transaction under this agreement is the market price; and

d. Agreed price: to be determined by adding a reasonable profit margin over a reasonable cost. The management shall consider at least two comparable transactions with independent third parties for the same period when determining the reasonable profit of relevant products or services under this agreement.

In addition to the above, for certain types of products and services, the following pricing policy is adopted:

a. Rolling stock usage: agreed price.

b. Overhaul services and railway track maintenance services: agreed price or tender and bidding price.

c. Equipment supply: tender and bidding price.

d. Business consulting and technical services: agreed price or tender and bidding price.

If the above pricing principles cannot be applied by China Railway Group and the Group due to changes in national laws, regulations, policies and other circumstances, China Railway Group and the Group may adjust the pricing principles of respective services based on aforesaid changes.

The aforesaid transactions under agreements A to D are related party transactions as defined under the Shanghai Listing Rules, and the aforesaid transactions under agreements A to E are continuing connected transactions as defined under the Hong Kong Listing Rules.

3. Implementation of and Review Opinions on Non-exempt Continuing Related Party/Connected Transactions

In 2024, the implementation of the abovementioned agreements A to E is set out in the table below. In particular, the total amount of related party/connected transactions for sale of products and provision of services by the Group to China Energy Group under the Mutual Coal Supply Agreement and the Mutual Supplies and Services Agreement amounted to RMB110,480 million, representing 32.7% of the revenue of the Group during the Reporting Period.

Name of agreement		Provision of products and services by the Group to related parties/connected persons and other inflows			Purchase of products and services from related parties/connected persons by the Group and other outflows		
		Existing effective transaction cap	Transaction amount during the Reporting Period	Proportion in the same type of transactions	Existing effective transaction cap	Transaction amount during the Reporting Period	Proportion in the same type of transactions
		RMB million	*RMB million*	*%*	*RMB million*	*RMB million*	*%*
(1)	Mutual Coal Supply Agreement between the Company and China Energy	110,000	93,203	42.7	27,000	13,843	21.1
(2)	Mutual Supplies and Services Agreement between the Company and China Energy	35,000	17,277	/	17,000	9,061	/
	including: ① Products		6,525	7.0		2,313	2.9
	② Services		10,752	39.8		6,748	22.6
(3)	Continuing Connected Transactions Framework Agreement between the Company and China Railway	7,400	2,384	1.0	20,000	10,633	6.1

Name of agreement		Transaction item		Existing effective transaction cap *RMB million*	Transaction amount during the Reporting Period *RMB million*
(4)	Financial Services Agreement between the Company and Finance Company	①	Maximum daily balance of comprehensive credit facilities provided by Finance Company to the members of the Group (including loans, credits, bill acceptance and discount, non-financial letters of guarantee, overdrafts, issuance of letters of credit, etc., including interest accrued thereon)	100,000	14,023
		②	Maximum daily balance (including interest accrued thereon) of deposits placed by the members of the Group with Finance Company	75,000	74,919
		③	Total fees including agency fee, handling fee, consulting fee or other service fees charged by Finance Company for providing the members of the Group with financial services, including but not limited to consultation, agency, settlement, transfer, letters of credit, online banking, entrusted loans, non-financial letters of guarantee, bill acceptance and other services	300	7
(5)	New Factoring Services Agreement between the Company and Guoneng Factoring	①	Maximum daily balance for providing factoring services by Guoneng Factoring to the members of the Group (including interest, factoring service fees and other related financing fees)	5,000	3,262
		②	Total service fees (including but not limited to consulting fee, agency fee, handling fee or other service fees) charged by Guoneng Factoring per annum for providing the members of the Group with other related services, including but not limited to providing consulting, agency, management and other services	20	0

The above continuing related party/connected transactions were in the ordinary course of business of the Company, and they were strictly in compliance with procedures of review and approval by independent directors and independent shareholders as well as disclosure requirements. The Company confirms that the execution and implementation of the specific agreements under the above continuing connected transactions during the Reporting Period have followed the pricing principles of such continuing connected transactions.

The independent non-executive directors of the Company have confirmed to the Board of the Company that they have reviewed the transactions contemplated under the abovementioned agreements A to E and are of the view that (1) those transactions were entered into in the ordinary course of business of the Group; (2) those transactions were on normal commercial terms or better terms; and (3) those transactions were conducted according to the agreements governing them on terms that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

KPMG, the international auditors of the Company, have reviewed the continuing connected transactions under the abovementioned agreements A to E and issued a letter to the Board, indicating that they were not aware of any matters for which they would consider that the abovementioned continuing connected transactions (1) were not approved by the Board of the Company; (2) were not conducted according to the Company's pricing policy in terms of all material aspects; (3) were not conducted according to the terms of the relevant agreements of transactions in terms of all material aspects; and (4) exceeded the caps.

21 types of related party transactions were disclosed in Note 42 of the financial statements for the year 2024 prepared by the Company under the International Financial Reporting Standards. According to the Hong Kong Listing Rules, except for the transactions under item ii "income from entrusted loans", the purchase of coal from affiliated companies of the Group under item ix "purchase of coal" and certain transactions under item xiv "other income", all of the other related party transactions disclosed in Note 42 constituted connected transactions under the Hong Kong Listing Rules and were required to be disclosed in accordance with Chapter 14A of the Hong Kong Listing Rules. The Company has complied with the disclosure requirements of Chapter 14A of the Hong Kong Listing Rules in respect of disclosure of the above connected transactions and continuing connected transactions.

(II) Material Related Party/Connected Transactions Regarding Joint External Investments

✓ Applicable ☐Not applicable

Summary of matters	Search index
On 28 December 2023, the 25th meeting of the fifth session of the Board of the Company approved the Company to contribute RMB60 million, accounting for 30%, as a limited partner with its own funds, along with Guohua Energy Investment Co., Ltd. ("Guohua Investment"), Shaanxi Provincial Government Investment Leading Fund Partnership (Limited Partnership) and Xi'an Lianrui Industrial Investment Development Fund Partnership (Limited Partnership), as limited partners, and Guohua Investment Development Asset Management (Beijing) Co., Ltd. ("Guohua Asset Management"), as general partner, to jointly contribute to establish Guoneng (Shaanxi) Scientific and Technological Achievements Transformation Investment Fund Partnership (Limited Partnership) (the "Scientific and Technological Achievements Transformation Fund"), and entered into Guoneng (Shaanxi) Scientific and Technological Achievements Transformation Investment Fund Partnership (Limited Partnership) Partnership Agreement (the "Partnership Agreement"). As at the date of disclosure of this report, the Partnership Agreement has been signed, the Scientific and Technological Achievements Transformation Fund has completed its business registration as well as the filing procedures with the Asset Management Association of China.	Please refer to the Company's H share announcement on 28 December 2023 and the A share announcement on 29 December 2023; the H share announcement on 16 May 2024 and the A share announcement on 17 May 2024; the H share announcement on 8 July 2024 and the A share announcement on 9 July 2024.
On 30 May 2024, the 30th meeting of the fifth session of the Board of the Company approved six subsidiaries of the Company, including China Energy Shendong Coal Group Co., Ltd., to jointly contribute RMB120 million as limited partners, together with five subsidiaries of China Energy, including China Energy Capital Holdings Co., Ltd., to collectively establish Guoneng (Beijing) Science and Technology Innovation Seed Fund (Limited Partnership) (the "Seed Fund"). As at the date of disclosure of this report, the Partnership Agreement of Guoneng (Beijing) Science and Technology Innovation Seed Fund (Limited Partnership) has been signed, and the Seed Fund has completed its business registration as well as the filing procedures with the Asset Management Association of China.	Please refer to the Company's H share announcement on 30 May 2024 and the A share announcement on 31 May 2024; the H share announcement on 15 July 2024 and the A share announcement on 16 July 2024.

Among above counterparties regarding joint external investments, including the associates of China Energy, the controlling shareholder of the Company and the related party/connected persons of the Company, the transactions constitute related party/connected transactions of the Company. As all applicable percentage ratios are less than 0.1%, all these transactions are fully exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

(III) Debts and Liabilities Between Related Parties

Unit: RMB million

Related parties	Related party relationship	Funds provided to related parties			Funds offered by related parties to the Group		
		Opening balance	Amount incurred	**Closing balance**	Opening balance	Amount incurred	**Closing balance**
China Energy	Controlling shareholder	–	–	**–**	702	(1)	**701**
Finance Company	Subsidiary of the controlling shareholder	74,466	453	**74,919**	10,992	650	**11,642**
Other related parties	Others	400	(5)	**395**	1,433	27	**1,460**
Total		74,866	448	**75,314**	13,127	676	**13,803**

Reasons for debts and liabilities between related parties	(1) The long-term and short-term borrowings provided by China Energy to the Group. (2) The Group's deposits in/loans with Finance Company. (3) The entrusted loans provided by the Group to the associates of the subsidiaries of the Company through banks. Internal decision-making procedures have been performed in respect of the above debts and liabilities between related parties in accordance with relevant regulations.
Repayment of debts and liabilities between related parties	Currently, the principal and interests of the above borrowings, entrusted loans and finance lease receivables are being repaid normally according to the repayment plan.
Undertakings related to debts and liabilities between related parties	N/A
Impacts of debts and liabilities between related parties on the operating results and financial position of the Company	The above debts and liabilities are beneficial to the normal commencement of relevant project construction and production operation of the Group and have no material impact on the operating results and financial position of the Company.

(IV) Financial Business Between the Company and Finance Company Which is a Related Party of the Company

1. Major Financial Indicators of Finance Company

	Unit	2024	2023	Change %
Revenue	RMB million	**4,964**	4,670	6.3
Total profit	RMB million	**4,485**	3,775	18.8
Net profit	RMB million	**3,500**	2,930	19.5

	Unit	31 December 2024	31 December 2023	Change %
Total assets	RMB million	**291,035**	275,585	5.6
Total liabilities	RMB million	**253,682**	242,369	4.7
Owners' equity	RMB million	**37,354**	33,216	12.5

Note: The above financial data was prepared in accordance with the China Accounting Standards for Business Enterprises.

2. Major Risk Indicators of Finance Company

No.	Monitoring indicators	Indicator requirement	As at 31 December 2024
1	Capital adequacy rate not lower than the lowest regulatory requirements	≥10.5%	**13.94%**
2	Liquidity ratio not lower than 25%	≥25%	**33.70%**
3	Loan balance not higher than 80% of the sum of the deposit balance and the paid-in capital	≤80%	**79.30%**
4	Total external liabilities not higher than net capital	≤100%	**0.00%**
5	Balance of bills acceptance not higher than 15% of total assets	≤15%	**1.95%**
6	Balance of bills acceptance no more than 3 times of balance of interbank deposits	≤300%	**47.58%**
7	Total amount of bills acceptance and rediscounting not higher than net capital	≤100%	**13.93%**
8	Security deposits for bank acceptance bills not higher than 10% of total deposits	≤10%	**0.00%**
9	Total amount of investment not higher than 70% of net capital	≤70%	**61.48%**
10	Net amount of fixed assets not higher than 20% of net capital	≤20%	**0.03%**

The above monitoring indicators of Finance Company meet the regulatory requirements.

3. Deposit Business

Unit: RMB million

Related party	Related party relationship	Maximum daily deposit limit	Deposit interest rate range	Opening balance	Amount for the period Total amount deposited for the period	Amount for the period Total amount withdrawn for the period	Closing balance
Finance Company	Subsidiary of the controlling shareholder	75,000	0.30%-3.20%	74,466	1,229,120	1,228,667	74,919
Total	/	/	/	74,466	1,229,120	1,228,667	74,919

Note: "Maximum daily deposit limit" refers to the maximum daily deposit balance (including accrued interest incurred) of the Group in Finance Company during the Reporting Period.

4. Loan Business

Unit: RMB million

Related party	Related party relationship	Loan limit	Loan interest rate range	Opening balance	Amount for the period Total amount of loan for the period	Amount for the period Total amount of repayment for the period	Closing balance
Finance Company	Subsidiary of the controlling shareholder	100,000	1.85%-3.55%	10,992	5,945	5,295	11,642
Total	/	/	/	10,992	5,945	5,295	11,642

Note: "Loan limit" refers to the maximum daily balance (including accrued interest incurred) of loans provided by Finance Company to the Group during the Reporting Period.

5. Credit Facilities or Other Financial Business

Unit: RMB million

Related party	Related party relationship	Business type	Quota	Amount for the period
Finance Company	Subsidiary of the controlling shareholder	Bill discount	100,000	831
Finance Company	Subsidiary of the controlling shareholder	Issue of acceptance bill	100,000	15,375
Finance Company	Subsidiary of the controlling shareholder	Intermediary business	300	7

Notes: (1) The amount for the period of bill discount and issue of acceptance bill business refers to accumulated amount of relevant services provided by Finance Company to the Group during the Reporting Period.

(2) The amount for the period of intermediary business refers to accumulated amount of various service fees charged by Finance Company for provision of financial services to the Group.

XI. MATERIAL CONTRACTS AND THEIR PERFORMANCE

(I) Trust, Contracting and Leasing

During the Reporting Period, the Company did not enter into or have any management and administration contracts in respect of the whole or any material part of the business of the Company.

(II) Guarantees

Unit: RMB million

I. Guarantee provided by the Company to external parties (excluding the guarantee granted to its subsidiaries)

Guarantor	Relation between the guarantor and the listed company	Guarantee	Amount guaranteed	Date of provision of guarantee (execution date of agreement)	Beginning date of guarantee	Expiry date of guarantee	Type of guarantee	Whether performance has been completed	Whether guarantee is overdue	Amount of guarantee overdue	Whether counter guarantee is provided	Whether guarantee is for the benefit of related parties	Related party relationship
Baorixile Energy	Controlled subsidiary	Hulunbei'er Liangyi Railway Company Limited	46.19	2008.08.30	2008.08.30	2029.08.29	Joint and several liability guarantee	No	No	0	No	No	N/A

Total amount of guarantee provided during the Reporting Period (excluding guarantee provided to its subsidiaries)	(6.91)
Total balance of guarantee at the end of the Reporting Period (A) (excluding guarantee provided to its subsidiaries)	46.19

II. Guarantee provided by the Company and its subsidiaries to its subsidiaries

Total amount of guarantee provided to its subsidiaries during the Reporting Period	25.46
Total balance of guarantee provided to its subsidiaries at the end of the Reporting Period (B)	2,971.15

III. Total amount of guarantee (including guarantee provided to its subsidiaries)

Total amount of guarantee (A+B)	3,017.34
Proportion of total amount of guarantee to the net assets attributable to shareholders of the Company under China Accounting Standards for Business Enterprises at the end of 2024 (%)	0.7
Including:	
Amount of guarantee provided to its shareholders, de facto controller and their related parties (C)	0
Amount of guarantee directly or indirectly provided to its parties with a gearing ratio in excess of 70% (D)	3,017.34
Portion of the total amount of guarantee in excess of 50% of net assets (E)	0
Aggregated amount of the above three amounts of guarantee (C+D+E)	3,017.34
Description of the potential joint and several repayment liability for outstanding guarantee	Please refer to below
Description of guarantee	Please refer to below

Note: The balance of guarantee provided by the subsidiary to external parties of the total amount of guarantee at the end of the Reporting Period equals to the amount of external guarantee of the subsidiary multiplied by the shareholding of the Company in the subsidiary.

As at the end of the Reporting Period, the total balance of the amount of guarantee provided by the Group amounted to RMB3,017.34 million, including:

(1) As at the end of the Reporting Period, the guarantee provided by Baorixile Energy, a subsidiary of which the Company owns 56.61% equity interests, to external parties was as follows: prior to the acquisition of Baorixile Energy by the Company in 2011 and pursuant to the Guarantee Agreement on the Syndicated Renminbi Loan for the Cooperative Railway Project Connecting Yimin and Yiershi Newly Constructed by Hulunbei'er Liangyi Railway Company Limited, in 2008, Baorixile Energy, as one of the guarantors, provided joint and several liability guarantee to Hulunbei'er Liangyi Railway Company Limited (hereinafter referred to as the "Liangyi Railway Company", of which Baorixile Energy owns 14.22% equity interests) for the syndicated loans. The major liability guaranteed was the debts due to the lender with a maximum balance of RMB207.47 million from 2008 to 2027, regardless of whether the debt is due when the above period expires. The above syndicated loans will fall due by tranches between 2011 and 2026. The guarantee agreement provides that the guarantee period of the debts borne by the guarantor shall be calculated from the due date of each tranche to two years after the due date of the last tranche, i.e. 2029.

Given that Liangyi Railway Company failed to pay the loan interest on time due to its deteriorating business operation, as resolved by the shareholders' general meeting of Liangyi Railway Company, additional capital was injected into Liangyi Railway Company by its shareholders (including Baorixile Energy). Baorixile Energy has cumulatively injected additional capital of RMB11.82 million into Liangyi Railway Company.

As at the end of the Reporting Period, Baorixile Energy has repaid the loan principal on behalf of Liangyi Railway Company in proportion to its shareholding, amounting to a total of RMB125.85 million. Baorixile Energy has made full impairment provisions for both its 14.22% equity interests in Liangyi Railway Company and the repayment amount. Together with other shareholders, Baorixile Energy will continue to call for improvement of business operation of Liangyi Railway Company. As at 31 December 2024, Liangyi Railway Company had a gearing ratio of 206%.

(2) As at the end of the Reporting Period, the amount of guarantee among subsidiaries within the consolidated reporting scope of the Company, in proportion to its shareholding, amounted to approximately RMB2,971.15 million, which was mainly due to the fact that Shenhua Hong Kong Limited, a wholly-owned subsidiary of the Company, provided guarantees for the remaining USD413.33 million bonds out of the total USD500 million bonds issued by China Shenhua Overseas Capital Company Limited, its wholly-owned subsidiary.

(III) Entrusted Cash Asset Management

1. Status of Entrusted Wealth Management

(1) General Status of Entrusted Wealth Management

Unit: RMB million

Type of product	Source of fund	Amount incurred for the Reporting Period	Closing Balance undue as at the end of the Reporting Period	Unrecovered amount overdue
Structured deposits	Own fund	17,300	17,300	0

Note: Amount incurred for the Reporting Period refers to the daily maximum principal balance of such entrusted wealth management of the Group during the Reporting Period.

(2) Individual Entrusted Wealth Management

Unit: RMB million

No.	Trustor	Trustee	Types of entrusted wealth management products	Amount of entrusted wealth management	Initial date of entrusted wealth management	Expiry date of entrusted wealth management	Source of fund	Investment of fund	Existence of restricted situations	Determination of compensation	Annualized rate of return	Actual return for the Reporting Period	Outstanding amount	Unrecovered amount overdue	Whether it has been through legal procedures
1	China Shenhua	China Guangfa Bank Co., Ltd.	Structured deposits	2,000	2024.12.27	2025.03.27	Own fund	Spot gold	No	Spot trading price of gold on observation day	1.15%-2.55%	0	2,000	0	Yes
2	China Shenhua	China Guangfa Bank Co., Ltd.	Structured deposits	600	2024.12.27	2025.01.24	Own fund	7-day repo fixing rate	No	Value of 7-day repo fixing rate	1.1%-2.47%	0	600	0	Yes
3	China Shenhua	Bank of Beijing Co., Ltd.	Structured deposits	2,100	2024.12.26	2025.03.26	Own fund	EUR/USD FX spot rate	No	Middle price of peg currencies as shown on Bloomberg page "BFIX"	1.3%-2.4%	0	2,100	0	Yes
4	China Shenhua	Industrial and Commercial Bank of China Limited	Structured deposits	800	2024.12.30	2025.04.01	Own fund	EUR/USD FX spot rate	No	Middle price of peg currencies as shown on Bloomberg page "BFIX"	0.9%-1.99%	0	800	0	Yes
5	China Shenhua	China Minsheng Banking Corp., Ltd.	Structured deposits	1,300	2024.12.27	2025.3.27	Own fund	Yield-to-Maturity of China 10-Year Government Bond	No	Actual number of days in product return calculation period multiplied by annualized rate of return divided by 365	1.3%-2.35%	0	1,300	0	Yes
6	China Shenhua	China CITIC Bank Corporation Limited	Structured deposits	3,000	2024.12.27	2025.01.17	Own fund	EUR/USD FX rate or spot gold	No	EUR/USD price at 3:00 p.m. (Tokyo time) as shown on the screen on the Bloomberg page 'BFIX'	1.05%-2.08%	0	3,000	0	Yes
7	China Shenhua	Shanghai Pudong Development Bank Co., Ltd.	Structured deposits	1,500	2024.12.27	2025.04.01	Own fund	EUR/USD FX rate	No	Fixing price of peg currencies as shown on Bloomberg page "BFIX"	0.85%-2.45%	0	1,500	0	Yes
8	China Shenhua	Industrial Bank Co., Ltd.	Structured deposits	1,500	2024.12.27	2025.01.17	Own fund	Gold	No	Benchmark price quoted on the Shanghai Stock Exchange in the morning of Shanghai gold observation day	1.3%-2.05%	0	1,500	0	Yes
9	China Shenhua	Industrial Bank Co., Ltd.	Structured deposits	500	2024.12.30	2025.01.20	Own fund	Gold	No	Benchmark price quoted on the Shanghai Stock Exchange in the morning of Shanghai gold observation day	1.3%-2.05%	0	500	0	Yes
10	China Shenhua	China Construction Bank Corporation	Structured deposits	3,000	2024.12.30	2025.01.20	Own fund	EUR/USD FX rate	No	Middle price of peg currencies as shown on Bloomberg page "BFIX"	0.8%-2.7%	0	3,000	0	Yes
11	China Shenhua	China Construction Bank Corporation	Structured deposits	1,000	2024.12.31	2025.03.31	Own fund	EUR/USD FX rate	No	Middle price of peg currencies as shown on Bloomberg page "BFIX"	0.8%-2.7%	0	1,000	0	Yes

As at the end of the Reporting Period, the Group has not found any indication that the principal of the above wealth management products will not be paid or recovered upon maturity, and no impairment provision has been made.

2. Entrusted Loans

(1) *General Status of Entrusted Loans*

Unit: RMB million

Type of products	Source of fund	Amount incurred for the Reporting Period	Closing balance undue as at the end of the Reporting Period	Unrecovered amount overdue
Entrusted loans	Own fund	395.4	0	395.4

Note: Amount incurred for the Reporting Period refers to the daily maximum principal balance of such entrusted loans of the Group during the Reporting Period.

(2) *Individual Entrusted Loans*

Unit: RMB million

Name of borrower	Relationship between the borrower and the Group	Trustee	Amount of entrusted loans	Initial date of loans	Expiry date of loans	Duration of loans	Source of fund	Investment of fund	Determination of compensation	Interest rate	Actual return for the Reporting Period	Principal recovered for the Reporting Period	Whether it has been through legal procedures
Elion Chemical	Joint stock company	Bank of China	400.0	2020/12/24	2023/12/23	3 years	Own fund	Replacement of loans	Interest to be paid quarterly	4.75%	0.16	4.6	Yes

The entrusted loan of RMB400.0 million provided to Elion Chemical Industry Co., Ltd. ("Elion Chemical") by Shendong Power, a wholly-owned subsidiary of the Company, matured on 23 December 2023. As at the end of the Reporting Period, Elion Chemical has repaid the principal of RMB4.6 million. For the remaining entrusted loan, Elion Chemical has implemented corresponding guarantee measures through asset mortgages and other means. Both parties are negotiating the subsequent events of the remaining entrusted loan. The entrusted loan will not have a significant effect on the financial position of the Group. The Group has not made any provision for impairment for such entrusted loan.

