兗礦能源集團股份有限公司
YANKUANG ENERGY GROUP COMPANY LIMITED*

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

(Stock Code: 01171)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024; AND INSIDE INFORMATION ON CHANGE IN ACCOUNTING POLICY

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

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

The 2024 annual results of the Company are available for viewing on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and of the Company at www.ykenergy.com.

On 28 March 2025, the Board also considered and approved the change in accounting policy for business combinations under common control in accordance with IFRS Accounting Standards, from the acquisition method to the equity method. For details of the inside information on change in accounting policy, please refer to "Chapter 7 Significant Events – The Company's Analysis and Explanation on the Reasons and Impact of the Changes of Accounting Polices and Accounting Estimates".

By order of the Board
Yankuang Energy Group Company Limited*
Li Wei
Chairman of the Board

Zoucheng, Shandong Province, the PRC
28 March 2025

As at the date of this announcement, the Directors of the Company are Mr. Li Wei, Mr. Liu Jian, Mr. Liu Qiang, Mr. Zhang Haijun, Mr. Su Li and Mr. Huang Xiaolong, and the independent non-executive Directors of the Company are Mr. Peng Suping, Mr. Zhu Limin, Mr. Woo Kar Tung, Raymond and Ms. Zhu Rui.

* *For identification purpose only*

Contents

Chapter 01

Definitions

I. DEFINITION

In this report, unless the context requires otherwise, the following terms have the following meanings:

"Yankuang Energy" or "Company"	Yankuang Energy Group Company Limited, a joint stock limited company established under the laws of the PRC in 1997 and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the SSE, respectively;
"Group"	The Company and its subsidiaries;
"Shandong Energy" or "Controlling Shareholder"	Shandong Energy Group Co., Ltd., a company with limited liability reformed and established under the laws of the PRC in 1996, is the controlling shareholder of the Company, directly and indirectly holding 52.83% of the shares of the Company as at the end of the reporting period;
"Heze Neng Hua"	Yanmei Heze Neng Hua Company Limited, a company with limited liability established under the laws of the PRC in 2002 which is mainly engaged in the development and operation of coal resources and electric power business of Zhaolou coal mine and Wanfu coal mine in Heze City, Shandong Province, being a 98.33% owned subsidiary of the Company as at the end of the reporting period;
"Luxi Mining"	Shandong Energy Group Luxi Mining Company Limited, a company with limited liability established under the laws of the PRC in 2021 which is mainly engaged in coal mining, coal washing, coal products sales and etc., being a 51% owned subsidiary of the Company as at the end of the reporting period;
"Tianchi Energy"	Shanxi Heshun Tianchi Energy Company Limited, a company with limited liability established under the laws of the PRC in 1999 which is mainly engaged in production and operation of Tianchi coal mine in Jinzhong, Shanxi Province, being a 81.31% owned subsidiary of the Company as at the end of the reporting period;
"Ordos Company"	Yankuang Energy (Ordos) Company Limited, a company with limited liability established under the laws of the PRC in 2009 which is mainly engaged in the development and operation of coal resources and chemical projects, being a wholly-owned subsidiary of the Company;
"Haosheng Company"	Inner Mongolia Haosheng Coal Mining Company Limited, a company with limited liability established under the laws of the PRC in 2010 which is mainly engaged in the production and operation of Shilawusu coal mine in Ordos, Inner Mongolia Autonomous Region, being a 59.38% owned subsidiary of the Company as at the end of the reporting period;

"Inner Mongolia Mining"	Inner Mongolia Mining (Group) Co., Ltd., a company with limited liability incorporated under the laws of the PRC in 2013 which is mainly engaged in the investment and management of mineral resources, coal mining and preparation, mineral products sales, import and export trade and other businesses, being a 51% owned subsidiary of the Company as at the end of the reporting period;
"Future Energy"	Shaanxi Future Energy Chemicals Co. Ltd., a company with limited liability established under the laws of the PRC in 2011 which is mainly engaged in the R&D, production and sales of chemical products, coal mining and sales, etc., being a 73.97% owned subsidiary of the Company as at the end of the reporting period;
"Xinjiang Neng Hua"	Yankuang Xinjiang Neng Hua Company Limited, a company with limited liability established under the laws of the PRC in 2007 which is mainly engaged in coal mining and preparation, coal chemicals production, sales of coal and coal products, etc., being a 51% owned subsidiary of the Company as at the end of the reporting period;
"Lunan Chemicals"	Yankuang Lunan Chemicals Co., Ltd., a company with limited liability established under the laws of the PRC in 2007 which is mainly engaged in the development, production and sales of chemical products, etc., being a wholly-owned subsidiary of the Company;
"Yulin Neng Hua"	Yanzhou Coal Yulin Neng Hua Company Limited, a company with limited liability established under the laws of the PRC in 2004 which is mainly engaged in the production and operation of chemical projects, being a wholly-owned subsidiary of the Company;
"Donghua Heavy Industry"	Yankuang Donghua Heavy Industry Company Limited, a company with limited liability established under the laws of the PRC in 2013 which is mainly engaged in the design, manufacture, installation, repair of mining equipment, electromechanical equipment and spare parts, being a wholly-owned subsidiary of the Company;
"Yankuang Leasing"	Yankuang Financial Leasing Company Limited, a company with limited liability established under the laws of the PRC in 2014 which is mainly engaged in the financial leasing, leasing, leasing trade consultation and guarantees, as well as commercial factoring related to its main business, etc., being a wholly-owned subsidiary of the Company;

"Shandong Energy Finance Company"	Shandong Energy Group Finance Co., Ltd., a company with limited liability established under the laws of the PRC in 2013, and a 53.92% owned subsidiary of the Company as at the end of the reporting period;
"Yancoal Australia"	Yancoal Australia Limited, a company with limited liability established under the laws of Australia in 2004, the shares of which are listed on the Australian Stock Exchange and the HKEX respectively, being a 62.26% owned subsidiary of the Company as at the end of the reporting period;
"Yancoal International"	Yancoal International (Holding) Company Limited, a company with limited liability established under the laws of Hong Kong in 2011 and a wholly-owned subsidiary of the Company;
"Yancoal International Resources"	Yancoal International Resources Development Company Limited, a company with limited liability established under the laws of Hong Kong in 2011 and a wholly-owned subsidiary of Yancoal International;
"H Shares"	Overseas listed foreign shares in the share capital of the Company, with nominal value of RMB1.00 each, which are listed on the HKEX;
"A Shares"	Domestic shares in the share capital of the Company, with nominal value of RMB1.00 each, which are listed on the SSE;
"PRC"	The People's Republic of China;
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China;
"CASs"	Accounting Standards for Business Enterprises and the relevant regulations and explanations issued by the Ministry of Finance of the PRC;
"IFRS(s)"	International Financial Reporting Standards issued by the International Accounting Standards Board;
"CSRC"	China Securities Regulatory Commission;
"Hong Kong Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"HKEX" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"SSE"	The Shanghai Stock Exchange;

"Company Law"	Company Law of the PRC;
"Securities Law"	Securities Law of the RPC;
"Articles" or "Articles of Association"	The articles of association of the Company;
"JORC "	Joint Ore Reserves Committee comprising the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia;
"JORC Code"	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition;
"Shareholder(s)"	The shareholder(s) of the Company;
"Director(s)"	The director(s) of the Company;
"Board"	The board of directors of the Company;
"Supervisor(s)"	The supervisor(s) of the Company;
"Supervisory Committee"	The supervisory committee of the Company;
"RMB"	Renminbi, the lawful currency of the PRC, unless the context otherwise requires;
"AUD"	Australian dollars, the lawful currency of Australia;
"USD"	United States dollars, the lawful currency of the United States;
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong.

Chapter 02

Company Information and Major Financial Indicators

I. INFORMATION OF THE COMPANY

Statutory Chinese Name	兖礦能源集團股份有限公司
Abbreviation of Chinese Name	兖礦能源
Statutory English Name	Yankuang Energy Group Company Limited*
Abbreviation of English Name	YANKUANG ENERGY
Legal Representative	Li Wei
Authorized Representatives of the HKEX	Su Li, Huang Xiaolong

* *For identification purpose only*

II. CONTACT DETAILS

	Secretary to the Board	Securities Representatives
Name	Huang Xiaolong	Shang Xiaoyu
Address	Secretariat to the Board, Yankuang Energy Group Company Limited 949 Fushan South Road, Zoucheng City, Shandong Province, the PRC	Secretariat to the Board, Yankuang Energy Group Company Limited 949 Fushan South Road, Zoucheng City, Shandong Province, the PRC
Tel	(86 537)538 2319	(86 537)539 2377
Fax	(86 537)538 3311	(86 537)538 3311
E-mail	IR@ykenergy.com	xyshang@ykenergy.com

III. GENERAL INFORMATION

Registered Address	949 Fushan South Road, Zoucheng City, Shandong Province, the PRC
Office Address	949 Fushan South Road, Zoucheng City, Shandong Province, the PRC
Postal Code	273500
Official Website	www.ykenergy.com www.yanzhoucoal.com.cn
E-mail Address	IR@ykenergy.com

IV. INFORMATION DISCLOSURE AND PLACE FOR DOCUMENT INSPECTION

Press media and websites for publishing the annual report	China Securities Journal (www.cs.com.cn) Shanghai Securities News (www.cnstock.com) Securities Times (www.stcn.com) Securities Daily (www.zqrb.cn)
Websites of stock exchanges for publishing the annual report	Website for publishing A Shares annual report: www.sse.com.cn Website for publishing H Shares annual report: www.hkexnews.hk
The annual report is available at	Secretariat to the Board of Yankuang Energy Group Company Limited 949 Fushan South Road, Zoucheng City, Shandong Province, the PRC

V. CORPORATE STOCKS

Stock type	Place of Listing	Stock Abbreviation	Stock Code
A Share	SSE	YANKUANG ENERGY	600188
H Share	HKEX	YANKUANG ENERGY	01171

VI. OTHER INFORMATION

Certified Public Accountants (A Shares)

Name	Baker Tilly China Certified Public Accountants LLP
Office Address	Zone A-1 & A-5, 68/F, 19 Chegongzhuang West Road, Haidian District, Beijing
Name of Signing Accountant	Fu Zhicheng, Zhou Chunyang, Mao Jianqiang

Certified Public Accountants (H Shares)

Name	Baker Tilly Hong Kong Limited
Office Address	8/F, 728 King's Road, Quarry Bay, Hong Kong
Name of Signing Accountant	Wan Wing Ping

Legal advisor (A shares)

Name	King & Wood Mallesons, PRC Lawyers, Beijing
Office Address	17/F-18/F, East Tower, World Financial Center 1 East 3rd Ring Middle Road, Chaoyang District, Beijing

Legal advisor (H shares)

Name	Baker & McKenzie
Office Address	14th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

Shanghai Share Registrar

Name	China Securities Depository and Clearing Corporation Limited Shanghai Branch
Office Address	188 Yanggao South Road, Pudong, Shanghai, the PRC

Hong Kong Share Registrar

Name	Computershare Hong Kong Investor Services Limited
Office Address	Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Liaison Office in Hong Kong

Office Address	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong
Contact Person	Wong Wai Chiu
Tel	(852) 3912 0800
Fax	(852) 3912 0801

VII. MAJOR FINANCIAL HIGHLIGHTS OF THE LAST FIVE YEARS

In order to increase the comparability of the Company's financial reports and to facilitate investors in the market to better understand the Company's financial condition, the Company has changed its accounting policy for business combinations under the common control in accordance with the IFRSs, i.e., from the acquisition approach to the equity combination approach. For details, please refer to the "Chapter 7 Significant Events – The Company's Analysis And Explanation On The Reasons And Impact Of The Changes Of Accounting Polices And Accounting Estimates" and the note "Material Accounting Policy Information" to the financial statements prepared in accordance with the IFRSs. The Company has made retroactive adjustments to the financial indicators and operating data of previous years.

(I) Operating Results

Unit: RMB'000

	Year ended 31 December				
	2024	2023 (Restated)	2022 (Restated)	2021 (Restated)	2020 (Restated)
Sales income	**124,534,194**	132,742,542	176,811,556	127,598,372	97,085,833
Gross profit	**41,829,597**	50,586,040	93,141,486	52,712,654	31,152,869
Financing cost	**-4,137,324**	-4,493,257	-7,464,414	-6,963,153	-5,001,752
Profit before tax	**26,867,011**	35,754,003	62,012,613	27,740,581	9,585,828
Net profit attributable to Shareholders of the Company	**14,056,067**	19,222,120	33,227,555	17,605,981	5,855,930
Earnings per share④	**RMB1.42**	RMB1.97	RMB3.41	RMB1.82	RMB0.60
Dividend per share⑤	**RMB0.77**	RMB1.49	RMB4.30	RMB2.00	RMB1.00

Notes:

① In 2024, the Company consolidated the financial statements of Shandong Yankuang Guotuo Technology Engineering Co., Ltd. ("Guotuo Technology"), Debot Machinery (Shandong) Co., Ltd ("Debot Machinery"), SMT Scharf AG ("SMT Scharf AG"), Wubo Technology Co., Ltd ("Wubo Technology") and Shandong Tianma Intelligent Control Technology Co., Ltd ("Tianma Intelligent Control"). In 2023, the Company consolidated the financial statements of Luxi Mining, Xinjiang Neng Hua, Shandong Energy Finance, Shandong Energy Tower Shanghai Company Limited and Yankuang Coal Chemicals Engineering Company Limited. In 2022, the Company consolidated the financial statements of Yankuang Railway Logistics Company Limited. In 2020, the Company consolidated the financial statements of Qingdao Duanxin Asset Management Co., Ltd., Yankuang Intelligent Ecology Co., Ltd., Future Energy, Yankuang Yulin Fine Chemicals Co., Ltd., Lunan Chemicals, Yankuang Jining Chemical Equipment Co., Ltd., Yankuang Coal Chemical Supply & Marketing Co., Ltd., Shandong Yankuang Jining No.3 Power Co., Ltd. and Inner Mongolia Mining.

② Since 31 October 2023, the Company had no longer consolidated the financial statements of Yankuang Group Finance Co., Ltd.; since 31 December 2020, the Company had no longer consolidated the financial statements of Yankuang (Hainan) Intelligent Logistics Technology Co., Ltd.; and since 2020 the Company had no longer consolidated the financial statements of Jinan Duanxin Mingli Financial Consulting Partnership (Limited) and Zoucheng Yankuang Beisheng Industry and Trade Co., Ltd.

③ During the reporting period, the Company consolidated the financial statements of Guotuo Technology, which constituted a business combination under the common control, and the Company made retrospective adjustments to the relevant financial data; during the reporting period, the Company completed the distribution of bonus shares for the 2023, and retrospective adjustments were made to the number of total share capital for the calculation of earnings per share, net assets per share and net cash flow from operating activities per share for 2020 to 2023 in accordance with IFRSs.

④ During the Reporting Period, the Company completed the repurchase and cancellation of part of the restricted stocks, the issuance of H shares under a general mandate and the distribution of bonus shares. As a result, the total share capital of the Company increased from 7,439,370,720 shares to 10,039,860,402 shares, and the earnings per share, net assets per share and net cash flow from operating activities per share and other indicators were calculated based on the weighted average number of outstanding ordinary shares.

⑤ The dividend per share for the year 2024 is the recommended dividends to be declared. For details, please refer to the section headed "Profit Distribution or Capital Reserves Transferred to Share Capital Plan" in "Chapter 05 Corporate Governance" in this report.

(II) Assets and Liabilities

Unit: RMB'000

	As at 31 December				
	2024	2023 (Restated)	2022 (Restated)	2021 (Restated)	2020 (Restated)
Net current assets	**-19,422,109**	**-26,851,585**	-4,889,946	-23,538,020	-60,768,066
Net value of property, plant and equipment	**135,260,991**	**132,710,453**	130,005,162	121,607,544	119,627,308
Total assets	**356,350,370**	**352,359,441**	375,503,579	254,592,952	225,007,366
Total borrowings	**110,796,061**	**100,187,984**	86,721,645	96,246,073	92,262,945
Equity attributable to Shareholders of the Company	**58,610,077**	**55,459,009**	85,611,164	67,664,580	55,830,313
Net asset value per share	**RMB5.91**	RMB5.69	RMB8.79	RMB7.00	RMB5.77
Return on net assets (%)	**23.98**	34.66	38.81	26.02	10.49

(III) Summary of Cash Flow Statement

Unit: RMB' 000

	Year ended 31 December				
	2024	2023 (Restated)	2022 (Restated)	2021 (Restated)	2020 (Restated)
Net cash from operating activities	**23,139,743**	**16,786,490**	70,003,517	48,678,927	36,837,720
Net increase (decrease) in cash and cash equivalents	**229,543**	**-28,559,728**	-1,420,503	23,702,088	-5,472,814
Net cash flow per share from operating activities	RMB**2.33**	RMB**1.72**	RMB7.19	RMB5.03	RMB3.80

Chapter 03
Chairman's Statement

Mr. Li Wei
Chairman

Respectable Shareholders:

On behalf of the Board, I would like to present the 2024 annual results of Yankuang Energy and the development plan for year 2025 to all Shareholders.

In 2024, in the face of severe and complex macroeconomy, coupled with the accelerated transformation of energy industry, fluctuating decline of the coal market and other challenges, Yankuang Energy responded calmly and took proactive measures, focusing on three critical initiatives: achieving production and effectiveness, optimizing resources allocation, and driving project construction. The Company was fully committed to building the "New Eight Major Projects," while thoroughly deepening lean management, enhancing momentum, promoting growth, improving quality and efficiency, and fostering innovation. As a result, the Company advanced against the trend and steadily progressed. With its commendable performance, regulated governance, and exemplary fulfillment of social responsibilities, the Company has been awarded the "Best Practice Case for Board Construction" by the China Association for Public Companies and listed among the 100 Most Valuable Companies Listed in Chinese Main Board; it has also achieved the highest level in the MSCI ESG ratings for coal companies in China. In a sincere gesture of gratitude towards its investors, the Company has distributed a mid-term dividend of RMB0.23 per share and proposed an annual final dividend of RMB0.54, culminating in a total dividend of RMB0.77 per share, amounting to a total of RMB7.73 billion.

Chapter 03

Chairman's Statement

I. Continuous improvement in operational quality and efficiency. Production of leading products hit another record high, where the total production of salable coal for the year reached 142 million tons, representing a year-on-year increase of 10.39 million tons. The production of chemical products amounted to 8.7 million tons, representing a year-on-year increase of 110,000 tons. Sales income totaled RMB124.5 billion, with net gain for the period attributable to Shareholders of the Company amounting to RMB14.1 billion, while the return on net assets stood at 24%, and the total assets reached RMB356.4 billion, with all of which operating results steadily ranked first in the industry. We have deeply implemented the "Eight Mandatory Measures for Cost Reduction and Efficiency Enhancement," thereby resulting in the cost of sales per ton of coal of RMB345.4, with a year-on-year decrease by 5.4%, which marked the accomplishment of the planned control target; the debt-to-asset ratio has been reduced to 63%, and the average financing interest rate has reached a record low of 2.98%.

II. Spearheading development of five major industries. The expansion of excellence and reshaping of strengths in the mining sector have taken place. The bases in Shaanxi and Inner Mongolia regions produced 43.12 million tons of salable coal, representing an increase of 6.66 million tons year-on-year, with which these bases establishing itself as the core growth driver contributing most significantly to the Group. The Australian base yielded 42.29 million tons of salable coal, reflecting a year-on-year increase of 3.43 million tons, thereby fully leveraging the synergetic effects of resources both domestically and internationally. The sustainability of our developments was further assured with the commencement of operations at the Wanfu Coal Mine in Shandong, which added 1.8 million tons of premium coking coal capacity. The first phase of the 10 million ton project at the Wucaiwan Open-pit Mine in Xinjiang was progressing rapidly, while the second phase to elevate its capacity to 23 million tons per annum has received approval. Additionally, the planned production adjustments for the Huolinhe No. 1 Coal Mine in Inner Mongolia and the Liusangedan Coal Mine have been set to 7 million tons per annum and 10 million tons per annum, respectively. The Galutu coalfields and the Caosiyao Molybdenum Mine have successfully completed approvals for key procedures, including land use and exploration. The smart mine construction has been remarkably effective, with 21 pairs of mines in China meeting national smart demonstration standards, and the proportion of smart extraction reaching 94%. The achievements of the project of "complete set of technology and engineering application of digital and intelligent high-efficiency mining of deep coal" have been honored with the second prize of the National Science and Technological Progress Award. The high-end chemicals and new materials industry experienced quality enhancement and profit growth. Our chemical production entities achieve full capacity and comprehensive profitability, with the increase in profit of RMB1.5 billion year-on-year. The construction of two olefin projects by Rongxin Chemicals in Inner Mongolia and Xinjiang Neng Hua, each with an output of 800,000 tons, has commenced; the 500,000-ton high-temperature Fischer-Tropsch project of Future Energy has made significant progress in the completion of its regulatory procedures. Additionally, the 60,000-ton melamine project in Xinjiang Coal Chemicals sector has been completed and put into production. The world's first and largest single-unit 3,000-ton multi-nozzle, opposing (OMB) coal powder pressurized gasification furnace of Lunan Chemicals operated reliably, while the 60,000-ton polyformaldehyde project advanced rapidly. The high-end equipment manufacturing industry has undergone an upgrade. The "green, high-end, intelligent, zero-carbon" intelligent manufacturing industrial park comprising the first batch of six joint ventures, has commenced full-scale production and operations. Following the acquisition of the Germany's SMT Scharf AG, a research and development platform and talent attraction base have been established within the European high-end equipment manufacturing hub. The high-end equipment has been showcased at the International Mining Exhibition in the United States, while a complete set of advanced hydraulic support products has been exported to Australia, and the output of high-end equipment on the international stage achieved a new breakthrough. The smart logistics industry experienced significant expansion and efficient development. The successful acquisition of Wubo Technology, the leading logistics company, realized the integrated operation of "physical logistics + intelligent digital platforms." The completion of the Phase II of the Tai'an logistics park has resulted in a static coal storage capacity of 2 million tons and a cargo handling capacity of 60 million tons. The efficient integration of assets along the Luxi railway has significantly enhanced our self-operated and invested railway mileage to reach a total of 4,000 kilometres, thus drastically improving our cargo dispatch capabilities. Meanwhile, the new energy industry was steadily developed. We stayed committed to promote the "indicative acquisition + project development" in tandem, while systematically promoting joint ventures in the Inner Mongolia region, and actively engaging in the feasibility study of the corridor project of "electricity import to Shandong", thereby accelerating the upgrade of the energy structure.

III. Demonstration of value through sharing and co-building. The Company strengthened the construction of the coal supply system to ensure a stable and secure energy supply, thereby achieving an adjustable coal reserves to reach a capacity of 5.7 million tons. We deeply promoted a robust reform and enhancement initiative for state-owned enterprises, earning the highest "Benchmark" rating in the State owned Assets Supervision and Administration Commission's special assessment of "Double Hundred Enterprises." We continuously improved the level of market capitalisation management and implemented the planned goals of industrial development, standardised operation, capital operation and ESG construction. The Controlling Shareholder has cumulatively increased its shareholding by RMB300 million, and the collective increase in shares by the Company's Directors, Supervisors and Senior Management exemplified a commitment to stand alongside investors through tangible actions. We upheld the principle of "sharing development achievements with our investors," with cumulative cash dividends reaching RMB85.04 billion, alongside the proposed distributions for 2024, thus establishing ourselves as a "model of value" in sincerely rewarding our shareholders among public companies.

Looking ahead to 2025, the international economic landscape is projected to become increasingly complex and severe. Geopolitical tensions remain significant, and the global economy lacks robust growth momentum. However, the Chinese economy will keep advancing steadily with positive prospects in the long term. Major countries in the world are reassessing their energy security and international energy cooperation. It is anticipated that the coal market will continue to exhibit a landscape of relaxed supply throughout 2025, with limited downward pressure on price stability, thereby maintaining an annual average price within a favorable profit range over the medium to long term. The stability of market prices of the chemical products is generally maintained, with high-end chemical products demonstrating substantial price support.

After a comprehensive analysis and assessment of both internal and external environments, while considering the actual operational circumstances of the Company, in 2025, the Group plans to produce approximately 155 million to 160 million tons of salable coal and 8.6 million to 9 million tons of chemical products; we strive to achieve a year-on-year decrease by 3% in the cost of sales per ton of coal and a drop of debt-to-asset ratio to below 60%.

Chairman's Statement

In pursuit of our annual operating goals, the Group will focus on taking the following measures.

I. Strengthening core industries to increase production and expand capacity. Focusing on the two core industries of mining as well as high-end chemicals and new materials, we will efficiently allocate resources and extend the industrial chain, thereby comprehensively enhancing our subsequent momentum in development. We will also leverage our core advantages in mining. First, we aim to expedite the release of incremental potential. The Shandong base will implement meticulous extraction practices to ensure balanced and stable production, thereby maintaining a salable coal output of 37 to 40 million tons. The bases in Shaanxi and Inner Mongolia will capitalize on its strengths to achieve full production capacity and efficiency, reaching a salable coal output of 44 to 46 million tons. The Xinjiang base is on the path to its rapid rise and capacity release, thereby achieving a salable coal output exceeding 30 million tons. The Australian base will focus on production organization and management enhancements, so as to attain a salable coal output of 40 to 44 million tons. Second, we will tackle the challenges of project construction. In 2025, the Company has commenced the construction of the No. 1 Coal Mine of Huolinhe, followed by the successive constructions of the Coal Mine of Liusangedan and Galutu commenced within three years. Upon the completion of the three mines, an additional coal production capacity of over 25 million tons per annum will be established. In 2026, the Company will begin the construction of the Caosiyao Molybdenum Mine, thereby diversifying sources of profitability through multiple mineral varieties. Third, we will acquire external resources. Adhering to the principle of "resources supremacy," we will expedite the infusion of premium coal mine assets under our Controlling Shareholder from regions such as Northwest China and Inner Mongolia, in a regional and phased approach. Moreover, we will proactively seek to procure high-quality coal resources from the "core regions of production" in strategic national energy bases, particularly in Shaanxi, Inner Mongolia, and Xinjiang. We will also maintain vigilant oversight of opportunities for mergers and acquisitions involving overseas coking coal and non-ferrous metal assets. Furthermore, we will aim to enhance the efficiency of our high-end chemicals and new materials industry. We will vigorously implement technological upgrades and renovations of production facilities to ensure its stable, long-lasting and optimal operations. Efforts are intensified to enhance, complement, and strengthen supply chains, systematically advancing two projects of 800,000-ton olefin initiative of Rongxin Chemicals in Inner Mongolia and Zhundong, Xinjiang and the 500,000-ton high-temperature Fischer-Tropsch project of Future Energy, and the integration of low-carbon, high-efficiency new energy materials at Lunan Chemicals. Also, we will propel the indicator acquisition of quality coal and new energy through project investments.

II. Accelerating the rise of emerging industries. We will proactively engage in emerging trends and seize new opportunities. We will stimulate the growth, expansion, and operational efficiency of emerging industries. The construction of the second phase of the intelligent manufacturing park for the high-end equipment manufacturing sector will continue to attract high-quality enterprises, top-tier talents, and leading-edge technologies, thereby striving to achieve a revenue exceeding RMB2 billion by 2025 for the industrial park. By consolidating advantageous resources in equipment manufacturing, we aim to create competitively robust mid-to-high-end products on the international stage, while fully leveraging the capabilities of the R&D platform for equipment manufacturing in Germany to accelerate the expansion into Asian and European markets. The smart logistics industry focuses on critical logistics nodes such as "coal transportation from the West to the East" and "coal transportation from the North to the South." We have completed the construction of the railway from Caojiahuochang to Niujialiang mining area, expedited the development of dedicated railway lines in the Zhundong mining area of Xinjiang, and proactively participated in the construction project of the Wuyulin railway, thereby effectively enhancing the transportation capacity for bulk products in regions such as Shaanxi, Inner Mongolia and Xinjiang. We strengthen and optimize the operations of Yankuang Tai'an Port and Sihekou Port in Jining, ensuring that the dispatch capabilities align with business growth and developmental needs. We propel the new energy industry through a dual approach of self-built initiatives and mergers and acquisitions, while expanding the layout of advantageous resource areas in Inner Mongolia and Xinjiang, and proactively strategizing for mergers, acquisitions, and joint ventures.

III. Deepening lean management to improve quality and efficiency. The Company implements lean management and value creating initiatives, while rigorously enforcing the "Ten Strengths and Ten Efficiency Enhancements" and other lean cost control measures, striving to reduce costs and improve efficiency through all possible means. First, we enhance the production cost reduction. We optimize the process workflows and production organization, intensifying comprehensive oversight over the entire production procedures to reduce consumption during production. Second, we deepen cost management strategies. We leverage the budgeting control functions of the financial sharing platform to enforce stringent budgeting and rigid controls, thereby endeavouring to reduce the controllable expenses by 5%, while optimizing the allocation of human resources, thereby achieving the efficiency improvement by human resources control. Third, we strengthen the capital management. We implement various strategies to secure low-cost financing, aiming to reduce the overall financing cost by 6% and decrease financial expenses by RMB300 million. Fourth, we optimize logistics management. We leverage the advantages of multimodal transportation and collaborative distribution to optimize channels, transportation, storage, and settlement methods, thereby minimizing sales expenses. Fifth, we revitalize existing assets. We intensify efforts to clear inventory and revitalize idle assets, ensuring a 10% reduction in existing material resources. Sixth, we stringently control the procurement costs. We intensify centralized procurement, joint negotiations with segmented contracts, and comparative purchasing to ensure a cost reduction of over RMB220 million. Seventh, we deepen intelligent marketing strategies. We implement precise marketing tactics, with a continued focus on the "four optimizations" of product varieties, customer engagement, regional distribution, and logistical flow, while emphasizing the fulfillment of long-term contracts, the maintenance of key client relationships, and the exploration of new markets. We safeguard coal quality and cash flow, while utilizing robust measures under the framework of "three emphases and two guarantees" to drive revenue growth and enhance efficiency.

IV. Promoting the sustainable enhancement of the corporate value. We focus on the trajectory of high-quality development, while emphasizing significant fields, tasks and steps, continuously enhancing the caliber of development and investment value. We seek to expand our global presence unwaveringly, while steadfastly implementing an internationalized strategy and coordinating the six domestic and overseas listing platforms. This involves the global allocation of capital, resources, technology, and talents. Additionally, we will intensify market value management by thoroughly executing the distinctive "135" management mechanism on market capitalization of Yankuang, as well as implementing a series of focused measures conducive to value creation, management, and realization for public companies, thereby strengthening the value recognition of capital market. We deepen the reform of state-owned enterprises. Vigorously implementing actions to enhance and refine the reform of state-owned enterprises, we optimize the allocation of state-owned capital, perfect the modern corporate system, and develop the market-oriented operation mechanism. Also, we elevate our brand image, while persistently exceling in ESG development, and proactively fulfilling social responsibilities in areas such as green development, rural revitalization, ecological protection, and emergency rescue.

In this competitive world, the fittest survive; with the courage to stand at the forefront of the trend, let us start with another magnificent chapter. In 2025, the Group will profoundly judge the complexities, severities, and uncertainties of the external environments. We will carry forward the fine tradition of development against the trend while maintaining an unyielding spirit of endeavor. We shall coordinate our efforts across production safety, project development, market expansion, regulated governance and innovation in reforms, thereby driving the Company to advance steadily and boldly navigate various challenges. Our aim is to generate greater values and returns for our shareholders and stakeholders through unparalleled achievements.

By order of the Board
Chairman: Li Wei
Zoucheng, the PRC, 28 March 2025

Chapter 04

Board of Directors' Report

Mr. Wang Jiuhong

General Manager

I. BUSINESS OPERATION DISCUSSION AND ANALYSIS

	Unit	2024	2023	Increase/ Decrease	Increase/ Decrease (%)
1. Coal Business					
Salable coal production volume	kiloton	**142,493**	132,107	10,386	7.86
Salable coal sales volume	kiloton	**136,309**	127,024	9,285	7.31
2. Coal Chemicals Business					
Chemical products production volume	kiloton	**8,702**	8,587	115	1.34
Chemical products sales volume	kiloton	**7,801**	7,862	-61	-0.78
3. Power Generation Business					
Power generation	10,000KWh	**812,048**	840,351	-28,303	-3.37
Electricity sold	10,000KWh	**679,843**	710,722	-30,879	-4.34

Note: The Company has changed its accounting policy for business combinations under common control for its H shares and retroactively adjusted its operating data in prior years.

II. INDUSTRY SITUATION DURING THE REPORTING PERIOD

In 2024, the coal industry continued to enhance the ability to ensure safe supply, accelerated its intelligent transformation and upgrade, and steadily promoted the clean and efficient use of coal. The coal production continued to grow while imports increased continuously and the coal market showed a relatively relaxed operating situation as the growth rate in demand declined, and the average price decreased. The downstream demand from the coal chemical market was weak, showing a pattern of sufficient supply, and the prices of chemicals fluctuated.

III. MAIN BUSINESS DURING THE REPORTING PERIOD

(I) Main Business

1. Coal business

The Group's coal business are mainly distributed in Shandong province, Shaanxi province, and Inner Mongolia Autonomous Region, Xinjiang Uygur Autonomous Region and Australia. Its main products include thermal coal, PCI coal and coking coal applicable to electric power, metallurgy and chemical industry, etc., which are mostly sold to East China, South China, Central China, North China, Northwest China and other regions of China, as well as Japan, South Korea, Australia, Thailand and other countries.

2. Chemical business

The Group's coal chemical business is mainly distributed in Shandong Province, Shaanxi Province, Inner Mongolia Autonomous Region and Xinjiang Uygur Autonomous Region. The main products consist of methanol, acetic acid, ethyl acetate, caprolactam, urea, ethylene glycol, naphtha, crude liquid wax etc. are mostly sold to North China, East China and Northwest China.

(II) Market Position, Competitive Strengths & Results Driving Factors

The Group is one of the main coal producers, suppliers and traders in China and Australia, the leader in thermal coal enterprise in China, and Yancoal Australia Limited, a controlled subsidiary, is the largest pure coal producer in Australia. The Group owns several complete coal chemical production lines by use of coal gasification and coal liquefaction, and the China first 1Mt/a coal indirect liquefaction demonstration unit. Its acetic acid production capacity ranks leading in China.

In 2024, the Group scientifically assessed the market to stabilize prices and enhance efficiency, optimized production organization to increase output, strengthened lean management to reduce costs and improve quality, advanced project construction to reserve its momentum, and effectively responded to adverse market impacts, thereby achieving a relatively high operating performance in its track record.

IV. CORE COMPETITIVENESS ANALYSIS DURING THE REPORTING PERIOD

The core competitiveness of the Group as an internationalised large-scale energy enterprise was mainly reflected in the following aspects:

First, rich in resources reserve. The Group possessed key coal production bases in Shandong, Inner Mongolia, Xinjiang, and Australia, encompassing significant energy hubs both domestically and internationally, thereby establishing advantages in large-scale development. The in-situ resource of coal amounted to 46.4 billion tons (according to JORC standards), with its reserves ranking among the industry's leaders. The variety of coal products includes thermal coal, PCI coal, and coking coal, which cater to diversified market demands. Proactively establishing the layout across various mineral sectors, the Group possessed six potash mining rights in Canada, with proven reserves of high-quality potassium chloride amounting to 1.7 billion tons. Additionally, the Group intended to develop the Caosiyao molybdenum mine in Inner Mongolia, with resources estimated at 1.04 billion tons.

Second, advantageous in industry chain synergy. The Group's primary industries encompass mining, high-end chemicals and new materials, high-end equipment manufacturing, intelligent logistics, and new energy. By establishing a comprehensive industrial chain, we achieved efficient resource allocation and effective cost control, thereby cultivating its robustness to withstand market risks.

Third, strong in technological R&D. The Group boasted 3 national and 22 provincial and ministerial-level high-end R&D platforms while possessing advanced core technologies in deep mine extraction and intelligent comprehensive mining. Our production efficiency and safety standards ranked among the industry's leaders. The project of "complete set of technology and engineering application of digital and intelligent high-efficiency mining of deep coal" has won the Second Prize of the National Technological Advancement. We have developed and utilized the world's first set of ultra-large comprehensive mining equipment designed for an 8.2-meter mining height; we also undertook the major challenging project of "4000-ton Gasification Demonstration Unit" from the Ministry of Science and Technology, with which we have achieved the international leadership, and have established the first domestic million-ton indirect liquefaction demonstration facility.

Fourth, remarkable in international development progress. The Group's overseas assets accounted for 21% of its total. Boasting six listed platforms both domestically and internationally, the Group stood as one of the most internationally integrated and capital market-efficient energy companies listed in China. With extensive experiences in multinational resource mergers and management, the Group has successfully operated overseas projects in Australia, Canada, and Germany. Its products penetrated mainstream energy markets across Asia-Pacific, Europe, and others, thus establishing diversified sales channels and enabling flexible deployment based on global supply and demand, as well as achieving a globalized allocation of resources, products, technology, and talents.

V. MAIN OPERATION DURING THE REPORTING PERIOD

(I) Business Operation by Segments

1. Coal business

(1) Coal production

In 2024, the Group produced 142.49 million tons of salable coal, representing an increase of 10.39 million tons or 7.9% as compared with that of the previous year and in turn completed 101.8% of the production plan of salable coal for the year.

The following table sets out the salable coal production of the Group for the year 2024:

	2024 (kiloton)	2023 (kiloton)	Increase/ Decrease (kiloton)	Increase/ Decrease (%)
1. The Company	**22,796**	23,978	-1,182	-4.93
2. Heze Neng Hua①	**1,913**	2,645	-732	-27.67
3. Luxi Mining	**12,251**	10,798	1,454	13.46
4. Tianchi Energy	**1,199**	1,201	-2	-0.16
5. Future Energy	**17,812**	17,218	594	3.45
6. Ordos Company	**11,230**	9,614	1,616	16.81
7. Haosheng Company②	**6,227**	4,601	1,626	35.34
8. Inner Mongolia Mining②	**6,653**	3,826	2,828	73.91
9. Xinjiang Neng Hua	**20,117**	19,362	756	3.90
10. Yancoal Australia	**36,937**	33,412	3,525	10.55
11. Yancoal International	**5,357**	5,453	-96	-1.75
Total	**142,493**	132,107	10,386	7.86

Notes:

① The year-on-year decrease in salable coal production of Heze Neng Hua was mainly due to: the year-on-year decrease in salable coal production resulting from the impact of changes in geological conditions and the replacement of mining sites.

② The saleable coal production of Haosheng Company and Inner Mongolia Mining increased year-on-year, which was mainly because the saleable coal production increased year-on-year due to the partial elimination of the factors restricting production caused by geological conditions during the reporting period.

(2) Coal prices and sales

In 2024, the Group sold a total of 136.31 million tons of coal, representing a increase of 9.29 million tons or 7.3% as compared with that of the previous year.

In 2024, the Group realized sales income of coal business of RMB91.625 billion, representing a decrease of RMB10.395 billion or 10.2% as compared with that of the previous year.

The following table sets out the Group's coal production and sales by coal types for the year 2024:

	2024				2023			
	Production Volume (kiloton)	Sales Volume (kiloton)	Sales Price (RMB/ton)	Sales Income (RMB million)	Production Volume (kiloton)	Sales Volume (kiloton)	Sales Price (RMB/ton)	Sales Income (RMB million)
1. The Company	22,796	21,614	774.78	16,746	23,978	22,956	909.06	20,868
No.1 clean coal	356	357	1,193.83	426	450	457	1,419.01	649
No.2 clean coal	6,113	6,417	1,140.73	7,320	7,679	7,636	1,368.22	10,447
No.3 clean coal	3,779	3,812	959.54	3,658	2,487	2,625	1,138.94	2,990
Sub-total of clean coal	10,248	10,586	1,077.27	11,404	10,617	10,719	1,314.22	14,087
Screened raw coal	12,547	11,028	484.41	5,342	13,362	12,237	554.17	6,781
2. Heze Neng Hua	1,913	1,269	1,363.55	1,731	2,645	2,334	1,394.22	3,254
No.2 Clean Coal	1,524	1,217	1,403.59	1,708	1,972	1,989	1,540.86	3,065
Screened raw coal	389	53	441.34	23	673	345	548.51	189
3. Luxi Mining	12,251	11,639	1,075.37	12,516	10,798	11,401	1,206.92	13,760
clean coal	9,033	8,077	1,379.16	11,139	8,026	8,198	1,513.15	12,405
clean blended coal	3,218	3,562	386.60	1,377	2,771	3,203	423.16	1,355
4. Tianchi Energy	1,199	1,228	532.82	654	1,201	1,206	558.93	674
Screened raw coal	1,199	1,228	532.82	654	1,201	1,206	558.93	674
5. Future Energy	17,812	12,902	555.45	7,166	17,218	11,242	598.16	6,725
No.3 Clean Coal	2,109	1,275	669.05	853	2,061	1,719	792.56	1,362
Lump coal	3,750	3,648	683.74	2,494	3,332	3,068	791.32	2,428
Screened raw coal	11,952	7,979	478.66	3,819	11,826	6,455	454.58	2,934
6. Ordos Company	11,230	8,749	419.70	3,672	9,614	5,900	398.15	2,349
Screened raw coal	11,230	8,749	419.70	3,672	9,614	5,900	398.15	2,349
7. Haosheng Company	6,227	4,913	539.57	2,651	4,601	4,607	562.34	2,591
Screened raw coal	6,227	4,913	539.57	2,651	4,601	4,607	562.34	2,591
8. Inner Mongolia Mining	6,653	5,534	516.25	2,857	3,826	3,931	521.21	2,049
Screened raw coal	6,653	5,534	516.25	2,857	3,826	3,931	521.21	2,049
9. Xinjiang Neng Hua	20,117	18,868	149.56	2,822	19,362	18,964	162.60	3,084
Screened raw coal	20,117	18,868	149.56	2,822	19,362	18,964	162.60	3,084
10. Yancoal Australia	36,937	37,696	814.30	30,696	33,412	33,102	1,063.73	35,212
Semi-hard coking coal	51	52	2,121.86	111	160	159	1,708.09	271
Semi-soft coking coal	3,014	3,076	1,267.87	3,900	2,457	2,434	1,731.78	4,216
PCI coal	1,988	2,029	1,334.55	2,708	2,124	2,105	1,675.45	3,526
Thermal coal	31,883	32,538	736.87	23,976	28,671	28,405	957.56	27,199
11. Yancoal International	5,357	5,349	679.27	3,634	5,453	5,330	830.01	4,424
Thermal coal	5,357	5,349	679.27	3,634	5,453	5,330	830.01	4,424
12. Traded coal	–	6,547	989.70	6,480	–	6,051	1,161.81	7,030
Total for the Group	142,493	136,309	672.18	91,625	132,107	127,024	803.15	102,019

Factors affecting the changes in sales income of coal business are analyzed in the following table:

	Impact of Changes on Coal Sales Volume (RMB million)	**Impact of Changes on the Sales Price of Coal** (RMB million)
The Company	-1,220	-2,902
Heze Neng Hua	-1,484	-39
Luxi Mining	287	-1,531
Tianchi Energy	12	-32
Future Energy	993	-551
Ordos Company	1,134	189
Haosheng Company	173	-112
Inner Mongolia Mining	835	-27
Xinjiang Neng Hua	-15	-246
Yancoal Australia	4,887	-9,403
Yancoal International	16	-806
Traded coal	577	-1,127

The Group's coal products were mainly sold in markets such as China, Japan, South Korea, Australia, Thailand, etc.

The following table sets out the Group's coal sales by geographical regions for the year 2024:

	2024		2023	
	Sales Volume (kiloton)	**Sales Income (RMB million)**	Sales Volume (kiloton)	Sales Income (RMB million)
1. China	**111,165**	**70,342**	102,725	76,252
East China	**48,985**	**38,184**	49,584	46,700
South China	**15,558**	**10,302**	11,044	7,963
Central China	**6,605**	**5,749**	6,217	6,388
North China	**13,369**	**8,194**	9,169	6,988
Northwest China	**25,088**	**6,432**	25,050	6,438
Other regions	**1,559**	**1,481**	1,660	1,775
2. Japan	**9,983**	**10,684**	8,470	12,735
3. South Korea	**5,291**	**4,859**	4,386	5,641
4. Australia	**3,773**	**1,666**	4,080	2,288
5. Thailand	**3,554**	**1,788**	3,594	1,740
6. Others	**2,542**	**2,286**	3,769	3,362
7. Total for the Group	**136,309**	**91,625**	127,024	102,019

Most of the Group's coal products were sold to industries such as power, metallurgy, chemical, trade business, etc.

The following table sets out the Group's coal sales by consuming industries for the year 2024:

	2024		2023	
	Sales Volume (kiloton)	**Sales Income (RMB million)**	Sales Volume (kiloton)	Sales Income (RMB million)
1. Power	**66,668**	**41,022**	65,022	46,495
2. Metallurgy	**19,186**	**22,806**	14,213	22,019
3. Chemical	**19,350**	**11,288**	17,092	10,793
4. Trade business	**24,788**	**12,298**	28,504	20,965
5. Others	**6,317**	**4,210**	2,192	1,747
6. Total for the Group	**136,309**	**91,625**	127,024	102,019

(3) *The cost of coal sales*

In 2024, the Group's cost of coal sales amounted to RMB50.761 billion, representing a decrease of RMB473 million or 0.9% as compared with that of the previous year.

The following table sets out the cost of coal sales by business entities:

		Unit	2024	2023	Increase/ Decrease	Increase/ Decrease (%)
The Company	Total cost of sales	RMB million	**9,714**	9,743	-29	-0.30
	Cost of sales per ton	RMB/ton	**416.59**	395.97	20.63	5.21
Heze Neng Hua	Total cost of sales	RMB million	**1,409**	1,755	-347	-19.76
	Cost of sales per ton	RMB/ton	**887.49**	752.09	135.41	18.00
Luxi Mining	Total cost of sales	RMB million	**7,136**	7,716	-580	-7.52
	Cost of sales per ton	RMB/ton	**617.74**	676.83	-59.09	-8.73
Tianchi Energy	Total cost of sales	RMB million	**593**	502	90	18.03
	Cost of sales per ton	RMB/ton	**482.67**	416.29	66.38	15.95
Future Energy	Total cost of sales	RMB million	**2,922**	3,250	-328	-10.08
	Cost of sales per ton	RMB/ton	**193.61**	234.87	-41.26	-17.57
Ordos Company	Total cost of sales	RMB million	**2,613**	2,217	396	17.88
	Cost of sales per ton	RMB/ton	**274.21**	290.07	-15.86	-5.47
Haosheng Company	Total cost of sales	RMB million	**2,601**	2,033	568	27.94
	Cost of sales per ton	RMB/ton	**418.81**	441.27	-22.45	-5.09
Inner Mongolia Mining	Total cost of sales	RMB million	**2,235**	1,647	588	35.70
	Cost of sales per ton	RMB/ton	**337.22**	418.87	-81.65	-19.49
Xinjiang Neng Hua	Total cost of sales	RMB million	**2,000**	2,105	-105	-5.00
	Cost of sales per ton	RMB/ton	**105.98**	111.01	-5.02	-4.52
Yancoal Australia	Total cost of sales	RMB million	**15,710**	15,496	213	1.38
	Cost of sales per ton	RMB/ton	**416.75**	468.13	-51.39	-10.98
Yancoal International	Total cost of sales	RMB million	**2,019**	1,889	129	6.84
	Cost of sales per ton	RMB/ton	**377.35**	354.42	22.93	6.47
Traded coal	Total cost of sales	RMB million	**5,940**	7,058	-1,118	-15.84
	Cost of sales per ton	RMB/ton	**907.32**	1,166.56	-259.24	-22.22

2. *Coal chemicals business*

The following table sets out the Group's coal chemical business for 2024:

	2024				2023			
	Production Volume (kiloton)	Sales Volume (kiloton)	Sales Income (RMB million)	Cost of Sales (RMB million)	Production Volume (kiloton)	Sales Volume (kiloton)	Sales Income (RMB million)	Cost of Sales (RMB million)
Methanol	**4,105**	**3,938**	**7,163**	**5,728**	4,016	3,955	7,235	6,732
Acetic acid	**1,040**	**743**	**1,928**	**1,595**	1,139	738	2,057	1,701
Ethyl acetate ①	**285**	**284**	**1,457**	**1,371**	423	426	2,421	2,253
Caprolactam	**337**	**336**	**3,626**	**3,333**	297	297	3,224	3,035
POM	**65**	**65**	**626**	**555**	74	74	776	604
Crude liquid wax②	**288**	**300**	**1,874**	**928**	162	146	995	346
Diesel②	**–**	**–**	**–**	**–**	277	269	1,800	1,029
Naphtha	**233**	**235**	**1,537**	**1,262**	256	254	1,697	1,190
Full range liquid paraffin②	**116**	**111**	**660**	**323**	–	–	–	–
Ethylene glycol	**401**	**394**	**1,524**	**1,092**	360	391	1,332	1,092
Urea	**716**	**664**	**1,192**	**901**	591	615	1,208	853
Others	**1,116**	**731**	**3,637**	**3,172**	991	697	3,654	3,162
Total	**8,702**	**7,801**	**25,223**	**20,259**	8,587	7,862	26,398	21,997

Notes:

① The production, sales, sales income and cost of sales of ethyl acetate decreased year-on-year, mainly due to: Lunan Chemical actively responded to changes in the market environment and carried out flexible production, causing year-on-year decrease in production and sales of ethyl acetate.

② The changes in production and sales volume, sales income and cost of sales of crude liquid wax, diesel and full range liquid paraffin were mainly due to the fact that Future Energy proactively took flexible production and continuously optimized the product structure in response to changes in market environment, causing changes in production volume and sales of its chemical products.

3. *Power generation business*

The following table sets out the operation of the Group's power generation business for the year 2024:

	2024				2023			
	Power Generation (10,000KWh)	Power Sold (10,000KWh)	Sales Income (RMB million)	Sales Cost (RMB million)	Power Generation (10,000KWh)	Power Sold (10,000KWh)	Sales Income (RMB million)	Sales Cost (RMB million)
1. Jining No.3 Power①	134,391	120,451	519	349	148,645	128,226	539	406
2. Heze Neng Hua	145,924	129,991	529	488	152,175	135,961	538	448
3. Lunan Chemicals②	21,985	14,787	49	43	33,170	25,167	88	74
4. Yulin Neng Hua③	14,924	11,782	29	29	19,369	17,074	42	42
5. Future Energy	94,799	29,944	87	86	111,659	39,636	112	144
6. Inner Mongolia Mining	400,026	372,889	1,322	1,239	375,333	364,657	1,269	1,239
Total for the Group	812,048	679,843	2,537	2,235	840,351	710,722	2,589	2,354

Notes:

① Jining No.3 Power refers to Shandong Yankuang Jining No.3 Power Co., Ltd.

