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)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "**Board**") of China Shenhua Energy Company Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2026. The interim results have been reviewed by the audit and risk management committee of the Board.

This announcement, containing the full text of the 2026 interim 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 interim results.

The 2026 interim 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 at 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, 28 August 2026

As at the date of this announcement, the Board comprises the following: Mr. Zhang Changyan as executive director, 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, directors and senior management of the Company warrant the authenticity, accuracy and completeness of the information contained in this interim report and that it does not contain any misrepresentations, misleading statements or material omissions, and assume individual and joint and several legal liability.

II. This report was approved at the 21st meeting of the sixth session of the Board of the Company. 5 out of 7 directors attended the meeting in person. Kang Fengwei and Li Xinhua (non-executive Directors) requested for leave due to business engagements, and authorised Zhang Changyan (executive Director) to attend and vote at the Board meeting on their behalf.

III. The interim financial statements of this report have not been audited. Ernst & Young has issued a review report on the Company's 2026 Interim Financial Statements prepared under IFRS Accounting Standards in accordance with the Hong Kong Standard on Review Engagements.

IV. Zhang Changyan, the person-in-charge 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 interim dividend for 2026 of RMB0.98 per share (tax inclusive) based on the total share capital as at the record date for the dividend distribution. The proposed profit distribution is subject to the approval at the general meeting of the Company. According to the total share capital of 21,689,434,304 shares of the Company as at 30 June 2026, the interim dividend totaling RMB21,256 million (tax inclusive) will be paid.

VI. Disclaimer of forward-looking statements: the forward-looking statements in this report made on the basis of subjective assumptions and judgements 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 its 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 interim report disclosed by the Company: No

X. Material risk alert: the Company has explained in detail the risks faced by the Company, among other things, risks in safety, environmental protection, investment, compliance, engineering management, market competition, integrated operation, policy and international operation, in the section headed "Management Discussion and Analysis", to which investors are advised to pay attention.

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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
China Energy Group	China Energy and its subsidiaries (excluding the Group)
Shendong Coal	China Energy Shendong Coal Group Co., Ltd.
Shendong Power	Shenhua Shendong Power Co., Ltd.
Zhunge'er Energy	Shenhua Zhunge'er Energy Co., Ltd.
Baorixile Energy	China Energy Baorixile Energy Co., Ltd.
Shengli Energy	China Energy Beidian Shengli Energy Co., Ltd.
Hangjin Energy	China Energy Hangjin 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 Port	China Energy Huanghua Harbour Administration Co., Ltd.
Tianjin Port	China Energy (Tianjin) Harbour Administration Co., Ltd.
Zhuhai Port	China Energy Zhuhai Harbour Administration Co., Ltd.
Baotou Chemical	China Energy Baotou Coal Chemical Co., Ltd.
Jinjie Energy	China Energy Jinjie Energy Co., Ltd.
Guoyuan Power	China Energy Guoyuan Power (Beijing) Co., Ltd.
Xinjiang Energy	China Energy Xinjiang Energy & Chemical Co., Ltd.

Chemical Company	China Shenhua Coal Liquefaction and Chemical Company Limited
Wuhai Energy	China Energy (Wuhai) Energy Co., Ltd.
Pingzhuang Coal	Inner Mongolia Pingzhuang Coal (Group) Co., Ltd.
Inner Mongolia Construction Investment	Guodian Construction and Investment Inner Mongolia Energy Co., Ltd.
Shenyan Coal	China Energy Shaanxi Shenyan Coal Co., Ltd.
Jinshen Energy	Shanxi Province Jinshen Energy Co., Ltd.
Baotou Mining	China Energy (Baotou) Mining Co., Ltd.
Shipping Company	China Energy Shenhua Shipping (Beijing) Co., Ltd.
Coal Trading Company	Shenhua Coal Trading Co., Ltd.
Port Company	China Energy (Hebei) Port Co., Ltd.
Finance Company	China Energy Finance Co., Ltd.
Capital Holdings	China Energy Capital Holdings Co., Ltd.
Western Energy	China Energy Western Energy Investment Co., Ltd.
E-commerce Company	China Energy E-commerce Co., Ltd.
JORC	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
SSE	Shanghai Stock Exchange

Section I Definitions (Continued)

HKEx	The Stock Exchange of Hong Kong Limited
Shanghai Listing Rules	Rules Governing the Listing of Shares on the 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
Articles of Association	Articles of Association of China Shenhua Energy Company Limited
EBITDA	Profit for the period + net finance costs + income tax + depreciation and amortisation – share of results of associates
gearing ratio	Total liabilities/total assets
total debt to equity ratio	[Long-term interest-bearing debt + short-term interest-bearing debt (including bills payable)]/[long-term interest-bearing debt +short-term interest-bearing debt (including bills payable) + total shareholder equity]
RMB	Renminbi unless otherwise specified
Reporting Period	January to June 2026
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	On 24 March 2025, Mr. Lv Zhiren resigned as Chairman of the Board and executive director of the Company. The election of the new Chairman of the Board is in progress.
Authorised Representative of the Company under the Hong Kong Listing Rules	Zhang Changyan, 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 or www.shenhuachina.com
E-mail	ir@csec.com

IV. INFORMATION DISCLOSURE AND PLACE FOR DOCUMENT INSPECTION

Designated newspaper for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Website for publication of the interim report	www.sse.com.cn and www.hkexnews.hk
Place where the Company's interim 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

Class of Shares	Stock Exchange	Abbreviation	Stock Code
A Share	SSE	China Shenhua	601088
H Share	HKEx	China Shenhua	01088

VI. OTHER INFORMATION

Accounting Firm Engaged by the Company (A Shares)	Name	Ernst & Young Hua Ming LLP
	Office Address	Level 17, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang An Avenue, Dongcheng District, Beijing, China
	Signing Auditors	Zhang Siwei, Cui Naiwen
Accounting Firm Engaged by the Company (H Shares)	Name	Ernst & Young (Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance)
	Office Address	27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
	Signing Auditor	Ng Siu Ki Ricky
Share Registrar of the Company (A Shares)	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 Shares)	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 INDICATORS

Major accounting data	Unit	**The first half of 2026**	The first half of 2025 After restatement	The first half of 2025 Before restatement	Change %
Revenue	RMB million	**189,338**	175,423	138,109	7.9
Profit for the period	RMB million	**38,064**	37,067	32,059	2.7
Profit for the period attributable to equity holders of the Company	RMB million	**31,054**	30,478	26,706	1.9
Basic earnings per share	RMB/share	**1.448**	1.438	1.344	0.7
Net cash inflow from operating activities	RMB million	**54,664**	51,545	45,794	6.1
Return on total assets as at the end of the period	%	**4.1**	4.1	4.7	Remained stable
Return on net assets as at the end of the period	%	**6.8**	5.9	6.6	Increased by 0.9 percentage point
EBITDA	RMB million	**65,177**	61,977	50,629	5.2

	Unit	**As at 30 June 2026**	As at 31 December 2025 After restatement	As at 31 December 2025 Before restatement	Change %
Total assets	RMB million	**929,709**	912,431	631,777	1.9
Total liabilities	RMB million	**370,874**	300,203	146,310	23.5
Total equity	RMB million	**558,835**	612,228	485,467	(8.7)
Equity attributable to equity holders of the Company	RMB million	**459,227**	519,946	412,576	(11.7)
Total share capital as at the end of the period	RMB million	**21,689**	19,869	19,869	9.2
Equity attributable to equity holders per share	RMB/share	**21.17**	24.54	20.76	(13.7)
Gearing ratio	%	**39.9**	32.9	23.2	Increased by 7.0 percentage points
Total debt to equity ratio	%	**22.1**	14.7	6.8	Increased by 7.4 percentage points

Reasons for restatement:

In the first half of 2026, the Company completed the acquisition of equity interests in 12 target companies held in aggregate by China Energy, the controlling shareholder, and its wholly-owned subsidiary Western Energy (for details, please refer to the H Share announcements published by the Company on the website of the HKEx (www.hkexnews.hk) on 15 August and 19 December 2025, and 22 January, 28 January, 30 January, 5 February, 12 February, 12 March, 17 March and 30 March 2026). Except for Jinshen Energy, the other 11 target companies were included in the scope of consolidation of the financial statements of the Company. The above acquisition falls under a business combination under common control. The Company has made retrospective adjustments to the consolidated financial statements for the comparative periods in accordance with the relevant provisions.

VIII. DIFFERENCES 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		
	The first half of 2026	The first half of 2025 After restatement	The first half of 2025 Before restatement	**As at 30 June 2026**	As at 31 December 2025 After restatement	As at 31 December 2025 Before restatement
Under China Accounting Standards for Business Enterprises	**28,715**	27,583	24,641	**450,933**	512,016	409,107
Adjustments for:						
Simple production maintenance, safety production and other related expenditures	**2,339**	2,895	2,065	**8,294**	7,930	3,469
Under IFRS Accounting Standards	**31,054**	30,478	26,706	**459,227**	519,946	412,576

Explanation on Differences in Domestic and Overseas Accounting Standards:

Pursuant to relevant regulations of the related governmental authorities in the PRC, the Group accrued provisions for simple production maintenance, safety production and other related expenditures, which are recognised as current expenses 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 when incurred and depreciated according to the applicable depreciation method. The effect on deferred tax arising from such differences has also been reflected.

Section III Board's Statement

Dear shareholders, investors and friends from all walks of life who care about and support China Shenhua:

In the first half of 2026, the Company thoroughly studied and implemented the spirit of General Secretary Xi Jinping's important speeches and instructions, firmly established and practised the correct concept of political achievements, adhered to the responsibility and mission of ensuring energy supply, proactively responded to changes in external market conditions, earnestly implemented the work deployments for the "Year of Management Strengthening" and "Year of Quality and Efficiency Improvement", and fully promoted the post-merger integration of newly acquired assets, thus achieving further enhancement of the Company's development quality and investment value. In the first half of the year, the Company recorded profit for the period attributable to equity holders of the Company of RMB31,054 million, representing a year-on-year increase of 1.9%, and a total market capitalisation at the end of the period of RMB832.6 billion.

Production and operation achieved steady progress. The Company continued to optimise the connectivity of coal mines, improved the efficiency of mining operations, and consolidated the basis of stable and high production output, so as to achieve stable and high yield of self-produced coal and year-on-year increase of the sales volume of purchased coal. The Company strictly performed medium – and long-term coal contracts and fulfilled its social responsibility of stabilising coal supply at a guaranteed price. The Group resolutely fulfilled its responsibility and mission of ensuring energy supply, strongly supported regional economic and social energy demand, and completed the task of ensuring energy supply during important periods and in key regions with high quality. The Group continued to deepen the efficient synergy among road, port and shipping routes, and the integrated outbound coal transportation volume reached the best level in history for the same period. The trend of increasing production and efficiency of coal chemical industry became prominent, the sales volume of main products increased significantly, and the value of high-end products was continuously released. The Company accelerated the construction of important projects in core industries, further consolidated the advantages of integrated operation, and enhanced the resources connection and energy supply capabilities.

Capital operation empowered development. The Company successfully completed the largest purchase of assets through issuance of shares in the history of the A-share market in eight months. The scale of the Company's coal, power generation and coal chemical segments have increased significantly. Its core strengths have been continuously enhanced, and the organic integration of preservation and appreciation of state-owned capital with the sustainable development of a listed company has been realised, which set a benchmark for the restructuring of state-owned enterprises. The Company spared no effort in promoting the post-merger integration of newly acquired assets, strengthened business synergy, optimised capital structure and improved overall operating performance. The Company adhered to the principle of active return to the shareholders, with the total amount of cash dividend for the year 2025 reaching 79.1% of the net profit attributable to shareholders of the Company under China Accounting Standards for Business Enterprises. The Company continued to promote the implementation of the key tasks of "11257" market capitalisation management system and continuously improved the Company's brand influence and investment value. The Company ranked first among listed companies of the energy and chemical sector with a brand value of RMB241,505 million, and ranked among the top three listed companies in the energy industry in terms of total market capitalisation in China.

Technological innovation gained momentum. We made great efforts in the clean and efficient utilisation of coal, and made outstanding achievements in major scientific and technological innovation. The "Key Technologies and Application of Green and Smart Development of Scarce and High-Quality Leftover Coal and Coalbed Methane" project won the second prize of the National Science and Technology Progress Award; the trial run of 35,000-ton heavy-duty group trains was successfully completed under the "Research and Application of Heavy-haul Train Group Operation Control System Technology" pilot project for building China into a country with strong transportation, setting a number of industry records; the project of "Key Technology and Engineering Verification of Ammonia Co-firing in 600MW Coal-fired Power Generation Boilers" passed the appraisal of the Chinese Society for Electrical Engineering, and reached an internationally leading level overall; the "Key Technology and Application Demonstration of Coal Chemical Industry Gasified Crude Slag for Saline-alkali Soil Improvement" passed the scientific and technological appraisal by China Petroleum and Chemical Industry Federation, and has reached the international advanced level as a whole. The Company promoted the two-way empowerment of artificial intelligence and energy, deepened the implementation of "AI+" projects, and created more strategic high-value scenarios and high-quality data sets.

Industrial upgrade was promoted in depth. The Company unswervingly promoted the green transformation of the industry, coordinated the energy-saving and carbon-reducing transformation of each industry chain of the coal, electricity and coal chemical industry, and actively transformed into a clean, low-emission, high-efficiency intensive operation. The Company seized the opportunities arising from new energy development, continued to explore the development path of multi-energy integration, and actively created typical application scenarios such as multi-energy complementarity between thermal power and new energy, and supply of green power supporting coal chemical industry, with a total of 247 new energy projects currently planned, under construction or in operation, and the installed capacity of new energy power generation in external operation increased to 2,712 MW. The Company continued to promote the construction of green mines, continuously improved the level of ecological management of mines and efficient use of resources, and maintained a leading position in green mine production capacity in China. With outstanding achievements in energy conservation management, the Company was awarded the honour of the "Advanced Enterprise of Energy Conservation and Emission Reduction for Coal Industry" issued by the China Coal Industry Association for several consecutive years. The Company proactively deployed in strategic emerging industries, adopted various measures to accelerate the development of new quality productive forces, and promoted the optimisation and upgrading of industrial structure.

Steady improvement in governance efficiency. We implemented the requirements for further deepening the reform of state-owned assets and state-owned enterprises, continuously improved the modern enterprise system with Chinese characteristics, improved the corporate governance mechanism that is legally defined, transparent, coordinated, and effectively balanced, continued to promote the standardisation of the Board of Directors, and gave full play to the role of the Board in formulating strategies, making decisions and preventing risks. The Company strictly implemented the overall work deployment of the SASAC of the State Council on the construction of the board of directors of central state-owned enterprises, took the lead in exploring the practice of the first batch of board of directors' review in China based on the Company's industrial layout and operation management characteristics, systematically established the evaluation framework, improved the evaluation dimensions, and consolidated the construction of the board of directors' evaluation system foundation. The Company continued to optimise the top-level design and institutional system of ESG, and consolidated the foundation of institutional management. The Company actively participated in the formulation of a number of ESG group standards, contributing to the standardised and regulated development of ESG practices across the industry.

At present, the international political and economic landscape is undergoing profound changes, and competition among major powers continues to intensify, while international energy prices fluctuate sharply, and the stability of the energy supply faces challenges. China's economy is in a critical period of transformation of growth drivers and development patterns. The contradiction between strong supply and weak demand is prominent, and the foundation for a stable and sound economy still needs to be consolidated. The transformation and evolution of the energy industry are accelerating, with market-oriented reforms being further deepened and iterations of new technologies being accelerated, and various risks and challenges are intertwined. The second half of the year is a critical period in the first year of the "15th Five-Year Plan". The Company will set its targets for the whole year, work hard and forge ahead under pressure, and put emphasis on the six focus areas of "ensuring safety, growing steadily, strengthening innovation, promoting transformation, deepening reform and risk prevention" to ensure the smooth completion of each target mission for the year.

Firstly, we will strictly adhere to the bottom line of safety and build a solid foundation for ensuring energy supply. The Company will continue to thoroughly study and implement the important discourse and important instructions of General Secretary Xi Jinping on production safety, and pay close attention to all aspects of production safety. The Company will strengthen equipment maintenance, operation and management, identify and address potential hazards in key regions, take effective measures to prevent natural disasters, and improve the closed-loop emergency response system to ensure a stable and reliable supply of coal and electricity, and safe and steady operations of the transportation and coal chemical businesses. The Company will make overall plans for production safety, compliance safety and ecological safety, build safety protection barriers in all aspects, and ensure high-quality and sustainable development of the enterprise with high-standard safety.

Secondly, the Company will focus on its main responsibilities and main business and maintain a stable growth momentum of quality improvement. The Company will step up its efforts to promote the succession of high-quality resources and the release of advanced production capacity in core coal areas to consolidate the fundamentals of the coal industry, and fully advance the construction of Xinjie No. 1 Mine and No. 2 Mine, the Tarangaole Coal Mine, the Dabaodang Coal Mine and the Hongshaquan No. 2 Coal Mine; the Company will promote the expansion and transformation of core trunk lines such as the Shuohuang Railway, and accelerate the construction of key projects such as the Huanghua Port Phase V and the Tianjin Port Phase II, and continue to improve the collection and distribution system; the Company will seize the opportunities arising from project construction and promote the construction of key coal chemical engineering projects. Adhering to the principles of expanding sources and increasing revenue, optimising management and control, and exploring potential, the Company will comprehensively promote cost reduction and efficiency enhancement, quality and efficiency enhancement, and continue to improve the quality and efficiency of core operations.

Thirdly, we will strengthen innovation and empowerment and cultivate new sustainable development drivers. We will promote the in-depth integration of technological innovation, management innovation and industrial development, and strive to cultivate new quality productive forces in the energy sector. Taking advantage of the opportunities arising from the preparation of the "15th Five-Year Plan", the Company will systematically improve the corporate innovation and development system, focus on key areas such as production quality improvement, energy saving and carbon reduction, and intelligent upgrading, and develop key core technologies. We will deepen the application and transformation of achievements on strategic emerging industry topics, pay close attention to cutting-edge technologies in the new energy field, and empower the development of strategic emerging industries.

Fourthly, we will focus on green transformation and optimise the industry development deployment. Adhering to the strategic objective of "dual carbon", the Company will promote the clean and efficient use of coal and build a whole-chain green production and operation system. The Company will continue to promote the construction of green mines and coordinate ecological protection and high-efficiency production. We will promote the flexible and low-carbon transformation of coal power generation, and vigorously expand new business formats and models such as integrated energy and multi-energy complementarity. The Company will accelerate the optimisation and upgrading of industrial structure, steadily promote the quality improvement of traditional industries and the empowerment of emerging business, and accelerate the digitalisation, green development and intelligent transformation of enterprises.

Fifthly, we will deepen reform and consolidate the long-term value foundation. The Company will improve the modern corporate governance system with Chinese characteristics, deepen the reform of system and mechanism, optimise resource allocation, remedy weaknesses in management, and continuously enhance the capability of modern operation and governance. The Company will strengthen the market value management by further optimising the "11257" market capitalisation management system, and standardise the use of market instruments such as dividend distribution, and mergers and acquisitions, so as to safeguard the long-term interests of shareholders. The Company will continue to optimise the Board of Directors' operation, and promote the corporate governance to make a leap towards "substantive and effective". The Company will systematically promote enhancement in ESG management, strengthen the management of key areas in climate change management, and empower the Company for sustainable development with high-standard ESG governance.

Sixthly, various risks will be strictly controlled to ensure the stable and long-term development of the Company. The Company will firmly establish the concept of global risk control, create a comprehensive and normalised risk prevention and control system, and make overall plans to prevent and mitigate various risks in areas including operation, market and compliance. The Company will improve the closed-loop working mechanism for risk analysis, early warning and handling to accurately predict potential risks arising from market fluctuations and policy adjustments. The Company will continue to improve the internal control and compliance management system, strictly comply with industry regulations and market rules, and standardise operational decision-making and business procedures, so as to ensure the stable and long-term operation and development of the enterprise.

Board of Directors
China Shenhua Energy Company Limited
28 August 2026

I. INDUSTRY IN WHICH THE COMPANY OPERATED AND ITS PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

(I) Competition and Development Trend in the Industry[1]

1. Macroeconomic Environment

In the first half of 2026, the CPC Central Committee, with Comrade Xi Jinping at its core, united and led the entire Party and the people of all ethnic groups across the country in forging ahead with determination and striving with vigour. By persistently coordinating both domestic and international situations, balancing development and security, and effectively responding to various external shocks and internal difficulties, China's economy demonstrated a development trend characterised by new growth drivers and an optimised economic structure, exhibiting strong resilience and vitality. Calculated at constant prices, the gross domestic product for the first half year increased by 4.7% as compared with the corresponding period of last year.

2. Coal Market Environment

(1) China's thermal coal market

In the first half of 2026, China's commercial coal consumption recorded a year-on-year increase, the overall energy supply remained stable, and the coal prices fluctuated upwards. As at June 2026, the medium and long-term contract 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 RMB697 per tonne, representing an increase of RMB3 per tonne as compared with that in December of last year; the average medium and long-term contract price for the first half of the year was approximately RMB686 per tonne, representing an increase of RMB4 per tonne as compared with the same period of last year. As at the end of June, the transaction price for thermal coal (5,500 kcal) at Qinhuangdao Port was RMB842 per tonne, representing an increase of 22.6% as compared with that at the end of last year. The average transaction price in the first half of the year was approximately RMB772 per tonne, representing a year-on-year increase of approximately 12.7%.

1 This section is for reference only and does not constitute any investment advice. The Company has used its best endeavours to ensure the accuracy and reliability of information in this section, but does not assume any liability or provide any form of guarantee for the accuracy, completeness or validity of all or part of its content. If there is any error or omission, the Company does not assume any liability. The content in this section may contain certain forward-looking statements based on subjective assumptions and judgements of future political and economic developments; therefore, there may exist 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 further notice. The data contained in this section are mainly derived from sources such as the National Bureau of Statistics, China Coal Market Network, China Coal Resources Network, China Electricity Council, and Coal Transportation and Distribution Association, etc.

	The first half of 2026	Year-on-year change %
Raw coal output of above-scale industries *(100 million tonnes)*	**23.7**	(1.7)
Coal import *(100 million tonnes)*	**2.3**	1.7
National coal transportation volume by railways *(100 million tonnes)*	**13.9**	4.1

In respect of the supply side, the industrial raw coal output above designated scale in China was 2,370 million tonnes in the first half of the year, representing a year-on-year decrease of 1.7%, with a year-on-year decrease of 9.7% in raw coal output under tightened workplace safety situation in June. The raw coal output in Inner Mongolia Autonomous Region, Shanxi Province, Shaanxi Province and Xinjiang Uygur Autonomous Region accounted for 81.9% of the raw coal output of above scale industries nationwide, representing a year-on-year increase of 0.5 percentage point. China's national coal inventories at major stages of the supply chain remained at a high level. Changes in the international energy market caused periodic disruptions to China's coal imports. In the first half of the year, the total imported coal was 230 million tonnes, representing a year-on-year increase of 1.7%, of which the thermal coal imports amounted to 150 million tonnes, representing a year-on-year decrease of 4.5%. The coal imports from Russia, Australia and Indonesia each recorded a year-on-year decrease.

In respect of the demand side, China's commercial coal consumption increased by 1.3% year-on-year during the first half of 2026, of which the commercial coal consumption of power generation industry increased by 2.0% year-on-year, accounting for approximately 57.8% of the total coal consumption; commercial coal consumption in the chemical industry increased by 9.9% year-on-year; and that in steel and building materials sectors experienced a year-on-year decrease.

(2) International thermal coal market

In the first half of 2026, the geopolitical conflict among the United States, Israel and Iran continued to disrupt the global energy landscape. The intensifying logic of energy demand substitution, coupled with expectations of extreme weather conditions, prompted a number of countries to restart and commission additional coal-fired power generating units, thereby driving an increase in global coal consumption against the prevailing trend. Incremental coal supply remained limited. According to statistical data, in the first half of 2026, the total coal production in India was 0.58 billion tonnes, representing a year-on-year decrease of 2.0%; Indonesia reduced its coal production quotas, with coal production amounting to 0.37 billion tonnes, representing a year-on-year decrease of 4.2%; coal production in the United States was 0.232 billion tonnes, representing a year-on-year decrease of 1.8%; coal production in Russia was 0.21 billion tonnes, representing a year-on-year decrease of 1.9%; the coal production in Mongolia was 62.48 million tonnes, representing a year-on-year increase of 52.4%.

In the first half of 2026, amid the tightening coal export policies in Indonesia, its coal export was approximately 232 million tonnes, representing a year-on-year decrease of 3.2%; coal exports from Australia, Russia, the United States and Mongolia all recorded year-on-year growth. Among global coal-importing countries, the increase in imports was primarily attributable to Asian countries, including South Korea, Japan and Vietnam. International coal prices fluctuated upwards. As at the end of June 2026, the FOB spot price of thermal coal (5,500 kcal) at Newcastle Harbour increased by 32.5% as compared with that at the end of last year and by 45.7% as compared with that at the end of June of last year.

3. Power Market Environment

In the first half of 2026, the national power supply system operated safely and stably and the power supply and demand were generally balanced.

The national power consumption exhibited the characteristics of an increase in total volume, an optimised structure and new growth drivers. China's national power consumption reached 5,099.9 billion kWh in the first half of the year, representing a year-on-year increase of 5.3%, with the growth rate increasing by 1.6 percentage points year-on-year. Power consumption in the secondary industry increased by 5.1% year-on-year, accounting for 64.8% of national power consumption and contributing 61.7% to the growth in national power consumption, primarily driven by high-tech and equipment manufacturing industries. Power consumption in the tertiary industry increased by 8.0% year-on-year. Power consumption attributable to new growth drivers increased rapidly, among which the aggregate power consumption of two new business sectors, namely internet data services and battery charging and swapping services, accounted for 2.6% of national power consumption and contributed 17.2% to the incremental increase in national power consumption.

The structure of installed capacity of power generation continued to undergo a green and low-carbon transition, with thermal power generation growing year-on-year. As at the end of June 2026, the national installed capacity of power generation reached 4,040 GW, of which the installed capacity of non-fossil energy power generation reached 2,520 GW, representing 62.4% of total installed capacity and a year-on-year increase of 1.5 percentage points, while that of coal-fired power accounted for 31.5%. In the first half of the year, newly added installed capacity of power generation reached 160 GW, with newly added installed capacity of wind power and solar power generation accounting for 70%, although the growth rate slowed. The national power generation output of power plants above designated scale reached 4,750.1 billion kWh, representing a year-on-year increase of 3.5%, of which the thermal power generation reached 3,028.2 billion kWh, representing a year-on-year increase of 2.9% and accounting for 63.8% of total power generation. The increment in full-caliber non-fossil energy power generation accounted for 70.7% of the increment in total power generation, and coal-fired power generation accounted for 49.7% of the total power generation. The average utilisation hours of power generation equipment of power plants in China with the installed capacity of 6,000 kW and above were 1,392 hours, decreasing by 113 hours year-on-year. Among them, the average utilisation hours of thermal power equipment were 1,895 hours, decreasing by 73 hours year-on-year (the average utilisation hours of coal power equipment were 1,998 hours, decreasing by 59 hours year-on-year).

Power transmission across regions and provinces recorded steady growth. In the first half of the year, national power transmission across regions reached 462.1 billion kWh, representing a year-on-year increase of 4.9%, of which power sent out from Northwest region was 212.4 billion kWh, representing a year-on-year increase of 17.2% and accounting for 46.0% of the national power transmission across regions. National power transmission across provinces reached 981.2 billion kWh, representing a year-on-year increase of 2.7%, of which the net power sent out from Inner Mongolia Autonomous Region exceeded 100 billion kWh; and that from Xinjiang Uygur Autonomous Region, Yunnan Province and Shanxi Province all exceeded 60 billion kWh. In the first half of the year, the aggregate trading volume in the national power market reached 3,684.8 billion kWh, representing a year-on-year increase of 24.2%.

4. Outlook for the Second Half of the Year

In 2026, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, China's economic efforts are to adhere to the general principle of pursuing progress while ensuring stability, fully, accurately and comprehensively implement the new development philosophy, accelerate the establishment of a new development paradigm, better coordinate the domestic and international imperatives, coordinate development and security, deepen reform and opening up, accelerate the conversion of old and new growth drivers, effectively implement a more proactive fiscal policy and a moderately accommodative monetary policy, give full play to the effectiveness of existing policies, timely formulate and introduce pragmatic and effective incremental policies, strengthen counter-cyclical adjustments, intensify efforts to expand domestic demand and optimise supply, effectively safeguard and improve people's livelihoods, enhance development momentum and stimulate social vitality, promote the economy's continued development towards new, higher-quality and more positive outcomes, and strive to secure a sound start to the Fifteenth Five-Year Plan.