As at 31 December 2024, the Group had no entrusted loans granted to any single party exceeding 5% of the Group's latest audited net assets attributable to equity holders of the Company. The Company did not utilise the proceeds raised to grant entrusted loans, and there was no entrusted loan involved in litigation. The Group has not made any provision for impairment for the above entrusted loans. Under centralised capital management of the Group, the entrusted loans among the Company and its subsidiaries were used for meeting operating and development needs. Such entrusted loans have been eliminated in the consolidated financial statements of the Group.

Section VIII Changes in Shares and Particulars of Shareholders

I. CHANGES IN ORDINARY SHARE CAPITAL

(I) Changes in the Number of Ordinary Shares

1. Changes in the Number of Shares

Unit: share

	As at 31 December 2023		Change		**As at 31 December 2024**	
	Number	Percentage %	Repurchase and cancellation	Subtotal	**Number**	**Percentage %**
I. Shares with selling restrictions	0	0.00	0	0	**0**	**0.00**
II. Tradable shares without selling restrictions	19,868,519,955	100.00	0	0	**19,868,519,955**	**100.00**
1. RMB ordinary shares	16,491,037,955	83.00	0	0	**16,491,037,955**	**83.00**
2. Overseas listed foreign shares	3,377,482,000	17.00	0	0	**3,377,482,000**	**17.00**
III. Total number of shares	19,868,519,955	100.00	0	0	**19,868,519,955**	**100.00**

2. Explanations of Changes in Shares

☐ Applicable ✓ Not applicable

During the twelve months ended 31 December 2024, the Group did not purchase, sell or redeem any of the Company's listed securities (including sale of treasury shares) under the Hong Kong Listing Rules. As at 31 December 2024, the Company did not hold any treasury shares.

As at the disclosure date of this report, so far as the Company's Directors are aware of, the Company has satisfied the minimum public float requirement under Rule 8.08 of the Hong Kong Listing Rules.

(II) Changes in Shares with Selling Restrictions

☐ Applicable ✓ Not applicable

II. ISSUANCE AND LISTING OF SECURITIES

The Company did not issue any ordinary share, convertible corporate bond, warrant bond, corporate bond or other derivative securities, nor did it enter into any equity-linked agreement during the Reporting Period.

(I) Changes in the Total Number of Ordinary Shares, the Shareholding Structure and the Asset and Liability Structure of the Company

☐ Applicable ✓ Not applicable

(II) Pre-emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association and the PRC laws which would entitle the existing shareholders to have priority to subscribe for new shares on a pro rata basis in the event of new share issuance by the Company.

III. SHAREHOLDERS

(I) Total Number of Shareholders

Total number of shareholders of ordinary shares as at the end of the Reporting Period *(accounts)*	138,327
Including: Holders of A shares (including China Energy)	136,574
Registered holders of H shares	1,753
Total number of ordinary shareholders at the end of last month prior to the disclosure date of this annual report *(accounts)*	201,781
Including: Holders of A shares (including China Energy)	200,029
Registered holders of H shares	1,752

(II) Shareholdings of Top Ten Shareholders and Top Ten Holders of Tradable Shares (or Shareholders without Selling Restrictions) as at the end of the Reporting Period

1. Shareholdings of Top Ten Shareholders and Top Ten Holders of Tradable Shares (or Shareholders without Selling Restrictions) as at the end of the Reporting Period

Unit: share

Shareholdings of top ten shareholders (excluding lending of shares by way of refinancing)							
					Shares subject to pledge, tag or lock-up		
Name of shareholder	Increase/decrease during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage %	Number of shares with selling restrictions	Status	Number	Nature of shareholder
China Energy Investment Corporation Limited (國家能源投資集團有限責任公司)	0	13,812,709,196	69.52	0	Nil	N/A	State-owned corporation
HKSCC NOMINEES LIMITED	+1,063,603	3,370,141,628	16.96	0	Unknown	N/A	Overseas corporation
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	0	594,718,004	2.99	0	Nil	N/A	Others
Hong Kong Securities Clearing Company Limited	-48,446,438	172,555,419	0.87	0	Nil	N/A	Overseas corporation
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	0	106,077,400	0.53	0	Nil	N/A	State-owned corporation
China Reform Investment Co., Ltd. (國新投資有限公司)	+11,295,982	75,283,906	0.38	0	Nil	N/A	State-owned corporation

Shareholdings of top ten shareholders (excluding lending of shares by way of refinancing)							
Name of shareholder	Increase/ decrease during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage %	Number of shares with selling restrictions	Shares subject to pledge, tag or lock-up Status	Shares subject to pledge, tag or lock-up Number	Nature of shareholder
Industrial and Commercial Bank of China – SSE 50 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行－上證50交易型開放式指數證券投資基金)	+21,763,500	61,971,364	0.31	0	Nil	N/A	Others
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	+32,311,749	56,900,384	0.29	0	Nil	N/A	Others
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-End Index Launched Securities Investment Fund (中國建設銀行股份有限公司－易方達滬深300交易型開放式指數發起式證券投資基金)	+30,012,954	39,272,270	0.20	0	Nil	N/A	Others
National Social Security Fund Portfolio 101 (全國社保基金一零一組合)	-60,400	30,065,755	0.15	0	Nil	N/A	Others

Unit: share

Shareholdings of top ten shareholders without selling restrictions			
Name of shareholder	Number of tradable shares without selling restrictions	Type and number of shares	
		Type	Number
China Energy Investment Corporation Limited (國家能源投資集團有限責任公司)	13,812,709,196	RMB ordinary shares	13,812,709,196
HKSCC NOMINEES LIMITED	3,370,141,628	Overseas listed foreign shares	3,370,141,628
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	594,718,004	RMB ordinary shares	594,718,004
Hong Kong Securities Clearing Company Limited	172,555,419	RMB ordinary shares	172,555,419
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	106,077,400	RMB ordinary shares	106,077,400
China Reform Investment Co., Ltd. (國新投資有限公司)	75,283,906	RMB ordinary shares	75,283,906
Industrial and Commercial Bank of China – SSE 50 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行－上證50交易型開放式指數證券投資基金)	61,971,364	RMB ordinary shares	61,971,364
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	56,900,384	RMB ordinary shares	56,900,384
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-End Index Launched Securities Investment Fund (中國建設銀行股份有限公司－易方達滬深300交易型開放式指數發起式證券投資基金)	39,272,270	RMB ordinary shares	39,272,270
National Social Security Fund Portfolio 101 (全國社保基金一零一組合)	30,065,755	RMB ordinary shares	30,065,755
Description of the special repurchase accounts of the top ten shareholders	N/A		
Description of the abovementioned shareholders' proxy voting rights, entrusted voting rights and waiver of voting rights	N/A		

Shareholdings of top ten shareholders without selling restrictions			
Name of shareholder	Number of tradable shares without selling restrictions	Type and number of shares	
		Type	Number
Description of the related party relationships among the abovementioned shareholders or whether they are parties acting in concert	Both HKSCC NOMINEES LIMITED and Hong Kong Securities Clearing Company Limited are wholly-owned subsidiaries of Hong Kong Exchanges and Clearing Limited; the custodian bank of both Industrial and Commercial Bank of China – SSE 50 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行－上證 50 交易型開放式指數證券投資基金) and Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深 300 交易型開放式指數證券投資基金) is Industrial and Commercial Bank of China. Save as disclosed above, the Company is not aware of any related party relationships between the top ten shareholders without selling restrictions and the top ten shareholders, and whether they are parties acting in concert as defined in *the Measures for Administration of Acquisition of Listed Companies* (上市公司收購管理辦法).		
Description of the holders of preference shares with voting rights restored and the number of shares held	N/A		

Note: The H shares held by HKSCC NOMINEES LIMITED are held on behalf of a number of its clients; and the A shares held by Hong Kong Securities Clearing Company Limited are held on behalf of a number of its clients.

China Energy, the controlling shareholder of the Company, planned to increase its shareholding in the A shares of the Company through its wholly-owned subsidiary, Capital Holdings, by means permitted by the SSE, within 12 months from 20 October 2023 (the "Shareholding Increase Plan", please refer to the Company's H share announcement dated 19 October 2023 and the A share announcement dated 20 October 2023 for details). As at 19 October 2024, the closing date of the Shareholding Increase Plan, Capital Holdings had cumulatively increased its shareholding of the Company by 11,593,528 A shares, representing 0.0584% of the total number of issued shares of the Company, through centralised bidding transactions on the SSE, with an cumulative amount of RMB365.2790 million (exclusive of commissions and tax and charges). As at the end of the Reporting Period, China Energy directly and indirectly held 13,824,302,724 A shares of the Company, representing 69.5789% of the total number of issued shares of the Company.

2. Participation in Lending of Shares by way of Securities Lending and Refinancing by the Top Ten Shareholders

Unit: share

Name of shareholder (full name)	Participation in Lending of Shares by way of Securities Lending and Refinancing by the top ten shareholders							
	Shares held by shareholders in ordinary account and credit account at the beginning of the period		Outstanding shares lent by way of securities lending and refinancing at the beginning of the period		Shares held by shareholders in ordinary account and credit account at the end of the period		Outstanding shares lent by way of securities lending and refinancing at the end of the period	
	Total number	Percentage %	Total number	Percentage %	Total number	Percentage %	Total number	Percentage %
Industrial and Commercial Bank of China – SSE 50 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行－上證50交易型開放式指數證券投資基金)	40,207,864	0.20	266,400	0.0013	61,971,364	0.31	0	0
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	24,588,635	0.12	49,200	0.0002	56,900,384	0.29	0	0
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-End Index Launched Securities Investment Fund (中國建設銀行股份有限公司－易方達滬深300交易型開放式指數發起式證券投資基金)	9,259,316	0.05	19,200	0.0001	39,272,270	0.20	0	0

3. Changes in Shareholdings of the Top Ten Shareholders and the Top Ten Holders of Tradable Shares without Selling Restrictions as Compared with the Previous Period due to Lending of Shares by way of Securities Lending and Refinancing/Share Return

▢ Applicable ✓ Not Applicable

(III) Substantial Shareholders' Interests and Short Positions in the Shares of the Company

As at 31 December 2024, according to the register of interests and/or short positions in the shares which was required to be kept under section 336 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), persons set out in the table below had an interest and/or short position in the shares or underlying shares of the Company:

Name of shareholder	Capacity	A shares/ H shares	Nature of interest	Number of A shares/ H shares held	Percentage of A shares/ H shares held in the total issued A shares/ H shares %	Percentage of total share capital of the Company %
China Energy Investment Corporation Limited (國家能源投資集團有限責任公司)	Beneficial owner	A shares	Long position	13,812,709,196	83.76	69.52
	Interest of corporation controlled by the substantial shareholder Note	A shares	Long position	11,593,528	0.07	0.06
BlackRock, Inc.	Interest of corporation controlled by the substantial shareholder	H shares	Long position	198,931,567	5.98	1.00

Note: As at 31 December 2024, Capital Holdings, a wholly-owned subsidiary of China Energy, directly held 11,593,528 A shares of the Company.

Pursuant to section 336 of Part XV of the Securities and Futures Ordinance, as at 31 December 2024, save as disclosed above, there were no other persons who had interests and/or short positions in the shares or underlying shares of the Company, which were required to be recorded in the register referred to therein, or who were substantial shareholders of the Company.

IV. CHANGES OF CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

(I) Controlling Shareholder as at the end of the Reporting Period

1. Legal Person

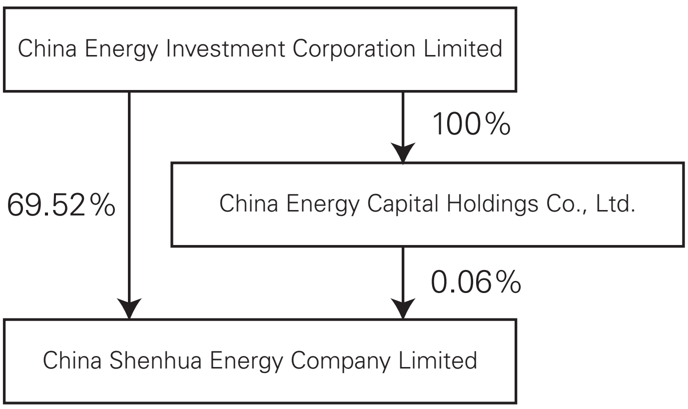
Name	China Energy Investment Corporation Limited (國家能源投資集團有限責任公司)
Legal representative	Zou Lei
Date of incorporation	23 October 1995
Principal business	State-owned assets operating activities within the scope authorised by the State Council; investment and management activities in various sectors including resource products (e.g. coal), coal-to-liquids, chemical processing of coal, electricity, heat, ports, various kinds of transportation, finance, domestic and international trade and logistics, real estate, advanced technology and information consultation; planning, organising, coordinating and managing the production and operating activities of the members of China Energy in the above sectors; and sales of chemical materials and chemical products (excluding hazardous chemicals), textiles, construction materials, machinery, electronic equipment and office equipment. (Market entity is allowed to choose the business to be engaged in and carry out such business activities pursuant to the law; for businesses that are subject to approval pursuant to the law, business operations shall commence in accordance with the business scope as approved and upon receipt of such approval from relevant authorities; no business activities which are prohibited or restricted by national or Beijing industrial policies shall be carried out.)

The shareholdings in other domestically or overseas listed companies in which it controls or participates during the Reporting Period	(1)	Directly and indirectly holding 51.32% shares of GD Power Development Co., Ltd. (國電電力發展股份有限公司);
	(2)	Directly and indirectly holding 58.71% shares of China Longyuan Power Group Corporation Limited (龍源電力集團股份有限公司);
	(3)	Directly holding 59.62% shares of CHN Energy Changyuan Electric Power Co., Ltd. (國家能源集團長源電力股份有限公司);
	(4)	Indirectly holding 41.78% shares of Yantai Longyuan Power Technology Co., Ltd. (煙台龍源電力技術股份有限公司);
	(5)	Indirectly holding 51.18% shares of Ningxia Yinglite Chemicals Co., Ltd. (寧夏英力特化工股份有限公司)

2. Description of Changes of the Controlling Shareholder during the Reporting Period

There were no changes of the controlling shareholder of the Company during the Reporting Period.

3. Diagram of the Equity and Controlling Relation between the Company and Its Controlling Shareholder at the end of the Reporting Period



(II) De Facto Controller

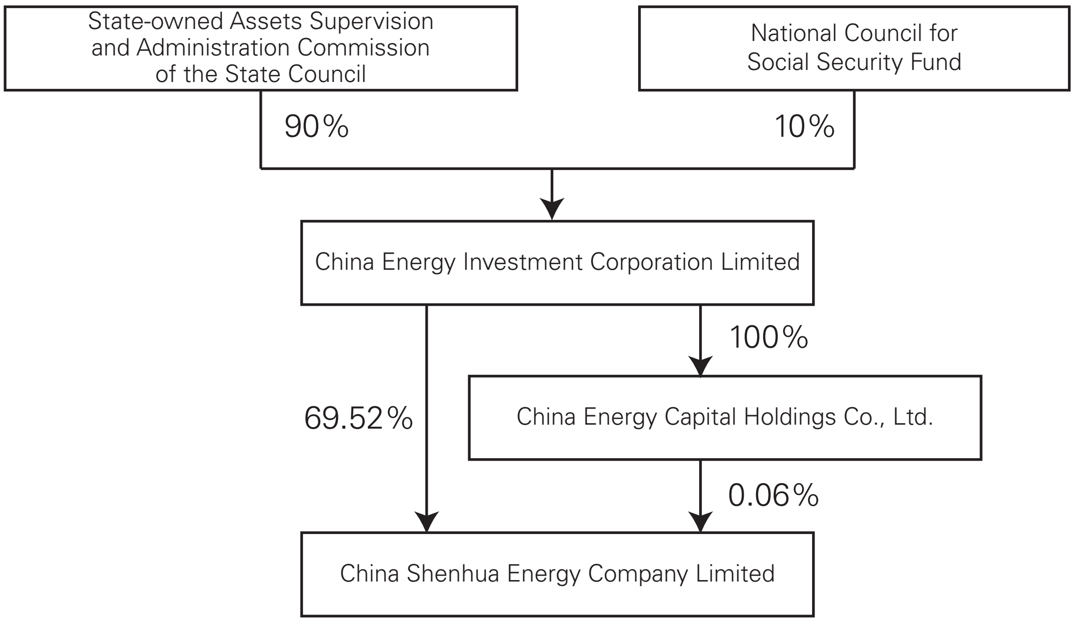
1. Legal Person

Name	State-owned Assets Supervision and Administration Commission of the State Council

2. Description of Changes in the Control of the Company during the Reporting Period

There were no changes of the de facto controller of the Company during the Reporting Period.

3. Diagram of the Equity and Controlling Relation between the Company and its De Facto Controller at the end of the Reporting Period



V. OTHER CORPORATE SHAREHOLDERS WITH SHAREHOLDING OF MORE THAN 10% IN THE COMPANY

As at the end of the Reporting Period, there were no other corporate shareholders with shareholding of more than 10% in the Company.

VI. RESTRICTIONS ON THE REDUCTION IN SHAREHOLDING

☐ Applicable ✓ Not applicable

VII. DETAILED IMPLEMENTATION OF SHARE REPURCHASE

☐ Applicable ✓ Not applicable

Section IX Investor Relations

In 2024, China Shenhua thoroughly implemented the decision and deployment of the CPC Central Committee and the State Council on the high-quality development of the capital market, and strictly followed the requirements under the *Securities Law of the People's Republic of China*, *the Company Law*, *Several Opinions on Strengthening Regulation, Preventing Risks and Promoting the High-Quality Development of the Capital Market* (《關於加強監管防範風險推動資本市場高質量發展的若干意見》), the Work Guidelines for the Investor Relations Management of Listed Companies (《上市公司投資者關係管理工作指引》) and relevant laws, regulations and documents, in an effort to continue to strengthen the main responsibilities as a listed company, coordinate and promote the development of its main businesses, corporate governance and market value management. The Company comprehensively improved its value creation capabilities and deepened the innovative practices in investor relations management, thereby continuously expanding the value delivery channels and striving to build a long-term, stable and win-win relationship with shareholders and share the achievements of corporate development with investors.

I. FOCUSING ON INVESTORS AND CONSOLIDATING THE FOUNDATION OF HIGH-QUALITY DEVELOPMENT

Deeply cultivating the development strategy of the main businesses and accelerating the transformation of the industry towards a new direction. The Company continued to consolidate its advantages in integrated operations by accelerating the acquisition and integration of high-quality coal resources, strengthening its resource reserve advantages, steadily promoting the construction of high-quality power points and continuously smoothing the energy transportation channels. Through actively implementing the new development concept, establishing a special work leadership group, formulating and issuing work plans for strategic emerging industries, the Company fully leveraged the leading role of state-owned enterprises in technological innovation, industrial upgrading and other fields.

Deepening corporate governance reform and enhancing compliance operation. In 2024, the Company continued to optimize its governance structure, successfully completed the re-election of the Board and the Supervisory Committee, completed the three-year action plan for the quality improvement of listed companies with high quality, and passed the acceptance inspection of the SASAC of the State Council. The Company convened the 2024 strategy seminar for the Board to study and promote the formulation of the 15th Five-Year Plan, laying a solid foundation for the next stage of planning. With its outstanding performance in corporate governance, the Company was successfully selected as the "Best Practice Cases of the Board of Directors of Listed Companies in 2024 (2024上市公司董事會最佳實踐案例)" by the China Association for Public Companies.

Innovating the market value management system to achieve a steady increase in value. In 2024, the Company prioritized market value management and established a market value management leading group to continuously consolidate and deepen the "11257" market value management system with China Shenhua's characteristics. Through developing and releasing the action plan of "Enhance Quality, Improve Efficiency and Focus on Return" and organising activities such as "Report + Return" spring visits to investors and "High Quality + New Momentum" autumn reverse roadshows, the Company strengthened communications and exchanges with investors, thereby enhancing their awareness and recognition of the Company. In 2024, the Company's consolidated market value steadily increased from the level of RMB600 billion at the beginning of the year, broke through RMB800 billion and stabilised at this level, setting new historical highs. The Company published relevant feature articles, such as SASAC Report and China Finance, and exchanged experience on multiple platforms as an outstanding representative of listed companies. Its achievements in corporate market value management have been highly recognized by the investors in the capital market and regulatory authorities.

Maintaining a high dividend payout ratio and fulfilling commitments in the return to shareholder. The Company attaches great importance to the return to shareholders and continues to optimize the dividend policy. The Board recommended to pay a final dividend of RMB2.26 per share (tax inclusive) for 2024, amounting to RMB44,903 million (tax inclusive) in total, accounting for approximately 76.5% of the net profit attributable to equity holders of the Company under the China Accounting Standards for Business Enterprises in 2024. On 22 January 2025, in order to actively respond to investor demands, the Company voluntarily disclosed its shareholder return plan for 2025-2027, which is subject to the approval by shareholders at the shareholders' general meeting, committing that annual profit distribution in the form of cash dividends shall be no less than 65% of the net profit realized and attributable to shareholders of the Company. During the period, interim profit distribution will be implemented after comprehensively considering factors such as the Company's operating conditions and capital needs. Since its listing, China Shenhua has distributed cash dividends (including the final dividend for 2024) of RMB491.935 billion (tax inclusive) in total, ranking among the top in the industry in terms of scale and sustainability of dividends.

II. DEEPENING THE PRACTICE OF INVESTOR RELATIONS AND DEMONSTRATING THE RECOGNITION OF CAPITAL MARKET VALUE

Adhering to compliance in information disclosure and strengthening the service guarantee capabilities. The Company adhered to the principles of "truthfulness, accuracy, completeness, timeliness and fairness" and took the initiative to publish 214 disclosure documents such as regular reports and interim announcements throughout the year. The Company's information disclosure work was awarded Grade A by SSE for 11 consecutive years. The Company focused on using information technology to enhance the level of investor relations management through promoting the construction of the "Smart and Intelligent Investor Relations" system, optimizing information display, conference support and data analysis functions, so as to provide precise support for investor relations management.

Innovating communication methods and optimizing the effectiveness of results briefings. In 2024, the Company held 4 regular online results briefings in a timely manner based on the release of the Company's operating results, and cumulatively replied to 142 questions from investors online by text. The Company prepared and released results documents, results presentation photos showcasing corporate highlights and interpretation video clips at SSE Roadshow Center to explain and interpret results, and selected production units to make a cloud-based video series for online showcases to answer investors' questions and help them gain a deeper understanding of the Company's operations and development strategies. The Company established a regular communication mechanism with analysts. After results briefings and earnings pre-announcements, the Company regularly held telephone conferences with capital market analysts to discuss key issues such as the Company's outlook, sales policies, project progress and dividend planning in depth, guiding and stabilizing analyst expectations and laying the foundation for creating a good sentiment in the capital market.

Expanding communication channels and safeguarding investors' right to know. In 2024, the Company actively participated in industry exchange activities, such as attending various industry exchange conferences four times, including the SSE, the China Association for Public Companies and the China National Coal Association to explore high-quality development paths with peer listed companies, which effectively boosted investor confidence. The Company strengthened daily communication with investors through regular hosting of investor site visits, participating in strategy meetings held by securities firms and proactively paying on-site visits, thereby exporting the Company's value while capturing key information to promote the alignment between the Company's market value and intrinsic value. The Company communicated with over 4,000 investors throughout the year, which reflected the close interaction between the Company and investors.

Focusing on responding to demands and establishing a two-way mutual trust mechanism. The Company paid close attention to the demands of small and medium investors by deeply promoting the construction of a multi-level and constructive interaction mechanism, so as to provide equal and smooth communication channels. The Company ensured smooth communication through investor hotline, e-mail and SSE e-interactive platform, addressing investors' concerns in a timely manner. Throughout the year, the Company answered 42 questions raised by investors on SSE e-interactive platform. The Company deepened investor protection awareness and education, regularly conducted shareholder analysis and dispatched annual reports, ESG reports and other materials to investors, expanding its service coverage. The Company established and improved the mechanism for direct communication of investor demands with the management, promoted the normalization of two-way communication, with a view to strengthening a long-term mutual trust relationship.