② The power generation, power sold, sales income and sales cost of the electricity power business of Lunan Chemicals decreased year-on-year, which was mainly attributable to the system maintenance of the power generation units during the reporting period, causing the decrease in power generation year-on-year.

③ The power sold, sales income and sales cost of the electricity power business of Yulin Neng Hua decreased year-on-year, which was mainly attributable to the electricity power business of Yulin Neng Hua sold its power to external customers after satisfying self-consumption requirements, with the year-on-year increase in self-consumption during the reporting period.

(II) Main Business Analysis

1. Analysis of changes in the income statement and related accounts in the cash flow statement

Unit: RMB million

Items	2024	2023	Increase/ Decrease (%)
Sales income	**124,534**	132,743	-6.18
Sales cost	**77,853**	77,213	0.83
Selling, general and administrative expenses	**16,358**	16,905	-3.24
Net cash flow from operating activities	**23,140**	16,786	37.85
Net cash flow used in investment activities	**-16,502**	-14,085	–
Net cash flow used in financing activities	**-6,408**	-31,261	–
Income tax expense	**6,252**	9,541	-34.47

Reasons for the change in net cash used in financing activities: proceeds from issuance of perpetual capital securities increased by RMB8.002 billion year-on-year; paid dividends decreased by RMB8.135 billion year-on-year; the proceeds from the issuance of shares increased by RMB4.06 billion year-on-year..

Elaboration for the changes of income tax expense: the Group's taxable income decreased year-on-year.

Elaboration for significant changes in business segments, profit composition and sources (prepared under CASs)

Not applicable.

2. *Analysis on income and cost*

(1) *Main business analysis by industries, products, regions or sales modes*

Unit: RMB million

Main business by industries

By industries	Sales Income	Sales Cost	Gross Profit (%)	Increase/Decrease in sales income as compared with that of the previous year (%)	Increase/Decrease in sales cost as compared with that of the previous year (%)	Increase/Decrease in gross profit as compared with that of the previous year (%)
1. Coal business	91,625	50,761	44.60	-10.19	-0.92	Decrease of 5.18 percentage points
Of which: Self-produced coal business	85,145	44,821	47.36	-10.36	1.46	Decrease of 6.13 percentage points
Traded coal business	6,480	5,940	8.32	-7.82	-15.84	Increase of 8.73 percentage points
2. Coal chemical business	25,223	20,259	19.68	-4.45	-7.90	Increase of 3.01 percentage points
3. Electricity power business	2,537	2,235	11.90	-2.00	-5.04	Increase of 2.82 percentage points
4. Other business	5,150	4,598	10.72	196.54	182.32	Increase of 4.50 percentage points

Main business by products

By products	Sales Income	Sales Cost	Gross Profit (%)	Increase/Decrease in sales income as compared with that of the previous year (%)	Increase/Decrease in sales cost as compared with that of the previous year (%)	Increase/Decrease in gross profit as compared with that of the previous year (%)
1. Coal business	91,625	50,761	44.60	-10.19	-0.92	Decrease of 5.18 percentage points
Of which: Self-produced coal business	85,145	44,821	47.36	-10.36	1.46	Decrease of 6.13 percentage points
Traded coal business	6,480	5,940	8.32	-7.82	-15.84	Increase of 8.73 percentage points
2. Coal chemical business	25,223	20,259	19.68	-4.45	-7.90	Increase of 3.01 percentage points
3. Electricity power business	2,537	2,235	11.90	-2.00	-5.04	Increase of 2.82 percentage points
4. Other business	5,150	4,598	10.72	196.54	182.32	Increase of 4.50 percentage points

Main business by regions

By Regions	Sales Income	Sales Cost	Gross Profit (%)	Increase/Decrease in sales income as compared with that of the previous year (%)	Increase/Decrease in sales cost as compared with that of the previous year (%)	Increase/Decrease in gross profit as compared with that of the previous year (%)
Domestic	88,858	59,008	33.59	-3.66	-0.07	Decrease of 2.38 percentage points
Overseas	35,676	18,845	47.18	-11.93	3.76	Decrease of 7.99 percentage points

Main business by sales modes

By Sales Modes	Sales Income	Sales Cost	Gross Profit (%)	Increase/Decrease in sales income as compared with that of the previous year (%)	Increase/Decrease in sales cost as compared with that of the previous year (%)	Increase/Decrease in gross profit as compared with that of the previous year (%)
Direct sales	124,534	77,853	37.48	-6.18	0.83	Decrease of 4.35 percentage points

Explanation on main business by industries, products, regions or sales modes

For details of the sales of the above business segments, please refer to the note headed "Other Significant Matters-Segment Information" to the financial statement prepared in accordance with the CASs.

(2) Production and sales volume analysis

Main products	Unit	Production Volume	Sales Volume	Inventory	Increase/Decrease in production volume as compared with that of the previous year (%)	Increase/Decrease in sales volume as compared with that of the previous year (%)	Increase/Decrease in inventory as compared with that of the previous year (%)
Self-produced saleable coal	Kiloton	142,493	129,762	7,235	7.86	7.26	13.17
Methanol	Kiloton	4,105	3,938	58	2.22	-0.42	-12.29
Ethylene glycol	Kiloton	401	394	25	11.37	0.72	41.73
Acetic acid	Kiloton	1,040	743	4	-8.69	0.62	-19.50
Ethyl acetate	Kiloton	285	284	5	-32.78	-33.34	11.39
Polyoxymethylene	Kiloton	65	65	1	-11.92	-12.16	11.82
Caprolactam	Kiloton	337	336	5	13.41	13.12	178.38
Crude liquid wax	Kiloton	288	300		77.72	105.72	-100.00
Full range liquid paraffin	Kiloton	116	111	5	–	–	–
Naphtha	Kiloton	233	235	3	-8.74	-7.48	-32.52
Urea	Kiloton	716	664	22	21.05	7.91	3,249.90

Explanation on production and sales volume

For details of the production and sales volume changes of main products, please refer to the relevant contents in the section "Business Operation by Segments" in this chapter.

(3) Performance of major procurement contract and sales contract

Not applicable.

(4) Cost analysis

Unit: RMB million

By industry

Cost components	Current amount	Percentage of total cost in 2024 (%)	The amount of the previous year	Percentage of total cost in 2023 (%)	Percentage increased or decreased in current amount as compared with the amount of the previous year (%)
I. Cost of self-produced coal	44,821	100.00	44,176	100.00	1.46
1. Materials	5,782	12.90	5,960	13.49	-2.99
2. Employees' wages and welfare	11,226	25.05	10,597	23.99	5.94
3. Electric power	2,154	4.81	1,928	4.37	11.70
4. Depreciation	5,378	12.00	5,939	13.44	-9.45
5. Land subsidence expenses	2,298	5.13	2,522	5.71	-8.87
6. Maintenance expenses	2,971	6.63	2,660	6.02	11.71
7. Amortization of mining rights	2,295	5.12	2,360	5.34	-2.77
8. Transportation	5,028	11.22	5,022	11.37	0.12
9. Others	7,688	17.15	7,187	16.27	6.96
II. Cost of traded coal	5,940	–	7,058	–	-15.84
III.Total	50,761	–	51,234	–	-0.92

Other explanations

Since cost of coal sales accounted for 65.2% of the Group's main business cost (other business mainly belongs to trading business), the cost component by industries listed in the table above only refers to the cost component of the Group's coal sales during the reporting period.

(5) *Changes in scope of consolidation due to the changes in shareholding of main subsidiaries during the reporting period*

For details of the changes in scope of consolidation, please refer to the note headed "Changes in Scope of Consolidation" to the financial statements prepared in accordance with the CASs.

(6) *Information on significant changes or adjustments in business, products or services during the reporting period*

Not applicable.

(7) *Major Customers and Suppliers*

(Prepared under CASs)

A. Major customers of the Company

The sales revenue attributable to the largest customer was RMB1.380 billion, accounting for 1.1% of the total annual sales revenue; the sales revenue attributable to the top five customers was RMB6.701 billion, accounting for 5.4% of total annual sales revenue; the sales revenue attributable to connected parties among the top five customers was RMB1.377 billion, accounting for 1.1% of the total annual sales revenue.

The cases where the proportion of sales revenue attributable to a single customer exceeded 50% of the total amount, there was a new customer among the top five customers or the Group heavily relied on a few customers during the reporting period.

Unit: RMB100 million

Name of customer	Sales revenue	Proportion in the total annual sales revenue (%)	Cases
Shandong Ruizhonghe Chemical Trade Co., Ltd.* (山東瑞中合化工貿易有限公司)	13.19	1.06	newly-added

B. Major suppliers of the Company

The procurement from the largest supplier was RMB2.470 billion, accounting for 7.1% of the total annual procurement; the procurement of the top five suppliers was RMB6.434 billion, accounting for 18.5% of the total annual procurement; among the top five suppliers' procurement, that of the related parties was RMB0 million, accounting for 0% of the total annual procurement.

The cases where the proportion of procurement attributable to a single supplier exceeded 50% of the total amount, there was a new supplier among the top five suppliers or the Group heavily relied on a few suppliers during the reporting period

Not applicable.

Other explanations:

① The largest customer, the top five customers, the largest supplier, and the top five suppliers are mainly the customers and suppliers relating to the self-produced products of main businesses of the Group.

② The above customers and suppliers are domestic and overseas companies with stable operation. The Group has specialized entities to conduct qualification examination, credit management and other dynamic monitoring and adjustment on customers and suppliers to protect itself from risks.

3. Expenses

For details of the analysis of changes in expenses, please refer to Analysis of changes in the income statement and related accounts in the cash flow.

4. *R&D investment*

(Prepared under CASs)

(1) *R&D investment*

Unit: RMB million

Expensed R&D investment during the reporting period	2,735
Capitalized R&D investment during the reporting period	0
Total R&D investment	2,735
Total R&D investment to sales income(%)	1.97
Share of capitalized R&D investment(%)	0

(2) *R&D personnel*

Number of R&D personnel in the Company	4,491
The number of R&D personnel to the total number of employees in the Company (%)	5.76
Educational background of the R&D personnel	
Category	Number
Personnel with PhD degree	2
Personnel with Master's degree	259
Personnel with Bachelor's degree	3,253
Personnel with Professional diploma	635
Personnel with High school diploma or below	342
Age structure of the R&D personnel	
Category	Number
Below 30 years old (30 years old excluded)	605
30-40 years old (30 years old included, 40 years old excluded)	1,685
40-50 years old (40 years old included, 50 years old excluded)	1,706
50-60 years old (50 years old included, 60 years old excluded)	495
60 years old and above	0

(3) Explanation

Viewing as technology as the top driving force to enhance productivity, the Group has expedited the promotion of major scientific and technological research centered on "seizing strategic opportunities, driving industrial breakthroughs, and solving production problems", comprehensively improved independent innovation capabilities, mastered a number of key core technologies, and continuously enhanced industrial competitive advantages, so as to provide strong support for accelerating the construction of a leading demonstration enterprises in world-class and sustainable clean energy.

The Group has established the National Enterprise Technology Center, the Postdoctoral Research Station, the Coal Mine Intelligent Mining R&D Center and 18 high-tech enterprises. In 2024, the Group was awarded the second-tier prize of State Scientific and Technological Progress Award, 521 patents and software copyrights were granted to the Group, including 115 inventions, 381 utility models, 3 designs. And the Group has also obtained 22 software copyrights and 62 awards on technology at or above the provincial and ministerial level.

(4) Reasons for the significant changes in the composition of R&D personnel and its impact on the future development of the Company

Not applicable.

5. Cash flow

For details of the analysis of changes in cash flows, please refer to "Analysis of changes in the income statement and related accounts in the cash flow statement" in this section.

Source and use of fund

For the year 2024, the Group's source of fund was mainly from operating cash flow, share and bond issuance and bank loans. And the fund was mainly used for operating expenses, purchasing of fixed assets, construction in progress and project materials, dividends payment to shareholders, bank loans repayment, assets and equity acquisition payment, etc.

In 2024, the Group's capital expenditure on property, machines and equipment was RMB17.360 billion.

(III) Elaboration on Significant Changes of Profit Due to Non-core Business

(All data was prepared in accordance with the CASs)

Not applicable.

(IV) Analysis on Assets and Liabilities

1. Assets and liabilities

Unit: RMB million

Items	Closing amount as at 31 December 2024	Percentage to the total assets as at 31 December 2024 (%)	Closing amount as at 31 December 2023	Percentage to the total assets as at 31 December 2023 (%)	Percentage of increase/ decrease in closing amount (%)	Notes
Long-term receivables	7,464	2.09	5,462	1.55	36.64	Loans and advances due after one year facilitated by Shandong Energy Finance Company increased as compared with that of the beginning of 2024.
Long-term receivables due within one year	4,718	1.32	2,279	0.65	106.99	Loans and advances due within one year facilitated by Shandong Energy Finance Company increased as compared with that of the beginning of 2024.
Other receivables and withholding expenses	40,142	11.26	59,412	16.86	-32.43	The consideration paid for acquiring external assets reduced by RMB14.381 billion.
Borrowings due within one year	37,715	10.58	24,108	6.84	56.44	The Company reclassified the long-term borrowings due within one year to the borrowings due within one year.
Share capital	10,040	2.80	7,439	2.11	34.96	During the Reporting Period, the Company completed the issuance of H Shares under a general mandate and the distribution of dividends for 2023, and the share capital increased correspondingly.
Owners of perpetual capital securities	23,267	6.53	16,542	4.69	40.66	During the Reporting Period, the Company issued perpetual bonds.

Other explanation

(1) Debt to equity ratio

As at 31 December 2024, shareholders' interests attributable to the shareholders was RMB58.610 billion and the total borrowings amounted to RMB110.796 billion, representing a debt-to-equity ratio (equals to total borrowings divided by shareholders' interests attributable to the shareholders) of 189.0%.

For details of total borrowings, please refer to the note "Borrowings" to the financial statements prepared in accordance with IFRSs.

(2) Contingent liabilities

For details of the contingent liabilities, please refer to the note "Contingent Liabilities" to the financial statements prepared under the IFRSs.

(3) Pledge of assets

For details of pledge of assets, please refer to note "Notes to The Consolidated Financial Statements – Assets Subject to Restriction on Ownership or Right of Use" to the financial statements prepared under the CASs.

2. Overseas assets

(1) Assets scale

(Prepared under CASs)

As at 31 December 2024, the Group's overseas asset was RMB75.121 billion, representing 21.0% over the total asset.

(2) Elaboration on the high ratio of overseas assets to the total

Unit: RMB million

Overseas assets	Reasons of formation	Operation mode	Sales income during the reporting period	Net profits during the reporting period
Yancoal Australia	Through capital contribution to establish a new company	Self-operation	32,214	5,690
Yancoal International	Through capital contribution to establish a new company	Self-operation	3,944	884
SMT Scharf AG	Equity acquisition	Self-operation	387	51

3. Major asset subject to restrictions as at the end of the reporting period

(All data was prepared under the CASs)

As at the end of 2024, the Group's asset subject to restriction was RMB81.060 billion, which mainly included monetary fund, receivables financing and related pledged asset for borrowings. For details, please refer to the note "Notes on Major Items of Consolidated Financial Statements–Assets Subject to Restriction on Ownership or Right of Use" to the financial report prepared under CASs.

4. Other explanation

Not applicable.

(V) Analysis on Business Operation

For details of coal business operation of the Group in 2024, please refer to the relevant contents of "Business Operation by Segments" in this section.

Analysis on Business Operation

1. *Resources reserves in major mining sites*

			China national standard (CNS)[1]			JORC Standard[2]	
Major mining sites	Location	Main resources	Resources (million tons)	Proved reserve (million tons)	Reliable reserve (million tons)	In-situ resources (million tons)	Recoverable reserve (million tons)
Coal mines owned by the Company	Jining, Shandong, Tongliao City, Inner Mongolia[3]	Thermal coal	4,042	282	142	1,793	263
Coal mines owned by Heze Neng Hua	Heze City, Shandong	1/3 Coking coal	644	163	106	327	101
Coal mines owned by Luxi Mining	Heze City, Shandong	1/3 Coking coal, thermal coal	3,773	468	384	1,803	199
Coal mines owned by Tianchi Energy	Heshun county, Shanxi	Thermal coal	102	32	15	44	19
Coal mines owned by Future Energy	Yulin, Shaanxi	Thermal coal	1,590	615	226	924	460
Coal mines owned by Ordos Company	Ordos, Inner Mongolia	Thermal coal	536	214	44	296	195
Coal mines owned by Haosheng Company	Ordos, Inner Mongolia	Thermal coal	2,303	673	386	728	565
Mining areas owned by Inner Mongolia Mining	Ordos, Inner Mongolia	Thermal coal	6,401	971	167	6,104	1,408
Mining Area owned by Xinjiang Neng Hua	Xinjiang Ili Prefecture, Changji Prefecture	Thermal coal	27,222	1,345	987	26,305	1,310
Subtotal of domestic reserves	–	–	46,614	4,763	2,456	38,325	4,520
Coal mines owned by Yancoal Australia	Queensland and New South Wales	PCI coal, thermal coal, semi-soft coking coal, semi-hard coking coal	–	–	–	6,570	1,390
Coal mines owned by Yancoal International	Queensland and Western Australia	PCI coal, thermal coal	–	–	–	1,535	95
Subtotal of overseas reserves	–	–	–	–	–	8,105	1,485
Total	–	–	46,614	4,763	2,456	46,430	6,005

Notes:

① Based on the standard of Solid Mineral Resources/Reserves Classification (China National Standard GB/T 17766-2020), resource reserves refer to solid mineral resources that could be exploited economically as projected after the mineral resources being explored, verified and studied. Its quantity, grade or quality are estimated in reference to the geographic conditions and relevant technical requirements. Proved reserves refer to the reserves estimated on the basis of proved resources after a pre-feasibility study, feasibility study, or equivalent technical and economic evaluation. Reliable reserves refer to the reserves estimated based on the amount of controlled resources after a pre-feasibility study, feasibility study or equivalent technical and economic evaluation; or estimated reserves based on proved resources when there exists uncertain conversion factors.

② According to the requirements of the Hong Kong Stock Exchange, the Group has carried out a unified resource reserve assessment of its coal mines in China in accordance with the JORC standard.

The in-situ resources and recoverable reserves of coal are estimated in accordance with 100% equity and JORC standard as at 31 December 2024, of which, in-situ resources and recoverable reserves from China domestic coal mines are based upon the competent person's report prepared by John T. Boyd Company in March 2025 and overseas in-situ resources and recoverable reserves are based on the report prepared by competent persons appointed by overseas subsidiaries.

③ The Company holds the exploration right of Huolinhe No.1 coalfield, the location of which is Tongliao City, Inner Mongolia.

④ The Group did not make assessment on the resources/reserves of the coal mines affiliated to Yancoal Australia and Yancoal International in accordance with China National Standard of Resource Reserve.

2. *Other explanations*

(1) Coal exploration, development and mining during the reporting period

In 2024, the Group's expenditure in coal exploration of RMB3,097,000 was mainly due to: drilling for the mine construction project of Yancoal Australia's Moolarben coal mine, mining optimisation of the Premier mines and the expenditure of Yancoal International's exploration projects; the capital expenditure related to coal development and mining was approximately RMB13.46 billion, which was mainly invested in the expenditure of fixed asset of existing mines and the development and mining costs of Wanfu Coal Mine, WuCaiWan No. 4 Open-pit Mine, as well as coal mines under Yancoal Australia and Yancoal International.

(2) Major mine construction project

As at the end of this reporting period, the progress of the Group's major mine construction project is as follows:

No.	Project	Designed capacity (10,000t/a)	Investment as at the end of the reporting period (RMB100 million)	Construction progress
1	Wanfu Coal Mine	180	67.60	Joint trial operation in December 2024
2	Wucaiwan No.4 Coal Mine	1,000	10.94	projected production in 2025
3	Liusangedan Coal Mine	1,000	23.14	The geological report has been approved
4	Galutu Coal Mine	800	9.84	The geological report has been approved
5	Huolinhe No. 1 Coal Mine	700	37.17	Preliminary design has been completed
	Total	3,680	148.69	–

(VI) Investment Analysis

(Prepared under the CASs)

Overall analysis on external equity investment

Not applicable.

1. Major equity investment

Not applicable.

2. Major non-equity investment

Not applicable.

3. *Financial assets measured at fair value*

Unit: RMB'000

Assets categories	Amount at the beginning of the reporting period	Profit and loss due to changes in the fair value during the reporting period	Accumulated fair value changes included in equity	Impairment accrued during the reporting period	Purchase amount during the reporting period	Sales/ redemption amount during the reporting period	Other changes	Amount at the end of the reporting period
Stocks	592	235	–	–	–	–	–	826
Trust products	70,520	1	–	–	–	–	–	70,521
Others	1,656,478	345,560	–	–	–	271,498	–	1,730,540
Total	1,727,590	345,796	–	–	–	271,498	–	1,801,887

Stock investment

Unit: RMB'000

Stock varieties	Stock code	Stock abbreviation	Initial investment amount	Source of capital	Book value as at the beginning of the reporting period	Profit and loss due to changes in the fair value during the reporting period	Accumulated fair value changes included in equity	Purchase amount during the reporting period	Sales amount during the reporting period	Investment profit and loss during the reporting period	Book value as at the end of the reporting period	Accounting accounts
Stocks	601777	Lifan Technology	–	Debt restructuring	225	255	–	–	–	–	480	Exchange traded financial assets
Stocks	601008	Lianyungang	89	Monetary capital	366	–20	–	–	–	–	346	Other investments in equity instruments
Trust products	–	CCB Trust – Cai Die No.6 Trust Plan on Property Rights	43,731	Debt restructuring	70,520	1	–	–	–	–	70,521	Other investments in equity instruments
Total	/	/	43,820	/	71,110	236	–	–	–	–	71,347	/

Explanation on stock investment

Not applicable.

Privately offered funds investment

Not applicable.

Derivatives investment

Not applicable.

4. ***Specific progress of the merger and reorganization of material assets during the reporting period***

Not applicable.

(VII) Disposal of Material Assets and Equity

Not applicable.

(VIII) Analysis of Major Controlled Companies and Invested Companies

(All data was prepared under CASs)

1. ***Major controlled companies***

(1) *The following table sets out the controlled companies that have significant impact on the Group's net profits attributable to the listed company:*

Unit: RMB million

Company name	Registered capital	31 December 2024 Total asset	Net asset	Net profit for the year 2024
Luxi Mining	5,000	44,440	9,937	2,993
Future Energy	5,400	32,464	27,299	5,179
Ordos Company	10,800	24,235	12,245	2,287
Yancoal Australia	AUD 6,027 million	55,495	41,988	5,690

Note: For more information about the main businesses, main financial indicators of the Group's major controlled subsidiaries, please refer to the note "Interests in Other Entities-Interests in Subsidiaries" to the financial statement prepared under CASs.

(2) The followings are the major controlled subsidiaries whose operating performance for the year fluctuated significantly as compared with that of the same period of the previous year:

Heze Neng Hua

In 2024, Heze Neng Hua achieved a net loss of RMB41 million, representing a decrease of RMB1,214 million or 103.5% year-on-year, mainly due to the year-on-year decrease in the sales volume of salable coal as well as the year-on-year decrease in the selling price of coal products.

Ordos Company

In 2024, Ordos Company achieved a net profit of RMB2,287 million, representing an increase of RMB1,149 million or 100.9% year-on-year, mainly due to an increase in the sales volume of salable coal year-on-year.

Inner Mongolia Mining

In 2024, Inner Mongolia Mining achieved a net profit of RMB209 million, compared to a net loss of RMB585 million in the corresponding period of the previous year, mainly due to the year-on-year increase in the sales volume of salable coal.

Yancoal Australia

In 2024, Yancoal Australia achieved a net profit of RMB5,690 million, representing a year-on-year decrease of RMB3,007 million or 34.6%, mainly due to the year-on-year decrease in the selling price of coal products.

2. Major invested companies

For the relevant information about the main businesses and main financial indicators of the Group's major invested companies, please refer to the note "Interests in Other Entities-Interests in Joint Venture and Associated Companies" to the financial statement prepared under CASs.

(IX) Structures of Entities Controlled by the Company

(All data was prepared under CASs)

Not applicable.

VI. DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY

(All data was prepared under CASs)

(I) Industrial Pattern and Trend

For details of the industry competition pattern and development trend, please refer to the relevant contents in "Chapter 3 Chairman's Statement" in this annual report.

(II) Development Strategy of the Company

In the face of profound changes in the global energy landscape, the Company followed the development trend of energy, comprehensively inspected its future development paths and approved the "Outline for the Company's Development Strategy" at the eighteenth meeting of the eighth session of the Board on 1 December 2021 after consideration. In the outline, the Company has made strategic plannings for the low-carbon transformation under the "Carbon Peaking & Carbon Neutrality" goals as well as for its industrial layout for the coming 5 to 10 years. In addition, the Company clearly pinpoints its vision of building itself into a world-class clean energy supplier that leads the industry and features sustainable development, conducts planned development of mining, high-end chemicals and new materials, new energy, high-end equipment manufacturing and intelligent logistics as its five major industries, and spares no effort in cultivating new technologies, new industries, new businesses, and new models in an attempt to accelerate to transform into a brand new energy enterprise that has achieved high-quality, high-efficiency, and low-carbon development. The Company's main industrial development positionings and objectives are:

1. Mining: Being intelligent, efficient, excellent and strong. The Company strives to achieve the coal production of 300 Mt/a, and build over eight green intelligent mines with production capacity exceeding 10 million tons. On the basis of the existing non-coal mineral assets, the Company will further explore the development of molybdenum, gold, copper, iron, potash and others so as to achieve the transformation from single coal mining to multimineral development.

2. High-end chemicals and new materials: Extending and strengthening industrial chain and improving added value. Heading towards the goal of high-end, green and low-carbon development, the Company will extend the existing chemical industry chain and build a R&D and production base for new chemical materials. In addition, the Company strives to achieve the chemicals production capacity of over 20 Mt/a, of which new chemical materials and high-end chemicals account for more than 70%.

3. New energy: Prioritizing its strategies and accelerating its development. The Company will promote the development and construction of new energy projects such as the generation and storage of wind power and photovoltaic power. The Company also strives to reach an installed capacity of more than 10 million kW of new energy power generation.

4. High-end equipment manufacturing: Securing breakthroughs in key areas and pursuing specialized and innovative development. On the basis of the existing equipment manufacturing industry, the Company will focus on the development of high-end coal machinery manufacturing and other traditional advantageous products, expand business scope by manufacturing new energy equipment such as electric fan motors, and cultivate medium and high-end product series.

5. Intelligent logistics: Seeking digital development and increasing synergistic efficiency. The Company will strive to integrate products, users and third-party service providers for the purpose of building an intelligent logistics system.

For details of the Group's development strategies, please refer to the announcement on the resolutions of the Board dated 15 December 2021. Such information is available on the website of the SSE, HKEX, the Company's website and/or the China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily. For details of the progress of the strategic planning of its development in 2024, please refer to the relevant contents in "Chapter 3 Chairman's Statement" in this annual report.

(III) Operation Plan

For details of operation plan of the Group, please refer to the relevant contents in "Chapter 3 Chairman's Statement" in this annual report.

Relevant operation plan shall not be deemed as the Company's performance commitments to investors. Investors shall be reminded to be risk-aware and understand the difference between operation plan and performance commitments.

(IV) Capital Expenditure Plan

The Group's capital expenditure for the year 2025 is projected to be RMB19.545 billion, which is mainly sourced from the Group's self-owned funds, bank loans, bond issuance, etc.

The capital expenditure for the year 2024 and the estimated capital expenditure for the year 2025 of the Group (grouped by business entities) are set out in the following table:

Unit: RMB100 million

	2025 (Budget)	2024	Main Items
The Company	**36.62**	60.55	Mine equipment upgrading, data center construction, maintenance, safety and other investments
Donghua Heavy Industry	**1.31**	0.65	Investments in machinery manufacturing business
Yankuang Logistics Technology Co., Ltd.	**5.35**	2.90	Investments in railway project and others
Heze Neng Hua	**11.66**	8.29	Investments in the construction of Wanfu Coal Mine and others
Luxi Mining	**11.74**	21.52	Investments in mine equipment upgrading, support facilities, maintenance, safety and others
Lunan Chemicals	**11.18**	3.61	Investments in caprolactam project and supporting facilities, POM project and others.
Future Energy	**8.36**	4.30	Investments in coal mine supporting facilities and high-temperature Fischer-Tropsch chemicals related projects and others.
Ordos Company	**20.05**	10.61	Investments in olefin projects and the transformation and upgrading of mine
Haosheng Company	**0.91**	1.17	Investments in the mining of coal seams of mine
Inner Mongolia Mining	**9.54**	2.55	Investments in the preparation for mining rights and others.
Xinjiang Neng Hua	**31.37**	19.23	Investments in the construction of Wucaiwan open cut coal mine and supporting facilities, olefin and melamine and other chemical projects.
Yancoal Australia	**35.54**	26.44	Investments in maintenance, safety, environment protection and exploration
Yancoal International	**5.06**	4.60	Investments in Tai'an Logistics Park Project, maintenance, safety, environment protection and others.
Other subsidiaries	**6.76**	7.18	–
Total	**195.45**	173.60	–

The capital expenditure for the year 2024 and the estimated capital expenditure for the year 2025 of the Group (classfied by fund uses) are set out in the following table:

Unit: RMB100 million

	2025 (Budget)	2024
Infrastructure Construction Projects	**79.57**	51.52
Coal mine construction	**33.17**	23.08
Chemical projects	**31.86**	15.92
Logistics and warehouse projects	**7.62**	8.26
Other infrastructure projects	**6.93**	4.26
Maintenance of simple reproduction	**97.35**	110.31
Planned expenditure on safety production	**17.28**	9.05
Planned expenditure on scientific and technological development	**0.66**	–
Planned expenditure on technology revamp	**0.59**	2.72
Total	**195.45**	173.60

The Group currently possesses relatively sufficient cash and financing facilities, which are expected to meet its operation and development demands.

(V) Possible Risks

Risks arising from safety management

The two business segments of the Company, namely "coal mining and coal chemicals", are of highly hazardous nature and of complex uncertainties in terms of production safety, thus leading to the likelihood of risks of safety management.

Countermeasures: The Group carry out regular and institutionalised survey and management of hidden disaster-causing factors in mines, so as to achieve five criteria: analysis of disaster threats, measures for management proposals, focus on key nodes, disaster information sharing, and post-assessment management. The Group puts great efforts on enhancing the comprehensiveness of the investigation on risks and potential hazards, the accuracy of the identification of hazardous sources, the effectiveness of the management measures, and the timeliness of the implementation of the proposals, so as to realise the closed-loop risk management.

Risks arising from environmental protection

With the China's environmental policies getting much stricter and the whole society increasingly valuing environmental protection, the Group is facing more stringent environmental restrictions. China has made a solemn commitment to the world to achieve "carbon peaking and carbon neutrality", which brings significant impacts on the operation and development of the Company's coal business.

Countermeasures: The Group will strictly implement the requirements of environmental protection regulations, actively promote the upgrading and transformation of facilities and improve the operation and management of facilities to ensure that pollutants are discharged in accordance with the standards. The Group will also implement strategic transformation, actively promote the transformation of traditional industries and the rise of emerging industries, and follow the path of green and low-carbon development. In addition, the Group will promote the efficient and clean utilization of coal and continue to maintain the coal's fundamental role in the energy structure.

Risks arising from exchange rates

As a multinational company, the Group's businesses, such as overseas investment, overseas financing, international trade, etc., are subject to the fluctuation of foreign exchange rates, which in turn bring uncertainties to the operation results and strategic development of the Group.

Countermeasures: The Group strengthens the study and judgment on the trend of foreign exchange rate, and takes advantage of comprehensive financial instruments to lower the risks brought by the fluctuation of foreign exchange rates. According to the movement trend of exchange rates for transaction currencies, the Group will establish the appropriate value-preservation clause in the transaction contract. The Group will flexibly use the instruments of foreign exchange derivatives, sign forward contracts of foreign exchange transactions and lock in the exchange rates.

Risks arising from geopolitics

The Group's businesses across different regions and countries will be affected by factors such as local government policy, as well as changes in economic and international relations. If any major adverse changes occur, the business, financial condition and operating results of the Group may be adversely affected.

Countermeasures: First, the Group will pay close attention to the international trends, strengthen the analysis of political and economic developments in regions where the Group runs its business, timely identify and foresee the geopolitical risks for its overseas businesses, and formulate counter measures. Second, the Group will continue to adhere to the localization strategy, comply with the local laws and regulations and actively integrate into the local economic and social development.

(VI) Others

1. The impact from changes in exchange rate

The impacts of exchange rate fluctuations on the Group were mainly reflected in:

(1) The overseas coal sales are priced in USD and AUD respectively, generating an impact on the overseas coal sales income;

(2) The exchange gains and losses of the foreign currency deposits and borrowings;

(3) The cost of imported equipment and accessories of the Group.

Affected by the fluctuations in foreign exchange rates, the Group had a book exchange gain of RMB737 million during the reporting period.

To manage foreign currency risks arising from the expected sales income and distribution of share dividends in HKD, Yancoal Australia has entered into foreign exchange hedging contracts with banks.

To hedge the exchange gains or losses of USD debts arising from the fluctuation of foreign exchange rates, Yancoal Australia and Yancoal International have adopted foreign exchange hedging measures to such debts on the accounting basis, which effectively mitigated the impact of fluctuation of exchange rates on the current profit or loss. At the end of the reporting period, the loan in USD of Yancoal Australia has been fully settled, but according to the accounting natural hedge rule, the exchange gains or losses caused by the early repayment of the loan will still be recognized on the contractual maturity date of the loan, which will have a non-cash impact on the corresponding accounting year.

Save as disclosed above, the Group did not take hedging measures on other foreign exchange and did not further hedge the exchange rate between RMB and other foreign currencies in the reporting period.

2. Employees' pension scheme

For details of the employees' pension scheme, please refer to note "Retirement Benefits" to the financial statements prepared in accordance with the IFRSs.

3. Reserves

Please refer to note "Shareholders' Equity" to the financial statements prepared in accordance with the IFRSs for the changes of reserves during the year and the distributable reserves as of 31 December 2024.

4. Donations

The expenditure on the Group's donations for charitable or other purposes in 2024 amounted to RMB58,002,000.

5. Compliance with laws and regulations

The Company is aware of the importance of complying with the requirements of laws, regulations and rules and has established a well-developed system to ensure continuous compliance with the applicable laws, regulations and rules. During the reporting period, to the knowledge of the Company, the Company has complied with the applicable laws, regulations and rules in all material matters, which include, but are not limited to, the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other laws and regulations that are significant or have an impact on the Company's operations in its principal business. As a listed company on the SSE and the HKEX, the Company also complied with the listing rules in the places of listing during the reporting period.

6. Significant events after the reporting period

Please refer to the section "Explanation on Other Significant Matters That Have a Significant Impact on the Value Judgments and Investment Decision-making of Investors" under "Chapter 7 Significant Events" of this annual report.

VII. EXPLANATIONS AND REASONS FOR FAILED DISCLOSURE DUE TO NON-COMPLIANCE OR LEAKAGE OF NATIONAL OR BUSINESS SECRETS

Not applicable.

Chapter 05

Corporate Governance

I. RELATED INFORMATION ON CORPORATE GOVERNANCE

The Company has closely monitored updates on the securities market standardization and rule of law, and actively improved its corporate governance structure based on its own circumstances. During the reporting period, the Company further enhanced its corporate governance. In accordance with the laws, regulations and regulatory rules such as the newly revised "Company Law", the "Measures for the Management of Independent Directors of Listed Companies" of the CSRC, the "Listing Rules" of the SSE and others, the Company has formulated the "Work Rules for Special Meetings of Independent Directors" and "Measures for the Management of Board Mandate". In addition, the Company also revised and improved the basic system for governance such as the Articles, the "Rules of Procedure for the Board of Directors", "Management System for the Shares of the Company Held by Shareholders, Directors, Supervisors, Senior Management and Relevant Informed Persons of Inside Information and the Changes thereof" and others. The goal is to improve the corporate governance system with the "Articles" as the core and to ensure the standardized and efficient operation of the Company.

As considered and approved at the 2023 Annual General Meeting of Shareholders convened on 21 June 2024, the Company amended the Articles and related rules of procedure in accordance with the latest revised laws, regulations and regulatory requirements, and in light of actual operational needs. For further details, please see the Company's announcement dated 26 April 2024, circular dated 22 May 2024, the materials for the Annual General Meeting of Shareholders dated 13 June 2024 and the announcement on the resolutions of the Annual General Meeting of Shareholders dated 21 June 2024.

As considered and approved at the 2024 First Extraordinary General Meeting of Shareholders convened on 25 October 2024, the Company amended the Articles to optimize the interim dividend distribution formula and to enhance the efficiency of decision-making. For further details, please see the Company's announcement dated 30 August 2024, circular dated 30 September 2024, the materials for the General Meeting of Shareholders dated 17 October 2024 and the announcement on the resolutions of the General Meeting of Shareholders dated 25 October 2024.

Please clarify whether there are significant differences between corporate governance of the Company and the provisions of laws, administrative regulations and the requirements on the governance of listed companies detailed by the CSRC; If any, the reasons should be stated.

Since its listing, the Company, in accordance with the Company Law, Securities Law and relevant regulatory requirements of the region where the listing took place, following the principles of transparency, accountability and protection of the rights and interests of all Shareholders, has established a regulated and robust corporate governance structure, which does not have significant differences with the requirements in relevant documents detailed by the CSRC.

II. CONCRETE MEASURES TAKEN BY THE COMPANY'S CONTROLLING SHAREHOLDER AND THE ACTUAL CONTROLLER IN ENSURING THE INDEPENDENCE OF THE COMPANY IN ASSETS, PERSONNEL, FINANCE, INSTITUTIONS, BUSINESSES AND OTHER ASPECTS. SOLUTIONS, WORK PROGRESS AND FOLLOW-UP PLANS IN OFFSETTING THE IMPACT ON THE INDEPENDENCE OF THE COMPANY

Shandong Energy undertakes to ensure the independence of Yankuang Energy and to fully respect Yankuang Energy's operational autonomy.

The impact on the Company due to the fact that the Controlling Shareholder, the actual controller and other institutions controlled by them are engaged in the same or similar business as the Company, the impact of intra-industry competition on the Company or the impact of its significant changes on the Company as well as the measures taken to solve the problems, its progress and the follow-up plans.

Shandong Energy will continue to fulfill its commitment to resolve horizontal competition and take various effective measures to avoid intra-industry competition with the Group.

III. SHAREHOLDERS' GENERAL MEETING DURING THE REPORTING PERIOD

Session and Number of Meeting	Date of Meeting	Designated Websites on which Resolutions Posted	The Disclosure Date of the Posted Resolutions	Resolutions
2023 Annual General Meeting of Shareholders	21 June 2024	The website of SSE (http://www.sse.com.cn) The website of Hong Kong Stock Exchange (http://www.hkexnews.hk)	21 June 2024	All resolutions approved
The 2024 First Extraordinary General Meeting of Shareholders	25 October 2024	The Company's website (http://www.ykenergy.com http://www.yanzhoucoal.com.cn)	25 October 2024	All resolutions approved

Note: The "Disclosure Date of the Posted Resolutions" in the above table refers to the date of the resolutions disclosed.

Extraordinary General Meeting of Shareholders convened upon request by the holders of preferred shares with voting rights resumed

Not applicable.

Explanation on General Meeting of Shareholders

Not applicable.

IV. INFORMATION ON DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

(I) Changes in Shareholdings and Remuneration of Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period

As at the end of this reporting period, except as disclosed below, none of the Directors, Supervisors and Senior Management of the Company had an interest in or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the "Hong Kong Securities and Futures Ordinance"), Such interest and short position (i) shall be recorded in a register which shall be kept in accordance with section 352 of the Hong Kong Securities and Futures Ordinance; Or (ii) to notify the Company and HKEX in accordance with Standard Code for Directors of listed Issuers to conduct securities transactions (the "Standard Code").

Unit: share

Name	Title	Gender	Age	Start of term of office	End of term of office	Number of shares held at the beginning of 2024	Number of shares held at the end of 2024	Increase/ decrease of shareholding during 2024	Reasons for increase/ decrease	The total remuneration before tax obtained from the Company (RMB0'000)	Whether obtained remuneration from the connected parties of the Company
Li Wei	Director, Chairman	Male	58	20 August 2021	30 June 2026	15,000	19,500	4,500	Bonus Share	-	Yes
Wang Jiuhong	General Manager	Male	48	13 November 2024	30 June 2026	181,200	235,560	54,360	Bonus Share	107.83	No
	Vice General Manager			28 October 2022	13 November 2024						
Liu Jian	Director	Male	56	24 May 2019	30 June 2026	128,700	167,310	38,610	Bonus Share	-	Yes
Liu Qiang	Director	Male	52	30 June 2023	30 June 2026	0	0	0	-	-	Yes
Zhang Haijun	Director	Male	51	30 June 2023	30 June 2026	0	0	0	-	-	Yes
Su Li	Employee Director	Male	52	19 April 2023	30 June 2026	0	100,000	100,000	Shareholding Increase	113.70	No
Huang Xiaolong	Director	Male	47	20 August 2021	30 June 2026	240,000	412,000	172,000	Bonus Share, Shareholding Increase	113.02	No
	Secretary of the Board			30 July 2021	30 June 2026						
Peng Suping	Independent Director	Male	65	30 June 2023	30 June 2026	0	0	0	-	20	No
Zhu Limin	Independent Director	Male	73	19 June 2020	30 June 2026	0	0	0	-	20	No
Woo Kar Tung, Raymond	Independent Director	Male	55	30 June 2023	30 June 2026	0	0	0	-	20	No
Zhu Rui	Independent Director	Female	50	30 June 2023	30 June 2026	0	0	0	-	20	No

Name	Title	Gender	Age	Start of term of office	End of term of office	Number of shares held at the beginning of 2024	Number of shares held at the end of 2024	Increase/ decrease of shareholding during 2024	Reasons for increase/ decrease	The total remuneration before tax obtained from the Company (RMB0'000)	Whether obtained remuneration from the connected parties of the Company
Li Shipeng	Supervisor	Male	47	19 June 2020	30 June 2026	0	0	0	–	–	Yes
	Chairman of the Supervisory Committee			30 June 2023	30 June 2026						
Zhu Hao	Supervisor	Male	53	20 August 2021	30 June 2026	0	0	0	–	–	Yes
Jin Jiahao	Employee Supervisor	Male	53	19 April 2023	30 June 2026	0	100,000	100,000	Shareholding Increase	113.96	No
Kang Dan	Chief Safe Officer	Male	45	29 April 2022	30 June 2026	181,200	335,560	154,360	Bonus Share, Shareholding Increase	113.60	No
Yue Ning	Vice General Manager	Male	46	27 October 2023	30 June 2026	120,000	0	-120,000	Repurchase and Cancellation	576.27	No
Zhao Zhiguo	Chief Financial Officer	Male	46	27 October 2023	30 June 2026	0	100,000	100,000	Shareholding Increase	70.95	No
Gao Chunlei	Chief Engineer (Chemicals)	Male	43	28 March 2024	30 June 2026	120,000	256,000	136,000	Bonus Share, Shareholding Increase	101.54	No
Zhang Zhaoyun	Chief Engineer	Male	44	21 June 2024	30 June 2026	151,200	296,560	145,360	Bonus Share, Shareholding Increase	127.65	No
Zhang Lei	Chief Investment Officer	Male	52	27 March 2020	30 June 2026	0	0	0	–	430.64	No
Xiao Yaomeng	Director (resigned)	Male	52	20 August 2021	18 September 2024	525,000	782,500	257,500	Bonus Share, Shareholding Increase	131.27	No
	General Manager (resigned)			30 July 2021	18 September 2024						
Li Hongguo	Vice General Manager (resigned)	Male	55	24 March 2023	14 October 2024	0	150,000	150,000	Shareholding Increase	106.82	No
Zhang Chuanchang	Vice General Manager (resigned)	Male	56	22 April 2020	31 December 2024	240,000	412,000	172,000	Bonus Share, Shareholding Increase	117.40	No
Ma Junpeng	Chief Engineer (resigned)	Male	51	30 March 2022	21 June 2024	273,900	356,070	82,170	Bonus Share	90.23	No
Total	/	/	/	/	/	2,176,200	3,723,060	1,546,860	/	2,394.88	/

Notes:

① Due to work adjustment, Mr. Xiao Yaomeng, Mr. Yue Ning and Mr. Ma Junpeng did not meet the incentive conditions. Therefore, the Company repurchased and canceled the restricted stocks granted but not yet unlocked of all three of them, of which the repurchase and cancellation of 120,000 restricted stocks granted to Mr. Yue Ning but not yet unlocked has been completed. For the shareholding information of Directors and Senior Management, please refer to the relevant content of "Circumstances and Impacts of the Equity Incentive Scheme and Employee Stock Ownership Plan or Other Incentive Scheme to Employees" in this section.

② As at the end of the reporting period, the current and the resigned Directors, Supervisors and Senior Management of the Company during the reporting period held a total of 3,723,060 shares (of which 2,673,060 shares being A shares and 1,050,000 shares being H shares), representing approximately 0.037% over the total share capital of the Company. All the interests disclosed above represent holdings of long-position shares of the Company in the capacity of beneficial owner.

③ Based on the confidence in the future development of the Company and the recognition of the long-term investment value of the Company, 10 Directors, Supervisors and Senior Management of the Company had, during the period from 29 July 2024 to 30 July 2024 used their own funds to increase their shareholdings in the Company by an aggregate of 1,050,000 H shares through the trading system of the Hong Kong Stock Exchange (including the Hong Kong Stock Connect) by way of centralized bidding transactions.

For details, please refer to the announcement on the results of the shareholding increase of Directors, Supervisors and Senior Management dated 30 July 2024. Such information was published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

Name	Major Work Experiences
Li Wei	Mr. Li Wei, born in September 1966, is a research fellow in engineering technology applications and holds a doctoral degree in engineering. Currently, Mr. Li Wei serves as the Chairman of the Company, the Secretary of the CPC Shandong Energy Committee and Chairman of Shandong Energy Group Co., Ltd. Mr. Li Wei joined the predecessor company in 1988, took office as the Vice General Manager of Baodian coal mine of the former Yankuang Group in December 1996 and was appointed as the Director of Restructuring Division of Strategic Resource Development Department of Yankuang Group in May 2002. In September 2002, he was appointed as the Secretary of the CPC Xilin Neng Hua Committee, Chairman and General Manager of Xilin Neng Hua Co., Ltd. Mr. Li Wei started to preside overall works at Baodian Coal Mine of the Company in March 2004 and later became the Deputy Secretary of the CPC Baodian Coal Mine Committee and the General Manager of Baodian Coal Mine of the Company in September 2004. He became the Deputy Secretary of the CPC Nantun Coal Mine Committee and the General Manager of Nantun Coal Mine of the Company, Deputy Chief Engineer and Deputy Director of the Safety Supervision Bureau of Yankuang Group in August 2007 and August 2009 successively. Mr. Li Wei took positions as the Vice General Manager and Director of the Safety Supervision Bureau of Yankuang Group in April 2010, and was employed as Deputy Secretary of the CPC Yankuang Committee, Director and General Manager of Yankuang Group in May 2015. He was promoted as the Vice Chairman of the Board of the Company in June 2016, the Deputy Secretary of the CPC Hualu Holdings Committee, Director and General Manager of Hualu Holdings Co., Ltd. in August 2020 and the Secretary of the CPC Shandong Energy Group Co., Ltd Committee and the Chairman of Shandong Energy in June 2021. In August 2021, Mr. Li Wei took the position as the Chairman of the Company. Mr. Li Wei graduated from University of Science and Technology Beijing.

Name	Major Work Experiences
Wang Jiuhong	Mr. Wang Jiuhong, born in June 1976, a Chief Senior Engineer with a bachelor's degree in engineering, is the Secretary of the CPC Yankuang Energy Committee and the General Manager of the Company. Mr. Wang was appointed as the Chief Engineer of Nantun Coal Mine in September 2014, the Secretary of the Party Branch and the General Manager of Anyuan Coal Mine of Yanzhou Coal Ordos Neng Hua Co., Ltd. in December 2016, and the Deputy Director of the Production Technology Department and the Deputy Director of Ventilation and Disasters Prevention Department of the Company in October 2017. He was appointed as Party Branch Secretary, the Executive Director and the General Manager of Ordos Zhuanlongwan Coal Co., Ltd. in September 2018, the Vice General Manager of Yanzhou Coal Ordos Neng Hua Co., Ltd. and the Party Secretary, Director and the General Manager of Inner Mongolia Haosheng Coal Mining Company Limited in December 2020. In November 2021, Mr. Wang Jiuhong took positions as the Party Secretary and the General Manager of Yanzhou Coal Ordos Neng Hua Co., Ltd., and the Chairman of Inner Mongolia Haosheng Coal Mining Company Limited. In June 2022, he became the Director of Inner Mongolia Haosheng Coal Mining Company Limited. In October 2022, he became the Vice General Manager of the Company and took positions as the Party Secretary, Chairman and General Manager of Yankuang Energy (Ordos) Company Limited and served as the Party Secretary and Chairman of Inner Mongolia Mining (Group) Co., Ltd. In December 2022, Mr. Wang became a member of the CPC Committee of the Company. In May 2023, Mr. Wang started to serve as the Secretary of the CPC Committee and the Chairman of Yankuang Energy (Ordos) Company Limited. In November 2024, Mr. Wang became the Secretary of the CPC Committee and the General Manager of the Company. Mr. Wang graduated from Hebei University of Engineering.
Liu Jian	Mr. Liu Jian, born in February 1969, is not only a research fellow in applied engineering technology with a master degree in engineering, but also the Director of the Company, the Vice General Manager and a member of the Standing Committee of CPC Shandong Energy Committee. Mr. Liu joined the Company's predecessor in 1992 and was appointed as the Vice General Manager of Dongtan Coal Mine of the Company in 2009. He was appointed as the Deputy Secretary of the CPC Jining No.3 Coal Mine Committee and the General Manager of Jining No.3 Coal Mine in March 2014. In January 2016, Mr. Liu Jian took positions as the Deputy Secretary of the CPC Dongtan Coal Mine Committee and the General Manager of Dongtan Coal Mine. In December 2016, he was appointed as the Vice General Manager of the Company. In April 2020, he was appointed as the General Manager and the Secretary of the CPC committee of the Company. In February 2021, Mr. Liu Jian took positions as the Vice General Manager of Shandong Energy and a member of the Standing Committee of CPC Shandong Energy Committee. He became the Director of the Company in May 2019. Mr. Liu graduated from Shandong University of Science and Technology.