In respect of the coal industry, it is expected that the impact of international geopolitical conflicts will gradually subside in the second half of the year, while coal demand in China will return to seasonal fluctuations. High temperatures in the third quarter and coal demand from the chemical industry will support coal demand. Safety inspections and regulatory policies on production capacity will continue to be implemented, resulting in relatively limited flexibility in coal supply. Total coal imports for the year are expected to remain at a high level. In general, China's coal market is expected to experience a relatively tight supply-demand balance in the second half of 2026, and coal market prices are expected to fluctuate within a reasonable range with a generally strengthening trend, subject to volatility arising from factors such as the intensity of high temperatures and unexpected incidents.

In respect of the power industry, China's macroeconomy will continue to maintain a development trend towards new and higher-quality growth. According to the estimates of the China Electricity Council, China's national power consumption will increase by 5% to 6% year-on-year in the second half of the year. Newly added installed capacity of power generation for the year is expected to reach 400 GW. The national power supply and demand are expected to remain broadly balanced. In the event of widespread extreme high-temperature weather, power shortages may arise during peak periods in certain regions; however, such shortages can be substantially eliminated through measures including inter-provincial power purchases, mutual assistance across provinces and regions and demand-side response.

(II) Principal Businesses and Operation Model of the Company during the Reporting Period

China Shenhua Energy Company Limited was established in Beijing in November 2004 and was listed on the HKEx and the SSE in June 2005 and October 2007, respectively. The Group is principally engaged in production and sale of coal and electricity, railway, port and shipping transportation, and coal chemical businesses. The integration of coal, power, railway, port, shipping and coal chemicals into one unified operation chain is the Group's unique operation and profitability model.

The Group owns high-quality coal resources located in Shendong Mines, Zhunge'er Mines, Zhundong Mines and Xinjie Mines, etc. As at 30 June 2026, the Group had coal reserves of 101.08 billion tonnes and recoverable coal reserves of 35.77 billion tonnes under the PRC Standard. 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 70,636 MW as at 30 June 2026. 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 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 3.7 million tonnes of deadweight capacity and operates a number of modern coal chemical production facilities, including coal-to-olefins facilities with approximately 1.88 million tonnes/year of production capacity and coal-to-liquids facilities with approximately 1.08 million tonnes/year of production capacity. The Group's technology of coal exploitation and production safety has secured a leading position in the global market, and those of clean coal-fired power generation, heavy-haul railway transportation and modern coal chemicals have secured a leading position in the domestic market.

During the Reporting Period, the Company completed the acquisition of equity interests in the 12 target companies held in aggregate by China Energy and Western Energy. The Group's coal resource and reserves, installed capacity of power generating units, production capacity of coal chemical production facilities and shipping capacity increased substantially, with a significant increase in relevant businesses in terms of products and services. As the Group further consolidated its core advantages of integrated operations and market position, its foundation for development and sources of earnings have become more stable and diversified.

Explanation of significant new non-principal businesses of the Company during the Reporting Period:

☐ Applicable ✓ Not applicable

II. DISCUSSION AND ANALYSIS ON OPERATION RESULTS

During the first half of the year, the Company completed the acquisition of equity interests in the 12 target companies held in aggregate by the controlling shareholder of the Company, China Energy, and its wholly-owned subsidiary, Western Energy and continued to diligently advance asset integration and management integration, with its asset base growing continuously and its profitability improving steadily. Against the backdrop of a complex and challenging internal and external operating environment, by adhering to lean management and focusing on improving quality and efficiency, the Company maintained its comprehensive and steady production safety situation, and continued to realise efficiency of integrated operations, with the operating results for the first half of the year exceeding expectations and outperforming those for the same period of last year.

In the first half of 2026, the Group's revenue amounted to RMB189,338 million (the first half of 2025: RMB175,423 million (restated)), representing a year-on-year increase of 7.9%; profit before income tax amounted to RMB48,028 million (the first half of 2025: RMB46,460 million (restated)), representing a year-on-year increase of 3.4%. The profit for the period attributable to equity holders of the Company was RMB31,054 million (the first half of 2025: RMB30,478 million (restated)), representing a year-on-year increase of 1.9%; and basic earnings per share was RMB1.448 per share (the first half of 2025: RMB1.438 per share (restated)), representing a year-on-year increase of 0.7%.

The status of completion of adjusted 2026 annual business targets of the Group is as follows:

Project	Unit	Targets of 2026 (Adjusted)	**Completion in the first half of 2026**	Percentage of Completion %
Commercial coal production	100 million tonnes	5.134	**2.499**	48.7
Coal sales volume	100 million tonnes	6.181	**3.002**	48.6
Power generation	100 million kWh	2,881	**1,366.4**	47.4
Revenue	RMB100 million	3,600	**1,893.38**	52.6
Cost of sales	RMB100 million	2,625	**1,326.46**	50.5
Total selling expenses, general and administrative expenses, R&D costs and net finance costs	RMB100 million	255	**101.66**	39.9
Change in unit production cost of self-produced coal	/	Year-on-year increase of approximately 4%	**Year-on-year decrease of 2.6%**	/

Note: The 2026 business targets are subject to risks, uncertainties and assumptions. The annual actual outcome may differ materially from the targets. Such statements do not constitute substantial commitments to investors. Investors should be aware that undue reliance on or use of such information may lead to investment risks.

III. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

There was no substantial change in the core competitiveness of the Group during the Reporting Period.

The core competitiveness of the Group mainly includes: (1) the vertically integrated business model covering coal, power, railway, port, shipping and coal chemical operations; (2) high-quality and abundant coal resources; (3) a management team with the dedication to the principal business of the Company and an advanced operation philosophy; (4) leading industrial technologies and technological innovation capabilities in China and overseas in areas including green coal mining, clean coal-fired power generation, heavy-haul railway transportation, smart port operation and development and application of integrated modern coal chemical technology.

IV. MAJOR OPERATION RESULTS DURING THE REPORTING PERIOD

(I) Analysis on Principal Business

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

Unit: RMB million

Item	The first half of 2026	The first half of 2025 (restated)	Change %
Revenue	**189,338**	175,423	7.9
Cost of sales	**(132,646)**	(121,673)	9.0
General and administrative expenses	**(7,063)**	(7,763)	(9.0)
Other gains and losses	**103**	480	(78.5)
Other expenses	**(812)**	(306)	165.4
Interest income	**1,091**	1,414	(22.8)
Finance costs	**(2,723)**	(2,486)	9.5
Share of results of associates	**1,654**	2,268	(27.1)
Net cash generated from operating activities	**54,664**	51,545	6.1
Net cash used in investing activities	**(36,007)**	(31,432)	14.6
Net cash used in financing activities	**(17,296)**	(5,654)	205.9

(1) Reasons for the changes in revenue

The revenue of the Group in the first half of 2026 recorded a year-on-year increase of 7.9%. The main reasons for the increase are:

① Affected by the supply and demand situation of the coal market, sales volume and average selling price of coal of the Group increased by 1.8% and 4.5%, respectively, resulting in a year-on-year increase in the sales revenue of coal.

② Affected by factors including equipment upgrading and modification and production scheduling, the sales volumes of the Group's principal coal chemical products recorded a year-on-year increase, with sales volumes of oil products and ethylene glycol increasing by 387.1% and 29.8%, respectively, resulting in a year-on-year increase in the revenue from the coal chemical business.

③ Affected by factors including the commissioning of new generating units, the Group's power sales volume increased by 5.5% year-on-year, resulting in a year-on-year increase in the revenue from power sales.

④ The major operating indicators of the Group's transportation business all recorded year-on-year increases, resulting in a year-on-year increase in the revenue from transportation business.

Major operating indicators	Unit	The first half of 2026	The first half of 2025 (restated)	Change %
(I) Coal				
1. Commercial coal production	Million tonnes	**249.9**	259.2	(3.6)
2. Coal sales	Million tonnes	**300.2**	294.9	1.8
Of which: Sales of self-produced coal	Million tonnes	**244.3**	252.7	(3.3)
Sales of purchased coal	Million tonnes	**55.9**	42.2	32.5
(II) Transportation				
1. Transportation turnover of self-owned railway	Billion tonne km	**163.2**	152.8	6.8
2. Loading volume at Huanghua Port	Million tonnes	**112.1**	107.6	4.2
3. Loading volume at Tianjin Coal Dock	Million tonnes	**22.4**	21.8	2.8
4. Shipping volume	Million tonnes	**142.0**	128.5	10.5
5. Shipment turnover	Billion tonne nautical miles	**136.5**	125.6	8.7
(III) Power Generation				
1. Gross power generation	Billion kWh	**136.64**	129.42	5.6
2. Total power output dispatch	Billion kWh	**128.08**	121.37	5.5
(IV) Coal chemical				
1. Polyolefin sales volume	Ten thousand tonnes	**107.4**	105.4	1.9
2. Oil products sales volume	Ten thousand tonnes	**49.2**	10.1	387.1
3. Methanol sales volume	Ten thousand tonnes	**36.2**	35.0	3.4
4. Ethylene glycol sales volume	Ten thousand tonnes	**15.7**	12.1	29.8

Note: During the Reporting Period, the Company completed the acquisition of equity interests in 12 target companies held in aggregate by China Energy, the controlling shareholder, and its wholly-owned subsidiary Western Energy. The Group's major operating indicators for 2026 include the relevant data of the newly consolidated assets other than Jinshen Energy. To ensure the comparability of business data, the Group has made retrospective adjustments to the major operating indicators for the comparable period (the same applies hereinafter).

(2) Reasons for the changes in cost of sales

Breakdown of cost items	The first half of 2026 Amount	The first half of 2026 Percentage	The first half of 2025 (restated) Amount	The first half of 2025 (restated) Percentage	Change of the amount
	RMB million	%	RMB million	%	%
Cost of purchased coal	22,367	16.8	16,986	14.0	31.7
Raw materials, fuel and power	21,241	16.0	18,676	15.3	13.7
Personnel expenses	19,465	14.7	21,908	18.0	(11.2)
Repair and maintenance	4,989	3.8	5,805	4.8	(14.1)
Depreciation and amortisation	14,667	11.1	14,330	11.8	2.4
Transportation charges	11,985	9.0	9,554	7.9	25.4
Tax and surcharges	13,033	9.8	11,248	9.2	15.9
Others	24,899	18.8	23,166	19.0	7.5
Total cost of sales	132,646	100.0	121,673	100.0	9.0

In the first half of 2026, the Group's cost of sales represented a year-on-year increase of 9.0%, of which:

① The main reason for the year-on-year increase in the cost of purchased coal: the increase in sales volume 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 and the increase in coal purchase price led to an increase in the cost of coal purchase; and the corresponding year-on-year increase in raw materials, fuel and power costs resulting from the increase in sales volume of coal chemical products.

③ The main reason for the year-on-year increase in transportation charges: the increase in vessel leasing fees, external railway transportation charges and others.

④ The main reason for the year-on-year increase in tax and surcharges: the increase in consumption tax resulting from the increase in sales volume of oil products, as well as the increase in resource tax.

(3) Other items of the income statement

① The main reason for the year-on-year decrease in general and administrative expenses: the decrease in labour costs.

② Other gains and losses amounted to a net gain in aggregate. The year-on-year decrease was primarily attributable to a higher investment income generated from the disposal of subsidiaries in the corresponding period of the previous year.

③ The main reason for the year-on-year increase in other expenses: the increase in late payment surcharges and other expenses of the Group.

④ The main reason for the year-on-year decrease in interest income: the decrease in the Group's deposit balance.

⑤ The main reason for the year-on-year increase in finance costs: as affected by exchange rate fluctuations, the Group's foreign exchange losses increased.

⑥ The main reason for the year-on-year decrease in the share of results of associates: the decrease in the Company's investment income from associates.

(4) Items of the cash flow statement

The Group formulated capital management policies that aimed to achieve maximised interests for the shareholders and maintained a sound capital structure while reducing the costs of capital under the premise of safeguarding the operation on an on-going basis and capital expenditure, and conducted investment activities in accordance with the policy of the Company.

① Net cash generated from operating activities: net cash inflow of RMB54,664 million in the first half of 2026 (net cash inflow in the first half of 2025 of RMB51,545 million (restated)), representing a year-on-year increase of 6.1%. It was mainly due to a year-on-year increase in the Group's income from coal, coal chemical, transportation and other operations.

② Net cash used in investing activities: net cash outflow in the first half of 2026 was RMB36,007 million, primarily used for the acquisition and construction of fixed assets, intangible assets and other long-term assets, as well as the purchase of structured deposit products, representing an increase of 14.6% compared with the net outflow in the first half of 2025: RMB31,432 million (restated), which was mainly due to the Company's purchase of the structured deposit products and increase in capital investment in associates.

③ Net cash used in financing activities: net cash outflow of RMB17,296 million in the first half of 2026, representing an increase of 205.9% as compared with the net outflow of RMB5,654 million in the first half of 2025 (restated), which was primarily due to payment of the cash consideration for the acquisition of the equity interests in the relevant target companies held by the controlling shareholder of the Company, China Energy, and its wholly-owned subsidiary, Western Energy.

(5) Research and development costs

Expensed research and development expenditure in the period *(RMB million)*	1,010
Capitalised research and development expenditure in the period *(RMB million)*	560
Total research and development expenditure *(RMB million)*	1,570
Ratio of capitalised research and development expenditure *(%)*	35.7
Percentage of total research and development expenditure to revenue *(%)*	0.8
Number of research and development personnel in the Company *(number of persons)*	6,245
Ratio of research and development personnel to the total number of persons in the Company *(%)*	5.0

In the first half of 2026, the research and development expenditure of the Group amounted to RMB1,570 million (the first half of 2025: RMB1,685 million (restated)), representing a year-on-year decrease of 6.8%. During the Reporting Period, the Group's research and development expenditure was primarily used for the research and development of technological innovation projects across various industries, including safe, efficient and intelligent coal mining, the clean and comprehensive utilisation of coal, mixed ammonia combustion in coal-fired boilers, operation control system of heavy-haul train group, technology development and application in coal chemical industry, among others. During the Reporting Period, the Group was granted 726 new patents, of which 381 were invention patents.

2. Explanation on Material Changes in the Business Type, Composition of Profit or Source of Profit of the Company

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 dealings among the segments. In the first half of 2026, the percentages of profit before income tax (before elimination on consolidation) of coal, power, transportation and coal chemical segments of the Group were 61%, 13%, 21% and 5%, respectively (the first half of 2025: 67%, 14%, 20% and -1% (restated)).

During the Reporting Period, there was no material change in the type of business, profit composition or source of profit of the Company.

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

☐ Applicable ✓ Not applicable

(III) Analysis on Assets and Liabilities

1. Analysis on Changes in the Major Items in the Consolidated Statement of Financial Position

Item	As at 30 June 2026		As at 31 December 2025 (restated)			
	Amount	Percentage of total assets	Amount	Percentage of total assets	Change of the amount	Main reasons for changes
	RMB million	*%*	*RMB million*	*%*	*%*	
Construction in progress	52,319	5.6	48,730	5.3	7.4	Continued investment in coal chemical, power generation and coal projects under construction
Right-of-use assets	41,352	4.4	39,787	4.4	3.9	Increase in the land use rights
Interests in associates	83,198	8.9	71,633	7.9	16.1	Increase in the investment in associates, such as the Finance Company and Jinshen Energy and recognition of investment income from associates
Financial assets at fair value through profit or loss	6,701	0.7	0	0.0	/	The Company's purchase of structured deposit products
Financial assets at fair value through other comprehensive income	1,063	0.1	2,010	0.2	(47.1)	Decrease in notes receivable scheduled for discounting or endorsement
Inventories	17,810	1.9	15,280	1.7	16.6	Increase in coal inventories
Prepaid expenses and other current assets	22,603	2.4	28,240	3.1	(20.0)	Decrease in deposits, security deposits, prepaid income tax, etc.
Restricted bank deposits	18,197	2.0	20,077	2.2	(9.4)	Decrease in the balance of the special account for the mine geological environment treatment and restoration fund

Item	As at 30 June 2026 Amount RMB million	As at 30 June 2026 Percentage of total assets %	As at 31 December 2025 (restated) Amount RMB million	As at 31 December 2025 (restated) Percentage of total assets %	Change of the amount %	Main reasons for changes
Time deposits with original maturity over three months	65,722	7.1	70,449	7.7	(6.7)	The decrease in time deposits
Short-term borrowings	82,705	8.9	29,624	3.2	179.2	The increase in the loans for mergers and acquisitions
Accounts and bills payables	53,484	5.8	60,091	6.6	(11.0)	The decrease in payables for materials purchases and payables for construction; discharge of certain bills payables upon maturity
Accrued expenses and other payables	83,953	9.0	57,044	6.3	47.2	Mainly represented the final dividend for 2025 payable by the Company as at the end of the Reporting Period
Current portion of long-term liabilities	9,928	1.1	13,205	1.4	(24.8)	Certain amounts included in the current portion of long-term liabilities were repaid upon maturity
Contract liabilities	8,502	0.9	6,174	0.7	37.7	Increase in advance receipts from coal sales proceeds
Long-term liabilities	28,188	3.0	30,862	3.4	(8.7)	Long-term payables for mining rights for certain coal subsidiaries and branches of the Group
Share capital	21,689	2.3	19,869	2.2	9.2	Change in the share capital of the Company resulting from the completion of the acquisition of assets by way of issuance of shares and payment in cash, and the raising of supporting funds

2. Explanation on Offshore Assets

As at 30 June 2026, the total offshore assets of the Group amounted to RMB27,316 million, representing 2.9% of total assets, which were mainly composed of the power generation assets in Indonesia and the equity interests in overseas enterprises held by the Group.

3. Restrictions on Main Assets as at the End of the Reporting Period

None of the Group's main assets are subject to judicial seizure or freezing orders.

As at 30 June 2026, the balance of the restricted assets of the Group was RMB19,941 million. Of these, the fund in the bank deposit of the Group subject to restrictions amounted to RMB18,197 million, mainly comprising the mine geological environment governance 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 RMB1,744 million, mainly consisting of fixed assets of RMB1,147 million acquired through finance leases and RMB597 million of bills receivable that had been endorsed and discounted but had not yet matured.

(IV) Operation Results by Business Segment

1. Coal Segment

(1) Production, operation and construction

In the first half of 2026, the Group's coal segment continued to strengthen and rigorously implement its accountability for production safety, and further advanced the identification, investigation and rectification of risks and potential hazards, maintaining a generally stable situation in safe coal production. The Group also continuously optimised the organisation of coal mine production and made scientific and coordinated arrangements for the continuity of mining, excavation and overburden stripping operations, thereby ensuring stable and high production of self-produced coal. The Group's commercial coal production was 249.9 million tonnes (the first half of 2025: 259.2 million tonnes (restated)), representing a year-on-year decrease of 3.6%. The total tunnelling length of the Group's underground mines was 282,000 metres (the first half of 2025: 277,000 metres (restated)).

Key coal mine construction projects progressed in an orderly manner. As at the end of the Reporting Period, a cumulative total of 5,541 metres of shaft lining had been completed for the eight shafts of Xinjie No. 1 Mine and No. 2 Mine (新街一井二井), representing 80% of the overall physical progress. Excavation of the northern main roadway of the Tarangaole Mine (塔然高勒礦井) exceeded 50%. After the shaft construction at the Boligou Coal Mine (玻璃溝煤礦) was completed, the shaft-bottom hub and main trunk roadways were under comprehensive construction and the shaft-bottom yard and chambers had achieved progress of more than 80%. The mine construction works and ground production system of the Hongshaquan No. 2 Open-pit Mine (紅沙泉二號露天礦) had been completed, and construction of ancillary facilities, including the machinery repair area, is currently being advanced as a priority.

The Group continued to advance the development of intelligent and green mines, and to consolidate the achievements of green mining area development, with a significant increase in the number of national-level green mines. As at the end of the Reporting Period, the Group had established 22 national-level green mines and 19 provincial-level green mines, which in aggregate accounted for 85.4% of the Group's 48 coal mines in operation. Adhering to innovation-driven development, the Group further enhanced the intelligent development of its mines. For underground mines, the Group continuously carried out the construction of unmanned and minimally-manned intelligent coal mining working faces, and promoted a standardised intelligent rapid excavation operational model; for open-pit mines, focusing on autonomous transportation, the Group continuously advanced the large-scale application of unmanned mining trucks in coordination with the development of intelligent dispatch systems; and for the coal washing and loading processes, the application of intelligent unmanned loading systems was promoted.

(2) Sales of coal

The coal sold by the Group is primarily produced from its self-owned coal mines, including self-produced thermal coal and self-produced coking coal. 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, including externally purchased thermal coal and externally purchased coking coal. The Group implemented specialised division management. In particular, production enterprises are responsible for production of coal, transportation enterprises of the Company are mainly responsible for transportation of coal, and sales subsidiaries of the Company are mainly responsible for sales of coal. The Group's coal products are principally supplied to the domestic power, chemical, metallurgical and other industries, accounting for 68%, 13%, 6% and 13%, respectively.

In the first half of 2026, the Group proactively responded to changes in supply and demand in the coal market by establishing a full-chain collaborative support system, expanding the deployment of coal transportation channels, revitalizing surplus production capacity in regions such as Xinjiang, and advancing the seaborne transportation business for Xinjiang coal and eastern Inner Mongolia coal to further develop and strengthen the purchase and sale of Mongolian coking coal, thereby ensuring a stable supply of self-produced coal and increasing the volume and revenue of purchased coal. The coal sales volume of the Group reached 300.2 million tonnes (the first half of 2025: 294.9 million tonnes (restated)), representing a year-on-year increase of 1.8%, among which, the sales volume of purchased coal was 55.9 million tonnes (the first half of 2025: 42.2 million tonnes (restated)), representing a year-on-year increase of 32.5%. The sales volume for the top five domestic coal customers was 123.3 million tonnes, accounting for 41.3% of the domestic sales volume. In particular, the coal sold to China Energy Group, the largest customer, was 89.5 million tonnes, representing 30.0% of the domestic sales volume. The top five domestic coal customers primarily consist of the power companies.

In the first half of 2026, the average coal sales price of the Group was RMB441/tonne (exclusive of tax, same below), representing an increase of 4.5% compared to RMB422/tonne in the first half of 2025 (restated).

The coal sales of the Group are set out below:

① By types of sources of coal and pricing mechanism

	The first half of 2026			The first half of 2025 (restated)			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. Self-produced thermal coal	239.2	79.7	397	247.8	84.0	397	(3.5)	(0.0)
1. Medium- and long-term thermal coal	206.9	68.9	366	205.3	69.6	361	0.8	1.4
2. Others	32.3	10.8	595	42.5	14.4	570	(24.0)	4.4
II. Self-produced coking coal	5.1	1.7	739	4.9	1.7	621	4.1	19.0
1. Clean coal	2.1	0.7	1,104	1.9	0.7	895	10.5	23.4
2. Raw coal	3.0	1.0	478	3.0	1.0	444	0.0	7.7
III. Purchased coal	55.9	18.6	600	42.2	14.3	550	32.5	9.1
Total sales volume/ average price (exclusive of tax)	300.2	100.0	441	294.9	100.0	422	1.8	4.5

② By internal and external customers

	The first half of 2026			The first half of 2025 (restated)			Change	
	Sales volume *Million tonnes*	Percentage to total sales volume *%*	Price (exclusive of tax) *RMB/tonne*	Sales volume *Million tonnes*	Percentage to total sales volume *%*	Price (exclusive of tax) *RMB/tonne*	Sales volume *%*	Price (exclusive of tax) *%*
1. Sales to external customers	**245.1**	**81.6**	**447**	245.8	83.3	424	(0.3)	5.4
2. Sales to internal power segment	**48.9**	**16.3**	**423**	42.1	14.3	421	16.2	0.5
3. Sales to internal coal chemical segment	**6.2**	**2.1**	**340**	7.0	2.4	358	(11.4)	(5.0)
Total sales volume/ average price (exclusive of tax)	**300.2**	**100.0**	**441**	294.9	100.0	422	1.8	4.5

③ By sales regions

	The first half of 2026			The first half of 2025 (restated)			Change	
	Sales volume *Million tonnes*	Percentage to total sales volume *%*	Price (exclusive of tax) *RMB/tonne*	Sales volume *Million tonnes*	Percentage to total sales volume *%*	Price (exclusive of tax) *RMB/tonne*	Sales volume *%*	Price (exclusive of tax) *%*
1. Domestic sales	**298.6**	**99.5**	**440**	292.7	99.3	421	2.0	4.5
Of which: imported coal	**8.4**	**2.8**	**578**	2.9	1.0	592	189.7	(2.4)
2. Export and overseas sales	**1.6**	**0.5**	**496**	2.2	0.7	608	(27.3)	(18.4)
Total sales volume/ average price (exclusive of tax)	**300.2**	**100.0**	**441**	294.9	100.0	422	1.8	4.5

(3) Coal resources

On 30 June 2026, under the PRC standard, the Group had coal reserves amounting to 101.08 billion tonnes, representing an increase of 59.67 billion tonnes as compared to the end of 2025, and recoverable coal reserves amounting to 35.77 billion tonnes, representing an increase of 18.46 billion tonnes as compared to the end of 2025. The Group's marketable coal reserves amounted to 22.59 billion tonnes under the JORC standard, representing an increase of 11.46 billion tonnes as compared to the end of 2025.

In the first half of 2026, the Company completed the acquisition of equity interests in 12 target companies held by its controlling shareholder, China Energy, and its wholly-owned subsidiary, Western Energy (the "Transaction"), with 12 additional mining areas which specifically include: Yushen Mines in Shaanxi, Hequ-Baode – Piantouguan Mines in Shanxi, Wuda Mines, Haibowan Mines, Pingzhuang Mines and Hesigewula Mines in the Inner Mongolia Autonomous Region, Baoqing Mines in Heilongjiang, and Turpan-Hami Mines, Yili-Nilek Mines, Zhundong Mines, Southern Zhunge'er Mines and Wudong Mines in the Xinjiang Uygur Autonomous Region. Meanwhile, the Group implemented categorisation, optimisation and integration for the existing nine mining areas in light of the needs for coordinated management of geographical locations, mining rights and reserves, whereby these mining areas were consolidated into six mining areas: the original Baorixile Mines, Dayan Mines and East Yimin River Mines were integrated to establish Yanbao Mines; the original Baotou Mines were incorporated into Shendong Mines, and Baotou Mines ceased to be separately designated as a mining area; Baode Coal Mine of the original Shendong Mines was incorporated into the newly established Hequ-Baode–Piantouguan Mines; the original Xinjie Taigemiao Mining Area was renamed as Xinjie Mines; and the original Shendong Mines, Zhunge'er Mines, Shengli Mines and Tarangaole Mines retained their existing names. Concurrently, Sandaogou Coal Mine and Chahasu Coal Mine newly added pursuant to the Transaction were incorporated into Shendong Mines, Boligou Coal Mine and Heidaigou Mine Field were incorporated into Zhunge'er Mines, and Baiyinhua No. 1 Open-pit Mine was incorporated into Shengli Mines; accordingly, the resources and reserves of Shendong Mines, Zhunge'er Mines and Shengli Mines increased correspondingly as compared with the end of 2025. The above classification adjustments to the original mining areas do not affect the aggregate amount of the Group's original coal resources and reserves or the related statistical methodology; the increase in the Group's coal resources and reserves as compared with the end of 2025 was mainly attributable to the Transaction as well as the impact of mining, exploration and revaluation during the Reporting Period.

In the first half of 2026, 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 RMB0.05 billion (first half of 2025: RMB0.54 billion), which mainly consisted of the exploration expenses of Xinjie Mines; the Group's relevant capital expenditure of coal mine development and mining amounted to RMB3.21 billion (first half of 2025: RMB1.49 billion), which mainly consisted of construction works of various mines, acquisition of land use rights and other expenditures.