In 2024, the Company's on-site reception of investors' surveys was as follows:

No.	Date	Location	Way of Communication	Name of Institution	Main Content of Communication
1	2 February	Company conference room	Oral	TF Securities	Interpretation of the Company's fundamental information and periodic reports
2	27 March	Company conference room	Oral	Mizuho Securities	Interpretation of the content disclosed in the annual report
3	16 April	Company conference room	Oral	CICC	Interpretation of the content disclosed in the annual report
4	16 May	Company conference room	Oral	Huatai Securities	Interpretation of the content disclosed in the annual report and the first quarterly report
5	21 May	Company conference room	Oral	JPMorgan Chase	Interpretation of the content disclosed in the annual report and the first quarterly report
6	21 May	Company conference room	Oral	CITIC Securities	Interpretation of the content disclosed in the annual report and the first quarterly report
7	21 May	Company conference room	Oral	Haitong Securities	Interpretation of the content disclosed in the annual report and the first quarterly report
8	22 May	Company conference room	Oral	BofA Securities	Interpretation of the content disclosed in the annual report and the first quarterly report
9	24 May	Company conference room	Oral	GF Securities	Interpretation of the content disclosed in the annual report and the first quarterly report
10	28 May	Company conference room	Oral	Guosheng Securities	Interpretation of the content disclosed in the annual report and the first quarterly report
11	29 May	Company conference room	Oral	Everbright Securities	Interpretation of the content disclosed in the annual report and the first quarterly report
12	31 May	Company conference room	Oral	CICC	Interpretation of the content disclosed in the annual report and the first quarterly report

No.	Date	Location	Way of Communication	Name of Institution	Main Content of Communication
13	6 June	Company conference room	Oral	Citibank	Interpretation of the Company's fundamental information and disclosed information
14	7 June	Company conference room	Oral	Morgan Stanley	Interpretation of the Company's fundamental information and disclosed information
15	20 June	Company conference room	Oral	Morgan Stanley	Interpretation of the Company's fundamental information and disclosed information
16	24 July	Company conference room	Oral	CITIC Securities	Interpretation of the Company's fundamental information and disclosed information
17	2 August	Company conference room	Oral	Ping An Securities	Interpretation of the Company's fundamental information and disclosed information
18	19 September	Company conference room	Oral	Haitong Securities	Interpretation of the interim results and disclosed information
19	25 September	Company conference room	Oral	CITIC Securities	Interpretation of the interim results and disclosed information
20	25 September	Company conference room	Oral	UBS Group	Interpretation of the interim results and disclosed information
21	26 September	Company conference room	Oral	TF Securities	Interpretation of the interim results and disclosed information
22	27 September	Company conference room	Oral	CITIC Securities	Interpretation of the interim results and disclosed information
23	10 October	Company conference room	Oral	Southwest Securities	Interpretation of the interim results and disclosed information
24	15 November	Company conference room	Oral	Guosen Securities	Interpretation of the third quarterly results and disclosed information
25	19 November	Company conference room	Oral	Southwest Securities	Interpretation of the third quarterly results and disclosed information
26	20 November	Company conference room	Oral	Changjiang Securities	Interpretation of the third quarterly results and disclosed information

III. AWARDS OF CHINA SHENHUA IN 2024

No.	Time of Award	Name of the Award	Organizer
1	May 2024	Top Listed Energy Company by 2024 China Brand Value Evaluation Information (2024年中國品牌價值評價信息能源類上市公司第一名)	China Council for Brand Development and others
2	June 2024	The 15th Tianma Award for Investor Relations Management of Hong Kong Listed Companies (第十五屆天馬獎－港股上市公司投資者關係管理天馬獎)	Securities Times
3	June 2024	China ESG Listed Companies Pioneer 100 (2024) List (中國ESG上市公司先鋒100 (2024)榜單)	China Media Group
4	August 2024	2024 Outstanding CSR Report Release Enterprises in Coal Industry (2024年度煤炭工業社會責任報告發布優秀企業)	China National Coal Association
5	September 2024	2023-2024 A-level Information Disclosure Work (2023-2024年度信息披露工作評價A級)	SSE
6	September 2024	Outstanding ESG Value Communication Award (傑出ESG價值傳播獎)	P5w.net
7	September 2024	2024 China ESG 50 list	Forbes China
8	October 2024	The 26th Listed Company Golden Bull Awards, Best Investment Value Award, Hong Kong Stock Golden Bull Award, Golden Information Disclosure Award (第二十六屆上市公司金牛獎最具投資價值獎、港股金牛獎、金信披獎)	China Securities Journal and others

No.	Time of Award	Name of the Award	Organizer
9	October 2024	Top 100 Most Valuable Listed Companies in China and Sunshine Secretary to the Board by the 18th Value Selection of China Listed Companies (第十八屆中國上市公司價值百強、陽光董秘)	Securities Times
10	October 2024	AA-Level, Top 100 Best ESG Practices among Chinese Listed Companies (中國上市公司ESG最佳實踐100強AA級評價)	Wind ESG Rating
11	November 2024	Best Practice Cases of Board Offices of Listed Companies, Sustainable Development Best Practice Cases in 2024 (2024年上市公司董事會最佳實踐案例、可持續發展最佳實踐案例)	China Association for Public Companies
12	November 2024	Top 100 Comprehensive Strength, Top 50 Hong Kong Stock Connection at Hong Kong Stock Top 100 Selection (港股100強綜合實力100強、港股通50強)	Top 100 Hong Kong Listed Companies Research Centre, Finet
13	December 2024	The 9th Zhitong Caijing Listed Company of 2024 Golden Hong Kong Stock Awards (第九屆智通財經上市公司 2024年度金港股大獎)	Zhitong Caijing
14	December 2024	Best Practice Cases of Board Offices of Listed Companies in 2024 (2024年度上市公司董辦最佳實踐案例)	China Association for Public Companies
15	December 2024	Top 300 Most Popular Listed Companies (最具人氣上市公司TOP 300)	RoyalFlush
16	December 2024	Golden Quality Award "Excellence in Party Building"(金質量獎「優秀黨建獎」)	Shanghai Securities Journal
17	December 2024	2024 China Corporate ESG100 Index List (2024 中國企業ESG100指數名單)	People's Daily hiawainet, All-China Environment Federation
18	December 2024	First Prize (National Achievements) of the 31st National Enterprise Management Modernization Innovation Achievements (第三十一屆全國企業管理現代化創新成果一等獎（國家級成果))	National Enterprise Management Modernization Innovation Achievement Review Committee

Independent auditor's report to the shareholders of
China Shenhua Energy Company Limited
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of China Shenhua Energy Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 226 to 353, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accounts ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (CONTINUED)

Impairment assessment on property, plant and equipment, construction in progress, exploration and evaluation assets, intangible assets and applicable right-of-use assets and other non-current assets

Refer to Note 11(ii) to the consolidated financial statements and the accounting policies in Note 3.

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2024, the Group's property, plant and equipment, construction in progress, exploration and evaluation assets, intangible assets and applicable right-of-use assets and other non-current assets had a total carrying value of RMB387,604 million. In accordance with the prevailing accounting standards, management performed assessment at the end of the reporting period to determine whether there was any indication that these non-current assets may be impaired. An asset is impaired when its recoverable amount, or the recoverable amount of the cash generating unit to which it belongs, is less than its carrying amount. As at 31 December 2024, management performed an impairment assessment on assets or assets group with indications of impairment on the balance sheet date. The recoverable amounts of these non-current assets is determined based on the higher of value in use that based on future discounted cash flows on a cash generating unit basis and the net value of the assets or assets group's fair value minus disposal costs.	Our procedures in relation to impairment assessment on property, plant and equipment, construction in progress, exploration and evaluation assets, intangible assets and applicable right-of-use assets and other non-current assets included: • obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to impairment assessment on these non-current assets, understanding of the Group's procedures to identify impairment indicators of these non-current assets and evaluating management's identification of impairment indicators, if any, based on the internal sources and external sources of information; • assessing the appropriateness of the methodologies used by management to estimate value in use with reference to the requirements of the prevailing accounting standards; • challenging the reasonableness of significant judgements and estimates, such as sales growth rate related to future market supply and demand conditions, future sales price, future capital expenditure, future operating costs and discount rates used in management's calculation of value in use based on our knowledge of the business and industry;

KEY AUDIT MATTERS (CONTINUED)

Impairment assessment on property, plant and equipment, construction in progress, exploration and evaluation assets, intangible assets and applicable right-of-use assets and other non-current assets (continued)

Refer to Note 11(ii) to the consolidated financial statements and the accounting policies in Note 3.

Key audit matter	How our audit addressed the key audit matter
When assessing the recoverable amounts, management is required to make a number of judgemental assumptions, particularly relating to the discount rates, the underlying cash flows projection based on the future market supply and demand conditions. Any changes in management's judgement may impact the results of the impairment assessment. As set out in *Note 11(ii)* to the consolidated financial statements, management concluded that impairment provisions for property, plant and equipment, construction in progress, exploration and evaluation assets, intangible assets and applicable right-of-use assets and other non-current assets of RMB362 million were required for the current year. We identified impairment assessment on property, plant and equipment, construction in progress, exploration and evaluation assets, intangible assets and applicable right-of-use assets and other non-current assets as a key audit matter due to these assets to the Group's consolidated financial statements, the significant judgement made by management in determining the recoverable amounts of the assets and considering the possibility of management bias in the selection of assumptions adopted.	• when the management determines the recoverable amount by using the value in use calculations that based on future discounted cash flows, engaging our internal valuation specialists to assess whether the discount rates applied in the value in use calculations were within the reasonable range; • evaluating the historical accuracy of management's forecasts by comparing cash flow forecasts made in previous periods to the actual results in the current year; • evaluating the sensitivity analysis on discount rates and considering the resulting impact on the impairment assessment for the year and whether there were any indicators of management bias; and • assessing the relevant disclosures in the consolidated financial statements in respect of management's impairment assessment with reference to the requirements of the prevailing accounting standards.

KEY AUDIT MATTERS (CONTINUED)

Timing of revenue recognition from sale of coal

Refer to Note 5 to the consolidated financial statements and the accounting policies in Note 3.

Key audit matter	How our audit addressed the key audit matter
Sale of coal accounted for 65% of the Group's revenue for the year ended 31 December 2024. Sale of coal is recognised when the control of the coal is transferred to the customer. Management evaluates the terms of individual contracts in order to determine the appropriate timing for revenue recognition, which varies amongst contracts. Revenue is one of the key performance indicators of the Group. We identified the timing of coal revenue recognition as a key audit matter because of the different terms of trade of coal offered by the Group to its customers which increases the risk that revenue could be recorded in the incorrect period or could be subject to manipulation to meet targets or expectations.	Our audit procedures to assess the timing of revenue recognition from the sale of coal included the following: • obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls over revenue recognition from the sale of coal; • inspecting coal sale contracts on a sample basis, to identify terms and conditions relating to transfer of the control of the coal and assessing the Group's timing of revenue recognition with reference to the requirements of the prevailing accounting standards; • inspecting, on a sample basis, the sales record with sales confirmation forms; • obtaining confirmations, on a sample basis, from customers of the Group in relation to coal sales transactions during the year and balances of trade receivables of the year end and, for unreturned confirmations, performing alternative procedures by comparing the sales amount of the transactions with relevant underlying documentation or cash receipts subsequent to the financial year end relating to trade receivable balances;

KEY AUDIT MATTERS (CONTINUED)

Timing of revenue recognition from sale of coal (continued)

Refer to Note 5 to the consolidated financial statements and the accounting policies in Note 3.

Key audit matter	How our audit addressed the key audit matter
	• comparing, on a sample basis, whether specific coal sales transactions recorded before and after the financial year end date with relevant underlying documentation, which included sales invoices, goods dispatch notes, customer receipts, or shipping documents, as applicable under the respective sales transactions contracts, to determine whether the related revenue had been recognised in the appropriate financial period on the basis of the terms of sale as set out in the respective sales contracts; and • inspecting underlying documentation for journal entries relating to coal sales which were considered to meet specific risk-based criteria.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Ho Ying Man Simon.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

21 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024
(Expressed in Renminbi ("RMB"))

	Notes	2024 RMB million	2023 RMB million
		Year ended 31 December	
Revenue			
Goods and services	5	**338,375**	343,074
Cost of sales	7	**(236,555)**	(232,537)
Gross profit		**101,820**	110,537
Selling expenses		**(491)**	(425)
General and administrative expenses		**(10,340)**	(9,812)
Research and development costs		**(2,727)**	(3,007)
Other gains and losses	11	**(80)**	(3,583)
Other income	8	**1,115**	1,272
Loss allowances, net of reversal	11	**(128)**	(285)
Other expenses		**(3,196)**	(5,003)
Interest income	9	**2,768**	2,634
Finance costs	9	**(2,879)**	(3,117)
Share of results of associates		**4,344**	3,565
Profit before income tax		**90,206**	92,776
Income tax expense	10	**(17,004)**	(17,584)
Profit for the year	11	**73,202**	75,192
Profit for the year		**73,202**	75,192
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss, net of income tax:			
Fair value changes on investments in equity instruments at fair value through other comprehensive income		**229**	96
Share of other comprehensive income of associates		**(13)**	160
Items that may be reclassified subsequently to profit or loss, net of income tax:			
Exchange differences		**168**	192
Share of other comprehensive income of associates		**236**	11
Other comprehensive income for the year, net of income tax		**620**	459
Total comprehensive income for the year		**73,822**	75,651

The notes on pages 236 to 353 form part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the year ended 31 December 2024
(Expressed in RMB)

		Year ended 31 December	
		2024	2023
	Notes	***RMB million***	*RMB million*
Profit for the year attributable to:			
Equity holders of the Company		**62,421**	64,625
Non-controlling interests		**10,781**	10,567
		73,202	75,192
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**62,978**	65,037
Non-controlling interests		**10,844**	10,614
		73,822	75,651
Earnings per share			
– Basic/diluted (RMB)	15	**3.142**	3.253

The notes on pages 236 to 353 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2024

(Expressed in RMB)

	Notes	**31 December 2024 RMB million**	31 December 2023 RMB million
Non-current assets			
Property, plant and equipment	16	**293,338**	290,839
Construction in progress	17	**26,753**	18,955
Exploration and evaluation assets	18	**4,861**	5,519
Intangible assets	19	**5,436**	4,662
Right-of-use assets	23	**24,191**	23,994
Interests in associates	20	**59,904**	55,635
Financial assets at fair value through other comprehensive income	21	**2,787**	2,486
Financial assets at fair value through profit or loss	21	**60**	–
Other non-current assets	22	**33,025**	27,070
Deferred tax assets	29	**5,956**	5,301
Total non-current assets		**456,311**	434,461
Current assets			
Inventories	24	**12,482**	12,846
Accounts and bills receivables	25	**15,502**	19,858
Financial assets at fair value through other comprehensive income	21	**1,174**	254
Financial assets at fair value through profit or loss	21	**17,302**	–*
Prepaid expenses and other current assets	26	**16,250**	16,007
Restricted bank deposits	27	**14,189**	7,298
Time deposits with original maturity over three months		**63,152**	34,514
Cash and cash equivalents	28	**65,074**	108,174
Total current assets		**205,125**	198,951
Current liabilities			
Borrowings	30	**4,152**	4,622
Accounts and bills payables	33	**38,205**	38,901
Accrued expenses and other payables	34	**33,315**	30,613
Current portion of bonds	31	**3,020**	–
Current portion of lease liabilities	32	**365**	300
Current portion of long-term liabilities	35	**5,873**	5,184
Income tax payable		**3,645**	4,757
Contract liabilities		**4,045**	7,208
Total current liabilities		**92,620**	91,585
Net current assets		**112,505**	107,366
Total assets less current liabilities		**568,816**	541,827

* Amount smaller than RMB500,000

The notes on pages 236 to 353 form part of these financial statements.

Consolidated Statement of Financial Position (Continued)

At 31 December 2024

(Expressed in RMB)

	Notes	**31 December 2024 RMB million**	31 December 2023 RMB million
Non-current liabilities			
Borrowings	30	**28,932**	29,636
Bonds	31	**–**	2,972
Long-term liabilities	35	**19,389**	15,125
Accrued reclamation obligations	36	**9,446**	8,780
Deferred tax liabilities	29	**1,348**	1,137
Lease liabilities	32	**1,026**	1,332
Other non-current liabilities		**1,355**	1,194
Total non-current liabilities		**61,496**	60,176
Net assets		**507,320**	481,651
Equity			
Share capital	37	**19,869**	19,869
Reserves		**409,784**	391,609
Equity attributable to equity holders of the Company		**429,653**	411,478
Non-controlling interests		**77,667**	70,173
Total equity		**507,320**	481,651

Approved and authorised for issue by the board of directors on 21 March 2025.

Lv Zhiren
Executive Director

Zhang Changyan
Executive Director

The notes on pages 236 to 353 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

(Expressed in RMB)

	Equity attributable to equity holders of the Company									
	Share capital RMB million (Note 37)	Share premium RMB million (Note (i))	Capital reserve RMB million (Note (ii))	Exchange reserve RMB million	Statutory reserves RMB million (Note (iii))	Other reserves RMB million (Note (iv))	Retained earnings RMB million (Note (v))	Total RMB million	Non-controlling interests RMB million	Total equity RMB million
At 1 January 2024	19,869	84,766	3,657	517	31,010	(19,981)	291,640	411,478	70,173	481,651
Profit for the year	-	-	-	-	-	-	62,421	62,421	10,781	73,202
Other comprehensive income for the year	-	-	-	126	-	431	-	557	63	620
Total comprehensive income for the year	-	-	-	126	-	431	62,421	62,978	10,844	73,822
Dividend declared *(Note 14)*	-	-	-	-	-	-	(44,903)	(44,903)	-	(44,903)
Appropriation of maintenance and production funds *(Note (iii))*	-	-	-	-	8,496	-	(8,496)	-	-	-
Utilisation of maintenance and production funds *(Note (iii))*	-	-	-	-	(4,754)	-	4,754	-	-	-
Contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	1,015	1,015
Distributions to non-controlling shareholders	-	-	-	-	-	-	-	-	(4,356)	(4,356)
Others	-	-	-	-	-	114	(14)	100	(9)	91
At 31 December 2024	19,869	84,766	3,657	643	34,752	(19,436)	305,402	429,653	77,667	507,320

The notes on pages 236 to 353 form part of these financial statements.

Consolidated Statement of Changes in Equity (Continued)

For the year ended 31 December 2024

(Expressed in RMB)

	Equity attributable to equity holders of the Company									
	Share capital RMB million (Note 37)	Share premium RMB million (Note (i))	Capital reserve RMB million (Note (ii))	Exchange reserve RMB million	Statutory reserves RMB million (Note (iii))	Other reserves RMB million (Note (iv))	Retained earnings RMB million (Note (v))	Total RMB million	Non-controlling interests RMB million	Total equity RMB million
At 31 December 2022	19,869	84,766	3,657	371	25,782	(20,415)	282,907	396,937	65,785	462,722
Impact on initial application of amendments to IAS 12, *Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction*	–	–	–	–	–	–	46	46	28	74
At 1 January 2023	19,869	84,766	3,657	371	25,782	(20,415)	282,953	396,983	65,813	462,796
Profit for the year	–	–	–	–	–	–	64,625	64,625	10,567	75,192
Other comprehensive income for the year	–	–	–	146	–	266	–	412	47	459
Total comprehensive income for the year	–	–	–	146	–	266	64,625	65,037	10,614	75,651
Dividend declared *(Note 14)*	–	–	–	–	–	–	(50,665)	(50,665)	–	(50,665)
Appropriation of maintenance and production funds *(Note (iii))*	–	–	–	–	9,620	–	(9,620)	–	–	–
Utilisation of maintenance and production funds *(Note (iii))*	–	–	–	–	(4,392)	–	4,392	–	–	–
Contributions from non-controlling shareholders	–	–	–	–	–	–	–	–	574	574
Distributions to non-controlling shareholders	–	–	–	–	–	–	–	–	(6,781)	(6,781)
Disposal of subsidiaries	–	–	–	–	–	–	–	–	(185)	(185)
Others	–	–	–	–	–	168	(45)	123	138	261
At 31 December 2023	19,869	84,766	3,657	517	31,010	(19,981)	291,640	411,478	70,173	481,651

The notes on pages 236 to 353 form part of these financial statements.

Notes:

(i) Share premium represents the difference between the total amount of the par value of shares issued and the amount of the net proceeds received upon the global initial public offering of H shares in 2005 and the issuance of A shares in 2007.

(ii) The capital reserve represents the difference between the total amount of the par value of shares issued and the amount of the net assets, net of other reserves, transferred from Shenhua Group Corporation Limited ("Shenhua Group") in connection with the Restructuring (as defined in Note 1).

(iii) Statutory reserves

Statutory surplus reserve

According to the PRC Company Law and the Company's Articles of Association, the Company is required to transfer 10% of its net profit as determined in accordance with the China Accounting Standards for Business Enterprises ("China Accounting Standards") to its statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

The statutory surplus reserve has reached 50% of the registered capital in 2009. Accordingly, no appropriation of net profit to the statutory surplus reserve has been proposed since 1 January 2010.

Statutory surplus reserve can be used to make up losses, if any, or to expand the Company's business, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital of the Company. The statutory surplus reserve is not distributable.

Specific reserve for maintenance and production funds

Pursuant to the relevant PRC regulations, the Group is required to transfer production and maintenance funds at fixed rates based on relevant bases, such as production volume, to a specific reserve account. The production and maintenance funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of production and maintenance funds utilised would be transferred from the specific reserve account to retained earnings.

Discretionary surplus reserve

The appropriation to the discretionary surplus reserve is subject to the shareholders' approval. The utilisation of the reserve is similar to that of the statutory surplus reserve.

The directors of the Company (the "Directors") have not proposed any appropriation to the discretionary surplus reserve in 2024 and 2023.

(iv) Other reserves

Other reserves mainly represents the consideration paid for acquisition of subsidiaries under common control, acquisition of non-controlling interests in subsidiaries and share of other reserves of associates.

(v) Retained earnings

Included in the retained earnings of the Group were its share of the surplus reserve of its domestic subsidiaries amounted to RMB34,029 million as at 31 December 2024 (31 December 2023: RMB32,249 million).

The notes on pages 236 to 353 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

(Expressed in RMB)

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Operating activities		
Profit before income tax	**90,206**	92,776
Adjustments for:		
Depreciation of property, plant and equipment *(Note 11)*	**21,295**	20,851
Depreciation of right-of-use assets *(Note 11)*	**866**	834
Amortisation of intangible assets *(Note 11)*	**435**	413
Amortisation of long-term deferred expenses *(Note 11)*	**1,659**	2,781
Losses on disposal of property, plant and equipment, intangible assets and non-current assets *(Note 11)*	**56**	71
Gains on disposal of subsidiaries and associates *(Note 11)*	**(517)**	(179)
Gains on changes in fair value financial assets at FVTPL *(Note 11)*	**(2)**	–
Impairment losses on property, plant and equipment *(Note 11)*	**343**	2,782
Impairment losses on construction in progress *(Note 11)*	**7**	52
Impairment losses on intangible assets *(Note 11)*	**12**	3
Impairment losses on right-of-use assets *(Note 11)*	**–**	136
Impairment losses on goodwill *(Note 11)*	**–**	30
Impairment of interests in associates	**11**	–
Reversal of allowance for prepaid expenses *(Note 11)*	**(4)**	–
Write-down of inventories *(Note 11)*	**166**	688
Interest income *(Note 9)*	**(2,768)**	(2,634)
Share of results of associates	**(4,344)**	(3,565)
Loss allowances, net of reversal *(Note 11)*	**128**	285
Interest expenses	**2,825**	2,989
Exchange loss, net *(Note 9)*	**15**	85
Other income	**(7)**	(53)
Operating cash flows before movements in working capital	**110,382**	118,345
Changes in working capital:		
Increase in inventories	**(990)**	(1,438)
Decrease/(increase) in accounts and bills receivables	**2,717**	(8,476)
Increase in prepaid expenses and other assets	**(1,870)**	(2,032)
Decrease in accounts and bills payables	**(147)**	(931)
Increase in accrued expenses and other liabilities	**2,873**	1,256
(Decrease)/increase in contract liabilities	**(983)**	1,611
Cash generated from operations	**111,982**	108,335
Income tax paid	**(18,634)**	(18,648)
Net cash generated from operating activities	**93,348**	89,687

The notes on pages 236 to 353 form part of these financial statements.