Name	Major Work Experiences
Liu Qiang	Mr. Liu Qiang, born in October 1972, a research fellow in applied engineering technology a master's degree in engineering, is the Director of the Company and a member of the standing committee of Shandong Energy Committee and Vice General Manager of Shandong Energy. In October 2008, Mr. Liu was appointed as the vice general manager of Yankuang Cathay Coal Chemical Co., Ltd. In May 2012, he served as the vice general manager of Lunan Chemicals. In March 2014, he was promoted as the party secretary, executive director, general manager of Yankuang Coal Chemical Engineering Co., Ltd. Mr. Liu was appointed as the deputy party secretary, and general manager of Lunan Chemicals in April 2016. And in May 2017, Mr. Liu got promoted as the party secretary, chairman and the general manager of Lunan Chemicals. Mr. Liu was the vice general manager of Yankuang Chemical Company Limited, the party secretary and chairman of Lunan Chemicals in September 2019. He was appointed as Vice General Manager of the Company in September 2021. In March 2022, Mr. Liu started to serve as a member of the standing committee of Shandong Energy Committee and Vice General Manager of Shandong Energy. He assumed as the Director of the Company in June 2023. Mr. Liu graduated from East China University of Science and Technology and Zhejiang University.
Zhang Haijun	Mr. Zhang Haijun, born in December 1973, is a senior accountant, a Director of the Company and the Deputy Chief Economist and director of the Strategic Planning Department of Shandong Energy Group. Mr. Zhang joined the Company's Predecessor in 1996. In December 2013, he was appointed as the deputy director of the Finance Department (presiding over the work) of the Electro-Aluminum Branch of Yankuang Group Co. Ltd. In November 2014, he started to serve as the Director of Finance Department of the Electro-Aluminum Branch of Yankuang Group Co. Ltd. In November 2015, he started to serve as CFO and General Legal Consultant of the same company. He started to serve as the Director of the Investment Development Department and Director of the Decision-making Consultation Center at the Former Yankuang Group in May 2018 and the Director of the Investment Development Department of Shandong Energy Group in August 2020. Mr. Zhang became the Director of the Development Planning Department of Shandong Energy in May 2022. Mr. Zhang was appointed as the Director of the Strategic Planning Department of Shandong Energy since August 2024 and the Deputy Chief Economist of Shandong Energy since January 2025. Mr. Zhang started to serve as a Director of the Company in June 2023. Mr. Zhang graduated from the CPC Shandong Provincial Party School.

Name	Major Work Experiences
Su Li	Mr. Su Li, born in July 1972, is a Professor-level Senior Administrative Officer and Senior Economist with a master degree, and currently serves as Deputy Party Secretary, Employee Director and Head of the Trade Union of the Company. Mr. Su joined the Company's predecessor in 1996 and served as the Deputy Director of the General Administrative Office of Yankuang Group Co., Ltd. in October 2008. He was appointed as the Director of Human Resource Division of Yankuang Donghua Group in June 2012. In March 2014, he was appointed as the Director of the Human Resource Department of the Company. In January 2016, Mr. Su was appointed as the General Manager Assistant and served as the Director of Human Resource Department of the Company. He was appointed as the General Manager Assistant and the Director of the Organization Department of the CPC Committee (Human Resource Department) of the Company in June 2016, and the Secretary of the Discipline Inspection Commission of the Company in March 2020. He was further promoted as Employee Supervisor of the Company in June 2020, and Deputy Party Secretary and Head of Trade Union of the Company in September 2022. In April 2023, he started to work as the Employee Director, and was appointed as the Chairman of the Trade Union of the Company in May 2023. Mr. Su Li graduated from China University of Mining and Technology.
Huang Xiaolong	Mr. Huang Xiaolong, born in November 1977, a Chief Senior Economist, Master of Law, is the Director and Secretary of the Board of the Company. Mr. Huang joined the predecessor company in 1999. Mr. Huang became the Securities Affairs Representative of the Company in 2006. In 2008 and 2012, he took office as the Deputy-Director-Level Secretary of the Board Secretariat of the Company and the Deputy Director of the Board Secretariat successively. He served as the Director of the former Shandong Energy Equity Reform and Restructuring Office in 2013, and a Standing-Director of the Board Secretariat of Shandong Energy in August 2020. In July 2021 and August 2021, he became the Secretary of the Board of the Company and a Director of the Company successively. Mr. Huang graduated from the University of International Business and Economics.
Peng Suping	Mr. Peng Suping, born in June 1959, holds doctorate in geology, and is an academician of the Chinese Academy of Engineering and an independent director of the Company. Mr. Peng was the deputy director and director of the Energy Department of the Chinese Academy of Engineering, and an independent director of China Shenhua Company Limited, Tiandi Technology Company Limited, Tibet Huayu Mining Company Limited, Beijing Long Ruan Technology Company Limited and Beijing Haohua Energy Company Limited. Mr. Peng is currently a professor of China University of Mining and Technology (Beijing), an academician of the Chinese Academy of Engineering, the director of the State Key Laboratory of Coal Resources and Safe Mining of China University of Mining and Technology (Beijing), the director of the State Key Laboratory for Fine Exploration and Intelligent Development of Coal Resources, and an Independent Director of SPIC Hydrogen Technology Development Co., Ltd., and has been appointed as an independent director of the Company since June 2023. Mr. Peng graduated from Huainan Mining College and the Graduate School of China University of Mining and Technology (Beijing).

Name	Major Work Experiences
Zhu Limin	Mr. Zhu Limin, born in October 1951, holding a master's degree in Economics, is an Independent Director of the Company. Mr. Zhu has assumed the positions as the Deputy Director of the pilot department of former State Commission for Economic Restructuring ("SCER"), the Director of the planning department of the former SCER, the Vice General Manager of the Chinese Joint-Stock Enterprise Consulting Company under the former SCER, the Deputy Director of the Inspection Department of China Securities Regulatory Commission ("CSRC"), the Deputy Director-General of the Inspection Bureau of CSRC, the Director of the Dispatched Offices Work Coordination Department of CSRC and the Director of Investor Education Office of CSRC, the Compliance Director of China Securities, the Chairman of the Supervisory Committee of China Securities. Now, Mr. Zhu serves as a Director of Focus Technology Co., Ltd., the Independent Director of China Resources Chemical Materials Technology Inc., and Nantong Guosheng Intelligence Technology Group. In June 2020, he became an Independent Director of the Company. Mr. Zhu graduated from Nankai University and Renmin University of China.
Woo Kar Tung, Raymond	Mr. Woo Kar Tung, Raymond, born in June 1969, holds a bachelor's degree in Commerce, and serves as a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of CPA Australia and an independent director of the Company. Mr. Woo used to work as a certified public accountant in Arthur Andersen & Co. in Hong Kong, and take positions in the investment banking departments of ING, CITIC Securities and Credit Suisse, and was an Independent Director of Huaneng New Energy Company Limited, Tie Jiang Spot Limited and Yuanda China Holdings Limited. Mr. Woo is currently an independent director of SMIT Holdings Limited, and in June 2023, he was appointed as an Independent Director of the Company. Mr. Woo graduated from the University of New South Wales, Australia.
Zhu Rui	Ms. Zhu Rui, born in February 1975, holds a doctoral degree in business administration and is an Independent Director of the Company. Ms. Zhu was previously an associate professor at the University of British Columbia in Canada and an assistant professor at Rice University in the United States. Ms. Zhu currently serves as a professor of marketing at Cheung Kong Graduate School of Business and the director of the ESG and Social Innovation Research Center, and is an Independent Director of Jiumaojiu International Holdings Co., Ltd. and ATRenew (ATRenew Inc, a company listed on the New York Stock Exchange), and in June 2023, she became an Independent Director of the Company. Ms. Zhu graduated from the University of International Business and Economics and the University of Minnesota.
Li Shipeng	Mr. Li Shipeng, born in February 1978, a Senior Accountant, Master of Engineering, serves as the Chairman of the Company's Supervisory Committee and the Director of the Finance Management Department of Shandong Energy. Mr. Li joined the Company in 2000. Mr. Li was appointed as the Chief Accountant, the Deputy Director of Finance Management Department of Yankuang Group (preside over work) and the Director of Finance Management Department of Shandong Energy in November 2017, January 2020 and August 2020 respectively. He was appointed as a Supervisor of the Company in June 2020. He became the Vice Chairman of the Supervisory Committee of the Company in August 2021. In June 2023, he started to work as the Chairman of the Company's Supervisory Committee. Mr. Li graduated from China University of Petroleum.

Name	Major Work Experiences
Zhu Hao	Mr. Zhu Hao, born in October 1971, a Senior Economist with a bachelor's degree, serves as a Supervisor of the Company and the Deputy Chief Economist, Director of the Operation Management Department (Inspection Office), Director of Shandong Energy. Mr. Zhu was appointed as the Chief Economist of Suncun Coal Mine of Xinwen Mining Group Co., Ltd. in 2001, and served as the Chief Economist and a Member of the CPC Suncun Coal Mine Committee in 2007. He took the position as Deputy Director of the Operation Management Department of Xinwen Mining Group in 2010 and was promoted as the Director of the Operation Management Department of Xinwen Mining Group in 2012 while serving as the head of the Inspection Office. In 2014, Mr. Zhu was appointed as the Deputy Director of the Performance Operation Department of the former Shandong Energy Group and he became the Director of Economic Operation Department of the former Shandong Energy Group in 2017 and the Director of Operation Management Department of Shandong Energy in August 2020, Director of the Operation Management Department (Inspection Office), Director of Shandong Energy in August 2024, Deputy Chief Economist of Shandong Energy in January 2025. Mr. Zhu started to serve as a Supervisor of the Company in August 2021. Mr. Zhu graduated from Shandong University.
Jin Jiahao	Mr. Jin Jiahao, born in August 1971, is a Senior Economist with a bachelor degree. He currently serves as a member of the Party Committee, an Employee Supervisor and the Secretary of the Discipline Inspection Committee of the Company. Mr. Jin joined the Company in October 2022. Mr. Jin was appointed as the deputy director of the secretariat of the board of directors and the deputy director of the party committee office of Zaozhuang Mining (Group) Co., Ltd. ("Zaozhuang Mining Group") in October 2004. In October 2012, Mr. Jin started to work as the deputy secretary of the party committee of the Railway Transportation Division of Zaozhuang Mining Group and the Chairman of the Trade Union. In August 2013, Mr. Jin started to work as the secretary of the party committee of the Railway Transportation Division of Zaozhuang Mining Group and the Chairman of the Trade Union. He was appointed as the party secretary of Xin'an Coal Mining Company Limited of Zaozhuang Mining Group in September 2015, the Director of the General Office at Zaozhuang Mining Group in April 2017, the Secretary of the Board and the Director of the General Office at Zaozhuang Mining Group in August 2017, the Secretary of the Board, the Director of the General Office and Director of the Policy Research Office Zaozhuang Mining Group in November 2019. In May 2020, Mr. Jin was appointed as a Member of the Standing Committee of the CPC Linyi Mining Committee, and Secretary of the Discipline Inspection Committee of Linyi Mining Group Co., Ltd. ("Linyi Mining Group"). Starting from November 2021, he served as a Member of the CPC Luxi Mining Committee, and the Secretary of the Discipline Inspection Committee of Linyi Mining. In October 2022, Mr. Jin started to work as a Member of the CPC Yankuang Energy Committee, the Secretary of the Discipline Inspection Committee of the Company. In April 2023, Mr. Jin was appointed as the Employee Director of the Company. Mr. Jin graduated from Shandong University of Science and Technology.

Name	Major Work Experiences
Kang Dan	Mr. Kang Dan, born in March 1980, a Senior Engineer with a master's degree in engineering, now serves as Chief Safety Officer of the Company. Mr. Kang served as the Vice General Manager of the Company's Nantun Coal Mine in March 2016, the Deputy Party Secretary and General Manager of the Nantun Coal Mine in April 2020, the Deputy Party Secretary and General Manager of Xinglongzhuang Coal Mine in May 2021. He became the Chief Safety Officer of the Company in April 2022. Mr. Kang graduated from China University of Mining and Technology.
Yue Ning	Mr. Yue Ning, born in August 1978, is a research fellow in applied engineering technology with a bachelor's degree. Mr. Yue Ning is currently the Vice General Manager of the Company. In June 2015, Mr. Yue started to serve as Chief Engineer at Jinjitan Coal Mine of Shaanxi Future Energy Chemicals Co., Ltd. In December 2018, he became the Vice General Manager at Jinjitan Coal Mine and was promoted as the General Manager of Jinjitan Coal Mine in April 2020. Starting from September 2023, Mr. Yue Ning has served as the Executive Director, Chairman of the Executive Committee, Co-Vice Chairman of the Board at Yancoal Australia Limited. Mr. Yue Ning became the Vice General Manager of the Company in October 2023. Mr. Yue Ning graduated of China University of Mining and Technology.
Zhao Zhiguo	Mr. Zhao Zhiguo, born in April 1978, is a Senior Accountant with a bachelor's degree and serves as the CFO of the Company. Starting from August 2016, Mr. Zhao served as a Member of the CPC Heze Coal-fired Power Committee, and the Chief Accountant of Linyi Mining Group Heze Coal-fired Power Co., Ltd. In September 2017, Mr. Zhao was appointed as the Deputy Director of the Finance Department (presided over work), and the Deputy Head of Capital Securitization Leadership Work Office at Linyi Mining Group Co., Ltd. In August 2018, Mr. Zhao served as the Director of the Finance Department, Head of the Big Data Analysis Office, the Deputy Head of Capital Securitization Leadership Work Office at Linyi Mining Group. In October 2021, he was further appointed as a Senior Member of the Finance Management Department of Shandong Energy Group. In February 2022, Mr. Zhao started to work as the Head of the Finance Management Department of Yankuang Energy Group Company Limited. In October 2023, Mr. Zhao took the position as the CFO of the Company. Mr. Zhao Graduated from Shaanxi University of Science & Technology.

Name	Major Work Experiences
Gao Chunlei	Mr. Gao Chunlei, born in May 1981, is a senior engineer with a bachelor degree. Mr. Gao is the Chief Engineer (chemicals) of the Company. Mr. Gao was appointed as the member of the party committee and the vice general manager of the Methanol Plant at Yanzhou Coal Mining Yulin Neng Hua Co., Ltd. in November 2011. He later served as the deputy party secretary and general manager of Yanzhou Coal Mining Yulin Neng Hua Co., Ltd. in November 2018. In October 2021, he became the Party secretary, chairman, and general manager of Yanzhou Coal Mining Yulin Neng Hua Co., Ltd. In June 2022, he was appointed as a member of the Party Committee and vice general manager of Shandong Energy Chemical Sub-Branch Company of Yankuang Energy Group. In October 2022, he was appointed as a member of the Party Committee, vice general manager and chief safety officer of Shandong Energy Chemical Sub-Branch Company of Yankuang Energy Group. In October 2023, Mr. Gao became the general manager of the Modern Coal Chemical Industry Department of Yankuang Energy. He started to work as the chief engineer (chemicals) of the Company from March 2024. He graduated from Heilongjiang University of Science and Technology.
Zhang Zhaoyun	Mr. Zhang Zhaoyun, born in October 1980, is a Chief Senior Engineer with a master's degree in engineering. Mr. Zhang was appointed as the Chief Engineer of Xinglongzhuang Coal Mine of the Company since August 2017, the Chief Engineer of Baodian Coal Mine of the Company since January 2022. In April 2022, Mr. Zhang took position as the Deputy Secretary of the CPC Xinglongzhuang Coal Mine Committee and the General Manager of Xinglongzhuang Coal Mine of the Company. Mr. Zhang was appointed as the Deputy Secretary of the CPC Committee and the General Manager of Dongtan Coal Mine of the Company since May 2023. In June 2024, Mr. Zhang was appointed as the Chief Engineer of the Company. Mr. Zhang graduated from Shandong University of Science and Technology.
Zhang Lei	Mr. Zhang Lei, born in May 1972, an international certified Senior Accountant, Australian certified public accountant, MBA and PhD of Economics, serves as Chief Investment Officer of the Company. Mr. Zhang served as the Vice President of Siemens (China) Co., Ltd. and CFO of Siemens Northeast Asia Real Estate Group Co., Ltd. from September 2008 to September 2010. He served as an Executive Director and CFO of Chinalco Mining International Co., Ltd. and Vice President and CFO of Chinalco Overseas Holdings Co., Ltd. from September 2010 to June 2012. From July 2012 to March 2013, he served as the business finance and acquisition General Manager of Shell Far East. From March 2013 to March 2014, he served as the Senior Vice President, Director and General Manager of Korean SK Greater China. Mr. Zhang joined the Company in 2014 and has served as CFO of Yancoal Australia, CEO of Austar, and General Manager of Yancoal International successively. In March 2020, Mr. Zhang started to work as the Chief Investment Officer of the Company. Mr. Zhang graduated from Guanghua School of Management of Peking University and Graduate School of Chinese Academy of Social Sciences.

Other explanations

Not applicable.

(II) The Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period

1. *Positions at the shareholding company*

Name	The shareholding company	Titles and positions	Start of Tenure
Li Wei	Shandong Energy	Secretary of the CPC Shandong Energy Committee and Chairman of Shandong Energy	29 June 2021
Liu Jian	Shandong Energy	Member of the Standing Committee of the CPC Shandong Energy Committee and Vice General Manager of Shandong Energy	2 February 2021
Liu Qiang	Shandong Energy	Member of the Standing Committee of the CPC Shandong Energy Committee and Vice General Manager of Shandong Energy	14 March 2022
Zhang Haijun	Shandong Energy	Director of the Strategic Planning Department	5 August 2024
		Deputy Chief Economist	13 January 2025
Li Shipeng	Shandong Energy	Director of the Finance Management Department	26 August 2020
Zhu Hao	Shandong Energy	Director of the Operation Management Department (Inspection Office), Director	5 August 2024
		Deputy Chief Economist	13 January 2025
Ma Junpeng (resigned)	Shandong Energy	Senior Technical Expert	21 June 2024
Explanation on their incumbency at the shareholding company	None		

2. *Positions at other entities*

Name	Name of other entities	Titles and positions	Start of Tenure
Wang Jiuhong	Inner Mongolia Haosheng Coal Mining Co., Ltd.	Director	28 December 2020
	Yankuang Energy (Ordos) Co., Ltd.	Party Secretary and Chairman	27 October 2022
	Inner Mongolia Mining (Group) Co., Ltd.	Party Secretary and Chairman	27 October 2022
	Yancoal Australia Limited	Director	20 February 2025
Huang Xiaolong	Shandong Huaju Energy Co., Ltd.	Chairman of the Supervisory Committee	4 November 2022
	Yancoal International (Holding) Co., Ltd.	Director	4 November 2022
	Yancoal Australia Limited	Director	31 May 2023
	Yankuang Xinjiang Neng Hua Co., Ltd.	Director	13 October 2023
Peng Suping	SPIC Hydrogen Technology Development Co., Ltd.	Independent Director	8 July 2020
Zhu Limin	Focus Technology Co., Ltd.	Director	2 March 2020
	China Resources Chemical Materials Technology Inc.	Independent Director	7 April 2020
	Nantong Guosheng Intelligence Technology Group	Independent Director	1 July 2022
Woo Kar Tung, Raymond	SMIT Holdings Limited	Independent Director	6 March 2016
Zhu Rui	Jiumaojiu International Holdings Co., Ltd.	Independent Director	16 April 2021
	ATRenew	Independent Director	1 January 2022
Li Shipeng	Shandong Energy Group Finance Co., Ltd.	Chairman	9 November 2021
	Shandong Energy (Hainan) Intelligent International Technology Co., Ltd.	Director	24 October 2022
	Yankuang Financial Leasing Co., Ltd.	Chairman	5 October 2023
Yue Ning	Shaanxi Future Energy Chemicals Co. Ltd.	Director	27 December 2021
	Yancoal Australia Limited	Executive Director, Co-Vice Chairman, Chairman of the Executive Committee	27 September 2023
		Chief Executive Officer (Acting)	14 January 2025

Name	Name of other entities	Titles and positions	Start of Tenure
Zhao Zhiguo	Inner Mongolia Mining (Group) Co., Ltd.	Director	15 December 2021
	Duanxin Investment Holding (Beijing) Co., Ltd.	Chairman	15 February 2022
	Yankuang Zhongke Clean Energy Technology Co., Ltd.	Head Supervisor	26 April 2022
	Shandong Dongyue Taiheng Development Co., Ltd.	Chairman	4 November 2022
	Qingdao Duanxin Asset Management Co., Ltd.	Managing Director	4 November 2022
	Yankuang Energy (Wuxi) Co., Ltd.	Chairman	4 November 2022
	Duanxin Investment Holding (Shenzhen) Co., Ltd.	Director	4 November 2022
	Shanghai Jujiang Asset Management Co., Ltd.	Chairman	4 November 2022
	Yankuang Donghua Heavy Industry Co., Ltd.	Director	4 November 2022
	Yankuang Lucky International Company Limited	Chairman	5 January 2023
	Shandong Energy Financial Leasing (Shenzhen) Co., Ltd.	Director	20 March 2023
	Inner Mongolia Haosheng Coal Mining Co., Ltd.	Director	10 April 2023
	Shaanxi Future Energy Chemicals Co., Ltd.	Director	20 April 2023
	Qilu Bank Co., Ltd	Director	11 September 2023
	Shandong Energy Group Luxi Mining Co., Ltd.	Director	8 November 2023
	Shandong Energy Group Finance Co., Ltd.	Director	21 December 2023
	Yancoal International (Holding) Company Limited	Director	29 July 2024
	Shanghai Zhongqi Futures Company Limited (上海中期期貨股份有限公司)	Director	31 December 2024
	Yancoal Australia Limited	Director	20 February 2025
Zhang Lei	Yancoal International (Holding) Co., Ltd.	CEO	27 March 2020
Li Hongguo (resigned)	Shandong Energy Group Luxi Mining Co., Ltd.	Director	8 November 2023
Explanation on their incumbency at other entities	None		

* *For identification only*

(III) Remuneration for Directors, Supervisors and Senior Management

Approval Procedures	The remuneration for the Directors, Supervisors and Senior Management is proposed to the Board by the remuneration committee under the Board. Upon review and approval by the Board, any remuneration proposal for the Directors and Supervisors will be proposed to the General Meeting of Shareholders for approval. The remuneration for senior management is reviewed and approved by the Board.
Whether a director should recuse himself or herself from the Board's discussion of his or her remuneration	Yes
Details of the remuneration committee's recommendations on the remuneration of Directors, Supervisors and Senior Management	1. It is suggested that after the Company completes its business objectives in 2024, the remuneration of non-independent Directors and Supervisors that receive salaries from the company shall be determined in accordance with the Company's salary assessment policy. 2. It is proposed that the per capita remuneration of the Independent Directors of the Company in the full year of 2024 is RMB250,000 (tax included). 3. It is suggested that after the Company completes the business objectives in 2024, the remuneration of non-director senior management should be determined in accordance with the Company's salary assessment policy.
Calculating Basis	The Company adopts an annual remuneration assessing and incentivizing system for the Directors and Senior Management. The annual remuneration consists of annual basic salary and annual performance salary. The annual basic salary is determined according to the operational scale, profitability, operating management difficulty and employees' income of the Company, whereas annual performance salary is determined by the actual operational results of the Company. The annual basic salaries for the Directors and Senior Management of the Company are pre-paid on a monthly basis and the annual performance salaries are cashed after the audit assessment to be carried out in the following year.
Actual Payment of Remuneration	For Details, please refer to the section headed "Changes in Shareholdings and Remuneration of Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period." in this Chapter.
Total Remuneration received	For Details, please refer to the section headed "Changes in Shareholdings and Remuneration of Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period." in this Chapter.

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

Name	Positions assumed	Changes	Causes for change
Wang Jiuhong	General Manager	Appointment	Other work commitment
Gao Chunlei	Chief Engineer (Chemicals)	Appointment	Other work commitment
Zhang Zhaoyun	Chief Engineer	Appointment	Other work commitment
Xiao Yaomeng	Director and General Manager	Resignation	Other work commitment
Li Hongguo	Vice General Manager	Resignation	Other work commitment
Zhang Chuanchang	Vice General Manager	Resignation	Other work commitment
Ma Junpeng	Chief Engineer	Resignation	Other work commitment

1. Changes of Directors and Senior Management

As considered and approved at the twelfth meeting of the ninth session of the Board of the Company convened on 13 November 2024, Mr. Wang Jiuhong was appointed as the General Manager of the Company, whose term of office was in line with that of other senior management appointed by the ninth session of the Board of the Company.

For details, please refer to the announcement on the appointment of the General Manager of the Company dated 14 November 2024. Such information was published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

As considered and approved at the thirteenth meeting of the ninth session of the Board of the Company convened on 24 February 2025, Mr. Wang Jiuhong was nominated as the non-employee representative Director of the ninth session of the Board of the Company and the nomination was submitted to the General Meeting of Shareholders to fulfil the election procedure.

For details, please refer to the announcement on the resolutions of the thirteenth meeting of the ninth session of the Board and the announcement on the nomination of the non-employee representative Director dated 24 February 2025. Such information was published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

As considered and approved at the sixth meeting of the ninth session of the Board of the Company convened on 28 March 2024, Mr. Gao Chunlei was appointed as the Chief Engineer (Chemicals) of the Company, whose term of office was in line with that of other senior management appointed by the ninth session of the Board of the Company.

As considered and approved at the ninth meeting of the ninth session of the Board of the Company convened on 21 June 2024, Mr. Zhang Zhaoyun was appointed as the Chief Engineer of the Company, whose term of office was in line with that of other senior management appointed by the ninth session of the Board of the Company.

On 18 September 2024, the Board received the resignation report from Mr. Xiao Yaomeng, the Director and General Manager of the Company. Due to adjustment in work arrangements, Mr. Xiao resigned as the Director and General Manager of the Company and as a member of the Strategy and Development Committee under the Board and the Sustainable Development Committee under the Board.

For details, please refer to the announcement dated 18 September 2024 in relation to the change of Director and General Manager. Such information was published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

On 21 June 2024, the Board received the resignation report from Mr. Ma Junpeng, the Chief Engineer of the Company. Due to adjustment in work arrangements, Mr. Ma Junpeng resigned as the Chief Engineer of the Company.

On 14 October 2024 and 31 December 2024, the Board received the resignation reports from Mr. Li Hongguo, the Vice General Manager of the Company, and Mr. Zhang Chuanchang, the Vice General Manager of the Company, respectively. Due to adjustment in work arrangements, Mr. Li Hongguo and Mr. Zhang Chuanchang resigned as the Vice General Manager of the Company.

2. *Changes in the Current Positions of the Company's Subsidiaries (Prepared in accordance with the Hong Kong Listing Rules)*

Position at the Company	Name	Before Change	After Change	Time of Change
Party Secretary, General Manager	Wang Jiuhong	–	Director of Yancoal Australia	20 February 2025
Deputy General Manager	Yue Ning	–	Chief Executive Officer (Acting) of Yancoal Australia	14 January 2025
Chief Financial Officer	Zhao Zhiguo	–	Director of Yancoal International	21 February 2024
		–	Director of Yancoal Australia	20 February 2025
Director, General Manager (resigned)	Xiao Yaomeng	Director of Yancoal International	–	18 September 2024
		Director and Chairman of Donghua Heavy Industry	–	18 September 2024
		Director of Yancoal Australia	–	18 September 2024

(V) Explanation on penalty by Security Regulatory Authorities in Recent Three Years

Not applicable.

(VI) Others

1. *Service Contracts of Directors and Supervisors*

No Director or Supervisor has entered into any service contract with the Company, which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

2. *Interests of Directors, Supervisors and Senior Management in Contracts*

None of the Directors, Supervisors, Senior Management or their related/connected entities had a direct or indirect material interest in any material transaction, arrangement or contract entered into or performed by the Company, any of its subsidiaries or subsidiaries of its controlling shareholder during the year ended 31 December 2024.

3. *Directors', Supervisors' and Senior Management's Interest in Competing Business of the Company*

As at 31 December 2024, none of the Directors, Supervisors or Senior Management have interests in any business that competes or is likely to compete, either directly or indirectly, with the business of the Company. Except for their working relationship, there is no financial, business, family or any other material relationship among the Directors, Supervisors and Senior Management of the Company.

V. BOARD MEETINGS HELD DURING THE REPORTING PERIOD

Session and Number of Meeting	Date of Meeting	Resolutions
The fourth meeting of the ninth session of the Board	15 January 2024	All resolutions passed
The fifth meeting of the ninth session of the Board	23 February 2024	All resolutions passed
The sixth meeting of the ninth session of the Board	28 March 2024	All resolutions passed
The seventh meeting of the ninth session of the Board	26 April 2024	All resolutions passed
The eighth meeting of the ninth session of the Board	31 May 2024	All resolutions passed
The ninth meeting of the ninth session of the Board	21 June 2024	All resolutions passed
The tenth meeting of the ninth session of the Board	30 August 2024	All resolutions passed
The eleventh meeting of the ninth session of the Board	25 October 2024	All resolutions passed
The twelfth meeting of the ninth session of the Board	13 November 2024	All resolutions passed

VI. PERFORMANCE OF DIRECTORS

(I) Directors' Participation in the Board Meetings and General Meetings of Shareholders

	Participation in the Board meetings							Attendance at the General Meetings of Shareholders
Name of Directors	Whether Independent Director or not	Number of board meetings that should be attended during the year	Number of presence in person	Number of presence via telecommunication	Number of presence via proxy	Number of absence	Whether Absent from Two Consecutive Meetings	Number of presence at the General Meeting of Shareholders
Li Wei	No	9	9	7	0	0	No	2
Liu Jian	No	9	9	7	0	0	No	1
Liu Qiang	No	9	9	7	0	0	No	2
Zhang Haijun	No	9	9	7	0	0	No	2
Su Li	No	9	9	7	0	0	No	2
Huang Xiaolong	No	9	9	7	0	0	No	2
Peng Suping	Yes	9	9	7	0	0	No	0
Zhu Limin	Yes	9	9	7	0	0	No	2
Woo Kar Tung, Raymond	Yes	9	9	7	0	0	No	1
Zhu Rui	Yes	9	9	7	0	0	No	0
Xiao Yaomeng (resigned)	No	7	7	6	0	0	No	1

Note: Due to other work arrangement, Director Liu Jian, Director Woo Kar Tung, Raymond, Director Peng Suping and Director Zhu Rui did not attend the 2023 Annual General Meeting of Shareholders in person and submitted a written request for absence to the Board. Due to other work arrangement, Director Peng Suping and Director Zhu Rui did not attend the 2024 First Extraordinary General Meeting of Shareholders in person and submitted a written request for absence to the Board.

Explanations for not attending the Board meetings in person for two consecutive times

Not applicable.

The number of Board meetings held during the year	9
Of which: the number of on-site meetings	2
The number of meetings held via telecommunication	7
The number of meetings held on-site combined with telecommunication	2

(II) Directors' Opposing Opinions against Relevant Matters of the Company

Not applicable.

(III) Others

Not applicable.

VII. PERFORMANCE OF COMMITTES TO THE BOARD

As the Company has not established a corporate governance committee, the Board is responsible for matters in relation to corporate governance, mainly including (1) to formulate and review the Company's policies and practices on corporate governance; (2) to review and monitor the training and continuous professional development of Directors and Senior Management; (3) to review and monitor the Company's policies and practices in relation to their compliance with legal and regulatory requirements; (4) to formulate, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and (5) to review the Company's compliance with the Corporate Governance Code of its listing place, and disclosure in the Corporate Governance Report.

(I) Membership of Special Committees under the Board

Types of Special Committees	Members
Audit Committee	Woo Kar Tung, Raymond, Zhu Limin, Zhu Rui
Nomination Committee	Peng Suping, Li Wei, Woo Kar Tung, Raymond
Remuneration Committee	Zhu Limin, Woo Kar Tung, Raymond, Zhu Rui
Strategy and Development Committee	Li Wei, Xiao Yaomeng (resigned), Liu Jian, Peng Suping, Zhu Limin
Sustainable Development Committee	Zhu Rui, Xiao Yaomeng (resigned), Zhu Limin

(II) Audit Committee under the Board Held 7 meetings during the reporting period

The Audit Committee under the Board of the Company comprises three Independent Directors, namely Mr. Woo Kar Tung, Raymond, Mr. Zhu Limin and Ms. Zhu Rui. Mr. Woo Kar Tung, Raymond serves as the head of the Audit Committee.

The main responsibilities of the Audit Committee under the Board of Directors are: a. Review the work of the external auditor, and propose the appointment, re-appointment or dismissal of the external auditor; b. Supervise the Company's internal audit system and its implementation; c. Take charge of the communication between the internal auditor and the external auditor; d. Review the Company's financial information and its disclosure; e. Review the Company's internal control system and risk management system; f. Study and discuss the appointment and dismissal of financial personnel.

As of the disclosure date of this report, the Audit Committee under the Board conscientiously fulfilled the responsibilities specified in the the Rules of Procedure of the Audit Committee of the Board and conducted various tasks in a strict and regulated manner. The Audit Committee already reviewed the interim results of the Company for the first half of 2024 and the final results of the Company for the year 2024, and also examined the effectiveness of the risk management and the internal control system of the Group for the year 2024. The examination covered financial control, operational control, compliance control and all other material aspects under control. The Audit Committee considered that the risk management and the internal control system of the Group is effective and adequate. During the reporting period, the Audit Committee held 7 meetings. Details are as follows:

Date	Theme	Suggestions	Members	Whether present	Other duties performed
31 January 2024	Hearing the report of the annual audit accountant on the pre-audit matters of the Company's 2023 annual report.	The Audit Committee urged the annual audit accountant to issue an audit report as scheduled, to ensure the timeliness, accuracy and completeness of the Company's 2023 annual report.	Woo Kar Tung, Raymond Zhu Limin Zhu Rui	✓ ✓ ✓	–
31 January 2024	The Proposal on the Adjustment to the Remuneration Arrangement for the External Audit Company for 2023.	The "Proposal on the Adjustment to the Remuneration Arrangement for the External Audit Company for 2023" was considered and approved, and was submitted to the Board for discussion and consideration.	Woo Kar Tung, Raymond Zhu Limin Zhu Rui	✓ ✓ ✓	–

Date	Theme	Suggestions	Members	Whether present	Other duties performed
19 March 2024	1. Hearing the report of the annual audit accountant on the audit matters of the Company's 2023 annual report; 2. Considering the "2023 Annual Financial Report" of the Company.	The Audit Committee reviewed the financial and accounting statement for 2023 of the Company and considered that the financial statements can truly and completely reflect the Company's assets and operating results, and agreed to submit them to the Board for auditing.	Woo Kar Tung, Raymond Zhu Limin Zhu Rui	✓ ✓ ✓	–
19 March 2024	1. Considering the "Report on the Fulfilment of Responsibilities in respect of Audit Committee for 2023"; 2. Considering the "Report on the Internal Control for 2023"; 3. Considering the "Evaluation Report on the Internal Control for 2023"; 4. Considering the "Evaluation Report on the Fulfilment of Responsibilities in respect of Accounting Firms for 2023"; 5. Considering the "Report of the Audit Committee on the Fulfilment of its Supervision Responsibilities in respect of Accounting Firms for 2023"; 6. The Proposal on Engagement of an External Audit Company and its Remuneration Arrangements for 2024.	The "Report on the Fulfilment of Responsibilities in respect of Audit Committee for 2023", the "Report on the Internal Control for 2023", the "Evaluation Report on the Internal Control for 2023", the "Evaluation Report on the Fulfilment of Responsibilities in respect of Accounting Firms for 2023", the "Report of the Audit Committee on the Fulfilment of its Supervision Responsibilities in respect of Accounting Firms for 2023" and the "Proposal on Engagement of an External Audit Company and its Remuneration Arrangements for 2024" were considered and approved.	Woo Kar Tung, Raymond Zhu Limin Zhu Rui	✓ ✓ ✓	–

Date	Theme	Suggestions	Members	Whether present	Other duties performed
26 April 2024	Considering the Report for the First Quarter of 2024 of the Company.	The "Report for the First Quarter of 2024" of the Company was considered and approved, and was submitted to the Board for discussion and consideration.	Woo Kar Tung, Raymond Zhu Limin Zhu Rui	✓ ✓ ✓	–
15 August 2024	1. Considering the "Interim Financial Report for 2024" of the Company; 2. The Proposal on the Approval of and Provision of Services for the Consolidated Credit Facilities between Shandong Energy Group Finance Co., Ltd. and Shandong Energy Group Co., Ltd.; 3. The Proposal on Discussion and Consideration of the Risk Assessment Report for the First Half of 2024 of Shandong Energy Group Finance Co., Ltd.	"Interim Financial Report for 2024" of the Company, the "Proposal on the Approval of and Provision of Services for the Consolidated Credit Facilities between Shandong Energy Group Finance Co., Ltd. and Shandong Energy Group Co., Ltd." and the "Proposal on Discussion and Consideration of the Risk Assessment Report for the First Half of 2024 of Shandong Energy Group Finance Co., Ltd." were considered and approved.	Woo Kar Tung, Raymond Zhu Limin Zhu Rui	✓ ✓ ✓	–
16 October 2024	Considering the Report for the Third Quarter of 2024 of the Company.	The "Report for the Third Quarter of 2024" of the Company was considered and approved, and was submitted to the Board for discussion and consideration.	Woo Kar Tung, Raymond Zhu Limin Zhu Rui	✓ ✓ ✓	-

Note: As considered and approved at the first meeting of the ninth session of the Board held on 30 June 2023 by the Company, the Audit Committee of the ninth session of the Board was formed with Mr. Woo Kar Tung, Raymond, Mr. Zhu Limin and Ms. Zhu Rui as the members. Also, Mr. Woo Kar Tung, Raymond was appointed as the director of the Audit Committee.

On 21 February 2025, the Company convened the eleventh meeting of the Audit Committee under the ninth session of the Board, and heard the report on the pre-audit matters for the Company's 2024 Annual Report.

On 18 March 2025, the Company convened the twelfth meeting of the Audit Committee under the ninth session of the Board, and heard the evaluation report on the 2024 Annual Report conducted by Baker Tilly China Certified Public Accountants LLP and Baker Tilly Hong Kong Limited to vote on the financial and accounting statements for the year 2024, and to form a resolution to be submitted to the Board for review.

On 18 March 2025, the Company convened the thirteenth meeting of the Audit Committee of the ninth session of the Board, at which it considered and approved the report on the performance of the Audit Committee for 2024, the report on the Company's internal control for 2024, the report on the evaluation of the Company's internal control for 2024, the evaluation report on the performance of the accounting firm for 2024, the report on the performance of supervision duties of the Audit Committee on the accounting firm for 2024, the re-appointment of the external auditor and its remuneration arrangement for 2025, the changes in accounting policies for IAS in respect of business combinations, the report on the approval of consolidated credit and provision of services by Shandong Energy Finance Company and Shandong Energy for 2024, and the report of risk assessment on Shandong Energy Finance Company for 2024.

(III) Nomination Committee under the Board held 3 meetings during the reporting period

The Nomination Committee under the Board of the Company is comprised of Chairman Mr. Li Wei, Independent Director Mr. Peng Suping and Independent Director Mr. Woo Kar Tung, Raymond. Mr. Peng Suping serves as the head of the Nomination Committee.

1. The main responsibilities of the Nomination Committee under the Board of Directors include:

a. according to the operation, asset scale and share structure of the Company, conduct at least one inspection on the structure, number of members and composition of the Board of Directors (including skills, knowledge and experience) and propose recommendations to changes of the Board in line with the Company's strategy; b. study the selection criteria, procedures and methods of Directors and Senior Management members, and make recommendations to the Board; c. identify and nominate eligible candidates for the positions of Directors and Senior Management of the Company, and make relevant recommendations to the Board; d. review the qualifications of candidates for Directors and Senior Management, and provide appointment suggestions to the Board; e. recommend to the Board on the proposed appointments and re-appointments or the succession plan of Directors and Senior Management; f. evaluate the independence of Independent Directors.

2. Summary of the Company's diversity policy for Board members:

The Nomination Committee considers the diversity of the board members from various aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and years of service. After considering the above factors, the Nomination Committee makes a final recommendation to the Board of Directors on the merits of the candidates and their potential contribution to the Company and the Board.

3. The Company's Director nomination policy and implementation:

The Employee Directors are democratically elected by the staff and workers of the Company through their congresses or other forms.

Candidates for non-employee representative Directors are normally submitted to the General Meeting of Shareholders by the Board of Directors in the form of proposals. The Shareholders and the Supervisory Committee of the Company may nominate candidates for non-employee representative Directors in accordance with the Articles.

The Board of Directors of the Company, the Supervisory Committee, or the Shareholders holding more than one percent of the Company's issued shares separately or collectively may nominate candidates for Independent Directors, which should be elected and decided by the General Meeting of Shareholders. During the reporting period, the Nomination Committee under the Board held three meetings. The details are as follows:

Date	Theme	Suggestions	Members	Whether attending the meeting	Other duties performed
19 March 2024	The Proposal on the Nomination of the Company's Chief Engineer (Chemicals).	The "Proposal on the Nomination of the Company's Chief Engineer (Chemicals)" was passed and Mr. Gao Chunlei was nominated to the Board as the Company's Chief Engineer (Chemicals).	Peng Suping Li Wei Woo Kar Tung, Raymond	✓ ✓ ✓	After reviewing personal resumes and other materials of Mr. Gao Chunlei, his qualifications are in line with the relevant provisions of the "Company Law", the regulatory rules of the place of listing and the Articles.
20 June 2024	The Proposal on the Nomination of the Company's Chief Engineer.	The "Proposal on the Nomination of the Company's Chief Engineer" was passed and Mr. Zhang Zhaoyun was nominated to the Board as the Company's Chief Engineer.	Peng Suping Li Wei Woo Kar Tung, Raymond	✓ ✓ ✓	After reviewing personal resumes and other materials of Mr. Zhang Zhaoyun, his qualifications are in line with the relevant provisions of the "Company Law", the regulatory rules of the place of listing and the Articles.
12 November 2024	The Proposal on the Nomination of the Company's General Manager.	The "Proposal on the Nomination of the Company's General Manager" was passed and Mr. Wang Jiuhong was nominated to the Board as the Company's General Manager.	Peng Suping Li Wei Woo Kar Tung, Raymond	✓ ✓ ✓	After reviewing personal resumes and other materials of Mr. Wang Jiuhong, his qualifications are in line with the relevant provisions of the "Company Law", the regulatory rules of the place of listing and the Articles.

Note: As considered and approved at the first meeting of the ninth session of the Board held on 30 June 2023 by the Company, the Nomination Committee was comprised of Mr. Peng Suping, Mr. Woo Kar Tung, Raymond, and Mr. Li Wei. Mr. Peng Suping served as the head of the Nomination Committee.

On 21 February 2025, at the fifth meeting of the Nomination Committee of the ninth session of the Board, the Company passed the "Resolution on Nominating the Directors of the Company", and nominated Mr. Wang Jiuhong to the Board as the Company's non-employee representative Directors. Upon reviews on Mr. Wang Jiuhong's personal biographical details and other relevant information, it was recognized that Mr. Wang Jiuhong's qualifications were in compliance with the relevant provisions of the Company Law, the regulatory rules of the listing place and the Articles, and it was recommended that the Board shall propose to the General Meeting of Shareholders for implementing the appointment procedures.

During the reporting period, pursuant to the relevant requirements of the Articles and others, the Nomination Committee of the Board reviewed the structure, the number of Directors and the composition of the Board (including skills, knowledge and experience) according to the operation, asset scale and shareholding structure of the Company, and considered that the composition and scale of the current Board were consistent with the Company's development strategy; and the independence of all of the independent non-executive Directors of the Company was in compliance with the requirements.

(IV) Remuneration Committee under the Board held 2 meetings during the reporting period

The Remuneration Committee under the Board of the Company comprises Independent Director Zhu Limin, Mr. Woo Kar Tung, Raymond and Ms. Zhu Rui. Mr. Zhu Limin serves as the head of the Remuneration Committee.

The main responsibilities of the Remuneration Committee under the Board include: a. Considering the position scopes, responsibilities, time required, the employment conditions of other positions in the group and the salary levels of relevant positions in peer companies, formulate remuneration plans or programs for Directors, Supervisors and Senior Management, and make suggestions to the Board; The plans or programs mainly include but are not limited to performance evaluation standards, procedures and evaluation systems with reference to corporate goals approved by the Board, and systems for rewards and punishments; b. Supervise the implementation of the remuneration system of Directors, Supervisors and Senior Management; c. Review the duty performance of the Directors, Supervisors and Senior Management, with reference to the Company's policies and goals set by the Board, conduct annual performance appraisals, and propose to the Board on the remuneration of Directors, Supervisors and Senior Management; d. Study the Company's Equity Incentive Scheme and make suggestions. e. Directors and Senior Management lay out stock ownership plans in the subsidiaries to be split.

During the reporting period, the Remuneration Committee under the Board held two meetings. Details are as follows:

Date	Theme	Suggestions	Members	Whether attending the meeting	Other duties performed
23 February 2024	1. The Proposal of Repurchasing and Cancelling Restricted Stocks of Certain Incentive Participants; 2. The Proposal of the Achievement of the First Unlocking Condition of the 2021 A-share Restricted Stocks Incentive Scheme.	The "Proposal of Repurchasing and Cancelling Restricted Stocks of Certain Incentive Participants" and the "Proposal of the Achievement of the First Unlocking Condition of the 2021 A-share Restricted Stocks Incentive Scheme" were passed and submitted to the Board of the Company for discussion and consideration.	Zhu Limin Zhu Rui Woo Kar Tung, Raymond	✓ ✓ ✓	–
19 March 2024	1. The Proposal of Discussing and Considering the Remuneration of Directors and Supervisors of the Company in 2024; 2. The Proposal of Discussing and Considering the Remuneration of Senior Management of the Company in 2024.	The "Proposal of Discussing and Considering the Remuneration of Directors and Supervisors of the Company in 2024" and the "Proposal of Discussing and Considering the Remuneration of Senior Management of the Company in 2024" was passed and submitted to the Board of the Company for discussion and consideration.	Zhu Limin Zhu Rui Woo Kar Tung, Raymond	✓ ✓ ✓	1. It is recommended that the per capita remuneration of independent Directors of the Company in 2024 is RMB250,000 (tax included). It is recommended that after the Company completes its business objectives in 2024, the remuneration of non-independent Directors and Supervisors should be determined in accordance with the Company's salary assessment policy. 2. It is recommended that after the Company completes its business objectives in 2024, the remuneration of Senior Management who are not Directors should be determined in accordance with the Company's salary assessment policy.

Note: As considered and approved at the first meeting of the ninth session of the Board held on 30 June 2023 by the Company, the Remuneration Committee under the ninth session of the Board was formed by three members, namely Mr. Zhu Limin, Mr. Woo Kar Tung, Raymond and Ms. Zhu Rui. Mr. Zhu Limin served as the head of the Remuneration Committee.

On 21 February 2025, the Company held the fourth meeting of the Remuneration Committee of the ninth session of the Board, passing the “Resolution on the Repurchase and Cancellation of Part of Restricted Stocks of Incentive Participants” and the “Resolution on Considering and Approving the Unlocking of the Second Batch of Restricted Shares under the A-Share Restricted Stock Incentive Scheme”. Both resolutions were submitted to the Board for discussion and consideration.

On 18 March 2025, the Company held the fifth meeting of the Remuneration Committee of the ninth session of the Board, passing the “Resolution on Considering the Remuneration of Directors and Supervisors in 2025” and the “Resolution on Considering the Remuneration of Senior Management in 2025”. Both resolutions were submitted to the Board for discussion and consideration.

(V) Strategy and Development Committee under the Board held 1 meeting during the reporting period

The members of the Strategy and Development Committee under the Board of the Company are Director Mr. Li Wei, Director Mr. Xiao Yaomeng, Director Mr. Liu Jian, Independent Director Mr. Peng Suping and Independent Director Mr. Zhu Limin. Mr. Li Wei serves as the head of the Strategy and Development Committee.

The main duties and responsibilities of the Strategy and Development Committee under the Board include: a. to conduct research and propose suggestions on the long-term development strategy and significant investment decisions of the Company; b. to conduct research and propose suggestions on the annual strategic development plan and operational plan of the Company; c. to conduct research and propose suggestions on other significant issues affecting the development of the Company; d. to supervise the implementation of above-mentioned matters. During the reporting period, the Strategy and Development Committee under the Board held 1 meeting. Details are as follows:

Date	Theme	Suggestions	Members	Whether present	Other duties performed
19 March 2024	Discussing and considering the proposal of the Company's 2024 Production, Operation and Capital Expenditure Plan.	"The Proposal of Discussing and Considering the Company's 2024 Production, Operation and Capital Expenditure Plan" was passed and submitted to the Board of the Company for discussion and consideration.	Li Wei	✓	–
			Xiao Yaomeng	✓	
			Liu Jian	✓	
			Peng Suping	✓	
			Zhu Limin	✓	

Note: As considered and approved at the first meeting of the ninth session of the Board held on 30 June 2023 by the Company, the Strategy and Development Committee under the ninth session of the Board was comprised of five members, namely Mr. Li Wei, Mr. Xiao Yaomeng, Mr. Liu Jian, Mr. Peng Suping and Mr. Zhu Limin. Mr. Li Wei served as the head of the Strategy and Development Committee.

On 18 March 2025, the Company held the second meeting of the Strategy and Development Committee of the ninth session of the Board, passing the “Resolution on Considering the Company's 2025 Production, Operation and Capital Expenditure Plan”, which was submitted to the Board of the Company for discussion and consideration.

(VI) Sustainable Development Committee under the Board held 1 meeting during the reporting period

The members of the Sustainable Development Committee under the Board of the Company are Director Mr. Xiao Yaomeng and two independent Directors, Ms. Zhu Rui and Mr. Zhu Limin. Ms. Zhu Rui serves as the head of the Sustainable Development Committee.

The main duties and responsibilities of the Sustainable Development Committee under the Board include: a. to review policies and strategies on corporate governance, environmental and social responsibilities to ensure that they are in compliance with laws, rules and regulations; b. to assess and analyze risks and opportunities in relation to corporate governance, environmental and social responsibilities, and propose suggestions to the Board; c. to make investigations on management of corporate governance, environmental and social responsibilities and internal control system, and offer proposals on its appropriateness and effectiveness to the Board; d. to review and supervise the objectives and implementation of corporate governance, environmental and social responsibilities of the Company, evaluate the performance and make recommendations to the Board; e. to review the Company's ESG Report disclosed to the outside, and make recommendations to the Board; f. to guide the formulation of visions, goals and strategies of corporate governance, environmental and social responsibilities management of the Company, and to make recommendations to the Board. During the reporting period, the Sustainable Development Committee held 1 meeting. The details are as follows:

Date	Theme	Suggestions	Members	Whether present	Other duties performed
19 March 2024	The proposal of discussing and deliberating the Company's "2023 ESG Report".	"The Proposal of Discussing and considering the Company's 2023 ESG Report" was passed and submitted to the Board of the Company for discussion and consideration.	Zhu Rui Xiao Yaomeng Zhu Limin	✓ ✓ ✓	–

Note: As considered at the first meeting of the ninth session of the Board held on 30 June 2023 by the Company, the Sustainable Development Committee under the ninth session of the Board was comprised of three members, namely Ms. Zhu Rui, Mr. Xiao Yaomeng, and Mr. Zhu Limin. Ms. Zhu Rui served as the head of the Sustainable Development Committee.