Unit: 100 million tonnes

No.	Mines	Coal reserve (under the PRC standard)	Recoverable reserve (under the PRC standard)	Proved reserve (under the PRC standard)	Trusted reserve (under the PRC standard)	Marketable coal reserve (under the JORC standard)
1	Shendong Mines	172.9	98.6	20.5	38.3	69.9
2	Zhunge'er Mines	50.8	30.9	9.9	9.8	25.2
3	Shengli Mines	29.0	15.3	5.6	6.1	4.9
4	Yanbao Mines	75.4	17.2	4.7	9.4	7.7
5	Xinjie Mines	145.0	14.0	6.2	4.5	9.4
6	Tarangaole Mines	20.5	14.2	5.0	3.0	6.5
7	Yushen Mines	36.4	9.9	3.3	5.1	4.4
8	Hequ-Baode – Piantouguan Mines	35.4	11.3	6.6	3.4	6.0
9	Wuda Mines	1.6	1.1	0.5	0.2	0.4
10	Haibowan Mines	8.6	3.3	0.9	1.4	1.2
11	Pingzhuang Mines	2.8	1.4	1.1	0.1	1.3
12	Hesigewula Mines	9.7	5.1	3.5	0.0	5.1
13	Baoqing Mines	8.3	7.4	1.5	1.9	4.6
14	Turpan-Hami Mines	87.0	23.4	7.5	5.4	19.0
15	Yili-Nilek Mines	21.8	0.0	0.0	0.0	0.0
16	Zhundong Mines	283.4	95.0	18.6	33.6	57.5
17	Southern Zhunge'er Mines	10.2	2.0	1.3	0.5	0.9
18	Wudong Mines	12.0	7.6	3.2	2.9	1.9
	Total	**1,010.8**	**357.7**	**99.9**	**125.6**	**225.9**

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

Characteristics of the Group's thermal coal mines in operation by quality are as follows:

No.	Mines	Major types of coal	Calorific value of major commercial coal product *kcal/kg*	Sulphur content *%*	Ash content *%*
1	Shendong Mines	Long flame coal, non-caking coal	5,100-6,200	0.1-0.2	4.3-15.8
2	Zhunge'er Mines	Long flame coal, non-caking coal	3,400-5,200	0.3-0.6	18.0-40.0
3	Shengli Mines	Lignite	2,900-3,300	1.0-2.0	14.0-30.0
4	Yanbao Mines	Lignite	2,490-3,640	0.2-1.1	4.8-56.4
5	Yushen Mines	Long flame coal	5,900-6,200	0.3-0.6	<12.0
6	Hequ-Baode – Piantouguan Mines	Long flame coal	3,200-4,300	0.5-0.8	31.9-38.3
7	Pingzhuang Mines	Lignite	3,300-3,500	1.2-1.5	26.0-30.0
8	Hesigewula Mines	Lignite	3,100-3,300	1.2-1.5	26.0-30.0
9	Baoqing Mines	Lignite	1,800-2,200	0.1-0.3	25.1-30.2
10	Turpan-Hami Mines	Lignite	3,200-4,100	0.4-0.8	8.2-33.5
11	Zhundong Mines	Non-caking coal	3,990-7,340	0.03-1.9	3.3-40.1
12	Southern Zhunge'er Mines	Non-caking coal	5,560-6,740	0.1-0.9	4.1-31.6
13	Wudong Mines	Weakly Caking Coal, Long flame coal	5,390-7,300	0.7-3.8	8.2-33.8

Characteristics of the Group's coking coal mines in operation by quality are as follows:

No.	Mines	Major types of coal	Volatile Dry Ash Free *Vdaf*	Bond index *G*	Bond index *Y*	Sulphur content *%*	Ash content *%*
1	Haibowan Mines	Fat coal, coking coal, 1/3 coking coal	26-30	77-97	15-24	0.7-1.6	10.6-12.6
2	Wuda Mines	Fat coal, coking coal, 1/3 coking coal	27	96	24	1.8	12.2

(4) Operating results

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

		First half of 2026	First half of 2025 (restated)	Change %	Main reasons for changes
Revenue	RMB million	**135,570**	127,814	6.1	Increase in sales volume and average sales price of coal
Cost of sales	RMB million	**(100,677)**	(92,513)	8.8	Increase in sales volume and purchase price of purchased coal
Gross profit margin	%	**25.7**	27.6	Decreased by 1.9 percentage points	
Profit before tax	RMB million	**28,918**	29,357	(1.5)	

② The cost of sales of the coal segment of the Group before elimination on consolidation

	First half of 2026		First half of 2025 (restated)		Change in costs
	Cost	Percentage	Cost	Percentage	
	RMB million	*%*	*RMB million*	*%*	*%*
Cost of purchased coal	22,367	22.2	16,986	18.4	31.7
Raw materials, fuel and power	4,632	4.6	5,493	5.9	(15.7)
Personnel expenses	10,794	10.7	11,966	12.9	(9.8)
Repair and maintenance	1,462	1.5	1,657	1.8	(11.8)
Depreciation and amortisation	5,203	5.2	5,066	5.5	2.7
Transportation fees	26,889	26.7	24,560	26.5	9.5
Taxes and surcharges	10,959	10.9	9,976	10.8	9.9
Other costs	18,371	18.2	16,809	18.2	9.3
Total cost of sales	**100,677**	**100.0**	92,513	100.0	8.8

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

	First half of 2026				First half of 2025 (restated)			
	Sales revenue	Sales cost	Gross profit	Gross profit margin	Sales revenue	Sales cost	Gross profit	Gross profit margin
	RMB million	*RMB million*	*RMB million*	*%*	*RMB million*	*RMB million*	*RMB million*	*%*
Domestic	131,506	86,667	44,839	34.1	123,171	78,748	44,423	36.1
Export and overseas	805	796	9	1.1	1,320	1,305	15	1.1
Total	**132,311**	**87,463**	**44,848**	**33.9**	124,491	80,053	44,438	35.7

④ The gross profit from sales of coal products of the Group by types of coal source before elimination on consolidation

Types of coal source	First half of 2026 Sales revenue *RMB million*	First half of 2026 Sales cost *RMB million*	First half of 2026 Gross profit *RMB million*	First half of 2026 Gross profit margin *%*	First half of 2025 (restated) Sales revenue *RMB million*	First half of 2025 (restated) Sales cost *RMB million*	First half of 2025 (restated) Gross profit *RMB million*	First half of 2025 (restated) Gross profit margin *%*
Self-produced coal	**98,776**	**55,637**	**43,139**	**43.7**	101,253	57,230	44,023	43.5
Purchased coal	**33,535**	**31,826**	**1,709**	**5.1**	23,238	22,823	415	1.8
Total	**132,311**	**87,463**	**44,848**	**33.9**	124,491	80,053	44,438	35.7

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

⑤ Unit production cost of self-produced coal

Unit: RMB/tonne

	First half of 2026	First half of 2025 (restated)	Changes *%*	Main reasons for changes
Unit production cost of self-produced coal	**147.4**	151.4	(2.6)	
Raw materials, fuel and power	**18.5**	21.5	(14.0)	Decrease in expenses for power, materials and others
Personnel expenses	**43.2**	46.2	(6.5)	
Repair and maintenance	**5.8**	6.4	(9.4)	Affected by the overhaul plan
Depreciation and amortisation	**21.4**	20.3	5.4	
Other costs	**58.5**	57.0	2.6	

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 76%; (2) auxiliary production expenses, accounting for 14%; and (3) land requisition and surface subsidence compensation, environmental protection expenses, tax, etc., accounting for 10%.

2. Power Segment

(1) Production and operation

In the first half of 2026, the Group strengthened the operational management of generating units, strictly controlled unplanned outage and fully leveraged the role of coal power in supporting peak power generation, achieving sustainable and stable supply of electricity and heat. The Group adhered to the operation strategy of coordinating sales volume and selling price by closely monitoring supply-demand relationship in the power market and price trends of electricity to seize the favourable window period in the market in maximizing efficiency of power generation. The Group achieved a power generation of 136.64 billion kWh in the first half of the year (first half of 2025: 129.42 billion kWh (restated)), representing a year-on-year increase of 5.6%; the Group achieved a total power output dispatch of 128.08 billion kWh (first half of 2025: 121.37 billion kWh (restated)), representing a year-on-year increase of 5.5%, with the power in market-based transactions of 125.9 billion kWh that accounts for 98.3% of the total power output dispatch.

The Group deepened transformation and upgrading of coal-fired power, and fully pushed forward the efforts of increasing optimisation through incremental development and increasing efficiency from existing resources. The Group has been actively ensuring effective results of capacity tariffs policy. In the first half of the year, the Group generated revenue from capacity tariffs of RMB5.20 billion (inclusive of tax), representing an average acquisition rate of 98.6% for capacity tariffs. The Group has been exploring the possibility of enhancing flexibility and adaptability of existing coal-fired units, so that they can play an active role in the market of ancillary services in the areas of peak shaving and frequency modulation. In the first half of the year, the Group realised revenue from ancillary services of RMB360 million (inclusive of tax). The Group accelerated the low-carbon transformation of coal-fired power mainly by the "linkage of the three power industry reforms (三改聯動)". The standard coal consumption for power supply of the Group's domestic coal-fired generating units (excluding coal gangue) in the first half of the year was 297 g/kWh.

The Group made great efforts in the development of new energy business and realised two-way empowerment between industries and capital. The Group continued to promote development and construction of wind power and photovoltaic power projects. At the end of the Reporting Period, the installed capacity of the Group's new energy power generating units in external commercial operations increased to 2,712 MW. The Group actively played its role as a platform for industry funds. 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, have been operating smoothly, with the cumulative recovered principal and gains of RMB804 million and RMB546 million, respectively.

(2) Power output dispatch and price of electricity sold

Power type/ operation location	Gross power generation (billion kWh) First half of 2026	First half of 2025 (restated)	Changes %	Total power output dispatch (billion kWh) First half of 2026	First half of 2025 (restated)	Changes %	Price of electricity sold (RMB/MWh) First half of 2026	First half of 2025 (restated)	Changes %
(I) Coal-fired power	**132.35**	125.02	5.9	**123.87**	117.06	5.8	**367**	368	(0.3)
Guangdong	**27.11**	18.36	47.7	**25.62**	17.32	47.9	**381**	348	9.5
Shaanxi	**18.97**	20.74	(8.5)	**17.50**	19.11	(8.4)	**308**	317	(2.8)
Fujian	**12.37**	10.47	18.1	**11.79**	10.01	17.8	**374**	390	(4.1)
Hebei	**12.30**	12.17	1.1	**11.60**	11.44	1.4	**393**	402	(2.2)
Inner Mongolia	**10.58**	11.40	(7.2)	**9.66**	10.47	(7.7)	**326**	343	(5.0)
Shanxi	**7.94**	8.58	(7.5)	**7.36**	7.97	(7.7)	**320**	338	(5.3)
Jiangxi	**7.90**	5.49	43.9	**7.47**	5.21	43.4	**391**	408	(4.2)
Sichuan	**7.68**	6.86	12.0	**7.27**	6.50	11.8	**380**	416	(8.7)
Xinjiang	**5.53**	5.75	(3.8)	**5.14**	5.35	(3.9)	**265**	274	(3.3)
Guangxi	**4.85**	3.26	48.8	**4.57**	3.10	47.4	**420**	377	11.4
Hunan	**4.54**	6.06	(25.1)	**4.33**	5.81	(25.5)	**452**	472	(4.2)
Shandong	**3.13**	3.69	(15.2)	**2.89**	3.46	(16.5)	**442**	406	8.9
Chongqing	**2.96**	5.44	(45.6)	**2.82**	5.19	(45.7)	**446**	413	8.0
Heilongjiang	**1.99**	1.92	3.6	**1.83**	1.77	3.4	**379**	384	(1.3)
Tianjin	**1.96**	2.10	(6.7)	**1.73**	1.87	(7.5)	**406**	404	0.5
Henan	**1.84**	2.02	(8.9)	**1.69**	1.87	(9.6)	**400**	403	(0.7)
Indonesia (overseas)	**0.70**	0.71	(1.4)	**0.60**	0.61	(1.6)	**510**	483	5.6
(II) Gas-fired power	**2.27**	2.93	(22.5)	**2.22**	2.87	(22.6)	**650**	587	10.7
Beijing	**1.52**	1.89	(19.6)	**1.49**	1.85	(19.5)	**575**	557	3.2
Guangdong	**0.74**	1.04	(28.8)	**0.72**	1.02	(29.4)	**807**	641	25.9
Inner Mongolia	**0.01**	0.00	/	**0.01**	0.00	/	**418**	442	(5.4)
(III) Wind power	**0.97**	0.55	76.4	**0.95**	0.54	75.9	**231**	222	4.1
Xinjiang	**0.75**	0.55	36.4	**0.73**	0.54	35.2	**225**	222	1.4
Shaanxi	**0.18**	/	/	**0.18**	/	/	**283**	/	/
Inner Mongolia	**0.04**	/	/	**0.04**	/	/	**93**	/	/
(IV) Photovoltaic power	**0.88**	0.75	17.3	**0.87**	0.74	17.6	**279**	288	(3.1)
Xinjiang	**0.19**	0.15	26.7	**0.19**	0.15	26.7	**208**	189	10.1
Shaanxi	**0.14**	0.10	40.0	**0.14**	0.09	55.6	**215**	279	(22.9)
Fujian	**0.13**	0.13	0.0	**0.13**	0.13	0.0	**381**	386	(1.3)
Guangdong	**0.12**	0.10	20.0	**0.12**	0.10	20.0	**444**	429	3.5
Inner Mongolia	**0.12**	0.13	(7.7)	**0.12**	0.13	(7.7)	**146**	149	(2.0)
Jiangxi	**0.09**	0.08	12.5	**0.08**	0.08	0.0	**315**	344	(8.4)
Shandong	**0.05**	0.04	25.0	**0.05**	0.04	25.0	**289**	335	(13.7)
Others (Tianjin, Hebei, Henan, Heilongjiang, Sichuan)	**0.04**	0.02	100.0	**0.04**	0.02	100.0	**304**	324	(6.2)
(V) Hydropower	**0.17**	0.17	0.0	**0.17**	0.16	6.3	**263**	269	(2.2)
Sichuan	**0.17**	0.17	0.0	**0.17**	0.16	6.3	**263**	269	(2.2)
Total	**136.64**	129.42	5.6	**128.08**	121.37	5.5	**370**	372	(0.5)

(3) Installed capacity

At the end of the Reporting Period, the total installed capacity of the Group's external commercial operation of power generating units was 70,636 MW, of which the total installed capacity of coal-fired power generating units was 65,638 MW, accounting for 92.9% of the total installed capacity of the Group. During the Reporting Period, the installed capacity of the Group's power generating units increased by 17,960 MW. In particular, the Company completed the acquisition of equity interests in relevant assets held by its controlling shareholder, China Energy, and its wholly-owned subsidiary, Western Energy. The installed capacity of power generating units at the end of the Reporting Period increased by 15,640 MW accordingly. Commencement of operation of a number of new units brought about an increase of 2,320 MW in installed capacity of power generating units.

Unit: MW

Power type	Total installed capacity as at 31 December 2025	Installed capacity increased during the Reporting Period	**Total installed capacity as at 30 June 2026**
Coal-fired power	49,384	16,254	**65,638**
Gas-fired power	2,194	14	**2,208**
Wind power	–	1,374	**1,374**
Photovoltaic power	1,020	318	**1,338**
Hydropower	78	–	**78**
Total	52,676	17,960	**70,636**

(4) *Utilisation rate of power generation equipment*

In the first half of 2026, the average utilisation hours of the Group's coal-fired generating units were 2,058 hours, representing a decrease of 96 hours as compared with 2,154 hours (restated) in the same period of last year, and 60 hours higher than the average utilisation hours of coal-fired power generation equipment of 6,000 kW and above, which were 1,998 hours[1] in the PRC.

Power type	Average utilisation hours *(Hours)*			Power consumption ratio of power plant *(%)*		
	First half of 2026	First half of 2025 (restated)	Changes %	**First half of 2026**	First half of 2025 (restated)	Changes
Coal-fired power	**2,058**	2,154	(4.5)	**5.32**	5.11	Increased by 0.21 percentage point
Gas-fired power	**1,030**	1,331	(22.6)	**1.69**	1.77	Decreased by 0.08 percentage point
Wind power	**711**	540	31.7	**0.82**	0.58	Increased by 0.24 percentage point
Photovoltaic power	**666**	687	(3.1)	**0.68**	0.59	Increased by 0.09 percentage point
Hydropower	**2,225**	2,049	8.6	**0.40**	0.44	Decreased by 0.04 percentage point
Weighted average	**1,973**	2,073	(4.8)	**5.18**	5.14	Increased by 0.04 percentage point

1 Source: China Electricity Council

(5) Capital expenditure

In the first half of 2026, the total capital expenditure of the power generation segment was RMB11,654 million, mainly for the following projects:

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 Qingyuan Power Plant Phase II Expansion Project (2×1,000MW)	797	91	Put into operation
2	Hebei Cangdong Power Plant Phase III Expansion Project (2×660MW)	1,538	73	Partially put into operation
3	Hebei Dingzhou Power Plant Phase III Expansion and Thermal Power Project (2×660MW)	2,599	67	Partially put into operation
4	Xinjiang Bortala Thermal Power Project (2×660MW)	2,326	63	Under construction
5	Dagang Power Station Equal-capacity Replacement Project (2×660MW)	1,106	55	Under construction
6	Chongqing Wanzhou Power Plant Phase II Expansion Project (2×1,000MW)	72	23	Under construction
7	Yushen Qingshui Thermal Power Project (2×660MW)	288	11	Under construction
8	Hami Dananhu Power Plant Phase II Expansion Project (2×660MW)	62	2	Under construction

(6) Operation results

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

		The first half of 2026	The first half of 2025 *(restated)*	Change *%*	Main reasons for changes
Revenue	RMB million	**52,506**	50,231	4.5	Year-on-year increase in power output dispatch
Cost of sales	RMB million	**(45,129)**	(42,825)	5.4	Year-on-year increase in power output dispatch
Gross profit margin	%	**14.0**	14.7	Decreased by 0.7 percentage point	
Profit before income tax	RMB million	**6,101**	6,354	(4.0)	

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

Unit: RMB million

	Revenue from power sales (including heat sales)			Cost of power sales (including heat sales)				
Power type	The first half of 2026	The first half of 2025 (restated)	Change	The first half of 2026	Percentage of total cost of electricity sold in the first half of 2026	The first half of 2025 (restated)	Percentage of total cost of electricity sold in the first half of 2025 (restated)	Change in the first half of 2026 compared to the first half of 2025
			%		%		%	%
Coal-fired power	47,409	44,989	5.4	40,907	95.9	38,453	95.1	6.4
Gas-fired power	1,559	1,821	(14.4)	1,444	3.4	1,768	4.4	(18.3)
Wind power	218	119	83.2	141	0.3	92	0.2	53.3
Photovoltaic power	243	215	13.0	138	0.3	93	0.2	48.4
Hydropower	45	44	2.3	43	0.1	48	0.1	(10.4)
Total	49,474	47,188	4.8	42,673	100.0	40,454	100.0	5.5

The Group's cost of power sales (including heat 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 the first half of 2026 was RMB333.2/MWh (the first half of 2025: RMB333.3/MWh, restated).

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

	The first half of 2026		The first half of 2025 (restated)		Change in cost
	Costs	Percentage	Costs	Percentage	
	RMB million	*%*	*RMB million*	*%*	*%*
Raw material, fuel and power	29,547	72.2	26,837	69.8	10.1
Personnel expenses	2,811	6.9	3,747	9.7	(25.0)
Repair and maintenance	612	1.5	921	2.4	(33.6)
Depreciation and amortisation	5,158	12.6	4,334	11.3	19.0
Others	2,779	6.8	2,614	6.8	6.3
Total cost of power sales of coal-fired power plant	40,907	100.0	38,453	100.0	6.4

In the first half of 2026, the cost of power sales of the Group's coal-fired power plant increased by 6.4% year-on-year. Among them, the year-on-year increase of 10.1% in the costs of raw materials, fuel and power was mainly due to an increase in power output dispatch and the increase in coal purchase price led to an increase in the cost of coal purchase; the year-on-year increase of 19.0% in depreciation and amortisation was mainly due to the commencement of operation of multiple new generating units of the Group and the increase in long-term assets such as fixed assets; the year-on-year increase of 6.3% in other costs was mainly due to an increase in electricity trading service fees.

In the first half of 2026, the power generation segment consumed a total of 47.9 million tonnes of coal sold internally by the Group (the first half of 2025: 45.9 million tonnes (restated)), representing a year-on-year increase of 4.4%, accounting for 76.5% of the total coal consumption of 62.6 million tonnes in the power generation segment.

3. Railway Segment

(1) Production and operations

In the first half of 2026, the railway segment of the Group continued to optimise its transportation organisation system and the layout of coal transportation, achieving increases in both transportation volume and hauling distance, as well as growth in both quality and efficiency. It continuously improved the multimodal transport logistics system, diversified freight categories, and persistently enhanced the value-creation capability of integrated logistics. By implementing a market-oriented and differentiated freight pricing mechanism, it precisely enhanced its market operational competitiveness and solid capability in ensuring energy supply. In the first half of 2026, the transportation turnover of self-owned railway of the Group reached 163.2 billion tonnes km (the first half of 2025: 152.8 billion tonnes km), representing a year-on-year growth of 6.8%; the transportation volume of non-coal goods such as metal ores and chemicals was approximately 12.6 million tonnes (the first half of 2025: 13.1 million tonnes), representing a year-on-year decrease of 3.8%, of which the reverse direction transportation volume of non-coal goods reached 9.2 million tonnes.

Adhering to empowering the high-quality development of railways through technology, the Group continuously advanced technological innovation, the transformation of achievements, and the demonstration application of equipment. Actively practising the concept of green and low-carbon development, the Group successfully applied the domestically pioneered flexible traction power supply technology for heavy-haul railways. Furthermore, the Group accelerated the deployment and popularisation of new energy and intelligent railway equipment. Various types of hydrogen-powered operational locomotives achieved a cumulative safe operating mileage of over 8,300 km, and the trial operation mileage of dual-source high-power heavy-haul locomotives exceeded 20,000 km.

(2) Operation results

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

		The first half of 2026	The first half of 2025	Change %	Main reasons for changes
Revenue	RMB million	**22,733**	21,434	6.1	Increase in transportation turnover of self-owned railway
Cost of sales	RMB million	**(13,672)**	(12,748)	7.2	Increase in transportation turnover of self-owned railway
Gross profit margin	%	**39.9**	40.5	Decreased by 0.6 percentage point	
Profit before income tax	RMB million	**7,870**	7,260	8.4	

② The cost of sales of the railway segment of the Group before elimination on consolidation

	The first half of 2026		The first half of 2025		Cost changes
	Costs *RMB million*	**Percentage** *%*	Costs *RMB million*	Percentage *%*	*%*
Prime business cost	**12,962**	**94.8**	12,218	95.8	6.1
Raw material, fuel and power	**1,839**	**13.5**	1,716	13.5	7.2
Personnel expenses	**4,133**	**30.2**	4,286	33.6	(3.6)
Repair and maintenance	**2,106**	**15.4**	2,300	18.0	(8.4)
Depreciation and amortisation	**2,346**	**17.2**	2,410	18.9	(2.7)
Others	**2,538**	**18.5**	1,506	11.8	68.5
Cost of other operations	**533**	**3.9**	353	2.8	51.0
Tax and surcharge	**177**	**1.3**	177	1.4	0.0
Total cost of sales	**13,672**	**100.0**	12,748	100.0	7.2

In the first half of 2026, the unit transportation cost in the railway segment was RMB0.079/tonne km (the first half of 2025: RMB0.080/tonne km), representing a year-on-year decrease of 1.3%.

4. Port Segment

(1) Production and operations

In the first half of 2026, the port segment of the Group continued to optimise its production and operation model, comprehensively unleash the capacity potential of the port areas, and steadily consolidate its core advantages in ensuring regional energy supply. The coal loading volume of Huanghua Port reached 112.1 million tonnes (the first half of 2025: 107.6 million tonnes), representing a year-on-year increase of 4.2%; Tianjin Coal Dock achieved a coal loading volume of 22.4 million tonnes (the first half of 2025: 21.8 million tonnes), representing a year-on-year increase of 2.8%.

Fully leveraging regional advantages, the operational level of the Group's ports continuously improved. Huanghua Port continued to consolidate its leading position, maintaining a market share of over 30% among northern coal ports. Tianjin Port established a dual efficiency-enhancement system comprising an "internal operation cycle and external collection and distribution cycle", breaking historical records for ship-loading volume per shift and per day on multiple occasions. Key port construction projects were steadily implemented. The Oil Terminal Project at Huanghua Port and the Zhuhai Gaolan Port Bulk Cargo Terminal Project successfully passed completion acceptance, and the construction of Huanghua Port (coal port area) Phase V Project progressed in an orderly manner.

(2) Operation results

① The operation results of the port segment of the Group before eliminations on consolidation

		The first half of 2026	The first half of 2025 (restated)	Change	Main reasons for changes
				%	
Revenue	RMB million	**3,575**	3,519	1.6	
Cost of sales	RMB million	**(1,732)**	(1,857)	(6.7)	Decrease in fees for waterway dredging, depreciation and amortisation and others
Gross profit margin	%	**51.6**	47.2	Increased by 4.4 percentage points	
Profit before income tax	RMB million	**1,589**	1,378	15.3	

② The cost of sales of the port segment of the Group before elimination on consolidation

	The first half of 2026		The first half of 2025 (restated)		Cost changes
	Costs	**Percentage**	Costs	Percentage	
	RMB million	**%**	*RMB million*	%	%
Prime business cost	**1,590**	**91.8**	1,631	87.8	(2.5)
Raw material, fuel and power	**274**	**15.8**	239	12.9	14.6
Personnel expenses	**346**	**20.0**	367	19.8	(5.7)
Repair and maintenance	**90**	**5.2**	70	3.8	28.6
Depreciation and amortisation	**355**	**20.5**	411	22.1	(13.6)
Others	**525**	**30.3**	544	29.2	(3.5)
Cost of other operations	**95**	**5.5**	174	9.4	(45.4)
Taxes and surcharges	**47**	**2.7**	52	2.8	(9.6)
Total cost of sales	**1,732**	**100.0**	1,857	100.0	(6.7)

5. Shipping Segment

(1) Production and operations

In the first half of 2026, the Group's shipping segment optimised the comprehensive shipping industry layout, innovated the internal and external collaborative operation model, expanded the self-owned and controllable shipping capacity, and consolidated the integrated collaborative transportation system. In the first half of the year, the shipping volume was 142.0 million tonnes (the first half of 2025: 128.5 million tonnes, restated), representing a year-on-year increase of 10.5%.

The Group accelerated the establishment of an industrial layout characterised by "one main and three auxiliary", three major shipping regions, and N corridors. The Group consolidated the principal position of the coastal trunk shipping route for the North-to-South Coal Transportation, cultivated three auxiliary routes, namely inland waterway transportation along the Yangtze River and the Pearl River, and ocean-going transportation and coordinated the development of the three major shipping regions, namely coastal, inland waterway, and ocean-going regions. It continuously expanded multiple river-sea intermodal transportation channels and domestic and foreign trade logistics corridors and optimised the multi-level shipping network, thereby providing robust support for the integrated energy supply guarantee and the development of the comprehensive logistics business.

(2) Operation results

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

		The first half of 2026	The first half of 2025 (restated)	Change %	Main reasons for changes
Revenue	RMB million	**5,274**	3,963	33.1	Increase in shipment volume and turnover
Cost of sales	RMB million	**(4,681)**	(3,463)	35.2	Increase in shipment volume and turnover
Gross profit margin	%	**11.2**	12.6	Decreased by 1.4 percentage points	
Profit before income tax	RMB million	**429**	283	51.6	

② The cost of sales of the shipping segment of the Group before elimination on consolidation

	The first half of 2026		The first half of 2025 (restated)		Cost changes
	Costs	Percentage	Costs	Percentage	
	RMB million	*%*	*RMB million*	*%*	*%*
Prime business cost	4,616	98.6	3,406	98.3	35.5
Raw material, fuel and power	470	10.0	455	13.1	3.3
Personnel expenses	34	0.7	60	1.7	(43.3)
Repair and maintenance	9	0.2	23	0.7	(60.9)
Depreciation and amortisation	221	4.7	220	6.4	0.5
Transportation charges	3,668	78.4	2,357	68.1	55.6
Others	214	4.6	291	8.3	(26.5)
Cost of other operations	50	1.1	44	1.3	13.6
Tax and surcharges	15	0.3	13	0.4	15.4
Total cost of sales	4,681	100.0	3,463	100.0	35.2

In the first half of 2026, the unit transportation cost of the shipping segment was RMB0.034/tonne nautical mile (the first half of 2025: RMB0.027/tonne nautical mile, restated), representing a year-on-year increase of 25.9%, mainly due to increase in vessel leasing fees.

6. Coal Chemical Segment

(1) Production and operations and construction

The coal chemical segment of the Group possesses multiple industry-leading modern production facilities, such as coal-to-olefins, coal-to-liquids, coal-to-methanol and coal-to-ethylene glycol facilities, and is committed to the clean and highly efficient utilisation of coal and the research, development, and manufacturing of high value-added chemical products. Main products include polyolefins (with production capacity of approximately 1.88 million tonnes/year), oil products (with production capacity of approximately 1.08 million tonnes/year), methanol, ethylene glycol, while the by-products include asphalt, industrial sulphur, mixed C5, industrial propane, mixed C4, refined methanol, mixed pentene, ammonium sulfate, etc.