Consolidated Statement of Cash Flows (Continued)

For the year ended 31 December 2024

(Expressed in RMB)

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Investing activities		
Additions of property, plant and equipment, intangible assets, exploration and evaluation assets, construction in progress and other non-current assets	**(36,138)**	(36,103)
Increase in right-of-use assets	**(894)**	(981)
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets	**1,242**	1,501
Investments in associates	**(725)**	(3,345)
Investments in financial asset at fair value through profit or loss	**(60)**	–
Net cash (paid)/received from disposal of subsidiaries	**(14)**	19
Dividend received from associates	**601**	854
Interest received	**2,888**	3,312
Purchase of structured deposits	**(17,300)**	–
Increase in restricted bank deposits	**(6,891)**	(941)
Placing of time deposits with original maturity over three months	**(53,257)**	(69,047)
Maturity of time deposits with original maturity over three months	**24,619**	67,221
Repayment of investment from associates	**410**	458
Collection of other current assets	**160**	78
Net cash used in investing activities	**(85,359)**	(36,974)

The notes on pages 236 to 353 form part of these financial statements.

Consolidated Statement of Cash Flows (Continued)

For the year ended 31 December 2024

(Expressed in RMB)

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Financing activities		
Capital element of lease rentals paid *(Note 28(b))*	**(622)**	(142)
Interest element of lease rentals paid *(Note 28(b))*	**(25)**	(25)
Interest paid *(Note 28(b))*	**(2,066)**	(2,454)
Proceeds from borrowings *(Note 28(b))*	**9,976**	12,926
Repayments of borrowings *(Note 28(b))*	**(10,446)**	(29,628)
Redemption of bonds *(Note 28(b))*	**(114)**	(660)
Proceeds from commercial factoring	**1,200**	–
Proceeds from bills discounted	**1,621**	724
Contributions from non-controlling shareholders	**1,015**	574
Distributions to non-controlling shareholders	**(6,809)**	(6,781)
Dividend paid to equity holders of the Company *(Note 14)*	**(44,903)**	(50,665)
Net cash used in financing activities	**(51,173)**	(76,131)
Decrease in cash and cash equivalents	**(43,184)**	(23,418)
Cash and cash equivalents, at the beginning of the year	**108,174**	131,458
Effect of foreign exchange rate changes	**84**	134
Cash and cash equivalents, at the end of the year	**65,074**	108,174

The notes on pages 236 to 353 form part of these financial statements.

1. PRINCIPAL ACTIVITIES AND ORGANISATION

Principal activities

China Shenhua Energy Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in: (i) the production and sale of coal; and (ii) the generation and sale of coal-based power to provincial/regional electric grid companies in the People's Republic of China (the "PRC"). The Group operates an integrated railway network and seaports that are primarily used to transport the Group's coal sales from its mines. The primary customers of the Group's coal sales include power plants, metallurgical and coal chemical producers in the PRC.

Organisation

The Company was established in the PRC on 8 November 2004 as a joint stock limited company as part of the Restructuring (as defined below) of Shenhua Group, a state-owned enterprise under the direct supervision of the State Council of the PRC.

Effective on 31 December 2003, the coal production and power generation operations previously operated by various entities wholly-owned or controlled by Shenhua Group were restructured and managed separately (the "Restructuring"), and those assets and liabilities related to the operations and businesses that were transferred to the Company were revalued by China Enterprise Appraisal Co., Ltd., an independent valuer registered in the PRC, as at 31 December 2003 as required by the PRC rules and regulations.

On 8 November 2004, in consideration for Shenhua Group transferring the coal mining and power generating assets and liabilities to the Company, the Company issued 15,000,000,000 domestic state-owned ordinary shares with a par value of RMB1.00 each to Shenhua Group. The shares issued to Shenhua Group represented the entire registered and paid-up share capital of the Company at that date.

In 2005, the Company issued 3,089,620,455 H shares with a par value of RMB1.00 each, at a price of Hong Kong Dollars ("HKD") 7.50 per H share by way of a global initial public offering. In addition, 308,962,045 domestic state-owned ordinary shares of RMB1.00 each owned by Shenhua Group were converted into H shares. A total of 3,398,582,500 H shares were listed on The Stock Exchange of Hong Kong Limited.

In 2007, the Company issued 1,800,000,000 A shares with a par value of RMB1.00 each, at a price of RMB36.99 per A share in the PRC. The A shares were listed on the Shanghai Stock Exchange.

1. PRINCIPAL ACTIVITIES AND ORGANISATION (CONTINUED)

Immediate parent and ultimate controlling party

On 28 August 2017, Shenhua Group received the Notice regarding the Restructuring of China Guodian Corporation and Shenhua Group Corporation Limited (Guo Zi Fa Gai Ge [2017] No. 146) from the State-owned Assets Supervision and Administration Commission of the State Council, which approves that China Guodian Corporation (the "China Guodian") and Shenhua Group shall implement the joint restructuring, China Guodian shall be merged into Shenhua Group, and the company name of Shenhua Group shall be changed to China Energy Investment Corporation Limited (the "China Energy Group"). China Energy Group will be the parent company after the completion of the restructuring.

On 27 November 2017, Shenhua Group has completed the industrial and commercial registration of changes in the business license. The Directors consider the immediate parent and ultimate holding company of the Group to be China Energy Group.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* ("2020 amendments")
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants* ("2022 amendments")
- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial Instruments: Disclosures-Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRS Accounting Standards are discussed below:

Amendments to IAS 1, *Presentation of financial statements* ("2020 and 2022 amendments", or collectively the "IAS 1 amendments")

The IAS 1 amendments impact the classification of a liability as current or non-current, and are applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions in a full set of financial statements.

Upon the adoption of the amendments, the Group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made.

Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial Instruments: Disclosures-Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements as the Group is not involved in supplier finance arrangements.

3. MATERIAL ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual IFRS Standards, IAS Standards and related interpretations issued by the International Accounting Standards Board (the "IASB"). They are presented in Renminbi ("RMB") and all values are rounded to the nearest million (RMB' million) except when otherwise indicated. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The IASB has issued certain new and revised IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of preparation (Continued)

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments as disclosed in Note 39.3, which have been measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

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

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

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

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

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

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

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of preparation (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 4.

Material accounting policies adopted by the Group are disclosed below.

3.2 Basis of consolidation

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

– has power over the investee;

– is exposed, or has rights, to variable returns from its involvement with the investee; and

– has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

– the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

– potential voting rights held by the Group, other vote holders or other parties;

– rights arising from other contractual arrangements; and

– any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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

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

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

3.3 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Business combinations

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee benefits* respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Goodwill (Continued)

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

3.6 Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate, after applying the expected credit losses (the "ECL") model to such other long-term interests where applicable), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Investments in associates (Continued)

On acquisition of the investment in an associate, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss is recognised when the recoverable amount is less than the carrying value of the investment in associates. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3.7 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Non-current assets held for sale (Continued)

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell, except for financial assets within the scope of IFRS 9, which continue to be measured in accordance with the accounting policies as set out in respective sections.

3.8 Revenue from contracts with customers

Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Revenue from contracts with customers (Continued)

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

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

3.9 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than entity's functional currencies (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve, attributed to non-controlling interests as appropriate.

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.12 Retirement benefit costs

Payments to state-managed retirement benefit schemes and a supplemental defined contribution pension plan approved by the government are recognised as an expense when employees have rendered service entitling them to the contributions.

The contributions made by the Group to such insurance plans on behalf of employees are fully attributed to the employees at the time of payment, therefore the Group has no abandoned contributions that can be utilized.

3.13 Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before income tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Taxation (Continued)

Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

– taxable temporary differences arising on the initial recognition of goodwill; and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the OECD.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are reassessed at the end of each reporting year and are recognised to the extent that it has become probable that future taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Taxation (Continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.14 Property, plant and equipment

Property, plant and equipment, which consists of freehold land and buildings, mining structures and mining rights, mining related machinery and equipment, and other items of plant and equipment, held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write-off the cost of items of property, plant and equipment (other than freehold land and construction in progress, which are subject to impairment assessment) less their residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Property, plant and equipment (Continued)

Property, plant and equipment, except for freehold land, and mining structures and mining rights, are depreciated on a straight-line basis at the following rates per annum:

Categories	*Term for deprecation (year)*
Buildings	10 – 55 years
Mining related machinery and equipment	5 – 40 years
Generators related machinery and equipment	8 – 35 years
Railway and port	6 – 45 years
Vessels	25 years
Coal chemical related machinery and equipment	8 – 20 years
Furniture, fixtures, motor vehicles and other equipment	5 – 35 years

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

Construction in progress intended to be used for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related cost are recognised in profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Property, plant and equipment (Continued)

Mining structures and mining rights

The costs of mining structures and mining rights, which include the costs of acquiring and developing mining structures and mining rights, are firstly capitalised as "construction in progress" in the year in which they are incurred and then reclassified to "Mining structures and mining rights" under property, plant and equipment when they are ready for commercial production.

Mining structures and mining rights are depreciated on a units-of-production basis utilising only proved and probable coal reserves in the depletion base.

The Group's mining rights are of sufficient duration (or convey a legal right to renew for sufficient duration) to enable all reserves to be mined in accordance with current production schedules.

Stripping costs incurred to develop a mine (or pit) before the production commences or to improve access to the component of the ore body during the production stage are capitalised as part of the cost of constructing the mine (or pit) and subsequently amortised over the life of the mine (or pit) on a units-of-production basis. Stripping costs and secondary development expenditure, mainly comprising costs on blasting, haulage, excavation, etc. incurred during the production stage of the ore body and does not providing any improved access to the ore body are charged to profit or loss as incurred.

Commercial reserves are proved and probable reserves. Changes in the commercial reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

Exploration and evaluation assets

Exploration and evaluation assets comprise costs which are directly attributable to the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource:

– researching and analysing historical exploration data;

– gathering exploration data through topographical, geochemical and geophysical studies;

– exploratory drilling, trenching and sampling;

– determining and examining the volume and grade of the resource;

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Property, plant and equipment (Continued)

Exploration and evaluation assets (Continued)

– surveying transportation and infrastructure requirements; and

– conducting market and finance studies.

Expenditure during the initial exploration preparation stage of a project is charged to profit or loss as incurred. Exploration and evaluation costs, including the costs of acquiring licenses, are capitalised as exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project.

Once the final feasibility study has been completed and a development decision has been taken, accumulated capitalised exploration and evaluation expenditures in respect of an area of interest are transferred to property, plant and equipment. In circumstances when an area of interest is abandoned or management decides it is not commercially viable, any accumulated costs in respect of that area are written off in the period the decision is made.

Obligations for land reclamation

The Group's obligations for land reclamation consist of spending estimates at both surface and underground mines in accordance with the PRC rules and regulations. The Group estimates its liabilities for land reclamation and mine closure based upon detailed calculations of the amount and timing of the future cash flows for the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. The Group records a corresponding asset associated with the liability for final reclamation and mine closure. The obligation and corresponding asset are recognised in the period in which the liability is incurred. The asset is depreciated on the units-of-production method over its expected life and the liability is accreted to the projected spending date. As changes in estimates occur (such as mine plan revisions, changes in estimated costs, or changes in timing of the performance of reclamation activities), the revisions to the obligation and the corresponding asset are recognised at the appropriate discount rate.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

– the technical feasibility of completing the intangible asset so that it will be available for use or sale;

– the intention to complete the intangible asset and use or sell it;

– the ability to use or sell the intangible asset;

– how the intangible asset will generate probable future economic benefits;

– the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Intangible assets (Continued)

Intangible assets acquired in a business combination not under common control

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Impairment of tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of tangible and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Intangible assets (Continued)

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

3.16 Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Leased assets (Continued)

(i) As a lessee (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Leased assets (Continued)

(ii) As a lessor (Continued)

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis.

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption method, then the Group classifies the sub-lease as an operating lease.

3.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities measured at fair value through profit and loss (the "FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities FVTPL are recognised immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

– the financial asset is held within a business model whose objective is to collect contractual cash flows; and

– the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (the "FVTOCI"):

– the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and

– the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) *Equity instruments designated as at FVTOCI*

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the other reserves; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iii) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including accounts receivable, other receivables, long-term receivables, loans to China Energy Group and fellow subsidiaries, entrusted loans and financial guarantee contracts). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Financial instruments (Continued)

Impairment of financial assets (Continued)

The Group always recognises lifetime ECL for accounts receivable. The ECL on these assets are assessed individually for credit-impaired debtors or using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

– an actual or expected significant deterioration in the financial instrument's external credit rating (if available);

– significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

– existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

– an actual or expected significant deterioration in the operating results of the debtor;

– an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Financial instruments (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group). The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Financial instruments (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

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

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

(c) the lenders of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concessions that the lenders would not otherwise consider;

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

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

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Financial instruments (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

– Nature of financial instruments (i.e. the Group's accounts and bills receivables and other receivables are each assessed as a separate group. Loans receivable are assessed for ECL on an individual basis);

– Past-due status; and

– External credit ratings where available.

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

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

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with IFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Financial instruments (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognisation. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of IFRS 9, the cumulative gain or loss previously accumulated in other reserves is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

– it has been acquired principally for the purpose of repurchasing it in the near term; or

– on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

– it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

– such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

– the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

– it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Financial instruments (Continued)

Financial liabilities at amortised cost

Financial liabilities including borrowings, accounts and bills payables, other payables, long-term liabilities, medium-term notes and bonds are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

– the amount of the loss allowance determined in accordance with IFRS 9/IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Group's derivative financial instruments represent cross-currency exchange rate swaps, and are initially recognised at fair value at the date when the derivative contracts are entered into, and remeasured at fair value at the end of the reporting period, with any gains or losses recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.20 Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group.

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.21 Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying accounting policies

The following are critical judgements, apart from those involving estimation (see Note 4.2 below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Control over China Energy Hebei Dingzhou Power Generation Co., Ltd. ("Dingzhou Power")

Note 44 describes that Dingzhou Power is a subsidiary of the Company although the Company has only 41% ownership interest and voting rights in Dingzhou Power. The remaining 59% of ownership interest and voting rights are owned by two shareholders that are unrelated to the Group as to 19% and 40%, respectively. Details of Dingzhou Power are set out in Note 44.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

4.1 Critical judgements in applying accounting policies (Continued)

Control over China Energy Hebei Dingzhou Power Generation Co., Ltd. ("Dingzhou Power") (Continued)

The Directors evaluated whether the Company has the practical ability to lead the relevant activities of Dingzhou Power to determine whether the Company has actual control over Dingzhou Power. The Company is the largest equity owner of Dingzhou Power and no other equity owners individually or in aggregate had the power to control Dingzhou Power according to the articles of association. Historically, the Company controlled the operation of Dingzhou Power by appointing senior management, approving annual budget and determining the remuneration of employees etc. Considering above mentioned factors, the Directors are of the opinion that the Company has sufficiently dominant power over Dingzhou Power as the Company is the governing body of most of the relevant activities of it. Therefore the financial statements of Dingzhou Power are consolidated by the Company during the periods presented.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Coal reserves

Engineering estimates of the Group's coal reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated coal reserves can be designated as "proved" and "probable". Proved and probable coal reserve estimates are updated at regular basis and have taken into account recent production and technical information of each mine. In addition, as prices and cost levels change from year to year, the estimate of proved and probable coal reserves also changes. This change is considered as a change in estimate for accounting purposes and is reflected on a prospective basis in related depreciation rates.

Despite the inherent imprecision in these engineering estimates, these estimates are used in determining depreciation expenses and impairment loss. Depreciation rates are determined based on estimated proved and probable coal reserve quantity (the denominator) and capitalised costs of mining structures and mining rights (the numerator). The capitalised cost of mining structures and mining rights are amortised based on the units of coal produced.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

4.2 Key sources of estimation uncertainty (Continued)

Impairment losses

In considering the impairment losses that may be required for certain of the Group's assets which mainly include property, plant and equipment, construction in progress, exploration and evaluation assets, intangible assets, right-of-use assets, interests in associates and other non-current assets, the recoverable amount of the asset need to be determined. The recoverable amount is the higher of its fair value less cost of disposal and value in use. It is difficult to precisely estimate fair value because quoted market prices for these assets may not be readily available. In determining the value in use, the Group uses all readily available information in determining expected cash flows generated by the cash-generating unit to which the asset belongs, and they are discounted to their present value, which requires significant judgement relating to cash flow items such as level of sale volume, selling price, amount of operating costs and future returns.

In considering the impairment losses that may be required for current receivables and other financial assets, future cash flows need to be determined. One of the key assumptions that has to be applied is about the ability of the debtors to settle the receivables.

Notwithstanding that the Group has used all available information to make this estimation, inherent uncertainty exists and actual write-offs may be higher or lower than the amount estimated.

Depreciation

Other than the freehold land and mining structures and mining rights, property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. The Group reviews the estimated useful lives and residual value of the assets regularly based on the Group's historical experience with similar assets and taking into account anticipated technological changes. Depreciation for future periods is adjusted if there is a significant change from previous estimates. The carrying amount of the property, plant and equipment is disclosed in Note 16.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

4.2 Key sources of estimation uncertainty (Continued)

Deferred tax assets

As at 31 December 2024, deferred tax assets of RMB5,956 million (2023: RMB5,301 million) have been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of RMB6,576 million (2023: RMB8,481 million) and deductible temporary differences of RMB7,809 million (2023: RMB9,331 million) due to the unpredictability of future profit streams. The realisation of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less or more than expected, a material reversal or further provision of deferred tax assets may arise, which will be recognised in profit or loss in the period in which such a reversal or further provision takes place.

Fair value measurement of financial instruments

Certain of the Group's financial assets, other non-current financial assets, unquoted equity instruments and accounts and bills receivables amounting to RMB4,021 million as at 31 December 2024 (RMB2,740 million as at 31 December 2023) are measured at fair values with fair values being determined based on unobservable inputs using valuation techniques as set out in Note 39.3. Changes in assumptions relating to any key inputs may have a material impact on the reported fair values of these instruments.

Provision of ECL for accounts and bills receivables

The Group uses provision matrix to calculate ECL for accounts receivable. The provision rates are based on the aging of accounts receivable as groupings of receivables that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, accounts and bills receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's accounts receivable are disclosed in Notes 25 and 39.2, respectively.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

4.2 Key sources of estimation uncertainty (Continued)

Obligations for land reclamation

The estimation of the liabilities for reclamation and mine closure involves the estimates of the amount and timing for the future cash spending as well as the discount rate used for reflecting current market assessments of the time value of money and the risks specific to the liability. The Group considers the factors including development plan of the mines, the geological structure of the mining regions and reserve volume to determine the scope, amount and timing of reclamation and mine closure works to be performed. Determination of the effect of these factors involves judgements from the Group and the estimated liabilities may turn out to be different from the actual expenditure to be incurred. The discount rate used by the Group may also be altered to reflect the changes in the market assessments of the time value of money and the risks specific to the liability, such as change of the borrowing rate and inflation rate in the market. As changes in estimates occur (such as mine plan revisions, changes in estimated costs, or changes in timing of the performance of reclamation activities), the revisions to the obligation will be recognised at the appropriate discount rate. The carrying amounts of the obligations are disclosed in Note 36.

5. REVENUE FROM GOODS AND SERVICES

Disaggregation of revenue of business lines is as follows:

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Revenue from goods and services	**324,449**	326,826
– Coal	**218,462**	221,448
– Power	**87,830**	85,418
– Transportation and other services	**13,096**	14,465
– Coal chemical products	**5,061**	5,495
Others	**13,926**	16,248
	338,375	343,074

The Group's revenue from contracts with customers is RMB338,167 million for the year ended 31 December 2024 (2023: RMB342,935 million).

5. REVENUE FROM GOODS AND SERVICES (CONTINUED)

The Group produces and sells coal and coal chemical products to customers at spot market. For sales of coal and coal chemical products, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customers' specific location. According to the Group's historical experiences, there was no significant exchange or return of coal and coal chemical products occurred. There is no sales-related warranties associated with coal and coal chemical products.

For sales of power, revenue is recognised upon the transmission of electric power to the power grid companies. Power could not be returned or exchanged and there is also no warranties associated with power sales.

The Group provides railway transportation services, shipment transportation services as well as port loading and storage services to customers. Such services are recognised as a performance obligation satisfied over time as the Group rendering the services. Revenue is recognised for these services based on the stage of completion of the performance obligation using output method.

All performance obligations of sales of coal, power and coal chemical products, railway and shipment transportation services, and port loading and storage services are part of contracts with an original expected duration of one year or less, and as permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. SEGMENT AND OTHER INFORMATION

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker ("CODM"), including chief executive officer, executive vice president and chief financial officer, for the purposes of resource allocation and performance assessment, the Group has presented the following six (2023: six) reportable segments. No operating segments have been aggregated to form the following reportable segments.

(1) Coal operations – which produce coal from surface and underground mines, and the sale of coal to external customers, the power operations segment and the coal chemical operations segment. The Group sells its coal under long-term supply contracts, which allow periodical price adjustments, and at spot market.

(2) Power operations – which use coal from the coal operations segment and external suppliers, thermal power, water power, gas power and photovoltaic power to generate electric power for the sale to coal operations segment and external customers. Electric power is mainly sold to the power grid companies at the market price.

6. SEGMENT AND OTHER INFORMATION (CONTINUED)

(3) Railway operations – which provide railway transportation services to the coal operations segment, the power operations segment, the coal chemical operations segment and external customers. The rates of freight charges billed to the coal operations segment, the power operations segment, the coal chemical operations segment and external customers are consistent and do not exceed the maximum amounts approved by the relevant government authorities.

(4) Port operations – which provide loading, transportation and storage services to the coal operations segment and external customers. The Group charges service fees and other expenses, which are reviewed and approved by the relevant government authorities.

(5) Shipping operations – which provide shipment transportation services to the coal operations segment, the power operations segment and external customers. The Group charges different freight rates from the coal operations segment, the power operations segment and external customers by reference to the current index and historical index of the Shanghai Shipping Exchange.

(6) Coal chemical operations – which use coal from the coal operations segment to first produce methanol and further process into polyethylene and polypropylene, together with other by-products, for sale to external customers. The Group sells its polyethylene at spot market.

(Expressed in RMB)

6. SEGMENT AND OTHER INFORMATION (CONTINUED)

(a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results attributable to each reportable segment based on profit before income tax ("reportable segment profit"). Reportable segment profit represents the profit earned by each segment without allocation of head office and corporate items. Inter-segment sales are primarily charged at prevailing market rate which are the same as those charged to external customers.