On 18 March 2025, the Company held the second meeting of the Sustainable Development Committee of the ninth session of the Board, passing the "Resolution on Considering the Company's 2024 Environmental, Social and Governance Report", which was submitted to the Board of the Company for discussion and consideration.

(VII) The Specific Cases of the Objections

Not applicable.

VIII. RISKS IDENTIFIED BY THE SUPERVISORY COMMITTEE OF THE COMPANY

Not applicable

During the reporting period, all Supervisors of the Company have, in accordance with the Company Law, the Articles and the Rules of Procedure for the Supervisory Committee, faithfully performed their duties, safeguarded the rights and interests of the Company and all its shareholders, and finished their due jobs under the principle of good faith.

The Supervisory Committee of the Company had no objections to the supervisory items during the reporting period, and confirmed no risks existing in the Company during the reporting period.

IX. EMPLOYEES OF THE COMPANY AND ITS MAIN SUBSIDIARIES

(I) Information of Employees

On-the-job Employees of the parent company	33,241
On-the-job Employees of its main subsidiaries	44,716
Total on-the-job Employees	77,957
Total resigned and retired staff whose welfare fees shall be paid by the parent company and its main subsidiaries	71,733
Composition by Specialty	
Specialty	**Quantity (person)**
Production personnel	44,108
Sales personnel	796
Technical personnel	5,747
Financial personnel	858
Administrative staff	4,800
Other supporting staff	21,648
Total	77,957
Education Level	
Education types	**Quantity (person)**
Vocational School and above	38,106
Senior high	25,607
Junior high and below	14,244
Total	77,957

(II) Remuneration Policy

The total wages and allowances of the staff of the Group for the year 2024 amounted to RMB15.8 billion. For the details of remuneration policy for Directors, Supervisors and Senior Management, please refer to the section headed "Changes in Shareholdings and Remuneration of Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period".

The remuneration policy for other employees of the Group mainly implements a post-performance system based on job responsibilities and quantified assessment results, and links performance wages to the Company's overall economic benefits and individual performance.

(III) Training Plan

The Group values employee training in respect of technical skills and professional competence. By making full use of various educational resources, training institutes and various ways of training, the Group focused on the training of professional skills and improved the training of political ideology, management, ongoing education, skills, safety, transfer-employment talent, pre-employment and others. In 2024, it was planned that 95,200 people would participate in off-job training and 109,000 people actually participated, accounting for 114%.

(IV) Labor Outsourcing

Not Applicable.

X. PROFIT DISTRIBUTION OR CAPITAL RESERVES TRANSFERRED TO SHARE CAPITAL PLAN

(Prepared under the CASs)

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

The cash dividend policy specified in the Articles is as follows: The dividends shall be paid in the form of cash, shares or a combination of cash and shares. In the event that conditions for distribution of cash dividend are met, cash dividend shall be distributed prior to share dividends. The basis of profit distribution after tax of the Company for an accounting year is the lower of the profit after tax in the financial statements prepared in accordance with the CASs, IFRSs or overseas accounting standard. On the condition that the Company distributes profit after tax of that year, 10% of profit shall be withdrawn and recognized as statutory reserve. The Company may not withdraw statutory reserve when the accumulated statutory reserve reaches more than 50% of the registered capital of the Company. Final dividends shall be distributed and paid once a year with an ordinary resolution passed by the General Meeting of Shareholders authorizing the Board to distribute and pay such dividends. Unless otherwise resolved by the General Meeting of Shareholders, the General Meeting of Shareholders may authorize the Board to distribute an interim dividend. On the premise of securing the Company's sustainable development and provided that the Company has recorded a profit in a particular year and that its accumulated undistributed profit is positive, the Company's cash dividends shall account for approximately 35% of the Company's net profit after withdrawing the statutory reserve for that particular year, unless the Company has scheduled significant investments or significant cash requirements. In the scenario that the Company is in sound operation and that the Board considers the distribution of share dividends is beneficial to the overall interest of all Shareholders of the Company due to a mismatch between the Company's stock price and its scale of share capital and in other necessary circumstances, the Company may distribute dividends in the form of shares.

The 2023 First Extraordinary General Meeting of Shareholders held by the Company on 27 October 2023 approved that the Company's 2023-2025 cash dividend ratio is determined as: the total cash dividends distributed by the Company in each fiscal year shall account for approximately 60% of the Company's net profit for the year after deducting the statutory reserves, and the cash dividend per share shall not be less than RMB0.50.

As reviewed and approved at 2023 Annual General Meeting of Shareholders held by the Company on 21 June 2024, the Company's equity distribution plan for 2023 is to issue 3 bonus shares for every 10 shares, and distribute a cash dividend of RMB14.90 (tax included) for every 10 shares. As of the disclosure date of this report, the equity distribution for 2023 has been completed.

As considered and approved by 2024 First Extraordinary General Meeting of Shareholders convened by the Company on 25 October 2024, the 2024 Half-year Equity Distribution Proposal was that a cash dividend of RMB2.30 per 10 shares shall be distributed (including tax). As at the disclosure date of this report, the implementation of 2024 Half-year Equity Distribution was finished.

In 2024, the Company achieved a net profit attributable to the parent company of RMB14.425 billion under the CASs and a net profit attributable to the parent company of RMB14.056 billion under IFRSs. In accordance with the Articles of Association of the Company and the dividend distribution policy for FY2023-2025, the cash dividend for 2024 was RMB0.77/share (tax inclusive), after deducting the interim cash dividend for 2024 of RMB0.23/share (tax inclusive), the Board of the Company proposed a final dividend of RMB0.54/share (tax inclusive) in cash for 2024 based on the total share capital as at the date of registration of the equity interests for the equity distribution.

Such distribution plan will be submitted to the 2024 Annual General Meeting of Shareholders for consideration and implemented to shareholders within two months (if passed) after the approval of the annual general meeting. According to the Articles, cash dividends will be calculated and declared in RMB.

If there is a change in the Company's total share capital before the record date of equity distribution, it is proposed to keep the distribution amount per share unchanged, and adjust the total distribution amount accordingly.

The profit distribution plan of the Company, pursuant with the Articles, is formulated after debriefing and fully considering the opinions and demands of the shareholders of the Company, especially minor and medium shareholders, and is executed upon approval by the Board meeting and the General Meeting of Shareholders.

(II) Special Explanation of the Cash Dividend Policy

If it complies with the provisions of the Company's Articles or the requirements of the resolution of the General Meeting of Shareholders	Yes
If the dividend standard and ratio are explicit and clear	Yes
If the relevant decision-making procedures and mechanisms are complete	Yes
If the independent Directors performed their duties and played their due role	Yes
If minority shareholders have the opportunity to fully express their opinions and demands, and if their legitimate rights and interests are fully protected	Yes

(III) If the Company is Profitable during the Reporting Period and the Parent Company's Profit Available for Distribution to Shareholders is Positive with No Cash Profit Distribution Plan Proposed, the Company Shall Disclose the Reasons in Detail and the Plan to Use the Undistributed Profits

Not applicable.

(IV) Profit distribution and conversion of capital reserve into share capital during the reporting period

Unit: RMB'000

Number of bonus shares every 10 shares (shares)	–
Dividends every 10 shares (RMB) (tax inclusive)	7.70
Number of shares transferred every 10 shares (shares)	–
Cash dividends (tax inclusive)	7,730,693
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statement	14,425,051
Ratio of cash dividends attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)	53.59
Repurchase of shares in cash included in the amount of cash dividends	–
Total dividends (tax inclusive)	7,730,693
The ratio of the total dividends to the net profit attributable to ordinary shareholders of the listed company in the consolidated statement (%)	53.59

(V) Cash Dividends for the Last Three Accounting Years

Unit: RMB'000

Cumulative cash dividend amount for the last three accounting years (including tax) (1)	40,571,767
Cumulative amount repurchased and cancelled in the last three accounting years (2)	–
Cash dividend plus cumulative amount repurchased and cancelled for the last three accounting years (3)=(1)+(2)	40,571,767
Amount of average annual net profit for the last three accounting years (4)	22,646,123
Proportion of cash dividend for the last three accounting years (%) (5)=(3)/(4)	179.16
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the recent accounting year	14,425,051
Undistributed profit of the parent company's statement at the end of the recent accounting year	9,174,556

(VI) Tax and Tax Exemption or Reduction

1. For relevant regulations on the withholding and payment of dividends and tax reduction and exemption for A-Share investors, please refer to the Company's Announcement on the Implementation of the 2023 Annual Equity Distribution dated 28 June 2024, and the Announcement on the Implementation of the 2024 Half-year Equity Distribution dated 1 November 2024 which were published on the websites of the Shanghai Stock Exchange, the Company's website, and/or Securities Journal, the Shanghai Securities News, the Securities Times, and the Securities Daily.

2. Withholding and payment of dividend income tax and tax deduction for investors of H Shares

(1) Withholding and payment of enterprise income tax for overseas non-resident enterprise shareholders

According to the Enterprise Income Tax Law of the People's Republic of China and its implementation regulations and other relevant rules and regulations, the Company is required to withhold and pay enterprise income tax at a rate of 10% before distributing the dividends to non-resident enterprise shareholders as shown on the H share register of members of the Company. Any shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, will be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding of the enterprise income tax.

(2) Withholding and payment of individual income tax for individual foreign shareholders

The Company will implement the following arrangements in relation to the withholding and payment of individual income tax for the individual H Shareholders:

① For individual H Shareholders who are Hong Kong or Macao residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a dividends tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual H Shareholders in the distribution of final dividend.

② For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a dividends tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of the individual H Shareholders in the distribution of final dividend. If the applicable tax rate of the country (region) of domicile of individual holders as appeared on the Company's register of members of H Shares are less than 10% under tax treaty, such individual holders must submit to the H Share Register a written authorization and relevant application documents. The Company will forward such application documents to the applicable tax authorities for approval. After receiving such approval, the Company will, for and on behalf of such individual holders, effect the preferential treatments in accordance with the relevant tax treaty and pursuant to the relevant regulations promulgated by the PRC tax authorities.

③ For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a dividends tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty in the distribution of final dividend.

④ For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual H Shareholders in the distribution of final dividend.

(3) Withholding and payment of individual income tax for Hong Kong Stock Connect Investors

Pursuant to the relevant regulations under the "Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect" (Caishui [2014] No. 81) and the "Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect" (Caishui [2016] No. 127) jointly issued by the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission, for dividends to be paid to the individual investors in the PRC from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Company shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends to be paid to securities investment funds in the PRC from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The Company will not withhold and pay the income tax of dividends for enterprise investors in the PRC and those domestic enterprise investors shall report and pay the relevant tax themselves.

XI. CIRCUMSTANCES AND IMPACTS OF THE EQUITY INCENTIVE SCHEME AND EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER INCENTIVE SCHEME TO EMPLOYEES

(I) Share Incentives Disclosed in Extraordinary Announcement with No Progress or Changes

Not applicable.

(II) Share Option Incentives Not Disclosed in Extraordinary Announcements or with Subsequent Progress

Circumstances of share incentives

2021 A-share Restricted Stocks Incentive Scheme

Incentive method: restricted stocks

Source of underlying shares: Issuance of shares to the incentive participants

The measurement method of the fair value of equity instruments, the selection criteria of parameters and the results

Calculation method:	According to "Accounting Standards for Business Enterprises No. 11 – Share-based Payment", the Company takes the difference between the closing price of the stock on the grant date and the grant price as the share-based payment cost per restricted stock. It will finally confirm the share-based payment cost of this incentive plan.
Parameter:	Closing price and grant price of the stock on the grant date.
Calculation results:	The fair value of each restricted stock is RMB12.80.

Other explanations:

As approved at the Company's 2022 First Extraordinary General Meeting of Shareholders, the First A-share/H-share Shareholder Meeting, and the 20th meeting of the eighth session of the Board of Directors held on 27 January 2022, the Company grants restricted shares to the incentive participants, according to the A-Share Restricted Stocks Incentive Scheme ("Restricted Stocks Incentive Scheme").

As reviewed and approved by the fifth meeting of the ninth session of the Board of the Company on 23 February 2024, it was confirmed that the conditions for lifting the first lock-up period of the Restricted Stocks Incentive Scheme have been met, and the Company has lifted 29,163,420 shares of 1,201 incentive participants from sale restrictions. The weighted average closing price of the Company's shares immediately prior to the lifting date of the lock-up was RMB27.41 (the ex-rights and ex-dividend price). On 8 March 2024, restricted stocks that had been lifted from sales restrictions were circulated.

As approved by the thirteenth meeting of the ninth session of the Board of the Company convened on 24 February 2025, it was confirmed that the conditions for lifting the second lock-up period of the Restricted Stocks Incentive Scheme have been met, and the Company has unlocked 36,738,700 restricted stocks granted to 1,171 incentive participants. The weighted average closing price of the shares of the Company immediately before the date of unlocking was RMB13.21. On 7 March 2025, restricted stocks that had been unlocked were circulated.

Abstract of the Restricted Stocks Incentive Scheme

(I) Granting of the Restricted Stocks Incentive Scheme

1. The purpose of the Restricted Stocks Incentive Scheme

   The Scheme is to further improve the medium and long-term incentive mechanism, fully mobilize the enthusiasm of the Company's management team and key employees, closely integrate the interests of shareholders, the Company and the core team, and enhance the Company's market competitiveness and sustainable development capabilities.

2. The scope of incentive participants

   The Participants include the Directors, senior Management, mid-level managements and core employees of the Company, excluding external Directors (including Independent Directors), Supervisors, Shareholders and actual controllers that individually or jointly hold 5% or above shares of the Company and their spouses, parents and children.

3. The number of underlying shares to be granted under the Option Incentive Scheme

   As reviewed and approved by the Company's 2022 First Extraordinary General Meeting of Shareholders, the First A-share/H-share Shareholders' Meeting and the 20th meeting of the eighth session of the Board on 27 January 2022, 61.74 million restricted shares (representing approximately 0.61% of the Company's total issued share capital (excluding treasury shares) as at the disclosure date of this report) were granted to 1,245 incentive participants, and all restricted shares have been granted on 27 January 2022. The underlying stocks involved are RMB ordinary shares (A shares).

4. Each participant being able to receive the maximum benefits

   The number of company shares granted to any incentive participant through all the equity incentive schemes within the validity period shall not exceed 1% of the Company's total share capital on the date of announcement of the drafted of the Restricted Stock Incentive Scheme.

5. Granting date

   As reviewed and approved at the twentieth meeting of the eighth session of the Board of Directors of the Company held on 27 January 2022, 27 January 2022 is determined as the granting date.

6. Restricted period

   The lock-up periods of the restricted stocks incentive scheme are 24 months, 36 months and 48 months since the date when the registration of the grant of restricted shares is completed.

7. The lifting of sales restrictions

The unlocking period of the restricted shares granted by the restricted stocks incentive scheme and the release time schedule for each period are shown in the following table:

The lifting of sales restriction	The time to lift sales restriction	The proportion of lifting restrictions
The first unlocking period	From the first trading day after 24 months from the registration date of the restricted stocks to the last trading day within 36 months from the registration date for the restricted stocks	33%
The second unlocking period	From the first trading day after 36 months from the registration date of the restricted stocks to the last trading day within 48 months from the registration date for the restricted stocks	33%
The third unlocking period	From the first trading day after 48 months from the registration date of the restricted stocks to the last trading day within 60 months from the registration date for the restricted stocks	34%

8. Grant price

The grant price of the restricted stocks incentive scheme is RMB11.72 per share, that is, after meeting the granting conditions, the incentive participants can purchase the Company's additional restricted shares issued by the Company to the incentive participants, at a price of RMB11.72 per share.

9. Method of determining the grant price

The grant price shall not be lower than the par value of the stock and 50% of the fair market price, and the fair market price shall be determined in line with the higher of the following two prices:

Standard 1: The average trading price of the Company's underlying stocks on the trading day before the announcement of the draft of Restricted Stocks Incentive Scheme;

Standard 2: One of the average trading prices of the Company's underlying stocks during the 20 trading days, 60 trading days or 120 trading days prior to the announcement of the draft of Restricted Stocks Incentive Scheme.

Details are shown in the following table:

Unit: RMB/share

	Standard 1 The average trading price of the Company's stock in the previous 1 trading day	The average trading price of the Company's stock in the previous 20 trading days	Standard 2 The average trading price of the Company's stock in the previous 60 trading days	The average trading price of the Company's stock in the previous 120 trading days	Minimum Grant Price
A Share	23.44	23.29	27.03	22.55	11.72

10. Repurchase principle

After completing the share registration of the restricted stocks granted to the incentive participants, if the Company has issues such as converting capital reserves into share capital, distributing stock dividends, splitting shares, allotment of shares, shrinking shares, etc. The repurchased quantities and prices of restricted stocks that have not been released shall be adjusted accordingly. For specific adjustment methods, please refer to the "Yankuang Energy 2021 A-Share Restricted Stocks Incentive Scheme" announced on 27 January 2022.

When the incentive participant terminates the labor relationship with the Company due to objective reasons such as transfer, dismissal, retirement, death, loss of civil capacity, etc., the restricted stocks that have not been released shall be repurchased and canceled by the Company at the grant price (adjusted) plus bank deposit interest for the same period.

If the incentive participant resigns or is fired due to personal reasons, the restricted stocks that have been granted but have not been released from sales restrictions shall be repurchased and canceled by the Company. The repurchase price is the lower value of the grant price or the Company's stock market price at the time of repurchase (the market price refers to the average transaction price of the Company's underlying stock on the trading day, before the Board of Directors considered the repurchase, the same below).

If the Company's performance assessment target of a certain restricted stock lifting period is not reached, all the restricted stock held by the incentive participants cannot be lifted and shall be repurchased and cancelled by the Company. The restricted stocks that cannot be lifted in the current period due to the results of the performance assessment at the individual level shall be repurchased and cancelled by the Company. The repurchase price shall not be higher than the lower between the grant price and the market price.

11. Validity period

The Restricted Stocks Incentive Scheme will take effect upon the approval of the Company's 2022 First Extraordinary General Meeting of Shareholders and the 2022 First A-share/H-share Shareholders' Meeting on 27 January 2022. The validity period starts from the date when the registration of the grant of restricted stocks is completed to the date when all the restricted stocks granted to the incentive participants are unlocked or the repurchase and cancellation are finished. The longest period shall not be beyond 60 months.

12. Grant Completion

On 24 February 2022, the Company completed the registration of granting restricted stocks at the Shanghai Branch of China Securities Depository and Clearing Corporation Ltd. For details, please refer to the Company's announcement dated 25 February 2022 on the results of the 2021 A-share Restricted Stocks Incentive Scheme.

(II) Historical Adjustments

As reviewed and approved at the second meeting of the ninth session of the Board of the Company held on 25 August 2023, due to the Company's distribution of profits for two times during the restricted period and an additional distribution of 0.5 share per share as bonus shares, the Board of the Company adjusted the repurchase price and quantity of the restricted stocks. After this adjustment, the repurchase price was revised from 11.72 RMB/share to 3.6133 RMB/share, and the quantity of restricted stocks granted but not yet released was adjusted from 61.74 million shares to 92.61 million shares; Due to job transfers and retirement of 26 incentive participants, the Company canceled 2.67 million shares of restricted stocks granted but not yet released. For details, please refer to the announcement on the adjustment of the repurchase price and number of restricted stocks and the announcement on the repurchase and cancellation of restricted stocks granted to certain incentive participants but still subject to lock-up of the Company dated 25 August 2023.

As reviewed and approved by the fifth meeting of the ninth session of the Board of the Company on 23 February 2024, given the fact that 16 incentive participants of Restricted Stocks Incentive Schemes no longer meet the incentive conditions due to job transfers and other reasons, 2 incentive participants have been assessed as "unqualified" in performance evaluation, and 4 incentive participants have been assessed as "up-to-threshold" in performance evaluation, the Company decides to repurchase and cancel the 1,401,180 restricted stocks granted but not yet released for the above 22 incentive participants. For details, please refer to the announcement on the repurchase and cancellation of restricted stocks granted to certain incentive participants but still subject to lock-up of the Company dated 23 February 2024.

As considered and approved at the thirteenth meeting of the ninth session of the Board of the Company held on 24 February 2025, due to the Company's distribution of profits for two times during the reporting period and an additional distribution of 0.3 share per share as bonus shares, the Board of the Company adjusted the repurchase price and number of the restricted stocks. After this adjustment, the repurchase price was revised from RMB3.6133/share to RMB1.4033/share, and the number of restricted stocks granted but still subject to lock-up was adjusted from 59.3754 million shares to 77.18802 million shares. 27 incentive participants no longer meet the incentive conditions due to job transfers and other reasons, 5 incentive participants have been assessed as "unqualified" in performance assessment, and 9 incentive participants have been assessed as "up-to-threshold" in performance assessment. Accordingly, the Company repurchased and cancelled the 2,379,860 restricted stocks granted but still subject to lock-up for the above 41 incentive participants. For details, please refer to the announcement on the repurchase and cancellation of restricted stocks granted to certain incentive participants but still subject to lock-up of the Company dated 24 February 2025.

Other Explanation

Not applicable.

Employee Shareholding Scheme

Not applicable.

Other Incentive Schemes

Not applicable.

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

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

Not applicable

Restricted stocks incentive granted to the Directors, Supervisors and Senior Management during the Reporting Period

Unit: 10,000 shares

Name	Position	Number of restricted stocks held at the beginning of the year	Number of newly granted restricted stocks	Grant price of restricted stocks (RMB/Share)	Number of restricted stocks lapsed (cancelled) during the reporting period	Number of Shares unlocked during the reporting period	Number of Shares subject to lock-up during the reporting period	Number of restricted stocks held at the end of the period	Market price at the end of the reporting period (RMB/Share)
Wang Jiuhong	Party Secretary, General Manager	12	3.6	11.72	0	3.96	10.452	10.452	14.17
Huang Xiaolong	Director, Secretary to the Board of Directors	24	7.2	11.72	0	7.92	20.904	20.904	14.17
Kang Dan	Chief Safe Officer	12	3.6	11.72	0	3.96	10.452	10.452	14.17
Gao Chunlei	Chief Engineer (chemical engineer)	12	3.6	11.72	0	3.96	10.452	10.452	14.17
Zhang Zhaoyun	Chief Engineer	9	2.7	11.72	0	2.97	7.839	7.839	14.17
Xiao Yaomeng (resigned)	Party Secretary, Director, General Manager	30	9	11.72	0	9.9	26.13	26.13	14.17
Zhang Chuanchang (resigned)	Vice General Manager	24	7.2	11.72	0	7.92	20.904	20.904	14.17
Ma Junpeng (resigned)	Chief Engineer	12	3.6	11.72	0	3.96	10.452	10.452	14.17
Sub-total of Directors and Senior Management combined		135	40.5	/	0	44.55	117.585	117.585	/
Sub-total of other personnel		8,859	2,657.7	/	140.118	2,871.792	7,601.217	7,601.217	/
Total		8,994	2,698.2	/	140.118	2,916.342	7,718.802	7,718.802	/

Notes:

① As of the disclosure date of this report, the Company has made certain adjustments to its Directors and Senior Management. The above table is based on the ranking of the Company's Directors and senior management members as of the disclosure date.

② According to the Restricted Stocks Incentive Scheme of the Company, each incentive participant in the table was granted all unreleased restricted stocks on 27 January 2022. The closing price immediately before the date of granting these restricted stocks was RMB22.06 (price before ex-rights and ex-dividend).

③ According to relevant requirements, the Company shall repurchase and cancel the restricted stocks subject to lock-up of Mr. Xiao Yaomeng and Mr. Ma Junpeng.

④ Due to work adjustment of 22 incentive participants, the Company repurchased and canceled 1,401,180 restricted shares that have been granted but not yet released. For details, please refer to "(II) Historical Adjustments" in this section of "Abstract of Restricted Stocks Incentive Scheme".

⑤ The "Number of Newly Granted Restricted Stocks" in the above table reflects the status of bonus shares since the Company distributed 0.3 bonus share for each share during the reporting period.

⑥ For details about the unlocking period of restricted stocks granted, please refer to "7. The lifting of sales restrictions" in the "Abstract of Restricted Stocks Incentive Scheme" in this section.

⑦ The assessment targets for restricted stocks granted shall be based on the performance assessment condition corresponding to each unlocking period stipulated in the Restricted Stocks Incentive Scheme. For specific details, please refer to the circular published by the Company on 12 January 2022.

At the beginning and end of the year 2024, the number of restricted stocks granted under all of the Company's Equity Incentive Scheme was 0. During the reporting period, the number of shares issued based on restricted stocks granted under all of the Equity Incentive Scheme was 0, which, divided by the weighted average of the total number of A shares issued during that period, equals 0%.

(IV) The Performance Valuation Mechanism for Senior Management Personnel and the Establishment and Implementation of the Incentive Mechanism During the Reporting Period

The Company uses a special evaluation and incentive mechanism for the annual remuneration of senior management personnel, so that the management's performance evaluation is organically combined with the Company's economic benefits and operation status quo. Based on their performance, the Company directly judges, rewards or punishes senior management personnel, according to the relevant operating indicators and management standards. The Company honored its 2024 annual remuneration based on the completion of the business indicators and evaluation results of senior management personnel.

The Company has implemented the Restricted Stocks Incentive Scheme. It will strictly follow the relevant assessment management measures and lift the lock-up imposed on to the management personnel, with the performance assessment indicators met.

XII. BUILDING AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

In accordance with the listing regulatory requirements, the Company formulated the Design and Applications of Internal Control System in 2006, establishing an effective operating internal control system.

In 2011, in accordance with the relevant requirements under the "General Rules on Internal Control for Enterprises" and the "Supporting Guidelines of Internal Control for Enterprises" jointly issued by Ministry of Finance of PRC and other four ministries, and the regulatory requirements of places where the Company are listed, the Company, based on 18 provisions in the Supporting Guidelines of Internal Control for Enterprises and its business practice, has further improved and strengthened the internal control system at three levels in the Group, i.e. the Company, its subordinated departments and subsidiaries, and their businesses.

The Board and its subordinate special committees are responsible for the establishment and effective implementation of internal control system. The Supervisory Committee is responsible for supervision of the internal control system established and implemented by the Board. The management looks after the organization and management of the daily operation of internal control.

The Board has assessed the effectiveness of the Company's internal control system once a year since 2007. At the fourteenth meeting of the ninth session of the Board held by the Company on 28 March 2025, the Board made an assessment on the effectiveness of the internal control systems of the Company for the year 2024. The Board, after assessment, believed that the internal control system of the Company is sound and has been implemented effectively and no major defect was found in the design of the internal control or its implementation.

The report of self-evaluation on internal control of the Company was posted on the Shanghai Stock Exchange website, the HKEX website and the Company's website.

The Company formulated the "Measures on Overall Risk Management" and established a risk IT management and control platform and a sound risk control mechanism. The Company, through the risk IT management and control platform, conducted overall risk management work including risk identification, assessment, response and the monitoring of key risk points within the scope of the Company and its subsidiaries each year, and issued the "Annual Risk Management Report"; developed realistic risk control strategies and solutions for the identified major risks, regularly summarized the risk control and prepared a major risk control report. With the help of IT measures, through the accurate identification, assessment and quantitative analysis, scientific response and regular tracking evaluation of major risks, the closed-loop control of the whole process of major risks has been realized.

The Board looks after the aforementioned risk control and internal control systems and reviews the effectiveness of such systems in a timely manner (reviews to be made at least annually). The Board has completed the review and is of the opinion that the Group's systems on risk management and internal control are effective and adequate. The Board further clarifies that the foregoing system is designed to manage, and not eliminate, the risk of failure to achieve business objectives, and to make reasonable, but not absolute assurances that there will be no material misstatement or loss.

In terms of processing and disclosing inside information, the Company has formulated its internal systems, such as the Management System of Securities Held and Transacted by Shareholders, Directors, Supervisors, Senior Management and Insiders, the Rules for Disclosure of Information, the Rules for Insiders Registration and Management, and the Rules for Material Information Internal Report, which define inside information and the scope, reporting process, registration and recording, prohibited behaviors for inside man, that strictly control the size of insiders and prevent the leakage of inside information.

Explanation of significant defects in internal control during the reporting period

Not applicable.

XIII. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

The Company dispatched Directors, Supervisors and Senior Management to subsidiaries; regulated subsidiaries to hold shareholders' meetings, board meetings, and supervisory board meetings; implemented the Rules for Material Information Internal Report, Administrative Measures for Property Rights Representatives and Administrative Measures for Related Transactions; and supervised various entities to standardize the establishment of internal control system.

During the reporting period, the new subsidiaries of the Company included Wubo Technology, Tianma Intelligent Control, Guotuo Technology, SMT Scharf AG, Debote Machinery, etc. After they were included into the consolidated financial statements of Yankuang Energy, these subsidiaries were subject to the same internal control and management systems as other subsidiaries. They are managed and controlled in corporate governance, financial management, risk management, and significant event management, among other aspects, to complete business integration and ensure that their operation and development are in line with the overall strategic planning of the Company.

XIV. THE ASSESSMENT OF THE COMPANY'S INTERNAL CONTROL SYSTEM BY THE AUDITORS

The Company has appointed domestic annual auditing accountants since 2013 to make a review and assessment on whether the internal control of the Company complied with the domestic regulatory requirements and the efficiency of internal control of the financial statements.

The Company appointed Baker Tilly China Certified Public Accountants LLP to make a review and assessment of the efficiency of internal control of the 2024 financial statements of the Company. Baker Tilly Certified Public Accountants believed that, in accordance with the requirements of General Rules on Internal Control for Enterprises and related regulations, the Company maintained efficient internal control of financial statement in all material aspects.

The full version of the audit report of the internal control of the 2024 financial statement report issued by Baker Tilly China Certified Public Accountants LLP was posted on the Shanghai Stock Exchange website, the HKEX website and the Company's website.

Whether disclose audit report of the internal control: Yes

Type of audit report of the internal control: standard clean audit opinions

XV. THE CORRECTION OF SELF-EXAMINATION PROBLEMS IN THE SPECIAL ACTION OF LISTED COMPANY GOVERNANCE

Not applicable.

XVI. OTHERS

Corporate Governance Report (prepared in accordance with the Hong Kong Listing Rules)

(I) Compliance with Corporate Governance Practices and Model Code

The Group has set up a relatively regulated and robust corporate governance system and has abided by the corporate governance principles of transparency, accountability and protection of the rights and interests of all shareholders.

The Board believes that good corporate governance is important to the operation and development of the Group. The Group has established a reporting mechanism to all Directors so as to ensure Directors are all informed of its business, and believes that the regular Board meetings held are efficient communication ways for non-executive Directors to make full and open discussion on the Group's business. The Board regularly reviews corporate governance practices to ensure the Company's operation is in compliance with the laws, regulations and Supervisory rules of the places where the Company is listed, and consistently endeavors to implement a high standard of corporate governance.

The corporate governance rules implemented by the Group include, but not limited to the followings: the Articles, the Rules of Procedures for the General Meeting of Shareholders, the Rules of Procedures for the Board, the Detailed Work Policy of the General Manager, the Work Policy of the Independent Directors, The Rules for the Management of Board Authorization, Work System for the Board Secretary, the Rules for Disclosure of Information, the Rules for the Approval and the Disclosure of Connected Transactions of the Company, the Rules for the Management of Relationships with Investors, the Management System of Securities Held and Transacted by Directors, Supervisors, Senior Management and Insiders, the Rules for Monitoring and Assessment of the Implementation of the Resolutions of the Board, Administrative Measures for Property Rights Representatives, the Standard of Conduct and Professional Ethics for Senior Employees, the Measures on the Establishment of Internal Control System, the Measures on Overall Risk Management and the Administrative Measures for Market Values. For the year ended 31 December 2024 and as of the disclosure date of this report, the corporate governance rules and practices of the Group are compliant with the principles and the code provisions set out in the Corporate Governance Code (the "Code") contained in the Hong Kong Listing Rules. The Group's corporate governance performance also meets the requirements of the Code. During the reporting period, the Company has fully complied with the code provisions as set out in Part 2 of the Code.

The following are the major aspects of the corporate governance practice adopted by the Group that are more stringent than the Code in practice:

- To actively carry forward the development of the special committees to the Board. Besides the requirement to establish the Audit Committee, the Remuneration Committee, the Nomination Committee as set out in the Code, the Company also established the Strategy and Development Committee and Sustainable Development Committee. All these committees were entrusted with detailed responsibilities;

- To formulate more stringent provisions in the Management System of Securities Held and Transacted by Directors, Supervisors, Senior Management and Insiders, the Standard of Conduct and Professional Ethics of the Senior Employees than those of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code");

- To establish an internal control system in accordance with the Guidance on Internal Control for Listed Companies No. 1 – Standard Operation issued by the Shanghai Stock Exchange, General Rules on Internal Control jointly issued by five ministries including the Chinese Ministry of Finance and the provisions under the Code, the standards of the internal control system are more detailed than those of the Code;

- To announce the evaluation conclusions of the Board and auditors in relation to the effectiveness of internal control of the Company for the year 2024.

(II) Securities Transactions of Directors and Supervisors

After making specific enquiries to all Directors, Supervisors and Senior Management, the Company confirmed that, as of the date of disclosure of this report, the Directors, Supervisors and Senior Management of the Company have strictly complied with the standards of securities transactions as set out in the Model Code and the relevant management system of the Company. The Company has adopted a code of conduct no less exacting than the Model Code for the securities transactions of Directors, Supervisors and Senior Management.

On 21 April 2006, the Code for Securities Transactions of the Management was approved at the fifth meeting of the third session of the Board of the Company. On 23 April 2010, the Code for Securities Transactions of the Management was amended at the fourteenth meeting of the fourth session of the Board, which is drafted based on the Model Code, but is more stringent than the Model Code after taking the domestic and overseas laws, regulations and supervision requirement in relation to securities transactions into account.

On 13 February 2018, the Management Measures of Securities Held and Transacted by Directors, Supervisors, Senior Management and Insiders was approved, and the Code for Securities Transactions of the Management was abolished at the tenth meeting of the seventh session of the Board. On 5 December 2018, the Management System of Securities Held and Transacted by Directors, Supervisors, Senior Management and Insiders was amended at the twentieth meeting of the seventh session of the Board, which is drafted based on the Code for Securities Transactions of the Management, standardized the behavior of Securities Held and Transacted by Insiders, added the penalty rules for violating regulatory measures, but is more comprehensive and stringent than the Code for Securities Transactions of the Management.

At the 22nd meeting of the eighth session of the Board of the Company held on 29 April 2022, "Shareholders, Directors, Supervisors, Senior Management and Relevant Insiders Holding Shares of the Company and Change Management System" was approved, which adjusts the whole system structure of the "Company's Shares Held by Directors, Supervisors, Senior Management and Insiders and Changes Management System", supplements and updates relevant provisions, and further strengthens the regulation among the Company's shares and its changes which hold by Shareholders, Directors, Supervisors, Senior Management and relevant insiders.

On 30 August 2024, in light of the actual situations such as the amendment and issuance of the "Interim Measures for the Administration of Shareholders of Listed Companies in Reducing Shareholdings", as well as the "Rules for the Administration of Shares in the Company Held by Directors, Supervisors and Senior Management of Listed Companies and Changes thereof" by the CSRC, the amendment and issuance the "Self-regulatory Guideline for Listed Companies No. 15 – Reduction of Shareholdings by Shareholders, Directors, Supervisors and Senior Management" by the SSE, at the tenth meeting of the ninth session of the Board of the Company, the amendment of the terms relating to the reduction of shareholdings by Shareholders, Directors, Supervisors and Senior Management in the "Management System for the Shares of the Company held by Shareholders, Directors, Supervisors, Senior Management and Relevant Informed Persons of Insider Information and Changes thereof" were considered and approved.

(III) Board of Directors and Senior Management

As at the disclosure date of this report, the Board of the Company comprises ten Directors including four Independent Non-executive Directors. The names, appointments and resignations of the Directors are set out in the section.

The duties and authorities of the Board and the senior management have been stipulated in detail in the Articles.

The Board is mainly responsible for making strategic decisions for the Company and the supervision of operations of the Company and its management team. The Board primarily has the powers to decide on operation plans and approve investment projects, to formulate the policy for financial decision and distribution of profits, to implement and review the internal control system, to execute the duty of corporate governance and to confirm the management organization and the basic management system of the Company, etc.

The management team of the Company is mainly responsible for the operation and management of the production of the Company and shall exercise the following functions and powers: to be in charge of the operation and management of the Company's production; to organize the implementation of the resolutions of the Board; to organize the implementation of the Company's annual business plan and investment program; to draft and propose the Company's management organization structure; to draft the Company's basic management rules; to work out a package of staff's salaries, benefits, awards and penalties, and to decide the appointment and dismissal of the staff of the Company, etc.

The Company has received from each of the Independent Non-executive Directors an annual confirmation concerning his independence pursuant to the Hong Kong Listing Rules. The Company confirms that all of the four Independent Non-executive Directors comply with the qualification requirements of Independent Non-executive Directors as required under the Hong Kong Listing Rules.

The Directors are responsible for preparing the Company's financial accounts as a true and fair reflection of the Company's financial situation, operating results and cash flows for the relevant accounting period.

Since 2008, the Company has purchased liability insurance for the Directors, Supervisors and Senior Management of the Company and its subsidiaries every year.

The Company has established internal policies (including but not limited to the Articles, Director Nomination Policy, Remuneration and Nomination Committee Terms of Reference) to ensure that the Board has access to independent views and opinions, election and appointment procedures and selection criteria, the mechanism for directors to abstain from voting on relevant proposals considered by the Board of Directors, the authority of the independent board committee to hire independent financial advisors or other professional advisors, etc. The Company has reviewed the implementation and effectiveness of the above-mentioned mechanism and believes that the above-mentioned mechanism can ensure that the Board can obtain independent views and opinions.

(IV) Board Meetings and Director's Training

According to the Articles and the Rules of Procedures for the Board, all Directors are entitled to propose matters to be included in the agenda for Board meetings. The Company delivered the meeting notice to the Directors fourteen days before a regular Board meeting or three days before an extraordinary Board meeting; circulated the agenda and information for discussion of the meeting to the Directors for their review five days before a regular Board meeting or three days before an extraordinary Board meeting; kept detailed minutes of the matters considered and the decisions formed by each Director in the meetings; sent the draft versions and the final versions of the minutes of Board meetings to all Directors for their comments and records respectively within a reasonable time after the Board meetings were held. Each Director is entitled to inspect the minutes of Board meetings kept by the Company at any reasonable time.

The Board and each Director have independent channels to communicate with the senior management of the Company. Any of the Directors is entitled to inspect the files and relevant documents of the Board.

The Company has set up a special institution under the Board, through which all Directors are able to access the services of the Secretary to the Board. The Board is entitled, at the Company's expense, to seek independent professional advice for its Directors in appropriate circumstances. When the Board reviews connected transactions, any connected Director would abstain from voting on such transactions.

For the year ended 31 December 2024, nine Board meetings were held. For the Directors' attendance at the Board meetings and the General Meetings of Shareholders, please refer to relevant contents in this chapter.

All the Directors took part in the continuous professional development program to strengthen their knowledge and skills and make greater contributions to the Board.

The training of Directors during the reporting period is shown in the table:

Name	Training
Li Wei, Xiao Yaomeng (resigned), Liu Jian, Liu Qiang, Zhang Haijun, Su Li, Huang Xiaolong, Peng Suping, Zhu Limin, Woo Kar Tung, Raymond, Zhu Rui	Participated in the special training of "Standardized Operation of Subsidiaries of State-controlled Listed Companies" organized by the Company on 21 June 2024.
Peng Suping, Woo Kar Tung, Raymond, Zhu Limin, Zhu Rui	Participated in the 4th Follow-up Training Session in 2024 organized by SSE from 16 to 29 August 2024 for independent directors of listed companies.
Li Wei, Xiao Yaomeng (resigned), Liu Jian, Liu Qiang, Zhang Haijun, Su Li, Huang Xiaolong, Peng Suping, Zhu Limin, Woo Kar Tung, Raymond, Zhu Rui	Participated in the special training of "Standardized Operation of Subsidiaries of State-controlled Listed Companies for for Directors, Supervisors and Senior Management" organized by the Company on 30 August 2024.
Liu Jian	1. Participated in the special training course on annual reports organized by Shandong Association of Listed Companies on 15 March 2024. 2. Participated in the special training session on the reform of the system for independent directors organized by Shandong Association of Listed Companies on 19 April 2024.
Huang Xiaolong	1. Participated in the special training on Sustainability Reporting (ESG) for listed companies on SSE on 25 June 2024 (Phase II); 2. Participated in the foundation training course on information disclosure, corporate governance and capital operation practices for listed companies in Hong Kong (Phase II) organized by the Hong Kong Chartered Governance Institute on 27 to 29 November 2024; 3. Participated in the 7th follow-up training session in 2024 organized by SSE from 13 to 20 December 2024 for secretaries of the board of directors of listed companies.

During the reporting period, on top of invitation to its domestic and overseas legal consultants and annual audit accountants by the Company to conduct review and study on regulatory rules and accounting standards in domestic and overseas, all Directors have been circulated with papers on laws and regulations amendments, updates on regulatory requirements, training materials and Compliance Trends prepared by the Company in a timely manner, through which they have continuously improved their working capabilities.

(V) Chairman and Chief Executive Officer

In 2024, Mr. Li Wei serves as the Chairman of the Company, and Mr. Xiao Yaomeng (resigned on 18 September 2024) and Mr. Wang Jiuhong (with effect from 13 November 2024) served as the General Manager of the Company. The authorities and responsibilities of the Chairman and the General Manager are clearly specified. Details of such authorities and responsibilities of the Chairman and the General Manager are documented in the Articles.

In 2024, the Chairman and Independent Non-executive Directors held a meeting without the presence of other Directors.

(VI) Non-Executive Directors

Each of the non-executive Directors has entered into a service contract with the Company. Pursuant to the Articles, the term of office of the members of the Board of the Company (including the non-executive Directors) is three years. The members of the Board can be reappointed consecutively after the expiry of the term. However, the term of reappointment of independent non-executive Directors cannot exceed six years.

The duties of the non-executive Directors of the Company include, but are not limited to, the followings:

- to participate in the Board meetings of the Company, provide independent advice on matters involving strategy, policy, performance of the Company, accountability, resources, main appointments and codes of conduct;
- to play a leading and guiding role in the event of potential conflicts of interest;
- to act as members of the Audit Committee, Remuneration Committee, Nomination Committee, Strategy and Development Committee and Sustainable Development Committee;
- to scrutinize whether the performance of the Company achieves its objectives and targets, supervise and report the performance of the Company.

Independent Non-executive Directors and other Non-executive Directors are required to contribute positively to the formulation of strategies and policies of the Company by providing independent, constructive and well-founded advice.

(VII) Performance of Committees to the Board

The Nomination Committee considers the diversity of members of the Board of Directors from various aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and length of service. After considering the above-mentioned relevant factors, the nomination committee will make final appointment recommendations to the Board of Directors based on the professional expertise of the director candidates and their contributions to the Company and the Board of Directors.

The Board of Directors is committed to improving gender diversity. When selecting and recruiting, due consideration will be given to increasing the proportion of female members. Now the Board has one female Director. The Company believes that the current composition of the Board is well balanced and diversified, with full consideration of the Company's actual situation, and therefore is beneficial for the Company's business, and is in line with the diversity policy of the Board during the reporting period.

The Company has also taken, and continues to take steps to promote diversity in its workforce at all levels. All qualified employees enjoy equal employment, training and career development opportunities without discrimination. During the year, women accounted for 19.1% of the total number of employees of the Company.

In summary, the Company has taken and will continue to take measures, including but not limited to scouting for Directors from various fields, to continuously promote the diversity of the Board. The Board hopes that the proportion of its female members will at least be maintained at the current level. In order to promote the diversity of its management and employees, the Company will pay attention to increasing the proportion of females when selecting employees, and will take account of females when promoting management members.

The Company reviews the board diversity policy annually to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practices. The Board considers that the Company's current board diversity policy and its implementation are effective.

For other details, please refer to the relevant content of "Special Committees under the Board" in this section.

(VIII) Auditors' Remuneration

For details, please refer to the relevant content of "Appointment, Dismissal of Accounting Firms" under "Chapter 7 Significant Events".

(IX) Company Secretary

As reviewed and approved at the first meeting of the ninth session of the Board held by the Company on 30 June 2023, Mr. Huang Xiaolong was appointed as the Company's secretary.

Mr. Huang Xiaolong has long been engaged in the management of listed companies and investor relations, with a master degree in law and the professional title of senior economist. In terms of academic knowledge, professional qualifications and work experience, he is eligible to perform the duties of the Company's secretary. Mr. Huang is also a senior management personnel and knows much about the daily operation of the Company, so that he can ensure effective communication with Directors and other senior Management and help the Board to strengthen the corporate governance mechanism.

As of the disclosure date of this report, Mr. Wong Wai Chiu was appointed as the Co-secretary of the Company.

The duties and responsibilities of the Company's secretary are set out in detail in the Articles.

During the reporting period, Mr. Huang Xiaolong and Mr. Wong Wai Chiu participated in relevant training organized by domestic and overseas regulatory agencies for more than 15 hours.

(X) Shareholder's Right

The procedures for Shareholders' proposal to convene a general meeting of Shareholders, for submitting inquiries to the Board and for submitting proposals at general meetings have been set out in details in the Articles.

After providing enough contact details, the qualified Shareholders can propose to convene an extraordinary general meeting by the following ways: (1) Shareholders are entitled to propose to the Board to convene an extraordinary general meeting in writing and state the motions of the meeting. Within the prescribed period, the Board shall provide its written decision to the Shareholders; (2) If the Board decides against convening the proposed extraordinary general meeting, the shareholders are entitled to propose to convene the extraordinary general meeting to the Supervisory Committee in writing; (3) If the Supervisory Committee fails to issue a notice of general meeting within the prescribed period, the Supervisory Committee shall be deemed not to convene and hold the meeting. Shareholders may convene and hold the extraordinary general meeting on their own. All reasonable expenses incurred for such extraordinary general meeting convened by Shareholders as a result of the failure of the Board and the Supervisory committee to convene an extraordinary general meeting as required by the above request(s) shall be borne by the Company. The Board and the secretary of the Company should cooperate in organizing and convening the extraordinary general meeting and the relevant matters.

After submitting relevant proof of identities and enough contact details, the Shareholders are entitled to inquire the Board for the inspection of the register of Shareholders, personal information of Directors, Supervisors and senior management, minutes of Shareholders' general meetings, resolutions of the meetings of the Board, resolutions of the meetings of the Supervisory Committee, financial and accounting reports and the copies of the Company's debentures.

The qualified Shareholder(s) may propose special resolutions in writing to the convener 10 days before the Shareholders' general meeting is convened. The convener shall issue a supplementary notice of the general meeting within two days after receiving the proposal to announce the content of the proposal. All Directors, Supervisors and senior management should attend the meeting. Except where business secrets of the Company are involved, the Board, the Supervisors and the senior management should make an explanation or statement regarding the Shareholders' queries and suggestions.

(XI) Investor Relations

1. Continuously optimizing the Rules for the Management of Relationships with Investors

Pursuant to the laws and supervisory regulations of both the domestic and overseas markets where the Company's shares are traded, and based on day-to-day business practices, the Company has developed and enhanced the Rules for the Management of Relationship with Investors and the Rules for Disclosure of Information etc. to regulate the management of investor relations.

The Company amends and perfects the Articles and other documents from time to time. For details of the amendments, please refer to the relevant contents of the "Relevant Information on Corporate Governance" in this section.

2. *Actively communicating with the investors*

The Company always communicates with investors sincerely, adhering to the principles of transparency, equity and justice.

During the reporting period, the Company reported to investors on its business operations and collected opinions and recommendations on the Company from investors and capital market through face-to-face meetings road shows and anti-road shows. In order to facilitate its bidirectional communications with the capital market, the Company has actively participated in investment strategy meetings organized by brokers at home and abroad, invited investors for Company site visits and also made full use of the "SSE e-interactive platform", hotlines, faxes and e-mails. The Company has had over 2,900 contacts with analysts, fund managers and investors. The Company has reviewed the implementation and effectiveness of the above mechanism and believes that the above mechanism can ensure effective communication between the Company and investors and Shareholders.

The Company emphasizes greatly on communications with Shareholders through Shareholders' general meetings, and encourages the minority Shareholders to participate in Shareholders' general meetings by various means such as Internet voting. The relevant directors, supervisors and senior management of the Company shall attend the shareholders' meeting. At the Shareholders' meeting, each proposal is submitted separately and all the proposals are voted by poll.

(XII) Information Disclosure

The Company emphasizes on the truthfulness, accuracy, completeness, timeliness and fairness of information disclosure and has ensured the disclosed information simple, clear, easy to understand, and complies with the Hong Kong Listing Rules. The Company has set up standardized and effective information collection, compilation, examination, disclosure and feedback control procedures to ensure that the disclosure of information is in compliance with the regulatory requirements of places where the Company's shares are listed, and also to give investors reasonable access to the Company's information.

The Chief Financial Officer of the Company shall ensure the financial report and related information disclosed are a true, accurate and complete reflection of the Company's business operations and financial status, applying the applicable accounting standards and relevant rules and regulations. The Company, through its website, realizing simultaneous disclosure of the Company's extraordinary announcements, periodic reports on the websites of the stock exchanges and the statutory media, provides investors with up-to-date information of the Company, the improved status of the corporate governance system and the industrial information.

Due to the Company's multiple stock listings domestically and internationally, the Company consistently adheres to the principle of simultaneous and fair disclosure to enable domestic and foreign investors get timely and fair information on business conditions of the Company.

(XIII) Risk Management and Internal Supervision and Control

For details, please refer to the relevant content of this section "XII BUILDING AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD".

(XIV) Directors' Acknowledgment of Their Responsibilities in the Preparation of the Company's Accounts

All Directors acknowledge their responsibilities for preparing the accounts for the year ended 31 December 2024 as a true and fair reflection of the Company's financial situation, operating results and cash flows.

(XV) Corporate Culture

The Company's corporate culture comprises four parts: corporate mission, vision, core values, and corporate objective. The Company's mission is: "To create green energy and lead energy transformation." The vision is: "To build a clean energy supplier and a world-class enterprise." The core values are: "Safety, Innovation, Green, Responsibility, Excellence." The corporate objective is: "To build an internationally-leading demonstration enterprise for clean energy and sustainable development."