In the first half of 2026, the coal chemical segment of the Group accelerated the extension of the industrial chain and value chain to the high end, actively expanded a diversified product layout, deepened the application of coal-based specialty fuels, advanced the product development of coal-based high-end polyolefins and carbon materials, and enhanced the level of clean and highly efficient conversion of coal. It continued to deepen the refined management and control of production and operations, consolidated the sound momentum of stable and high production, seized market development opportunities, strengthened the linkage and synergy between production and sales, and continuously enhanced its capacity to generate revenue and profitability. Dedicated efforts were focused on advancing major coal chemical projects by strictly adhering to technical, quality, safety, and environmental protection standards to ensure the projects proceed as scheduled.

(2) Sales of coal chemical products

During the Reporting Period, the sales of the Group's main coal chemical products were as follows:

	January to June 2026		January to June 2025 (restated)		Change	
Product name	**Sales volume**	**Price**	Sales volume	Price	Sales volume	Price
	10 thousand tonnes	***RMB/tonne***	*10 thousand tonnes*	*RMB/tonne*	*%*	*%*
Polyethylene	**50.1**	**8,114**	49.1	7,851	2.0	3.3
Polypropylene	**57.3**	**7,053**	56.3	6,470	1.8	9.0
Diesel	**27.7**	**6,327**	8.5	7,005	225.9	(9.7)
Naphtha	**17.3**	**6,575**	1.4	6,304	1,135.7	4.3
Liquefied gas	**4.2**	**5,223**	0.2	4,296	2,000.0	21.6
Methanol	**36.2**	**2,108**	35.0	1,909	3.4	10.4
Ethylene glycol	**15.7**	**3,713**	12.1	3,759	29.8	(1.2)

(3) Operation results

① The operation results of the Group's coal chemical segment before elimination on consolidation

		January to June 2026	January to June 2025 (restated)	Change %	Main reasons for changes
Revenue	RMB million	**14,724**	11,132	32.3	Increase in sales volume of coal chemical products
Cost of sales	RMB million	**(11,558)**	(10,505)	10.0	Increase in sales volume of coal chemical products; increase in taxes and surcharges
Gross profit margin	%	**21.5**	5.6	Increased by 15.9 percentage points	
Profit before income tax	RMB million	**2,211**	(336)	/	

② The cost of sales of the coal chemical segment of the Group before elimination on consolidation

	January to June 2026		January to June 2025 (restated)		Cost changes
	Costs *RMB million*	Percentage *%*	Costs *RMB million*	Percentage *%*	*%*
Prime business cost	**9,822**	**85.0**	9,761	92.9	0.6
Raw material, fuel and power	**5,307**	**45.9**	4,930	46.9	7.6
Personnel expenses	**1,245**	**10.8**	1,426	13.6	(12.7)
Repair and maintenance	**684**	**5.9**	812	7.7	(15.8)
Depreciation and amortisation	**1,072**	**9.3**	1,259	12.0	(14.9)
Others	**1,514**	**13.1**	1,334	12.7	13.5
Cost of other operations	**583**	**5.0**	311	3.0	87.5
Tax and surcharges	**1,153**	**10.0**	433	4.1	166.3
Total cost of sales	**11,558**	**100.0**	10,505	100.0	10.0

In the first half of 2026, the coal chemical segment consumed 8.9 million tonnes of coal sold internally by the Group (the first half of 2025: 7.2 million tonnes, restated), representing a year-on-year increase of 23.6%, accounting for 87.3% of the coal chemical segment's total coal consumption of 10.2 million tonnes.

③ The gross profit from the sales of main coal chemical products of the Group before elimination on consolidation

	January to June 2026				January to June 2025 (restated)			
Category of products	**Sales revenue** *RMB million*	**Sales cost** *RMB million*	**Gross profit** *RMB million*	**Gross profit margin** *%*	Sales revenue *RMB million*	Sales cost *RMB million*	Gross profit *RMB million*	Gross profit margin *%*
Polyolefins	**8,105**	**5,510**	**2,595**	**32.0**	7,497	5,968	1,529	20.4
Oil products	**3,109**	**2,123**	**986**	**31.7**	688	1,444	(756)	(109.9)
Methanol	**764**	**627**	**137**	**17.9**	669	613	56	8.4
Ethylene glycol	**582**	**432**	**150**	**25.8**	456	499	(43)	(9.4)

Note: Polyolefins include polyethylene and polypropylene, and oil products include diesel, naphtha and liquefied gas.

(V) Operations by Region

Unit: RMB million

	The first half of 2026	The first half of 2025 (restated)	Change %
Revenue from external transactions in domestic markets	**185,804**	171,049	8.6
Revenue from external transactions from overseas markets	**3,534**	4,374	(19.2)
Total	**189,338**	175,423	7.9

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 chemical businesses in the PRC. In the first half of 2026, the revenue from external transactions in domestic markets accounted for 98.1% of the Group's total revenue; the revenue from external transactions in overseas markets recorded a year-on-year decrease of 19.2%, mainly attributable to a year-on-year decrease in overseas coal sales income.

In the first half of 2026, the Group's power generation assets in Indonesia maintained safe and stable operations. Achieving a total power generation of 8.19 billion kWh, they provided strong support for the stable and reliable operation of the regional power system in Indonesia. The Pennsylvania shale gas project in the United States is performing well, with a gas production of 50 million cubic meters (attributable gas volume) in the first half of the year.

(VI) Analysis on Investments

1. Overall Analysis of External Equity Investments

During the Reporting Period, the Company's investment in subsidiaries increased by RMB110,802 million, primarily due to the Company's acquisition of the equity interests in the other 11 target companies, excluding Jinshen Energy, held by China Energy and its wholly-owned subsidiary Western Energy, as well as the capital injections into relevant subsidiaries in industries such as the railway and power generation to advance project construction. The Group's investment in associates increased by RMB10,518 million, primarily due to the Company's capital injection into Finance Company, and the acquisition of the equity interests in Jinshen Energy held by China Energy.

2. Material Investment in Equity Interest

During the Reporting Period, the Company completed the acquisition of the equity interests in the 12 target companies held in aggregate by the controlling shareholder, China Energy, and its wholly-owned subsidiary Western Energy, by way of issuance of A Shares and payment in cash, and raised supporting funds. Of these, 11 target companies including Guoyuan Power were included in the scope of consolidation of the Company's financial statements, realizing an aggregate net profit attributable to the equity holders of the parent company of RMB6,881 million (before elimination on consolidation) in the first half of 2026; Jinshen Energy is an investee of the Group, for which an investment income of RMB57 million was recognized by the Company in the first half of 2026. Details of the relevant equity investment are set out as follows:

Name of investee	Principal activities	Whether the target is principally engaged in the investment business	Investment method	Merger consideration	Shareholding	Whether consolidated	Financial statement line item of the parent company	Sources of funds	Investment income/ Net profit attributable to the equity holders of the parent company during the Reporting Period
				RMB ten thousand	*%*				*RMB million*
Jinshen Energy	Coal mining, processing and sales	No	Acquisition	378,072.23	49	No	Long-term equity investment	Consideration Shares, proceeds from the supporting financing, and the Company's own or self-raised funds	57

Name of investee	Principal activities	Whether the target is principally engaged in the investment business	Investment method	Merger consideration	Shareholding	Whether consolidated	Financial statement line item of the parent company	Sources of funds	Investment income/ Net profit attributable to the equity holders of the parent company during the Reporting Period
				RMB ten thousand	*%*				*RMB million*
Guoyuan Power	Coal mining, processing and sales; power generation			4,458,199.29	100				1,263
Chemical Company	Coal chemicals, clean conversion and utilisation of coal			2,987,773.41	100				1,478
Wuhai Energy	Coal mining, processing and sales; power generation			1,421,429.33	100				342
Xinjiang Energy				1,212,142.76	100				635
Inner Mongolia Construction Investment		No	Acquisition	772,762.78	100	Yes	Long-term equity investment	Consideration Shares, proceeds from the supporting financing, and the Company's own or self-raised funds	198
Shenyan Coal	Coal mining, processing and sales			769,170.66	41				1,444
Pingzhuang Coal				558,380.93	100				624
Baotou Mining				454,261.28	100				117
Shipping Company	Cargo shipping, transportation agency			214,179.65	100				204
Coal Trading Company	Wholesale operation and transportation agency services for coal			86,102.61	100				548
Port Company	Harbour operation			47,359.85	100				28

Note: The investment income/net profit attributable to the equity holders of the parent company for the Reporting Period disclosed in the above table was prepared in accordance with the China Accounting Standards for Business Enterprises. The data has not been audited.

3. Material Investment in Non-equity Interest

☐ Applicable ✓ Not applicable

4. Financial Assets at Fair Value

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, bank acceptance bills that are planned to be discounted or endorsed and investments in investment funds established with the participation of the Group. For details, please refer to "Fair Value Measurement of Financial Instruments" in the notes to the financial statements in this report.

Unit: RMB million

Category of assets	At the beginning of the period	Gains and losses from fair value changes for the Reporting Period	Cumulative changes in fair value included in equity	Impairment provided for the Reporting Period	Amount of purchase for the Reporting Period	Amount of disposal/ redemption for the Reporting Period	Other changes	At the end of the period
Financial assets at fair value through profit or loss (current assets)	0 Note	1	/	/	13,900	(7,200)	/	6,701
Investments in equity instruments at fair value through other comprehensive income	6,942	/	269	/	/	/	/	7,211
Financial assets at fair value through other comprehensive income	2,010	/	/	/	/	/	(947)	1,063
Financial assets at fair value through profit or loss (non-current assets)	133	(10)	/	/	/	/	/	123
Total	9,085	(9)	269	/	13,900	(7,200)	(947)	15,098

Note: The amount is less than RMB500,000.

Investments in equity instruments at fair value through other comprehensive income held by the Group include shares held by Pingzhuang Coal, a wholly-owned subsidiary of the Company, as detailed below:

Unit: RMB million

Type of securities	Stock code	Abbreviation	Initial investment cost	Sources of fund	Opening carrying amount	Gains and losses from fair value changes for the period	Cumulative changes in fair value included in equity	Amount of purchase for the period	Amount of disposal for the period	Gains and losses from investment for the period	Closing carrying amount	Accounting item
Shares	001289	Longyuan Power	2,398	Self-owned funds	3,192	0	919	0	0	0	3,317	Other investments in equity instruments
Total	/	/	2,398	/	3,192	0	919	0	0	0	3,317	/

Note: The above financial data was prepared in accordance with the China Accounting Standards for Business Enterprises. The data has not been audited.

(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	Principal activities	Registered capital	Total assets	Net assets	Net profit attributable to the equity holders of the parent company: The first half of 2026	The first half of 2025	Change %	Main reasons for changes
			As at 30 June 2026						
1	Shuohuang Railway	Railway transportation	15,231	52,038	41,488	3,713	3,419	8.6	Increase in transportation turnover of railway
2	Jinjie Energy	Coal mining, processing and sales, power generation	3,802	27,814	25,941	1,782	1,569	13.6	Increase in sales volume and average sales price of coal
3	Chemical Company	Coal chemicals, clean conversion and utilisation of coal	36,164	64,722	24,821	1,478	(468)	/	Shutdown of coal-to-liquids production facilities for modification due to process upgrades during the corresponding period of last year
4	Shenyan Coal	Coal mining, processing and sales	2,739	15,055	13,123	1,444	1,169	23.5	Increase in sales volume and average sales price of coal
5	Guoyuan Power	Power and heat generation, coal mining, processing and sales	47,261	87,687	54,094	1,263	1,740	(27.4)	Decrease in average price of power sales
6	Zhunge'er Energy	Coal mining, processing and sales	7,102	30,127	21,977	1,236	1,479	(16.4)	Increase in relevant late payment surcharges
7	Baorixile Energy	Coal mining, processing and sales	1,169	16,548	12,705	1,098	1,621	(32.3)	Decrease in sales volume of coal
8	Huanghua Harbour Administration	Harbour operation	8,504	14,993	13,591	975	851	14.6	Decrease in waterway dredging fees

No.	Company	Principal activities	Registered capital	Total assets	Net assets	Net profit attributable to the equity holders of the parent company: The first half of 2026	The first half of 2025	Change	Main reasons for changes
			As at 30 June 2026					%	
9	Trading Group	Wholesale operation and transportation agency services for coal	7,789	30,884	15,648	924	401	130.4	Increase in sales volume and average sales price of coal
10	Shengli Energy	Coal mining, processing and sales, power generation	2,925	17,468	12,822	818	791	3.4	
11	Xinjiang Energy	Coal mining, processing and sales	9,213	28,554	11,362	635	46	1,280.4	Increase in sales volume and average sales price of coal
12	Pingzhuang Coal	Coal mining, processing and sales	4,354	35,405	4,544	624	585	6.7	Increase in sales volume and average sales price of coal
13	Railway Equipment	Locomotive and vehicle maintenance for railway, railway transportation	6,300	21,493	12,306	600	793	(24.3)	Increase in income tax expense
14	Coal Trading Company	Wholesale operation and transportation agency services for coal	323	3,512	1,754	548	16	3,325.0	Increase in sales volume and profit of imported coal
15	Xinshuo Railway	Railway transportation	10,888	26,634	15,704	508	338	50.3	Increase in transportation turnover of railway

Notes: 1. The financial information of the major subsidiaries disclosed in the above table was prepared in accordance with the China Accounting Standards for Business Enterprises. The data has not been audited.

2. Under the China Accounting Standards for Business Enterprises, in the first half of 2026, the revenue of Shuohuang Railway was RMB11,711 million and the operating profit was RMB4,956 million.

3. During the Reporting Period, adjustments to the business model of Shendong Coal, a wholly-owned subsidiary of the Company, resulted in year-on-year changes in its operating results, which had no material impact on the consolidated operating results of the Company.

2. Major Companies in Which the Company Has Invested

The Company did not have investment income from a single investee company with an amount exceeding 10% of the net profit attributable to the equity holders of the Company.

Please refer to the section headed "Significant Events" of this report for details of the Finance Company.

3. Acquisition and Disposal of Subsidiaries during the Reporting Period

Name of company	Ways of acquiring and disposing of subsidiaries during the Reporting Period	Impacts on production, operation and results as a whole
Guoyuan Power, Xinjiang Energy, Chemical Company, Wuhai Energy, Pingzhuang Coal, Inner Mongolia Construction Investment, Shenyan Coal, Baotou Mining, Shipping Company, Coal Trading Company, Port Company	Business combination under common control.	During the Reporting Period, the Company completed the acquisition of equity interests in 12 target companies collectively held by its controlling shareholder, China Energy, and its wholly-owned subsidiary, Western Energy (the "Transaction"), of which 11 target companies, including Guoyuan Power, were included in the consolidated financial statements of the Company. The Transaction will enable the Group to further integrate its coal mining, pithead coal-fired power generation, coal chemicals and logistics services businesses, significantly expand the Group's resource reserves and core business production capacity, and further optimise the layout and capacity matching of its integrated industry chain, thereby creating favourable conditions for promoting clean production, reducing operating costs and enhancing the Group's overall sustainable profitability.

Note: Save as disclosed above, the Company's other acquisitions and disposals of subsidiaries had no significant impact on the overall production and operations or results of the Company.

(IX) Structured Entities Controlled by the Company

☐ Applicable ✓ Not applicable

(X) Completion of Capital Expenditure Plan for 2026

Details of the Group's adjusted capital expenditure plan for 2026 are set out in the Company's 2026 first quarter report. As at 30 June 2026, the capital expenditure plan and the planned sources of funding for the relevant investments remained consistent with previously disclosed information and had not changed. The status of the Group's capital expenditure plan for the first half of 2026 is as follows:

Unit: RMB100 million

	Plan for 2026 (Adjusted)	**Completed in the first half of 2026**
Coal segment	153.45	**62.71**
Power segment	215.22	**116.54**
Transportation segment	91.96	**22.89**
Including: railway segment	71.12	**12.86**
port segment	20.80	**10.02**
shipping segment	0.04	**0.01**
Coal chemical segment	91.48	**29.01**
Others	7.76	**1.75**
Total	559.87	**232.90**

In the first half of 2026, total capital expenditure of the Group amounted to RMB23.290 billion. It was mainly used for: the construction of projects including Xinjie No. 1 Mine and No. 2 Mine, Tarangaole Mine, Boligou Coal Mine and Hongshaquan No. 2 Open-pit Mine, the purchase of coal mine equipment and technological upgrades; the construction of thermal power projects such as Dingzhou Phase III and Cangdong Phase III; the construction of Dongyue Railway and railway capacity expansion; and the construction of the Huanghua Port (coal port area) Phase V Project; and the construction of Coal-to-Olefins Upgrading Demonstration Project, Yulin Circular Economy Coal Comprehensive Utilisation Project, Ordos Coal-to-Liquids Upgrading Demonstration Project, etc.

The Group's capital expenditure plan may be subject to change in response to the development of business plans (including potential acquisitions), the progress of capital projects, market conditions, the outlook for the future business environment and the obtaining of necessary permits and approvals. Except as required by law, the Company shall not assume any obligation to update the information on the capital expenditure plan. The Company intends to fund its capital expenditures through cash generated from operating activities, short-term and long-term loans, and other debt and equity financing.

(XI) Contingent Liabilities

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

V. IMPLEMENTATION OF THE 2026 CORPORATE VALUE AND RETURN ENHANCEMENT ACTION PLAN

On 30 March 2026, the 17th meeting of the sixth session of the Board of the Company considered and approved the 2026 Corporate Value and Return Enhancement Action Plan. The implementation of the action plan in the first half of the year is as follows.

1. Striving to Improve Operating Quality and Efficiency and Enhance Value Creation Capabilities

The Company achieved satisfactory results for its major operational indicators by striving to expand market and increase revenue, strengthening cost control and continuously improving the quality and efficiency of its development. In the first half of 2026, the production and operations of the Company maintained a steady and positive trend. The operational indicators of its transportation, power generation and coal chemical businesses achieved year-on-year growth. The unit production cost of self-produced coal decreased year-on-year. Key financial indicators such as operating revenue and net profit attributable to shareholders of the Company achieved year-on-year growth. The overall profitability of the Company ranked at the forefront of the industry.

2. Strengthening Energy Supply Responsibility and Improving Production and Operation Efficiency

Guided by the "151" strategy, the Company deeply implemented the new energy security strategy, continuously consolidated the core advantages of integrated operations, and effectively guaranteed the safe and stable supply of energy. With the successful completion of the largest purchase of assets through issuance of shares in the history of the A-share market, the coal resource reserves and coal production volume of the Company increased substantially, and its coal production capacity was significantly enhanced. The Company carried out the preparation of the "15th Five-Year Plan" with high quality, made forward-looking plans for the layout of strategic emerging industries and promoted the construction of key projects to boost the high-quality development of the Company. The construction of Xinjie No. 1 Mine and No. 2 Mine progressed as planned; several power generation units including Qingyuan Phase II, Dingzhou Phase III and Cangdong Phase III were put into operation; and the construction of key projects such as Phase V of Huanghua Port advanced in an orderly manner, facilitating the enhancement of energy supply guarantee capabilities.

3. Deepening Benchmarking Efforts and Tapping Internal Potential for Cost Reduction

The Company adhered to budget guidance, timely adjusted and formulated its 2026 annual business plan, continued to strengthen business analysis, and tracked the fulfilment of major indicators. In the first half of the year, cost control across all segments was effective. The Company coordinated and refined its financing and repayment mechanisms, reduced its borrowing costs, and significantly improved the efficiency of its capital turnover, effectively achieving refined cost reduction in its financing and debt repayment processes. The Company established a normalised fund position forecasting and dynamic monitoring mechanism, which substantially enhanced the accuracy of forecasting fund receipts and expenses and helped to realize advance deployment and dynamic balance of fund positions. On the basis of fully guaranteeing rigid capital requirements for daily operations, project investments and dividend distributions, the Company flexibly conducted low-risk capital operations. In the first half of the year, the Company purchased short-term structured deposits of RMB13.9 billion in aggregate, with expected income of RMB11 million, thereby preserving and increasing the value of its existing funds.

4. Strengthening Technological Innovation to Facilitate the Development of New Quality Productive Forces

The Company made significant efforts in the clean and efficient utilisation of coal and achieved outstanding results in technological innovation. The project "Key Technology and Application of Green and Intelligent Development of Scarce and High-Quality Leftover Coal and Coalbed Methane" (稀缺優質遺煤及煤層氣綠色智能開發關鍵技術與應用) won the second prize of the 2025 National Science and Technology Progress Award, which promoted the high-end upgrading and digital and intelligent transformation of its leftover coal mining equipment and enhanced its capability to safeguard national energy security. The project "Key Technology and Engineering Verification of Ammonia Co-firing in 600MW Coal-fired Power Generation Boilers" (600MW 燃煤發電鍋爐混氨燃燒關鍵技術與工程驗證) was appraised by the Chinese Society for Electrical Engineering as having reached an internationally leading level, providing a feasible technical path for clean carbon reduction and multi-energy complementarity in coal-fired power generation. The first automatic platooning driving test of the 35,000-tonne heavy-haul group trains was successfully completed. Guoneng Xinjiang Chemical Co., Ltd. completed the "Key Technology and Application Demonstration of Using Coal Chemical Gasification Coarse Slag for Saline-Alkali Soil Amelioration" (煤化工氣化粗渣用於鹽鹼地土壤改良關鍵技術及應用示範), using industrial solid waste to restore saline-alkali wastelands. The Company's green and low-carbon transformation and development was accelerated and driven by technological innovation.

5. Reinforcing Capital Operation to Leverage the Role of the Listed Company Platform

The Company successfully completed the acquisition of relevant assets from the controlling shareholder, substantially resolving the competition in the same industry, and achieving a dual improvement in capital market image and investor trust. The RMB20 billion supporting financing successfully attracted diversified investors such as insurance funds and national industrial funds, breaking the scale record for matching financing in restructurings via price inquiry in the A-share market, and it is also the largest equity refinancing project in the history of the coal industry. During the Reporting Period, the Company's overall market capitalisation exceeded RMB1 trillion at its peak, ranking among the top three in the energy industry in the A-share market.

6. Improving Corporate Governance and the ESG System to Enhance Brand Value

The Company implemented the relevant requirements of the "Code of Corporate Governance for Listed Companies", studied and formulated the "Measures for the Remuneration Management of Directors and Senior Management of China Shenhua Energy Company Limited (Trial)" (《中國神華能源股份有限公司董事、高級管理人員薪酬管理辦法(試行)》), and established and improved the remuneration incentive and constraint mechanism for directors and senior management. The Company strengthened the tenure-based and contractual management of its management team members, and rigidly linked the business performance appraisal results of the management team members with their remuneration, and ensured strict fulfillment. The Company completed the development of its rules and regulations such as the "Measures for the Environmental, Social, and Governance Management of Suppliers" (《本公司供應商環境、社會和公司治理管理辦法》), and continuously optimised its supply chain ESG management system. The Company enriched its brand connotations and reinforced its brand building. In the "2026 China Brand Value Evaluation Information" (2026 中國品牌價值評價信息) list released by the China Council for Brand Development and the Brand Work Office of Xinhua News Agency, the brand value of the Company reached RMB241.505 billion, maintaining a leading position in the energy and chemical sector.

7. Persisting in Generating Returns for Shareholders to Facilitate the Realisation of the Company's Value

The Company continuously improved the "11257" market capitalisation management system with China Shenhua characteristics, and solidly advanced various tasks. It adhered to a stable and sustainable profit distribution policy, actively responded to regulatory requirements and the appeals of shareholders, and protected the legitimate rights and interests of shareholders. The Company continuously implemented the 2025-2027 shareholder return plan. The total amount of interim and final cash dividends distributed for the year 2025 reached RMB41.811 billion (tax inclusive), accounting for 79.1% of the net profit attributable to shareholders of the Company for the year, representing an increase of 2.6 percentage points compared to the year 2024. The Board of the Company proposed to continue interim dividend distribution for the year 2026. Since its listing, the cumulative dividend distribution amount of the Company has exceeded RMB530 billion. Its consistent and stable profit distribution policy has delivered substantial long-term returns to its shareholders, facilitating the full realisation of the Company's value and shareholders' interests in the capital market.

8. Adhering to Market Demand Orientation and Maintaining Effective Communication with Investors

The Company adhered to compliance guidance and professional empowerment, and solidly improved the quality of information disclosure. It improved its investor demand-oriented information disclosure mechanism, deeply understood investor demands, timely adjusted the content and format of information disclosure, and strengthened the information disclosure of its coal and coal chemical businesses in light of its newly consolidated assets. The Company strengthened communication and exchanges with investors and actively responded to the appeals of investors. It held results briefings for its 2025 annual report and 2026 first quarterly report, and conducted over 60 sessions of various investor communication activities such as investor research, broker strategy meetings and roadshows, communicating with investors for over 1,000 person-times cumulatively. As at 30 June 2026, the overall market capitalisation of the Company reached RMB832.6 billion, representing an increase of 5.9% compared to the end of 2025. The market capitalisation level of the Company generally remained stable in the first half of the year, realising the unification of market value and intrinsic value.

VI. POSSIBLE RISKS AND COUNTERMEASURES

The major risks facing the Company are mainly risks in safety and environmental protection, investment, compliance, project management, market competition, integrated operations, policy and international operations (please refer to the Company's 2025 Annual Report for details), while no new risk factor was added during the Reporting Period.

The Company has established a closed-loop risk management system, which includes risk identification at the beginning of the year, quarterly risk monitoring, dynamic risk assessment, routine inspections and early warning, as well as year-end supervision and evaluation. This system provides strong support for improving decision-making processes, refining internal control systems and enhancing risk management standards. The Board and the Audit and Risk Management Committee of the Company believe that such mechanism is capable of assessing the effectiveness of operation of the Company's risk management.

During the Reporting Period, the Company has adopted the following measures in response to major risks:

1. In safety and environmental protection, the Company strictly implemented production safety responsibilities and continuously improved and refined the workplace safety responsibility system. The Company firmly established a red line awareness, tightened and consolidated production safety responsibilities, and deeply promoted the dual prevention mechanism of hierarchical control of safety risks and investigation and treatment of hidden dangers. It adopted strict controls on major safety risks, comprehensively strengthened on-site safety management, and carried out investigation and remediation of hidden safety dangers earnestly. In response to environmental protection risks, the Company continued to fight the battle against pollution, continuously strengthened environmental monitoring, strictly observed the ecological red line, and vigorously promoted the construction of green mines, green and intelligent heavy-haul railways, green ports, and green shipping. It developed renewable energy with high quality, promoted green, low-carbon and energy-saving transformations, ensured the achievement of various energy-saving and emission-reduction targets, and put an end to the occurrence of major environmental pollution incidents.

2. In investment management, the Company strengthened planning guidance and direction control, closely monitored policy changes and market opportunities, optimised investment strategies, refined investment management systems, and strengthened preliminary project research and demonstration. The Company implemented a "four checkpoints" mechanism in the investment process by integrating the four checkpoints of "return, cost, progress and compliance" into the entire investment process, and promoted project construction meticulously with a particular focus on risk control for major projects. The Company continued to focus on investment plans, expanded effective investment, reasonably controlled the pace of project investment, strengthened research and supervision on the execution of investment plans, carried out project post-evaluation works in an active, orderly and standardised manner, and continued to improve its investment risk prevention and control system and enhance its investment efficiency and effectiveness.

3. In compliance management, the Company fully advanced the construction of a "world-class rule-of-law enterprise", improved its compliance system management framework, continued to advance the work of "establishing, revising and abolishing" systems, and practically enhanced their alignment with laws, regulations and policies. The Company strengthened the source prevention and control and governance of hidden compliance risks, carried out comprehensive and thorough risk investigations, established risk ledgers for legal disputes and penalties for violations, studied and formulated resolution and pre-control measures for major risks, clarified responsible leaders and personnel, and strengthened communication and coordination.

4. In project management, the Company continuously strengthened the unified control over construction plans, technology, technological economics, safety and quality of engineering projects, strengthened the preliminary management of engineering projects and the management of participating construction teams, implemented strict control on engineering design, estimates and settlements, strengthened engineering cost control, tracked and monitored project construction status in real time, and formulated effective measures in a timely manner to reduce or eliminate the impact of factors causing schedule extensions. The Company strengthened construction safety management, firmly implemented the rectification of hidden safety risks in engineering projects, prepared safety emergency plans practically, and put an end to safety accidents of a relatively large scale or above resolutely. The Company implemented the engineering quality supervision system for projects under construction, strengthened the supervision and management of the quality performance of participating units and the physical quality of engineering works, and carried out process supervision for engineering quality and quality certification for units and individual engineering works in order to prevent the risk of engineering quality accidents.