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below:

	Coal		Power		Railway		Port		Shipping		Coal chemical		Total	
	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million
Revenue from external customers	223,753	228,149	94,012	92,202	11,120	13,012	1,796	2,017	2,061	1,596	5,633	6,098	338,375	343,074
Inter-segment revenue	44,865	45,157	205	205	31,995	29,949	5,046	4,732	2,935	3,240	–	–	85,046	83,283
Reportable segment revenue	268,618	273,306	94,217	92,407	43,115	42,961	6,842	6,749	4,996	4,836	5,633	6,098	423,421	426,357
Reportable segment profit	58,498	63,753	11,393	10,910	12,604	11,152	2,115	2,307	260	100	36	180	84,906	88,402
Including:														
Interest expenses	1,368	1,193	1,830	1,825	412	561	111	145	1	–	–	12	3,722	3,736
Depreciation and amortisation	9,133	10,431	6,929	7,045	5,872	5,136	1,070	1,122	296	283	869	770	24,169	24,787
Share of results of associates	494	574	25	14	7	4	1	3	–	–	–	–	527	595
Loss allowances and impairment of assets	309	1,344	126	1,315	–	1,015	3	2	221	–	–	30	659	3,706

(b) Reconciliations of reportable segment revenue, segment profit and other items of profit or loss for the years ended 31 December 2024 and 2023 are set out below:

	Reportable segment amounts		Unallocated head office and corporate items		Elimination of inter-segment amounts		Consolidated	
	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million
Revenue	423,421	426,357	894	548	(85,940)	(83,831)	338,375	343,074
Profit before income tax	84,906	88,402	5,989	3,946	(689)	428	90,206	92,776
Interest expenses	3,722	3,736	1,005	1,293	(2,027)	(2,171)	2,700	2,858
Depreciation and amortisation	24,169	24,787	86	92	–	–	24,255	24,879
Share of results of associates	527	595	3,825	2,586	(8)	384	4,344	3,565
Loss allowances and impairment of assets	659	3,706	4	270	–	–	663	3,976

6. SEGMENT AND OTHER INFORMATION (CONTINUED)

(c) Geographical information

The following table sets out information about geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, construction in progress, exploration and evaluation assets, intangible assets, right-of-use assets, interests in associates, certain non-current assets. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, construction in progress and right-of-use assets, and the location of operations, in the case of exploration and evaluation assets, intangible assets, other non-current assets and interests in associates.

	Revenue from external customers		**Specified non-current assets**	
	Year ended 31 December		**Year ended 31 December**	
	2024	2023	**2024**	2023
	RMB million	*RMB million*	***RMB million***	*RMB million*
Domestic markets	**325,332**	330,746	**427,026**	406,767
Overseas markets	**13,043**	12,328	**4,333**	4,006
	338,375	343,074	**431,359**	410,773

(d) Major customers

Revenue from any individual customer of the Group does not exceed 10% of the Group's revenue. Certain of the Group's customers are entities, which controlled, jointly controlled or significantly influenced by the PRC government ("government-related entities") and collectively considered as the Group's major customers. During the year ended 31 December 2024, revenue from the Group's top five major customers of coal and power segments amounted to RMB141,519 million (2023: RMB144,875 million).

6. SEGMENT AND OTHER INFORMATION (CONTINUED)

(e) Other information

Certain other information of the Group's segments for the years ended 31 December 2024 and 2023 is set out below:

	Coal		Power		Railway		Port		Shipping		Coal chemical		Unallocated items		Eliminations		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	RMB million	*RMB million*	***RMB million***	*RMB million*	***RMB million***	*RMB million*	***RMB million***	*RMB million*	***RMB million***	*RMB million*	***RMB million***	*RMB million*	***RMB million***	*RMB million*	***RMB million***	*RMB million*	***RMB million***	*RMB million*
Capital expenditures *(Note (i))*	**12,587**	18,872	**13,003**	15,922	**5,605**	6,327	**779**	485	**334**	117	**684**	227	**27**	9	**–**	–	**33,019**	41,959
Total assets *(Note (ii))*	**320,180**	301,482	**181,294**	167,912	**123,595**	125,301	**19,740**	18,885	**7,218**	7,169	**8,180**	7,858	**538,369**	504,228	**(537,140)**	(499,423)	**661,436**	633,412
Total liabilities *(Note (ii))*	**(132,074)**	(134,258)	**(142,271)**	(139,580)	**(46,605)**	(51,000)	**(6,445)**	(7,120)	**(487)**	(601)	**(1,784)**	(2,080)	**(228,360)**	(203,455)	**403,910**	386,333	**(154,116)**	(151,761)

Notes:

(i) Capital expenditures consist of addition in property, plant and equipment, construction in process, exploration and evaluation assets, intangible assets, long-term deferred expenses, land use rights and prepayment for mining projects.

(ii) Unallocated items of total assets include deferred tax assets and other unallocated corporate assets. Unallocated items of total liabilities include deferred tax liabilities and other unallocated corporate liabilities.

7. COST OF SALES

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Coal purchased	**65,648**	67,886
Materials, fuel and power	**34,346**	33,468
Personnel expenses	**29,231**	25,090
Depreciation and amortisation	**20,095**	21,263
Repairs and maintenance	**9,923**	12,034
Transportation charges	**19,977**	19,026
Taxes and surcharges	**17,784**	18,385
Other operating costs	**39,551**	35,385
	236,555	232,537

8. OTHER INCOME

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Government grants	**271**	318
Claim income	**142**	261
Carbon emission quota income *(Note)*	**328**	193
Others	**374**	500
	1,115	1,272

Note:

During the year, trading of carbon emission rights recorded a net gain amounting to approximately RMB8 million. Details of carbon emission rights trading are listed below.

	2024		2023	
	Quantity ***million tonnes***	**Amount** ***RMB million***	Quantity *million tonnes*	Amount *RMB million*
1. Carbon emission quota at the beginning of the year	**31**		61	
2. Carbon emission quota increased for the current year				
(1) Allocated quota (free of charge)	**168**		154	
(2) Purchased quota/expense	**4**	**320**	4	269
3. Carbon emission quota reduced for the current year				
(1) Quota consumed	**158**		185	
(2) Quota sold/income	**4**	**328**	3	193
4. Carbon emission quota at the end of the year	**41**		31	

9. INTEREST INCOME/FINANCE COSTS

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Interest income from:		
– bank deposits	**2,750**	2,616
– other loans and receivables	**18**	18
Total interest income	**2,768**	2,634
Interest on:		
– borrowings	**1,804**	2,084
– lease liabilities	**25**	25
– bonds	**118**	120
Total finance costs on financial liabilities not at FVTPL	**1,947**	2,229
Less: amount capitalised	**(134)**	(299)
	1,813	1,930
Others	**164**	174
Unwinding of discount	**887**	928
Exchange loss, net	**15**	85
Total finance costs	**2,879**	3,117
Net finance costs	**111**	483

Note:

Borrowing costs capitalised during the year arose on the general borrowing pools and were calculated by applying a capitalisation rate from 2.00% to 3.25% (2023: from 2.25% to 4.41%) per annum to expenditure on qualifying assets.

10. INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Current tax, mainly PRC enterprise income tax	**17,507**	16,734
Income tax difference adjustment in respect of prior year	**18**	1,161
Deferred tax	**(521)**	(311)
	17,004	17,584

The tax charge for the year can be reconciled to the profit before income tax per consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Profit before income tax	**90,206**	92,776
Tax at the PRC income tax rate of 25% (2023: 25%)	**22,552**	23,194
Tax effects of:		
– different tax rates of branches and subsidiaries	**(4,824)**	(7,109)
– non-deductible expenses	**261**	1,501
– share of results of associates	**(1,086)**	(922)
– utilisation of tax losses and deductible temporary difference previously not recognised	**(292)**	(937)
– tax losses and deductible temporary difference not recognised	**375**	696
– Income tax difference adjustment in respect of prior year	**18**	1,161
Income tax expense	**17,004**	17,584

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate applicable for the PRC group entities is 25% (2023: 25%) except for subsidiaries and branches operating in the western developing region of the PRC which are qualified to be entitled to a preferential tax rate of 15% from 2021 to 2030.

(Expressed in RMB)

10. INCOME TAX EXPENSE (CONTINUED)

The applicable tax rates of the Group's overseas subsidiaries are as follows:

	Year ended 31 December	
	2024	2023
	%	%
Indonesia	**22.0**	22.0
United States – Federal income tax rates	**21.0**	21.0
United States – Pennsylvania income tax rates	**9.9**	9.9
Hong Kong, China	**8.25/16.5***	8.25/16.5*

During the years ended 31 December 2024 and 2023, there was no significant assessable profit and provision for income tax for the overseas subsidiaries.

* The two-tiered profits tax rates regime is applicable from the year of assessment 2018/19 onwards. The profits tax rate for the first HKD2,000,000 of profits of corporations will be lowered to 8.25%, and profits above that amount will continue to be subject to the tax rate of 16.5%.

11. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting)

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Personnel expenses, including	**47,705**	42,050
– Contributions to defined contribution plans	**5,361**	4,812
Depreciation of property, plant and equipment *(Note 16)*	**21,310**	20,861
Depreciation of right-of-use assets *(Note 23)*	**881**	854
Amortisation of intangible assets *(Note 19)*	**435**	413
Amortisation of long-term deferred expenses *(Note 22)*	**1,659**	2,782
Depreciation and amortisation charged for the year	**24,285**	24,910
Less: amount capitalised	**30**	31
Depreciation and amortisation *(Note)*	**24,255**	24,879
Loss allowances		
– Trade receivables *(Note 39.2)*	**15**	(6)
– Other receivables and other loans *(Note 39.2)*	**113**	291
	128	285

11. PROFIT FOR THE YEAR (CONTINUED)

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Other gains and losses, represent		
– losses on disposal of property, plant and equipment, intangible assets and non-current assets	**56**	71
– gains on disposal of subsidiaries and associates	**(509)**	(179)
– gains on changes in fair value of financial assets	**(2)**	–*
– impairment losses on property, plant and equipment *(Note 16)*	**343**	2,782
– impairment losses on construction in progress *(Note 17)*	**7**	52
– impairment losses on intangible assets *(Note 19)*	**12**	3
– impairment losses on Interests in associates	**11**	–
– impairment losses on right-of-use assets *(Note 23)*	**–**	136
– impairment losses on goodwill	**–**	30
– reversal of allowance for prepaid expenses	**(4)**	–
– write-down of inventories	**166**	688
	80	3,583
Carrying amount of inventories sold	**173,860**	170,468
Operating lease charges relating to short-term leases, leases of low-value assets and variable lease payments	**435**	396
Auditors' remuneration		
– audit service	**35**	34

* Amount smaller than RMB500,000

Notes:

(i) Cost of sales include an amount of depreciation and amortisation of RMB20,095 million for the year ended 31 December 2024 (2023: RMB21,263 million).

(ii) The Group has recorded impairment losses for certain long-term assets:

	Coal segment	**Power segment**	**Transportation and other segements**	**Total**
	RMB million	*RMB million*	*RMB million*	*RMB million*
Property, plant and equipment *(Note 16)*	34	87	222	343
Construction in progress *(Note 17)*	–	7	–	7
Intangible assets *(Note 19)*	10	2	–	12
Total	44	96	222	362

11. PROFIT FOR THE YEAR (CONTINUED)

Recoverable amount by calculating fair value less costs of disposal:

As of 31 December 2024, the Group had determined the recoverable amount by using fair value less cost of disposal. Certain assets had been valued via market method. The fair value was categorised into Level 3 measurement.

Recoverable amount by calculating present value of estimated future cash flow:

As of 31 December 2024, the Group had treated companies with impairment indicators as individual cash-generating units and had made relevant impairment assessment by calculating the present value of estimated future cash flow of each cash generating unit. The pre-tax discount rate used in the impairment assessment was based on the weighted average cost of capital, ranging from 7.30% to 11.37% (2023: 6.62% to 9.08%).

12. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

	Year ended 31 December 2024				
	Fee *RMB million*	Basic salaries, housing and other allowance and benefits in kind *RMB million*	Discretionary bonuses *RMB million*	Retirement scheme contributions *RMB million*	Total *RMB million*
Executive directors					
Lv Zhiren	–	0.37	1.17	0.18	1.72
Zhang Changyan *(Note (ii))*	–	0.04	0.03	0.01	0.08
Xu Mingjun *(Note (iii))*	–	–	0.80	–	0.80
Sub-total	–	0.41	2.00	0.19	2.60
Non-executive directors					
Kang Fengwei *(Note (ii) Note (iv))*	–	–	–	–	–
Li Xinhua *(Note (ii) Note (iv))*	–	–	–	–	–
Jia Jinzhong *(Note (i) Note (iii))*	–	–	–	–	–
Yang Rongming *(Note (i) Note (iii))*	–	–	–	–	–
Sub-total	–	–	–	–	–
Independent non-executive directors					
Yuan Guoqiang	0.30	–	–	–	0.30
Chen Hanwen	0.30	–	–	–	0.30
Wang Hong	0.05	–	–	–	0.05
Bai Chongen *(Note (iii))*	0.25	–	–	–	0.25
Sub-total	0.90	–	–	–	0.90

12. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

	Year ended 31 December 2024				
	Fee *RMB million*	Basic salaries, housing and other allowance and benefits in kind *RMB million*	Discretionary bonuses *RMB million*	Retirement scheme contributions *RMB million*	Total *RMB million*
Employee director					
Jiao Lei *(Note (ii))*	–	0.08	0.11	0.03	0.22
Liu Xiaolei *(Note (iii))*	–	0.29	0.41	0.11	0.81
Sub-total	–	0.37	0.52	0.14	1.03
Supervisors					
Tang, Chaoxiong *(Note (i))*	–	–	–	–	–
Yuan Rui *(Note (ii) Note (iv))*	–	–	–	–	–
Zhang, Feng	–	0.35	0.60	0.13	1.08
Zhou Dayu *(Note (i) Note (iii))*	–	–	–	–	–
Sub-total	–	0.35	0.60	0.13	1.08
Total	0.90	1.13	3.12	0.46	5.61

12. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

	Year ended 31 December 2023				
	Fee *RMB million*	Basic salaries, housing and other allowance and benefits in kind *RMB million*	Discretionary bonuses *RMB million*	Retirement scheme contributions *RMB million*	Total *RMB million*
Executive directors					
Lv Zhiren	–	0.40	1.15	0.15	1.70
Xu Mingjun *(Note (iii))*	–	0.33	1.26	0.13	1.72
Sub-total	–	0.73	2.41	0.28	3.42
Non-executive directors					
Jia Jinzhong *(Note (i) Note (iii))*	–	–	–	–	–
Yang Rongming *(Note (i) Note (iii))*	–	–	–	–	–
Sub-total	–	–	–	–	–
Independent non-executive directors					
Yuan Guoqiang	0.30	–	–	–	0.30
Bai Chongen *(Note (iii))*	0.30	–	–	–	0.30
Chen Hanwen	0.30	–	–	–	0.30
Sub-total	0.90	–	–	–	0.90
Employee director					
Liu Xiaolei *(Note (iii))*	–	0.40	0.46	0.12	0.98
Sub-total	–	0.40	0.46	0.12	0.98
Supervisors					
Tang, Chaoxiong *(Note (i))*	–	–	–	–	–
Zhou Dayu *(Note (i) Note (iii))*	–	–	–	–	–
Zhang, Feng	–	0.37	0.51	0.12	1.00
Sub-total	–	0.37	0.51	0.12	1.00
Total	0.90	1.50	3.38	0.52	6.30

Discretionary bonuses were determined by the remuneration committee in accordance with the relevant human resources policies.

12. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

Notes:

(i) The emoluments of these directors and supervisors were borne by China Energy Group during the years ended 31 December 2024 and 2023.

(ii) Mr. Zhang Changyan was elected and appointed as executive director on 20 December 2024.

Mr. Kang Fengwei was elected and appointed as non-executive director on 30 September 2024.

Mr. Li Xinhua was elected and appointed as non-executive director on 30 September 2024.

Mr. Wang Hong was elected and appointed as independent non-executive directors on 30 September 2024.

Ms. Jiao Lei was elected and appointed as employee director on 30 September 2024.

Mr. Yuan Rui was elected and appointed as supervisor on 30 September 2024.

(iii) Mr. Xu Mingjun ceased to serve as executive director on 30 September 2024.

Mr. Jia Jinzhong ceased to serve as non-executive director on 30 September 2024.

Mr. Yang Rongming ceased to serve as non-executive director on 30 September 2024.

Mr. Bai Chongen ceased to serve as independent non-executive director on 30 September 2024.

Ms. Liu Xiaolei ceased to serve as employee director on 30 September 2024.

Mr. Zhou Dayu ceased to serve as supervisor on 30 September 2024

(iv) The emoluments of Mr. Kang Fengwei, Mr. Li Xinhua and Mr. Yuan Rui, were borne by China Energy Group during the years ended 31 December 2024.

Except for those emoluments of directors or supervisors whose emoluments were borne by China Energy Group, the executive directors' and supervisors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

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

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments within the Group, three (2023: two) were directors of the Company whose emoluments are disclosed in Note 12. The emoluments of other two (2023: three) highest paid individuals are as follows:

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Basic salaries, housing and other allowances and benefits in kind	**0.69**	1.02
Discretionary bonuses	**1.68**	3.30
Retirement scheme contributions	**0.30**	0.42
	2.67	4.74

Their emoluments are within the following band:

	Year ended 31 December	
	2024	2023
HKD1,000,001 to HKD1,500,000	**–**	–
HKD1,500,001 to HKD2,000,000	**2**	3
	2	3

14. DIVIDENDS

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Dividend approved and paid during the year:		
2023 final – RMB2.26 (2023: 2022 final – RMB2.55) per ordinary share	**44,903**	50,665

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of RMB44,903 million (inclusive of tax), at RMB2.26 (inclusive of tax) per ordinary share (in respect of the year ended 31 December 2023: final dividend RMB44,903 million (inclusive of tax), at RMB2.26 (inclusive of tax) per ordinary share) has been proposed by the Directors and is subject to approval by the shareholders in the following general meeting.

(Expressed in RMB)

15. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders of the Company of RMB62,421 million (2023: RMB64,625 million) and the weighted average of 19,869 million ordinary shares (2023: 19,869 million shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	Year ended 31 December	
	2024	2023
	million	*million*
Number of shares in issue at 1 January and 31 December	**19,869**	19,869
Weighted average number of shares in issue	**19,869**	19,869

No diluted earnings per share for both 2024 and 2023 were presented as there were no potential ordinary shares in existence during both years.

16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Mining structures and mining rights	Mining related machinery and equipment	Generators related machinery and equipment	Railway and port	Vessels	Coal chemical related machinery and equipment	Furniture, fixtures, motor vehicles and other equipment	Total
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Cost									
At 1 January 2023	62,531	52,491	76,623	124,322	151,113	7,595	13,351	19,971	507,997
Additions	731	9,634	769	109	2,985	9	45	102	14,384
Transferred from construction in progress *(Note 17)*	5,546	7	2,716	14,525	2,862	9	125	1,349	27,139
Reclassification and other additions	(2,023)	–	1,944	–	79	–	–	–	–
Disposals or write-off	(807)	(252)	(4,069)	(207)	(989)	(147)	(33)	(121)	(6,625)
Exchange adjustment	26	–	–	32	–	–	–	(5)	53
At 31 December 2023	66,004	61,880	77,983	138,781	156,050	7,466	13,488	21,296	542,948
Additions	364	3,562	952	172	2,356	1	45	313	7,765
Transferred from construction in progress *(Note 17)*	2,834	267	5,587	4,763	2,608	542	68	1,227	17,896
Reclassification and other additions	129	–	105	(18)	(249)	–	8	25	–
Disposals or write-off	(799)	(61)	(3,754)	(894)	(795)	(161)	(127)	(362)	(6,953)
Exchange adjustment	24	–	–	29	–	–	–	3	56
Others	–	(598)	–	–	–	–	–	–	(598)
At 31 December 2024	**68,556**	**65,050**	**80,873**	**142,833**	**159,970**	**7,848**	**13,482**	**22,502**	**561,114**

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings RMB million	Mining structures and mining rights RMB million	Mining related machinery and equipment RMB million	Generators related machinery and equipment RMB million	Railway and port RMB million	Vessels RMB million	Coal chemical related machinery and equipment RMB million	Furniture, fixtures, motor vehicles and other equipment RMB million	Total RMB million
Depreciation and impairment									
At 1 January 2023	18,697	19,996	56,495	49,286	63,881	2,518	8,698	14,323	233,894
Charge for the year	2,034	2,289	4,020	5,566	5,291	318	710	633	20,861
Reclassification	(26)	–	24	–	2	–	–	–	–
Impairment losses	306	191	55	1,204	998	–	3	25	2,782
Disposals or write-off	(513)	(237)	(3,535)	(164)	(821)	(61)	(17)	(109)	(5,457)
Exchange adjustment	14	–	–	16	–	–	–	(12)	18
Impairment losses -transferred from construction	1	–	–	7	–	–	–	3	11
At 31 December 2023	20,513	22,239	57,059	55,915	69,351	2,775	9,394	14,863	252,109
Charge for the year	2,132	1,905	3,833	5,929	5,664	322	722	803	21,310
Reclassification	84	–	(26)	(1)	(61)	–	–	4	–
Impairment losses	24	–	12	81	–	221	–	5	343
Disposals or write-off	(355)	(38)	(3,501)	(761)	(743)	(147)	(127)	(345)	(6,017)
Exchange adjustment	13	–	–	16	–	–	–	2	31
At 31 December 2024	22,411	24,106	57,377	61,179	74,211	3,171	9,989	15,332	267,776
Carrying values									
At 31 December 2024	**46,145**	**40,944**	**23,496**	**81,654**	**85,759**	**4,677**	**3,493**	**7,170**	**293,338**
At 31 December 2023	45,491	39,641	20,924	82,866	86,699	4,691	4,094	6,433	290,839

Notes:

(i) As at 31 December 2024, the carrying amount of the Group's investment property included in the property, plant and equipment was RMB1,309 million (As at 31 December 2023: RMB1,366 million).

(ii) The Group was in the process of applying for the title certificates of certain of its properties with an aggregate carrying amount of RMB3,226 million as at 31 December 2024 (2023: RMB3,331 million). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use the above mentioned properties.

(iii) As at 31 December 2024, the property, plant and equipment with carrying amount of RMB86 million (2023: RMB251 million) have been pledged to the banks to secure the banking facilities granted to the Group.

17. CONSTRUCTION IN PROGRESS

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
At the beginning of the year	**18,955**	20,843
Additions	**26,716**	26,388
Transferred to property, plant and equipment *(Note 16)*	**(17,896)**	(27,139)
Transferred to intangible assets *(Note 19)*	**(826)**	(164)
Transferred to right-of-use assets *(Note 23)*	**(199)**	(943)
Disposal	**–**	(21)
Impairment losses *(Note (ii))*	**(7)**	(52)
Others	**10**	43
At the end of the year	**26,753**	18,955

Notes:

(i) As at 31 December 2024, the Group is in the process of obtaining requisite permits for certain of its power plants and railways from the relevant government authorities. The Directors are of the opinion that the Group will be able to obtain the requisite permits in due course.

(ii) As a result of deferral of certain projects, management performed impairment assessment of the related construction in progress and concluded that impairment provision of RMB7 million was required and charged into profit or loss for the current year.

18. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets represent the expenditures related to coal exploration and evaluation activities incurred by the Group. As at 31 December 2024, the carrying amount of the exploration and evaluation assets was RMB4,861 million (31 December 2023: RMB5,519 million).