The Company believes that a healthy corporate culture is essential in achieving good corporate governance. Therefore, all directors shall be committed to promoting corporate culture by setting examples. The Company emphasizes on the communication and promotion of corporate culture, and complies with accountability and review, so that all management and staff understand the core values of corporate culture and behave properly. The Company has incorporated corporate culture into various employee training materials, work reporting processes, thematic discussions, etc., formulated and strengthened the code of conduct for employees and the talent management system, strengthened and perfected the communication mechanism between the management and the employees. Through various channels, the Company seeks to know about how corporate culture is accepted by the employees and identify obstacles that hinder employees' acceptance of corporate culture.

The Company has formulated a system to oppose corruption and accept whistleblowing reports, encouraging employees to report on corruption, bribery, favoritism and other violations of disciplines and laws, and organizing timely verification of clues reflected in the reports to regulate the behavior of employees. The Company will also strengthen anti-corruption propaganda in daily staff training, build a firm line of defense, strengthen democratic supervision, and create a clean and positive development environment.

Chapter 06

Environmental and Social Responsibilities

I. ENVIRONMENTAL INFORMATION

Whether to establish relevant mechanisms for environmental protection	Yes
Investment in environmental protection funds during the reporting period (Unit: RMB 0'000)	66,787

(I) Explanation On Environmental Protection Practices Of The Company And Its Subsidiaries In The List Of Key Pollutant Discharging Entities Released By The Environmental Protection Authorities

1. Pollutant discharging

The Group has strictly abided by the laws and regulations, including Environmental Protection Law of the People's Republic of China, Prevention and Control of Atmospheric Pollution Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Solid Waste Pollution Prevention and Control Law of the People's Republic of China, Environmental Impact Assessment Law of the People's Republic of China, etc. The Group improves the environmental protection management system, strengthens governance at the source, and actively builds itself into a resource-saving and environmental friendly enterprise. During the reporting period, no significant environment pollution incidents occurred within the Group.

In 2024, the pollutant discharging entities affiliated to the Group are equipped with sound facilities, which operate in a stable manner, and the discharge of main pollutants, such as COD, ammonia nitrogen, SO_2, NO_x, meets all discharging standards.

All of the key pollutant discharging entities in the Group have applied for pollutant discharging certificates, and they discharged pollutants accordingly and within the total permitted discharging volume, which meet relevant environmental protection requirements. The information of subsidiaries listed as key pollutant discharging entities released by the environmental protection authorities in 2024 are as follows:

No.	Key pollutant discharging entities	Types of pollutant	Main pollutants	Annual pollutant discharging permission volume	Actual discharging volume in 2024
1	Nantun Coal Mine	Industrial wastewater, household wastewater	Chemical oxygen demand (COD), ammonia nitrogen	COD: 128.4 tons ammonia nitrogen: 6.4 tons	COD: 13.9 tons ammonia nitrogen: 0.13 tons
2	Xinglongzhuang Coal Mine			COD: 109 tons ammonia nitrogen: 5.5 tons	COD: 0.8 tons ammonia nitrogen: 0.01 tons
3	Baodian Coal Mine			COD: 89.22 tons ammonia nitrogen: 4.46 tons	COD: 13.3 tons ammonia nitrogen: 0.13 tons
4	Dongtan Coal Mine			COD: 68.2 tons ammonia nitrogen: 3.3 tons	COD: 14.8 tons ammonia nitrogen: 0.29 tons
5	Jining No.2 Coal Mine			COD: 30.7 tons ammonia nitrogen: 2.9 tons	COD: 10.9 tons ammonia nitrogen: 0.11 tons
6	Jining No.3 Coal Mine			COD: 362.9 tons ammonia nitrogen: 18.1 tons	COD: 5.3 tons ammonia nitrogen: 0.08 tons
7	Yangcun Coal Mine			COD: 33.1 tons ammonia nitrogen: 1.7 tons	COD: 4.5 tons ammonia nitrogen: 0.07 tons
8	Zhaolou Coal Mine			COD: 52 tons ammonia nitrogen: 5.9 tons	COD: 33.6 tons ammonia nitrogen: 0.7 tons
9	Jinjitan Coal Mine	Boiler flue gas	PM (particulate matter), SO_2, NO_x	PM: 14 tons SO_2: 46.6 tons NO_x: 93.1 tons	PM: 0.3 tons SO_2: 0.8 tons NO_x: 10.2 tons

No.	Key pollutant discharging entities	Types of pollutant	Main pollutants	Annual pollutant discharging permission volume	Actual discharging volume in 2024
10	Coal-to-Oil Branch of Future Energy Company			PM: 92.1 tons SO_2: 488.9 tons NO_x: 1,084.2 tons	PM: 34.0 tons SO_2: 247.1 tons NO_x: 711.9 tons
11	Rongxin Chemicals of Ordos Company			PM: 121.8 tons SO_2: 406.1 tons NO_x: 609.1 tons	PM: 8.2 tons SO_2: 106.8 tons NO_x: 334.9 tons
12	Zhuanlongwan Coal Mine			PM: 19.4 tons SO_2: 89.4 tons NO_x: 114.8 tons	PM: 3.4 tons SO_2: 2.9 tons NO_x: 34.4 tons
13	Shilawusu Coal Mine			PM: 32.2 tons SO_2: 98 tons NO_x: 92.1 tons	PM: 4.2 tons SO_2: 44 tons NO_x: 56.3 tons
14	Yingpanhao Coal Mine	Boiler flue gas	PM (particulate matter), SO_2, NO_x	PM: 32.9 tons SO_2: 90.8 tons NO_x: 26.1 tons	PM: 0.8 tons SO_2: 48.7 tons NO_x: 21.8 tons
15	Zhaolou Power Plant			PM: 34.6 tons SO_2: 242.4 tons NO_x: 346.3 tons	PM: 9.4 tons SO_2: 46.2 tons NO_x: 195 tons
16	Jining No.3 Power Generation Plant			PM: 31.9 tons SO_2: 223.3 tons NO_x: 319 tons	PM: 4.2 tons SO_2: 59.2 tons NO_x: 294 tons
17	Hongda Shiye Xinghe Power Plant of Inner Mongolia Mining			PM: 374 tons SO_2: 1,522.1 tons NO_x: 1,522.1 tons	PM: 33.3 tons SO_2: 157.2 tons NO_x: 528.4 tons

No.	Key pollutant discharging entities	Types of pollutant	Main pollutants	Annual pollutant discharging permission volume	Actual discharging volume in 2024
18	Yulin Neng Hua	Boiler flue gas, industrial wastewater, household wastewater	PM (particulate matter), SO_2, NO_x, chemical oxygen demand (COD), ammonia nitrogen	PM: 76.1 tons SO_2: 246.7 tons NO_x: 374.9 tons COD: 85.8 tons ammonia nitrogen: 13.7 tons	PM: 6.1 tons SO_2: 91.2 tons NO_x: 234.7 tons COD: 20.1 tons ammonia nitrogen: 0.66 tons
19	Lunan Chemicals			PM: 95 tons SO_2: 545 tons NO_x: 788 tons COD: 577 tons ammonia nitrogen: 91 tons	PM: 25 tons SO_2: 44.2 tons NO_x: 472.7 tons COD: 490 tons ammonia nitrogen: 11.81 tons
20	Xinjulong Company	Industrial wastewater, household wastewater	Chemical oxygen demand (COD), ammonia nitrogen	COD: 138.89 tons ammonia nitrogen: 13.89 tons	COD: 46.7 tons ammonia nitrogen: 0.48 tons
21	Lilou Coal			COD: 117.6 tons ammonia nitrogen: 5.88 tons	COD: 15.4 tons ammonia nitrogen: 0.24 tons
22	Pengzhuang Coal Mine			COD: 61.88 tons ammonia nitrogen: 2.87 tons	COD: 6.7 tons ammonia nitrogen: 0.58 tons
23	Shanxian Energy			COD: 29.50 tons ammonia nitrogen: 1.4 tons	COD: 2.8 tons ammonia nitrogen: 0.19 tons
24	Tangkou Coal			COD: 26.95 tons ammonia nitrogen: 1.01 tons	COD: 6.8 tons ammonia nitrogen: 0.12 tons
25	Liangbaosi Company			COD: 84.47 tons ammonia nitrogen: 4.02 tons	COD: 18.4 tons ammonia nitrogen: 0.4 tons
26	Guotun Coal Mine			COD: 121.2 tons ammonia nitrogen: 5.9 tons	COD: 23.3 tons ammonia nitrogen: 0.37 tons

No.	Key pollutant discharging entities	Types of pollutant	Main pollutants	Annual pollutant discharging permission volume	Actual discharging volume in 2024
27	Xinjiang Coal Chemicals	Boiler flue gas, industrial wastewater, household wastewater	PM (particulate matter), SO_2, NO_x, chemical oxygen demand (COD), ammonia nitrogen	PM: 313.07 tons SO_2: 427.46 tons NO_x: 222.87 tons COD: 122.26 tons ammonia nitrogen: 20.38 tons	PM: 20.1 tons SO_2: 7.5 tons NO_x: 202 tons COD: 81.8 tons ammonia nitrogen: 6.41 tons
28	Yili No.1 Coal Mine	Boiler flue gas	PM, SO_2, NO_x	PM: 9.77 tons SO_2: 41.39 tons NO_x: 51.05 tons	PM: 4.6 tons SO_2: 28.4 tons NO_x: 23.6 tons

Note: Please refer to the National Discharging Permit Information Management Platform for details on the discharge methods, execution standards, discharge concentration, number and distribution of discharge outlets of major pollutants by key pollutant discharging entities.

2. *Construction and operation of pollution control facilities*

The comprehensive control facilities for the source of pollution of the Group's pollutant discharging entities operate in parallel with the production system to ensure that pollutants are discharged according to relevant standards.

No.	Key pollutant discharging entities	Construction and operation of pollution control facilities
1	Nantun Coal Mine	A mine water treatment station, a household sewage treatment station and a high salt mine water treatment facility have been established, respectively, which are all in normal operation. Closed coal sheds and closed material sheds have been built.
2	Baodian Coal Mine	
3	Dongtan Coal Mine	
4	Jining No.2 Coal Mine	
5	Jining No.3 Coal Mine	
6	Zhaolou Coal Mine	

No.	Key pollutant discharging entities	Construction and operation of pollution control facilities
7	Xinglongzhuang Coal Mine	A mine water treatment station and a household sewage treatment station have been established, respectively, which are all in normal operation. Closed coal sheds and closed material sheds have been built.
8	Yangcun Coal Mine	
9	Jinjitan Coal Mine	A mine water treatment station and a household wastewater treatment station have been built, which are all in normal operation. There are also 2 boilers with the capacity of 65 steam tons per hour each, which are equipped with dedusting, desulfurization and denitration facilities and are in normal operation.
10	Future Energy Coal-to-Oil Branch	An industrial wastewater treatment plant has been built and is in normal operation, which discharges the wastewater after treatment for recycling use after further treatment. There are also 3 coal-powder boilers with the capacity of 480 steam tons per hour each in normal operation, which are all equipped with dedusting, desulfurization and denitration facilities that have completed ultra-low emission retrofit and are in normal operation.
11	Rongxin Chemicals of Ordos Company	Two sewage treatment systems have been built, which are all in normal operation. There are also 3 circulating fluidized bed boilers with the capacity of 220 steam tons per hour each and 2 circulating fluidized bed boilers with the capacity of 380 steam tons per hour each, which are all equipped with dedusting, desulfurization and denitration facilities that have completed ultra-low emission retrofit and are in normal operation.
12	Zhuanlongwan Coal Mine	A mine water treatment station and a household sewage treatment station have been built, which are all in normal operation. There are also 3 boilers with the capacity of 20 steam tons per hour each, which are all equipped with dedusting, desulfurization and denitration facilities and are in normal operation.
13	Shilawusu Coal Mine	A mine water treatment station and a household sewage treatment station have been built, which are all in normal operation. There are also 3 boilers with the capacity of 20 steam tons per hour each, 1 circulating fluidized bed boiler with the capacity of 45 steam tons per hour, which are equipped with dedusting, desulfurization and denitration facilities and are in normal operation.

No.	Key pollutant discharging entities	Construction and operation of pollution control facilities
14	Yingpanhao Coal Mine	A mine water treatment station and a household sewage treatment station have been built, which are all in normal operation. There are also 2 circulating fluidized bed boilers with the capacity of 45 steam tons per hour each, which are all equipped with dedusting, desulfurization and denitration facilities that are in normal operation.
15	Zhaolou Power Plant	There is 1 circulating fluidized bed boiler with the capacity of 1,025 steam tons per hour, which is equipped with dedusting, desulfurization and denitration facilities and has achieved ultra-low emission retrofit and is in normal operation.
16	Jining No.3 Power Plant	There are 2 boilers with total capacity of 440 steam tons per hour each, which are all equipped with dedusting, desulfurization and denitration facilities and have achieved ultra-low emission retrofit and are in normal operation.
17	Hongda Shiye Xinghe Power Plant of Inner Mongolia Mining	There are 2 boilers with total capacity of 2,478 steam tons per hour each, which are all equipped with dedusting, desulfurization and denitration facilities and have achieved ultra-low emission retrofit and are in normal operation.
18	Yulin Neng Hua	Two industrial wastewater treatment stations have been built and is in normal operation. There are also 4 coal-powder boilers with the capacity of 260 steam tons per hour each, which are all equipped with dedusting, desulfurization and denitration facilities, which have completed ultra-low emission retrofit and are in normal operation.
19	Lunan Chemicals	An industrial wastewater treatment plant has been built and is in normal operation. There are also 2 circulating fluidized bed boilers with the capacity of 130 steam tons per hour each, 2 with the capacity of 260 steam tons per hour each and 2 coal-powder boilers with the capacity of 480 steam tons per hour each, which are all equipped with dedusting, desulfurization and denitration facilities and have completed ultra-low emission retrofit and are in normal operation.

No.	Key pollutant discharging entities	Construction and operation of pollution control facilities
20	Xinjulong Company	A mine water treatment station, a household sewage treatment station and a high salt mine water treatment facility have been established, respectively, which are all in normal operation. Closed coal sheds and closed material sheds have been built.
21	Pengzhuang Coal Mine	
22	Guotun Coal Mine	
23	Lilou Coal	
24	Shanxian Energy	
25	Liangbaosi Company	Two mine water treatment stations, two household sewage treatment stations and a high salt mine water treatment facility have been established, respectively, which are all in normal operation. Closed coal sheds and closed material sheds have been built.
26	Tangkou Coal	A mine water treatment station and a household sewage treatment station have been established, which are all in normal operation. Closed coal sheds and closed material sheds have been built.
27	Xinjiang Coal Chemicals	A wastewater treatment station is established and in normal operation. There are three coal-powder boilers with the capacity of 220 steam tons per hour each (two in operation and one as a backup), which are all equipped with dedusting, desulfurization and denitration facilities and have completed ultra-low emission retrofit and are in normal operation. Closed coal sheds have been built.
28	Yili No.1 Coal Mine	A mine water treatment station and two household sewage treatment stations have been established, which are all in normal operation. There are also 2 coal-fired boiler with the capacity of 15 steam tons per hour and 2 boilers with the capacity of 20 steam tons per hour each, which are equipped with dedusting, desulfurization and denitration facilities and are in normal operation.

3. Environmental impact assessment on constructive projects and other administrative licenses for environmental protection

The Group strictly implements the "Environmental Impact Assessment Law" and other relevant laws and regulations. All projects constructed strictly follow the environmental management procedures of construction projects, implement the requirements for environmental impact assessment, and carry out environmental impact assessment before project construction. The Group implements the "Three Simultaneous" system. In accordance with the environmental impact assessment and approval requirements, the pollution control and ecological protection projects are designed, constructed and put into use at the same time as the main project. The Group implements the requirements for environmental protection acceptance of construction projects, and conducts environmental protection acceptance after the trial operation is completed to ensure that the project construction is in accordance with laws and regulations, and the construction approval is consistent.

All key pollutant discharge units of the Group strictly implement the pollutant discharge permit system to ensure that "discharge with a permit and discharge according to a permit" and that the permits are all within the validity period.

4. Emergency plan for emergency environmental incidents

The Group's key pollutant discharging entities have worked out Emergency Plan for Environmental Emergencies on its own or entrusted the same to a qualified entity as required, which has been evaluated by experts and filed at the government's ecological and environmental authorities. At the same time, the Company has strengthened emergency facilities, carried out regular emergency drills, enhanced the prevention & control and emergency response capabilities for environmental pollution incidents, to avoid environmental events to the largest extent.

5. Environmental self-monitoring program

This Group's pollutant discharging entities are all equipped with corresponding online monitoring facilities for water and air pollutants as required. These online monitoring facilities are connected to the government's ecological and environmental authorities regulatory platform, enabling real-time monitoring. Meanwhile, each production unit prepares its own monitoring plan as required, conducts regular self-monitoring, and discloses key pollution source monitoring information to the society. The main methods of monitoring are online monitoring and entrusted monitoring.

(1) On-line monitoring

① Mine water. On-line monitoring of COD in the discharge water from the coal mine is carried out by a third party with monitoring frequency of every 2 hours and monitoring data connected to government monitoring platform in real time.

② Household sewage. On-line monitoring of COD, ammonia nitrogen, TP and TN in the discharge water is carried out by a third party with monitoring frequency of every 2 hours and monitoring data connected to government monitoring platform in real time.

③ Industrial wastewater. On-line monitoring of COD, ammonia nitrogen, TP and TN in the discharge water is carried out by a third party with monitoring frequency of every 2 hours and monitoring data connected to government monitoring platform in real time.

④ Boiler flue gas. On-line monitoring of SO_2, NO_x, PM in the discharge is carried out by a third party once an hour and monitoring data is connected to government monitoring platform in real time.

(2) Entrusted monitoring

① The third-party agency is entrusted to conduct self-monitoring according to the monitoring projects such as water, air pollutants and on-site noise and frequencies specified in the pollution discharge permit, which is detailed monthly, quarterly, or annually.

② The monitoring of radioactive sources has been conducted by a third party yearly.

6. Administrative penalties due to environmental issues during the reporting period

Statistical Table of Administrative Penalties Due to Environmental Issues in 2024

No.	Penalised Entities	Inspection Authorities	Notification Number	Penalty
1	Lunan Chemicals	Zaozhuang City Ecological Environment Bureau	Zao Huan Fa Zi [2024] No. 26	A fine of RMB120,000
2	Lunan Chemicals	Zaozhuang City Ecological Environment Bureau	Zao Huan Fa Zi [2024] No. 35	A fine of RMB200,000
3	Zhaolou Coal Mine	Heze City Ecological Environment Bureau	He Huan Fa Zi [2024] No. LR03191001	A fine of RMB475,000
4	Yulin Neng Hua	Yulin City Ecological Environment Bureau	Shan K Huan Fa [2024] No. 4	A fine of RMB450,000
5	Jinjitan Coal Mine	Yulin City Ecological Environment Bureau	Shan K Huan Fa [2024] No. 146	A fine of RMB150,000
6	Guotun Coal Mine	Heze City Ecological Environment Bureau Yuncheng Branch	He Yun Huan Fa [2024] No. 2408	A fine of RMB117,500 and confiscation of RMB24.52 million in illegal gains
7	Lilou Coal	Heze City Ecological Environment Bureau Yuncheng Branch	He Yun Huan Fa [2024] No. 0403-1	A fine of RMB117,500 and confiscation of RMB6.46 million in illegal gains
8	Pengzhuang Coal Mine	Heze City Ecological Environment Bureau Yuncheng Branch	He Yun Huan Fa Zi [2024 No. 40306001	A fine of RMB110,000 and confiscation of RMB2.69 million in illegal gains

Note: The relevant competent authority imposed fines on Guotun Coal Mine, Lilou Coal, Pengzhuang Coal Mine and confiscated the revenue from their sales of gangue because they failed to establish and maintain the management ledger for the records of the gangue, a kind of industrial solid waste, to strictly comply with the relevant requirements. Currently, the above event has been rectified.

7. *Other environmental information that should be disclosed*

Not applicable.

(II) Environmental Protection Statement for Companies Other than the Key Pollutant Discharging Entities

1. *Administrative penalties due to environmental issues*

Not applicable.

2. *Disclosure of other environmental information with reference to key pollutant discharging entities*

Not applicable.

3. *Reasons for not disclosing other environmental information*

The reason the Company has not disclosed other environmental information is that the impact on the environment is minor, primarily due to the energy and resource consumption and emissions from daily office operations.

The mines affiliated to Yancoal Australia strictly abide by the relevant environmental protection laws and regulations of the country where they are located, construct and operate pollution prevention and control facilities, and actively carry out pollution prevention and control. The discharge of waste gas, wastewater, solid waste and other pollutants all comply with the requirements of pollutant discharging of the host country. For possible environmental accident risks, emergency plans for environmental accidents and other emergencies have been formulated, and a communication and reporting system to the local government and environmental protection regulatory agencies. For the environmental information of Yancoal Australia, please refer to the Environmental, Social and Governance (ESG) Report regularly disclosed by Yancoal Australia.

(III) Relevant Information that is Conducive to Protecting Ecology, Preventing Pollution, and Fulfilling Environmental Responsibilities

The Group continues to improve the capacity of pollution prevention and control facilities. The Group actively promotes the improvement of weak areas in environmental infrastructure and comprehensively improves the construction level of environmental infrastructure. The phase I of transformation project of polyformaldehyde powder conveying system of Lunan Chemicals has been completed and put into operation, which further improves the control in the level of emission of volatile organic compounds which is beneficial for improving the ambient air quality of the plant. The reconstruction and expansion projects of the household sewage treatment systems at Yangcun Coal Mine, Zhuanlongwan Coal Mine, and Yingpanhao Coal Mine are proceeding with the procedures as planned. The treatment and modification project on mine water at Liangbaosi Company has started joint commissioning. The expansion and modification project for the mine water treatment station of Guotun Coal Mine has started trial operation.

The Group continues to improve ecological and environmental protection. The Group actively upholds the concept of "lucid waters and lush mountains are our invaluable assets", deeply implements the requirements of harmless treatment of raw materials, clean production, waste utilisation, and low-carbon energy, and promotes the construction of green mines and green factories. Xinjiang Coal Chemicals was rated as a national green factory in 2023. Yili No.1 Coal Mine was included in the Xinjiang Uygur Autonomous Region Green Mine Directory; Xinjulong Company, Guotun Coal Mine, Pengzhuang Coal Mine and Liangbaosi Company were rated as provincial Green Mines for 2024; Xinglongzhuang Coal Mine was rated as a provincial Waste-free Factory.

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

Whether to take carbon reduction measures	Yes
Reduction of carbon dioxide equivalent emissions (tons)	870,960
Types of carbon reduction measures (such as using clean energy to generate electricity, using carbon reduction technologies in the production process, developing and producing new products that help reduce carbon emissions, etc.)	Clean energy power generation, use of carbon reduction technology in the production process

Specific description

In 2024, the Group continued to implement measures to reduce carbon emissions. First, the Group implemented energy-saving and carbon reduction technology transformation. By implementing energy-saving technology transformation such as the separation of clean and polluted mine water, upgrading high-voltage power supply, and replacing permanent magnet motors, energy saved amounted to 9.84 million kWh per annum. Second, the Group continued to carry out the utilization of surplus heat and surplus pressure. Various mines made full use of water cooling and circulation systems such as air compressors, built air source heat pumps and hot water circulation systems, and collected surplus heat from equipment operation, ventilation air and mine water, in order to cater for the majority of needs from winter heating, summer cooling, and bathing hot water in bathhouses within the mining area, thereby reducing the consumption of fossil fuels. The Group's entities of chemicals utilised low-quality surplus heat and crude methanol liquid energy of differential voltages to reduce electricity consumption of approximately 12.71 million kWh annually. Third, the Group strengthened the upgrade of low energy-efficiency equipment. The Group implemented projects such as upgrading and transformation of substation equipment and low energy-efficiency machinery, installation of reactive power compensation devices, enhancement and upgrade of pump equipment, in order to minimize reactive power losses and elevate operational efficiency of the equipment. Fourth, the Group carried out the improvement of process and technology. The Group implemented the optimization and technological advancement of the steam system in chemical facilities, refined the operation processes and systems, decommissioned redundant equipment, addressed equipment deficiencies, procured the efficiency enhancement of the processes and systems, and reduced both steam consumption in the chemical and power entities, as well as lowering the electricity consumption rate in plants. As a result, the energy consumption for products in entities such as methanol and urea diminished. Fifth, the Group promoted the construction of new energy projects and the utilization of green energy. The Company has built eight distributed PV power stations and one centralized PV power station, with a total installed capacity of 124.1 MWp and annual power generation of 175.48 million kWh. The chemicals companies entered into a power purchase agreement with a power sales company, with 30% of the consumed electricity being green power, representing a significant increase in green power utilization compared with the previous year. Sixth, the Group strengthened the all-round utilization of gas. Most of the coal mines operated by the Company are low-gas coal mines, and there are fewer emissions of fugitive methane resulting from mining activities in coal mines. Tianchi Energy collected gas for power generation, thereby reducing carbon emissions by 217,980 tons. Seventh, the Group commenced the establishment of a carbon management system. The Group organized power and chemical production entities to institute carbon emission management protocols, while standardizing the verification of carbon data and performance efforts, and conducting carbon footprint evaluations as appropriate. In 2024, all performance obligations were fulfilled as scheduled. Among these, Zhaolou Power Plant has become one of the first entities in Shandong Province to receive certification for its carbon management system for thermal power enterprises.

II. OVERVIEW OF SOCIAL RESPONSIBILITY WORK

(I) Whether to disclose social responsibility report, sustainable development report or ESG report separately

The Company publishes a separate Environmental, Social and Governance ("ESG") report.

(II) Specific situation of social responsibility

External donation and public welfare projects	Amount/content
Total Input (RMB 0'000)	5,800.18
Of which: Funds (RMB 0'000)	5,800.18
Materials input (RMB 0'000)	–
Number of beneficiaries (persons)	–

Specific description

In 2024, the Company actively performed its social responsibility such as external donations and public welfare support. For details, please refer to the "2024 Environmental, Social and Governance Report" dated 28 March 2025.

III. SPECIFIC INFORMATION ON CONSOLIDATING THE RESULTS OF POVERTY ALLEVIATION AND IMPLEMENTING RURAL REVITALIZATION

Poverty relief and rural revitalization projects	Amount/content
Total Input (RMB 0'000)	1,047.8
Of which: Funds (RMB 0'000)	1,047.8
Materials input (RMB 0'000)	–
Number of beneficiaries (persons)	4,818
Ways of offering poverty relief (e.g. support industrial development, employment, education and others)	Organizational revitalization, industrial revitalization, cultural revitalization and ecological revitalization

Specific description

In 2024, the Company made active efforts to boost poverty alleviation and rural revitalization. For details, please refer to the "2024 Environmental, Social and Governance Report" dated 28 March 2025.

I. PERFORMANCE OF UNDERTAKINGS

(The data below in this section are calculated in accordance with the CASs)

(I) Undertakings of the actual controller of the Company, the shareholders, the related parties, the buyer, the Company and other related parties during the reporting period or extended to the reporting period

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The Period of Commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
Undertakings Related to IPO	Resolve horizontal competition	Shandong Energy	Avoidance of horizontal competition. Shandong Energy and the Company entered into the Restructuring Agreement when the Company was carrying out the restructure in 1997, pursuant to which, Shandong Energy Group undertook that it would take various effective measures to avoid horizontal competition with the Company.	1997	No	Long-term effective	Yes	Under normal performance	None
Other undertakings	Other	Shandong Energy	Shandong Energy made undertakings in relation to finance business with Shandong Energy Finance Company as followings. 1. In view of the independence of Yankuang Energy in assets, business, personnel, finance and other aspects from Shandong Energy, Shandong Energy will continue to maintain the independence of Yankuang Energy and fully respect its autonomy in management; Yankuang Energy and its subsidiary Shandong Energy Finance Company will decide on the financial business between Shandong Energy Finance Company and Shandong Energy on its own based on the requirements of business development in compliance with relevant supervisory regulations and the rules of procedures for decision-making as stipulated in the Articles and the Articles of Shandong Energy Group Finance Co., Ltd;	26 August 2022	No	Long-term effective	Yes	Under normal performance	None

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The Period of Commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
			2. To ensure the safety of the Company's fund managed by Shandong Energy Finance Company, Shandong Energy and its controlled companies undertook to carry out financial business with Shandong Energy Finance Company in accordance with laws and regulations, and will not appropriate the Company's fund through Shandong Energy Finance Company in any other forms.						
			3. In case Shandong Energy and its controlled companies misappropriated any capital fund of Yankuang Energy through Shandong Energy Finance Company or in any other form and caused any loss, Shandong Energy and its controlled companies will make full amount compensation in cash.						
			4. Shandong Energy undertook to strictly abide by the relevant rules and regulations of CSRC, Shanghai Stock Exchange and the Articles, exercise the shareholder's rights and perform the shareholder's obligations as equally as other shareholders, and neither seek unfair interest by use of the position as the controlling shareholder, nor impair the legal interests of Yankuang Energy and other public shareholders.						

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The Period of Commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
	Others	Xinwen Mining Group Co., Ltd., Longkou Mining Group Co., Ltd., Zibo Mining Group Co., Ltd., Feicheng Mining Coal Industry Co., Ltd., Linyi Mining Group Co., Ltd. (hereinafter collectively referred to as the "Transferor")	The Transferor has made the following commitments to Yankuang Energy in connection with Yankuang Energy's (the "Transferee") acquisition of 51% equity of Luxi Mining: 1. If the relevant government authorities take disposal measures such as limiting production, stopping production, closing down and retreating from coal mines of subsidiaries of Luxi Mining Group in accordance with Ludongneng [2021] No. 3, Luzhengzi [2021] No. 143 or relevant implementing regulations after the settlement day of this transaction, the transferor undertakes: (1) The transferor shall give corresponding compensation to the transferee; (2) If the transferor and the transferee fail to reach a consensus on the aforesaid specific compensation amount, the transferee may notify the transferor in writing to terminate the Equity Transfer Agreement, and the transferor shall return the equity transfer price paid.	28 April 2023	No	Long-term effective	Yes	Under normal performance	None

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The Period of Commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
			2. In addition to the mining rights whose proceeds of the transfer have been deducted, for the four mining rights namely Guotun Coal mine, Pengzhuang Coal mine, Liangbaosi Coal mine and Chenmanzhuang Coal mine that have been disposed by cash, national capital and other means of compensation, if the mining rights transfer proceeds are levied by the relevant competent authorities on the resource reserves within the scope of the relevant mining rights evaluation in this transaction and the above-mentioned transfer proceeds are not reflected in the audit report of this transaction after the settlement day of this transaction, then: (1) The transferor shall compensate the transferee in cash according to the amount of transfer proceeds levied on these subsidiaries (the amount of compensation shall be the amount of transfer proceeds levied ×51%× the proportion of equity held by Luxi Mining in these subsidiaries); (2) The transferor shall make cash compensation to the transferee for the remaining part of the corresponding resource reserves in this transaction that has not been calculated and collected according to the rate of return on the transfer of mining rights at the time of the sale of mineral products (if applicable); (3) The amount of compensation to the transferee shall be limited to the amount contained in the mining rights evaluation report quoted in the evaluation report based on the Equity Transfer Agreement ×51%× the proportion of equity held by Luxi Mining in such subsidiaries.						

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The Period of Commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
	Others	Xinwen Mining Group Co., Ltd., Shandong Energy (hereinafter collectively referred to as the "Transferor")	The Transferor has made the following commitments to Yankuang Energy in connection with Yankuang Energy's (the "Transferee") acquisition of 51% equity of Xinjiang Neng Hua: 1. As of 28 April 2023, the valid period of exploration rights held by Xinjiang Neng Hua in Huangcaohu 1-11 exploration area, Qitai County, Zhundong Coal Field, Xinjiang, has expired. The transferor undertakes to actively urge and assist Xinjiang Neng Hua to complete the registration procedures for the change of exploration rights as soon as possible. If Xinjiang Neng Hua is subject to losses due to its inability to complete the registration procedures for the change of exploration rights on time after the settlement day of this transaction, the transferor shall compensate the transferee at that time.	28 April 2023	No	Long-term effective	Yes	With regard to the commitment of the exploration right renewal of Huangcaohu, Xinjiang Neng Hua has completed the renewal in May 2023 and made the commitment that other parts will be fulfilled normally.	None

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The Period of Commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
			2. In addition to the mining rights whose proceeds of the transfer has been deducted, for the two mining rights namely Baosheng Coal mine and Hongshanwa Coal mine that are disposed in a compensated way, after the delivery date of this transaction, if the mining rights transfer proceeds are levied by the relevant competent authorities on the resource reserves within the scope of the relevant mining rights evaluation in this transaction and the above-mentioned transfer proceeds are not reflected in the audit report of this transaction after the settlement day of this transaction, then: (1) The transferor shall make cash compensation to the transferee within 30 days after the payment obligations are specified according to the amount of transfer proceeds levied on these subsidiaries (the amount of compensation shall be the amount of transfer proceeds levied ×51%× the proportion of equity held by Xinjiang Neng Hua in its subsidiaries); (2) The transferor shall make cash compensation to the transferee for the remaining part of the corresponding resource reserves in this transaction that has not been calculated and collected according to the rate of return on the transfer of mining rights at the time of the sale of mineral products (if applicable); (3) The amount of compensation to the transferee shall be limited to the amount contained in the mining rights evaluation report quoted in the evaluation report based on the Equity Transfer Agreement ×51%× the proportion of equity held by Xinjiang Neng Hua in its subsidiaries.						

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The Period of Commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
	Others	Xinwen Mining Group Co., Ltd., Longkou Mining Group Co., Ltd., Zibo Mining Group Co., Ltd., Feicheng Mining Coal Industry Co., Ltd., Linyi Mining Group Co., Ltd. (hereinafter collectively referred to as the "Transferor")	The Transferor makes the following commitments regarding the operating performance of Luxi Mining (the "Target Company") for 2023-2025: 1. For the years 2023, 2024 and 2025 (the "Commitment Period"), the Target Company's audited net profit attributable to the shareholders of the parent company after deducting non-recurring gains and losses (the "Net profit") during the commitment period shall not be less than RMB11.4248014 billion (the "cumulative committed net profit during the Commitment Period") according to Chinese accounting standards. 2. If the Target Company fails to achieve the cumulative net profit during the commitment period, the transferor will compensate Yankuang Energy in cash. The specific compensation amount shall be calculated as follows: the performance compensation amount for the commitment period = (cumulative committed net profit for the commitment period – cumulative realized net profit for the commitment period) ÷ cumulative committed net profit for the commitment period × the price of the underlying equity transaction – other compensated amount.	28 April 2023	Yes	2023-2025	Yes	Under normal performance	None

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The Period of Commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
	Others	Xinwen Mining Group Co., Ltd., Shandong Energy (hereinafter collectively referred to as the "Transferor")	The Transferor makes the following commitments regarding the operating performance of Xinjiang Neng Hua (the "Target Company") for 2023-2025: 1. For the years 2023, 2024 and 2025 (the "Commitment Period"), the Target Company's audited net profit attributable to the shareholders of the parent company after deducting non-recurring gains and losses (the "Net profit") during the commitment period shall be no less than RMB4.0134561 billion (the "cumulative committed net profit during the Commitment Period") according to Chinese accounting standards. 2. If the Target Company fails to achieve the cumulative net profit during the commitment period, the transferor will compensate Yankuang Energy in cash, and the specific compensation amount shall be calculated as follows: Performance compensation amount for the commitment period = (cumulative committed net profit for the commitment period – cumulative realized net profit for the commitment period) ÷ cumulative committed net profit for the commitment period × the price of the underlying equity transaction – other compensated amount.	28 April 2023	Yes	2023-2025	Yes	Under normal performance	None

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The Period of Commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
	Others	Fujian Dongju Technology Co., Ltd., Fujian Dongpu Investment Center (Limited Partnership), Fujian Dongzhen Investment Center (Limited Partnership), Fujian Dongxi Investment Center (Limited Partnership), Fujian Dongbo Investment Center (Limited Partnership), Fujian Dongwo Investment Center (Limited Partnership), Fujian Dongchuang Investment Center (Limited Partnership), Fujian Dongtan Investment Center (Limited Partnership)	The Undertakers make the following undertakings regarding the operating performance of Wubo Technology (the "Target Company") for 2024-2028: 1. The audited net profit attributable to the shareholders of the parent company, excluding non-recurring gains and losses ("Net Profit"), of the Target Company for 2024-2028 shall not be less than RMB 98.7537 million, RMB 109.3141 million, RMB 115.8510 million, RMB 126.8099 million, and RMB 139.0910 million, respectively. 2. If the Target Company fails to achieve the above committed performance by the end of any assessment year, the transferor will compensate Yankuang Energy in cash, and the specific compensation amount shall be calculated as follows: Performance compensation amount for the commitment period = (cumulative committed net profit by the end of the period – cumulative actual net profit by the end of the period) ÷ total committed net profit for each year within the profit commitment period × the cash capital increase amount of this transaction – cumulative compensated amount.	31 May 2024	Yes	2024-2028	Yes	Under normal performance	None

Background	Type	Undertaker	Undertakings	Date and Term of Undertakings	With Performance Deadline or Not	The Period of Commitment	Perform Timely and Strictly or Not	Reasons for Failure of Performance Timely	Measures in Case of Failure of Performance Timely
		Fujian Dongsha Investment Center (Limited Partnership), Fujian Dongda Investment Center (Limited Partnership), Jingdian (Fujian) International Trade Co., Ltd., Fujian Dongtou Investment Center (Limited Partnership), Dongming Industry Group Co., Ltd. (hereinafter collectively referred to as the "Undertakers")							

Notes:

① Regarding the commitments made by the transferor in connection with the Company's acquisition of 51% equity of Luxi Mining and 51% equity of Xinjiang Neng Hua, please refer to the Company's related/connected transaction announcement dated 28 April 2023 for details.

② Regarding the commitments made by the Undertakers in connection with the acquisition of Wubo Technology, please refer to the Company's announcement on the acquisition of Wubo Technology Co., Ltd. dated 31 May 2024 for details.

(II) Explanation on whether the company achieves the original profit forecast for assets and projects and its reasons if there is profit forecast for assets and projects and the report period is still in the period of profit forecast.

Not applicable.

(III) Overview of fulfillment of performance commitment and its impact on the goodwill impairment testing.

The undertaking parties of Wubo Technology have committed, in respect of the 2024 operating results, that the audited net profit attributable to the shareholders of the parent company of IPS in 2024 after non-recurring profit or loss (the "Net Profit") will be no less than RMB98,753,700.

In 2024, according to the Special Audit Report on the Committed Achievements of the Results of Wubo Technology Co., Ltd. For 2024 (Tianzhi Ye Zi [2024] No. 58045) issued by Baker Tilly China Certified Public Accountants LLP, Wubo Technology achieved the Net Profit of RMB153,971,100, which outperformed by RMB55,217,400, or a results completion rate of 155.91%, when compared with the results commitment of RMB98,753,700 for 2024.

II. NON-OPERATING CAPITAL MISAPPROPRIATED BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

Not Applicable.

III. VIOLATION OF GUARANTEES

Not Applicable.

IV. EXPLANATION OF THE BOARD ON THE "NON-STANDARD AUDIT OPINION REPORT" OF THE ACCOUNTING FIRM

Not applicable.

V. THE COMPANY'S ANALYSIS AND EXPLANATION ON THE REASONS AND EFFECTS OF CHANGES OF ACCOUNTING POLICES AND ACCOUNTING ESTIMATES OR SIGNIFICANT ACCOUNTING ERROR CORRECTION

(I) The Company's Analysis And Explanation On The Reasons And Impact Of The Changes Of Accounting Polices And Accounting Estimates

(Made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

On 28 March 2025, the Board of the Company considered and approved the following change relating to accounting policy of the Company (the "**Change**").

1. Overview of the Change

(1). Reason for the Change

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange. For business combinations under common control, the consolidated financial statements prepared in accordance with the "Accounting Standards for Business Enterprises" (the "**Chinese Accounting Standards**") issued by the Ministry of Finance of the People's Republic of China require the Company to adopt the equity method for accounting treatment. However, the consolidated financial statements prepared in accordance with the IFRS Accounting Standards allow the Company to adopt the acquisition method or the equity method for accounting treatment. Prior to the implementation of the Change, the Company adopted the acquisition method under IFRS Accounting Standards, which was inconsistent with the equity method under Chinese Accounting Standards.

There are significant differences between the equity method and the acquisition method. The equity method measures at original book value, while the acquisition method measures at the fair value of identifiable net assets. When there is a significant difference between the book value and the fair value of identifiable net assets, the application of these two accounting policies resulting in a substantial difference in assets, liabilities, and profit or loss for current period.

The impact of the Change on the consolidated financial reports of prior years will be adjusted retrospectively, in order to align with requirements of IFRS Accounting Standards. This will reduce the differences in financial reporting under the two accounting standards, enhancing the transparency, consistency and comparability of the financial statements.

Upon reviewing the Company's accounting policy, the Board believes that the Change will (1) avoid the continuous occurrence of significant differences between the financial statements prepared under Chinese Accounting Standards and those prepared under IFRS Accounting Standards due to differences in standards, facilitating accurate understanding of the Company's operating conditions by investors in both markets; (2) under IFRS Accounting Standards, the appreciation of assets resulting from business combinations under common control does not require to be amortized and included in profit or loss, which more accurately reflects the Company's operating results; and (3) for business combinations under common control, the consistency between Chinese Accounting Standards and IFRS Accounting Standards can reduce the related administrative costs of the Company. Additionally, there is no need to conduct impairment tests on goodwill resulting from business combinations under common control under IFRS Accounting Standards, which can reduce related valuation expenses.

(2). Date of the Change

The Company will apply the Change starting from the 2024 annual report, and will retrospectively adjust its past consolidated financial statements for business combinations under common control, transitioning from the acquisition method to the equity method.

(3). Accounting Policy Adopted Prior to the Change

Prior to the implementation of the Change, the Company accounted for business combinations under common control using the acquisition method in accordance with IFRS 3.

(4). Accounting Policy Adopted After the Change

After implementing the Change, the Company will account for business combinations under common control using the equity method.

2. Impact of the Change

The Change will only result in adjustments to the financial reports under IFRS Accounting Standards and will not have a substantial impact on the financial condition or operating results of the Company. As of the end of 2023, the Change will affect the assets, liabilities, and profit or loss for current period in the financial statements of the Company prepared under IFRS Accounting Standards. The main financial statement items affected are as follows:

1. As at 31 December 2023, total assets will decrease by approximately RMB62.144 billion, including a decrease in intangible assets by approximately RMB53.796 billion and a decrease in goodwill by approximately RMB3.742 billion. The main reason for the change is the reversal of the appreciation of mining rights and goodwill recognized in previous business combinations under common control;

2. As at 31 December 2023, total liabilities will decrease by RMB12.630 billion, including a decrease in deferred tax liabilities by RMB12.630 billion. The main reason for the change is the reversal of deferred tax liabilities corresponding to the appreciation of intangible assets in previous business combinations under common control;

3. As at 31 December 2023, shareholders' equity will decrease by RMB49.513 billion. The main reason for the change is the difference between the appreciation of assets in previous business combinations under common control and the corresponding deferred tax liabilities; and

4. For the year ended 31 December 2023, the total profit attributable to the shareholders of the Company will increase by approximately RMB1.439 billion. The main reason for the change is the consolidation of the profits of Shandong Energy Group Luxi Mining Co., Ltd.* (山東能源集團魯西礦業有限公司) and Yankuang Xinjiang Energy & Chemical Co., Ltd.* (兗礦新疆能化有限公司) prior to the completion of the transactions in 2023 and the reduction in amortization due to the reversal of the appreciation of intangible assets.

Also, under IFRS Accounting Standards, the appreciation of assets resulting from business combinations under common control does not require to be amortized and included in profit or loss, which will increase the profit in the consolidated financial statements prepared under IFRS Accounting Standards in subsequent years, thereby more accurately reflecting the Company's operating results.

3. Opinion of the Audit Committee

The audit committee of the Board of the Company has reviewed and approved the Change, and believes that the Change will not have a substantial impact on the financial condition or operating results of the Company.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in shares.

(II) The Company's Analysis And Explanation On The Reasons And Impact Of Significant Accounting Error Correction

Not applicable.

(III) Communication With The Former Accounting Firm

Not applicable

(IV) Approval Process and Other Explanations

Not applicable.

VI. DETAILS ON EMPLOYMENT AND DISMISSAL OF ACCOUNTING FIRMS

Unit: RMB 0'000

	Original firms	Appointed firms at present
Name of the domestic accounting firm	ShineWing Certified Public Accountants (Special General Partnership)	Baker Tilly China Certified Public Accountants LLP
Remuneration for the domestic accounting firm	980 (including remuneration for internal control)	840 (including remuneration for internal control)
Auditing experience of the domestic accounting firm	From June 2008 to June 2024	From June 2024 to present
Name of certified public accountants of the domestic accounting firm	/	Fu Zhicheng, Zhou Chunyang, Mao Jianqiang
Number of accumulative years of audit service by certified public accountants of the domestic accounting firms	/	One year, one year, one year
Name of the overseas accounting firm	SHINEWING (HK) CPA Limited	Baker Tilly Hong Kong Limited
Remuneration for the overseas accounting firm	200	–
Auditing experience of the overseas accounting firm	From June 2017 to June 2024	From June 2024 to present

	Name	Remuneration
Internal control audit accounting firm	Baker Tilly China Certified Public Accountants LLP	220

Explanation on engagement and dismissal of accounting firms

As considered and approved at the 2023 Annual General Meeting of Shareholders held on 21 June 2024, Baker Tilly China Certified Public Accountants LLP and Baker Tilly Hong Kong Limited were appointed as accountants for A Share and H Share for the year 2024, who are responsible for auditing, reviewing and internal control audit evaluation of the Company's financial statements. The term of responsibility begins on the date of the conclusion of the 2023 Annual General Meeting of Shareholders and ends on the date of the conclusion of the next Annual General Meeting of Shareholders.

Save as disclosed above, the Company has not changed its accounting firm in the past three years.

The Company payed RMB8.40 million for audit services of domestic and overseas business in 2024. The Company bears board and lodging costs induced by the accountants during their on-site auditing in the Company, and does not bear travel and other expenses. The Board was authorized to decide to pay for additional services such as follow-up audit and internal control audit evaluation due to the addition of new subsidiaries or changes in supervisory and regulatory rules.

The Board of the Company believes that, except for the audit service fees for business, other service fees paid by the Company to accountants will not affect the independent audit opinions of accountants.

Under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time), the accountant Baker Tilly Hong Kong Limited for the year 2024 appointed by the Company is a registered public interest entity auditor.

Explanation on changing the engagement of an accounting firm during the audit period

Not applicable.

Explanation on the reduction of audit fees by more than 20% (including 20%) compared with that of the corresponding period of last year

As considered and approved at the 2022 Annual General Meeting of Shareholders held on 30 June 2023, ShineWing Certified Public Accountants LLP and ShineWing (HK) Certified Public Accountants Limited were appointed as accountants for A Share and H Share for the year 2023, respectively. The audit service fees for domestic and overseas business in 2023 amounted to RMB9.9 million. The Board of Directors was also authorized to decide and pay for additional service fees such as follow-up audits and internal control reviews which were due to the addition of new subsidiaries or changes in regulatory requirements.

Due to changes in the audit scope for 2023, the sixth meeting of the ninth session of the Board of Directors approved an increase in audit service fees by RMB1.9 million, adjusting the total audit service fees for domestic and overseas business in 2023 to RMB11.8 million.

According to the Administrative Measures for State-owned Enterprises and Listed Companies to Appoint Accounting Firms, the continuous engagement of the same accounting firm should not exceed 8 years in principle. Therefore, the Company will not appoint the above two accounting firms for 2024.

As considered and approved at the 2023 Annual General Meeting of Shareholders held on 21 June 2024, Baker Tilly China Certified Public Accountants LLP and Baker Tilly Hong Kong Limited, confirmed through public tender, were appointed as accountants for A Share and H Share for the year 2024. The audit service fees for 2024 amounted to RMB8.4 million.

In summary, the audit service fees for 2024 of RMB8.4 million represent a 15% decrease compared to the initially approved audit service fees of RMB9.9 million for 2023, and a 29% decrease compared to the adjusted audit service fees of RMB11.8 million for 2023.

VII. EXPLANATION ON DELISTING RISKS

(I) Reasons For Delisting Risk Warning

Not applicable.

(II) Countermeasures to Be Taken by the Company

Not applicable.

(III) Overview and Reasons for Termination of Listing

Not applicable.

VIII. MATTERS RELATED TO BANKRUPTCY REORGANIZATION

Not applicable.

IX. SIGNIFICANT LITIGATION AND ARBITRATION EVENTS

✓ The Company involved significant litigation and arbitration events during the year

(I) Litigation And Arbitration Events Disclosed In The Extraordinary Announcements And With No Subsequent Progress

Not applicable.