5. In market competition, the Company optimised its comprehensive market analysis and judgment system and business strategies, and built a closed-loop mechanism where market analysis drives production and operation decisions. The Company enhanced its collaborative operation capabilities, improved its coal sales system and business mechanisms, enhanced its transport capacity on the transportation side, strengthened the collaborative linkage of various industries, and enhanced its integrated capability to respond to market changes. The Company refined its cost control, reinforced its management on "volume, price, cost and efficiency", adhered to optimizing incremental business and enhancing the efficiency of existing business, strived for progress while maintaining stability with improvement in quality and efficiency, coordinated and optimised resource allocation, and carried out cost control over the entire industry chain in order to enhance its market competitiveness.

6. In integrated operation management, the Company continued to strengthen the core advantages of the integrated operation of its coal, power, chemicals and transportation businesses by focusing on the comprehensive coordination and balance of integrated operation while ensuring production safety. The Company implemented a "one main body, two wings" strategy for the coal-based industry with coal as the main body and coal-fired power and coal chemicals as the two wings. The Company accelerated its upgrading works for new-generation coal-fired power to enhance its highly efficient regulation capabilities such as deep peak shaving and fast ramping. Guided by national strategies, the Company developed its modern coal chemical business scientifically and orderly with an aim to gain competitive advantages in high value-added products, technology, brand and scale. The Company strived to create a new modernised logistics system with railways as the core, ports as the support, and shipping as the extension, and continued to enhance the resilience of the integrated industrial chain, value chain and supply chain.

7. In policy research, the Company strengthened the research on latest national industrial policies and industry regulations, strengthened policy synergy, seized the policy window period for resource succession, and promoted resource succession, reserve and production increase, license acquisition and capacity verification and expansion. The Company focused on principal businesses, reasonably matched the investment scale of each segment, and solidly advanced the clean and efficient utilisation of coal. The Company adhered to the direction of green, clean and low-carbon development, accelerated the layout of strategic emerging industries, and promoted industrial upgrading and green and low-carbon transition. The Company actively responded to the requirements of the carbon peaking action plan of the "15th Five-Year Plan", strengthened carbon asset management, and synergistically promoted new energy green power and green certificate trading, and improved its policy risk assessment mechanism by establishing a policy monitoring and early warning system to capture policy trends in real time so as to enhance its ability to withstand policy risks.

8. In international operations, the Company continued to strengthen the analysis and judgment of the international situation, especially the research on the policy orientation of major countries, changes in investment policies of host countries, the Russia-Ukraine situation, the US-Iran war, the coal-based energy market and public security risks. The Company diversely expanded overseas businesses, actively and prudently studied cooperation opportunities for energy projects, including coal and coal chemical projects, and expanded international energy industry cooperation. The Company strengthened the collection, analysis and research of information prior to the investment decision-making of overseas projects, and carried out resource assessment, economic benefit evaluation and technical evaluation of overseas projects to ensure their economic and technical feasibility. The Company strengthened overseas risk screening, regularly monitored overseas political, economic and legal compliance risks, and took multiple measures to prevent and resolve risks. The Company strengthened cultivation and introduction of interdisciplinary talents, and actively and steadily implemented the "Going Global" strategy in accordance with the requirements of coordinating the overall domestic and international situations. During the Reporting Period, there was no material change in the exchange rate risks faced by the Group. The Group will continue to actively monitor changes in exchange rates and take effective measures to mitigate risks arising from exchange rate fluctuations.

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

Section V Corporate Governance, Environment and Society

I. CORPORATE GOVERNANCE OVERVIEW

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 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 to 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 election 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 126 of the Articles of Association and relevant applicable regulatory requirements. Being a standing executive body of the Company, operating management comprising senior management including the Chief Executive Officer, is accountable to the Board and exercises functions and powers in accordance with the requirements of Article 160 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 positions of the Chairman of the Board and the Chief Executive Officer of the Company are held by different personnel. On 24 March 2025, Mr. Lv Zhiren resigned as the Chairman of the Board and an executive director of the Company, and ceased to be the chairman and a member of the Strategy and Investment Committee, a member of the Nomination Committee and a member of the Remuneration and Assessment Committee of the Board. The resignation of Mr. Lv Zhiren did not result in the number of members of the Board of the Company falling below the statutory minimum number of directors. Upon the unanimous recommendation of the incumbent directors, Mr. Zhang Changyan, an executive director and the Chief Executive Officer, shall convene Board meetings until a new Chairman of the Board is elected. The Company has been actively conducting relevant work to fill the vacancy of the Chairman of the Board as soon as practicable.

Save as disclosed above, during the six months ended 30 June 2026, the Company has fully complied with the principles and code provisions set out in the Corporate Governance Code, and has complied with substantially all of the recommended best practices. The terms of reference of the Board and its special committees in fulfilling the Corporate Governance Code are set out in the Articles of Association and the rules of procedure of the Board and its special committees. These documents are published on the websites of the stock exchanges where the shares are listed and the website of the Company.

The Board of the Company has established the board diversity policy for members of the Board, which was set out in the rules of procedure of the Nomination Committee of the Board of the Company and has been disclosed. When selecting the candidates of Board members in accordance with the board diversity policy of the Company, the Board will adopt a series of diversified criteria, including but not limited to gender, age, culture and educational background, race, skills, knowledge and professional experience, as the basis, and will take both the characteristics and role of the personnel into account. As at the end of the Reporting Period, the Board of the Company consisted of 7 directors, including 1 executive director, 2 non-executive directors, 3 independent non-executive directors and 1 employee director. Among them, there were 6 male directors and 1 female director who served as a member of the Nomination Committee and the Strategy and Investment Committee under the Board of the Company. Directors are from various domestic and overseas industries, and the composition of the members has diversified characteristics. The knowledge and professional expertise of each director are both specialised and complementary to each other in the overall structure of the Board, which is conducive to ensuring the scientific soundness of decision-making of the Board.

The Company has set up the Audit and Risk Management Committee in accordance with the Hong Kong Listing Rules. The Audit and Risk Management Committee comprised Dr. Chen Hanwen (chairman of the Audit and Risk Management Committee, with professional qualifications and experience in related fields such as accounting, audit and risk management), Dr. Yuen Kwok Keung and Mr. Wang Hong, all of whom are independent non-executive directors. The principal duties of the Audit and Risk Management Committee during the Reporting Period include: reviewing and overseeing the Company's financial reporting process and internal control procedures; reviewing the Company's financial reporting, financial controls, internal control and risk management systems; effectively overseeing the work of the external auditor; providing guidance on the Company's internal audit function and promoting the establishment of effective internal controls to ensure the preparation of true, accurate and complete financial reports; 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; reviewing the financial information of the Company and its disclosure; supervising and evaluating the internal control of the Company; exercising the powers and duties of the supervisory committee as prescribed under the Company Law and other matters authorised by laws and regulations, the self-regulatory rules of the stock exchange and the Articles of Association and the Board. On 25 August 2026, the Audit and Risk Management Committee reviewed the Group's interim financial statements for the six months ended 30 June 2026 and the financial information set out in this report, and agreed to submit the same to the Board for consideration.

The Company has established the Independent Board Committee comprising Dr. Yuen Kwok Keung, Dr. Chen Hanwen and Mr. Wang Hong. During the Reporting Period, the Independent Board Committee performed duties in accordance with the law and has considered, among others, the Resolution on the Mandate of the Company to Issue Shares and Raise Supporting Funds, the Resolution on the Entering into of the 2027-2029 Mutual Coal Supply Agreement with China Energy Investment Corporation Limited, the Resolution on the Entering into of the 2027-2029 Mutual Supplies and Services Agreement with China Energy Investment Corporation Limited, the Resolution on the Entering into of the 2027-2029 Financial Services Agreement with China Energy Finance Co., Ltd. and the Resolution on the Entering into of the 2027-2029 Factoring Services Agreement with Guoneng (Beijing) Commercial Factoring Co., Ltd., and agreed to submit the same to the Board for consideration.

The securities transactions of the directors of the Company have been carried out in accordance with the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") set out in Appendix C3 to the Hong Kong Listing Rules. The Model Code is also applicable to the senior management of the Company. The directors and senior management of the Company have confirmed that they have fully complied with the Model Code and relevant policies of the Company during their respective terms of office in the first half of 2026.

As at the end of the Reporting Period, none of the directors or chief executives of the Company held any shares of the Company, nor did they have any interests or short positions in any shares and underlying shares of the Company or 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 to therein, or to be notified to the Company and the HKEx pursuant to the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules.

II. CHANGES IN DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

On 28 May 2026, Dr. Yuen Kwok Keung and Dr. Chen Hanwen, the independent non-executive directors of the Company, having served in their positions for six consecutive years, tendered their resignations as independent non-executive directors of the Company and from their positions on the relevant special committees of the Board in accordance with the relevant provisions. The resignation of Dr. Yuen Kwok Keung and Dr. Chen Hanwen would result in the number of independent directors of the Board and the proportion of independent directors in the relevant special committees under the Board of the Company failing to comply with the requirements of the relevant laws and regulations and the Articles of Association, as well as the absence of an independent director with appropriate accounting expertise. Pursuant to the Company Law of the PRC, the Measures for the Administration of Independent Directors of Listed Companies, the Articles of Association and other relevant provisions, Dr. Yuen Kwok Keung and Dr. Chen Hanwen will continue to perform their respective duties as independent non-executive directors and on the relevant special committees of the Board until the election of the new independent non-executive directors by the shareholders' general meeting of the Company. The twentieth meeting of the sixth session of the Board of the Company considered and approved the Resolution on Nomination of Candidates for Independent Non-executive Directors, pursuant to which Mr. Yih, Dieter Lai Tak and Ms. Zhang Mengjiao were nominated as candidates for independent non-executive directors of the sixth session of the Board of the Company. The resolution is subject to approval by the shareholders' general meeting of the Company.

III. EMPLOYEES

As at 30 June 2026, the total number of employees of the Group was 126,036, the details are as follows:

Number of current employees of the headquarters of the Company *(number of persons)*	168
Number of current employees of the subsidiaries and branches of the Company *(number of persons)*	125,868
Total number of current employees of the Group *(number of persons)*	126,036
Number of retired employees for whom the Group bears expenses *(number of persons)*	45,298

Functions	**Number of persons**
Category of functions	
Operation and maintenance	64,481
Management and administration	21,958
Finance	2,066
Research and development	6,245
Technical support	18,292
Sales and marketing	1,066
Others	11,928
Total	**126,036**

Education Level	**Number of persons**
Category of education levels	
Postgraduates	7,511
University graduates	57,783
College graduates	28,548
Specialised secondary school graduates	10,361
Graduates of technical school, high school and below	21,833
Total	**126,036**

Note: As at the end of the Reporting Period, the total number of employees of the Group increased as compared to the end of 2025. This was mainly due to the completion of acquisition of equity interests in a total of 12 target companies by the Company in the first half of 2026 from the controlling shareholder China Energy and its wholly-owned subsidiary Western Energy. Except for Jinshen Energy, the other 11 target companies were incorporated into the consolidated financial statements of the Company.

The Company has formulated a competitive remuneration policy in the industry that combines basic salary and performance assessment and is tilted in favour of front-line employees. For remuneration of the employees of the Group during the Reporting Period, see "Employee Benefits Payable" in the notes to the financial statements of this report. The Company has established a multi-layered and multi-channel training system, providing employees with suitable training programmes on occupational skills, work safety, group-based management and other aspects.

IV. PROFIT DISTRIBUTION PLAN

(I) Proposal of Profit Distribution Plan for the First Half of the Year

Whether for distribution or for capital conversion	Yes
Dividend per 10 shares *(in RMB, inclusive of tax)*	9.8
Explanation on the relevant circumstances for the proposal of profit distribution or capital reserve conversion	See below

1. The 2026 Interim Profit Distribution Plan

The 2024 annual general meeting of the Company, held on 20 June 2025, approved the proposal regarding the Shareholder Return Plan for 2025-2027 of the Company ("Shareholder Return Plan"). In accordance with 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 net profit attributable to shareholders of the Company realised in the corresponding year and the Company may also implement interim profit distribution during such period after taking into account its operational performance, capital needs and other relevant factors.

In accordance with the Shareholder Return Plan and considering the Company's operational circumstances, the Board of the Company recommends distributing an interim dividend for the year of 2026 of RMB0.98 per share (inclusive of tax) to all shareholders based on the total issued share capital as at the record date for the implementation of dividend distribution. Based on the Company's total issued share capital of 21,689,434,304 shares as at 30 June 2026, the total dividend will amount to RMB21,256 million (inclusive of tax), representing 68.4% of the profit attributable to equity holders of the Company for the first half of 2026 under IFRS Accounting Standards, and 74.0% of the net profit attributable to the shareholders of the Company under China Accounting Standards for Business Enterprises. The Company will convene the third extraordinary general meeting of 2026 on Wednesday, 23 September 2026 to consider the aforementioned dividend proposal.

The 2026 interim dividend will be denominated and declared in RMB, and 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 to 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 applicable exchange rate for dividend payments in HKD shall be the benchmark exchange rate between the RMB and HKD announced by the Bank of China on the first business day following the date of the general meeting approving the 2026 interim profit distribution plan.

In accordance with the preliminary arrangement of the interim profit distribution plan for year 2026 and the third extraordinary general meeting of 2026 of the Company, the interim dividend for the year 2026 for the Company's H shareholders is estimated to be distributed on or about 23 November 2026.

2. Dividend Distribution Arrangement for the Holders of the Company's A shares

Pursuant to the Articles of Association of the Company, as at the close of trading in the afternoon on Friday, 18 September 2026 on the SSE, holders of the A shares of the Company and their proxies who are registered with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited are entitled to attend the 2026 third extraordinary general meeting of the Company and vote at the meeting. In accordance with the relevant regulations of the Shanghai Branch of China Securities Depository and Clearing Corporation Limited and the market practice for A-share dividend distributions, the details regarding the distribution of the Company's 2026 interim dividend for holders of the A shares of the Company will be announced separately in an announcement on the implementation of the dividend distribution following the 2026 third extraordinary general meeting of the Company, to determine the record date, ex-dividend date, and dividend payment date for the 2026 interim dividend of holders of A shares.

3. Dividend Distribution Arrangement for the Holders of the Company's H Shares

The temporary closure of register of members of H shares is arranged as follows:

No.	Corresponding rights	Temporary closure of the register of members First day (inclusive)	Last day/ record date (inclusive)	Latest time for lodging transfer documents	The Company's share registrar for H shares
1	Attending and voting at the 2026 third extraordinary general meeting	Friday, 18 September 2026	Wednesday, 23 September 2026	4:30 p.m. on Thursday, 17 September 2026	Computershare Hong Kong Investor Services Limited
2	Entitled to the 2026 interim dividend	Saturday, 10 October 2026	Friday, 16 October 2026	4:30 p.m. on Friday, 9 October 2026	Computershare Hong Kong Investor Services Limited

The Company shall, based on the registered address ("Registered Address") recorded in the register of members of H shares as at 16 October 2026, determine the residence of the individual H shareholders entitled to receive the 2026 interim dividend of the Company, and withhold and pay individual income tax accordingly. If the residence of the individual H shareholders is inconsistent with the Registered Address, such shareholders shall notify the Company's share registrar for H shares and provide the relevant supporting documents at or before 4:30 p.m. on 9 October 2026 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.

(II) The Execution of the Profit Distribution Plan During the Reporting Period

On 26 June 2026, the 2025 annual general meeting of the Company approved the distribution of the 2025 final dividend of RMB1.03 per share (inclusive of tax) to all shareholders, with a total amount of RMB22,340 million (inclusive of tax). As at the date of disclosure of this report, the payment of the aforesaid dividends has been completed. The distribution of the 2025 final dividend meets the requirements of the resolutions of the general meeting of the Company.

V. SHARE INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE SCHEME OF THE COMPANY AND THEIR IMPACTS

☐ Applicable ✓ Not applicable

VI. ENVIRONMENTAL INFORMATION OF THE LISTED COMPANY AND ITS MAJOR SUBSIDIARIES INCLUDED ON THE LIST OF ENTERPRISES TO DISCLOSE ENVIRONMENTAL INFORMATION IN ACCORDANCE WITH THE LAW

As at 30 June 2026, there were a total of 65 enterprises in the Group which were included in the list of enterprises to disclose environmental information in accordance with the law.

No.	Name of enterprise	Reference index for the report on disclosure of environmental information according to law
1	China Energy Baotou Coal Chemical Co., Ltd.	http://111.56.142.62:40010/cas/login?pagePublishTicket=888f4e8f2c91403aaf2149d2d9322e91
2	Shuiquan Open-cut Mine of China Energy Baotou Energy Co., Ltd.	
3	Explosive Plant of Shenhua Zhunge'er Energy Co., Ltd.	
4	Ha'erwusu Open-cut Mine of China Shenhua Energy Company Limited	
5	Shenhua Zhunge'er Energy Co., Ltd.	
6	China Energy Shendong Coal Group Co., Ltd.	
7	Bu'ertai Colliery of China Energy Shendong Coal	
8	Shangwan Coal Mine of China Energy Shendong Coal	
9	Bulianta Coal Mine of China Energy Shendong Coal	
10	Wulan Mulun Coal Mine of China Energy Shendong Coal Group Co., Ltd.	
11	China Energy Group Shendong Coal Mining Services Co., Ltd.	
12	Plant II of Equipment Maintenance Center of Shendong Coal Branch	
13	China Energy Shendong Zhuanlongwan Coal Transportation Co., Ltd.	
14	China Energy Hangjin Energy Co., Ltd.	
15	Power Plant of Guoneng Yili Energy Co., Ltd.	
16	Huangyuchuan Colliery of Guoneng Yili Energy Co., Ltd.	
17	Wanli First Colliery of China Energy Baotou Energy Co., Ltd.	
18	Guodian Construction and Investment Inner Mongolia Energy Co., Ltd.	
19	Gangue Power Generation Branch of Shenhua Zhunge'er Energy Co., Ltd.	
20	Ordos Coal Liquefaction Branch of China Shenhua Coal Liquefaction and Chemical Company Limited	

No.	Name of enterprise	Reference index for the report on disclosure of environmental information according to law
21	China Energy Beidian Shengli Energy Co., Ltd.	
22	Shengli Power Plant of China Energy Beidian Shengli Energy Co., Ltd.	
23	China Energy Baorixile Energy Co., Ltd.	
24	Zhani River Open-Pit Mine of Inner Mongolia Dayan Mining Industry Group Co., Ltd.	
25	Inner Mongolia Mengdong Energy Co., Ltd.	
26	Yuanbaoshan Open-cut Mine of Inner Mongolia Pingzhuang Coal Industry (Group) Co., Ltd.	
27	China Energy Shaanxi Shenmu Power Co., Ltd.	http://113.140.66.227:11077/#/noLogin/index
28	China Energy Jinjie Energy Co., Ltd.	
29	Daliuta Thermal Power Plant of Shenhua Shendong Power Co., Ltd.	
30	Dianta Power Plant of Shenhua Shendong Power Co., Ltd.	
31	Guojiawan Power Plant of Shenhua Shendong Power Co., Ltd.	
32	Daliuta Colliery of Shendong Coal Branch of China Shenhua Energy Company Limited	
33	Yujialiang Coal Mine of Shendong Coal Branch of China Shenhua Energy Company Limited	
34	China Energy Yulin Chemical Co., Ltd.	
35	Shaanxi Shenmu Chemical Industrial Co., Ltd.	
36	Shaanxi Deyuan Fugu Energy Co., Ltd.	
37	Shanxi Lujin Wangqu Power Generation Co., Ltd.	https://sthjt.shanxi.gov.cn/qyhjxxyfpl/#/
38	Baode Coal Mine of China Shenhua Energy Company Limited	
39	Guoneng Shanxi Hequ Power Generation Co., Ltd.	
40	Guoneng Xinjiang Chemical Co., Ltd.	https://xxpl.xjpmic.cn:9015/index
41	State Grid Energy Hami Coal and Electricity Co., Ltd.	
42	Huayuan Power Plant of State Grid Energy Hami Coal and Electricity Co., Ltd.	
43	China Energy Yudean Taishan Power Co., Ltd.	https://gdee.gd.gov.cn/gdeepub/front/dal/dal/newindex
44	China Energy (Huizhou) Thermal Power Co., Ltd.	
45	China Energy Qingyuan Power Generation Co., Ltd.	

No.	Name of enterprise	Reference index for the report on disclosure of environmental information according to law
46	China Energy Guangtou Liuzhou Power Generation Co., Ltd.	http://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/index.html#/home/overview
47	China Energy Guangtou Beihai Power Generation Co., Ltd.	
48	China Energy Group Yongzhou Power Generation Co., Ltd.	https://222.244.103.251:8181/hnyfpl/frontal/index.html#/home/index
49	China Energy Group Yueyang Power Generation Co., Ltd.	
50	China Energy Shenfu (Shishi) Power Generation Co., Ltd.	http://220.160.52.213:10053/idp-province/#/home
51	China Energy Shenfu (Jinjiang) Thermal Power Co., Ltd.	
52	China Energy Shenfu (Longyan) Power Generation Co., Ltd.	
53	China Energy (Lianjiang) Gangdian Co., Ltd.	
54	China Energy Shenhua Jiujiang Power Generation Co., Ltd.	http://qyhjxxyfpl.sthjt.jiangxi.gov.cn:15004/information
55	China Energy Chongqing Wanzhou Electric Power Co., Ltd.	http://183.66.66.47:10001/eps/index/enterprise-search
56	China Energy Jiangyou Thermal Power Co., Ltd.	https://103.203.219.138:8082/eps/index/enterprise-search
57	China Energy Sichuan Tianming Power Generation Co., Ltd.	
58	China Energy Mengjin Thermal Power Co., Ltd.	http://222.143.24.250:8247/
59	China Energy Shouguang Power Generation Company Limited	http://221.214.62.226:8090/EnvironmentDisclosure/
60	China Energy Hebei Dingzhou Power Generation Co., Ltd.	http://121.29.48.71:8080/
61	China Energy Hebei Cangdong Power Generation Co., Ltd.	
62	Cangzhou Locomotive and Vehicle Maintenance Branch of China Energy Railway Equipment Co., Ltd.	
63	Qinhuangdao Power Generation Co., Ltd.	
64	China Energy (Tianjin) Dagang Power Plant Co., Ltd.	https://hjxxpl.sthj.tj.gov.cn:10800/#/gkwz/jcym
65	China Energy Baoqing Coal Power & Chemical Co., Ltd.	http://111.40.190.123:8082/eps/index/enterprise-search

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

In the first half of 2026, the Group strictly implemented its annual rural revitalisation work plan, focusing on four targeted assistance counties, namely Wubu County and Mizhi County in Shaanxi Province, Butuo County in Sichuan Province, and Ningcheng County in the Inner Mongolia Autonomous Region, promoting the transition of its assistance work from a phased approach to a sustained mechanism. To ensure practical measures, solid projects, adequate funding and tangible outcomes, the Group strengthened industrial development and employment, enhanced endogenous driving forces, and improved rural development and governance. These efforts supported the four counties in creating a new landscape of high-quality development characterised by safeguarded livelihoods, distinctive industries, talent support, ecological improvement and stronger organisations, thereby contributing the strength of China Shenhua to building China into a strong agricultural country and advancing Chinese modernisation.

In the first half of 2026, the Group contributed RMB80.07 million to assistance funds for four targeted counties. The Group implemented 40 assistance projects in key areas such as education, healthcare, industry, and infrastructure construction, benefiting over 10,000 people, and facilitated the purchase and sales of agricultural products amounting to approximately RMB4.10 million.

Apart from the targeted counties, the Group also carried out 59 projects focusing on partnerships with local communities, rural revitalisation, and assistance offered to targeted regions, with a total investment of RMB44.06 million.

I. PERFORMANCE OF COMMITMENTS

Undertakings made by relevant parties such as the de facto controller, shareholders, related parties of the Company and their performance are as follows:

1. During the Reporting Period, no new significant undertakings were made by the relevant parties to the undertakings, including China Energy, the controlling shareholder of the Company, and its related parties such as Capital Holdings and Western Energy. For details of the undertakings, please refer to the section headed "Significant Events" in the 2025 annual report of the Company.

2. During the Reporting Period, the Company completed the acquisition of equity interests in 12 target companies held in aggregate by China Energy and Western Energy by way of issuance of shares and payment in cash (the "Transaction"), and completed the issuance of A Shares to specific subscribers to raise supporting funds (the "Issuance"). From the date of the Company's initial disclosure of information related to the Transaction and the Issuance until the completion of the Transaction and the Issuance, neither China Energy nor Capital Holdings reduced its shareholdings in China Shenhua, and their undertakings not to reduce their shareholdings related to the Transaction and the Issuance have been fulfilled.

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

☐ Applicable ✓ Not applicable

III. ILLEGAL GUARANTEES

☐ Applicable ✓ Not applicable

IV. AUDIT OF THE INTERIM REPORT

(I) Description of the Appointment and Removal of Auditors

On 20 June 2025, the 2024 annual general meeting of the Company approved the appointment of KPMG Huazhen LLP and KPMG (collectively known as "KPMG") as the Company's auditors for A Shares and H Shares for the year of 2025, respectively, with their terms of appointment ending upon the conclusion of the 2025 annual general meeting of the Company. The Company convened the 2025 annual general meeting on 26 June 2026, upon the conclusion of which KPMG's term of appointment ended. On 23 July 2026, the second extraordinary general meeting of the Company for 2026 approved the appointment of Ernst & Young Hua Ming LLP and Ernst & Young as the PRC and international auditors of the Company for the year of 2026, respectively.

(II) Change in Appointment of Auditors During the Audit Period

☐ Applicable ✓ Not applicable

(III) Explanation of the Company on the "Modified Audit Report" Issued by Auditors

☐ Applicable ✓ Not applicable

V. CHANGES IN AND TREATMENT OF MATTERS INVOLVED IN NON-STANDARD AUDIT OPINIONS ON THE ANNUAL REPORT OF LAST YEAR

☐ Applicable ✓ Not applicable

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 the end of the Reporting Period, the Group was the plaintiff, the defendant or a party to certain non-material 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. SUSPECTED VIOLATIONS OF LAWS AND REGULATIONS, PENALTIES AND RECTIFICATION STATUS OF THE LISTED COMPANY AND ITS DIRECTORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

☐ Applicable ✓ Not applicable

IX. EXPLANATION ON THE INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

After enquiring the National Enterprise Credit Information Publicity System, during the Reporting Period, neither the Company nor China Energy, the controlling shareholder of the Company, was included in the list of enterprises with serious violation of the law and lacking in credibility. As at the end of the Reporting Period, the Company had no outstanding obligations determined under effective court rulings, nor were there any significant debts that had become due and remained unpaid.

X. MATERIAL RELATED PARTY/CONNECTED TRANSACTIONS

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

The Company has a related party/connected transaction team under the direct supervision of the Chief Financial Officer, which is responsible for the management of related party/connected transactions; and 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 and accountability systems in the subsidiaries and branches of the Company, to ensure that related party/connected transactions be conducted in accordance with the terms and conditions of framework agreements.

1. Annual Caps for the Related Party/Connected Transactions During the Daily Operation in 2026

China Energy directly holds 69.97% equity interest in the Company, and it is the related party of the Company as defined under the Shanghai Listing Rules and the 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 entered into 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 of the agreements from 1 January 2024 to 31 December 2026. Pursuant to the Mutual Coal Supply Agreement and the Mutual Supplies and Services Agreement, the Group and China Energy Group shall provide coal, supplies and services to each other. (For details, 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 controlling shareholder of the Company. 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. 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. Pursuant to the Financial Services Agreement, the Finance Company shall provide financial services approved by regulatory authorities within its business scope to members of the Group. (For details, 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. To satisfy the Group's continuing demand for factoring services, and considering the demand for factoring services from the relevant target assets held by China Energy, our controlling shareholder, and Western Energy to be acquired by the Company by way of issuance of A shares and cash payment, the fifteenth meeting of the sixth session of the Board of the Company, held on 19 December 2025, approved the 2026 Factoring Services Agreement entered into between the Company and Guoneng Factoring and the annual caps of 2026 daily connected transactions thereunder with the validity period from 1 January 2026 to 31 December 2026. Pursuant to the Factoring Services Agreement, Guoneng Factoring provides factoring services and other services related to factoring (including but not limited to providing consulting, agency, asset management, supply chain finance platform services, etc.) to the members of the Group. (Please refer to the Company's H share announcement on 19 December 2025 and the A share announcement on 20 December 2025.)