19. INTANGIBLE ASSETS

The movement of intangible assets, mainly licenses, software and franchises, is as follows:

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
At the beginning of the year	**4,662**	4,059
Additions	**397**	856
Transferred from construction in progress	**826**	164
Amortisation	**(435)**	(413)
Disposal	**(2)**	(1)
Impairment losses	**(12)**	(3)
At the end of the year	**5,436**	4,662

20. INTERESTS IN ASSOCIATES

	31 December 2024	31 December 2023
	RMB million	*RMB million*
Unlisted shares, at cost	**51,489**	51,127
Share of post-acquisition profits and other comprehensive income, net of dividend received	**8,415**	4,508
	59,904	55,635

(Expressed in RMB)

20. INTERESTS IN ASSOCIATES (CONTINUED)

The Group's associates are unlisted and established in the PRC. The following list contains only the particulars of associates, which principally affect the results or assets of the Group:

Name of associate	Proportion of ownership interest and voting power held by the Group **31 December 2024** **%**	 31 December 2023 %	Principal activities
Beijing GD Power Co., Ltd. ("Beijing GD")	**43**	43	Generation and sale of electricity
China Energy Finance Co., Ltd. ("Finance Company")	**40**	40	Provision of comprehensive financial service
Haoji Railway Co., Ltd. ("Haoji Railway") *(Note)*	**13**	13	Provision of transportation service
Shendong Tianlong Group Co., Ltd. ("Shendong Tianlong")	**20**	20	Coal production and sale
Guohua (Hebei) Renewables Co., Ltd. ("Hebei Renewables")	**25**	25	Generation and sale of electricity
Suizhong Power Generation Co., Ltd. ("Suizhong Power") *(Note)*	**15**	15	Generation and sale of electricity

Note:

The Company has significant influence over Haoji Railway and Suizhong Power as the Company appointed a director in the respective board of directors of these companies.

20. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information of the material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	31 December 2024/ Year ended 31 December 2024			31 December 2023/ Year ended 31 December 2023		
	Beijing GD *RMB million*	**Finance Company** *RMB million*	**Haoji Railway** *RMB million*	Beijing GD *RMB million*	Finance Company *RMB million*	Haoji Railway *RMB million*
Current assets	**33,327**	**41,027**	**8,524**	30,459	44,260	9,216
Non-current assets	**125,837**	**251,195**	**146,956**	117,022	232,600	150,567
Total assets	**159,164**	**292,222**	**155,480**	147,481	276,860	159,783
Current liabilities	**38,939**	**253,677**	**9,413**	38,415	242,364	13,931
Non-current liabilities	**24,012**	**5**	**92,890**	18,880	61	93,450
Total liabilities	**62,951**	**253,682**	**102,303**	57,295	242,425	107,381
Non-controlling interests	**30,031**	**–**	**–**	28,778	–	–
Equity attributable to equity holders of the company	**66,182**	**38,540**	**53,177**	61,408	34,435	52,402
Revenue	**109,779**	**6,996**	**14,504**	111,155	6,618	14,769
Profit for the year	**4,867**	**3,500**	**635**	3,529	2,930	758
Total comprehensive income for the year	**4,866**	**3,500**	**635**	3,535	2,930	758
Equity attributable to equity holders of the company	**66,182**	**38,540**	**53,177**	61,408	34,435	52,402
Group's proportion of ownership interest	**43%**	**40%**	**13%**	43%	40%	13%
Carrying amount of equity investment in associates	**28,147**	**15,416**	**6,647**	26,117	13,774	6,551

20. INTERESTS IN ASSOCIATES (CONTINUED)

	31 December 2024/ Year ended 31 December 2024		31 December 2023/ Year ended 31 December 2023	
	Shendong Tianlong	**Hebei Renewables**	Shendong Tianlong	Hebei Renewables
	RMB million	***RMB million***	*RMB million*	*RMB million*
Current assets	**7,945**	**656**	8,098	402
Non-current assets	**10,145**	**2,613**	8,432	2,853
Total assets	**18,090**	**3,269**	16,530	3,255
Current liabilities	**4,420**	**237**	3,449	199
Non-current liabilities	**2**	**–**	452	–
Total liabilities	**4,422**	**237**	3,901	199
Non-controlling interests	**–**	**–**	–	–
Equity attributable to equity holders of the company	**13,668**	**3,032**	12,629	3,056
Revenue	**12,776**	**392**	11,279	457
Profit for the year	**2,202**	**80**	2,722	128
Total comprehensive income for the year	**2,138**	**80**	3,840	128
Equity attributable to equity holders of the company	**13,668**	**3,032**	12,629	3,056
Group's proportion of ownership interest	**20%**	**25%**	20%	25%
Carrying amount of equity investment in associates	**2,787**	**758**	2,575	764

Note: As Suizhong Power is a subsidiary of Beijing GD and its financial information has been included in the consolidated financial statements of Beijing GD, the financial information of Suizhong Power is not listed separately.

20. INTERESTS IN ASSOCIATES (CONTINUED)

Aggregate information of associates that are not individually material:

	31 December 2024 ***RMB million***	31 December 2023 *RMB million*
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	**3,545**	3,433
Aggregate amounts of the Group's share of those associates:		
– Profit for the year	**185**	85
– Total comprehensive income for the year	**49**	112

21. FINANCIAL ASSETS AT FAIR VALUE

(a) Financial assets at fair value through other comprehensive income

	31 December 2024 ***RMB million***	*31 December 2023* *RMB million*
Non-current asset		
Unlisted equity securities *(Note (i))*	**2,787**	2,486
Current asset		
Accounts and bills receivables *(Note (ii))*	**1,174**	254
	3,961	2,740

Notes:

(i) The above unlisted equity investments represent the Group's equity interest in entities established in the PRC. The Directors of the Company have elected to designate these equity investments as FVTOCI as it is the Group's strategy to hold these investments for long-term purposes and realising their performance potential in the long run.

(ii) As at 31 December 2024, certain accounts and bills receivables were classified as financial assets at FVTOCI, as certain subsidiaries' business model is achieved both by collecting contractual cash flows and selling of these assets.

21. FINANCIAL ASSETS AT FAIR VALUE (CONTINUED)

(b) Financial assets at fair value through profit or loss

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Non-current asset		
Other non-current financial assets	**60**	–
Current asset		
Stock	**–***	–*
Structural deposits	**17,302**	–
	17,362	–*

* Amount smaller than RMB500,000

22. OTHER NON-CURRENT ASSETS

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Prepayments in connection with construction work, equipment purchases and others *(Note (i))*	**10,168**	4,945
Prepayments for mining projects	**2,000**	2,000
Deductible Value-added Tax ("VAT")	**420**	478
Service concession receivables *(Note (ii))*	**16,149**	15,901
Goodwill	**113**	113
Long-term deferred expenses (Note (iii))	**4,175**	3,633
	33,025	27,070

Notes:

(i) At 31 December 2024, the Group had prepayments to China Energy Group and fellow subsidiaries amounting to RMB103 million (2023: RMB110 million).

(ii) Pursuant to the Power Purchase Agreements entered between certain power plants of the Group and PT Perusahaan Listrik Negara (Persero) ("PLN"), an independent third party, certain power plants of the Group build power plants to supply electricity to PLN for a 25 – 30 years period from the power plant's commercial operation date under the service concession scheme. Service concession receivables represents service provided in connection with the service concession arrangement, for which a guaranteed minimum payments have been agreed. Due to the length of the payment plans, receivables are the present value of future guaranteed cash receipts discounted using effective interest rate.

22. OTHER NON-CURRENT ASSETS (CONTINUED)

Notes: (Continued)

(iii) The movement of long-term deferred expenses during the year is as follows:

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
At the beginning of the year	**3,633**	3,619
Additions	**2,345**	2,800
Amortisation	**(1,659)**	(2,782)
Disposal	**(144)**	(4)
At the end of the year	**4,175**	3,633

23. RIGHT-OF-USE ASSETS

The right-of-use assets represent land use rights paid to the PRC's government authorities and the leased assets. The Group is in the process of applying for the title certificates of certain land use rights certificates with an aggregate carrying amount of RMB466 million as at 31 December 2024 (2023: RMB3,200 million). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use the above mentioned lands.

As at 31 December 2024, the Group has no bank loans secured by the Group's right-of-use assets (2023: Nil).

23. RIGHT-OF-USE ASSETS (CONTINUED)

The Group leases assets including buildings, machinery, equipment and other properties, and land use rights. Information about leases for which the Group is a lessee is presented below.

	Buildings *RMB million*	Machinery, equipment and other properties *RMB million*	Land use rights *RMB million*	Total *RMB million*
Cost				
At 1 January 2023	789	1,720	28,610	31,119
Additions	320	–	981	1,301
Transferred from construction in progress	–	–	943	943
Disposals	(411)	(310)	(1,620)	(2,341)
At 31 December 2023	698	1,410	28,914	31,022
Additions	209	34	696	939
Transferred from construction in progress	–	–	199	199
Disposals	(50)	(1)	(114)	(165)
At 31 December 2024	**857**	**1,443**	**29,695**	**31,995**
Accumulated depreciation				
At 1 January 2023	(426)	(407)	(5,998)	(6,831)
Depreciation	(122)	(96)	(636)	(854)
Disposals	336	190	532	1,058
At 31 December 2023	(212)	(313)	(6,102)	(6,627)
Depreciation	(123)	(131)	(627)	(881)
Disposals	44	1	56	101
At 31 December 2024	**(291)**	**(443)**	**(6,673)**	**(7,407)**
Impairment losses				
At 1 January 2023	–	–	(265)	(265)
Additions	–	–	(136)	(136)
At 31 December 2023	–	–	(401)	(401)
Disposals	–	–	4	4
At 31 December 2024	–	–	(397)	(397)
Net book value				
At 31 December 2024	**566**	**1,000**	**22,625**	**24,191**
At 31 December 2023	486	1,097	22,411	23,994

24. INVENTORIES

	31 December 2024 RMB million	31 December 2023 RMB million
Coal	**6,583**	7,705
Materials and supplies	**8,279**	6,516
Others	**–**	1,256
	14,862	15,477
Less: write-down of inventories	**(2,380)**	(2,631)
	12,482	12,846

Movement in write-down of inventories during the year is as follows:

	Year ended 31 December 2024 RMB million	Year ended 31 December 2023 RMB million
At the beginning of the year	**2,631**	2,223
Write-down of inventories	**166**	688
Write-off of inventories	**(417)**	(280)
At the end of the year	**2,380**	2,631

25. ACCOUNTS AND BILLS RECEIVABLES

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Accounts receivable		
– China Energy Group and fellow subsidiaries	**3,015**	2,478
– Associates	**11**	11
– Third parties	**10,584**	10,581
	13,610	13,070
Less: allowance for credit losses	**(1,144)**	(1,195)
	12,466	11,875
Bills receivable		
– China Energy Group and fellow subsidiaries	**2,876**	6,631
– Associates	**157**	507
– Third parties	**3**	845
	3,036	7,983
	15,502	19,858

As at 31 December 2024 and 31 December 2023, accounts and bills receivables from contracts with customers amounted to RMB16,646 million and RMB21,053 million, respectively.

Bills receivable were mainly issued by PRC banks and others financial institutions, were expiring within one year. As at 31 December 2024, the Group has no bills (2023: Nil) pledged to secure bills payable.

As of the end of the reporting period, the ageing analysis of accounts receivables, based on the invoice date and net of loss allowance, is as follows:

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Less than one year	**12,112**	11,460
One to two years	**171**	238
Two to three years	**122**	50
More than three years	**61**	127
	12,466	11,875

25. ACCOUNTS AND BILLS RECEIVABLES (CONTINUED)

As at 31 December 2024, included in the Group's accounts receivables are debtors with gross carrying amount of RMB3,446 million (2023: RMB5,287 million) which are past due as at the reporting date. The past due balances are not considered as in default because the debtors are not in significant financial difficulty and the management expects that the debtor is able and likely to pay for the debts. The Group does not hold any collateral over these balances.

Details of credit risks of accounts and bills receivables for the year ended 31 December 2024 are set out in Note 39.2.

Included in accounts receivable, the following amounts are denominated in foreign currencies:

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
United States Dollars ("USD")	**430**	498
Indonesian Rupiah ("IDR")	**455**	586
	885	1,084

Transfers of financial assets

As at 31 December 2024, the Group endorsed bills receivable amounting to RMB312 million (2023: RMB1,790 million) to suppliers to settle the accounts payable of same amounts and discounted bills receivable amounting to RMB1,621 million (2023: RMB2,970 million) to banks. In accordance to the relevant laws in the PRC, the holders of the bills receivable have a right of recourse against the Group if the issuing banks default payment (the "Continuing Involvement"). In the opinion of the Directors, the fair values of the Continuing Involvement are insignificant, and the Group has transferred substantially all the risks and rewards of ownership relating to these bills receivable, and accordingly derecognised the full carrying amounts of the bills receivable, in case of bills receivable endorsed to suppliers, derecognised the associated accounts payable.

26. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Financial assets measured at amortised cost		
– Service concession receivables *(Note 22(ii))*	**2,237**	2,232
– Entrusted loan *(Note (i))*	**395**	400
– Other receivables due from associates	**791**	471
– Other receivables	**2,595**	3,192
– Other loans	**4,500**	4,500
	10,518	10,795
Less: impairment losses	**5,016**	4,936
	5,502	5,859
Prepaid expenses and deposits	**6,358**	6,218
Deductible VAT and other taxes	**4,390**	3,930
	16,250	16,007

Note:

(i) As at 31 December 2024, the Group has a long-term entrusted loan of RMB395 million (as at 31 December 2023: RMB400 million) to an associate through a PRC state-owned bank, with an interest rate of 4.75% per annum. The entrusted loan had a term of 3 years and expired on December 23, 2023, and Yili Chemical Industry failed to fully repay the principal on time; Yili Chemical Industry has implemented corresponding guarantee measures for the loan through asset mortgage. The two parties are in the process of negotiating the follow-up of the entrusted loan.

27. RESTRICTED BANK DEPOSITS

Restricted bank deposits mainly include the mine geographical environment governance recovery fund of coal mines, loan deposits, restoration development deposits, collaterals for bills payable and litigation freezing deposits.

The Group performed impairment assessment on restricted bank deposits and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided.

Details of impairment assessment of restricted bank deposits are set out in Note 39.2.

28. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows comprise cash at bank and in hand, and time deposits with original maturity within three months.

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Deposits with banks and other financial institutions	**142,415**	149,986
Less: Restricted bank deposits	**14,189**	7,298
Less: Time deposits with original maturity over three months	**63,152**	34,514
Cash and cash equivalents in the consolidated cash flow statement	**65,074**	108,174

As at 31 December 2024, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided. Details of impairment assessment of bank deposits are set out in Note 39.2.

28. CASH AND CASH EQUIVALENTS (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

The table below shows the detailed changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings	Bonds	Lease liabilities	Accrued interest payable	Total
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*
	(Note 30)	*(Note 31)*	*(Note 32)*	*(Note 34)*	
At 1 January 2024	**34,258**	**2,972**	**1,632**	**33**	**38,895**
Capital element of lease rentals paid	**–**	**–**	**(622)**	**–**	**(622)**
Interest element of lease rentals paid	**–**	**–**	**(25)**	**–**	**(25)**
Interest paid	**–**	**–**	**–**	**(2,066)**	**(2,066)**
Proceeds from borrowings	**9,976**	**–**	**–**	**–**	**9,976**
Repayments of borrowings	**(10,446)**	**–**	**–**	**–**	**(10,446)**
Redemption of bonds	**–**	**(114)**	**–**	**–**	**(114)**
Foreign exchange	**(704)**	**44**	**–**	**–**	**(660)**
Amortisation of discount on bonds	**–**	**–***	**–**	**–**	**–***
Interest accrual	**–**	**–**	**–**	**–**	**–**
Interest expenses	**–**	**118**	**25**	**2,072**	**2,215**
Increase in lease liabilities from entering into new leases during the year	**–**	**–**	**381**	**–**	**381**
At 31 December 2024	**33,084**	**3,020**	**1,391**	**39**	**37,534**
At 1 January 2023	51,068	3,453	1,742	127	56,390
Capital element of lease rentals paid	–	–	(142)	–	(142)
Interest element of lease rentals paid	–	–	(25)	–	(25)
Interest paid	–	–	–	(2,454)	(2,454)
Proceeds from borrowings	12,926	–	–	–	12,926
Repayments of borrowings	(29,628)	–	–	–	(29,628)
Redemption of bonds	–	(660)	–	–	(660)
Foreign exchange	(108)	59	–	–	(49)
Amortisation of discount on bonds	–	–*	–	–	–*
Interest accrual	–	120	–	–	120
Interest expenses	–	–	25	2,360	2,385
Increase in lease liabilities from entering into new leases during the year	–	–	32	–	32
At 31 December 2023	34,258	2,972	1,632	33	38,895

* Amount smaller than RMB500,000

28. CASH AND CASH EQUIVALENTS (CONTINUED)

(c) Total cash outflow for leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Within operating cash flows	**435**	396
Within financing cash flows	**622**	167
	1,057	563

These amounts relate to the following:

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Lease rental paid	**1,057**	563

29. DEFERRED TAXATION

For the purpose of the presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purpose.

	31 December 2024	31 December 2023
	RMB million	*RMB million*
Deferred tax assets	**5,956**	5,301
Deferred tax liabilities	**(1,348)**	(1,137)
	4,608	4,164

29. DEFERRED TAXATION (CONTINUED)

The following are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior year:

	At 1 January 2024 *RMB million*	**Credited/ (charged) in profit or loss and other comprehensive income** *RMB million*	**31 December 2024** *RMB million*
Allowances, primarily for receivables and inventories	**502**	**(1)**	**501**
Property, plant and equipment	**1,491**	**293**	**1,784**
Tax allowable expenses not yet incurred	**237**	**–**	**237**
Unrealised profits from sales within the Group	**1,265**	**14**	**1,279**
Accrued salaries and other expenses not yet paid	**167**	**15**	**182**
Lease transactions	**28**	**7**	**35**
Others	**474**	**116**	**590**
Net deferred tax assets	**4,164**	**444**	**4,608**

	At 1 January 2023 *RMB million*	Credited/ (charged) in profit or loss and other comprehensive income *RMB million*	31 December 2023 *RMB million*
Allowances, primarily for receivables and inventories	466	36	502
Property, plant and equipment	816	675	1,491
Tax allowable expenses not yet incurred	1	236	237
Unrealised profits from sales within the Group	1,429	(164)	1,265
Accrued salaries and other expenses not yet paid	410	(243)	167
Lease transactions	(11)	39	28
Others	742	(268)	474
Net deferred tax assets	3,853	311	4,164

29. DEFERRED TAXATION (CONTINUED)

At the end of the reporting period, the Group has unused tax losses of RMB6,576 million (2023: RMB8,481 million) and unrecognised deductible temporary differences of RMB7,809 million (2023: RMB9,331 million) available for offset against future profits. No deferred tax asset has been recognised in respect of the remaining RMB6,576 million (2023: RMB8,481 million) losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of RMB419 million (2023: RMB340 million) that will be expired in 2025.

30. BORROWINGS

An analysis of the Group's borrowings is as follows:

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Current borrowings:		
Short-term bank and other borrowings	**1,037**	2,927
Current portion of long-term borrowings	**3,115**	1,695
	4,152	4,622
Non-current borrowings:		
Long-term borrowings, less current portion	**28,932**	29,636
	33,084	34,258
Secured	**9,706**	9,984
Unsecured	**23,378**	24,274
	33,084	34,258

The Group's short-term borrowings are unsecured and bear interest at rates ranging from 1.85% to 2.90% per annum (2023: 1.78% to 4.35% per annum), and long-term borrowings bear interest at rates ranging from 0.76% to 5.60% per annum (2023: 1.80% to 5.60% per annum).

30. BORROWINGS (CONTINUED)

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
The exposure of the long-term borrowings and the contractual maturity dates:		
Within one year	**3,115**	1,695
More than one year, but not exceeding two years	**2,125**	1,578
More than two years, but not exceeding five years	**1,772**	2,541
More than five years	**25,035**	25,517
	32,047	31,331

The Group's long-term borrowings comprise:

		31 December 2024 *RMB million*	31 December 2023 *RMB million*
Loans from banks and other institutions			
RMB denominated	Interest rates ranging from 1.80% to 4.41% per annum with maturities through 15 June 2038	**19,851**	18,928
RMB denominated	Interest rates ranging from LPR-3.22% to LPR-0.56% per annum with maturities through 27 December 2039	**2,582**	2,553
USD denominated	Interest rates SOFR+2.40% per annum with maturities through 26 December 2034	**9,224**	9,266
Japanese Yen ("JPY") denominated	Interest rates ranging from 1.80% to 2.60% per annum with maturities through 20 March 2031	**390**	584
		32,047	31,331
Less: current portion of long-term borrowings		**3,115**	1,695
		28,932	29,636

30. BORROWINGS (CONTINUED)

As at 31 December 2024, included in the above outstanding long-term borrowings, were long-term borrowings from China Energy Group and fellow subsidiaries amounting to RMB11,391 million (2023: RMB10,480 million).

Certain borrowings are secured over certain property, plant and equipment with a carrying amount of RMB86 million (2023: RMB251 million) (see Note 16(iii)).

31. BONDS

The Group issued a dollar bond of a total USD500 million on 20 January 2015, and had redeemed a cumulative amount of the dollar bond of USD87 million as at 31 December 2024 (2023: USD87 million). The net proceeds of the dollar bond issued were mainly used for repayment of loans of subsidiaries. Details of the Group's bond are as follow:

	Effective interest rate %	Due date	**31 December 2024** ***RMB million***	31 December 2023 *RMB million*
10-year corporate bond	4.10%	19/01/2025	**3,020**	2,972

The bonds are due within one year and have been reclassified to current liabilities.

32. LEASE LIABILITIES

The lease liabilities were repayable as follow:

	31 December 2024		31 December 2023	
	Present value of the minimum lease payments ***RMB million***	**Total minimum lease payments** ***RMB million***	Present value of the minimum lease payments *RMB million*	Total minimum lease payments *RMB million*
Within 1 year	**365**	**441**	300	400
After 1 year but within 2 years	**156**	**210**	170	240
After 2 years but within 5 years	**324**	**459**	328	505
After 5 years	**546**	**716**	834	1,166
	1,026	**1,385**	1,332	1,911
	1,391	**1,826**	1,632	2,311
Less: total future interest expenses		**(435)**		(679)
Present value of lease liabilities		**1,391**		1,632

33. ACCOUNTS AND BILLS PAYABLES

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Accounts payable		
– China Energy Group, an associate of China Energy Group and fellow subsidiaries	**2,208**	2,132
– Associates	**765**	895
– Third parties	**35,086**	35,293
	38,059	38,320
Bills payable	**146**	581
	38,205	38,901

The following is an ageing analysis of accounts and bills payables, presented based on invoice date:

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Less than one year	**34,103**	32,073
One to two years	**2,137**	4,133
Two to three years	**1,170**	1,158
More than three years	**795**	1,537
	38,205	38,901

Included in accounts and bills payables, the following amounts are denominated in foreign currencies:

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
USD	**40**	351
Euro	**–**	65
Others	**364**	600
	404	1,016

34. ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Accrued staff wages and welfare benefits	**7,831**	7,424
Accrued interest payable	**39**	33
Taxes payable other than income tax	**5,321**	5,159
Dividends payable	**4,449**	6,902
Other accrued expenses and payables *(Note)*	**15,675**	11,095
	33,315	30,613

Note:

Other accrued expenses and payables of the Group included:

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Amounts due to China Energy Group and fellow subsidiaries	**1,351**	1,198
Amounts due to associates	**10**	56
	1,361	1,254

The above balances are unsecured, interest-free and payable on demand.