(II) Litigation And Arbitration Not Disclosed In Extraordinary Announcements Or With Subsequent Progress

Unit: RMB 0'000

During the reporting period:

Plaintiff (applicant)	Defendant (respondent)	Joint and several liable party	Type	Background	Amount involved	Estimated liabilities and amount	Progress	Judgment and impact	Judgment execution
Ordos Jinchengtai Chemical Co., Ltd. ("Jinchengtai")	Yankuang Energy	No	Arbitration	On 5 July 2022, Jin Chengtai filed an arbitration application with China International Economic and Trade Arbitration Commission ("CIETAC") for the dispute over the equity transfer contract, requiring Yankuang Energy to pay Jin Chengtai the equity transfer consideration and overdue fine of RMB1.0159015 billion. On the grounds that Jin Chengtai should bear the proceeds from the transfer of mining rights, the Company required Jin Chengtai to return the coal mine equity transfer fee of RMB615.1528 million. On 14 March 2024, the Company received the China Trade Arbitration's ruling, which ruled that Jin Chengtai returned the coal mine equity transfer fee of RMB115.2112 million to the Company.	101,590.15	No	Closed	The case is now closed, and Jin Chengtai should pay RMB115.2112 million to the Company.	-
Qingdao Zhongyan Trading Co., Ltd ("Qingdao Zhongyan")	Dalian Container Terminal Logistics Co., Ltd. ("Dalian Terminal")	No	Litigation	In April 2021, Qingdao Zhongyan, a wholly-owned subsidiary of Yankuang Energy, sued Dalian Terminal to the Dalian Maritime Court on the grounds of a warehousing contract dispute, demanding compensation of RMB169.2464 million for cargo losses. In June 2023, Qingdao Zhongyan received the judgment of first instance. Dalian Terminal submitted an appeal application to the Liaoning Provincial High People's Court. In December 2024, Qingdao Zhongyan received the second-instance judgment from the Liaoning Provincial Higher People's Court, which rejected the appeal request of Dalian Terminal and upheld the original judgment.	16,924.64	No	Closed	The case has now been concluded, with Dalian Terminal compensating Qingdao Zhongyan for cargo losses amounting to RMB169.2464 million and paying interest based on this amount. Additionally, Dalian Terminal is responsible for the litigation preservation liability insurance costs, case acceptance fees, and preservation fees.	-

Plaintiff (applicant)	Defendant (respondent)	Joint and several liable party	Type	Background	Amount involved	Estimated liabilities and amount	Progress	Judgment and impact	Judgment execution
Duanxin Supply Chain (Shenzhen) Co., Ltd. ("Duanxin Supply Chain ")	Shagang (Beijing) International Investment Co., Ltd. ("Shagang Beijing")	Jiangsu Shagang Group Co., Ltd. ("Shagang Group")	Litigation	In April 2021, Duanxin Supply Chain, a wholly-owned subsidiary of Yankuang Energy, sued Shagang Beijing to the Shenzhen Intermediate People's Court on the grounds of a coal sale contract dispute, requesting it to return the principal of RMB121.6057 million and corresponding penalty for overdue payment. Li Lei and Shagang Group shall be jointly liable for the aforesaid payments. During the trial of first instance, Duanxin Supply Chain changed its litigation petition and requested Shagang Group to severally bear the joint liabilities. In March 2023, the Company received the first instance judgment and won the case. Shagang Beijing appealed to the Guangdong Provincial High People's Court. In March 2025, Duanxin Supply Chain received the judgement of the second instance, in which Shagang Beijing shall assume the responsibility for debt settlement and other litigation petitions of Duanxin Supply Chain were dismissed.	12,160.57	No	Closed	As of the end of the reporting period, the Company has made impairment provision for the full amount involved in this case, and this lawsuit will not adversely affect the Company's profit after the period.	–

Plaintiff (applicant)	Defendant (respondent)	Joint and several liable party	Type	Background	Amount involved	Estimated liabilities and amount	Progress	Judgment and impact	Judgment execution
Duanxin Supply Chain	Shenzhen McKelley Technology Co., Ltd. ("McKelley Company")	Li Guanwei, Dai Lixiang, etc	Litigation	In February 2023, Duanxin Supply Chain sued McKelley Company and related guarantors to the Shenzhen Intermediate Court on the grounds of debt disputes, requiring them to pay off debts due, interest and liquidated damages totaling RMB396.1885 million. In June 2024, the Shenzhen Intermediate People's Court ruled that McKelley Company was bankrupt and liquidated. In August 2024, Duanxin Supply Chain declared claims of RMB509.8821 million to the insolvency administrator of McKelley Company. In December 2024, Duanxin Supply Chain received the first-instance judgment, with the Shenzhen Intermediate People's Court ruling in favor of Duanxin Supply Chain's litigation request. The defendant, McKelley Company, has submitted an appeal to the Guangdong Provincial High People's Court. As of the date of disclosure of this report, the Shenzhen Intermediate Court has not issued a ruling.	39,618.85	No	In the second instance	As of the end of the reporting period, the Company has made impairment provision for the full amount involved in this case, and this lawsuit will not adversely affect the Company's profit after the period.	–

Plaintiff (applicant)	Defendant (respondent)	Joint and several liable party	Type	Background	Amount involved	Estimated liabilities and amount	Progress	Judgment and impact	Judgment execution
Duanxin Supply Chain	Suning Shopping Group Co., Ltd. ("Suning Shopping")	None	Litigation	In February 2023, Duanxin Supply Chain sued Suning Shopping to Nanjing Intermediate People's Court on the grounds of disputes over sales contracts, requiring it to pay the loan, interest and liquidated damages totaling RMB670.90 million. In January 2025, Duanxin Supply Chain received a ruling from the Nanjing Intermediate People's Court, which dismissed the lawsuit on the grounds of suspected economic crimes and transferred the case to the public security authorities.	67,090.00	No	The case was transferred to criminal investigation, and the litigation process was concluded.	As of the end of the reporting period, the Company has made impairment provision for the full amount involved in this case, and this lawsuit will not adversely affect the Company's profit after the period.	–
Inner Mongolia Jinkong Financial Leasing Co., Ltd. ("Inner Mongolia Jinkong")	Zhongrong Sheng International Financial Leasing (Tianjin) Co., Ltd. ("Zhongrong Sheng"), Han Yanjie, Tianjin Kaitai Shengshi Asset Management Co., Ltd	Datang International Development Group Limited ("Datang International")	Litigation	In November 2023, Inner Mongolia Jinkong filed a lawsuit with the Hohhot Intermediate People's Court on the ground that Zhongrong Sheng and other defendants violated the factoring and financial lease contract, requiring Zhongrong Sheng and other defendants to pay the principal of the factoring and financial lease payment of RMB246.0928 million, the corresponding interest and liquidated damages, and requiring Datang International to bear joint and several liabilities. As of the date of disclosure of this report, the Hohhot Interm has not issued a ruling.	24,609.28	No	In the first instance	This case is currently under retrial of the first instance, and the Company is unable to accurately estimate the impact of the arbitration on the profit after the period.	–
Yankuang Energy	Inner Mongolia Jiutai New Material Technology Co., Ltd. ("Jiutai Company")	Shandong Jiutai Chemical Industrial Technology Company Limited, Ordos Manlai Company Limited	Arbitration	In August 2024, the Company filed an arbitration application with the CIETAC, requiring Jiutai Company to refund the equity transfer fee, liquidated damages, advance payment, etc., totaling approximately RMB1.438 billion, and bear the arbitration fee, security fee, insurance fee, attorney's fee and other creditor's rights expenses for the realization of the case, requiring the three respondents to bear jointly liability. As of the date of disclosure of this report, the CIETAC has not issued a ruling.	143,816.02	No	In arbitration	This case is currently under arbitration proceedings, and the Company is unable to accurately estimate the impact of the arbitration on the profit after the period.	–

Plaintiff (applicant)	Defendant (respondent)	Joint and several liable party	Type	Background	Amount involved	Estimated liabilities and amount	Progress	Judgment and impact	Judgment execution
Haosheng Company	Xibu New Era Investment Joint-stock Company ("Xibu New Era")	No	Arbitration	In December 2024, Haosheng Company submitted an arbitration application to the Jinan Arbitration Commission, requesting that Xibu New Era fulfill its capital increase obligations according to the "Capital Increase Agreement" and bear the corresponding breach of contract liabilities, totaling approximately RMB1.209 billion. As of the disclosure date of this report, the Jinan Arbitration Commission has not issued a ruling.	120,866.6	No	In arbitration	This case is currently under arbitration proceedings, and the Company is unable to accurately estimate the impact of the arbitration on the profit after the period.	–
Haosheng Company	China Jingu International Trust Co., Ltd. ("Jingu Trust")	No	Litigation	In January 2025, Haosheng Company filed a lawsuit with the Ordos Intermediate People's Court, requesting that Jingu Trust assume the capital increase obligations and pay the breach of contract penalties corresponding to the equity in Haosheng Company acquired from Xibu New Era, totaling approximately RMB1.209 billion. As of the disclosure date of this report, the Ordos Intermediate People's Court has not issued a ruling.	120,866.6	No	In the first instance	This case is currently under trial of the first instance, and the Company is unable to accurately estimate the impact of the arbitration on the profit after the period.	–
Inner Mongolia Mining	Ordos Cultural Industry Park Cultural Education Co., Ltd., Bainianshuren (Group)Co., Ltd.	No	Arbitration	In October 2024, Inner Mongolia Mining applied for arbitration with the Hohhot Arbitration Commission based on the signed "Capital Increase Agreement of Ordos Cultural Industry Park Cultural Education Co., Ltd." The Company requested that Ordos Cultural Industry Park Cultural Education Co., Ltd. and Bainianshuren (Group)Co., Ltd. Shall perform their repurchase obligations and pay the equity transfer amount, capital occupation fee, and liquidated damages, totaling RMB342.9219 million. As of the disclosure date of this report, the Hohhot Arbitration Commission has not issued a ruling.	34,292.19	No	In arbitration	This case is currently under arbitration proceedings, and the Company is unable to accurately estimate the impact of the arbitration on the profit after the period.	–

(III) Other Explanation

Not applicable.

X. PUNISHMENT ON THE LISTED COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS, AND ACTUAL CONTROLLERS FOR VIOLATION OF LAWS AND REGULATIONS AND THEIR RECTIFICATION.

Not applicable.

XI. THE EXPLANATION ON THE CREDIT CONDITIONS OF THE COMPANY, THE CONTROLLING SHAREHOLDERS, AND ACTUAL CONTROLLERS DURING THE REPORTING PERIOD.

Not applicable.

During the reporting period, the Company, its Controlling Shareholder and the actual controllers do not have any dishonest behaviors, such as failure to perform the effective judgement of the court and the large amount of debt due but unliquidated.

XII. MAJOR CONNECTED/RELATED TRANSACTIONS

(The data below in this section are calculated in accordance with the CASs)

(I) Connected/Related Transactions Performance in relation to Daily Operation

Under the SSE rules, the Group's connected/related transactions were mainly continuing connected/related transactions entered into with the Controlling Shareholder of the Company, i.e., Shandong Energy and its subsidiaries (other than the Group) (the "Shandong Energy Group").

Under the regulatory rules of the Hong Kong Stock Exchange, in addition to the above related/connected transactions, the Group's related/connected transactions with Glencore Coal Pty Ltd ("Glencore") and its subsidiaries ("Glencore Group"), RGL Group Co., Ltd. ("RGL") (each of Glencore and RGL being substantial shareholders of significant subsidiaries of the Company, and therefore the related/connected persons at the subsidiary level of the Company) as well as connected subsidiaries, i.e. Shandong Energy Finance Company, Luxi Mining, Xinjiang Neng Hua and their respective subsidiaries (as the case may be) are also included.

The purpose of the Company to carry out the above connected/related transactions is to better achieve resource sharing and synergies between the Company and connected/related parties, reduce transaction costs and risks, and improve the Company's profitability and core competitiveness.

1. Matters disclosed in extraordinary announcements but without subsequent progress or change

Overview of Matters	Query Index
Sign some continuous connected/related transaction agreements with the controlling shareholder As considered and approved at the 2023 First Extraordinary General Meeting of Shareholders held by the Company on 27 October 2023, the Company was approved to sign the new Entrusted Management Agreement with Shandong Energy, together with the transaction cap for 2025.	For details, please refer to the announcement of resolution of the second meeting of the ninth session of the Board on 25 August 2023, the announcement of continuous connected/related transaction, and the announcement of resolution of the 2023 First Extraordinary General Meeting of Shareholders on 27 October 2023. Such information was published on the website of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company and/or the China Securities Journal, the Shanghai Securities News, the Securities Times, and the Securities Daily.

2. Matters disclosed in extraordinary announcements but with subsequent progress or change

(1) Approval and execution of continuing connected/related transactions entered into with Shandong Energy Group during the reporting period

① Continuing connected/related transaction of materials and services provision and insurance fund

As approved at the 2022 Annual General Meeting held on 30 June 2023, the Company was approved to sign Provision of Material Supply Agreement, Mutual Provision of Labor and Services Agreement, Insurance Fund Management Agreement and Provision of Products, Material and Asset Leasing Agreement with Shandong Energy, together with the transaction cap for 2023-2025. The above continuous connected/related transaction agreement shall take effect retroactively from 1 January 2023. For details, please refer to the Company's announcements dated 28 April 2023 and 30 June 2023 and the circular dated 9 June 2023.

As approved at the 2023 First Extraordinary General Meeting held by the Company on 27 October 2023, the Company was approved to sign the Bulk Commodities Sales and Purchase Agreement with Shandong Energy, together with the transaction cap for 2024-2025. For details, please refer to the Company's announcements dated 25 August 2023 and 27 October 2023 and the circular dated 28 September 2023.

As approved at the 2024 First Extraordinary General Meeting held by the Company on 25 October 2024, the Company was approved to sign the adjusted Mutual Provision of Labor and Services Agreement and Insurance Fund Management Agreement with Shandong Energy, and to re-determine the transaction cap for 2024-2025 under the Mutual Provision of Labor and Services Agreement, Insurance Fund Management Agreement, and Bulk Commodities Sales and Purchase Agreement. The adjusted Mutual Provision of Labor and Services Agreement and Insurance Fund Management Agreement shall take effect retroactively from 1 January 2024. For details, please refer to the Company's announcements dated 30 August 2024 and 25 October 2024 and the circular dated 30 September 2024.

This adjustment is based on the normal daily operation needs of the Company and its subsidiaries, which reflects the principle of fairness and rationality, and conforms to the interests of the Company and all shareholders. It will neither adversely affect the Company's present and future financial condition, operating results, the independence of the Company, nor make the Company's business rely on the controlling shareholders.

Except the Provision of Insurance Fund Administrative Services Agreement, the pricing of the transactions was mainly determined on basis of state price, market price, as well as the actual cost. The charge for transaction can be settled in one lump sum or by installments. The payment payable to the other party or receivable from the other party due in a calendar month shall be written down on the last business day of the calendar month. The continuing connected/related transactions made in a calendar month shall be settled in the following month, except for incomplete transactions or where the transaction amounts are in dispute.

The sales of goods and provision of services by the Group to Shandong Energy Group amounted to RMB13.646 billion in 2024. The goods and services provided by Shandong Energy Group to the Group amounted to RMB10.172 billion.

The following table sets out the continuing connected/related transactions of the supply of materials and services between the Group and Shandong Energy Group in 2024:

	2024		2023		
	Amount (RMB'000)	**Percentage of Sales revenue (%)**	Amount (RMB'000)	Percentage of sales revenue (%)	Increase/decrease of connected/related transactions (%)
Sales of goods and provision of services by the Group to Shandong Energy Group	13,645,710	9.81	11,563,971	7.73	18.00
Sales of goods and provision of services by Shandong Energy Group to the Group	10,171,660	7.31	7,335,209	4.89	38.67

Note: The amount of connected/related transactions and its portion in operating revenue shown in the above table are prepared in reference to the data filled on the actual date of consolidating the financial statements of Luxi Mining and Xinjiang Neng Hua (i.e. 30 September 2023), which have not been retroactively adjusted with the same standard.

The table below shows the effect on the Group's profits from sales of coal by the Group to Shandong Energy Group in 2024:

	Sales income (RMB'000)	**Sales cost (RMB'000)**	**Gross profit (RMB'000)**
Coal sold to Shandong Energy Group	9,832,951	5,014,805	4,818,146

Pursuant to the Provision of Insurance Fund Administrative Services Agreement, Shandong Energy Group and Yankuang Energy shall provide each other with free management and transferring services in relation to social insurance, housing provident fund and enterprise annuity (the "Insurance Fund").

② Continuing connected/related transaction of financial services

As considered and approved by the 2022 Second Extraordinary General Meeting of Shareholders held on 28 October 2022 by the Company, Shandong Energy Finance Company was approved to sign the "Financial Service Agreement" with Shandong Energy Group ("Financial Service Agreement" of Shandong Energy Group), stipulating that Shandong Energy Finance Company shall provide Shandong Energy Group with deposits, comprehensive credit facilities, other financial services as well as the annual transaction cap for 2023 to 2025. Relevant deposit interest rates, loan interest rates and service fees are determined in accordance with the relevant regulations of the People's Bank of China or the financial regulators with reference to normal commercial terms. For details, please refer to the Company's announcements dated 26 August 2022 and 28 October 2022 and the circular dated 12 October 2022.

As at 31 December 2024, the deposits of Shandong Energy Group in Shandong Energy Finance Company is RMB22.525 billion. The balance of comprehensive credit is RMB16.051 billion, and the financial service expenses incurred in 2024 are RMB1.44 million.

As considered and approved by the 2022 Second Extraordinary General Meeting of Shareholders held on 28 October 2022 by the Company, Shandong Energy Finance Company was approved to sign the "Financial Service Agreement" with Yankuang Energy ("Financial Service Agreement" of Yankuang Energy), stipulating that Shandong Energy Finance Company shall provide Yankuang Energy with deposits, comprehensive credit facilities, other financial services as well as the annual transaction cap for 2023 to 2025. Relevant deposit interest rates, loan interest rates and service fees are determined in accordance with the relevant regulations of the People's Bank of China or the financial regulators with reference to normal commercial terms. For details, please refer to the Company's announcements dated 26 August 2022 and 28 October 2022 and the circular dated 12 October 2022.

Upon the consideration and approval of the general manager's office meeting of the Company, the Company, without changing other terms of the Financial Service Agreement with Yankuang Energy, increased the maximum daily balance (including accumulated interest) of the comprehensive credit facilities provided by Shandong Energy Finance Company to the Group for the year ended 31 December 2024 and the year ending 31 December 2025 to RMB26 billion and RMB30 billion, respectively, and the maximum annual fees payable by the Group for other financial services for the year ended 31 December 2024 and the year ending 31 December 2025 to RMB8 million and RMB10 million, respectively.

As at 31 December 2024, the deposits of the Group in Shandong Energy Finance Company was RMB5.143 billion. The balance of comprehensive credit is RMB16.303 billion, and the financial service expenses incurred in 2024 amounted to RMB3.7 million.

③ Continuing connected/related transactions of finance leases

As approved at the 2023 First Extraordinary General Meeting of Shareholders of the Company held on 27 October 2023, the "Financial Lease Agreement" signed between the Company and Shandong Energy Group and the annual cap of transaction amount from 2024 to 2025 were considered and approved. The method of determining the lease interest rate is not less than 5% based on the quoted interest rate on the loan market for the same period announced by the National Interbank Funding Center, and the highest interest rate is not more than 7.5%. For details, please refer to the Company's announcements dated 25 August 2023 and 27 October 2023 and the circular dated 28 September 2023.

According to the "Financial Lease Agreement", the Company provides financial leasing services to Shandong Energy Group, and collects a lump-sum payment on or before the date when the Company pays the lease asset transfer price fees or consulting fees are charged quarterly.

In 2024, a total of RMB1,001.89 million was incurred for the principal balance of the finance leases, interests on the leases, fees and consulting fees.

④ Entrust management of continuous connected/related transactions

As reviewed and approved at the 20th meeting of the eighth session of the Board held by the Company on 27 January 2022, the Company and Shandong Energy Group have entered into the Entrusted Management Service Framework Agreement and the annual transaction cap amount for each year from 2022 to 2024 was approved. The entrust management fee shall be determined by both parties according to the status of the underlying asset, the entrust management cost of Yankuang Energy and the profit of the underlying asset. During the term of the Agreement, the annual management fees collected by Yankuang Energy shall be capped at RMB60 million. For details, please refer to the Company's announcement dated 27 January 2022.

In 2024, Shandong Energy Group shall pay the entrusted management fee of RMB41.70 million to the Company.

The following table sets out the details of the annual transaction caps and actual transaction amounts for 2024 for the above continuing connected/related transactions:

No.	Type of connected/related transaction		Agreement	Annual Transaction Cap for the Year 2024 (RMB'000)	Annual Transaction Amount for the Year 2024 (RMB'000)
1	Material and facilities provided by Shandong Energy Group		Provision of Materials Supply Agreement	5,370,000	3,192,930
2	Labor and services provided by Shandong Energy Group		Mutual Provision of Labor and Services Agreement	5,662,000	3,868,450
	Labor and services provided to Shandong Energy Group			1,360,000	988,610
3	Insurance fund management and payment services provided by Shandong Energy Group (free of charge) for the Group		Provision of Insurance Fund Administrative Services Agreement	648,000	454,790
	Insurance fund management and payment services provided by the Group (free of charge) for Shandong Energy Group			296,000	261,840
4	Sale of products, material and equipment lease provided to Shandong Energy Group		Provision of Products, Material and Asset Leasing Agreement	14,532,000	8,696,270
5	Procurement of bulk commodities from Shandong Energy Group		Bulk Commodities Sales and Purchase Agreement	4,439,000	2,651,780
	Sale of bulk commodities to Shandong Energy Group			8,000,000	3,653,970
6	Financial services to Shandong Energy Group	Deposit	Shandong Energy Group Financial Services Agreement	62,500,000	22,525,080
		Comprehensive Credit		30,000,000	16,050,700
		Financial service fee		6,000	1,440
7	Financial services to Yankuang Energy Group	Deposit	Yankuang Energy Group Financial Services Agreement	27,000,000	5,142,980
		Comprehensive Credit		26,000,000	16,303,240
		Financial service fee		8,000	3,700
8	Provide financial leasing services to Shandong Energy Group	Total financing amount	Financial Leasing Agreement	1,000,000	1,000,000
		Interest and expenses		85,000	1,890
9	Entrusted management services provided to Shandong Energy Group		Framework Agreement on Entrusted Management Services	60,000	41,700

(2) Approval and execution of continuing connected/related transactions with Glencore during the reporting period

① Continuing connected/related transaction of coal sales

As reviewed and approved at the fourth meeting of the ninth session of the Board of Directors held by the Company on 15 January 2024, the Company was approved to renew the Glencore Coal Sales Framework Agreement with Yancoal Australia and Glencore, together with the annual caps for such transaction for 2024-2026. The way to determine transaction price is based on the market price, together with adjustment according to related industry benchmarks and indexes. The payment time for the transaction shall be determined by both parties in accordance with international practices and applicable laws and regulations in this agreement and be specified in details in the specific coal sales agreement. For details, please refer to the Company's announcement dated 15 January 2024.

The 2024 annual cap for coal sales of the Group to Glencore and its subsidiaries was USD350 million. In 2024, this related/connected transaction occurred amounted to approximately USD213 million.

② Continuing connected/related transaction of coal purchase

As reviewed and approved at the fourth meeting of the ninth session of the Board of Directors held by the Company on 15 January 2024, the Company was approved to renew the HVO Sales Contract with Yancoal Australia and Glencore, together with the annual caps for such transaction for 2024-2026. It is stipulated in HVO Sales Contract: HVO Coal Sales Pty Ltd, a subsidiary of Yancoal Australia, shall pay the corresponding transaction amount to Yancoal Australia and Glencore respectively according to the total amount and corresponding product quota collected in each sales agreement with the client and HVO Coal Sales Pty Ltd shall pay the transaction amount to Yancoal Australia and Glencore no later than three business days after receiving payment from clients. For details, please refer to the Company's announcement dated 15 January 2024.

The 2024 annual cap for the purchase of equity coal quota under the HVO Sales Contract by the Group from Glencore was USD1.3 billion. In 2024, this related/connected transaction occurred amounted to approximately USD727 million.

As reviewed and approved at the fourth meeting of the ninth session of the Board of Directors held by the Company on 15 January 2024, the Company was approved to renew the Glencore Coal Purchase Framework Agreement with Yancoal Australia and Glencore, together with the annual caps for such transaction for 2024-2026. The final transaction price adopted under the Coal Purchase Framework Agreement for the purchase of coal will be finally determined on the basis of fair negotiation, in accordance with normal commercial terms and with reference to the market price of relevant type of coal at the time. The payment time for the transaction shall be determined by both parties in accordance with international practices and applicable laws and regulations in this agreement and be specified in details in the specific coal sales agreement. For details, please refer to the Company's announcement dated 15 January 2024.

The 2024 annual cap for coal purchase of the Group from Glencore and its subsidiaries under the Glencore Coal Purchase Agreement was USD250 million. In 2024, this related/connected transaction occurred amounted to approximately USD82 million.

③ Continuing connected/related transactions in relation to diesel fuel supply

As approved at the General Manager's Office Meeting held by the Company on 6 November 2023, HV Operations signed the Diesel Fuel Supply Agreement with Glencore Australia Oil Pty Ltd (the "GAO"), a subsidiary of Glencore plc, on 8 December 2023, together with the annual caps for such transaction for 2024-2026. The Diesel Fuel Supply Agreement stipulates that: (i) HV Operations shall generate a purchase order before the delivery month; (ii) GAO shall deliver the amount of fuel before the date specified in the purchase order, and HV Operations shall pay after the fuel is delivered; and (iii) the payment is calculated based on the amount delivered and the price determined after the bidding process, referencing the Singapore 10ppm Low Sulphur Diesel FOB price assessment published in the S&P Global Platts Oil Price Report, and the price determined under the 2024 Diesel Fuel Supply Agreement. For details, please refer to the Company's announcement dated 8 December 2023.

The 2024 annual cap for diesel fuel procurement by the Group from GAO was USD220 million. In 2024, this related/connected transaction occurred amounted to approximately USD148 million.

(3) Opinion of Independent Non-Executive Directors

The relevant business departments of the Company reviewed the above-mentioned non-exempt continuing connected/related transactions and related internal control procedures and submitted the results to the independent non-executive directors of the Company. The Company has also provided key information to the independent non-executive directors for audit purposes.

The independent non-executive directors of the Company confirmed the continuing connected/related transactions of the Group in 2024: ① Each transaction (i) is the ordinary business of the Group; (ii) is carried out on normal commercial terms, if the comparable transactions are not sufficient to determine whether the terms of such transactions are on normal commercial terms, the terms of such transactions are no less favourable to the Group than those available or provided by independent third parties; (iii) are conducted in accordance with the terms of the agreement in relation to the transaction, and the terms of the transaction are fair and reasonable, and in the interests of the Company's shareholders as a whole. ② The amount of connected/related transactions mentioned in the above "Execution of Connected/Related Transactions Related to Daily Operations" shall not exceed the annual cap of transaction amount approved by the independent shareholders and the Board.

(4) Opinion of auditors

Pursuant to the Hong Kong Listing Rules, the Company employs a perennial H-shares auditor to report to the Board on whether the Company's continuing connected/related transactions have fulfilled its obligations under the Hong Kong Listing Rules.

The auditors report to the Board on the above continuing connected/related transactions: ① have been approved by the Board of the Company; ② are carried out in accordance with the Company's pricing policy; ③ are carried out in accordance with the relevant terms of the transaction agreements; and ④ have not exceeded the relevant annual cap of transaction amount.

(5) Approval and implementation of agreements on continuing related/connected transactions with RGL

① Continuing related/connected transactions in respect of transportation and cargo agency

In order to efficiently utilise the existing experiences in professional services of the Company, expand the business scale of the logistics segment of the Company, increase the Company's market share and enhance the profitability of the subsidiaries, at the fourteenth meeting of the ninth session of the Board held on 28 March 2025 by the Company, the signing of the Transportation and Cargo Agency Service Agreement between the Company and RGL and its subsidiaries (the "RGL Group") was considered and approved, and it was agreed that the Group shall provide RGL and/or its associates with related services such as transportation and cargo agency (including pre-declaration, port unloading, customs clearance and inspection, etc.), and the caps of transaction amounts for each of the years from 2025-2027 for the limited transactions thereof. Among them, the amount of fees for transportation services and cargo agency services will be capped at RMB2.01 billion, RMB2.22 billion and RMB2.43 billion for the three financial years of 2025, 2026 and 2027, respectively. The prices for the cargo transportation services and port agency services are based on market prices. For the purpose of determining market prices, the Company's sales department and its designated personnel are primarily responsible for verifying the prices normally offered by other independent third parties by obtaining quotations from tenders through email, fax or telephone enquiries to at least two independent third parties or through the publication of tender notices in various media resources such as local newspapers and magazines. The Company's sales department will update such information from time to time based on purchase requests and will continuously monitor market prices to ensure that transportation services and cargo agency services are conducted in accordance with the pricing policies set out above. Tax charges, and administrative levies (port construction costs, etc.) in port charges are borne by RGL Group and/or its associates, and the specific amounts are based on the amounts actually incurred.

The continuing related/connected transaction agreement is effective retroactively from 1 January 2025 onwards. Please refer to the Company's announcement dated 28 March 2025 for further details.

② Continuing related/connected transactions in respect of the sales and purchase of bulk commodities

In order to make full use of the resources of cargo sources and customers, facilitate the development of the logistics business, and expand the customised supply chain logistics support services, at the fourteenth meeting of the ninth session of the Board held on 28 March 2025 by the Company, the signing of the Bulk Commodity Sales and Purchase Agreement between the Company and RGL was considered and approved, and it was agreed that the Group and RGL and/or its associates shall purchase and/or sell coal, iron ore and other bulk commodities to each other according to their business needs, while the cap of transaction amounts from 28 March 2025 to 31 December 2025 and the two financial years of 2026 and 2027 so limited was also agreed. Among them, the caps of transaction amounts payable by the Group under the Bulk Commodities Sales and Purchase Agreement for the period from 28 March 2025 to 31 December 2025 and for the two financial years of 2026 and 2027 for the purchase of iron ore and other bulk commodities from RGL Group and/or its associates are RMB1.5 billion, RMB1.5 billion and RMB1.5 billion, respectively; the caps of transaction amounts receivable by the Group under the Bulk Commodities Sales and Purchase Agreement for the period from 28 March 2025 to 31 December 2025 and for the two financial years of 2026 and 2027 for the sales of coal, and other bulk commodities to RGL Group and/or its associates are RMB1.01 billion, RMB1.11 billion and RMB1.22 billion, respectively.

The pricing under the Bulk Commodities Sales and Purchase Agreement is determined on the normal commercial terms, and on the basis of (i) the prices charged at the time of the same or similar sales and purchase as agreed in the ordinary course of business of independent third parties in the place of supply of the same or similar products or its vicinity, on the normal commercial terms; or (ii) in the event that (i) above does not apply, the prices charged at the time of the same or similar sales and purchase as agreed in the PRC, in the ordinary course of its business on the normal commercial terms. For the purpose of determining market prices, the Company's sales department and/or procurement department and its designated personnel are primarily responsible for verifying the prices normally offered by other independent third parties by obtaining quotations from tenders through email, fax or telephone enquiries to at least two independent third parties or through the publication of tender notices in various media resources such as local newspapers and magazines. The Company's sales department and/or procurement department will update such information from time to time based on purchase requests and will continuously monitor market prices to ensure that the transactions in respect of the Agreed Sales and Purchase are conducted in accordance with the pricing policies set out above. If at any time the nationwide pricing is in force and applicable to an agreed sales and purchase, the Group and RGL Group and/or its associates agree that the price of such agreed sales and purchase shall be determined in accordance with the nationwide pricing. Such nationwide pricing means the price stipulated for such agreed sales and purchase in accordance with the laws, regulations, decisions, orders or pricing policies formulated by the relevant governmental authorities in the PRC (as the case may be).

The Bulk Commodities Sales and Purchase Agreement shall be effective from 28 March 2025 to 31 December 2027. Please refer to the Company's announcement dated 28 March 2025 for further details.

3. Undisclosed events in extraordinary announcements

Not applicable.

(II) Connected/Related Transactions in relation to Assets or Equity Acquisition and Sale

1. Matters disclosed in extraordinary announcements and with no subsequent progress or change

Descriptions of matters	Indexes for enquiries
Capital increase by WindSun Science & Technology Co., Ltd. ("WindSun Science & Technology", a non-wholly owned subsidiary of Shandong Energy) in Yanzhou Dongfang Electrical Co., Ltd ("Dongfang Electrical", a non-wholly owned subsidiary of Donghua Heavy Industry). In order to introduce the advanced power electronic control technology of WindSun Science & Technology to Dongfang Electrical, upon consideration and approval by the Company's general manager's office meeting, on 14 February 2025, Donghua Heavy Industry, a wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement with WindSun Science & Technology and Dongfang Electrical. WindSun Science & Technology contributed RMB55.9257 million in cash to subscribe for additional registered capital of Dongfang Electrical. Upon completion of the Capital Increase, WindSun Science & Technology held 50% of the equity interests in Dongfang Electrical and Donghua Heavy Industry held 47.168% of the equity interests in Dongfang Electrical. As of the disclosure date of this report, the procedures of equity transfer and industrial and commercial registration change of the above transaction are in progress.	For details, please refer to the announcement of connected transaction dated 14 February 2025. Such information was published on the website of the SSE, the Hong Kong Stock Exchange, the Company and/or the China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

2. *Matters disclosed in extraordinary announcements but with subsequent progress or change*

Acquisition of Shandong Zikuang Railway Transportation Co., Ltd. ("Zikuang Railway")

For the implementation of integrated management of units in the railway logistics industry, as reviewed and approved by the general manager's office meeting of the Company, on 18 November 2024, the Company's wholly-owned subsidiary, Yankuang Logistics Technology Co., Ltd. ("Yankuang Logistics"), signed the Equity Transfer Agreement with Luxi Mining (a connected subsidiary of the Company) and Zikuang Railway (a wholly-owned subsidiary of Luxi Mining). Yankuang Logistics acquired 100% equity of Zikuang Railway held by Luxi Mining for approximately RMB522 million.

As of the disclosure date of this report, the above equity transfer has been completed and the change of industrial and commercial registration procedures have been finished.

For details, please refer to the announcement concerning the acquisition of 100% equity of Zikuang Railway dated 18 November 2024, which was posted on the websites of the Shanghai Stock Exchange, the HKEX, the Company's website, and/or published in China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

3. Matters not disclosed in extraordinary announcement

Unit: RMB 0'000

Related/connected parties	Related/ connected Relationship	Types of related/ connected transactions	Content of related/ connected transactions	Pricing principles of related/ connected party transactions	Carrying value of the transferred asset (100% equity)	Assessed value of the transferred asset (100% equity)	Transfer price (90% equity)	Settlement method of related/ connected transactions	Gains from the transfer of assets	Impact of the transaction on the Company's operating results and financial position	Reasons for the significant difference between the transaction price and the carrying value or the assessed value and the fair value of the market
Yunding Technology Co., Ltd. ("Yunding Technology")	Affiliated company within the Shangdong Energy	Acquisition of shareholding	The Company acquired 90% of the equity interest in Guotuo Technology held by Yunding Technology	The final target equity transfer price shall be determined according to the evaluation value corresponding to the equity transfer ratio	14,818.82	15,858.72	14,272.84	A lump sum payment in cash	/	No significant impact	/

Description of related/connected transactions in acquisition and sale of assets

Approved by the general manager's office meeting of the Company, the Company acquired 90% of the shareholding held by Yunding Technology at a consideration of RMB142.7284 million.

In accordance with the domestic listing regulatory rules, the related transaction did not meet the requirements for disclosure by extraordinary announcement.

In accordance with the Hong Kong Listing Rules, as the related/connected transaction is conducted on normal commercial terms or better and the maximum applicable percentage ratio (as defined in Rule 14.07 of the Hong Kong Listing Rules) is less than 0.1%, the connected transaction is fully exempt under Rule 14A.76 (1)(a) of the Hong Kong Listing Rules.

As of the disclosure date of this report, the above equity transfer has been completed and the change of industrial and commercial registration procedures have been completed.

4. Disclosure of the performance of the results relating to results agreement during the reporting period

Not applicable.

(III) Significant Related/Connected Transactions of Cooperative External Investment

1. *Events disclosed in extraordinary announcements and with no subsequent progress or change*

Not applicable.

2. *Events disclosed in extraordinary announcements with subsequent progress or changes during implementation*

Not applicable.

3. *Events not disclosed in extraordinary announcements*

Unit: RMB 0'000

Co-investor	Related/ connected Relationship	Name of the investee	Principal business of the investee	Registered capital of the investee	Total assets of the investee	Net assets of the investee	Net profit of the investee	Progress of the material project under construction of the investee
Shandong Energy Group Equipment Manufacturing (Group) Co., Ltd ("Shandong Energy Equipment")	Affiliated company within Shandong Energy	Tianma Intelligent Control	Production, maintenance, service, warehousing, logistics and distribution of hydraulic support electro-hydraulic control system, fully mechanized mining automation control system and intelligent integrated liquid supply system (including pumping station)	10,000	10,000	10,000	/	/

Note: Tianma Intelligent Control was incorporated in June 2024. It has not yet commenced production and operating activities and has no net profit and material projects in progress.

Description of significant related/connected transactions of cooperative external investment

Upon the discussion and deliberation of the general manager's office meeting of the Company, the Company jointly established Tianma Intelligent Control with Beijing Tianma Intelligent Control Technology Co., Ltd. and Shandong Energy Equipment by way of contribution in cash of RMB47.33 million, with a registered capital of RMB100 million, and 47.34% is owned by the Company, 3.66% by Shandong Energy Equipment. The Company and Shandong Energy Equipment are persons acting in concert, and the financial statements of Tianma intelligent control is consolidated into the Company.

In accordance with the domestic listing regulatory rules, the related transaction did not meet the requirements for disclosure by extraordinary announcement.

In accordance with the Hong Kong Listing Rules, as the connected transaction is conducted on normal commercial terms or better and the maximum applicable percentage ratio (as defined in Rule 14.07 of the Hong Kong Listing Rules) is less than 0.1%, the connected transaction is fully exempt under Rule 14A.76 (1) (a) of the Hong Kong Listing Rules.

As of the date of disclosure of this report, Tianma Intelligent Control has been established and has completed the industrial and commercial registration procedures.

(IV) Credit and Debt Obligation Among Connected Parties

1. Events disclosed in extraordinary announcements and with no subsequent progress or change

Not applicable.

2. Events disclosed in extraordinary announcements with subsequent progress or changes during implementation

Not applicable.

3. Events not disclosed in extraordinary announcements

Unit: RMB100 million

		Fund provided to connected parties			Fund provided to the Company		
Connected parties	Relationship	Balance at the beginning	Amount occurred	Closing balance	Balance at the beginning	Amount occurred	Closing balance
Shandong Energy Group	Controlling Shareholder	170.57	8.98	179.55	464.7	-147.7	317
Total		170.57	8.98	179.55	464.7	-147.7	317

Reasons for credit and debt obligation among connected parties	Both parties sell goods and provide services, etc. to each other.
Impact on the operating result and financial conditions of the Company by credit and debt obligation	No material impact

(V) Financial business between the Company and the financial company that has an associated relationship, the Company's holding financial company and the related party

1. Deposit Business

Unit: RMB100 million

Related Party	Relationship	Maximum Daily Deposit Limit	Deposit Interest Rate Range	Opening Balance	Current Period: Total deposit amount for the current period	Current Period: Total withdrawal amount for the current period	Closing balance
Shandong Energy Group	Controlling Shareholder	625	0.385%–1.35%	251.81	9,819.01	9,845.57	225.25
Total	/	/	/	251.81	9,819.01	9,845.57	225.25

2. Loan Business

Unit: RMB100 million

Related Party	Relationship	Loan Amount	Loan Interest Rate Range	Opening Balance	Current Amount: Total loan amount for the current period	Current Amount: Total repayment amount for the current period	Closing balance
Shandong Energy Group	Controlling Shareholder	200	2.6%–3.6%	141.84	137.51	138.5	140.85
Total	/	/	/	141.84	137.51	138.5	140.85

3. Credit Business or Other Financial Business

Unit: RMB100 million

Related Party	Relationship	Business Type	Total Amount	Actual Amount
Shandong Energy Group	Controlling Shareholder	Acceptance, letter of guarantee	100	19.91

4. Other Explanations

As of the end of the reporting period, the balance of margin collected by Shandong Energy Finance Company for financial services provided to related parties was RMB47 million, and the margin portion did not account for the credit line.

Pursuant to the Guidance on Self-supervision for the Listed Companies No. 5 – Transactions & Related Transactions issued by SSE, the Company issued Risk Assessment Report on Shandong Energy Financial Company, and the auditors of A shares issued Explanation on Connected Transactions of Deposit, Loans and Other Financial Business between Yankuang Energy and Shandong Energy Finance Company for the year 2024.

(VI) Others

Provision of internal loan to Xinjiang Neng Hua

On 30 August 2024, the Company entered into the Loan Contract with Xinjiang Neng Hua, a connected subsidiary of the Company, for the purpose of meeting the capital needs for the production and operation of Xinjiang Neng Hua, and as reviewed and approved at the 2024 First Extraordinary General Meeting of Shareholders held by the Company on 25 October 2024, the Company provided an internal loan of RMB5 billion to Xinjiang Neng Hua.

For details, please refer to the announcement in relation to the provision of financial assistance to a holding subsidiary and the announcement in relation to the provision of financial assistance to a connected subsidiary dated 30 August 2024, as well as the resolution announcement of the 2024 First Extraordinary General Meeting of Shareholders dated 25 October 2024, which were posted on the websites of the Shanghai Stock Exchange, the HKEX, the Company's website, and/or published in China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

Non-planning expenses arrangement of the subsidiaries of Luxi Mining

In order to further optimise the arrangement of the existing non-planning expenses for retirees and off-duty workers as well as survivors of deceased employees due to work-related illnesses and deaths, as approved at the fourteenth meeting of the ninth session of the Board held on 28 March 2025 by the Company, Luxi Mining and its affiliated units – Feicheng Mining Group Liangbaosi Energy Co., Ltd. ("Liangbaosi Energy"), Shandong Xinjulong Energy Co., Ltd. ("Xinjulong Energy"), Guotun Coal Mine of Linyi Mining Group Heze Coal-fired Power Co., Ltd. ("Heze Coal-fired Power Guotun Coal Mine") (collectively referred to as the "Luxi Mining Affiliated Units") entered into the Agreement on the Arrangement for the Disbursement of Non-planning Expenses for Retirees, Off-duty Workers, Survivors and Others" with the Linyi Mining Group, the Company's related/connected party, respectively. Pursuant to the agreement, the non-planning expenses currently borne 100% by Luxi Mining Affiliated Units will be adjusted to be borne jointly by Luxi Mining and Linyi Mining Group on a pro rata basis from the effective date of the agreement. Pursuant to the Liangbaosi Energy Arrangement Agreement, Luxi Mining and Linyi Mining Group agreed to bear the non-planning expenses originally borne by Liangbaosi Energy in the proportion of 85% (i.e. RMB863 million in aggregate) and 15% (i.e. RMB152 million in aggregate) respectively; pursuant to the Xinjulong Energy Arrangement Agreement, Luxi Mining and Linyi Mining Group agreed to bear the non-planning expenses originally borne by Xinjulong Energy in the proportion of 60% (i.e. RMB1,073 million in aggregate) and 40% (i.e. RMB716 million in aggregate); pursuant to the Heze Coal-fired Power Arrangement Agreement, Luxi Mining and Linyi Mining Group agreed to bear the non-planning expenses originally borne by Heze Coal-fired Power Guotun Coal Mine in the proportion of 83.5931% (i.e. RMB864 million in aggregate) and 16.4069% (i.e. RMB169 million in aggregate). The transaction does not involve any adjustment to the amount of the non-planning expenses, but only involves arrangements related to the sharing and payment of the non-planning expenses, which will not have any negative impact on the Company's financial position and operating results, and will not prejudice the legitimate rights and interests of the Company and the minority shareholders.

For details, please refer to the announcement in relation to the related/connected transactions dated 28 March 2025. Such information was published on the websites of the SSE, the HKEX, the Company, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

Pursuant to the Hong Kong Listing Rules, certain related party transactions set out in the note "Balances and Transactions of Related Companies" to the financial statements prepared in accordance with the IFRSs also constitute continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules, and the Company confirms that such transactions have complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

Save for the material matters on connected transactions disclosed in this section, there were no other material connected transactions of the Group during the reporting period which are required to be disclosed in this report under the Hong Kong Listing Rules.

XIII. MATERIAL CONTRACTS AND PERFORMANCE

(I) Trust, Contract or Lease

1. *Trust*

Not applicable.

2. *Contract*

Not applicable.

3. *Lease*

Not applicable.

(II) Guarantees

Unit: RMB100 million

External guarantees of the Company (excluding guarantee to subsidiaries)

Guarantor	Relationship between guarantor and the listed company	Guarantee	Amount	Date of guarantee (signed date)	Starting date of the guarantee	Maturity date of the guarantee	Type of guarantee	Collateral (if any)	Whether the guarantee has fulfilled	Overdue or not	Overdue amount	Counter guarantee	Related-party guarantee or not	Associated relationship
Yankuang Energy Group Company Limited	Headquarters of the Company	Yantai Jinzheng Environmental Protection Technology Co., Ltd	1.37	10 March 2023	10 March 2023	9 May 2026	Joint guarantee	/	No	No	/	Joint guarantees provided by other shareholders	No	/

Total guarantee of the Company during the reporting period (excluding guarantees to the subsidiaries)	0
Total guarantee balance by the end of the reporting period (A) (excluding guarantees to the subsidiaries)	1.16
Guarantees to subsidiaries by the Company and its subsidiaries	
Total amount of guarantee to subsidiaries during the reporting period	41.68
Total balance of guarantee to subsidiaries by the end of the reporting period (B)	130.98
Total amount of guarantee of the Company (including guarantees to the subsidiaries)	
Total amount of guarantees (A+B)	132.14
Percentage of total amount of guarantee in the net assets of the Company (%)	16.00
Of which,	
Amount of guarantees to Shareholders, actual controllers and related parties (C)	0
Amount of guarantees directly or indirectly to guaranteed parties with a debts-to-assets ratio exceeding 70% (D)	72.42
Total amount of guarantee exceeding 50% of net assets (E)	0
Total amount of the above 3 categories guarantees (C+D+E)	72.42
Explanation on unexpired guarantee that may be subject to joint and several liability	None

Guarantee explanations	1. The external guarantee occurred during the previous period and extended to the reporting period As reviewed and approved at the 2019 annual general meeting, the Company provided guarantees of RMB1.38 billion to Inner Mongolia Rongxin Chemicals Co., Ltd. As at 31 December 2024, the balance of the above guarantees was RMB622 million. As reviewed and approved at the 2019 annual general meeting, the Company provided guarantees of RMB1.3 billion to Yulin Neng Hua. As at 31 December 2024, the balance of the above guarantees was RMB578 million. As reviewed and approved at the 2019 annual general meeting, the Company provided guarantees of RMB1 billion to Lunan Chemicals. As at 31 December 2024, the balance of the above guarantees was RMB700 million. As reviewed and approved at the 2020 annual general meeting, the Company provided guarantees of USD100 million to Yancoal International. As at 31 December 2024, the balance of the above guarantees was USD100 million. As reviewed and approved at the 2020 annual general meeting, Inner Mongolia Mining provided guarantees of RMB1.429 billion to Ulanqab Hongda Industrial Co., Ltd, and RMB699 million to Ordos Fengwei Photovoltaic Power Co., Ltd. As of 31 December 2024, the balance of above guarantees stood as RMB1.179 billion and RMB555 million, respectively. As at 31 December 2024, Yancoal Australia and its subsidiaries had a total of AUD1.038 billion performance deposits and guarantees required for operation. As reviewed and approved at the 2021 first Extraordinary General Meeting of shareholders of the Company, Inner Mongolia Mining Group provided RMB270 million of guarantees to Inner Mongolia Jinlian Aluminum Profile Co., Ltd. Future Energy provided RMB400 million of guarantee to Shaanxi Jingshen Railway Co., Ltd. As of 31 December 2024, the balance of above guarantees stood as RMB45 million and RMB294 million, respectively. As reviewed and approved at the 2024 first Extraordinary General Meeting of shareholders of the Company, the Company renewed the external guarantee of RMB137 million for Jinzheng Environmental Protection, which was passively formed as a result of the transfer of its equity interest. As at 31 December 2024, the balance of the above guarantee was RMB116 million. 2. Guarantees arising during the reporting period As reviewed and approved at the 2022 annual general meeting of the Company, the Company provided to Yankuang Ruifeng, Qingdao Zhongyan Trading Co., Ltd and Yulin Neng Hua guarantees of RMB1.75 billion, RMB240 million and RMB142 million during the reporting period. Ordos Fengwei Photovoltaic Power Co., Ltd. provided a guarantee of RMB459 million to Inner Mongolia Mining. As reviewed and approved at the 2023 annual general meeting of the Company, Luxi Mining provided RMB200 million of guarantees to Shandong Lilou Coal Mining Co., Ltd, a wholly-owned subsidiary of the Company. As of 31 December 2024, the balance of above guarantee was RMB138 million. As reviewed and approved at the 2023 annual general meeting of the Company, Yancoal Australia and its subsidiaries provided a guarantee in an amount not exceeding AUD1.5 billion per year to Yankuang Energy's subsidiaries in Australia for their daily operation. During the reporting period, Yancoal Australia and its subsidiaries produced performance deposits and performance guarantees totaled AUD350 million due to operational necessity.

Note: The above table has been prepared in accordance with CASs and calculated at the exchange rates of US$1 = RMB7.1884 and AUD1 = RMB4.5070. Save as disclosed above, the Company did not have any guarantee contracts performed and outstanding during the reporting period.

(III) Entrusted Cash and Assets Management

1. *Entrusted wealth management*

(1) *General information on entrusted wealth management*

Not applicable.

Other information

Not applicable.

(2) *Specific entrusted wealth management*

Not applicable.

Other information

Not applicable.

(3) *Provisions for impairment of loss for entrusted wealth management*

Not applicable.

2. *Entrusted Loan*

(1) *General information on entrusted loan*

Not applicable.

Other information

Not applicable.

(2) *Specific entrusted loan*

Not applicable.

Other information

Not applicable.

(3) Provision for impairment of the entrusted loan

Not applicable.

3. Other information

Not applicable.

(IV) Other Major Contract

Not applicable.

(V) Other Major Events

Completion of shareholding increase plan of the Company by the Controlling Shareholder

Shandong Energy intends to increase its shareholding of A and H Shares of the Company by means of centralized bidding, block trading or on-market transaction through the trading systems of Shanghai Stock Exchange and the Hong Kong Stock Exchange within 12 months from 29 November 2023, with a cumulative increase of not less than RMB300 million and not more than RMB600 million, of which the cumulative increase of A-shares is not less than RMB100 million and not more than RMB200 million and the cumulative increase in H-share holdings shall be no less than RMB200 million and no more than RMB400 million.

From 22 January 2024 to 28 November 2024, Shandong Energy increased its shareholding of a total of 27,715,380 A shares and H shares of the Company by means of centralized bidding through the trading systems of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, with an amount of RMB300,202,748.73 (the H shares were increased in HKD, with the exchange rate of HKD to RMB calculated based on the middle rate published by the People's Bank of China on the date of the increase), including:

Increased shareholding of 6,187,380 A shares of the Company, with an amount of RMB100,086,567.70;

Increased shareholding of 21,528,000 H shares of the Company, with an amount of RMB200,116,181.03.

As of 28 November 2024, the total amount of shareholding increase, the amount of A shares, and the amount of H shares by Shandong Energy have all exceeded the lower limit of the shareholding increase plan amount range, and this shareholding increase plan has been completed.

For details, please refer to the announcement on the shareholding increase plan of the Company by the Controlling Shareholder dated 29 November 2023, the announcement on the progress of the controlling shareholder's shareholding increase plan and the first time to increase its shareholding in the Company dated 22 January 2024, the announcements on the progress of the Controlling Shareholder's shareholding increase plan dated 31 January 2024 and 28 May 2024, the indicative announcement on the progress of the Controlling Shareholder's shareholding increase plan and changes in equity dated 19 July 2024, the announcement on the progress of the Controlling Shareholder's shareholding increase plan dated 26 July 2024, and the announcement on the results of the implementation of the shareholding increase plan of the Controlling Shareholder dated 28 November 2024. Such information was published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

Adjustment of Company organization

As reviewed and approved at the eleventh meeting of the ninth session of the Board of Directors held by the Company on 25 October 2024, the Company adjusted part of its organizational structure, which mainly involves renaming certain departments, merging or canceling some departments, and establishing relevant operating companies.