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 State Railway Group Co., Ltd. ("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 24 October 2025, the fourteenth meeting of the sixth session of the Board of the Company approved the 2026-2028 Continuing Connected Transactions Framework Agreement between the Company and Taiyuan Railway Bureau which acts for and on behalf of China Railway and the annual caps of transactions thereunder effective from 1 January 2026 to 31 December 2028. On 27 November 2025, the Company entered into the 2026-2028 Continuing Connected Transactions Framework Agreement with Taiyuan Railway Bureau. Pursuant to the Continuing Connected Transactions Framework Agreement, the Group and China Railway 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 announcements on 24 October 2025 and 28 November 2025 and the A share announcements on 25 October 2025 and 29 November 2025.)

2. Implementation of Each Agreement During the Reporting Period

Set out below are the caps and implementation of major continuing related party/connected transaction agreements disclosable during the Reporting Period. During the Reporting Period, the total amount of related party/connected transactions in relation to sales of products and provision of services by the Group to China Energy Group reached RMB46,114 million, accounting for 24.4% of the Group's revenue during the Reporting Period.

Name of the 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 entered into between the Company and China Energy	110,000	37,262	33.8	27,000	12,443	41.8
(2) Mutual Supplies and Services Agreement entered into between the Company and China Energy	35,000	8,852	/	17,000	3,851	/
Including: ①Products		1,705	2.7		1,035	4.8
②Services		7,147	45.5		2,816	16.5
(3) Continuing Connected Transactions Framework Agreement entered into between the Company and China Railway	12,000	1,659	1.4	25,000	5,482	9.0

Name of agreement		Transaction item		Prevailing 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 provided by Finance Company to the members of the Group (including loans, credit loans, bill acceptance and discount, non-financing letter of guarantee, overdraft, letter of credit, etc., including relevant interest accrued thereon)	100,000	**32,596**
		②	Maximum daily deposit balance of the members of the Group in Finance Company (including the accrued interest thereon)	75,000	**71,748**
		③	The total amount of agency fee, handling fee, consultation fee and other service fee charged by Finance Company for providing the members of the Group with financial services, including but not limited to consultation, agency, settlement, transfer, letter of credit, online banking, entrusted loan, non-financing letter of guarantee, bill acceptance and other services	300	**2**
(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 interests, factoring service fees and related financing fees)	10,000	**9,857**
		②	Total service fees (including but not limited to consulting fee, agency fee, handling fee or other services fees) charged by Guoneng Factoring per annum for providing the members of the Group with other services related to factoring, including but not limited to providing consulting, agency, asset management, supply chain finance platform services and other services	20	**0**

The aforementioned continuing related party/connected transactions were conducted within the normal business scope of the Company, and the approval and disclosure procedures of independent directors and independent shareholders were strictly complied with.

(II) Related Party Transactions in Relation to Acquisition of Assets or Acquisition or Disposal of Equity Interests

1. Events Which Were Disclosed in Announcements Without Subsequent Progress or Changes

(1) Summary of matters

The following acquisitions of equity interests constituted major transactions and connected transactions under the Hong Kong Listing Rules.

To further optimise the Group's full industrial chain layout, enhance operational capacity and resource reserves, strengthen core competitiveness, and effectively resolve intra-industry competition, on 15 August 2025, the Company entered into the Asset Purchase Agreement with the controlling shareholder of the Company, China Energy, and its wholly-owned subsidiary Western Energy, pursuant to which, the Company conditionally agreed to (i) acquire 100% equity interest in Guoyuan Power, 100% equity interest in Xinjiang Energy, 100% equity interest in Chemical Company, 100% equity interest in Wuhai Energy, 100% equity interest in Pingzhuang Coal, 41% equity interest in Shenyan Coal, 49% equity interest in Jinshen Energy, 100% equity interest in Baotou Mining, 100% equity interest in Shipping Company, 100% equity interest in Coal Trading Company, 100% equity interest in E-commerce Company and 100% equity interest in Port Company held by China Energy by way of issuance of A Shares ("Consideration Shares") and payment in cash; and (ii) acquire 100% equity interest in Inner Mongolia Construction Investment held by Western Energy by way of payment in cash.

On 19 December 2025, the Company entered into the Supplemental Asset Purchase Agreement with China Energy and Western Energy, pursuant to which (i) the scope of the target assets under the above acquisition was revised to exclude the 100% equity interest in E-commerce Company held by China Energy, while all other target assets remained unchanged; and (ii) certain terms of the above acquisition, including the transaction consideration and payment arrangements, were further amended and supplemented. Following the above amendments, the Company acquired the equity interests in the remaining 12 target companies by way of issuance of A Shares and payment in cash pursuant to the Asset Purchase Agreement and the Supplemental Asset Purchase Agreement (the "Transaction").

The transaction price payable by the Company to China Energy for the acquisition of 100% equity interest in Guoyuan Power, 100% equity interest in Xinjiang Energy, 100% equity interest in Chemical Company, 100% equity interest in Wuhai Energy, 100% equity interest in Pingzhuang Coal, 41% equity interest in Shenyan Coal, 49% equity interest in Jinshen Energy, 100% equity interest in Baotou Mining, 100% equity interest in Shipping Company, 100% equity interest in Coal Trading Company, and 100% equity interest in Port Company was settled by way of issuance of Consideration Shares and payment in cash. Accordingly, the Company paid RMB40,080 million by way of issuing Consideration Shares and RMB85,791 million in cash. The Company paid the transaction consideration of RMB7,728 million in cash for its acquisition of 100% equity interest in Inner Mongolia Construction Investment from Western Energy. Due to the Company's implementation of the 2025 interim profit distribution plan, pursuant to the agreements for the Transaction, the issue price of the Consideration Shares was adjusted from RMB30.38 per share to RMB29.40 per share on 19 December 2025. The number of Consideration Shares issued for the Transaction was 1,363,248,446 A Shares.

Immediately prior to the completion of the Transaction, China Energy was the controlling shareholder of the Company, and Western Energy was a wholly-owned subsidiary of China Energy, and therefore an associate of China Energy. Accordingly, China Energy and Western Energy are connected persons of the Company. The Transaction constituted a connected transaction of the Company under the Hong Kong Listing Rules and was subject to the reporting, announcement, and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. Pursuant to Rule 14.22 of the Hong Kong Listing Rules, where a series of transactions are conducted or completed within the same twelve-month period or are interrelated, such transactions shall be aggregated and treated as a single transaction. Having considered transactions of a similar nature conducted between the Company and its subsidiaries and China Energy and its associates within the twelve months preceding the date of signing of the agreement for the Transaction, and as one or more of the applicable percentage ratios taken on a combined basis were higher than 25% but lower than 100%, the Transaction constituted a major transaction of the Company and was subject to the reporting, announcement, and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules. The Company held its first extraordinary general meeting of 2026 on 23 January 2026, during which the relevant resolutions concerning the Transaction and the raising of supporting funds were duly passed.

On 16 March 2026, the registration procedures of the Consideration Shares were completed at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. In accordance with the terms of the Asset Purchase Agreement and the Supplemental Asset Purchase Agreement, the Company has completed the issuance of 1,363,248,446 Consideration Shares to China Energy at the issue price of RMB29.40 per share. Following the registration, the total number of Shares of the Company was 21,231,768,401. As at 17 March 2026, the registration of the transfer of the relevant equity interests in all 12 target companies involved in the Transaction to the Company had been completed, and the procedures for the transfer of the target assets involved in the Transaction had been completed. Upon completion of the Transaction, except for Jinshen Energy, the other 11 target companies became subsidiaries of the Company.

For the purpose of paying the cash consideration for the Transaction and the merger and acquisition integration expenses, including intermediary fees and transaction taxes and fees, the Company issued A Shares to specific subscribers in the A-share market to raise supporting funds. For details, please refer to the relevant information under "(I) Overall Use of Proceeds" under "XII. EXPLANATION ON PROGRESS OF USE OF RAISED FUNDS" in this section.

(2) Search index

For the details of the Transaction, please refer to the H Share announcements, circular and 2025 annual report published by the Company on the website of the HKEx (www.hkexnews.hk) on 15 August 2025, 19 December 2025, 24 December 2025, 22 January 2026, 28 January 2026, 30 January 2026, 5 February 2026, 12 February 2026, 12 March 2026, 17 March 2026 and 30 March 2026, and the A Share announcements and 2025 annual report published by the Company on the website of the SSE (www.sse.com.cn) on 16 August 2025, 20 December 2025, 23 January 2026, 29 January 2026, 31 January 2026, 6 February 2026, 13 February 2026, 13 March 2026, 18 March 2026 and 31 March 2026.

2. **Events Which Were Disclosed in Announcements with Subsequent Progress or Changes**

☐ Applicable ✓ Not applicable

3. **Where Performance Commitments are Involved, the Fulfilment of Such Performance Commitments during the Reporting Period Shall be Disclosed**

For details of the performance commitments made by China Energy in relation to the performance of Hangjin Energy, and the performance commitments made by China Energy and Western Energy in relation to the disposal of equity interests in 12 target companies, please refer to the section headed "Significant Events" in the 2025 annual report of the Company. Such performance commitments have not yet reached their full commitment period. The Company will disclose the audited results achieved during the relevant commitment periods in its annual report in a timely manner.

(III) Material Related Party Transactions Regarding Joint External Investments

1. **Events Which Were Disclosed in Announcements Without Subsequent Progress or Changes**

Summary of matters	Search index
The capital increase in an aggregate amount of RMB15 billion by China Energy and the Company, by way of cash contributions in proportion to their respective shareholding ratios, to Finance Company, of which China Energy will contribute RMB9 billion and the Company will contribute RMB6 billion, with the entire amount to be credited to the registered capital of Finance Company (the "Capital Increase"). In respect of the Capital Increase, on 25 June 2026, China Energy, the Company and Finance Company entered into the Capital Increase Agreement of China Energy Finance Co., Ltd.	H Share announcements published by the Company on the website of the HKEx (www.hkexnews.hk) on 19 December 2025 and 25 June 2026. A Share announcements published by the Company on the website of the SSE (www.sse.com.cn) on 20 December 2025 and 26 June 2026.

2. **Events Which Were Disclosed in Announcements with Subsequent Progress or Changes**

☐ Applicable ✓ Not applicable

3. Events Which Were Not Disclosed in Announcements

☐ Applicable ✓ Not applicable

(IV) 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 listed company		
		Opening balance	Amount incurred	Closing balance	Opening balance	Amount incurred	Closing balance
China Energy	Controlling shareholder	–	–	–	–	2,054	2,054
China Energy Group Guohua Power Co., Ltd.	Subsidiary of the controlling shareholder	–	–	–	–	2,100	2,100
Finance Company	Subsidiary of the controlling shareholder	41,247	28,953	70,200	12,905	14,625	27,530
Other related parties	Other	395	(105)	290	189	(5)	184
Total		41,642	28,848	70,490	13,094	18,774	31,868

Reasons for debts and liabilities between related parties	(1) The long-term and short-term borrowings provided by China Energy and its subsidiaries 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 interest of the above borrowings, entrusted loans, etc. are being repaid normally according to the repayment plan.
Impacts of debts and liabilities between related parties on the operating results and financial position of the Group	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 Group.

(V) Related Party/Connected Transactions with Finance Company

As at the end of the Reporting Period, the Company held 40% equity interest in Finance Company, and China Energy, the controlling shareholder of the Company, held 60% equity interest in Finance Company. Therefore, the financial services provided by Finance Company to the Group constituted related party/connected transactions of the Company.

1. Major Financial Indicators of Finance Company

	Unit	The first half of 2026 (unaudited)	The first half of 2025 (unaudited)
Revenue	RMB million	**1,195**	2,236
Total profit	RMB million	**1,547**	2,311
Net profit	RMB million	**1,221**	1,799

		As at 30 June 2026 (unaudited)	As at 31 December 2025 (audited)
Total assets	RMB million	**214,720**	210,926
Total liabilities	RMB million	**172,232**	169,681
Owner's equity	RMB million	**42,488**	41,245

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

2. Major Risk Indicators of Finance Company

No.	Monitoring indicators	Indicator requirement	As at 30 June 2026
1	Capital adequacy ratio	≥10.5%	**21.06%**
2	Liquidity ratio	≥25%	**81.46%**
3	Loan balance/the sum of the deposit balance and the paid-in capital	≤80%	**68.56%**
4	Total external liabilities/net capital	≤100%	**0.00%**
5	Balance of bills acceptance/total assets	≤15%	**3.44%**
6	Balance of bills acceptance/balance of interbank deposits	≤300%	**20.66%**
7	Total amount of bills acceptance and rediscounting/net capital	≤100%	**16.49%**
8	Security deposits for bank acceptance bills/total deposits	≤10%	**0.00%**
9	Total amount of investment/net capital	≤70%	**65.20%**
10	Net amount of fixed assets/net capital	≤20%	**0.01%**

All the above monitoring indicators of the 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	0.1%-2.75%	41,247	514,341	485,388	70,200
Total	/	/	/	41,247	514,341	485,388	70,200

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	1.75%-3.30%	12,905	21,647	7,022	27,530
Total	/	/	/	12,905	21,647	7,022	27,530

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	Limit	Amount for the period
Finance Company	Subsidiary of the controlling shareholder	Bill discount	100,000	141
Finance Company	Subsidiary of the controlling shareholder	Issue of acceptance bill	100,000	1,699
Finance Company	Subsidiary of the controlling shareholder	Intermediary business	300	2

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.

(VI) Other Major Related Party Transactions

☐ Applicable ✓ Not applicable

XI. MATERIAL CONTRACTS AND THEIR PERFORMANCE

(I) Trust, Contracting and Leasing

☐ Applicable ✓ Not applicable

(II) Major Guarantees Performed and Outstanding During the Reporting Period

Unit: RMB million

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

Guarantor	Relation between the guarantor and the listed company	Guaranteed party	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	Controlling subsidiary	Hulunbei'er Liangyi Railway Company Limited	33.67	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)	0
Total balance of guarantee at the end of the Reporting Period (A) (excluding guarantee provided to its subsidiaries)	33.67
Guarantee provided by the Company and its subsidiaries to its subsidiaries	
Total amount of guarantee provided to its subsidiaries during the Reporting Period	0
Total balance of guarantee provided to its subsidiaries at the end of the Reporting Period (B)	0
Total amount of guarantee (including guarantee provided to its subsidiaries)	
Total amount of guarantee (A+B)	33.67
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 the Reporting Period (%)	0.007
Amount of guarantee provided to its shareholders, de facto controller and their related parties (C)	0
Amount of debt guarantee directly or indirectly provided to guaranteed parties with a gearing ratio in excess of 70% (D)	33.67
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)	33.67
Description of the potential joint and several repayment liability for outstanding guarantee	Please see below
Description of guarantee	Please see 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 guarantee provided by the Group amounted to RMB33.67 million, which was mainly the guarantee provided by Baorixile Energy, a subsidiary of which the Company owns 56.61% equity interest, to external parties.

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 interest) 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, in proportion to its shareholding, repaid the principal on the loans on behalf of Liangyi Railway Company amounting to a total of RMB144.33 million. Baorixile Energy already made full provision for impairment on its 14.22% equity interests in Liangyi Railway Company and the repayment amount paid on its behalf. Together with other shareholders, Baorixile Energy will continue to call for improvement of business operation of Liangyi Railway Company. As at 30 June 2026, Liangyi Railway Company had a gearing ratio of 217.5%.

(III) Entrusted Cash Asset Management

1. Status of Entrusted Wealth Management

(1) General status of entrusted wealth management

Unit: RMB million

Type of products	Source of funds	Risk characteristics	Amount incurred for the Reporting Period	Closing Balance undue as at the end of the Reporting Period	Unrecovered amount overdue
Structured deposits	Self-owned funds	Principal and minimum income guaranteed	13,900	6,700	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*

At the end of the Reporting Period, the entrusted wealth management products held by the Company were as follows:

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 funds	Investment of funds	Existence of restricted return	Basis for determining return	Annualised 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 CITIC Bank Corporation Limited	Structured deposits	700	2026.06.25	2026.07.09	Own funds	GBP/USD FX spot rate	No	GBP/USD price at 3:00 p.m. (Tokyo time) as shown on the screen on the Bloomberg page "BFIX"	/	0	700	0	Yes
2	China Shenhua	Shanghai Pudong Development Bank Co., Ltd.	Structured Deposits	1,000	2026.06.24	2026.07.08	Own funds	EUR/USD FX rate	No	Fixing price of peg currencies as shown on Bloomberg page "BFIX"	/	0	1,000	0	Yes
3	China Shenhua	Industrial Bank Co., Ltd.	Structured Deposits	1,000	2026.06.26	2026.07.13	Own funds	Gold	No	Morning benchmark price of Shanghai Gold quoted on the Shanghai Gold Exchange	/	0	1,000	0	Yes
4	China Shenhua	Ping An Bank Co., Ltd.	Structured Deposits	1,000	2026.06.25	2026.07.09	Own funds	EUR/GBP FX rate	No	Middle price of peg currencies as shown on Bloomberg page "BFIX"	/	0	1,000	0	Yes
5	China Shenhua	Bank of Shanghai Co., Ltd.	Structured Deposits	2,000	2026.06.30	2026.07.13	Own funds	Gold denominated in USD	No	Fixing price of peg currencies as shown on Bloomberg page "BFIX"	/	0	2,000	0	Yes
6	China Shenhua	Huaxia Bank Co., Ltd.	Structured Deposits	1,000	2026.06.26	2026.07.10	Own funds	CSI 10y Liquid CGB Index	No	Actual number of days in product return calculation period multiplied by annualized rate of return divided by 365	/	0	1,000	0	Yes

During the Reporting Period, in order to improve fund allocation efficiency and fund deposit income, to the extent authorised by the Board of the Company, self-owned funds were used to purchase structured deposits of banks in a timely manner, such structured deposits have relatively low risks and better liquidity (with a maximum maturity of not more than 3 months), and there has been no failure to redeem such products or recover the principal upon maturity. For the wealth management products purchased by the Company in the first half of 2026 which matured in the Reporting Period, the Company recovered all the principal upon maturity, and realised an aggregate return of RMB6.958 million.

2. Entrusted Loans

(1) General status of entrusted loans

Unit: RMB million

Type of products	Source of funds	Amount incurred for the Reporting Period	Outstanding balance as at the end of the Reporting Period	Unrecovered amount overdue
Entrusted loans	Self-owned funds	395.37	0	290.00

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 funds	Investment of funds	Determination of compensation	Loan interest rate	Actual return for the Reporting Period	Principal and interest recovered for the Reporting Period	Whether it has been through legal procedures
Elion Chemical	Investee company	Bank of China	400.0	2020/12/24	2023/12/23	3 years	Self-owned funds	Replacement of loans	Interest to be paid quarterly	4.75%	38.45	Recovered principal of RMB105.36 million and recovered interest of RMB38.45 million	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 RMB110 million. For the remaining amount of the entrusted loan, Elion Chemical has implemented corresponding guarantee measures through asset mortgages and other means. Both parties are actively negotiating the subsequent matters 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 30 June 2026, 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. Under centralised capital management of the Group, the entrusted loans between 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.

XII. EXPLANATION ON PROGRESS OF USE OF RAISED FUNDS

(I) Overall Use of Proceeds

During the first half of 2026, the Company completed the acquisition of equity interests in 12 target companies held in aggregate by China Energy, its controlling shareholder, and Western Energy, a wholly-owned subsidiary of China Energy, by way of issuance of shares and payment in cash (the "Transaction"). To finance the cash consideration, intermediary fees, related taxes and other expenses for the Transaction, the Company raised supporting funds through a private placement of A Shares to 13 specific subscribers in the A-share market. A total of 457,665,903 A Shares were issued (with a par value of RMB1.00 each and an aggregate par value of RMB457,665,903) at an issue price of RMB43.70 per Share and a net price of RMB43.63 per share (the "Issuance"). The gross proceeds from the Issuance amounted to RMB19,999,999,961.10. After deducting the underwriting fee of RMB32,075,471.63 and other fees of RMB431,760.28 (exclusive of VAT), the raised net supporting proceeds amounted to RMB19,967,492,729.19. The issue price was determined on 24 March 2026, on which date the closing price of the Company's H Shares on the HKEx was HK$47.50 per share. According to the Certificate of Securities Registration Change (《證券變更登記證明》) issued by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 7 April 2026, the Company completed the registration of the 457,665,903 newly issued A Shares under the Issuance. Upon completion of the registration, the total number of shares of the Company was 21,689,434,304. The Issuance was made to 13 third-party institutional and individual investors independent of the Company and its related parties/connected persons, including insurance asset management institutions, public fund managers, state-owned investment funds, qualified foreign institutional investors and other professional investors.

As at 30 June 2026, 100% of the net proceeds from the Issuance had been applied to finance the cash consideration, intermediary fees, related taxes and other expenses for the Transaction, and the unutilised proceeds were RMB0. The actual use of the proceeds from the Issuance was consistent with the intended use of proceeds previously disclosed by the Company, and there had been no material change in, or material delay to, the use of the proceeds.

For the details of the Issuance, please refer to the H Share announcements published by the Company on the website of the HKEx (www.hkexnews.hk) on 30 March 2026 and 8 April 2026, and the A Share announcements by the Company on the website of the SSE (www.sse.com.cn) on 31 March 2026 and 9 April 2026.

Unit: RMB million

Source of proceeds	Timeline of proceeds	Total amount of proceeds	Net amount of proceeds (1)	Total amount of committed investment in the prospectus or offering documents (2)	Total over-raised proceeds (3) = (1) – (2)	Cumulative amount of proceeds invested as at the end of the Reporting Period (4)	Including: cumulative amount of over-raised proceeds invested as at the end of the Reporting Period (5)	Cumulative investment progress of proceeds as at the end of the Reporting Period (%) (6) = (4)/(1)	Cumulative investment progress of over-raised proceeds as at the end of the Reporting Period (%) (7) = (5)/(3)	Amount invested in current year (8)	Proportion of amount invested in current year (%) (9) = (8)/(1)	Total amount of proceeds with changed use
Issuance of shares to targeted subscribers	2026/3/30	20,000	19,967.49	19,967.49	0	19,967.49	0	100	N/A	19,967.49	100	N/A
Total	/	20,000	19,967.49	19,967.49	0	19,967.49	0	/	/	19,967.49	/	N/A

(II) Details of Fundraising Projects

1. Details of Use of Fundraising Projects

Unit: RMB million

Source of proceeds	Project name	Project nature	Whether it is a committed investment project in the prospectus or offering documents	Whether it involves a change in use of proceeds	Planned total amount of proceeds invested (1)	Amount invested in current year	Cumulative amount of proceeds invested as at the end of the Reporting Period (2)	Cumulative investment progress as at the end of the Reporting Period (%) (3) = (2)/(1)	Date when the project reaches the expected usable state	Whether the project has been completed	Whether the investment progress is in line with the planned progress	Specific reasons for the investment progress not as planned	Benefits achieved in current year	Benefits or R & D results achieved by the project	Whether there have been significant changes in project feasibility	Surplus amount
Issuance of shares to targeted subscribers	Payment of the cash consideration, intermediary fees and relevant taxes and charges of the Transaction	Other	Yes	No	19,967.49	19,967.49	19,967.49	100	N/A	Yes	Yes	N/A	N/A	N/A	N/A	0
Total	/	/	/	/	19,967.49	19,967.49	19,967.49	/	/	/	/	/	N/A	/	/	0

2. Details of the Use of Excess Proceeds

☐ Applicable ✓ Not applicable

3. Details of the Re-evaluation of the Fundraising Projects During the Reporting Period

☐ Applicable ✓ Not applicable

(III) Changes to or Termination of Fundraising Projects During the Reporting Period

☐ Applicable ✓ Not applicable

(IV) Other Matters on the Use of Proceeds During the Reporting Period

On 30 March 2026, the Company held the 17th meeting of the sixth session of the Board, at which the "Resolution on the Use of Proceeds to Replace the Self-raised Funds Pre-invested" was considered and approved, approving the Company's use of proceeds to replace the self-raised funds that have been invested in the fundraising investment projects (the "Fundraising Projects"). The independent financial adviser issued a verification opinion with no objection. In order to ensure the smooth progress of the Fundraising Projects, prior to the receipt of the proceeds, the Company made pre-investments by using self-raised funds in the Fundraising Projects based on their actual progress. As of 29 March 2026, the Company had used self-raised funds to pay in advance a cash consideration of RMB83,500.00 million to China Energy and Western Energy, which exceeded the net proceeds of RMB19,967.4927 million, with details as follows:

No.	Project name	Proposed amount of proceeds to be invested *RMB ten thousand*	Pre-invested amount of self-raised funds *RMB ten thousand*
1	Payment of cash consideration, intermediary fees, related taxes and other expenses for the Transaction	1,996,749.27	8,350,000.00
	Total	1,996,749.27	8,350,000.00

Section VII Changes in Shares and Particulars of Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Changes in the Number of Shares

1. Changes in the Number of Shares

Unit: share

	Before change		Changes in Issue of new shares	After change	
	Number	Percentage %		Number	Percentage %
I. Shares subject to selling restrictions	–	–	1,820,914,349	1,820,914,349	8.40
1. State-owned shares	–	–	–	–	–
2. Shares held by state-owned legal persons	–	–	1,409,015,036	1,409,015,036	6.50
3. Other domestically owned shares	–	–	391,075,515	391,075,515	1.80
Including: Shares held by domestic non-state-owned legal persons	–	–	377,803,204	377,803,204	1.74
Shares held by domestic natural persons	–	–	13,272,311	13,272,311	0.06
4. Foreign-held shares	–	–	20,823,798	20,823,798	0.10
Including: Shares held by overseas legal persons	–	–	20,823,798	20,823,798	0.10
Shares held by overseas natural persons	–	–	–	–	–
II. Tradable shares not subject to selling restrictions	19,868,519,955	100.00	–	19,868,519,955	91.60
1. RMB-denominated ordinary shares	16,491,037,955	83.00	–	16,491,037,955	76.03
2. Domestic listed foreign shares	–		–	–	–
3. Overseas listed foreign shares	3,377,482,000	17.00	–	3,377,482,000	15.57
4. Others	–		–	–	–
III. Total number of shares	19,868,519,955	100.00	1,820,914,349	21,689,434,304	100.00

During the six months ended 30 June 2026, the Group did not purchase, sell or redeem any of the Company's listed securities (including sale of treasury shares) as defined under the Hong Kong Listing Rules. As at 30 June 2026, 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, the Company has satisfied the minimum public float requirement under the Hong Kong Listing Rules.

2. Explanations of Changes in Shares

During the Reporting Period, the Company acquired equity interests in 12 target companies held by its controlling shareholder, China Energy, and its wholly-owned subsidiary, Western Energy, by issuing shares and payment in cash, and raised supporting funds. Among them, the Company issued 1,363,248,446 A Shares to China Energy on a non-public issue basis, and completed the registration procedures with Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the newly issued shares on 16 March 2026. The lock-up period is 36 months from the date of completion of the share issuance. The Company issued A Shares to specific investors to raise supporting funds, with 457,665,903 A Shares newly issued, and completed the registration procedures with Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 7 April 2026. The lock-up period is 6 months from the date of completion of the share issuance.