35. LONG-TERM LIABILITIES

	31 December 2024	31 December 2023
	RMB million	*RMB million*
Payables for acquisition of mining rights *(Note (i))*	**17,329**	12,425
Deferred income *(Note (ii))*	**1,430**	1,386
Defined benefit plans	**704**	784
Others	**5,799**	5,714
	25,262	20,309
Analysed for reporting purpose as:		
Current liabilities	**5,873**	5,184
Non-current liabilities	**19,389**	15,125
	25,262	20,309

Notes:

(i) The payables for acquisition of mining rights is the present value of the payable mining rights. The mining rights payable shall be paid annually during the execution of the contract.

(ii) Deferred income mainly represents grants provided by several local governments in the PRC to encourage the construction of non-current assets.

36. ACCRUED RECLAMATION OBLIGATIONS

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
At the beginning of the year	**8,780**	9,005
Addition for the year	**708**	–
Accretion expense	**285**	405
Accrued reclamation obligations utilised	**(327)**	(630)
At the end of the year	**9,446**	8,780

37. SHARE CAPITAL

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Registered, issued and fully paid:		
16,491,037,955 domestic listed A shares of RMB1.00 each	**16,491**	16,491
3,377,482,000 H shares of RMB1.00 each	**3,378**	3,378
	19,869	19,869

All A shares and H shares rank pari passu in all material aspects.

38. CAPITAL RISK MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares to reduce debts.

The Group monitors capital using a gearing ratio which is total liabilities divided by total assets. The Group aims to maintain the gearing ratio at a reasonable level. The Group's gearing ratio as at 31 December 2024 was 23.3% (31 December 2023: 24.0%).

There were no changes in the Group's approach to capital management compared with previous years.

39. FINANCIAL INSTRUMENTS

39.1 Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are set out as follows:

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Financial assets		
Financial assets at amortised cost	**179,568**	191,604
Equity securities at FVTOCI *(Note 21)*	**2,787**	2,486
Accounts and bills receivables at FVTOCI *(Note 21)*	**1,174**	254
Financial assets measured at fair value through profit or loss	**17,362**	–*
	200,891	194,344
Financial liabilities		
Amortised cost	**110,257**	107,659

* Amount smaller than RMB500,000

39.2 Financial risk management objectives and policies

The Group's major financial instruments include accounts and bills receivables, loans and advances to/deposits from/amounts due to China Energy Group and fellow subsidiaries, amounts due from/to associates, other receivables, accounts and bills payables, borrowings, other payables, long-term liabilities and bonds. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (interest rate and currency risks), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The functional currency of most of the group entities is RMB in which most of the transactions are denominated. However, certain of the Group's receivables, bank balances, borrowings and payables are denominated in foreign currencies other than the functional currency in which they are measured. The carrying amounts of the Group's receivables, bank balances, borrowings and payables denominated in foreign currencies are set out in Notes 25, 30 and 33, respectively.

39. FINANCIAL INSTRUMENTS (CONTINUED)

39.2 Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	Year ended 31 December		Year ended 31 December	
	2024	2023	**2024**	2023
	RMB million	*RMB million*	***RMB million***	*RMB million*
USD	**313**	106	**1,584**	955
JPY	**390**	583	**–**	–
Other currencies	**411**	758	**2,550**	2,418

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase or decrease in exchange rate of each foreign currency against RMB, while all other variables are held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of the reporting period.

	USD		JPY		Other currencies	
	Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2024	2023	**2024**	2023	**2024**	2023
	RMB million	*RMB million*	***RMB million***	*RMB million*	***RMB million***	*RMB million*
Increase/(decrease) in profit after tax for the year:						
– if RMB weakens against foreign currencies	**101**	68	**(31)**	(47)	**171**	133
– if RMB strengthens against foreign currencies	**(101)**	(68)	**31**	47	**(171)**	(133)

39. FINANCIAL INSTRUMENTS (CONTINUED)

39.2 Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate loan and receivables, borrowings and bonds (see Notes 30 and 31).

The Group is also exposed to cash flow interest rate risk in relation to variable-rate borrowings and variable-rate loans. Other than the concentration of interest rate risk related to the movements in Secured Overnight Financing Rate and the loan interest published by the PBOC, the Group has no significant concentration of interest rate risk.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate borrowings and variable-rate loans and receivables at the end of the reporting period. No sensitivity analysis has been presented for the exposure to interest rates for bank balances as the management of the Group considers that, taking into account that the fluctuation in interest rates on bank balances is minimal, the impact of profit or loss for the year is insignificant.

The analysis is prepared assuming variable-rate borrowings and variable-rate loans and receivables outstanding at the end of the reporting period were outstanding for the whole year.

If interest rates had been 100 basis points (2023: 100 basis points) higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2024 would decrease/increase by RMB237 million (2023: decrease/increase by RMB219 million).

Credit risk and impairment assessment

As at 31 December 2024, other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the amount of financial guarantees provided by the Group is disclosed in Note 40.2. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets and financial guarantee contracts.

39. FINANCIAL INSTRUMENTS (CONTINUED)

39.2 Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Accounts and bills receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Loan receivables

The credit risks on loan receivables are limited because the counterparties are mainly related parties, the Group assesses the recoverability by reviewing their financial positions and results periodically and considers that its exposure to credit risk arising from default of the counterparties is limited.

Bank balances

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies, such as China Construction Bank, Industrial and Commercial Bank of China, Bank of China and Agricultural Bank of China.

Other receivables

Other receivables represent pledge and guarantee deposit, dividend receivables and interest receivables. The pledge and guarantee deposit is paid for regular businesses. The dividend receivables relate to the investments of the Company and the interest receivables mainly relate to related parties and stated owned entities. Thus, the credit risk on other receivables are limited.

Financial guarantee contracts

The credit risks on financial guarantee contracts are limited because the counterparties are state owned entities with good financial position.

The Group does not have any significant concentration of credit risk. Accounts and bills receivables consist of a large number of customers, spread across diverse industries and geographical areas.

39. FINANCIAL INSTRUMENTS (CONTINUED)

39.2 Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and financial guarantee contracts, which are subject to ECL assessment:

	Notes	External credit rating	12-month or lifetime ECL	31 December 2024 RMB million	31 December 2023 RMB million
Financial assets at amortised costs					
Loans receivables	26	N/A	12-month ECL	**395**	400
Restricted bank deposits	27	N/A	12-month ECL	**14,189**	7,298
Cash	28	N/A	12-month ECL	**128,226**	142,688
Other receivables	26	N/A	12-month ECL	**3,050**	3,301
			Credit-impaired	**336**	362
Service concession receivables	22, 26	N/A	12-month ECL	**18,386**	18,133
Other loans	26	N/A	Credit-impaired	**4,500**	4,500
Accounts receivable *(Note (i))*	25	N/A	Provision matrix	**12,507**	11,901
			Credit-impaired	**1,103**	1,169
Other item					
Financial guarantee contracts *(Note (ii))*		N/A		**75**	94

Notes:

(i) For accounts receivable, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with credit-impaired, the Group determines the ECL on these items by using a provision matrix, grouped by debtors' aging.

(ii) For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts.

39. FINANCIAL INSTRUMENTS (CONTINUED)

39.2 Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Provision matrix – debtors' ageing

As part of the Group's credit risk management, the Group uses debtors' ageing to assess the impairment for its receivables from customers in relation to its sales of coal, power, coal chemical products and transportation services because these customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for accounts receivables which are assessed based on provision matrix as at 31 December 2024 within lifetime ECL (not credit-impaired). Accounts receivable with credit-impaired with gross carrying amounts of RMB1,103 million (2023: RMB1,169 million) as at 31 December 2024 were assessed individually.

Gross carrying amount

	Average loss rate 2024	**Accounts receivable 2024** *RMB million*	Average loss rate 2023	Accounts receivable 2023 *RMB million*
Current (not past due)	**–***	**9,061**	0.2%	6,614
Less than one year past due	**0.4%**	**3,062**	1%	4,883
One to two years past due	**6%**	**184**	6%	252
Two to three years past due	**10%**	**136**	10%	56
More than three years past due	**20%**	**64**	20%	96
		12,507		11,901

* Ratio less than 0.05%

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the year ended 31 December 2024, the Group provided RMB37 million (2023: RMB6 million) impairment allowance for accounts receivable and reversed RMB22 million (2023: RMB12 million), based on the provision matrix.

39. FINANCIAL INSTRUMENTS (CONTINUED)

39.2 Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Gross carrying amount (Continued)

The following table shows the movement in lifetime ECL that has been recognised for accounts receivable under the simplified approach.

	Lifetime ECL (not credit-impaired) *RMB million*	Lifetime ECL (credit-impaired) *RMB million*	Total *RMB million*
As at 1 January 2023	105	1,116	1,221
Impairment losses recognised	6	–	6
Impairment losses reversed	(12)	–	(12)
Write-offs	(20)	–	(20)
As at 1 January 2024	**79**	**1,116**	**1,195**
Impairment losses recognised	**16**	**21**	**37**
Impairment losses reversed	**(10)**	**(12)**	**(22)**
Write-offs	**(34)**	**(32)**	**(66)**
As at 31 December 2024	**51**	**1,093**	**1,144**

39. FINANCIAL INSTRUMENTS (CONTINUED)

39.2 Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Gross carrying amount (Continued)

The following tables show reconciliation of loss allowances that has been recognised for other receivables and other loans.

	12-month ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB million	*RMB million*	*RMB million*
As at 1 January 2023	268	4,406	4,674
– Impairment losses recognised	2	299	301
– Impairment losses reversed	(5)	(5)	(10)
– Write-offs	–	(29)	(29)
As at 1 January 2024	**265**	**4,671**	**4,936**
– Impairment losses recognised	**125**	**4**	**129**
– Impairment losses reversed	**(16)**	**–**	**(16)**
– Write-offs	**–**	**(33)**	**(33)**
As at 31 December 2024	**374**	**4,642**	**5,016**

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligation as they fall due. The approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Group's reputation.

The Group closely monitors cash flow requirements and optimising its cash return. The Group prepares cash flow forecasts and ensures it has sufficient cash for the servicing of operation, financial, and capital obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

39. FINANCIAL INSTRUMENTS (CONTINUED)

39.2 Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The following table details the remaining contractual maturity of the Group's financial liabilities at the end of the reporting period, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	31 December 2024						
	Weighted average interest rate	On demand or less than 1 year	1 – 2 years	2 – 5 years	More than 5 years	Total undiscounted cash flows	Total carrying amount
	%	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Financial liabilities:							
Accounts and bills payables, other payables, lease liabilities and long-term liabilities		56,568	6,019	6,543	7,759	76,889	74,153
Borrowings variable interest rate	3.50	3,102	2,562	5,549	24,798	36,011	30,019
Borrowings fixed interest rate	2.93	1,438	1,095	288	268	3,089	3,065
Bonds	4.10	3,020	–	–	–	3,020	3,020
		64,128	9,676	12,380	32,825	119,009	110,257

39. FINANCIAL INSTRUMENTS (CONTINUED)

39.2 Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	31 December 2023						
	Weighted average interest rate	On demand or less than 1 year	1 – 2 years	2 – 5 years	More than 5 years	Total undiscounted cash flows	Total carrying amount
	%	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Financial liabilities:							
Accounts and bills payables, other payables, lease liabilities and long-term liabilities		56,710	4,600	5,072	6,453	72,835	70,429
Borrowings variable interest rate	3.98	3,055	1,421	3,531	26,832	34,839	29,112
Borrowings fixed interest rate	2.78	2,537	1,086	1,333	502	5,458	5,146
Bonds	4.10	113	2,934	–	–	3,047	2,972
		62,415	10,041	9,936	33,787	116,179	107,659

Saved as discussed above, the Group also makes use of banks and financial institutions facilities as one of the effective sources of liquidity.

The maximum liability of financial guarantees issued by the Group is disclosed in Note 40.2.

39. FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Fair value measurements

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

	31 December 2024 ***RMB million***	31 December 2023 *RMB million*	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
Financial assets:				
Financial assets at fair value through profit or loss (current)-stock	**–***	–*	Level 1	Quoted prices in active market.
Financial assets at fair value through profit or loss (current)-structural deposits	**17,302**	–	Level 2	Observable inputs which fail to meet Level 1.
Financial assets at fair value through profit or loss (non-current)	**60**	–	Level 3	Market comparison approach. Fair value is estimated based on value of comparable listed companies, multiples and discount for lack of liquidity.
Unlisted equity securities	**2,787**	2,486	Level 3	Market comparison approach. Fair value is estimated based on value of comparable listed companies, multiples and discount for lack of liquidity.
Accounts and bills receivables	**1,174**	254	Level 3	Discounted cash flow method. The significant unobservable inputs used by the Group for the valuation are the expected rates of return.

* Amount smaller than RMB500,000

There were no transfer between Level 1, Level 2 and Level 3 during the years ended 31 December 2024 and 2023.

39. FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Fair value measurements (Continued)

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values:

	31 December 2024		31 December 2023	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	RMB million	***RMB million***	*RMB million*	*RMB million*
Financial liabilities:				
Fixed rate bank borrowings	**2,922**	**2,844**	5,146	4,901
Fixed rate bonds	**3,020**	**3,010**	2,972	2,870

The fair value of fixed rate bank borrowings above in the Level 2 category is measured using discounted cash flow method where the future cash flows are estimated based on the contract and discounted at a rate that reflects the credit risk of the issuers.

The fair values of bonds are included in the Level 1 category, which have been derived from the quoted prices (unadjusted) in an active market.

40. COMMITMENTS AND CONTINGENT LIABILITIES

40.1 Capital commitments

As at 31 December, the Group had capital commitments for land, buildings and mining rights, exploration and evaluation assets, equipment and other as follows:

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Contracted for but not provided		
– Land, buildings and exploration and evaluation assets	**36,842**	42,074
– Equipment	**34,227**	46,276
– Other	**3,555**	3,903
	74,624	92,253

40.2 Financial guarantees issued

As at 31 December 2024, the Group had issued certain guarantees in respect of certain banking facilities granted to an entity which the Group held less than 20% equity interest. The maximum amount guaranteed is RMB75 million (2023: RMB94 million).

40.3 Legal contingencies

The Group is the defendant in certain lawsuits as well as the plaintiff in other proceedings arising in the ordinary course of business. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, management believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group.

40. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

40.4 Environmental contingencies

To date, the Group has not incurred any significant expenditure for environmental remediation, is currently not involved in any environmental remediation, and apart from the provision for land reclamation costs, has not accrued any further amounts for environmental remediation relating to its operations. Under the existing legislation, management believes that there are no probable liabilities that will have a material adverse effect on the financial position or operating results of the Group. The regulatory bodies, however, have moved, and may move further towards the adoption of more stringent environmental standards. Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include (i) the exact nature and extent of the contamination at various sites including, but not limited to coal mines and land development areas, whether operating, closed or sold; (ii) the extent of required cleanup efforts; (iii) varying costs of alternative remediation strategies; (iv) changes in environmental remediation requirements; and (v) the identification of new remediation sites. The amount of such future cost is indeterminable due to such factors as the unknown magnitude of possible contamination and the unknown timing and extent of the corrective actions that may be required. Accordingly, the outcome of environmental liabilities under future environmental legislation cannot reasonably be estimated at present, and could be material.

41. EMPLOYEE BENEFITS PLAN

The Group participates, in line with the regulations of the PRC, mainly in various defined contribution retirement plans organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans at a certain proportion of the salaries, bonuses and certain allowances of the employees. In addition, as approved by the government, the Group makes contribution to a supplemental defined contribution pension plan for its employees. The fund is managed by a qualified fund manager. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above. The Group's contributions for the year ended 31 December 2024 were RMB5,361 million (2023: RMB4,812 million).

42. RELATED PARTY TRANSACTIONS

42.1 Transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries, and associates of the Group

The Group is controlled by China Energy Group and has significant transactions and relationships with China Energy Group, an associate of China Energy Group and subsidiaries of China Energy Group ("fellow subsidiaries"). Related parties refer to enterprises over which China Energy Group is able to exercise significant influence or control. The Group also has entered into transactions with its associates, over which the Group can exercise significant influence.

42. RELATED PARTY TRANSACTIONS (CONTINUED)

42.1 Transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries, and associates of the Group (Continued)

The Group had the following transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries, and associates of the Group that were carried out in the normal course of business during both years:

		Year ended 31 December	
	Notes	**2024**	2023
		RMB million	*RMB million*
Interest income	(i)	**986**	810
Income from entrusted loans	(ii)	**18**	18
Interest expense	(iii)	**376**	563
Purchases of ancillary materials and spare parts	(iv)	**2,303**	2,819
Ancillary and social services	(v)	**2,733**	1,739
Transportation service income	(vi)	**8,082**	8,691
Transportation service expense	(vii)	**2,554**	1,459
Sale of coal	(viii)	**93,203**	93,939
Purchase of coal	(ix)	**17,270**	14,140
Property leasing	(x)	**12**	23
Repairs and maintenance services expense	(xi)	**9**	37
Purchase of equipment and construction work	(xii)	**1,462**	1,303
Sale of coal chemical product	(xiii)	**6,525**	6,948
Other income	(xiv)	**2,670**	2,506
Net deposits placed with Finance Company	(xv)	**453**	15,616
Granting of loans from China Energy Group	(xvi)	**7,084**	9,134
Repayment of loans from China Energy Group	(xvii)	**7,864**	23,153
Bills receivables discounted from Finance Company	(xviii)	**831**	3,578
The issuance of bills by Finance Company	(xix)	**15,375**	7,943
Factoring services	(xx)	**14,505**	6,832

42. RELATED PARTY TRANSACTIONS (CONTINUED)

42.1 Transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries, and associates of the Group (Continued)

(i) Interest income represents interest earned from deposits in fellow subsidiaries. The applicable interest rate is determined in accordance with the prevailing interest rates published by the PBOC.

(ii) Income from an entrusted loan represents interest earned from an entrusted loan to an associate of the Group. The applicable interest rate is determined in accordance with the prevailing interest rates published by the PBOC.

(iii) Interest expense represents interest incurred from loans from China Energy Group and fellow subsidiaries. The applicable interest rate is determined in accordance with the prevailing interest rates published by the PBOC.

(iv) Purchases of ancillary materials and spare parts represent purchase of materials and utility supplies related to the Group's operations from fellow subsidiaries and associates of China Energy Group.

(v) Ancillary and social services represent expenditures for social welfare and support services such as property management, water and electricity supply, and canteen expense paid to China Energy Group, fellow subsidiaries and associates of China Energy Group.

(vi) Transportation service income represents income earned from fellow subsidiaries in respect of coal transportation services.

(vii) Transportation service expense represents expenses paid to fellow subsidiaries in respect of coal transportation services.

(viii) Sale of coal represents income from sale of coal to fellow subsidiaries and associates of China Energy Group.

(ix) Purchase of coal represents coal purchased from associates of the Group, associates of China Energy Group and fellow subsidiaries.

(x) Property leasing expense represents rental paid or payable in respect of properties leased from fellow subsidiaries.

(xi) Repairs and maintenance services expense represents expense related to machinery repairs and maintenance services provided by associates of China Energy Group and fellow subsidiaries.

(xii) Purchase of equipment and construction work represents expenditure related to equipment and construction service provided by fellow subsidiaries.

42. RELATED PARTY TRANSACTIONS (CONTINUED)

42.1 Transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries, and associates of the Group (Continued)

(xiii) Sale of coal chemical product represents income from sale of coal chemical product to fellow subsidiaries.

(xiv) Other income includes agency income, repairs and maintenance service income, sales of ancillary materials and spare parts, management fee income, sales of water and electricity, financial service income, lease income, etc. earned from China Energy Group, an associate of China Energy Group and fellow subsidiaries.

(xv) Net deposits placed with Finance Company represents net deposits placed by the Group with Finance Company.

(xvi) Granting of loans from China Energy Group and fellow subsidiaries.

(xvii) Repayment of loans from China Energy Group and fellow subsidiaries.

(xviii) Bills receivables discounted from Finance Company represents bill acceptance and discount services provided by Finance Company to the Group.

(xix) The issuance of bills by Finance Company refers to the issuance of acceptance bills by Finance Company to the Group.

(xx) Factoring services refer to receiving factoring services from China Energy Group and fellow subsidiaries.

The Directors are of the opinion that the above transactions with related parties were conducted in the ordinary course of business and in accordance with the agreements governing such transactions.

42. RELATED PARTY TRANSACTIONS (CONTINUED)

42.1 Transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries, and associates of the Group (Continued)

The Group entered into a number of agreements with China Energy Group, an associate of China Energy Group, fellow subsidiaries, and associates of the Group. The terms of the principal agreements are summarised as follows:

(i) The Company has entered into a mutual supply agreement for the mutual provision of production supplies and ancillary services with associates of China Energy Group and fellow subsidiaries. Pursuant to the agreement, associates of China Energy Group and fellow subsidiaries provide the Group with the production supplies and services, ancillary production services including the use of the information network system and ancillary administrative services. On the other hand, the Group provides fellow subsidiaries with water supplies, rolling stock management, railway management, railway transportation and other related or similar production supplies or services and use of the information network system.

The products and services provided under the agreement, other than the sharing of use of the information network system which is free of charge, are provided in accordance with the following pricing policy:

- price prescribed by the state (including any price prescribed by any relevant local government), if applicable;
- where there is no state-prescribed price but where there is a state-guidance price, then the state-guidance price;
- where there is neither a state-prescribed price nor a state-guidance price, the market price; or
- where none of the above is applicable or where it is not practical to apply the above pricing policies in reality, the price to be agreed between the relevant parties shall be based on reasonable costs incurred in providing the goods or services plus a reasonable profit margin of such costs.

(ii) The Company has entered into coal supply agreements with an associate of China Energy Group, fellow subsidiaries and associates of the Group. The coal supplied is charged at the prevailing market price.

42. RELATED PARTY TRANSACTIONS (CONTINUED)

42.1 Transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries, and associates of the Group (Continued)

(iii) The Company has entered into a financial services agreement with Finance Company. Pursuant to the agreement, Finance Company provides financial services to the Group. The interest rate for the deposits with Finance Company from the Group should not be lower than the lowest limit published by the PBOC for the same type of deposit. The interest rate for loans made by Finance Company to the Group should not be higher than the highest limit published by the PBOC for the same type of loan. The above interest rates should be determined by reference to the rate charged by normal commercial banks in the PRC for comparable deposits and loans on normal commercial terms. The fees charged by Finance Company for the provision of other financial services shall be determined according to the rates chargeable by the PBOC or the China Banking Regulatory Commission.

(iv) The Group has entered into a property leasing agreement with fellow subsidiaries of China Energy Group for leasing of certain properties to each other. No rent is payable by the Group before fellow subsidiaries obtains the relevant property ownership certificate. The rental charges are based on comparable market rates. If fellow subsidiaries of China Energy Group negotiate to sell a leased property to a third party, the Company has a pre-emptive right to purchase such property under terms no less favorable than other third party.

(v) The Group has entered into a land leasing agreement with fellow subsidiaries of China Energy Group. The annual rent is determined based on the local market rate. The Group is not allowed to sub-let the leased land.

(vi) The Group has entered into an agency agreement for the export of coal with a fellow subsidiary of China Energy Group. The fellow subsidiary is appointed as a non – exclusive export agent of the Group and is entitled to receive an agency fee based on the relevant market rates or lower rates. Currently, the rate is 0.7% of the free on board sales price of coal exported. When obtaining export agent conditions from a third party that are equal to or inferior to those of the China Energy Group, the Company shall give preference to the China Energy Group as the export agent of coal products.