For details, please refer to the results report for the third quarter of 2024 of the Company dated 25 October 2024. Such information was published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

The issuance of exchangeable bonds by the Controlling Shareholders

On 25 September 2024, the Company received a notification from Shandong Energy, the Controlling Shareholders of the Company, informing the Company that on 24 September 2024, Yankuang Group (Cayman) Limited, a wholly-owned subsidiary of Shandong Energy, as the issuer, and Shandong Energy as the guarantor, priced and issued the exchangeable corporate bonds (the "Exchangeable Bonds Issuance") on the Stock Exchange of Hong Kong Limited, with 282,697,893 H shares of the Company held by Yankuang Group (Hong Kong) Limited, a wholly-owned subsidiary of Shandong Energy, as the underlying shares. The Exchangeable Bonds Issuance has been completed on 3 October 2024.

For details, please refer to the indicative announcement in relation to the issuance of exchangeable corporate bonds by the Controlling Shareholders dated 25 September 2024, the H shares/A shares announcements in relation to the completion of the issuance of exchangeable corporate bonds by the Controlling Shareholders dated 3 October and 7 October 2024. Such information was published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

Rongxin Chemical 800,000-ton Olefin Project

As reviewed and approved at the eleventh meeting of the ninth session of the Board of Directors held by the Company on 25 October 2024, Inner Mongolia Rongxin Chemical Co., Ltd. will implement the 800,000-ton olefin project in accordance with the "Basic Engineering Design for the Annual Production of 800,000 Tons of Olefins Project".

For details, please refer to the announcement on external investment dated 25 October 2024. Such information was published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

Acquisition of SMT Scharf AG

As reviewed and approved by the general manager's office meeting of the Company, on 1 March 2024, the Company signed the "Share Purchase Agreement - Regarding the Sale and Purchase of SMT Scharf AG Specific Shares" with 10 parties including Shareholder Value Management Aktiengesellschaft; and signed the "Share Purchase Agreement (Famous) - Regarding the Sale and Purchase of SMT Scharf AG Specific Shares" with Famous Holding GmbH. The Company paid the transfer price of approximately €32,169,500 and acquired 52.66% of the shares in SMT Scharf AG.

On 19 September 2024, the subject shares were delivered and transferred to the Company. On 24 September 2024, with the approval of the Frankfurt Stock Exchange, SMT Scharf AG's shares were officially transferred to the regulated market of the Frankfurt Stock Exchange for listing and trading, and simultaneously listed and traded on the regulated market of the Frankfurt Stock Exchange and the M:access segment of the Munich Stock Exchange, with the stock code S188.

For details, please refer to the Company's Announcement dated 1 March 2024 in relation to the acquisition of equity in an overseas company, the announcement dated 20 September 2024 on the completion of the equity transfer of the overseas company, and the announcement dated 24 September 2024 on the listing segment transfer of the overseas holding subsidiary. Such information was published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

Mergers and Acquisitions of Wubo Technology

As reviewed and approved at the eighth meeting of the ninth session of the Board of Directors held by the Company on 31 May 2024, the Company made a cash contribution of approximately RMB1.55 billion to acquire 45% equity interest in Wubo Technology. At the same time, Fujian Dongwo Investment Center (Limited Partnership) and Fujian Dongchuang Investment Center (Limited Partnership) respectively granted to the Company, exclusively, unconditionally, and irrevocably, all the voting rights corresponding to all the equity interests of Wubo Technology (a total of 6.32%) held by each of them, such that the voting rights exercisable by the Company after the completion of the transaction account for 51.32% of the total paid-in capital contributions of Wubo Technology. After the completion of the transaction, Wubo Technology became a holding subsidiary of the Company and was consolidated into the consolidated financial statements of the Company.

As of the disclosure date of this report, the above transaction has completed the equity transfer and the change of industrial and commercial registration procedures.

For details, please refer to the announcement dated 31 May 2024 on the merger of Wubo Technology Co., Ltd, the further announcement dated 9 July 2024 on the merger transaction, and the announcement dated 24 October 2024 on the progress of the merger transaction of Wubo Technology Co., Ltd. Such information was published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

Merger and Acquisition of Highfield Resources Limited ("Highfield Resources")

As reviewed and approved by the general manager's office meeting of the Company, on 23 September 2024, the Company signed the "Implementation Agreement" and the "Equity Subscription Agreement" with Highfield Resources (a company listed on the Australian Securities Exchange, stock code: HFR.ASX). The Company intends to acquire the newly issued shares of Highfield Resources by way of asset injection and cash subscription, and become the largest shareholder after the transaction and obtain control.

On 15 January 2025, the Company received a no-objection statement from the Foreign Investment Review Board (FIRB) of Australia.

On 20 February 2025, Highland Resources was not notified of the applicable provisions of the Investment Canada Act (‘ICA’) after the expiry of the period, and the conditions of the ICA approval required for the transfer of the Company’s 100% equity interests in Yancoal Canada Resources Holding Co., Ltd. to Highland Resources have been satisfied.

As of the disclosure date of this report, the above transaction is still in progress, and the Company will fulfill its information disclosure obligations in a timely manner in accordance with relevant regulatory requirements.

For details, please refer to the announcement dated 19 July 2024 on planning of strategic cooperation with Highfield Resources, and the announcement dated 23 September 2024 on merger and acquisition of Highfield Resources. Such information was published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company’s website, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

Passive Formation of External Guarantees Due to the Disposal of Equity Interests in Subsidiary

As reviewed and approved by the general manager’s office meeting of the Company, Yancoal International transferred its 45% equity interest in Yantai Jinzheng Eco-Technology Co., Ltd. (“Jinzheng Eco-Technology”), which was indirectly held through its overseas subsidiary Crouching Tiger Holding Limited. Upon completion of the equity transfer, the Company no longer has any equity relationship with Jinzheng Eco-Technology. As the bank loan guarantee provided by the Company for Jinzheng Eco-Technology has not yet expired, the Company continued to provide such passive external guarantees for Jinzheng Eco-Technology.

As reviewed and approved at the 2024 First Extraordinary General Meeting of Shareholders held by the Company on 25 October 2024, the Company agreed to passively form external guarantees due to the disposal of equity interests in Jinzheng Eco-Technology.

For details, please refer to the announcement dated 30 August 2024 on the passive formation of external guarantees due to the disposal of equity interests in a subsidiary, and the announcement in relation to the resolutions at the 2024 First Extraordinary General Meeting dated 25 October 2024. Such information was published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company’s website, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

XIV. EXPLANATION ON PROGRESS OF USE OF RAISED FUND

(I) Overall use of proceeds

Unit: RMB

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 of the end of the reporting period (4)	Including: cumulative amount of over-raised proceeds invested as of the end of the reporting period (5)	Cumulative Investment progress of proceeds as of the end of the reporting period (%) (6) = (4)/(1)	Cumulative Investment progress of over-raised proceeds as of 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	12 June 2024	4,514,111,000	4,489,739,100	4,489,739,100	0	4,489,739,100	0	100	0	4,489,739,100	100	0
Total	/	4,514,111,000	4,489,739,100	4,489,739,100	0	4,489,739,100	0	/	/	4,489,739,100	/	0

Other explanations

In June 2024, the Company issued 285 million H Shares under a general mandate at the price of HK$17.39 per share, thereby raising a total of HK$4,956,150,000, or approximately RMB4,514,111,000 at the exchange rate as of 12 June 2024. After deducting the issuance expenses, the net proceeds raised were approximately HK$4,929,390,000, or approximately RMB4,489,739,100 at the exchange rate as of 12 June 2024. The net proceeds have been used as scheduled for the repayment of debt of the Company and its subsidiaries and replenishment of general working capital.

(II) Details of fundraising projects

1. Details of the use of proceeds

Unit: RMB

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 investment approach	Planned total amount of proceeds invested (1)	Amount invested in current year	Cumulative amount of proceeds invested as of the end of the reporting period (2)	Cumulative investment progress as of 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, if so, please specify the details	Surplus amount
Issuance of shares to targeted subscribers	Repayment of principal and interest of subsidiary's debt	Replenishment of working capital and repayment of debts	Yes	No	4,489,739,100	4,489,739,100	4,489,739,100	100	N/A	No	Yes	N/A	N/A	N/A	N/A	0
Total	/	/	/	/	4,489,739,100	4,489,739,100	4,489,739,100	/	/	/	/	/	/	/	/	0

2. Details of the use of over-raised proceeds

Not applicable.

(III) Changes or termination of fundraising projects during the reporting period

Not applicable.

(IV) Other use of proceeds during the reporting period

1. Advance investment and replacement of issue proceeds investment projects

Not applicable.

2. Temporary replenishment of liquidity with idle proceeds

Not applicable.

3. Cash management of idle proceeds and investment in related products

Not applicable.

4. Others

Not applicable.

XV. EXPLANATION ON OTHER SIGNIFICANT MATTERS THAT HAVE A SIGNIFICANT IMPACT ON THE VALUE JUDGMENTS AND INVESTMENT DECISION-MAKING OF INVESTORS

(Prepared under the Hong Kong Listing Rules)

(I) Repurchase, Sold or Redemption of Listing Shares

Exercise of mandate to issue additional H Shares granted at the 2022 Annual General Meeting

As reviewed and approved at the eighth meeting of the ninth session of the Board of Directors held by the Company on 31 May 2024, it was resolved that the authorized persons shall, within the scope of the Board of Directors' resolution, proceed with the specific arrangements for the issuance of H Shares pursuant to the general mandate granted at the 2022 Annual General Meeting. The number of H Shares to be placed under this issuance was 285 million, with a placing price of HKD17.39 per share. The placees were no fewer than six professional institutions and/or other investors. Each placee and their respective ultimate beneficial owners (if applicable) were independent third parties and are not related/connected to the Company or its related/connected persons. The net proceeds from the issuance were approximately HKD4,929.39 million. Accordingly, the net issue price per placement share was approximately HKD17.29. The net proceeds have been used as planned to repay the debts of the Company and its subsidiaries and to supplement general working capital. For details of the proceeds, please refer to the "EXPLANATION ON PROGRESS OF USE OF RAISED FUND" in "Chapter 07 Significant Events" of this annual report. The closing price of each H share of the Company on the Hong Kong Stock Exchange on 3 June 2024 (the date of signing the placement agreement) was HKD19.30.

The placing is conducive to the Company's utilization of the capital market's financing functions, improving the Company's capital structure, implementing strategic reserve funds, and reducing the Company's asset-liability ratio.

For details, please refer to the announcement dated 4 June 2024 in relation to the issuance of H Shares under the general mandate, and the announcement dated 12 June 2024 in relation to the completion of the issuance of H shares under the general mandate. Such information was published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

Obtain authorization of the 2023 Annual General Meeting to issue additional and repurchase H Shares

At the 2023 Annual General Meeting held on 21 June 2024, a general mandate was granted to the Board of Directors to issue additional shares not exceeding 20% of the total issued share capital of the Company (excluding any treasury shares) as of the date of passing the relevant resolution during the mandate period, subject to the approval of relevant regulatory authorities, compliance with laws, administrative regulations, and the Company's Articles of Association, as well as actual needs and market conditions.

At the 2023 Annual General Meeting held on 21 June 2024, a general mandate was granted to the Board of Directors to repurchase H Shares not exceeding 10% of the total issued H Shares of the Company (excluding any treasury shares) as of the date of passing the relevant resolution during the mandate period, subject to the approval of relevant regulatory authorities, compliance with laws, administrative regulations, and the Company's Articles of Association, as well as actual needs and market conditions.

As of the disclosure date of this report, the Board of Directors of the Company has not exercised the above-mentioned general mandates.

(II) Remuneration Policy

For details, please refer to "Changes in Shareholdings and Remuneration of Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period". "Remuneration policies" under "Chapter 5 Corporate Governance".

(III) Auditors

For details, please refer to "Appointment, Dismissal of Accounting Firms" under "Chapter 7 Significant Events".

Chapter 08

Changes in Shares and Shareholders

(Prepared in accordance with CASs)

I. CHANGES IN SHARE CAPITAL

(I) Table of Changes in Shares

1. Table of changes in shares

Unit: share

	Before change		Increase/Decrease (+,-)				After change	
	Number of shares	Percentage (%)	Issuance of new shares	Bonus shares	Others	Sub-total	Number of shares	Percentage (%)
I. Shares with trading moratorium	89,940,000	1.21	0	17,812,620	-30,564,600	-12,751,980	77,188,020	0.77
1. State-shareholding	0	0	0	0	0	0	0	0
2. State-owned legal person shareholding	0	0	0	0	0	0	0	0
3. Other domestic shareholding	89,940,000	1.21	0	17,812,620	-30,564,600	-12,751,980	77,188,020	0.77
Including: domestic shareholding by non-state owned legal person	0	0	0	0	0	0	0	0
domestic natural person shareholding	89,940,000	1.21	0	17,812,620	-30,564,600	-12,751,980	77,188,020	0.77
4. Foreign shareholding	0	0	0	0	0	0	0	0
Including: foreign legal person shareholding	0	0	0	0	0	0	0	0
foreign natural person shareholding	0	0	0	0	0	0	0	0
II. Shares without trading moratorium	7,349,430,720	98.79	285,000,000	2,299,078,242	29,163,420	2,613,241,662	9,962,672,382	99.23
1. A Shares	4,499,430,720	60.48	0	1,358,578,242	29,163,420	1,387,741,662	5,887,172,382	58.64
2. Foreign shares domestically-listed	0	0	0	0	0	0	0	0
3. Foreign shares listed overseas	2,850,000,000	38.31	285,000,000	940,500,000	0	1,225,500,000	4,075,500,000	40.59
4. Others	0	0	0	0	0	0	0	0
III. Total number of shares	7,439,370,720	100	285,000,000	2,316,890,862	-1,401,180	2,600,489,682	10,039,860,402	100

2. Explanation on changes in shares

1. As considered and approved at the fifth meeting of the ninth session of the Board of the Company held on 23 February 2024, partial restricted shares that did not meet the incentive conditions were repurchased and cancelled, and it was confirmed that the conditions for lifting the first lockup period of the 2021 A-share Restricted Stocks Incentive Scheme of the Company have been fulfilled. As of the end of the reporting period, the Company has repurchased and cancelled 1,401,180 restricted shares, and 29,163,420 restricted shares have been released and circulated.

   For details, please refer to the Company's announcement on the repurchase and cancellation of partial restricted shares and the announcement on the fulfillment of conditions for the lifting of the lock-up period both dated 23 February 2024, the announcement on the lifting and listing of restricted shares dated 4 March 2024, and the announcement on the completion of cancellation of partial restricted shares dated 8 May 2024, which were posted on the websites of Shanghai Stock Exchange, the HKEX, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

2. As considered and approved at the eighth meeting of the ninth session of the Board of the Company held on 31 May 2024, the Company intended to place and issue 285,000,000 H Shares to no less than six placees, and as of the end of the reporting period, the relevant placing of H Shares has been completed.

   For details, please refer to the announcement of the Company on the issuance of H Shares under the general mandate dated 4 June 2024 and the announcement on the completion of the issuance of H Shares under the general mandate dated 12 June 2024, which were posted on the websites of Shanghai Stock Exchange, the HKEX, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

3. As considered and approved at the 2023 annual general meeting of the Company held on 21 June 2024, the Company distributed 3 bonus shares for every 10 shares to the shareholders based on the total share capital on the dividend distribution record date, and as of the end of the reporting period, the distribution of all the bonus shares has been completed with 2,316,890,862 shares distributed.

   For details, please refer to the announcement of the Company on the resolutions passed at the 2023 annual general meeting dated 21 June 2024 and the announcement on the implementation of equity distribution for 2023 dated 28 June 2024, which were posted on the websites of Shanghai Stock Exchange, the HKEX, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

3. *The impact of changes in shares on earnings per share, net asset per share and other financial indicators in the most recent year and the most recent reporting period (if any)*

During the reporting period, the Company completed the repurchase and cancellation of partial restricted shares, the issuance of H Shares under the general mandate and distribution of bonus shares for the 2023 annual profit distribution plan. The total share capital of the Company increased from 7,439,370,720 shares to 10,039,860,402 shares. Calculated on the basis of the weighted average number of the outstanding ordinary shares, earnings per share for 2023 is RMB2.11 and net asset per share is RMB7.63.

4. *Other disclosures that the Company considers necessary or required by securities regulatory institutions*

As of the disclosure date of this report, according to the information publicly available to the Company and to the knowledge of the Directors, the Directors believe that during the reporting period, the public float of the Company is more than 25% of the Company's total share capital, which is in compliance with the requirement of the Hong Kong Listing Rules.

(II) Changes in Shares with Restricted Moratorium

Unit: share

Name of shareholders	Number of shares with restricted moratorium at the beginning of the year	Number of shares released from restricted moratorium during the year	Number of shares with restricted moratorium increased during the year	Number of shares decreased with restricted moratorium during the year	Number of shares with restricted moratorium at the end of the reporting period	Reasons of restricted moratorium	Date on which the shares are released from restricted moratorium
Participants of restricted stock incentive (the first one lifted the restriction period)	29,680,200	29,163,420	0	516,780	0	–	For details of changes in shares and lifting of sales restrictions, please refer to the relevant contents of "Share Incentive" in "Chapter 5 Corporate Governance" of this report.
Participants of restricted stock incentive (the second one lifted the restriction period)	29,680,200	0	8,773,380	435,600	38,017,980	Restricted stock incentive	
Participants of restricted stock incentive (the third one lifted the restriction period)	30,579,600	0	9,039,240	448,800	39,170,040	Restricted stock incentive	
Total	89,940,000	29,163,420	17,812,620	1,401,180	77,188,020	/	/

II. SECURITIES ISSUANCE AND LISTING

(I) Securities Issuance as at the end of the Reporting Period

Unit: RMB, share

Type of stock and its derivative securities	Date of issuance	Issuing price (or interest rate)	Amount of issuance	Date of listing	Approved amount for listing and trading	Date of trade termination
Ordinary shares						
H Shares	12 June 2024	HK$17.39	285,000,000	12 June 2024	285,000,000	–
Bonds including enterprise bonds, corporate bonds and debt financing of non-financial enterprises						
Corporate bond	13 March 2024	3.03	RMB3 billion	14 March 2024	RMB3 billion	14 March 2034
Corporate bond	17 June 2024	2.28	RMB3 billion	18 June 2024	RMB3 billion	18 June 2027
Corporate bond	24 July 2024	2.17	RMB2 billion	25 July 2024	RMB2 billion	25 July 2027
Corporate bond	2 August 2024	2.05	RMB3 billion	5 August 2024	RMB3 billion	5 August 2027
Corporate bond	12 September 2024	2.15	RMB2 billion	18 September 2024	RMB2 billion	18 September 2027
Medium-term note	31 January 2024	2.85	RMB3 billion	2 February 2024	RMB3 billion	2 February 2027
Medium-term note	28 October 2024	2.43	RMB1.5 billion	30 October 2024	RMB1.5 billion	30 October 2026
Medium-term note	20 November 2024	2.26	RMB1.5 billion	22 November 2024	RMB1.5 billion	22 November 2026
Medium-term note	9 December 2024	2.06	RMB2 billion	11 December 2024	RMB2 billion	11 December 2026
Short-term financing note	1 July 2024	1.82	RMB3 billion	2 July 2024	RMB3 billion	30 December 2024
Short-term financing note	14 November 2024	2.02	RMB3 billion	15 November 2024	RMB3 billion	12 August 2025
Short-term financing note	25 December 2024	1.75	RMB2 billion	26 December 2024	RMB2 billion	19 September 2025

Explanation on securities issuance as at the reporting period (for bonds with different interest rates during the duration, please explain separately):

Ordinary shares:

In June 2024, the Company completed the issuance of 285 million H Shares at a price of HK$17.39 per share under the general mandate. The gross proceeds raised amounted to HK$4,956.15 million and the net proceeds raised amounted to approximately HK$4,929.39 million after deducting the expenses of the issuance. The net proceeds were used to repay debts of the Company and its subsidiaries and to replenish the general working capital. For details of the proceeds, please refer to the "EXPLANATION ON PROGRESS OF USE OF RAISED FUND" in "Chapter 7 Significant Events" of this annual report, as well as the Company's announcements dated 4 June 2024 and 12 June 2024.

Bonds including enterprise bonds, corporate bonds and debt financing of non-financial enterprises:

For details of corporate bonds issued this year, please refer to the relevant content of "Chapter 9 Bonds" of this annual report.

(II) Changes in Total Number of Shares, Shareholders' Structure, and Assets and Liabilities of the Company

During the reporting period, the Company completed the distribution of bonus shares for the 2023 annual profit distribution, the issuance of H Shares under the general mandate and the repurchase and cancellation of partial restricted shares. The total share capital of the Company increased from 7,439,370,720 shares to 10,039,860,402 shares. The changes in the total number of shares and shareholders' structure were mainly due to the distribution of the bonus shares for 2023, and did not have any significant impact on the assets and liabilities of the Company.

(III) Changes in Total Number of Shares Held by the Employees of the Company

Not applicable.

III. SHAREHOLDERS AND ACTUAL CONTROLLER

(I) Total Number of the Shareholders

Total number of ordinary shareholders as at the end of the reporting period	140,245
Total number of ordinary shareholders at the end of last month prior to the disclosure date of this annual report	145,973
Total number of preferred shareholders with resumed voting right as at the end of the reporting period	0
Total number of preferred shareholders with resumed voting right at the end of last month prior to the disclosure date of this annual report	0

(II) Top Ten Shareholders and Top Ten Shareholders Holding Tradable Shares of the Company which are not Subject to Trading Moratorium (as at 31 December 2024)

Unit: share

Shareholdings of the top ten Shareholders (excluding lending shares by means of financing transfer)

Name of shareholders (full name)	Increase/decrease during the reporting period	Number of shares held at the end of the reporting Period	Percentage holding (%)	Number of shares held subject to trading moratorium	Number of pledged, marked or locked shares: Status of shares	Number of pledged, marked or locked shares: Number of shares	Nature of shareholders
Shandong Energy Group Co., Ltd.	1,235,429,211	5,303,899,421[①]	52.83	0	Pledged	492,501,172	State-owned legal person
HKSCC Nominees Limited	998,045,911	3,162,157,918	31.50	0	Unknown	–	Overseas legal person
Hong Kong Securities Clearing Company Limited	1,231,059	88,503,648	0.88	0	No	0	Overseas legal person
New China Life Insurance Co., Ltd. – Traditional – Common Insurance Product-018L – CT001 Shanghai	41,275,816	44,546,366	0.44	0	No	0	Others
China Merchants Bank Co., Ltd.. – Shanghai Stock Exchange Dividend Exchange Traded Open-End Index Securities Investment Fund	15,557,744	31,604,925	0.31	0	No	0	Others
Industrial and Commercial Bank of China Co., Ltd. – Huatai PineBridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund	21,371,399	30,917,174	0.31	0	No	0	Others
China Construction Bank Corporation – E-Fund CSI 300 Exchange Traded Open-End Index Initiated Securities Investment Fund	17,499,274	21,312,020	0.21	0	No	0	Others
Qian Hai Life Insurance Co., Ltd. – Participating Insurance Products	20,859,774	20,859,774	0.21	0	No	0	Others
Industrial and Commercial Bank of China Co., Ltd. – ChinaAMC CSI 300 Exchange Traded Open-End Index Securities Investment Fund	11,512,474	14,161,388	0.14	0	No	0	Others
Industrial and Commercial Bank of China Co., Ltd. – Cathay CSI Coal Exchange Traded Open-End Index Securities Investment Fund	8,927,604	13,818,257	0.14	0	No	0	Others

Top ten Shareholders holding tradable shares not subject to trading moratorium (excluding lending shares by means of financing transfer)

Name of shareholders	Number of tradable shares held not subject to trading moratorium	Class and number of shares held	
		Class of shares	Number of shares
Shandong Energy Group Co., Ltd.	4,395,142,871	A Shares	4,395,142,871
	908,756,550	H Shares	908,756,550
HKSCC Nominees Limited	3,162,157,918	H Shares	3,162,157,918
Hong Kong Securities Clearing Company Limited	88,503,648	A Shares	88,503,648
New China Life Insurance Co., Ltd. – Traditional – Common Insurance Product-018L – CT001 Shanghai	44,546,366	A Shares	44,546,366
China Merchants Bank Co., Ltd. – Shanghai Stock Exchange Dividend Exchange Traded Open-End Index Securities Investment Fund	31,604,925	A Shares	31,604,925
Industrial and Commercial Bank of China Co., Ltd. – Huatai PineBridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund	30,917,174	A Shares	30,917,174
China Construction Bank Corporation – E-Fund CSI 300 Exchange Traded Open-End Index Initiated Securities Investment Fund	21,312,020	A Shares	21,312,020
Qian Hai Life Insurance Co., Ltd. – Participating Insurance Products	20,859,774	A Shares	20,859,774
Industrial and Commercial Bank of China Co., Ltd. – ChinaAMC CSI 300 Exchange Traded Open-End Index Securities Investment Fund	14,161,388	A Shares	14,161,388
Industrial and Commercial Bank of China Co., Ltd. – Cathay CSI Coal Exchange Traded Open-End Index Securities Investment Fund	13,818,257	A Shares	13,818,257
Explanation on repurchase of special shares by the top ten shareholders	Not applicable		
Explanation on voting proxy, entrusted voting or abstention by the above shareholders	Not applicable		
Connected relationship or concerted-party relationship among the above shareholders	Yankuang Group (Hong Kong) Company Limited ("Yankuang Hong Kong"), a wholly-owned subsidiary of Shandong Energy Group, held 909 million H Shares of the Company through HKSCC Nominees Limited. Huatai PineBridge Fund Management Co., Ltd. is the fund manager of China Merchants Bank Co., Ltd. – Shanghai Stock Exchange Dividend Exchange Traded Open-End Index Securities Investment Fund and Industrial and Commercial Bank of China Co., Ltd. – Huatai PineBridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund. Apart from the disclosure above, it is unknown whether other shareholders are connected with one another or whether any of these shareholders fall within the meaning of parties acting in concert.		
Explanation on preferred shareholders with resumed voting rights and the number of shares held by them	Not applicable		

Notes:

① As at 31 December 2024, Shandong Energy Group directly and indirectly held a total of 5,303,899,421 shares of the Company, accounting for 52.83% of the total share capital of the Company, of which; (i) 4,185,339,592 A Shares of the Company were held through its own account; (ii) 209,803,279 A Shares of the Company were held through exchangeable corporate bonds in special pledged account; (iii) 626,058,657 H Shares of the Company were held through Yankuang Hong Kong's own account; and (iv) 282,697,893 H Shares of the Company held through Yankuang Hong Kong's special corporate pledged account.

② All the information above, including "Total number of ordinary shareholders as at the end of the reporting period" and "Top ten Shareholders and the top ten Shareholders holding tradable shares of the Company which are not subject to trading moratorium", is prepared in accordance with the registers of the Shareholders provided by the Shanghai Branch of China Securities Depository and Clearing Corporation Ltd. and Computershare Hong Kong Investor Services Limited.

③ As the clearing and settlement agent for the Company's H Shares, HKSCC Nominees Limited holds the Company's H Shares in the capacity of a nominee. Hong Kong Securities Clearing Company Limited is the nominal holder of the Company's shares traded through Shanghai Stock Connect.

Shareholders with over 5% shares of the Company, the top ten shareholders and top ten shareholders holding tradable shares participating in refinancing business and lending shares

Unit: share(s)

Shareholders with over 5% shares of the Company, the top ten shareholders and top ten shareholders holding tradable shares participating in refinancing business and lending shares								
	Shareholding of ordinary account and credit account at the beginning of the reporting period		Outstanding shares lent through refinancing at the beginning of the reporting period		Shareholding of ordinary account and credit account at the end of the reporting period		Outstanding Shares lent through refinancing at the end of the reporting period	
Name of shareholders (full name)	Number in total	Percentage (%)	Number in total	Percentage (%)	Number in total	Percentage (%)	Number in total	Percentage (%)
Industrial and Commercial Bank of China Limited-Huatai-PineBridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund	9,545,775	0.1283	696,300	0.0094	30,917,174	0.3079	0	0
China Construction Bank Corporation－E Fund CSI 300 Exchange Traded Open-ended Index Sponsored Securities Investment Fund	3,812,746	0.0513	64,800	0.0009	21,312,020	0.2123	0	0
Industrial and Commercial Bank of China Co., Ltd.-ChinaAMC CSI 300 Exchange Traded Open-ended Index Securities Investment Fund	2,648,914	0.0356	345,200	0.0046	14,161,388	0.1411	0	0
Industrial and Commercial Bank of China Limited-Guotai Zhongzheng Coal Exchanged Traded Open-ended Index Securities Investment Fund	4,890,653	0.0657	1,687,600	0.0227	13,818,257	0.1376	0	0

Changes of top ten shareholders and top ten shareholders holding tradable shares not subject to trading moratorium from the previous period due to lending/returning of shares through refinancing

Not applicable.

The number of shares held by top ten shareholders holding shares subject to trading moratorium and the restrictions

Not applicable.

(III) Strategic Investor or Legal Person Who Became Top Ten Shareholders for Rights Issue

Not applicable.

(IV) Substantial Shareholders' Interests and/or Short Positions in the Shares and/or Underlying Shares of the Company

As far as the Directors are aware, save as disclosed below, as at 31 December 2024, other than the Directors, Supervisors or chief executives of the Company, there were no other persons who were substantial shareholders of the Company or had interests or short positions in the shares or underlying shares of the Company, which should (1) be disclosed pursuant to Sections 2 and 3 under Part XV of the Securities and Futures Ordinance ("**SFO**"); (2) be recorded in the register to be kept pursuant to Section 336 of the SFO; or (3) be notified to the Company and the Hong Kong Stock Exchange in other ways.

Name of Substantial Shareholders	Class of Shares	Capacity	Number of Shares Held (shares)	Nature of Interest	Percentage in the H Share Capital of the Company	Percentage in Total Issued Share Capital of the Company
Shandong Energy	A Shares (State-owned legal person shares)	Beneficial owner	4,395,142,871	Long position	–	43.78%
			209,803,279	Short position	–	2.09%
Shandong Energy①	H Shares	Interest of controlled corporations	908,756,550	Long position	22.30%	9.05%
			282,697,893	Short position	6.94%	2.82%

Notes:

① Yankuang Hong Kong holds such H Shares in the capacity of beneficial owner.

② The percentage figures above have been rounded off to the nearest second decimal place.

③ Information disclosed herein is based on the information available on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and information provided by the Shanghai Branch of China Securities Depository and Clearing Corporation Ltd.

IV. CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLER

(I) Controlling Shareholders

1. Legal person

Name	**Shandong Energy Group Co., Ltd.**
Person in charge or legal representative	Li Wei
Date of establishment	12 March 1996
Main businesses	Mining, electric power, high-end chemicals, high-end equipment manufacturing, new energy and new materials, modern logistics and trade, etc.
Controlling shares or participating shares held by Shandong Energy Group in other companies listed domestically and overseas during the reporting period	Please see the table below.
Other explanations	–

As at 31 December 2024, the other domestic and overseas listed companies which controlling shares or participating shares were held by Shandong Energy Group are as follows:

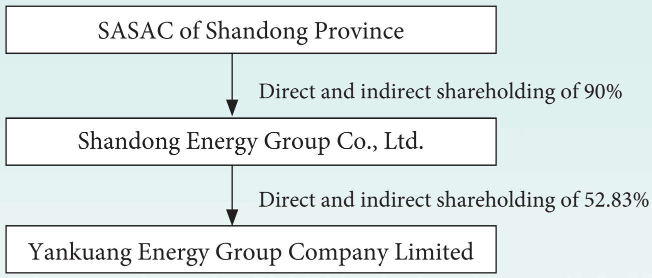
No.	Abbreviation of the Listed Company	Stock Exchange	Stock Code	Number of Shares Held (0'000 shares)	Percentage of Shares Held (%)
1	Yunding Technology	Shenzhen Stock Exchange	000409.SZ	23,864	35.17
2	Shandong Fiberglass	Shanghai Stock Exchange	605006.SH	31,644	51.79
3	Qixiang Tengda	Shenzhen Stock Exchange	002408.SZ	151,196	53.18
4	Wind Sun Science & Technology	Shanghai Stock Exchange	688663.SH	5,353	38.25
5	Zhongtai Securities	Shanghai Stock Exchange	600918.SH	251,508	36.09
6	Rizhao Port	Shanghai Stock Exchange	600017.SH	16,755	5.50
7	Rizhao Port JR	The Stock Exchange of Hong Kong Limited	06117.HK	5,000	3.01
8	Qilu Expressway	The Stock Exchange of Hong Kong Limited	01576.HK	4,060	2.03

(II) Actual Controller

1. Legal person

State-owned Assets Supervision and Administration Commission of Shandong Province (SASAC of Shandong Province)

2. Diagram of equity and relationship of control between the Company and the actual controller (as at 31 December 2024)



3. The actual controller controlling the Company through trust or other asset management

Not applicable.

(III) Other Explanations on Controlling Shareholder and the Actual Controller

Not applicable.

V. THE ACCUMULATED SHARES PLEDGED BY THE CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER AND THE PERSONS ACTING IN CONCERT BEING ABOVE 80% OF THE COMPANY'S SHARES HELD BY THEM

Not applicable.

VI. LEGAL PERSONS AS SHAREHOLDERS WITH SHAREHOLDING OF 10% OR MORE

Not applicable.

As at 31 December 2024, HKSCC (Nominees) Limited held 4,070,914,468 H Shares of the Company (including 909 million H Shares of the Company held by Yankuang Hong Kong) on behalf of its several clients, representing 40.55% of the total share capital of the Company. HKSCC (Nominees) Limited is a member of Hong Kong central clearing and settlement system, providing customers with security registration and custody business.

VII. EXPLANATION ON RESTRICTION OF SELLDOWN SHAREHOLDING

Not applicable.

VIII. IMPLEMENTATION OF SHARES REPURCHASE DURING THE REPORTING PERIOD

Unit: RMB 0'000

Name of the share repurchase scheme	Restricted shares repurchase
Disclosure date of shares repurchase scheme	23 February 2024
Number of shares proposed to be repurchased and percentage of total share capital (%)	1,401,180 shares proposed to be repurchased at RMB3.6133 per share; accounting for approximately 0.02% of the total share capital upon the implementation of the repurchase
Amount of proposed shares repurchase	539.35
Period of proposed shares repurchase	–
Purpose of shares repurchase	1,401,180 restricted shares which had been granted but not yet released from restricted moratorium were repurchased and cancelled according to the 2021 A-Share Restricted Stock Incentive Scheme of the Company due to the job transfers and performance appraisals of some of the participants.
Number of shares repurchased (share)	1,401,180 shares repurchased on 13 May 2024
Number of shares repurchased as a proportion of the underlying shares covered by the equity incentive scheme (%) (if any)	2.31
Progress of the Company's reduction and repurchase of shares by means of centralized bidding	Not applicable

IX. PREEMPTIVE RIGHT

The Articles and the laws of the PRC do not contain any provision for any pre-emptive rights requiring the Company to offer new shares on a pro-rata basis to its existing Shareholders.

Chapter 09
Bonds

(All financial data listed was prepared in accordance with CASs)

I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS) AND FINANCING DEBTS OF NON-FINANCIAL ENTERPRISES

(I) CORPORATE BONDS (INCLUDING ENTERPRISE BONDS)

1. Basic information of corporate bonds (as of the disclosure date of this report)

Unit: RMB100 million

Name	Abbreviation	Code	Issue date	Interest starting date	The recent sell-back date after 30 April 2025	Mature date	Balance	Interest rate (%)	Way to repay principal and interest	Trade location	Lead underwriter	Trustee	Appropriate arrangement of the investors (if any)	Trade mechanism	Whether there is risk of listing termination
2020 corporate bond (first tranche) (class 3)	20 Yanzhou Coal 03	163236	10 March 2020	12 March 2020	/	12 March 2030	20	4.29	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	SSE	Haitong Securities	Haitong Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2020 corporate bond (second tranche) (class 2)[①]	20 Yanzhou Coal 05	175275	21 October 2020	23 October 2020	23 October 2025	23 October 2030	15	4.27	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	SSE	Haitong Securities	Haitong Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2021 corporate bond (first tranche) (class 2)	21 Yanzhou Coal 02	188164	28 May 2021	31 May 2021	/	31 May 2026	10	4.13	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	SSE	Haitong Securities	Haitong Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2023 corporate bond (first tranche) (class 1)	23 Yankuang 01	115406	25 May 2023	26 May 2023	/	26 May 2028	10	3.34	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	SSE	CICC	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2023 corporate bond (first tranche) (class 2)	23 Yankuang 02	115407	25 May 2023	26 May 2023	/	26 May 2033	20	3.80	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	SSE	CICC	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2023 corporate bond (second tranche) (class 2)	23 Yankuang 04	115544	15 June 2023	16 June 2023	/	16 June 2033	20	3.75	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	SSE	CICC	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No

Name	Abbreviation	Code	Issue date	Interest starting date	The recent sell-back date after 30 April 2025	Mature date	Balance	Interest rate (%)	Way to repay principal and interest	Trade location	Lead underwriter	Trustee	Appropriate arrangement of the investors (if any)	Trade mechanism	Whether there is risk of listing termination
2024 Science and Technology Innovation Corporate Bonds (First Tranche)	24 Yankuang K1	240582	13 March 2024	14 March 2024	/	14 March 2034	30	3.03	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	SSE	CITIC Securities	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2024 Science and Technology Innovation Renewable Corporate Bonds (First Tranche)②	Yankuang KY01	241141	17 June 2024	18 June 2024	/	18 June 2027	30	2.28	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	SSE	GF Securities	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2024 Science and Technology Innovation Renewable Corporate Bonds (Second Tranche)③	Yankuang KY02	241324	24 July 2024	25 July 2024	/	25 July 2027	20	2.17	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	SSE	GF Securities	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2024 Science and Technology Innovation Corporate Bonds (Second Tranche)	24 Yankuang K3	241379	2 August 2024	5 August 2024	/	5 August 2027	30	2.05	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	SSE	GF Securities	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2024 Science and Technology Innovation Corporate Bonds (Third Tranche)	24 Yankuang K4	241636	12 September 2024	18 September 2024	/	18 September 2027	20	2.15	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	SSE	GF Securities	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No

Notes:

① 2020 Corporate Bond (second tranche) (class 2) is a 10-year-fixed interest rate bond. At the end of the fifth interest-bearing year, the Company has the right to choose to adjust the coupon rate for the later maturity of the current bond and the investors have the right to sell the bond back to the Company.

② For 2024 Science and Technology Innovation Renewable Corporate Bond (first tranche), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by three years) or choose to repay the principal and interest of the current bond due at maturity in full at the end of the term.

③ For 2024 Science and Technology Innovation Renewable Corporate Bond (second tranche), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond placing by one term (that is, by three years) or choose to repay the principal and interest of the current bond due at maturity in full at the end of the term.

Counter-measures to the risks of listing termination of the Company

Not applicable.

Principal and interest payment of bonds during the reporting period

Name of bond	Explanations on principal and interest payment
2021 corporate bond (first tranche) (class 1)	All principals and interests have been repaid in due course and no default occurs.
2021 Renewable Corporate Bonds (first Tranche) (class 2)	All principals and interests have been repaid in due course and no default occurs.
2021 Renewable Corporate Bonds (Second Tranche)	All principals and interests have been repaid in due course and no default occurs.
2020 corporate bond (first tranche) (class 2)[note]	All interests have been repaid in due course and no default occurs.
2020 corporate bond (first tranche) (class 3)	All interests have been repaid in due course and no default occurs.
2020 corporate bond (second tranche) (class 2)	All interests have been repaid in due course and no default occurs.
2021 corporate bond (first tranche) (class 2)	All interests have been repaid in due course and no default occurs.
2023 corporate bond (first tranche) (class 1)	All interests have been repaid in due course and no default occurs.
2023 corporate bond (first tranche) (class 2)	All interests have been repaid in due course and no default occurs.
2023 corporate bond (second tranche) (class 2)	All interests have been repaid in due course and no default occurs.

Note: For 2020 corporate bond (first tranche) (class 2), the principals and respective interests have been paid on 12 March 2025.

2. *Trigger and enforcement of clauses on the Company or investor option as well as investor protection*

Not applicable.

3. *Agents for bonds issuance and continuing business services*

Name of agent	Office address	Name of signing accountant	Contract person	Tel
Haitong Securities Co., Ltd.	15/F, Tianyuan Xiangtai Tower, 5 Anding Road, Chaoyang District, Beijing	Xu Kangwei, Wang Yibin	Chen Yangyang, Tan Xiaolong	010-88027267
China International Capital Corporation Limited	28/F, 2nd Guomao Mansion 1st Jianguomenwai Street, Chaoyang District, Beijing	Zhu Baoqin, Sun Lingling	Huang Jiening	010-65051166
CITIC Securities Company Limited	22nd Floor, CITIC Securities Building, No. 48 Liangmaqiao Road, Chaoyang District, Beijing	Wang Guobei, Cheng Hailiang	Jiang Qi, Jiang Haotian	010-60833578
GF Securities Co., Ltd.	39th Floor, Taikang Insurance Building, No. 429 Nanquan North Road, Pudong New District, Shanghai	Chang Hua, He Mingzhi	Meng Yu, Yin Jing	021-38003800-3702
Ping An Securities Co., Ltd.	22 Floor - 25 Floor, Tower B, Ping An Finance Centre, 5023 Yitian Road, Futian Street, Futian District, Shenzhen	Chang Hua, Qiao Beibei	Sun Bo, Li Xirui	010-56800276
Golden Credit Rating International Co., Ltd.	47/F, Building A, Pingan Xingfu Center, 24th Yard, Lize Road, Fengtai District, Beijing	Chi Wenzhou, Peng Ze	Cao Peng	0571-87858258
China Lianhe Credit Rating Co., Ltd.	17/F, PICC Mansion, 2 Jianguomenwai Street, Chaoyang District, Beijing	Mao Guangqin	Huang Ye	010-85679696

Changes of the above agents

Not applicable.

4. *Adjustments on credit rating results*

Not applicable.

5. *Modification, changes, implementation and impact of guarantees, debt repayment plan and other solvency supporting measures during the reporting period*

Not applicable.

(II) Proceeds from Corporate Bonds

✔Corporate bonds involving the use of proceeds or rectification during the reporting period

1. *Basic Information*

Unit: RMB100 million

Bonds Code	Bonds Abbreviation	Whether it is a specialised bond	Specific Types of Specialised Bonds	Gross proceeds raised	The balance of proceeds as of the end of the Reporting period	The balance of the special account for the proceeds as of the end of the Reporting period
240582	24 Yankuang K1	Yes	S&T Innovation Bonds	30	0	0
241141	Yankuang KY01	Yes	S&T Innovation Bonds	30	0	0
241324	Yankuang KY02	Yes	S&T Innovation Bonds	20	0	0
241379	24 Yankuang K3	Yes	S&T Innovation Bonds	30	0	0
241636	24 Yankuang K4	Yes	S&T Innovation Bonds	20	0	0

2. *Adjustment of Change in Use of Proceeds*

Not applicable.

3. *Use of Proceeds*

(1). *Actual utilization of proceeds (excluding temporary replenishment)*

Unit: RMB100 million

Bonds Code	Bonds Abbreviation	Actual utilization of proceeds during the reporting period	Repayment of interest-bearing debt (excluding corporate bonds) and the amount involved	Repayment of corporate bonds and the amount involved	Replenishment of working capital and the amount involved	Investment of fixed asset projects and the amount involved	Other use and the amount involved
240582	24 Yankuang K1	30	0	30	0	0	0
241141	Yankuang KY01	30	0	30	0	0	0
241324	Yankuang KY02	20	0	13	7	0	0
241379	24 Yankuang K3	30	29.5	0	0.5	0	0
241636	24 Yankuang K4	20	20	0	0	0	0

(2). *Use of Proceeds for Specific Items*

Not applicable.

(3). *Temporary replenishment*

Not applicable.

4. Fundraising Compliance

Bonds Code	Bonds Abbreviation	Actual use of proceeds as at the end of the reporting period (including actual use and temporary replenishment)	Whether the actual use is consistent with the intended use (including the intended use in the prospectus and the use after compliance change)	Whether the utilization and management of the fundraising account were compliant during the reporting period	Compliance of the use of proceeds with local government debt management requirements
240582	24 Yankuang K1	to repay bonds due	Yes	Yes	Not applicable
241141	Yankuang KY01	to repay bonds due	Yes	Yes	Not applicable
241324	Yankuang KY02	to repay bonds due and replenish working capital	Yes	Yes	Not applicable
241379	24 Yankuang K3	to repay bonds due and replenish working capital	Yes	Yes	Not applicable
241636	24 Yankuang K4	to repay bonds due	Yes	Yes	Not applicable

Non-compliance of the utilization and management of the fundraising account

Not applicable.

Being punished for illegal use of proceeds

Not applicable.

(III) Other Matters that Should be Disclosed for Special Grades of Bonds

1. The Company is the issuer of convertible bonds

Not applicable.

2. The Company is the issuer of green corporate bonds

Not applicable.

3. *The Company is the issuer of renewable corporate bonds*

Unit: RMB100 million

Bond code	241141
Bond abbreviation	Yankuang KY01
Bond balance	30
Renewal status	–
Interests rate jump	–
Interests deferral	–
Compulsory interest payment	–
Whether the bonds are still recognised in equity and related accounting treatment	Yes
Other matters	–

Bond code	241324
Bond abbreviation	Yankuang KY02
Bond balance	20
Renewal status	–
Interests rate jump	–
Interests deferral	–
Compulsory interest payment	–
Whether the bonds are still recognised in equity and related accounting treatment	Yes
Other matters	–

4. *The Company is the issuer of corporate bonds for poverty alleviation*

Not applicable.

5. *The Company is the issuer of corporate bonds for rural revitalization*

Not applicable.

6. *The Company is the issuer of belt and road corporate bonds*

Not applicable.

7. *The Company is the issuer of science and technology innovation corporate bonds or innovation and entrepreneurship corporate bonds*

Unit: RMB100 million

Bond code	240582
Bond abbreviation	24 Yankuang K1
Bond balance	30
Progress of technology innovative projects	–
Effectiveness in promoting the development of technology and innovation	–
Operation of bond products (if any)	–
Other matters	–

Bond code	241141
Bond abbreviation	Yankuang KY01
Bond balance	30
Progress of technology innovative projects	–
Effectiveness in promoting the development of technology and innovation	–
Operation of bond products (if any)	–
Other matters	–

Bond code	241324
Bond abbreviation	Yankuang KY02
Bond balance	20
Progress of technology innovative projects	–
Effectiveness in promoting the development of technology and innovation	–
Operation of bond products (if any)	–
Other matters	–

Bond code	241379
Bond abbreviation	24 Yankuang K3
Bond balance	30
Progress of technology innovative projects	–
Effectiveness in promoting the development of technology and innovation	–
Operation of bond products (if any)	–
Other matters	–

Bond code	241636
Bond abbreviation	24 Yankuang K4
Bond balance	20
Progress of technology innovative projects	–
Effectiveness in promoting the development of technology and innovation	–
Operation of bond products (if any)	–
Other matters	–

8. *The Company is the issuer of low-carbon transition (linked) corporate bonds*

Not applicable.

9. *The Company is the issuer of corporate bonds for bailout*

Not applicable.

10. *The Company is the issuer of micro, small and medium-sized enterprise (MSME) backed bonds*

Not applicable.

11. *Matters on Other Special Grades of Bonds*

Not applicable.

(IV) Material matter in relation to corporate bonds during the reporting period

Liabilities

(1). Interests-bearing liabilities and changes therein

1.1 Debt structure of the Company

At the beginning of the reporting period and at the end of the reporting period, interest-bearing debt balance of the Company (non-consolidated) was RMB81.617 billion and RMB84.268 billion, respectively, and the year-on-year change in the balance of interest-bearing debt during the reporting period was 3.2%.

Unit: RMB100 million

Type of interest-bearing debt	Time to maturity: Overdue	Time to maturity: Within one year (inclusive)	Time to maturity: More than one year (exclusive)	Total amount	Amount as a percentage of interest-bearing debt (%)
Corporate credit bonds	–	116.61	159.74	276.34	32.79
Bank loans	–	154.53	411.81	566.34	67.21
Loans from non-bank financial institutions	–	–	–	–	–
Other interest-bearing debts	–	–	–	–	–
Total	–	271.13	571.54	842.68	–

At the end of the reporting period, of the Company's corporate credit bonds in existence, the balance of corporate bonds was RMB20.591 billion, the balance of enterprise bonds was RMB0 billion, the balance of debt financing instruments of non-financial enterprises was RMB7.043 billion, and a total of RMB6.552 billion of corporate credit bonds were due for maturity or repurchase for repayment within May to December 2025.

1.2 Consolidated Interest-bearing Debt Structure of the Company

At the beginning and end of the reporting period, the balance of interest-bearing debt of the Company within the scope of the Company's consolidated financial statements was RMB106.143 billion and RMB118.492 billion, respectively, and the year-on-year change in the balance of interest-bearing debt during the reporting period was 11.6%.

Unit: RMB100 million

Type of interest-bearing debt	Overdue	Time to maturity: Within one year (inclusive)	Time to maturity: More than one year(exclusive)	Total amount	Amount as a percentage of interest-bearing debt (%)
Corporate credit bonds	–	116.61	159.74	276.34	23.32
Bank loans	–	265.98	557.00	822.98	69.45
Loans from non-bank financial institutions	–	2.27	16.79	19.06	1.61
Other interest-bearing debts	–	–	66.54	66.54	5.62
Total	–	384.85	800.07	1,184.92	–

At the end of the reporting period, among the corporate credit bonds exist in the Company's consolidated accounts, the balance of corporate bonds was RMB20.591 billion, the balance of enterprise bonds was RMB0 billion, the balance of debt financing instruments of non-financial enterprises was RMB7.043 billion, and a total of RMB6.552 billion of corporate credit bonds were due for maturity or resale for repayment within May to December 2025.

1.3 Foreign bonds

As at the end of the reporting period, the balance of foreign bonds issued within the scope of the consolidated financial statements of the Company was RMB0 billion, and the balance of foreign bonds with maturity between May to December 2025 was RMB0 billion.

(2). At the end of the reporting period, the Company and its subsidiaries had interest-bearing debt with an overdue amount of more than RMB10 million or corporate credit bonds were overdue

Not applicable.