3. Impacts of Changes in Shares on Earnings Per Share, Net Assets Per Share and Other Financial Indicators after the Reporting Period and Prior to the Disclosure Date of the Interim Report

☐ Applicable ✔ Not applicable

4. Other Contents to be Disclosed as Deemed Necessary by the Company or Required by Securities Regulatory Authorities

☐ Applicable ✔ Not applicable

(II) Changes in Shares Subject to Selling Restrictions

Unit: share

Name of shareholder	The number of restricted shares at the beginning of the period	Number of restricted shares unlocked during the Reporting Period	Number of restricted shares increased during the Reporting Period	Number of restricted shares at the end of the Reporting Period	Reasons for the restriction	Date of unlocking the restricted shares
China Energy Investment Corporation Limited (國家能源投資集團有限責任公司)	–	–	1,363,248,446	1,363,248,446	The Company issued shares to it for the acquisition of assets	16 March 2029
Taiping Asset Management Co., Ltd. (太平資產管理有限公司)	–	–	94,956,525	94,956,525		7 October 2026
China Life Asset Management Company Limited (中國人壽資產管理有限公司)	–	–	91,533,180	91,533,180		7 October 2026
E Fund Management Co., Ltd. (易方達基金管理有限公司)	–	–	61,556,064	61,556,064		7 October 2026
Caitong Fund Management Co., Ltd. (財通基金管理有限公司)	–	–	41,647,597	41,647,597		7 October 2026
Nuode Asset Management Co., Ltd. (諾德基金管理有限公司)	–	–	28,384,439	28,384,439	The Company issued shares to it to raise supporting funds	7 October 2026
China State-owned Enterprises Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司)	–	–	22,883,295	22,883,295		7 October 2026
China CITIC Financial Asset Management Co., Ltd. (中國中信金融資產管理股份有限公司)	–	–	22,883,295	22,883,295		7 October 2026
UBS AG	–	–	20,823,798	20,823,798		7 October 2026

Name of shareholder	The number of restricted shares at the beginning of the period	Number of restricted shares unlocked during the Reporting Period	Number of restricted shares increased during the Reporting Period	Number of restricted shares at the end of the Reporting Period	Reasons for the restriction	Date of unlocking the restricted shares
China Structural Reform Fund Phase II Coordinated Development Fund Co., Ltd. (國調二期協同發展基金股份有限公司)	–	–	18,306,636	18,306,636		7 October 2026
Guotai Asset Management Co., Ltd. (國泰基金管理有限公司)	–	–	14,416,475	14,416,475		7 October 2026
Nice Zhejiang Investment Co., Ltd. (納愛斯浙江投資有限公司)	–	–	13,729,977	13,729,977		7 October 2026
Beijing Guangyao Kinetic Energy Equity Investment Fund Co., Ltd. (北京光曜動能股權投資基金有限公司)	–	–	13,272,311	13,272,311		7 October 2026
Zhong Ge (鍾革)	–	–	13,272,311	13,272,311		7 October 2026
Total	–	–	1,820,914,349	1,820,914,349	/	/

II. NUMBER OF SHAREHOLDERS AND SHAREHOLDING

(I) Total Number of Shareholders

Total number of shareholders of ordinary shares as at the end of the Reporting Period *(accounts)*	233,355
Including: Holders of A Shares (including China Energy) *(accounts)*	231,730
Registered holders of H Shares *(accounts)*	1,625

(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

Unit: share

Shareholdings of top ten shareholders (excluding lending of shares by way of refinancing)							
Name of shareholders (Full name)	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, marking or freeze		Nature of shareholders
					Status	Number	
			%				
China Energy Investment Corporation Limited (國家能源投資集團有限責任公司)	+1,363,248,446	15,175,957,642	69.97	1,363,248,446	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	+510,460	3,370,652,088	15.54	0	Unknown	0	Overseas legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	-158,030,099	436,687,905	2.01	0	Nil	0	Others
China Life Insurance Company Limited – Traditional – General Insurance Products – 005L – CT001 Shanghai (中國人壽保險股份有限公司-傳統-普通保險產品-005L-CT001 滬)	+183,981,857	251,481,395	1.16	87,871,853	Nil	0	Others
China Reform Investment Co., Ltd. (國新投資有限公司)	+98,695,597	190,842,454	0.88	0	Nil	0	State-owned legal person
Taiping Life Insurance Company Limited – Traditional-General Insurance Products – 022L-CT001 Shanghai (太平人壽保險有限公司-傳統-普通保險產品-022L-CT001 滬)	+102,711,709	114,321,009	0.53	94,956,525	Nil	0	Others

Shareholdings of top ten shareholders (excluding lending of shares by way of refinancing)							
Name of shareholders (Full name)	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, marking or freeze Status	Number	Nature of shareholders
Guoxin Hongsheng Investment (Beijing) Co., Ltd. (國新宏盛投資(北京)有限公司)	+69,934,419	114,264,767	0.53	0	Nil	0	Others
Hong Kong Securities Clearing Company Limited	-19,250,990	83,486,775	0.38	0	Nil	0	Overseas legal person
Guofeng Xinghua (Beijing) Private Equity Fund Management Co., Ltd. – Honghu Zhiyuan (Shanghai) Private Investment Fund Co., Ltd. (國豐興華(北京)私募基金管理有限公司－鴻鵠志遠(上海)私募投資基金有限公司)	0	55,987,298	0.26	0	Nil	0	Others
Taiping Life Insurance Company Limited (太平人壽保險有限公司)	+9,745,407	55,031,845	0.25	0	Nil	0	State-owned legal person

Shareholdings of top ten shareholders without selling restrictions (excluding lending of shares by way of refinancing and locked-up shares held by senior management)

Name of shareholders	Number of tradable shares held without selling restrictions	Type and number of shares: Type	Type and number of shares: 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	3,370,652,088	Overseas listed foreign shares	3,370,652,088
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	436,687,905	RMB ordinary shares	436,687,905
China Reform Investment Co., Ltd. (國新投資有限公司)	190,842,454	RMB ordinary shares	190,842,454
China Life Insurance Company Limited – Traditional – General Insurance Products – 005L-CT001 Shanghai (中國人壽保險股份有限公司－傳統－普通保險產品－005L－CT001 滬)	163,609,542	RMB ordinary shares	163,609,542
Guoxin Hongsheng Investment (Beijing) Co., Ltd. (國新宏盛投資(北京)有限公司)	114,264,767	RMB ordinary shares	114,264,767
Hong Kong Securities Clearing Company Limited	83,486,775	RMB ordinary shares	83,486,775
Guofeng Xinghua (Beijing) Private Equity Fund Management Co., Ltd. – Honghu Zhiyuan (Shanghai) Private Investment Fund Co., Ltd. (國豐興華(北京)私募基金管理有限公司－鴻鵠志遠(上海)私募投資基金有限公司)	55,987,298	RMB ordinary shares	55,987,298
Taiping Life Insurance Company Limited (太平人壽保險有限公司)	55,031,845	RMB ordinary shares	55,031,845
Guofeng Xinghua (Beijing) Private Equity Fund Management Co., Ltd. - Guofeng Xinghua Honghu Zhiyuan Private Securities Investment Fund II (國豐興華(北京)私募基金管理有限公司－國豐興華鴻鵠志遠二期私募證券投資基金)	52,206,131	RMB ordinary shares	52,206,131
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
(excluding lending of shares by way of refinancing and locked-up shares held by senior management)

Name of shareholders	Number of tradable shares held 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 de facto controller of both China Reform Investment Co., Ltd. (國新投資有限公司) and Guoxin Hongsheng Investment (Beijing) Co., Ltd. (國新宏盛投資(北京)有限公司) is China Reform Holdings Corporation Limited. (中國國新控股有限責任公司); Guofeng Xinghua (Beijing) Private Equity Fund Management Co., Ltd. (國豐興華(北京)私募基金管理有限公司) acts as the private fund manager for both Guofeng Xinghua (Beijing) Private Equity Fund Management Co., Ltd. – Honghu Zhiyuan (Shanghai) Private Investment Fund Co., Ltd. (國豐興華(北京)私募基金管理有限公司－鴻鵠志遠(上海)私募投資基金有限公司) and Guofeng Xinghua (Beijing) Private Equity Fund Management Co., Ltd. - Guofeng Xinghua Honghu Zhiyuan Private Securities Investment Fund II (國豐興華(北京)私募基金管理有限公司－國豐興華鴻鵠志遠二期私募證券投資基金). 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		

Notes: 1. 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.

2. As at the end of the Reporting Period, the controlling shareholder of the Company, China Energy, in addition to its direct shareholding, held 11,593,528 A Shares of the Company through its wholly-owned subsidiary, Capital Holdings. China Energy directly and indirectly held a total of 15,187,551,170 A Shares of the Company, representing 70.02% of the total number of issued shares of the Company.

(III) Participation in Lending of Shares by way of Securities Lending and Refinancing by the Shareholders holding more than 5% of the Share Capital, the Top Ten Shareholders and the Top Ten Holders of Tradable Shares without Selling Restrictions

☐ Applicable ✔ Not applicable

(IV) Number of Shares Held by Top Ten Shareholders with Selling Restrictions and Their Selling Restrictions

Unit: Share

No.	Name of shareholder with selling restrictions	Number of shares held subject to selling restrictions	Listing and trading of shares with selling restrictions: Date on which the shares may become tradable	Listing and trading of shares with selling restrictions: Number of additional shares becoming tradable	Selling restrictions
1	China Energy Investment Corporation Limited (國家能源投資集團有限責任公司)	1,363,248,446	16 March 2029	1,363,248,446	The Company acquired the equity interests in 12 target companies collectively held by China Energy and Western Energy through the issuance of shares and payment of cash (the "Transaction"). The shares were A Shares issued to China Energy as consideration for the Transaction and may not be transferred within 36 months from the date of completion of the share issuance. If the number of such shares increases as a result of the Company's bonus issue, capitalisation issue or rights issue, the additional shares of the Company are subject to the same lock-up period as the original shares. However, transfers permitted under applicable laws, regulations and regulatory documents are not subject to this restriction. If, within six months after completion of the Transaction, the closing price of the Company's shares is lower than the issue price for 20 consecutive trading days, or if the closing price at the end of the six-month period following completion of the Transaction is lower than the issue price, the lock-up period applicable to such shares held by China Energy shall be automatically extended by six months.

No.	Name of shareholder with selling restrictions	Number of shares held subject to selling restrictions	Listing and trading of shares with selling restrictions: Date on which the shares may become tradable	Listing and trading of shares with selling restrictions: Number of additional shares becoming tradable	Selling restrictions
2	Taiping Asset Management Co., Ltd. (太平資產管理有限公司)	94,956,525	7 October 2026	94,956,525	The shares were A Shares issued by the Company to specific investors to raise supporting funds and may not be transferred within six months from the date of completion of the share issuance. From the completion of the share issuance until the expiry of the lock-up period, any additional shares of the Company issued as a result of the circumstances such as distribution of stock dividends or capitalisation of capital reserves shall also be subject to the aforementioned lock-up arrangement.
3	China Life Asset Management Company Limited (中國人壽資產管理有限公司)	91,533,180	7 October 2026	91,533,180	
4	E Fund Management Co., Ltd. (易方達基金管理有限公司)	61,556,064	7 October 2026	61,556,064	
5	Caitong Fund Management Co., Ltd. (財通基金管理有限公司)	41,647,597	7 October 2026	41,647,597	
6	Nuode Asset Management Co., Ltd. (諾德基金管理有限公司)	28,384,439	7 October 2026	28,384,439	
7	China State-owned Enterprises Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司)	22,883,295	7 October 2026	22,883,295	
8	China CITIC Financial Asset Management Co., Ltd. (中國中信金融資產管理股份有限公司)	22,883,295	7 October 2026	22,883,295	
9	UBS AG	20,823,798	7 October 2026	20,823,798	
10	Guodiao Phase II Collaborative Development Fund Co., Ltd. (國調二期協同發展基金股份有限公司)	18,306,636	7 October 2026	18,306,636	

Description of the related party relationships among the abovementioned shareholders or whether they are parties acting in concert: China State-owned Enterprises Mixed Ownership Reform Fund Co., Ltd. and Guodiao Phase II Collaborative Development Fund Co., Ltd. have Chengtong Shenggai Private Equity Fund Management Co., Ltd. (誠通深改私募基金管理有限公司) and Chengtong Fund Management Co., Ltd. (誠通基金管理有限公司) respectively serving as their private equity fund managers, and the de facto controller of both private equity fund managers is China Chengtong Holdings Group Limited. Save as disclosed above, the Company is not aware of any related party relationships among the top ten shareholders with selling restrictions, 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).

(V) Strategic Investors or General Legal Persons Becoming Top Ten Shareholders as a Result of New Share Placing

Name of strategic investors or general legal persons	Agreed commencement date of shareholding	Agreed expiry date of shareholding
Taiping Life Insurance Company Limited – Traditional-General Insurance Products-022L-CT001 Shanghai	7 April 2026	7 October 2026
Explanation on agreed timeframe of shareholding for participation in placement of new shares by strategic investors or general legal persons	The shares of the Company subscribed for by the target subscribers under the issuance of shares to raise supporting funds shall not be transferred within 6 months from the date of completion of the issuance	

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

As at 30 June 2026, 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:

No.	Name of shareholder	Capacity	H Shares/ A Shares	Nature of interest	Number of H Shares/ A Shares held	Percentage of H Shares/ A Shares held in the total issued H Shares/ A Shares of the Company, respectively	Percentage of total issued shares of the Company
					share	*%*	*%*
1	China Energy	Beneficial owner	A Shares	Long position	15,175,957,642	82.87	69.97
		Interest of corporation controlled by the substantial shareholder (Note)	A Shares	Long position	11,593,528	0.06	0.05
2	BlackRock, Inc.	Interest of corporation controlled by the substantial shareholder	H Shares	Long position	182,008,410	5.39	0.84
		Interest of corporation controlled by the substantial shareholder	H Shares	Short position	23,549,500	0.70	0.11

No.	Name of shareholder	Capacity	H Shares/ A Shares	Nature of interest	Number of H Shares/ A Shares held	Percentage of H Shares/ A Shares held in the total issued H Shares/ A Shares of the Company, respectively	Percentage of total issued shares of the Company
					share	*%*	*%*
3	Rui Life Insurance Company Limited (瑞眾人壽保險有限責任公司)	Beneficial owner	H Shares	Long position	203,502,000	6.03	0.94

Note: As at 30 June 2026, Capital Holdings, a wholly-owned subsidiary of China Energy, held 11,593,528 A Shares of the Company.

As at 30 June 2026, save as disclosed above, there were no other persons who held interests and/or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register to be kept under section 336 of Part XV of the Securities and Futures Ordinance, or who were substantial shareholders of the Company.

III. SHAREHOLDINGS OF DIRECTORS AND SENIOR MANAGEMENT

(I) Changes in Shareholding of the Incumbent Directors and Senior Management and Those Who Ceased to Hold Office During the Reporting Period

☐ Applicable ✔ Not applicable

(II) Equity Incentives Granted to Directors and Senior Management During the Reporting Period

☐ Applicable ✔ Not applicable

(III) Other Explanation

☐ Applicable ✔ Not applicable

IV. CHANGES IN CONTROLLING SHAREHOLDER OR DE FACTO CONTROLLER

☐ Applicable ✔ Not applicable

V. INFORMATION ON PREFERENCE SHARES

☐ Applicable ✔ Not applicable

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Independent Review Report
To the board of directors of China Shenhua Energy Company Limited
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 111 to 153, which comprises the interim condensed consolidated statement of financial position of China Shenhua Energy Company Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2026 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *interim financial reporting* ("IAS34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS34.

Ernst & Young
Certified Public Accountants
Hong Kong

28 August 2026

Interim condensed consolidated statement of profit or loss and other comprehensive income

for the six months ended 30 June 2026

(Expressed in Renminbi ("RMB"))

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
			(Restated)
	Notes	***RMB million***	*RMB million*
Revenue			
Goods and services	4	**189,338**	175,423
Cost of sales	6	**(132,646)**	(121,673)
Gross profit		**56,692**	53,750
Selling expenses		**(461)**	(511)
General and administrative expenses		**(7,063)**	(7,763)
Research and development costs		**(1,010)**	(1,035)
Other gains and losses	10	**103**	480
Other income	7	**520**	510
Loss allowances, net of reversal	10	**37**	139
Other expenses		**(812)**	(306)
Interest income		**1,091**	1,414
Finance costs	8	**(2,723)**	(2,486)
Share of results of associates		**1,654**	2,268
Profit before income tax		**48,028**	46,460
Income tax expense	9	**(9,964)**	(9,393)
Profit for the period	10	**38,064**	37,067
Profit for the period		**38,064**	37,067
Other comprehensive (loss)/income for the period			
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		**235**	23
Share of other comprehensive income of associates		**89**	115
Items that may be reclassified subsequently to profit or loss, net of income tax:			
Exchange differences		**(374)**	(21)
Share of other comprehensive loss of associates		**(38)**	(99)
Other comprehensive (loss)/income for the period, net of income tax		**(88)**	18
Total comprehensive income for the period		**37,976**	37,085

Interim condensed consolidated statement of profit or loss and other comprehensive income (Continued)

for the six months ended 30 June 2026

(Expressed in Renminbi ("RMB"))

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
			(Restated)
	Notes	***RMB million***	*RMB million*
Profit for the period attributable to:			
Equity holders of the Company		**31,054**	30,478
Non-controlling interests		**7,010**	6,589
		38,064	37,067
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**31,064**	30,484
Non-controlling interests		**6,912**	6,601
		37,976	37,085
Earnings per share			
– Basic and diluted (RMB)	12	**1.448**	1.438

The notes form part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

30 June 2026

(Expressed in RMB)

	Notes	**30 June 2026 (Unaudited) *RMB million***	31 December 2025 (Restated) *RMB million*
Non-current assets			
Property, plant and equipment	13	**439,310**	437,782
Construction in progress	13	**52,319**	48,730
Exploration and evaluation assets		**12,437**	12,437
Intangible assets		**10,429**	10,109
Right-of-use assets	16	**41,352**	39,787
Interests in associates	14	**83,198**	71,633
Financial assets at fair value through profit or loss		**123**	133
Financial assets at fair value through other comprehensive income		**7,211**	6,942
Other non-current assets	15	**64,447**	68,269
Deferred tax assets		**8,291**	7,868
Total non-current assets		**719,117**	703,690
Current assets			
Inventories	17	**17,810**	15,280
Accounts and bills receivables	18	**26,823**	22,198
Financial assets at fair value through profit or loss		**6,701**	–*
Financial assets at fair value through other comprehensive income		**1,063**	2,010
Prepaid expenses and other current assets	19	**22,603**	28,240
Restricted bank deposits		**18,197**	20,077
Time deposits with original maturity over three months		**65,722**	70,449
Cash and cash equivalents	20	**51,673**	50,487
Total current assets		**210,592**	208,741
Current liabilities			
Borrowings	21	**82,705**	29,624
Accounts and bills payables	22	**53,484**	60,091
Accrued expenses and other payables	23	**83,953**	57,044
Current portion of lease liabilities		**181**	427
Current portion of long-term liabilities		**9,928**	13,205
Income tax payable		**3,458**	4,503
Contract liabilities		**8,502**	6,174
Total current liabilities		**242,211**	171,068
Net current (liabilities)/assets		**(31,619)**	37,673
Total assets less current liabilities		**687,498**	741,363

* Amount smaller than RMB500,000.

Interim condensed consolidated statement of financial position (Continued)

30 June 2026

(Expressed in RMB)

	Notes	**30 June 2026 (Unaudited) *RMB million***	31 December 2025 (Restated) *RMB million*
Non-current liabilities			
Borrowings	21	**74,923**	72,925
Long-term liabilities	24	**28,188**	30,862
Accrued reclamation obligations	25	**14,982**	14,632
Deferred tax liabilities		**7,830**	7,762
Other non-current liabilities		**1,708**	1,839
Lease liabilities		**1,032**	1,115
Total non-current liabilities		**128,663**	129,135
Net assets		**558,835**	612,228
Equity			
Share capital	26	**21,689**	19,869
Reserves		**437,538**	500,077
Total equity attributable to equity holders of the Company		**459,227**	519,946
Non-controlling interests		**99,608**	92,282
Total equity		**558,835**	612,228

Approved and authorised for issue by the board of directors on 28 August 2026.

Zhang Changyan
Executive Director

The notes form part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

for the six months ended 30 June 2026

(Expressed in RMB)

	Equity attributable to equity holders of the Company									
	Share capital RMB million (Note 26)	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 2025 (audited)	19,869	84,766	16,637	445	36,261	(19,215)	273,813	412,576	72,891	485,467
Add: Business combination under common control *(Note 31)*	–	–	144,297	–	7,663	590	(45,180)	107,370	19,391	126,761
At 1 January 2026 (restated)	19,869	84,766	160,934	445	43,924	(18,625)	228,633	519,946	92,282	612,228
Profit for the period	–	–	–	–	–	–	31,054	31,054	7,010	38,064
Other comprehensive (loss)/income for the period	–	–	–	(276)	–	286	–	10	(98)	(88)
Total comprehensive income for the period	–	–	–	(276)	–	286	31,054	31,064	6,912	37,976
Dividend declared *(Note 11)*	–	–	–	–	–	–	(22,340)	(22,340)	–	(22,340)
Appropriation of maintenance and production funds *(Note (iii))*	–	–	–	–	4,581	–	(4,581)	–	–	–
Utilisation of maintenance and production funds *(Note (iii))*	–	–	–	–	(2,606)	–	2,606	–	–	–
Contributions from non-controlling shareholders	–	–	–	–	–	–	–	–	777	777
Distributions to non-controlling shareholders	–	–	–	–	–	–	–	–	(363)	(363)
Shares issued for acquisition of the associate	41	1,871	–	–	–	–	–	1,912	–	1,912
Shares issued for ancillary financing	457	19,509	–	–	–	–	–	19,966	–	19,966
Business combination under common control	1,322	–	(92,264)	–	–	–	–	(90,942)	–	(90,942)
Others	–	–	–	–	–	155	(534)	(379)	–	(379)
At 30 June 2026 (unaudited)	21,689	106,146	68,670	169	45,899	(18,184)	234,838	459,227	99,608	558,835

Interim condensed consolidated statement of changes in equity (Continued)

for the six months ended 30 June 2026

(Expressed in RMB)

	Equity attributable to equity holders of the Company									
	Share capital *RMB million* *(Note 26)*	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 2024 (audited)	19,869	84,766	16,637	643	35,325	(19,550)	284,905	422,595	77,667	500,262
Add: Business combination under common control *(Note 31)*	–	–	139,010	–	7,315	683	(50,975)	96,033	16,959	112,992
At 1 January 2025 (restated)	19,869	84,766	155,647	643	42,640	(18,867)	233,930	518,628	94,626	613,254
Profit for the period	–	–	–	–	–	–	30,478	30,478	6,589	37,067
Other comprehensive (loss)/ income for the period	–	–	–	(32)	–	38	–	6	12	18
Total comprehensive income for the period	–	–	–	(32)	–	38	30,478	30,484	6,601	37,085
Dividend declared *(Note 11)*	–	–	–	–	–	–	(44,903)	(44,903)	–	(44,903)
Appropriation of maintenance and production funds *(Note (iii))*	–	–	–	–	4,799	–	(4,799)	–	–	–
Utilisation of maintenance and production funds *(Note (iii))*	–	–	–	–	(1,911)	–	1,911	–	–	–
Contributions from non-controlling shareholders	–	–	–	–	–	–	–	–	486	486
Distributions to non-controlling shareholders	–	–	–	–	–	–	–	–	(14,697)	(14,697)
Others	–	–	138	–	–	–	(3)	135	(338)	(203)
At 30 June 2025 (unaudited) (restated)	19,869	84,766	155,785	611	45,528	(18,829)	216,614	504,344	86,678	591,022

The notes form part of this interim condensed consolidated financial information.

Notes:

(i) Share premium represents the difference between the total amount of the par value of shares issued and the amount of net proceeds received with adjustments for share repurchases.

(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), capital reserve arising from business combinations under common control and other changes in equity.

(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 dividends 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 for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(iv) Other reserves

Other reserves mainly represent share of other comprehensive income of associates, and fair value changes on investments in equity instruments at fair value through other comprehensive income.

(v) Retained earnings

Included in the retained earnings of the Group were its share of the surplus reserve of its domestic subsidiaries amounting to RMB39,825 million as at 30 June 2026 (31 December 2025: RMB39,825 million (restated)).

The notes form part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

for the six months ended 30 June 2026

(Expressed in RMB)

	Notes	Six months ended 30 June **2026** **(Unaudited)** ***RMB million***	2025 (Unaudited) (Restated) *RMB million*
Operating activities			
Profit before income tax		**48,028**	46,460
Adjustments for:			
Depreciation and amortisation	10	**17,171**	16,713
(Gains)/losses on disposal of property, plant and equipment, intangible assets and non-current assets	10	**(94)**	7
Gains on disposal of a subsidiary	10	**–**	(405)
Losses/(gains) on changes in fair value financial assets at FVTPL	10	**10**	(8)
Impairment losses on property, plant and equipment, construction in progress, exploration and evaluation assets and right-of-use assets	10	**4**	50
Reversal of allowance for prepaid expenses	10	**–**	(1)
Loss allowances, net of reversal	10	**(37)**	(139)
Write down of inventories, net of reversal	10	**(1)**	(22)
Interest income		**(1,091)**	(1,414)
Share of results of associates		**(1,654)**	(2,268)
Interest expense		**2,506**	2,301
Exchange losses, net	8	**217**	113
Others		**(22)**	(101)
Operating cash flows before movements in working capital		**65,037**	61,286
Increase in inventories		**(2,530)**	(1,123)
Increase in accounts and bills receivables		**(4,676)**	(2,681)
Decrease in prepaid expenses, other current assets and other non-current assets		**6,950**	4,210
Decrease in accounts and bills payables		**(4,689)**	(1,957)
Increase in accrued expenses and other payables		**3,645**	1,538
Increase in contract liabilities		**2,329**	1,648
Cash generated from operations		**66,066**	62,921
Income tax paid		**(11,402)**	(11,376)
Net cash generated from operating activities		**54,664**	51,545

	Notes	Six months ended 30 June 2026 (Unaudited) RMB million	Six months ended 30 June 2025 (Unaudited) (Restated) RMB million
Investing activities			
Acquisition of property, plant and equipment, intangible assets, exploration and evaluation assets, additions to the construction in progress and other non-current assets		**(27,367)**	(31,037)
Increase in right-of-use assets		**(2,212)**	(1,126)
Proceeds from disposal of property, plant and equipment, intangible assets, and other non-current assets		**303**	64
Investments in financial asset at fair value through profit or loss		**559**	–
Net cash and cash equivalent increase from disposal of a subsidiary		**–**	493
Investments in associates		**(9,314)**	(1,387)
Repayment of investment from associates		**–**	489
Repayment of structured deposits		**7,200**	40,638
Dividend received from associates		**901**	1,104
Interest received		**1,216**	1,343
Purchase of structured deposits		**(13,900)**	(30,400)
Decrease/(increase) in restricted bank deposits		**1,880**	(2,784)
Decrease/(increase) in time deposits with original maturity over three months		**4,727**	(8,829)
Net cash used in investing activities		**(36,007)**	(31,432)

Interim condensed consolidated statement of cash flows (Continued)

for the six months ended 30 June 2026

(Expressed in RMB)

	Notes	Six months ended 30 June 2026 (Unaudited) RMB million	2025 (Unaudited) (Restated) RMB million
Financing activities			
Capital element of lease rentals paid		**(377)**	(868)
Interest element of lease rentals paid		**(13)**	(32)
Interest paid		**(2,719)**	(1,656)
Proceeds from borrowings		**129,066**	20,860
Repayments of borrowings		**(73,633)**	(21,788)
Redemption of bonds		**–**	(3,021)
Repayments of commercial factoring		**(4,095)**	(398)
Proceeds from bills discounted and commercial factoring		**5,235**	1,691
Cash paid for acquisition of subsidiaries under common control		**(90,942)**	(853)
Proceeds from issue of shares		**19,966**	–
Contributions from controlling shareholders		**–**	500
Contributions from non-controlling shareholders		**777**	638
Distributions to non-controlling shareholders		**(561)**	(727)
Net cash used in financing activities		**(17,296)**	(5,654)
Net increase in cash and cash equivalents		**1,361**	14,459
Cash and cash equivalents, at the beginning of the period		**50,487**	87,799
Effect of foreign exchange rate changes		**(175)**	(24)
Cash and cash equivalents, at the end of the period		**51,673**	102,234

The notes form part of this interim condensed consolidated financial information.

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 Chinese mainland.

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.

In 2026, the Company issued 1,363,248,446 A shares with a par value of RMB1.00 each as share consideration for the acquisition of assets. In addition, the Company issued 457,665,903 A shares to specific investors with a par value of RMB1.00 each to raise supporting funds. The registration of the above newly issued A shares has been completed.

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 Group. China Energy Group will be the parent company after the completion of the restructuring.

On 27 November 2017, Shenhua Group completed the industrial and commercial registration of changes in the business license. The Directors consider the immediate parent and the ultimate holding company of the Group to be China Energy Group.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and International Accounting Standard 34 *Interim financial reporting* ("IAS34"), as issued by the International Accounting Standards Board. It was authorised for issue on 28 August 2026.

The interim condensed consolidated financial information has been prepared in accordance with the same accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the accounting policy changes that are expected to be reflected in the Group's annual consolidated financial statements for the year ending 31 December 2026. Details of any changes in accounting policies are set out in Note 3 to the interim condensed consolidated financial information.

The preparation of the interim condensed consolidated financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim condensed consolidated financial information includes selected explanatory notes in relation to the events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Group's annual consolidated financial statements for the year ended 31 December 2025. The interim condensed consolidated financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

As at 30 June 2026, the current net liabilities of the Group amounted to RMB31,619 million. The Directors have considered the availability of funding sources, including but not limited to unutilised banking facilities of RMB107,900 million as at 30 June 2026. The Directors believe that the Group has sufficient working capital to continue as a going concern for not less than 12 months after the end of reporting period. Therefore, the Directors continue to prepare the interim condensed consolidated financial information for six months ended 30 June 2026 on a going concern basis.