(vii) The Group entered into an agency agreement for the sale of coal with fellow subsidiaries of China Energy Group. The Group is appointed as the exclusive sales agent of fellow subsidiaries of China Energy Group for thermal coal and non-exclusive sales agent for coking coal. The Group is entitled to receive an agency fee, which is based on its related costs incurred plus a profit margin of 5% for sales of coal outside the Inner Mongolia Autonomous Region. No agency fee is charged for sales of coal within the Inner Mongolia Autonomous Region.

42. RELATED PARTY TRANSACTIONS (CONTINUED)

42.1 Transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries, and associates of the Group (Continued)

(viii) The Group has entered into agreements with fellow subsidiaries of China Energy Group under which the Group has been granted the right to use certain trademarks. Fellow subsidiaries of China Energy Group bear its own cost for the registration of such trademarks during the term of the trademarks license agreement and expenses for enforcement against any infringement of the licensed trademarks by third parties.

(ix) The Company has entered into a factoring service agreement with Guoneng (Beijing) Commercial Factoring Co., Ltd. ("Guoneng Factoring Company"). Pursuant to the agreement, Guoneng Factoring Company agreed to provide the Group with factoring services and factoring-related services. For the provision of factoring services by Guoneng Factoring Company to the Group, the financing cost shall not be higher than that determined by an independent third-party factoring company for providing the same kind of services to the Group, and it should be determined on normal commercial terms. When the financing fee determined by the independent third-party factoring company for providing the same kind of services is difficult to obtain, it shall not be higher than the financing fee calculated based on the Loan Prime Rate (LPR) of the PBOC for the same period. For the service fee charged from the provision of other relevant services by Guoneng Factoring Company to the Group, the service fee shall not be higher than that charged by an independent third-party factoring company for providing the same kind of services to the Group, and it should be determined on normal commercial terms. When the service fee charged by the independent third-party factoring company for providing the same kind of services is difficult to obtain, it shall be determined at the cost plus a reasonable profit margin (around 10%).

42. RELATED PARTY TRANSACTIONS (CONTINUED)

42.1 Transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries, and associates of the Group (Continued)

Amounts due from/to China Energy Group, an associate of China Energy Group, fellow subsidiaries, and associates of the Group:

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Cash and time deposits at bank	**74,919**	74,466
Accounts and bills receivables	**5,771**	9,363
Prepaid expenses and other current assets	**1,767**	1,299
Other non-current assets	**103**	110
Total amounts due from China Energy Group, an associate of China Energy Group, fellow subsidiaries and associates of the Group	**82,560**	85,238
Borrowings	**12,384**	13,119
Accounts payable	**2,973**	3,027
Accrued expenses and other payables	**1,377**	1,507
Contract liabilities	**1,065**	1,245
Total amounts due to China Energy Group, an associate of China Energy Group and fellow subsidiaries, and associates of the Group	**17,799**	18,898

Other than those disclosed in Notes 22, 25, 26, 30, 33 and 34, amounts due from/to China Energy Group, an associate of China Energy Group, fellow subsidiaries, and associates of the Group bear no interest, are unsecured and are repayable in accordance with normal commercial terms.

42. RELATED PARTY TRANSACTIONS (CONTINUED)

42.2 Key management personnel emoluments

Key management personnel receive compensation in the form of fees, basic salaries, housing and other allowances, benefits in kind, discretionary bonuses and retirement scheme contributions.

Key management personnel compensation of the Group is summarised as follows:

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Short-term employee benefits	**11**	13
Post-employment benefits	**1**	1
	12	14

Total remuneration is included in "personnel expenses" as disclosed in Note 11.

42.3 Contributions to post-employment benefit plans

The Group participates in various defined contribution post-employment benefit plans organised by municipal and provincial governments and a supplemental defined contribution pension plan approved by the government for its employees. Further details of the Group's post-employment benefit plans are disclosed in Note 41.

42. RELATED PARTY TRANSACTIONS (CONTINUED)

42.4 Transactions with other government-related entities in the PRC

The Company is ultimately controlled by the PRC government and the Group operates in an economic environment currently predominated by government-related entities.

Other than those transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries and associates of the Group as disclosed above, the Group conducts business with other government-related entities which include but are not limited to the following:

– Power sales;

– Sales and purchases of coal;

– Transportation services;

– Construction work;

– Purchases of ancillary materials and spare parts;

– Ancillary and social services; and

– Financial services arrangements.

These transactions are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not government-related. The Group has established its pricing policies in respect of sale of goods and provision of services, and approval process for purchases of products and services. Such policies and approval process apply to all counterparties regardless of whether the counterparty is government-related or not.

Having considered the potential for transactions to be impacted by related party relationships, the Group's buying, pricing strategy and approval processes, and what information would be necessary for an understanding of the potential effect of the relationship on the financial statements, the Directors are of the opinion that the following transactions with other government-related entities require disclosure:

42. RELATED PARTY TRANSACTIONS (CONTINUED)

42.4 Transactions with other government-related entities in the PRC (Continued)

Transactions with other government-related entities, including state-controlled banks in the PRC

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Coal revenue	**80,040**	81,806
Power revenue	**89,442**	86,858
Transportation costs	**9,830**	10,086
Interest income	**1,763**	1,789
Interest expenses (including amount capitalised)	**1,715**	1,829

Balances with other government-related entities, including state-controlled banks in the PRC

	31 December 2024	31 December 2023
	RMB million	*RMB million*
Accounts and bills receivables	**8,160**	6,037
Prepaid expenses and other current assets	**2,851**	2,314
Cash and time deposits at banks	**56,427**	68,216
Restricted bank deposits	**13,455**	7,298
Borrowings	**19,145**	21,139
Accrued expenses and other payables	**2,430**	2,388
Contract liabilities	**1,074**	1,231

43. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the Directors proposed a final dividend, the details of which are disclosed in Note 14.

On 24 January 2025, the Company and China Energy Group entered into the equity transfer agreement in Beijing, to acquire 100% equity interest in China Energy Hangjin Energy Co., Ltd. held by China Energy Group with a transaction price of RMB853 million. As at the reporting date, the acquisition has been completed.

(Expressed in RMB)

44. SUBSIDIARIES

Details of the Company's material subsidiaries

The Company's subsidiaries are unlisted. Details of the Company's material subsidiaries at the end of the reporting period are set out below:

Name of the subsidiary	Place of incorporation and operation	Type of legal entity	Particulars of registered capital	Proportion of ownership interest and voting rights held by the Group		Principal activities
				31 December 2024 %	31 December 2023 %	
China Energy Sales Group Co., Ltd.	PRC	Limited company	RMB7,789 million	**100**	100	Trading of coal
China Energy Shendong Coal Group Co., Ltd.	PRC	Limited company	RMB4,989 million	**100**	100	Trading of coal; provision of integrated services
Zhunge'er Energy	PRC	Limited company	RMB7,102 million	**58**	58	Coal mining and development; generation and sale of electricity
China Energy Baorixile Energy Co., Ltd.	PRC	Limited company	RMB1,169 million	**57**	57	Coal mining; provision of loading and transportation services
Beidian Shengli	PRC	Limited company	RMB2,925 million	**63**	63	Coal mining; provision of loading and transportation services
China Energy Jinjie Energy Co., Ltd.	PRC	Limited company	RMB3,802 million	**100**	100	Generation and sale of electricity; coal mining development
Shenhua Shendong Power Co., Ltd.	PRC	Limited company	RMB3,024 million	**100**	100	Generation and sale of electricity

(Expressed in RMB)

44. SUBSIDIARIES (CONTINUED)

Details of the Company's material subsidiaries (Continued)

Name of the subsidiary	Place of incorporation and operation	Type of legal entity	Particulars of registered capital	Proportion of ownership interest and voting rights held by the Group		Principal activities
				31 December 2024 %	31 December 2023 %	
Hebei Guohua Cangdong Power Co., Ltd.	PRC	Limited company	RMB2,146 million	**51**	51	Generation and sale of electricity
Dingzhou Power*	PRC	Limited company	RMB1,561 million	**41**	41	Generation and sale of electricity
China Energy Sichuan Energy Co., Ltd.	PRC	Limited company	RMB3,101 million	**66**	66	Generation and sale of electricity; trading of coal
Shenhua (Fujian) Energy Co., Ltd.	PRC	Limited company	RMB5,420 million	**100**	100	Generation and sale of electricity
China Energy Shuohuang Railway Development Co., Ltd.	PRC	Limited company	RMB15,231 million	**53**	53	Provision of transportation services
China Energy Huanghua Harbour Administration Co., Ltd.	PRC	Limited company	RMB6,790 million	**70**	70	Provision of harbour and port services
China Energy Yuanhai Shipping Co., Ltd.	PRC	Limited company	RMB5,948 million	**51**	51	Provision of transportation services
China Energy Baotou Coal Chemical Co., Ltd.	PRC	Limited company	RMB6,010 million	**100**	100	Coal chemical
China Energy Railway Equipment Co., Ltd.	PRC	Limited company	RMB6,300 million	**100**	100	Provision of transportation

(Expressed in RMB)

44. SUBSIDIARIES (CONTINUED)

Details of the Company's material subsidiaries (Continued)

Name of the subsidiary	Place of incorporation and operation	Type of legal entity	Particulars of registered capital	Proportion of ownership interest and voting rights held by the Group		Principal activities
				31 December 2024 %	31 December 2023 %	
China Shenhua Overseas Development and Investment Co., Ltd. ("Shenhua Oversea Capital")	Hong Kong, China	Limited company	HKD5,252 million	**100**	100	Investment holding
PT GH EMM Indonesia	Indonesia	Limited company	USD63 million	**70**	70	Coal mining and development; generation and sale of electricity
China Energy Baoshen Railway Group Co., Ltd.	PRC	Limited company	RMB13,961 million	**100**	100	Provision of transportation services
Shenhua (Tianjin) Finance Lease Co., Ltd.	PRC	Limited company	RMB4,665 million	**100**	100	Provision of financial lease services
China Energy Xinshuo Railway Co., Ltd.	PRC	Limited company	RMB10,888 million	**100**	100	Provision of transportation services
China Energy Zhunneng Group Co., Ltd.	PRC	Limited company	RMB1,658 million	**100**	100	Coal mining and development

* The Company has the practical ability to lead and control the operations of Dingzhou Power, therefore, Dingzhou Power has been accounted for as a subsidiary (Note 4.1).

The above table lists subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

As at 31 December 2024, Shenhua Oversea Capital had issued a bond of USD413 million (Note 31). Other than Shenhua Oversea Capital, none of the subsidiaries had issued any debt securities at the end of the year.

44. SUBSIDIARIES (CONTINUED)

Details of non-wholly owned subsidiaries that have material non-controlling interests

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Name of the subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting rights held by non-controlling interest		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		31 December 2024	31 December 2023	Year ended 31 December 2024	2023	31 December 2024	31 December 2023
				RMB million	*RMB million*	*RMB million*	*RMB million*
Zhunge'er Energy *(Note)*	PRC	42	42	1,252	1,302	20,046	18,837
China Energy Baorixile Energy Co., Ltd.	PRC	43	43	1,808	1,564	5,140	3,390
Dingzhou Power	PRC	59	59	271	214	1,969	1,696
China Energy Shuohuang Railway Development Co., Ltd.	PRC	47	47	3,132	2,872	15,192	14,800
China Energy Yuanhai Shipping Co., Ltd.	PRC	49	49	101	36	3,319	3,237
China Energy Huanghua Harbour Administration Co., Ltd.	PRC	30	30	415	486	3,703	3,343
Beidian Shengli*	PRC	37	37	895	1,007	4,270	3,695
Individually immaterial subsidiaries with non-controlling interests						24,028	21,500
						77,667	70,498

Note: The Company was informed that the relevant supervising authority has approved the non-controlling shareholder's disposal of its interests in Zhunge'er Energy, a subsidiary of the Company. Currently, the Company is still in the process to discuss with the relevant parties in this regard.

* Beidian Shengli acquired the assets and liabilities of Shengli Energy Branch of the Company by private agreement with its own funds. The opening balance disclosed in material financial information has been restated.

44. SUBSIDIARIES (CONTINUED)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

	Zhunge'er Energy		China Energy Baorixile Energy Co., Ltd.		Dingzhou Power	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023	**31 December 2024**	31 December 2023
	RMB million	*RMB million*	***RMB million***	*RMB million*	***RMB million***	*RMB million*
Current assets	**41,150**	37,164	**7,383**	5,877	**804**	832
Non-current assets	**16,160**	15,414	**8,809**	8,355	**3,485**	3,685
Current liabilities	**8,543**	6,848	**2,083**	4,075	**976**	1,660
Non-current liabilities	**1,616**	1,438	**2,444**	2,575	**5**	5
Total equity	**47,151**	44,292	**11,665**	7,582	**3,308**	2,852

	Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2024	2023	**2024**	2023	**2024**	2023
	RMB million	*RMB million*	***RMB million***	*RMB million*	***RMB million***	*RMB million*
Revenue	**13,742**	14,275	**9,335**	8,490	**4,731**	4,680
Expenses	**10,060**	10,716	**4,520**	4,380	**4,092**	4,205
Profit and total comprehensive income for the year	**2,870**	2,904	**4,096**	3,466	**456**	359
Dividend paid to non-controlling interests	**10**	13	**–**	–	**–**	256
Net cash inflow from operating activities	**954**	833	**2,696**	2,518	**1,017**	1,046
Net cash outflow from investing activities	**(969)**	(808)	**(641)**	(428)	**(198)**	(164)
Net cash outflow from financing activities	**(10)**	(29)	**(2,199)**	(2,302)	**(819)**	(883)
Net cash outflow	**(25)**	(4)	**(144)**	(212)	**–**	(1)

44. SUBSIDIARIES (CONTINUED)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

	China Energy Shuohuang Railway Development Co., Ltd.		China Energy Yuanhai Shipping Co., Ltd.		China Energy Huanghua Harbour Administration Co., Ltd.	
	31 December 2024 RMB million	31 December 2023 RMB million	31 December 2024 RMB million	31 December 2023 RMB million	31 December 2024 RMB million	31 December 2023 RMB million
Current assets	8,564	8,501	2,689	2,411	1,857	1,711
Non-current assets	36,255	35,598	4,630	4,802	11,081	11,430
Current liabilities	10,713	10,269	495	543	1,023	2,462
Non-current liabilities	3,663	4,135	50	63	371	395
Total equity	30,443	29,695	6,774	6,607	11,544	10,284

	Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million
Revenue	22,782	22,217	4,996	4,836	5,188	5,131
Expenses	13,788	14,249	4,591	4,766	3,372	3,041
Profit and total comprehensive income for the year	6,621	6,040	207	74	1,344	1,577
Dividend paid to non-controlling interests	2,796	2,535	20	226	57	406
Net cash inflow from operating activities	7,804	8,508	(530)	983	2,081	2,332
Net cash outflow from investing activities	(2,145)	(2,282)	417	(932)	(659)	(239)
Net cash outflow from financing activities	(5,658)	(6,342)	97	(244)	–	–
Net cash inflow/(outflow)	1	(116)	(16)	(193)	1,422	2,093

44. SUBSIDIARIES (CONTINUED)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

	Beidian Shengli*	
	31 December 2024	31 December 2023
	RMB million	*RMB million*
Current assets	**3,930**	5,138
Non-current assets	**13,974**	14,481
Current liabilities	**2,769**	4,625
Non-current liabilities	**3,891**	5,398
Total equity	**11,244**	9,596

	Year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Revenue	**7,925**	8,769
Expenses	**5,007**	5,489
Profit and total comprehensive income for the year	**2,329**	2,589
Dividend paid to non-controlling interests	**–**	446
Net cash inflow from operating activities	**4,555**	1,605
Net cash outflow from investing activities	**(1,590)**	(788)
Net cash outflow from financing activities	**(2,963)**	(945)
Net cash inflow/(outflow)	**2**	(128)

45. INFORMATION ABOUT THE FINANCIAL POSITION AND RESERVES OF THE COMPANY

	31 December 2024 RMB million	31 December 2023 RMB million
Non-current assets		
Property, plant and equipment	**45,815**	49,393
Construction in progress	**5,705**	5,029
Intangible assets	**1,053**	1,035
Right-of-use assets	**3,202**	5,163
Investments in subsidiaries	**170,235**	166,829
Investments in associates	**51,477**	47,954
Financial assets at fair value through other comprehensive income	**2,631**	2,338
Other non-current assets	**58,718**	57,704
Deferred tax assets	**2,217**	2,001
Total non-current assets	**341,053**	337,446
Current assets		
Inventories	**2,212**	2,030
Accounts and bills receivables	**7,495**	8,804
Financial assets at fair value through profit or loss	**17,302**	–
Prepaid expenses and other current assets	**29,563**	29,276
Restricted bank deposits	**10,281**	6,109
Time deposits with original maturity over three months	**60,259**	30,813
Cash and cash equivalents	**58,593**	98,351
Total current assets	**185,705**	175,383

45. INFORMATION ABOUT THE FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

	Note	31 December 2024 RMB million	31 December 2023 RMB million
Current liabilities			
Borrowings		**848**	161
Accounts and bills payables		**10,163**	10,101
Accrued expenses and other payables		**160,565**	143,822
Current portion of lease liabilities		**160**	457
Current portion of long-term liabilities		**3,801**	3,510
Income tax payable		**2,421**	2,485
Contract liabilities		**54**	76
Total current liabilities		**178,012**	160,612
Net current assets		**7,693**	14,771
Total assets less current liabilities		**348,746**	352,217
Non-current liabilities			
Borrowings		**244**	1,124
Lease liabilities		**54**	1,208
Long-term liabilities		**8,088**	9,866
Accrued reclamation obligations		**5,265**	5,289
Deferred tax liabilities		**102**	93
Total non-current liabilities		**13,753**	17,580
Net assets		**334,993**	334,637
Equity			
Share capital	37	**19,869**	19,869
Reserves		**315,124**	314,768
Total equity		**334,993**	334,637

45. INFORMATION ABOUT THE FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

	Share premium RMB million	Treasury shares RMB million	Statutory reserves RMB million	Other comprehensive income RMB million	Capital and other reserves RMB million	Retained earnings RMB million	Total RMB million
At 31 December 2022	84,766	–	21,542	728	1,150	197,284	305,470
Impact on initial application of amendments to IAS 12, *Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction*	–	–	–	–	–	(24)	(24)
At 1 January 2023	84,766	–	21,542	728	1,150	197,260	305,446
Profit for the year	–	–	–	–	–	59,819	59,819
Other comprehensive income	–	–	–	89	–	–	89
Total comprehensive income for the year	–	–	–	89	–	59,819	59,908
Dividend declared *(Note 14)*	–	–	–	–	–	(50,665)	(50,665)
Appropriation of maintenance and production funds	–	–	6,222	–	–	(6,222)	–
Utilisation of maintenance and production funds	–	–	(2,365)	–	–	2,365	–
Others	–	–	–	–	56	23	79
At 31 December 2023	84,766	–	25,399	817	1,206	202,580	314,768

45. INFORMATION ABOUT THE FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

	Share premium	Treasury shares	Statutory reserves	Other comprehensive income	Capital and other reserves	Retained earnings	Total
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
At 31 December 2023	84,766	–	25,399	817	1,206	202,580	314,768
At 1 January 2024	84,766	–	25,399	817	1,206	202,580	314,768
Profit for the year	–	–	–	–	–	44,771	44,771
Other comprehensive income	–	–	–	420	–	–	420
Total comprehensive income for the year	–	–	–	420	–	44,771	45,191
Dividend declared *(Note 14)*	–	–	–	–	–	(44,903)	(44,903)
Appropriation of maintenance and production funds	–	–	5,125	–	–	(5,125)	–
Utilisation of maintenance and production funds	–	–	(2,963)	–	–	2,963	–
Others	–	–	–	–	68	–	68
At 31 December 2024	84,766	–	27,561	1,237	1,274	200,286	315,124

According to the Company's Articles of Association, the amount of retained earnings available for distribution to equity holders of the Company is the lower of the amount determined in accordance with the Accounting Standards for Business Enterprise and the amount determined in accordance with IFRS Accounting Standards after the appropriation to reserves as detailed in Note (iii) to the consolidated statement of changes in equity.

At 31 December 2024, the aggregate amount of retained earnings determined in accordance with the Accounting Standards for Business Enterprise available for distribution to equity holders of the Company was RMB199,017 million (2023: RMB201,416 million).

(Expressed in RMB)

46. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*	1 January 2025
Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

Section XI Documents Available for Inspection

Documents Available for Inspection	The annual report for the year 2024 with the signature of the person-in-charge of the Company The financial statements signed by the person-in-charge of the Company, Chief Financial Officer and person-in-charge of the accounting department and chopped with the official chop of the Company The auditor's report chopped with the official chop of the accounting firm and signed and chopped by the certified public accountant The original copies of all documents and announcements of the Company publicly disclosed on the newspapers designated by the CSRC during the Reporting Period The annual report for the year 2024 published on the websites of SSE and the HKEx

Approval date of the Board of Directors for submission: 21 March 2025

Section XII Summary of Major Financial Information for the Recent Five Years

The finance information below is extracted from the financial statement prepared by the Group in accordance with International Financial Reporting Standards:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended 31 December				
	2020 *RMB million*	2021 *RMB million* *(restated)*	2022 *RMB million* *(restated)*	2023 *RMB million*	**2024** ***RMB million***
Revenue	233,263	335,640	344,533	343,074	**338,375**
Operating cost	(162,374)	(239,805)	(226,624)	(232,537)	**(236,555)**
Gross profit	70,889	95,835	117,909	110,537	**101,820**
Selling expenses	(555)	(581)	(410)	(425)	**(491)**
General and administrative expense	(8,948)	(9,119)	(9,930)	(9,812)	**(10,340)**
Research and development costs	(1,362)	(2,499)	(3,722)	(3,007)	**(2,727)**
Other gains and losses	(194)	(955)	(3,184)	(3,583)	**(80)**
Other income	778	893	1,100	1,272	**1,115**
Loss allowance, net of reversal	(524)	(2,561)	(1,337)	(285)	**(128)**
Other expenses	(1,090)	(1,103)	(2,136)	(5,003)	**(3,196)**
Interest income	1,684	2,492	3,071	2,634	**2,768**
Finance costs	(2,263)	(2,583)	(3,930)	(3,117)	**(2,879)**
Share of results of associates	947	(874)	2,223	3,565	**4,344**
Profit before income tax	59,362	78,945	99,654	92,776	**90,206**
Income tax expense	(15,378)	(18,128)	(14,256)	(17,584)	**(17,004)**
Profit for the year	43,984	60,817	85,398	75,192	**73,202**
Profit for the year attributable to:					
Equity holders of the Company	35,849	51,446	72,925	64,625	**62,421**
Non-controlling interests	8,135	9,371	12,473	10,567	**10,781**
Earnings per share *(RMB per share)*					
—Basic	1.803	2.588	3.670	3.253	**3.142**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December				
	2020 *RMB million*	2021 *RMB million* *(restated)*	2022 *RMB million* *(restated)*	2023 *RMB million*	**2024** ***RMB million***
Total non-current assets	390,675	402,148	414,270	434,461	**456,311**
Total current assets	172,229	208,310	211,050	198,951	**205,125**
Total assets	562,904	610,458	625,320	633,412	**661,436**
Total current liabilities	69,493	91,748	98,404	91,585	**92,620**
Total non-current liabilities	63,824	69,681	64,120	60,176	**61,496**
Total liabilities	133,317	161,429	162,524	151,761	**154,116**
Net assets	429,587	449,029	462,796	481,651	**507,320**
Total equity attributable to equity holders of the Company	364,203	379,877	396,983	411,478	**429,653**
Non-controlling interests	65,384	69,152	65,813	70,173	**77,667**
Total equity	429,587	449,029	462,796	481,651	**507,320**