3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

The amendments do not have a material impact on this interim report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE FROM GOODS AND SERVICES

Disaggregation of revenue of business lines is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
		(Restated)
	RMB million	*RMB million*
Revenue from goods and services		
– Coal	**110,075**	103,322
– Power	**49,346**	47,102
– Transportation and other services	**9,681**	8,246
– Coal chemical products	**13,362**	10,086
	182,464	168,756
Others	**6,874**	6,667
	189,338	175,423

The Group's revenue from contracts with customers is RMB189,242 million for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB175,300 million (restated)).

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.

4 REVENUE FROM GOODS AND SERVICES (Continued)

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.

5 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 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.

(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 SEGMENT AND OTHER INFORMATION (Continued)

(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, coal-to-liquids, together with other by-products, for sale to external customers. The Group sells its polyethylene at spot market.

(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 six months ended 30 June 2026 and 2025 is set out below:

	Six months ended 30 June													
	Coal		Power		Railway		Port		Shipping		Coal chemical		Total	
	2026 (Unaudited) RMB million	2025 (Unaudited) (Restated) RMB million	2026 (Unaudited) RMB million	2025 (Unaudited) (Restated) RMB million	2026 (Unaudited) RMB million	2025 (Unaudited) (Restated) RMB million	2026 (Unaudited) RMB million	2025 (Unaudited) (Restated) RMB million	2026 (Unaudited) RMB million	2025 (Unaudited) (Restated) RMB million	2026 (Unaudited) RMB million	2025 (Unaudited) (Restated) RMB million	2026 (Unaudited) RMB million	2025 (Unaudited) (Restated) RMB million
Revenue from external customers	112,375	105,680	52,363	50,140	6,947	5,662	1,249	1,103	2,651	2,383	13,753	10,455	189,338	175,423
Inter-segment revenue	23,195	22,134	143	91	15,786	15,772	2,326	2,416	2,623	1,580	971	677	45,044	42,670
Reportable segment revenue	135,570	127,814	52,506	50,231	22,733	21,434	3,575	3,519	5,274	3,963	14,724	11,132	234,382	218,093
Reportable segment profit	28,918	29,357	6,101	6,354	7,870	7,260	1,589	1,378	429	283	2,211	(336)	47,118	44,296
Including:														
Interest expenses	1,162	1,493	973	898	144	133	48	58	27	24	169	188	2,523	2,794
Depreciation and amortisation	6,011	6,521	6,124	5,206	2,797	2,797	474	517	308	246	1,388	1,380	17,102	16,667
Share of results of associates	79	239	263	224	-	-	1	1	-	-	253	250	596	714
Loss allowances and impairment of assets	(34)	(89)	-	(49)	-	1	-	(5)	-	46	-	(16)	(34)	(112)

5 SEGMENT AND OTHER INFORMATION (Continued)

(b) Reconciliations of reportable segment revenue, segment profit and other items of profit or loss for the six months ended 30 June 2026 and 2025 are set out below:

	Reportable segment amounts		Unallocated head office and corporate items		Elimination of inter-segment amounts		Consolidated	
	2026 (Unaudited) RMB million	2025 (Unaudited) (Restated) RMB million	2026 (Unaudited) RMB million	2025 (Unaudited) (Restated) RMB million	2026 (Unaudited) RMB million	2025 (Unaudited) (Restated) RMB million	2026 (Unaudited) RMB million	2025 (Unaudited) (Restated) RMB million
Revenue	234,382	218,093	436	430	(45,480)	(43,100)	189,338	175,423
Profit before income tax	47,118	44,296	1,235	2,703	(325)	(539)	48,028	46,460
Interest expenses	2,523	2,794	616	493	(718)	(987)	2,421	2,300
Depreciation and amortisation	17,102	16,667	69	46	-	-	17,171	16,713
Share of results of associates	596	714	1,104	1,588	(46)	(34)	1,654	2,268
Loss allowances and impairment of assets	(34)	(112)	-	-	-	-	(34)	(112)

(c) Other information

Certain other information of the Group's segments for the six months ended 30 June 2026 and 2025 is set out below:

	Coal		Power		Railway		Port		Shipping		Coal chemical		Unallocated items		Eliminations		Total	
	30 June 2026 (Unaudited) RMB million	31 December 2025 (Restated) RMB million	30 June 2026 (Unaudited) RMB million	31 December 2025 (Restated) RMB million	30 June 2026 (Unaudited) RMB million	31 December 2025 (Restated) RMB million	30 June 2026 (Unaudited) RMB million	31 December 2025 (Restated) RMB million	30 June 2026 (Unaudited) RMB million	31 December 2025 (Restated) RMB million	30 June 2026 (Unaudited) RMB million	31 December 2025 (Restated) RMB million	30 June 2026 (Unaudited) RMB million	31 December 2025 (Restated) RMB million	30 June 2026 (Unaudited) RMB million	31 December 2025 (Restated) RMB million	30 June 2026 (Unaudited) RMB million	31 December 2025 (Restated) RMB million
Capital expenditures *(Note (i))*	6,271	6,118	11,654	11,071	1,286	1,136	1,002	287	1	1,001	2,901	2,459	175	4	-	-	23,290	22,076
Total assets *(Note (ii))*	463,979	431,548	304,709	283,175	144,425	136,306	23,438	21,711	11,984	12,525	77,124	72,731	621,066	481,127	(717,016)	(526,692)	929,709	912,431
Total liabilities *(Note (ii))*	(255,647)	(236,834)	(157,903)	(188,153)	(50,142)	(48,830)	(6,137)	(6,325)	(4,111)	(3,358)	(47,127)	(41,843)	(317,184)	(195,169)	467,377	420,309	(370,874)	(300,203)

Notes:

(i) Capital expenditures consist of addition in property, plant and equipment, construction in process, exploration and evaluation assets, intangible assets, long-term deferred expense and 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.

6 COST OF SALES

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
		(Restated)
	RMB million	*RMB million*
Coal purchased	**22,367**	16,986
Materials, fuel and power	**21,241**	18,676
Personnel expenses	**19,465**	21,908
Depreciation and amortisation	**14,667**	14,330
Repairs and maintenance	**4,989**	5,805
Transportation charges	**11,985**	9,554
Taxes and surcharges	**13,033**	11,248
Other operating costs	**24,899**	23,166
	132,646	121,673

7 OTHER INCOME

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
		(Restated)
	RMB million	*RMB million*
Government grants	**82**	59
Claim income	**192**	227
Others	**246**	224
	520	510

8 FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
		(Restated)
	RMB million	*RMB million*
Interest expense	**1,807**	1,752
Less: amount capitalised	**(313)**	(187)
	1,494	1,565
Unwinding of discount	**927**	735
Exchange losses, net	**217**	113
Others	**85**	73
	2,723	2,486

9 INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
		(Restated)
	RMB million	*RMB million*
Current tax, mainly PRC enterprise income tax	**10,285**	9,246
Deferred tax	**(321)**	147
	9,964	9,393

9 INCOME TAX EXPENSE (Continued)

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% (2025: 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.

The applicable tax rates of the Group's subsidiaries are as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
		(Restated)
	%	%
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	**8.25/16.5***	8.25/16.5*

During the six months ended 30 June 2026 and 2025, there was no significant assessable profit and provision for income tax for the subsidiaries not operating in Chinese mainland.

* 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%.

10 PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
		(Restated)
	RMB million	*RMB million*
Personnel expenses, including	**30,752**	32,620
– contributions to defined contribution plans	**4,376**	4,190
Depreciation of property, plant and equipment	**15,214**	15,006
Depreciation of right-of-use assets	**804**	718
Amortisation of intangible assets	**361**	321
Amortisation of other non-current assets	**859**	719
Depreciation and amortisation charged for the period	**17,238**	16,764
Less: amount capitalised	**67**	51
Depreciation and amortisation *(Note)*	**17,171**	16,713
Loss allowances, net of reversal		
– Trade and other receivables	**(37)**	(139)
Other (gains) and losses, represent		
– (gains)/losses on disposal of property, plant and equipment, exploration and evaluation assets, intangible assets and non-current assets	**(94)**	7
– gains on disposal of a subsidiary	**–**	(405)
– losses/(gains) on changes in fair value of financial assets	**10**	(8)
– impairment losses on property, plant and equipment	**–**	50
– impairment losses on construction in progress	**4**	–
– reversal of allowance for prepaid expenses	**–**	(1)
– write down of inventories, net of reversal	**(1)**	(22)
– others	**(22)**	(101)
	(103)	(480)
Cost of inventories	**90,818**	83,665
Operating lease charges relating to short-term leases, leases of low-value assets and variable lease payments	**191**	234
Exchange gains and losses, net	**217**	113

Note:

Cost of sales included an amount of depreciation and amortisation of RMB14,667 million for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB14,330 million (restated)).

11 DIVIDENDS

A final dividend in respect of the year ended 31 December 2025 of RMB1.03 per ordinary share totaling RMB22,340 million (six months ended 30 June 2025: RMB2.26 per ordinary share totaling RMB44,903 million in respect of the year ended 31 December 2024) was approved at the annual general meeting held on 26 June 2026 and paid in full as of the date of approval of this interim condensed consolidated financial information.

Subsequent to the end of the reporting period, an interim dividend in respect of the six months ended 30 June 2026 of RMB21,256 million (inclusive of tax) at RMB0.98 (inclusive of tax) per ordinary share (six months ended 30 June 2025: RMB19,471 million at RMB0.98 per ordinary share), has been proposed by the Board of Directors and is subject to the approval at the general meeting of the Company.

12 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders of the Company of RMB31,054 million (six months ended 30 June 2025: RMB30,478 million (restated)) and the 21,447 million ordinary shares in issue during the six months ended 30 June 2026 (six months ended 30 June 2025: 21,191 million shares (restated)).

No diluted earnings per share is presented as there were no potential ordinary shares in existence for both periods.

13 PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

During the six months ended 30 June 2026, additions to the Group's property, plant and equipment, amounted to approximately RMB17,305 million (six months ended 30 June 2025: approximately RMB10,280 million (restated)).

During the six months ended 30 June 2026, the net book value of the disposals of property, plant and equipment amounted to RMB207 million (six months ended 30 June 2025: RMB236 million (restated)).

The Group is in the process of applying for the title certificates of certain of its properties with an aggregate carrying amount of RMB2,804 million as at 30 June 2026 (31 December 2025: RMB3,275 million (restated)). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use the above mentioned properties.

As at 30 June 2026, 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.

The Group recognised impairment losses on property, plant and equipment and equipment and construction in progress of RMB4 million during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB50 million (restated)).

As at 30 June 2026, the Group has bank loans secured by the Group's property, plant and equipment with an aggregate carrying amount of RMB1,147 million (31 December 2025: RMB2,011 million (restated)).

14 INTERESTS IN ASSOCIATES

	30 June 2026 (Unaudited) RMB million	31 December 2025 (Restated) RMB million
Unlisted shares, at cost	**56,964**	52,497
Share of post-acquisition profits and other comprehensive income, net of dividend received	**26,234**	19,136
	83,198	71,633

Name of associates	Proportion of ownership interest and voting power held by the Group		Principal activities
	30 June 2026 (Unaudited) %	31 December 2025 (Restated) %	
Beijing Guodian Power Co., Ltd.	**43**	43	Generation and sale of electricity
China Energy Finance Co., Ltd.	**40**	40	Provision of comprehensive financial service
Haoji Railway Co., Ltd.	**13**	13	Provision of transportation service
Jinshen Energy Co., Ltd ("Jinshen Energy")	**49**	–	Sale of coal
Shendong Tianlong Group Co., Ltd.	**20**	20	Coal production And sale
Guohua (Hebei) Renewables Co., Ltd.	**25**	25	Generation and sale of electricity
Suizhong Power Generation Co., Ltd. ("Suizhong Power")	**15**	15	Generation and sale of electricity

15 OTHER NON-CURRENT ASSETS

	30 June 2026 (Unaudited) ***RMB million***	31 December 2025 (Restated) *RMB million*
Prepayments in connection with construction work, equipment purchases and others *(Note (i))*	**32,689**	35,408
Prepayment for mining projects	**2,000**	2,000
Deductible VAT and other tax	**584**	591
Service concession receivables *(Note (ii))*	**15,280**	15,874
Goodwill	**5,249**	5,249
Long-term deferred expenses *(Note (iii))*	**8,645**	9,147
	64,447	68,269

Notes:

(i) At 30 June 2026, the Group had prepayments to subsidiaries of China Energy Group ("fellow subsidiaries") amounting to RMB492 million (31 December 2025: RMB491 million (restated)).

(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.

(iii) The movement of long-term deferred expenses during the period/year as follows:

	30 June 2026 (Unaudited) ***RMB million***	31 December 2025 (Restated) *RMB million*
At the beginning of the period/year	**9,147**	7,186
Additions	**407**	5,283
Amortisation	**(859)**	(3,015)
Disposal	**(50)**	(307)
At the end of the period/year	**8,645**	9,147

16 RIGHT-OF-USE ASSETS

The right-of-use assets represent the payment of land use rights 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 RMB1,133 million as at 30 June 2026 (31 December 2025: RMB1,147 million (restated)). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use the above mentioned lands.

As at 30 June 2026, the Group has no bank loans or other loans secured by the Group's right-of-use assets (31 December 2025: Nil (restated)).

17 INVENTORIES

	30 June 2026 (Unaudited) *RMB million*	31 December 2025 (Restated) *RMB million*
Coal	**11,299**	7,607
Materials and supplies	**8,684**	10,174
	19,983	17,781
Less: write-down of inventories	**(2,173)**	(2,501)
	17,810	15,280

18 ACCOUNTS AND BILLS RECEIVABLES

	30 June 2026 (Unaudited) *RMB million*	31 December 2025 (Restated) *RMB million*
Accounts receivable		
– China Energy Group and fellow subsidiaries	**4,597**	3,165
– Associates	**10**	51
– Third parties	**15,737**	14,975
	20,344	18,191
Less: allowance for credit losses	**(1,588)**	(1,625)
	18,756	16,566
Bills receivables		
– China Energy Group and fellow subsidiaries	**7,611**	5,203
– Associates	**420**	122
– Third parties	**36**	307
	8,067	5,632
	26,823	22,198

As at 30 June 2026, accounts and bills receivables from contracts with customers amounted to RMB28,411 million (31 December 2025: RMB23,823 million (restated)).

Bills receivables were mainly issued by PRC banks and are expiring within one year.

18 ACCOUNTS AND BILLS RECEIVABLES (Continued)

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 (Unaudited) ***RMB million***	31 December 2025 (Restated) *RMB million*
Less than one year	**18,309**	16,067
One to two years	**236**	230
Two to three years	**146**	89
More than three years	**65**	180
	18,756	16,566

19 PREPAID EXPENSES AND OTHER CURRENT ASSETS

	30 June 2026 (Unaudited) ***RMB million***	31 December 2025 (Restated) *RMB million*
Financial assets measured at amortised cost		
– Service concession receivables *(Note 15(ii))*	**1,470**	1,926
– Entrusted loan *(Note)*	**290**	734
– Other receivables due from associates	**842**	752
– Other receivables	**4,761**	8,817
– Other loans	**4,500**	4,500
	11,863	16,729
Less: impairment losses	**(5,746)**	(5,753)
	6,117	10,976
Prepaid expenses and deposits	**10,624**	10,650
Deductible VAT and other tax	**5,862**	6,614
	22,603	28,240

19 PREPAID EXPENSES AND OTHER CURRENT ASSETS (Continued)

Note:

As at 30 June 2026, the Group has a long-term entrusted loan of RMB290 million (31 December 2025: RMB395 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 23 December 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 remaining entrusted loan.

20 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the interim condensed consolidated statement of financial position and the interim condensed consolidated statement of cash flows comprise cash at bank and in hand, and time deposits with original maturity within three months.

As of the end of the reporting period, cash and cash equivalents situated in Chinese mainland amounted to RMB51,673 million (31 December 2025: RMB50,487 million (restated)). Remittance of funds out of Chinese mainland is subject to relevant rules and regulations of foreign exchange control.

21 BORROWINGS

An analysis of the Group's borrowings is as follows:

	30 June 2026 (Unaudited) ***RMB million***	31 December 2025 (Restated) *RMB million*
Current borrowings:		
– Short-term bank and other borrowings	**67,549**	13,118
– Current portion of long-term borrowings	**15,156**	16,506
	82,705	29,624
Non-current borrowings:		
– Long-term borrowings, less current portion	**74,923**	72,925
	157,628	102,549
Secured	**11,097**	11,758
Unsecured	**146,531**	90,791
	157,628	102,549

21 BORROWINGS (Continued)

The exposure of the long-term borrowings and the contractual maturity dates:

	30 June 2026 (Unaudited) *RMB million*	31 December 2025 (Restated) *RMB million*
The exposure of the long-term borrowings and the contractual maturity dates:		
– Within one year	**15,156**	16,506
– More than one year, but not exceeding two years	**17,437**	13,604
– More than two years, but not exceeding five years	**19,056**	23,415
– More than five years	**38,430**	35,906
	90,079	89,431

As at 30 June 2026, the Group had borrowings from China Energy Group and fellow subsidiaries amounting to RMB31,867 million (31 December 2025: RMB39,421 million (restated)).

22 ACCOUNTS AND BILLS PAYABLES

	30 June 2026 (Unaudited) *RMB million*	31 December 2025 (Restated) *RMB million*
Accounts payable		
– China Energy Group, associates of China Energy Group and fellow subsidiaries	**5,057**	4,175
– Associates	**794**	979
– Third parties	**46,317**	52,063
	52,168	57,217
Bills payables	**1,316**	2,874
	53,484	60,091

22 ACCOUNTS AND BILLS PAYABLES (Continued)

The following is an ageing analysis of accounts and bills payables, presented based on invoice date at the end of the reporting period:

	30 June 2026 (Unaudited) ***RMB million***	31 December 2025 (Restated) *RMB million*
Less than one year	**47,593**	54,946
One to two years	**3,752**	2,895
Two to three years	**1,166**	1,066
More than three years	**973**	1,184
	53,484	60,091

23 ACCRUED EXPENSES AND OTHER PAYABLES

	30 June 2026 (Unaudited) ***RMB million***	31 December 2025 (Restated) *RMB million*
Accrued staff wages and welfare benefits	**16,177**	11,659
Accrued interests	**25**	23
Taxes payable other than income tax	**6,402**	7,533
Dividends payable *(Note)*	**24,023**	1,881
Other accrued expenses and payables	**37,326**	35,948
	83,953	57,044

Note:

The Company has announced the distribution of the final dividend for the fiscal year 2025 to all shareholders, amounting to RMB22,340 million (including tax), in accordance with the approval from the 2025 Annual General Meeting of Shareholders. As of the date of approval of this interim condensed consolidated financial information, the aforementioned dividend has been fully distributed.

24 LONG-TERM LIABILITIES

	30 June 2026 (Unaudited) ***RMB million***	31 December 2025 (Restated) *RMB million*
Payables for acquisition of mining rights *(Note (i))*	**18,080**	22,199
Deferred income *(Note (ii))*	**2,088**	2,091
Defined benefit plans	**3,791**	3,779
Lease liabilities	**4,358**	6,999
Provisions	**3,634**	3,409
Others	**6,165**	5,590
	38,116	44,067
Analysed for reporting purpose as:		
– Current liabilities	**9,928**	13,205
– Non-current liabilities	**28,188**	30,862
	38,116	44,067

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.

25 ACCRUED RECLAMATION OBLIGATIONS

The accrual for reclamation costs has been determined based on management's best estimates. However, so far as the effect on the land from current mining activities becomes apparent in future periods, the estimate of the associated costs may be subject to change. Accordingly, the actual costs and cash flows may differ from estimates. The Directors believe that the accrued reclamation obligations at 30 June 2026 are adequate and appropriate.

26 SHARE CAPITAL

	30 June 2026 (Unaudited) ***RMB million***	31 December 2025 (Restated) *RMB million*
Registered, issued and fully paid:		
18,311,952,304 domestic listed A shares of RMB1.00 each *(Note)*	**18,311**	16,491
3,377,482,000 H shares of RMB1.00 each	**3,378**	3,378
	21,689	19,869

All A shares and H shares rank pari passu in all material aspects.

Note:

During the six months ended 30 June 2026, the Company issued 1,322,301,165 A shares as consideration for business combinations under common control (Note 31), 40,947,281 A shares as consideration for the acquisition of a 49% equity interest in Jinshen Energy, an associate of the Group, and 457,665,903 A shares for cash to raise ancillary funds in connection with the acquisitions.

27 CAPITAL 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 30 June 2026 was 40% (31 December 2025: 33% (restated)).

28 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

As at 30 June 2026, the Group had capital commitments for land, buildings and mining rights, equipment and other as follows:

	30 June 2026 (Unaudited) *RMB million*	31 December 2025 (Restated) *RMB million*
Contracted for but not provided		
– Land, buildings and exploration and evaluation assets	55,018	55,706
– Equipment	33,115	36,391
– Other	2,919	2,919
	91,052	95,016

(b) Financial guarantees issued

As at 30 June 2026, the Group had issued certain guarantees in respect of certain banking facilities granted to an entity of which the Group held less than 20% equity interest. The maximum amount guaranteed is RMB47 million (31 December 2025: RMB57 million (restated)).

(c) 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.

28 COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

(d) 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.

29 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

29 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

	30 June 2026 (Unaudited) *RMB million*	31 December 2025 (Restated) *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	**6,701**	–	Level 2	Observable inputs which fail to meet Level 1.
Financial assets at fair value through profit or loss (non-current)	**123**	133	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	**7,211**	6,942	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	**1,063**	2,010	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

During the year ended 31 December 2025 and the six months ended 30 June 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

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.

30 RELATED PARTY TRANSACTIONS

(a) 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"). An associate refers to an enterprise 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.

The Group had the following transactions with China Energy Group, associates of China Energy Group, fellow subsidiaries, and associates of the Group during both periods:

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Restated)
	Notes	***RMB million***	*RMB million*
Interest income	(i)	**563**	620
Income from an entrusted loan	(ii)	**8**	9
Interest expense	(iii)	**414**	460
Purchases of ancillary materials and spare parts	(iv)	**516**	424
Ancillary and social services	(v)	**1,463**	991
Transportation service income	(vi)	**6,306**	4,290
Transportation service expense	(vii)	**–**	3
Sale of coal	(viii)	**36,589**	33,878
Purchase of coal	(ix)	**6,594**	6,509
Property leasing	(x)	**30**	65
Repairs and maintenance services expense	(xi)	**32**	1
Purchase of equipment and construction work	(xii)	**545**	410
Sale of coal chemical product	(xiii)	**366**	538
Other income	(xiv)	**679**	566
Net deposits placed with Finance Company	(xv)	**(10,951)**	3,885
Granting of Loans from China Energy Group and fellow subsidiaries	(xvi)	**22,522**	7,628
Repayment of loans from China Energy Group and fellow subsidiaries	(xvii)	**7,022**	10,789
Bills receivables discounted from Finance Company	(xviii)	**141**	287
The issuance of bills by Finance Company	(xix)	**1,699**	1,795
Factoring services	(xx)	**9,717**	4,111

30 RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries and associates of the Group (Continued)

Notes:

(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 fellow subsidiaries.

(xii) Purchase of equipment and construction work represents expenditure related to equipment and construction service provided by fellow subsidiaries.

(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.

30 RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries and associates of the Group (Continued)

(xv) Net deposits placed with Finance Company represents net deposits placed by the Group with Finance Company.

(xvi) Granting of entrusted loans from China Energy Group and fellow subsidiaries.

(xvii) Repayment of entrusted 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.

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;

30 RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries and associates of the Group (Continued)

- 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 mutual coal supply agreements with associates of China Energy Group, fellow subsidiaries and associates of the Group. The mutual coal supplied is charged at the prevailing market price.

(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.

30 RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with China Energy Group, an associate of China Energy Group, fellow subsidiaries and associates of the Group (Continued)

(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 0.70% 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.

(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%).

30 RELATED PARTY TRANSACTIONS (Continued)

(a) 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, associates of China Energy Group, fellow subsidiaries and associates of the Group:

	30 June 2026 (Unaudited) *RMB million*	31 December 2025 (Restated) *RMB million*
Cash and time deposits at bank	**70,200**	81,151
Accounts and bills receivables	**12,431**	9,556
Prepaid expenses and other current assets	**3,212**	2,831
Other non-current assets	**492**	491
Total amounts due from China Energy Group, associates of China Energy Group, fellow subsidiaries and associates of the Group	**86,335**	94,029
Borrowings	**31,867**	39,421
Accounts payable	**5,851**	5,154
Accrued expenses and other payables	**33,772**	21,218
Contract liabilities	**1,703**	758
Long-term liabilities	**8,369**	12,432
Total amounts due to China Energy Group, associate of China Energy Group, fellow subsidiaries and associates of the Group	**81,562**	78,983

(b) 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 during the period is summarised as follows:

	Six months ended 30 June	
	2026 (Unaudited) *RMB million*	2025 (Unaudited) *RMB million*
Short-term employee benefits	**3**	4

Total remuneration is included in "personnel expenses" as disclosed in Note 10.

30 RELATED PARTY TRANSACTIONS (Continued)

(c) 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 32.

(d) 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, associates 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.

30 RELATED PARTY TRANSACTIONS (Continued)

(d) Transactions with other government-related entities in the PRC (Continued)

Having considered the potential for transactions to be impacted by related party relationships, the Group's buying, pricing strategy and approval process, 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:

(i) Transactions with other government-related entities, including state-owned banks in the PRC

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
		(Restated)
	RMB million	*RMB million*
Coal revenue	**57,405**	40,601
Power revenue	**50,618**	48,598
Transportation costs	**5,501**	4,681
Interest income	**511**	736
Interest expenses (including amount capitalised)	**1,173**	1,178

(ii) Balances with other government-related entities, including state-owned banks in the PRC

	30 June	31 December
	2026	2025
	(Unaudited)	(Restated)
	RMB million	*RMB million*
Accounts and bills receivables	**9,257**	10,341
Prepaid expenses and other current assets	**3,687**	3,847
Cash and time deposits at banks	**47,109**	39,783
Restricted bank deposits	**18,197**	20,077
Borrowings	**125,761**	63,128
Accrued expenses and other payables	**1,498**	213
Contract liabilities	**1,437**	2,075

31 BUSINESS COMBINATION

Business combination under common control

During the six months ended 30 June 2026, the Company acquired from China Energy 100% equity interests in Guoyuan Power, Xinjiang Energy, Chemical Company, Wuhai Energy, Pingzhuang Coal, Baotou Mining, Shipping Company, Coal Trading Company and Port Company, 41% equity interest in Shenyan Coal and 49% equity interest in Jinshen Energy, by issuing 1,363 million A shares and paying cash consideration of RMB85,791 million. The Company also acquired from Western Energy 100% equity interest in Inner Mongolia Construction Investment for cash consideration of RMB7,728 million. The Company obtained significant influence over Jinshen Energy through the acquisition of the 49% equity interest and accounted for it as an associate using the equity method, while the other 11 acquired companies, over which the Company obtained control, were accounted for as subsidiaries.

Accordingly, the consideration for the business combinations under common control comprised 1,322 million A shares and cash consideration of RMB90,942 million. The par value of each share was RMB1.00.

The consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2025 and the consolidated statement of financial position as at 31 December 2025 as previously reported by the Group and the restated amounts presented in the interim condensed consolidated financial statements of the Group are set out below:

	The Group (As previously stated) *RMB million*	**Effect of business combination** *RMB million*	**The Group** (Restated) *RMB million*
Consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2025			
Revenue	138,109	37,314	175,423
Profit before income tax	40,013	6,447	46,460
Profit for the period	32,059	5,008	37,067
Consolidated statement of financial position as at 31 December 2025			
Total assets	631,777	280,654	912,431
Total liabilities	146,310	153,893	300,203
Total equity	485,467	126,761	612,228

31 BUSINESS COMBINATION (Continued)

Major non-cash transactions

During the six months ended 30 June 2026, the Company issued 1,322,301,165 A shares as consideration for business combinations under common control, 40,947,281 A shares as consideration for the acquisition of a 49% equity interest in Jinshen Energy, an associate of the Group.

32 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 six months ended 30 June 2026 were RMB4,376 million (six months ended 30 June 2025: RMB4,190 million (restated)).

33 EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the Board of Directors proposed an interim dividend, the details of which are disclosed in Note 11.

Section IX Documents Available for Inspection

Documents Available for Inspection	The 2026 interim report bearing 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 original review report issued by the accounting firm The original versions of all documents and announcements of the Company publicly disclosed in the newspapers designated by the CSRC during the Reporting Period The 2026 interim report published on the websites of SSE and the HKEx

Person-in-charge of the Company: Zhang Changyan

Approval date of the Board of Directors for submission: 28 August 2026