(3). Major liabilities and reasons for change therein

Unit: RMB100 million

Liabilities	Closing balance	Balance in 2023	Percentage change (%)	Explanation if the percentage change is more than 30%
Short-term borrowings	76.93	40.84	88.37	The Company had additional short-term borrowings during the reporting period.
Long-term borrowings	557.00	613.55	-9.22	–
Bonds payable	159.74	121.73	31.22	The Company issued bonds during the reporting period.
Non-current liabilities due within one year	318.38	208.06	53.02	The Company's long-term borrowings due within one year were reclassified to non-current liabilities due within one year.
Other interest-bearing liabilities	72.87	77.25	-5.67	–

(4). Seniority of liabilities against third parties

As of the end of reporting period, the seniority of liabilities against third parties within the scope of the Company’s consolidated statements:

Not applicable.

(V) Non-Financial Enterprise Debt Financing Instruments at Inter-Bank Bond Market

1. Basic information of non-financial enterprise debt financing instruments (as of the disclosure date of this report)

Unit: RMB100 million

Name	Abbreviation	Code	Issue date	Interest starting date	Maturity date	Balance	Interest rate (%)	Way to repay principal and interest	Trade place	Appropriate arrangement of the investors (if any)	Trade mechanism	Whether there is risk of listing termination
2021 medium-term note (first tranche)	21 Yanzhou Coal MTN001	102101379	22 July 2021	26 July 2021	26 July 2026	20	3.80	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2022 medium-term note (first tranche) (class 1)①	22 Yankuang Energy MTN001A	102281098	18 May 2022	20 May 2022	20 May 2025	25	3.28	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2022 medium-term note (first tranche) (class 2)②	22 Yankuang Energy MTN001B	102281099	18 May 2022	20 May 2022	20 May 2027	5	3.71	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2022 medium-term note (second tranche)③	22 Yankuang Energy MTN002	102281229	8 June 2022	10 June 2022	10 June 2025	20	3.30	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2023 medium-term note (first tranche)④	23 Yankuang Energy MTN001	102382795	19 October 2023	23 October 2023	23 October 2025	20	3.40	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2023 medium-term note (S&T innovation note) (second tranche)⑤	23 Yankuang Energy MTN002 (S&T innovation note)	102383131	21 November 2023	23 November 2023	23 November 2025	30	3.16	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No

Name	Abbreviation	Code	Issue date	Interest starting date	Maturity date	Balance	Interest rate (%)	Way to repay principal and interest	Trade place	Appropriate arrangement of the investors (if any)	Trade mechanism	Whether there is risk of listing termination
2024 medium-term note (S&T innovation note) (first tranche)[⑥]	24 Yankuang Energy MTN001 (S&T innovation note)	102480413	31 January 2024	2 February 2024	2 February 2027	30	2.85	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2024 medium-term note (S&T innovation note) (second tranche)[⑦]	24 Yankuang Energy MTN002 (S&T innovation note)	102484700	28 October 2024	30 October 2024	30 October 2026	15	2.43	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2024 super-short-term debentures(S&T innovation note) (second tranche)	24 Yankuang Energy SCP002 (S&T innovation note)	012483592	14 November 2024	15 November 2024	12 August 2025	30	2.02	The entire principal repaid at one time at maturity, the interest paid together with the principal	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2024 medium-term note (S&T innovation note) (third tranche)[⑧]	24 Yankuang Energy MTN003(S&T innovation note)	102485067	20 November 2024	22 November 2024	22 November 2026	15	2.26	The entire principal repaid at one time at maturity, the interest paid together with the principal	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2024 medium-term note (fourth tranche)[⑨]	24 Yankuang Energy MTN004	102485351	9 December 2024	11 December 2024	11 December 2026	20	2.06	The entire principal repaid at one time at maturity, the interest paid together with the principal	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No
2024 super-short-term debentures (third tranche)	24 Yankuang Energy SCP003	012484031	25 December 2024	26 December 2024	19 September 2025	20	1.75	The entire principal repaid at one time at maturity, the interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	circulation and transfer at the national inter-bank bond market	No

Notes:

① For 2022 medium-term note (first tranche) (class 1), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current medium-term note by one term (that is, by three years) or choose to repay the principal and interest of the current medium-term note due at maturity in full at the end of the term.

② For 2022 medium-term note (first tranche) (class 2), every five interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current medium-term note by one term (that is, by five years) or choose to repay the principal and interest of the current medium-term note due at maturity in full at the end of the term.

③ For 2022 medium-term note (second tranche), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current medium-term note by one term (that is, by three years) or choose to repay the principal and interest of the current medium-term note due at maturity in full at the end of the term.

④ For 2023 medium-term note (first tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current medium-term note by one term (that is, by two years) or choose to repay the principal and interest of the current medium-term note due at maturity in full at the end of the term.

⑤ For 2023 medium-term note (S&T innovation note) (second tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current medium-term note by one term (that is, by two years) or choose to repay the principal and interest of the current medium-term note due at maturity in full at the end of the term.

⑥ For 2024 medium-term note (S&T innovation note) (first tranche), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current medium-term note by one term (that is, by three years) or choose to repay the principal and interest of the current medium-term note due at maturity in full at the end of the term.

⑦ For 2024 medium-term note (S&T innovation note) (second tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current medium-term note by one term (that is, by two years) or choose to repay the principal and interest of the current medium-term note due at maturity in full at the end of the term.

⑧ For 2024 medium-term note (S&T innovation note) (third tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current medium-term note by one term (that is, by two years) or choose to repay the principal and interest of the current medium-term note due at maturity in full at the end of the term.

⑨ For 2024 medium-term note (fourth tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current medium-term note by one term (that is, by two years) or choose to repay the principal and interest of the current medium-term note due at maturity in full at the end of the term.

Counter-measures to the risks of listing termination of the Company

Not applicable.

Overdue debt

Not applicable.

Principal and interest payment of bonds during the reporting period

Name of bond	Explanations on principals and interest payment
2021 medium-term note (second tranche)	All principals and interests have been repaid in due course and no default occurs.
2024 super-short financing note (first tranche)	All principals and interests have been repaid in due course and no default occurs.
2021 medium-term note (first tranche)	All interests have been repaid in due course and no default occurs.
2022 medium-term note (first tranche) (class 1)	All interests have been repaid in due course and no default occurs.
2022 medium-term note (first tranche) (class 2)	All interests have been repaid in due course and no default occurs.
2022 medium-term note (second tranche)	All interests have been repaid in due course and no default occurs.
2023 medium-term note (first tranche)	All interests have been repaid in due course and no default occurs.
2023 medium-term note (S&T innovation note) (second tranche)	All interests have been repaid in due course and no default occurs.

2. ***Trigger and enforcement of clauses on the Company or investor option as well as investor protection***

Not applicable.

3. *Agents for bonds issuance and continuing business services*

Names of agent	Office address	Names of signing accountant	Contact person	Tel
Industrial Bank Co., Ltd.	398 Jiangbin Central Avenue, Taijiang District, Fuzhou, Fujian Province	Chen Sijie, Wu Zhongming	Liu Chunhua	0537-3295720
China Merchants Bank Co. Ltd.	7088 Shennan Roadway, Futian District, Shenzhen, Guandong Province	Wu Lingzhi, Sun Weiqi	Guo Fei	0531-55663546
China Lianhe Credit Rating Co., Ltd.	17/F, PICC Mansion, 2 Jianguomenwai Street, Chaoyang District, Beijing	Mao Guangqin	Huang Ye	010-85679696

Changes of the above agents

Not applicable.

4. *Use of proceeds by the end of the reporting period*

Unit: RMB100 million

Name of bonds	Aggregate amount of proceeds	Used amount	Unused amount	Special accounts operation of proceeds (if any)	Rectification of illegal use of proceeds (if any)	Whether it is consistent with the purpose, usage plan and other provisions set in the prospectus
2024 medium-term note (S&T innovation note) (first tranche)	30	30	0	N/A	N/A	yes
2024 medium-term note (S&T innovation note) (second tranche)	15	15	0	N/A	N/A	yes
2024 super-short financing note (S&T innovation note) (second tranche)	30	30	0	N/A	N/A	yes
2024 medium-term note (S&T innovation note) (third tranche)	15	15	0	N/A	N/A	yes
2024 medium-term note (fourth tranche)	20	20	0	N/A	N/A	yes
2024 super-short financing note (third tranche)	20	20	0	N/A	N/A	yes

Progress of construction projects and operational benefits of proceeds

Not applicable.

Explanation on changes of the use of proceeds by the above-mentioned bonds during the reporting period

Not applicable.

Other explanation:

Not applicable.

5. Adjustments on credit rating results

Not applicable.

Other explanation:

Not applicable.

6. Execution, changes and impact of guarantees, debt repayment plan and other debt repayment supporting measures during the Reporting Period

Not applicable.

7. Explanations on other conditions of non-financial enterprise debt financing instruments

Not applicable.

(VI) The Loss in the Consolidated Statements of the Company during the Reporting Period Exceeding 10% of the Net Assets at the end of the Previous Year

Not applicable.

(VII) Interest-Bearing Debt Overdue Excluding Bonds by the end of the Reporting Period

Not applicable.

(VIII) The Impact on the Rights and Interests of Bond Investors due to Violation of Laws and Regulations, the Articles, Information Disclosure System as well as Provisions or Commitments in the Prospectus of Bond Offerings During the Reporting Period

Not applicable.

(IX) Accounting Data and Financial Indicators for the Two Years as at the end of the Reporting Period

Unit: RMB 0'000

Main indicators	2024	2023	Increase/decrease at the end of the reporting period compared with the end of the previous year (%)
Net profit attributable to listed company deducting extraordinary gains or losses	1,389,062	1,859,095	-25.28
Current ratio	0.83	0.78	6.21
Quick ratio	0.72	0.67	6.64
Debt-to-asset ratio (%)	62.90	66.57	Decrease of 3.67 percentage points
Total debt to EBITDA ratio	2.34	1.78	31.65
Interest coverage ratio	7.81	9.22	-15.30
Cash interest coverage ratio	6.00	5.87	2.14
EBITDA interest coverage ratio	12.62	13.27	-4.86
Debt repayment ratio (%)	100	100	–
Interest repayment ratio (%)	100	100	–

II. CONVERTIBLE CORPORATE BOND

Not applicable.

Independent Auditor's Report

bakertilly
天職國際

TO THE SHAREHOLDERS OF YANKUANG ENERGY GROUP COMPANY LIMITED
兗礦能源集團股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Yankuang Energy Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 213 to 382, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (Continued)

Key audit matter	How the matter was addressed in our audit
Impairment assessment of intangible assets and property, plant and equipment	
As at 31 December 2024, the intangible assets and property, plant and equipment of the Group amounted to RMB135,260,991,000 and RMB59,007,793,000 respectively, together representing approximately 54.52% of the total assets of the Group. The management assessed as at the end of the reporting period whether there was any indication that the intangible assets and property, plant and equipment may be impaired. If there was such an indication, management performed impairment testing by determining the recoverable amounts of the cash-generating units ("CGUs") to which the intangible assets and property, plant and equipment were allocated. The recoverable amount of each of the CGUs is the higher of fair value less costs of disposal and its value in use. The calculation of the recoverable amounts of the CGUs required management's significant estimates on the sales growth rates, coal prices and discount rates, etc. We have identified the impairment assessment of the intangible assets and property, plant and equipment as a key audit matter because of their significance to the consolidated financial statements as a whole and the involvement of a significant degree of judgements and estimates made by the management when performing the impairment assessment. Please refer to Notes 4, 5, 17 and 18 to the consolidated financial statements for the accounting policies, significant accounting judgements and estimates and the relevant disclosures in the consolidated financial statements.	Our procedures to assess management's impairment assessment of intangible assets and property, plant and equipment included: • evaluating the management's assessment of indicators of impairment, the identification of CGUs and the allocation of the intangible assets and property, plant and equipment to each CGU, with reference to our understanding of the Group's business and the requirements of the prevailing accounting standards; • evaluating the competence, capabilities and objectivity of management's specialist; • assessing the appropriateness of the valuation methodology used with reference to the requirements of the prevailing accounting standards; • evaluating whether the significant judgements and estimates, such as sales growth rates, coal price, operating margins and discount rates used in management's calculation of value-in-use are reasonable based on our knowledge of the business and industry; • recalculating the recoverable amounts calculated by management to check the accuracy of the calculation; and • assessing the relevant disclosures in the consolidated financial statements in respect of management's impairment assessment with reference to the requirements of the prevailing accounting standards.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another independent auditor whose report dated 28 March 2024 expressed an unmodified opinion on those consolidated financial statements.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also: (continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditor's report is Wan Wing Ping.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 28 March 2025
Wan Wing Ping
Practising certificate number P07471

Chapter 11

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

(Expressed in Renminbi)

	Notes	2024 RMB'000	2023 RMB'000 (Restated)
Gross sales of coal	7	**91,624,522**	102,019,064
Railway transportation service income		**3,271,132**	478,114
Gross sales of electricity and heat supply		**3,341,203**	3,411,296
Gross sales of equipment manufacturing		**1,074,461**	435,847
Gross sales of chemical products		**25,222,876**	26,398,221
Total revenue		**124,534,194**	132,742,542
Transportation costs		**(4,851,423)**	(4,943,173)
Cost of sales and services provided	8	**(53,571,235)**	(51,436,953)
Cost of electricity and heat supply		**(3,172,540)**	(3,438,762)
Cost of equipment manufacturing		**(850,039)**	(340,753)
Cost of chemical products		**(20,259,360)**	(21,996,861)
Total cost of sales		**(82,704,597)**	(82,156,502)
Gross profit		**41,829,597**	50,586,040
Selling, general and administrative expenses	9	**(16,357,766)**	(16,905,439)
Share of results of associates		**2,219,617**	2,197,657
Share of results of joint ventures		**74,096**	63,364
Other income and gains/losses	10	**3,238,791**	4,305,638
Finance costs	11	**(4,137,324)**	(4,493,257)
Profit before tax	13	**26,867,011**	35,754,003
Income tax expense	12	**(6,252,476)**	(9,541,161)
Profit for the year		**20,614,535**	26,212,842
Attributable to:			
Equity shareholders of the Company		**14,056,067**	19,222,120
Owners of perpetual capital securities	44	**631,865**	444,743
Non-controlling interests		**5,926,603**	6,545,979
		20,614,535	26,212,842
Earnings per share, basic	16	**RMB1.42**	RMB1.97
Earnings per share, diluted	16	**RMB1.42**	RMB1.97

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

(Expressed in Renminbi)

	2024 RMB'000	2023 RMB'000 (Restated)
Profit for the year	**20,614,535**	26,212,842
Items that will not be reclassified subsequently to profit or loss:		
Fair value loss on investments in equity instruments designated as at fair value through other comprehensive income ("FVTOCI")	**(19)**	(219)
Income tax relating to item that will not be reclassified subsequently to profit or loss	**4**	30
	(15)	(189)
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges:		
Cash flow hedge amounts recognised in other comprehensive income	**(228,862)**	(53,387)
Reclassification adjustments for amounts transferred to income statement	**586,825**	5,786
Deferred taxes	**52,814**	12,713
	410,777	(34,888)
Share of other comprehensive income/(expense) of associates	**259,180**	(1,367,876)
Exchange differences arising on translation of foreign operations	**(3,281,996)**	1,131,323
	(2,612,039)	(271,441)
Other comprehensive expense for the year, net of income tax	**(2,612,054)**	(271,630)
Total comprehensive income for the year	**18,002,481**	25,941,212
Attributable to:		
Equity shareholders of the Company	**12,456,913**	18,623,758
Owners of perpetual capital securities	**631,865**	444,743
Non-controlling interests	**4,913,703**	6,872,711
	18,002,481	25,941,212

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Expressed in Renminbi)

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000 (Restated)	1 January 2023 RMB'000 (Restated)
Non-current assets				
Intangible assets	17	**59,007,793**	62,280,141	63,670,965
Property, plant and equipment	18	**135,260,991**	132,710,453	130,005,162
Right-of-use assets	19	**5,642,120**	5,638,431	5,243,082
Investment properties	20	**1,234,824**	1,109,569	1,471,730
Prepayments for property, plant and equipment and intangible assets		**19,414,913**	18,753,662	15,139,750
Goodwill	21	**297,169**	318,918	310,343
Investments in securities	22	**678,521**	670,389	661,484
Interests in associates	23	**24,367,062**	22,636,610	22,623,897
Interests in joint ventures	24	**1,275,916**	1,355,995	1,174,917
Long-term receivables	26	**7,463,937**	5,462,466	3,184,361
Royalty receivables	27	**890,628**	949,705	1,004,040
Deposits made on investments		**117,926**	580,341	434,416
Deferred tax assets	39	**2,563,955**	3,043,652	3,769,413
		258,215,755	255,510,332	248,693,560
Current assets				
Inventories	28	**7,624,810**	7,744,446	9,678,908
Financial assets at fair value through profit or loss	29	**481**	225	1,437
Contingent consideration receivable	30	**77,304**	–	–
Long-term receivables – due within one year	26	**4,717,754**	2,279,264	6,473,070
Royalty receivables	27	**83,605**	107,247	94,276
Bills and accounts receivables	31	**13,188,501**	12,517,010	13,850,131
Prepayments and other receivables	32	**34,097,296**	36,501,331	30,015,634
Restricted cash	33	**7,834,925**	7,272,336	7,808,009
Pledged term deposits	33	**14,720**	66,600	472,134
Bank balances and cash	33	**30,495,219**	30,352,359	58,408,359
		98,134,615	96,840,818	126,801,958
Assets classified as held for sale	34	**–**	8,291	8,061
		98,134,615	96,849,109	126,810,019
Total assets		**356,350,370**	352,359,441	375,503,579

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024

(Expressed in Renminbi)

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000 (Restated)	1 January 2023 RMB'000 (Restated)
Non-current liabilities				
Provisions for land subsidence, restoration, rehabilitation and environmental costs	35	**12,667,165**	13,469,622	13,155,469
Provisions	36	**5,823,239**	6,101,574	6,317,413
Borrowings	37	**73,081,526**	76,079,919	65,674,083
Lease liabilities	19	**301,244**	327,018	435,586
Long term payables	38	**6,634,544**	6,734,822	6,263,147
Deferred tax liabilities	39	**8,300,488**	8,575,176	9,309,923
		106,808,206	111,288,131	101,155,621
Current liabilities				
Bills and accounts payables	40	**27,472,201**	26,055,687	28,657,309
Other payables and accrued expenses	41	**40,142,018**	59,412,065	57,878,730
Contract liabilities	42	**4,788,213**	5,091,445	5,085,316
Provisions for land subsidence, restoration, rehabilitation and environmental costs	35	**251,123**	254,688	1,113,609
Provisions	36	**34,645**	47,217	66,851
Amounts due to Parent Company and its subsidiaries	50	**4,850,241**	5,399,097	6,260,127
Borrowings	37	**37,714,535**	24,108,065	21,047,562
Financial liabilities at fair value through profit or loss	29	**538,427**	550,761	634,537
Lease liabilities	19	**226,851**	158,511	222,689
Tax payables		**1,184,089**	2,622,773	10,732,651
Long term payables – due within one year	38	**354,381**	385	584
		117,556,724	123,700,694	131,699,965
Total liabilities		**224,364,930**	234,988,825	232,855,586
Capital and reserves	43			
Share capital		**10,039,860**	7,439,371	4,948,704
Reserves		**48,570,217**	48,019,638	80,662,460
Equity attributable to equity shareholders of the Company		**58,610,077**	55,459,009	85,611,164
Owners of perpetual capital securities	44	**23,267,221**	16,541,777	13,248,614
Non-controlling interests	49	**50,108,142**	45,369,830	43,788,215
		131,985,440	117,370,616	142,647,993
Total liabilities and equity		**356,350,370**	352,359,441	375,503,579

The consolidated financial statements on pages 213 to 382 were approved and authorised for issue by the Board of Directors on 28 March 2025 and are signed on its behalf by:

Li Wei
Director

Huang Xiaolong
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

(Expressed in Renminbi)

	Attributable to equity shareholders of the Company												
	Share capital RMB'000 (Note 43)	Share premium RMB'000	Capital reserve and future development fund RMB'000 (Note 43)	Share-based compensation reserve RMB'000	Statutory common reserve fund RMB'000 (Note 43)	Translation reserve RMB'000	Investment revaluation reserve RMB'000	Cash flow hedge reserve RMB'000	Retained earnings RMB'000 (Note 43)	Total RMB'000	Perpetual capital securities issued by the Company RMB'000 (Note 44)	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2023 (as previously reported)	4,948,704	3,637,010	114,867	314,405	7,769,867	(7,754,347)	34,647	(263,053)	81,050,200	89,852,300	13,248,614	36,116,223	139,217,137
Changes in accounting policies and comparative figures (Note 2)	-	-	6,673,014	-	(6,857,167)	852,617	-	(234,846)	(4,674,754)	(4,241,136)	-	7,671,992	3,430,856
At 1 January 2023 (restated)	4,948,704	3,637,010	6,787,881	314,405	912,700	(6,901,730)	34,647	(497,899)	76,375,446	85,611,164	13,248,614	43,788,215	142,647,993
Profit for the year (restated)	-	-	-	-	-	-	-	-	19,222,120	19,222,120	444,743	6,545,979	26,212,842
Other comprehensive income/(expense) for the year:													
Fair value change of financial assets at FVTOCI	-	-	-	-	-	-	(189)	-	-	(189)	-	-	(189)
Cash flow hedge reserve recognised	-	-	-	-	-	-	-	(30,590)	-	(30,590)	-	(4,298)	(34,888)
Share of other comprehensive expense of associates	-	-	-	-	-	-	(1,367,876)	-	-	(1,367,876)	-	-	(1,367,876)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	800,293	-	-	-	800,293	-	331,030	1,131,323
Total comprehensive income/(expense) for the year (restated)	-	-	-	-	-	800,293	(1,368,065)	(30,590)	19,222,120	18,623,758	444,743	6,872,711	25,941,212
Business combination under common control	-	-	(5,899,818)	-	-	-	-	-	(20,951,944)	(26,851,762)	-	215,250	(26,636,512)
Issuance of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	4,998,000	-	4,998,000
Redemption of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	(1,696,600)	-	(1,696,600)
Distribution paid to holders of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	(452,980)	-	(452,980)
Appropriations to statutory reserve	-	-	-	-	751,114	-	-	-	(751,114)	-	-	-	-
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(4,989,284)	(4,989,284)
Dividends	-	-	-	-	-	-	-	-	(21,951,930)	(21,951,930)	-	-	(21,951,930)
Issuance of bonus shares	2,480,680	-	-	-	-	-	-	-	(2,480,680)	-	-	-	-
Issue of shares upon exercise of share option	12,657	86,664	-	(42,112)	-	-	-	-	-	57,209	-	-	57,209
Repurchase and cancellation of shares	(2,670)	409	398,613	-	-	-	-	-	-	396,352	-	-	396,352
Recognition of equity-settled share-based payment expenses	-	-	-	281,925	-	-	-	-	-	281,925	-	8,150	290,075
Others	-	-	(707,707)	-	-	-	-	-	-	(707,707)	-	(525,212)	(1,232,919)
Total transactions with owners (restated)	2,490,667	87,073	(6,208,912)	239,813	751,114	-	-	-	(46,135,668)	(48,775,913)	2,848,420	(5,291,096)	(51,218,589)
At 31 December 2023 (restated)	7,439,371	3,724,083	578,969	554,218	1,663,814	(6,101,437)	(1,333,418)	(528,489)	49,461,898	55,459,009	16,541,777	45,369,830	117,370,616

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 31 December 2024

(Expressed in Renminbi)

	Attributable to equity shareholders of the Company												
	Share capital RMB'000 (Note 43)	Share premium RMB'000	Capital reserve and future development fund RMB'000 (Note 43)	Share-based compensation reserve RMB'000	Statutory common reserve fund RMB'000 (Note 43)	Translation reserve RMB'000	Investment revaluation reserve RMB'000	Cash flow hedge reserve RMB'000	Retained earnings RMB'000 (Note 43)	Total RMB'000	Perpetual capital securities issued by the Company RMB'000 (Note 44)	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024 (restated)	7,439,371	3,724,083	578,969	554,218	1,663,814	(6,101,437)	(1,333,418)	(528,489)	49,461,898	55,459,009	16,541,777	45,369,830	117,370,616
Profit for the year	-	-	-	-	-	-	-	-	14,056,067	14,056,067	631,865	5,926,603	20,614,535
Other comprehensive income/(expense) for the year:													
Fair value change of financial assets at FVTOCI	-	-	-	-	-	-	(15)	-	-	(15)	-	-	(15)
Cash flow hedge reserve recognised	-	-	-	-	-	-	-	255,750	-	255,750	-	155,027	410,777
Share of other comprehensive expense of associates	-	-	-	-	-	-	259,180	-	-	259,180	-	-	259,180
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(2,114,069)	-	-	-	(2,114,069)	-	(1,167,927)	(3,281,996)
Total comprehensive income/(expense) for the year	-	-	-	-	-	(2,114,069)	259,165	255,750	14,056,067	12,456,913	631,865	4,913,703	18,002,481
Issuance of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	13,000,000	-	13,000,000
Redemption of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	(6,287,670)	-	(6,287,670)
Distribution paid to holders of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	(618,751)	-	(618,751)
Appropriations to statutory reserve	-	-	-	-	1,177,577	-	-	-	(1,177,577)	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(385,033)	(385,033)
Business combination under common control	-	-	(133,505)	-					-	(133,505)	-	-	(133,505)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,964,137)	(2,964,137)
Dividends	-	-	-	-	-	-	-	-	(13,816,393)	(13,816,393)	-	-	(13,816,393)
Deregistration of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(1,000,500)	(1,000,500)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	2,449,172	2,449,172
Issuance of bonus shares	2,316,890	-	-	-	-	-	-	-	(2,316,890)	-	-	-	-
Issue of placing shares	285,000	4,229,108	-	-	-	-	-	-	-	4,514,108	-	-	4,514,108
Repurchase and cancellation of shares	(1,401)	147,543	212,563	-	-	-	-	-	-	358,705	-	-	358,705
Recognition of equity-settled share-based payment expenses	-	-	-	151,295	-	-	-	-	-	151,295	-	(17,083)	134,212
Others	-	-	(558,063)	-	-	-	(681)	-	178,689	(380,055)	-	1,742,190	1,362,135
Total transactions with owners	2,600,489	4,376,651	(479,005)	151,295	1,177,577	-	(681)	-	(17,132,171)	(9,305,845)	6,093,579	(175,391)	(3,387,657)
At 31 December 2024	10,039,860	8,100,734	99,964	705,513	2,841,391	(8,215,506)	(1,074,934)	(272,739)	46,385,794	58,610,077	23,267,221	50,108,142	131,985,440

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

(Expressed in Renminbi)

	Notes	2024 RMB'000	2023 RMB'000 (Restated)
Operating activities			
Profit before tax		**26,867,011**	35,754,003
Adjustments for:			
Finance costs	11	**4,137,324**	4,493,257
Interest income	10	**(2,156,454)**	(2,246,290)
Net unrealised foreign exchange (gain)/loss		**(2,609,972)**	2,239,345
Amortisation of intangible assets	13	**2,225,691**	2,747,683
Depreciation of property, plant and equipment	13	**12,139,294**	11,562,644
Depreciation of right-of-use assets	13	**465,117**	410,822
Impairment loss recognised on property, plant and equipment	10	**4,713**	–
Impairment loss recognised on inventories, net	10	**4,045**	35,092
Impairment loss recognised/(reversed) on long-term receivable	10	**198,146**	(17,338)
Impairment loss recognised/(reversed) on bills and accounts receivables	10	**413,983**	(52,139)
Impairment loss (reversed)/recognised on other receivables	10	**(106,560)**	36,070
Gain on disposal of right-of-use assets		**(46,218)**	–
Gain on disposal of intangible assets	10	**–**	(13,226)
(Gain)/loss on disposal of property, plant and equipment	10	**(48,579)**	12,072
Loss/(gain) from changes in fair value of investment properties	10	**7,788**	(18,454)
Loss/(gain) from changes in fair value of investment securities	10	**62,646**	(85,883)
Loss from changes in fair value of royalty receivables	10	**8,606**	71,717
Gain on bargain purchase	10	**(134,765)**	–
Gain from changes in fair value of financial assets and liabilities at FVTPL	10	**(44,120)**	(57,284)
Share of results of associates		**(2,219,617)**	(2,197,657)
Share of results of joint ventures		**(74,096)**	(63,364)
Fair value changes in contingent consideration receivable		**22,172**	–
Share-based payment expenses	13	**134,212**	290,075
Operating cash flows before movements in working capital		**39,250,367**	52,901,145
Decrease in inventories		**550,981**	1,899,370
Decrease in bills and accounts receivables		**965,951**	1,333,121
Decrease/(increase) in prepayments and other receivables		**3,700,438**	(10,135,679)
Decrease in bills and accounts payables		**(220,543)**	(12,897,006)
Decrease other payables and accrued expenses		**(7,122,512)**	(977,946)
(Decrease)/increase in contract liabilities		**(374,026)**	6,129
Decrease in provision for land subsidence, restoration, rehabilitation and environmental cost		**(806,022)**	(544,768)
Decrease in provisions		**(298,674)**	(235,473)
Decrease in amounts due to Parent Company and its subsidiaries		**(548,856)**	(861,030)
(Increase)/decrease in long-term receivables		**(2,438,490)**	4,193,806
Increase in long-term payables		**217,193**	471,675
Cash generated from operations		**32,875,807**	35,153,344
Income taxes paid		**(7,585,572)**	(16,119,887)
Interest paid		**(4,306,946)**	(4,493,257)
Interest received		**2,156,454**	2,246,290
Net cash generated from operating activities		**23,139,743**	16,786,490

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 31 December 2024

(Expressed in Renminbi)

	2024 RMB'000	2023 RMB'000 (Restated)
Investing activities		
Withdrawal of pledged term deposits	51,880	415,534
Placement of restricted cash	(562,589)	(1,190,936)
Purchase of intangible assets	(570,057)	(594,991)
Purchase of property, plant and equipment	(16,931,602)	(15,679,806)
Purchase of right-of-use assets	(573,561)	(1,316,829)
Purchase of investment properties	(44,446)	(4,280)
Increase in deposit paid for property, plant and equipment and intangible assets	(661,251)	–
Proceeds from disposal of property, plant and equipment	33,677	203,742
Proceeds from disposal of intangible assets	152,271	–
Proceeds from disposal of investment securities	–	141,603
Proceeds from disposal of a joint venture	–	15,259
Payments for other investments	–	(145,925)
Receipts from other investments	417,941	–
Payments for interests in associates	(115,856)	(290,884)
Receipts/(payments) for interests in joint ventures	329,141	(100,000)
Net cash effect on acquisition of subsidiaries	844,270	–
Receipts for financial assets and liabilities at FVTPL	31,530	–
Loan receivables advanced	(5,609,960)	(993,850)
Repayment of loan receivables	5,815,194	4,441,389
Dividends received from associates and joint ventures	891,369	1,015,173
Net cash used in investing activities	(16,502,049)	(14,084,801)
Financing activities		
Proceeds from borrowings	54,660,554	78,657,656
Repayments of borrowings	(43,294,409)	(69,329,679)
Proceeds from issuance of perpetual capital security	13,000,000	4,998,000
Redemption of perpetual capital securities	(6,287,670)	(1,696,600)
Distribution paid to holders of perpetual capital securities	(618,751)	(452,980)
Repayments of lease liabilities	(158,126)	(260,172)
Dividends paid	(13,816,393)	(21,951,930)
Dividends paid to non-controlling shareholders	(2,964,137)	(4,989,284)
Issuance of shares	4,514,108	453,561
Purchase of shares for Executive Share Incentive Scheme	–	(73,946)
Contribution from non-controlling interests	–	63,600
Payments for acquisition of non-controlling interests	(385,033)	–
Capital reduction to non-controlling interests upon deregistration of a subsidiary	(1,000,500)	–
Business combination under common control	(10,057,794)	(16,679,643)
Net cash generated used in financing activities	(6,408,151)	(31,261,417)
Net increase/(decrease) in cash and cash equivalents	229,543	(28,559,728)
Cash and cash equivalents at 1 January	30,352,359	58,408,359
Effect of foreign exchange rate changes	(86,683)	503,728
Cash and cash equivalents at 31 December	30,495,219	30,352,359

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi)

1 GENERAL INFORMATION

Yankuang Energy Group Company Limited (the "Company") is established as a joint stock company with limited liability in The People's Republic of China (the "PRC"). In April 2001, the status of the Company was changed to that of a Sino-foreign joint stock limited company. The Company's A shares are listed on the Shanghai Stock Exchange ("SSE") while its H shares are listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). The Company's parent and ultimate holding company is Shandong Energy Group Company Limited (the "Parent Company"), a state-owned enterprise in the PRC. The addresses of the registered office and principal place of business of the Company are disclosed in the Group Profile section of the annual report.

The principal activities of the Company are investment holding, coal mining and coal railway transportation. The activities of its principal subsidiaries, associates, joint ventures and joint operations are set out in notes 57, 23, 24 and 25 respectively.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the directors of the Company for the translation of the Chinese names of these companies to English names as they do not have official English names.

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES

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

In the current year, the Group has applied, the following new and amendments to IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 January 2024 for the presentation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to IFRS Accounting Standards in the current year has had no material effect on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

The Group has applied the amendments for the first time in the current year.

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of IFRS 15 *Revenue from Contracts with Customers* to be accounted for as a sale. The amendments require a seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease.

The application of the amendments has no material impact on the Group's financial position and performance.

Impacts on application of Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments") and Amendments to IAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or noncurrent, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation*.

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments") and Amendments to IAS 1 Non-current Liabilities with Covenants (the "2022 Amendments") (Continued)

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Based on the Group's outstanding liabilities as 31 December 2024, the application of the amendments in the current year had no material impact on the consolidated financial statements.

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

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2025.

3 Effective for annual periods beginning on or after 1 January 2026.

4 Effective for annual periods beginning on or after 1 January 2027.

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

New and amendments to IFRS Accounting Standards in issue but not yet effective (Continued)

Except for the amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to IFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The disclosure requirements in IFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

New and amendments to IFRS Accounting Standards in issue but not yet effective (Continued)

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group’s consolidated financial statements.

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

Change in accounting policy for business combinations involving entities or businesses under common control

In prior years, business combinations involving entities or businesses under common control were accounted for by the Group using the acquisition method. In preparing the consolidated financial statement of the Group for the year ended 31 December 2024, the directors of the Company elected to apply the principles of merger accounting to account for business combinations involving entities or businesses under common control. The directors of the Company believe that this change in accounting policy can provide more relevant information to financial statements users by minimising the differences between the Group's consolidated financial statements prepared under IFRS Accounting Standards and the China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC.

On 29 March 2024, the Company, the Parent Company and a fellow subsidiary entered into the equity transfer agreements whereby the Company agreed to purchase 90% equity interest in Shandong Yankuang Guotuo Technology Engineering Co., Ltd. ("Guotuo Technology") at an aggregate consideration of approximately RMB135,302,000 (the "Guotuo Technology Acquisition") from the fellow subsidiary. The Guotuo Technology Acquisition was completed on 1 June 2024. As Guotuo Technology and the Company are controlled by the Parent Company before and after the Guotuo Technology Acquisition, the Guotuo Technology Acquisition has been accounted for by both applying the principles of merger accounting. The comparative figures in these consolidated financial statements have been restated as if Guotuo Technology Acquisition had taken place on the earliest date of the period being presented, i.e. 1 January 2023.

Details of the merger accounting are set out in the material accounting policy information in note 4 below. The change in accounting policy has been applied retrospectively and, consequently, the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2023, and the consolidated statements of financial position as at 31 December 2023 and 2022 have been restated as if the entities or business had been combined on the earliest date of the period being presented, i.e. 1 January 2023 unless the combining entities or business first came under comma control at a later date.

The tables below show the effects of restatements to due to above change in accounting policy and the Guotuo Technology Acquisition on the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023, and the consolidated statements of financial position as at 31 December 2023 and 1 January 2023.

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

Change in accounting policy for business combinations involving entities or businesses under common control (Continued)

(i) The effects of the restatements on the consolidated statement of profit or loss for the year ended 31 December 2023:

	The Group RMB'000 (As previously reported)	Guotuo Technology RMB'000	Common control combination in prior years RMB'000	The Group RMB'000 (Restated)
Gross sales of coal	89,143,937	–	12,875,127	102,019,064
Railway transportation service income	478,114	–	–	478,114
Gross sales of electricity and heat supply	3,411,296	–	–	3,411,296
Gross sales of equipment manufacturing	435,847	–	–	435,847
Gross sales of chemical products	24,965,076	–	1,433,145	26,398,221
Total revenue	118,434,270	–	14,308,272	132,742,542
Transportation costs	(4,809,354)	–	(133,819)	(4,943,173)
Cost of sales and services provided	(44,570,004)	–	(6,866,949)	(51,436,953)
Cost of electricity and heat supply	(3,438,762)	–	–	(3,438,762)
Cost of equipment manufacturing	(340,753)	–	–	(340,753)
Cost of chemical products	(21,360,400)	–	(636,461)	(21,996,861)
Total cost of sales	(74,519,273)	–	(7,637,229)	(82,156,502)
Gross profit	43,914,997	–	6,671,043	50,586,040
Selling, general and administrative expenses	(15,079,069)	(16,944)	(1,809,426)	(16,905,439)
Share of results of associates	2,197,657	–	–	2,197,657
Share of results of joint ventures	63,364	–	–	63,364
Other income and gains	3,451,770	20,302	833,566	4,305,638
Finance costs	(3,563,014)	826	(931,069)	(4,493,257)
Profit before tax	30,985,705	4,184	4,764,114	35,754,003
Income tax expense	(8,027,563)	656	(1,514,254)	(9,541,161)
Profit for the year	22,958,142	4,840	3,249,860	26,212,842
Attributable to:				
Equity shareholders of the Company	17,778,972	4,445	1,438,703	19,222,120
Owners of perpetual capital securities	444,743	–	–	444,743
Non-controlling interests	4,734,427	395	1,811,157	6,545,979
	22,958,142	4,840	3,249,860	26,212,842

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

Change in accounting policy for business combinations involving entities or businesses under common control (Continued)

(ii) The effects of the restatements on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023:

	The Group RMB'000 (As previously reported)	Guotuo Technology RMB'000	Common control combination in prior years RMB'000	The Group RMB'000 (Restated)
Profit for the year	22,958,142	4,840	3,249,860	26,212,842
Items that will not be reclassified subsequently to profit or loss:				
Fair value loss on investments in equity instruments designated as at FVTOCI	(219)	–	–	(219)
Income tax relating to item that will not be reclassified subsequently to profit or loss	30	–	–	30
	(189)	–	–	(189)
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges:				
Cash flow hedge amounts recognised in other comprehensive income	(53,387)	–	–	(53,387)
Reclassification adjustments for amounts transferred to income statement	5,786	–	–	5,786
Deferred taxes	12,713	–	–	12,713
	(34,888)	–	–	(34,888)
Share of other comprehensive expense of associates	(1,367,876)	–	–	(1,367,876)
Exchange differences arising on translation of foreign operations	1,131,323	–	–	1,131,323
	(271,441)	–	–	(271,441)
Other comprehensive expense for the year, net of income tax	(271,630)	–	–	(271,630)
Total comprehensive income for the year	22,686,512	4,840	3,249,860	25,941,212

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

Change in accounting policy for business combinations involving entities or businesses under common control (Continued)

(ii) The effects of the restatements on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023: (Continued)

	The Group RMB'000 (As previously reported)	Guotuo Technology RMB'000	Common control combination in prior years RMB'000	The Group RMB'000 (Restated)
Attributable to:				
Equity shareholders of the Company	17,180,610	4,445	1,438,703	18,623,758
Owners of perpetual capital securities	444,743	–	–	444,743
Non-controlling interests	5,061,159	395	1,811,157	6,872,711
	22,686,512	4,840	3,249,860	25,941,212

(iii) The effects of restatements on the consolidated statement of financial position as at 31 December 2023:

	The Group RMB'000 (As previously reported)	Guotuo Technology RMB'000	Common control combination in prior years RMB'000	The Group RMB'000 (Restated)
Non-current assets				
Intangible assets	116,076,132	–	(53,795,991)	62,280,141
Property, plant and equipment	132,621,834	906	87,713	132,710,453
Right-of-use assets	5,866,667	3,183	(231,419)	5,638,431
Investment properties	1,077,259	–	32,310	1,109,569
Prepayments for property, plant and equipment and intangible assets	18,426,410	–	327,252	18,753,662
Goodwill	4,061,175	–	(3,742,257)	318,918
Investments in securities	670,389	–	–	670,389
Interests in associates	22,636,610	–	–	22,636,610
Interests in joint ventures	1,355,995	–	–	1,355,995
Long-term receivables	5,566,196	42,823	(146,553)	5,462,466
Royalty receivables	949,705	–	–	949,705
Deposits made on investments	580,341	–	–	580,341
Deferred tax assets	4,745,518	3,722	(1,705,588)	3,043,652
	314,634,231	50,634	(59,174,533)	255,510,332

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

Change in accounting policy for business combinations involving entities or businesses under common control (Continued)

(iii) The effects of restatements on the consolidated statement of financial position as at 31 December 2023: (Continued)

	The Group RMB'000 (As previously reported)	Guotuo Technology RMB'000	Common control combination in prior years RMB'000	The Group RMB'000 (Restated)
Current assets				
Inventories	7,744,205	241	–	7,744,446
Financial assets at fair value through profit or loss	225	–	–	225
Contingent consideration receivables	2,969,420	–	(2,969,420)	–
Long-term receivables – due within one year	2,279,264	–	–	2,279,264
Royalty receivables	107,247	–	–	107,247
Bills and accounts receivables	12,486,003	31,007	–	12,517,010
Prepayments and other receivables	36,491,607	9,724	–	36,501,331
Restricted cash	7,272,336	–	–	7,272,336
Pledged term deposits	56,600	10,000	–	66,600
Bank balances and cash	30,268,200	84,159	–	30,352,359
	99,675,107	135,131	(2,969,420)	96,840,818
Assets classified as held for sale	8,291	–	–	8,291
	99,683,398	135,131	(2,969,420)	96,849,109
Total assets	414,317,629	185,765	(62,143,953)	352,359,441
Non-current liabilities				
Provisions for land subsidence, restoration, rehabilitation and environmental costs	13,469,622	–	–	13,469,622
Provisions	6,101,574	–	–	6,101,574
Borrowings	76,079,919	–	–	76,079,919
Lease liabilities	325,117	1,901	–	327,018
Long term payables	6,732,703	2,119	–	6,734,822
Deferred tax liabilities	21,205,656	–	(12,630,480)	8,575,176
	123,914,591	4,020	(12,630,480)	111,288,131

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

Change in accounting policy for business combinations involving entities or businesses under common control (Continued)

(iii) The effects of restatements on the consolidated statement of financial position as at 31 December 2023: (Continued)

	The Group RMB'000 (As previously reported)	Guotuo Technology RMB'000	Common control combination in prior years RMB'000	The Group RMB'000 (Restated)
Current liabilities				
Bills and accounts payables	26,030,765	24,922	–	26,055,687
Other payables and accrued expenses	59,405,339	6,726	–	59,412,065
Contract liabilities	5,091,445	–	–	5,091,445
Provisions for land subsidence, restoration, rehabilitation and environmental costs	254,688	–	–	254,688
Provisions	47,217	–	–	47,217
Amounts due to Parent Company and its subsidiaries	5,399,097	–	–	5,399,097
Borrowings	24,108,065	–	–	24,108,065
Financial liabilities at fair value through profit or loss	550,761	–	–	550,761
Lease liabilities	157,340	1,171	–	158,511
Tax payables	2,622,773	–	–	2,622,773
Long term payables – due within one year	385	–	–	385
	123,667,875	32,819	–	123,700,694
Total liabilities	247,582,466	36,839	(12,630,480)	234,988,825
Capital and reserves				
Share capital	7,439,371	–	–	7,439,371
Reserves	79,462,197	134,065	(31,576,624)	48,019,638
Equity attributable to equity shareholders of the Company	86,901,568	134,065	(31,576,624)	55,459,009
Owners of perpetual capital securities	16,541,777	–	–	16,541,777
Non-controlling interests	63,291,818	14,861	(17,936,849)	45,369,830
	166,735,163	148,926	(49,513,473)	117,370,616
Total liabilities and equity	414,317,629	185,765	(62,143,953)	352,359,441

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

Change in accounting policy for business combinations involving entities or businesses under common control (Continued)

(iv) The effects of restatements on the consolidated statement of financial position as at 1 January 2023:

	The Group RMB'000 (As previously reported)	Guotuo Technology RMB'000	Common control combination in prior years RMB'000	The Group RMB'000 (Restated)
Non-current assets				
Intangible assets	72,604,936	–	(8,933,971)	63,670,965
Property, plant and equipment	95,985,260	720	34,019,182	130,005,162
Right-of-use assets	3,758,208	–	1,484,874	5,243,082
Investment properties	1,471,730	–	–	1,471,730
Prepayments for property, plant and equipment and intangible assets	15,139,750	–	–	15,139,750
Goodwill	1,726,346	–	(1,416,003)	310,343
Investments in securities	661,484	–	–	661,484
Interests in associates	21,154,832	–	1,469,065	22,623,897
Interests in joint ventures	1,174,917	–	–	1,174,917
Long-term receivables	3,089,342	52,224	42,795	3,184,361
Royalty receivables	1,004,040	–	–	1,004,040
Deposits made on investments	434,416	–	–	434,416
Deferred tax assets	3,507,613	2,973	258,827	3,769,413
	221,712,874	55,917	26,924,769	248,693,560
Current assets				
Inventories	8,222,000	3,306	1,453,602	9,678,908
Financial assets at fair value through profit or loss	1,437	–	–	1,437
Long-term receivables – due within one year	4,590,570	–	1,882,500	6,473,070
Royalty receivables	94,276	–	–	94,276
Bills and accounts receivables	11,059,940	34,350	2,755,841	13,850,131
Prepayments and other receivables	19,208,187	1,115	10,806,332	30,015,634
Restricted cash	6,081,400	–	1,726,609	7,808,009
Pledged term deposits	472,134	–	–	472,134
Bank balances and cash	38,624,290	95,230	19,688,839	58,408,359
	88,354,234	134,001	38,313,723	126,801,958
Assets classified as held for sale	8,061	–	–	8,061
	88,362,295	134,001	38,313,723	126,810,019
Total assets	310,075,169	189,918	65,238,492	375,503,579

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

Change in accounting policy for business combinations involving entities or businesses under common control (Continued)

(iv) The effects of restatements on the consolidated statement of financial position as at 1 January 2023: (Continued)

	The Group RMB'000 (As previously reported)	Guotuo Technology RMB'000	Common control combination in prior years RMB'000	The Group RMB'000 (Restated)
Non-current liabilities				
Provisions for land subsidence, restoration, rehabilitation and environmental costs	9,189,449	–	3,966,020	13,155,469
Provisions	776,250	–	5,541,163	6,317,413
Borrowings	60,813,345	–	4,860,738	65,674,083
Lease liabilities	411,033	–	24,553	435,586
Long term payables	5,032,012	3,383	1,227,752	6,263,147
Deferred tax liabilities	10,936,543	–	(1,626,620)	9,309,923
	87,158,632	3,383	13,993,606	101,155,621
Current liabilities				
Bills and accounts payables	26,441,537	33,353	2,182,419	28,657,309
Other payables and accrued expenses	21,692,576	6,936	36,179,218	57,878,730
Contract liabilities	4,833,680	–	251,636	5,085,316
Provisions for land subsidence, restoration, rehabilitation and environmental costs	1,113,609	–	–	1,113,609
Provisions	59,738	–	7,113	66,851
Amounts due to Parent Company and its subsidiaries	3,330,508	–	2,929,619	6,260,127
Borrowings	15,350,317	–	5,697,245	21,047,562
Financial liabilities at fair value through profit or loss	634,537	–	–	634,537
Lease liabilities	170,239	–	52,450	222,689
Tax payables	10,072,075	1,339	659,237	10,732,651
Long term payables – due within one year	584	–	–	584
	83,699,400	41,628	47,958,937	131,699,965
Total liabilities	170,858,032	45,011	61,952,543	232,855,586

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

Change in accounting policy for business combinations involving entities or businesses under common control (Continued)

(iv) The effects of restatements on the consolidated statement of financial position as at 1 January 2023: (Continued)

	The Group RMB'000 (As previously reported)	Guotuo Technology RMB'000	Common control combination in prior years RMB'000	The Group RMB'000 (Restated)
Capital and reserves				
Share capital	4,948,704	–	–	4,948,704
Reserves	84,903,596	130,540	(4,371,676)	80,662,460
Equity attributable to equity shareholders of the Company	89,852,300	130,540	(4,371,676)	85,611,164
Owners of perpetual capital securities	13,248,614	–	–	13,248,614
Non-controlling interests	36,116,223	14,367	7,657,625	43,788,215
	139,217,137	144,907	3,285,949	142,647,993
Total liabilities and equity	310,075,169	189,918	65,238,492	375,503,579

Other changes in comparative figures

(i) Statutory common reserve

In prior years, statutory common reserve fund (see Note 43(b)(ii)) as recorded in the Group's consolidated financial statements includes the reserve fund of the Company and its subsidiaries in the PRC. For better presentation of the Group's equity structure and align with the Group's consolidated financial statements prepared under the China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, the directors of the Company revisited and reallocated components of the Group's equity and the statutory common reserve fund as recorded in the Group's consolidated financial statements now includes the reserve fund of the Company only. Comparative figures have been restated accordingly.

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY AND OTHER CHANGES IN COMPARATIVE FIGURES (Continued)

Other changes in comparative figures (Continued)

(ii) Segment information

During the year ended 31 December 2024, the Group restructured its internal organisation such that the Group is currently organised into four operating divisions (2023: five operating divisions). The electricity and heat supply division and the chemical products division as presented in the Group's consolidated financial statements previously have been combined into one single operating division, namely coal chemical, electricity and heat division. Segment information for the year ended 31 December 2023 has been re-presented accordingly.

(iii) Other disclosure notes financial information

To minimise the differences between the Group's consolidated financial statements prepared under IFRS Accounting Standards and the China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, the directors of the Company revisited the presentation of financial information disclosed in notes to the consolidated financial statements during the year ended 31 December 2024. Certain comparative figures as included in the disclosure notes have been reclassified or restated accordingly to conform with the current year presentation.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment ("IFRS 2"), leasing transactions that are accounted for in accordance with IFRS 16 Lease ("IFRS 16"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets ("IAS 36").

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern assessment

The consolidated financial statements have been prepared on a going concern basis notwithstanding the Group had net current liabilities of approximately RMB19,422,109,000 (2023: RMB26,859,876,000) as at 31 December 2024.

In view of the undrawn borrowings facilities available for the Group's immediate use and that the Group is anticipated to generate positive cash flows from its operations, the directors of the Company consider that the Group will have sufficient funds to meet its financial obligations as and when they fall due for the next twelve months from 31 December 2024. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

4 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved where the Company has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect its returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group’s interests in existing subsidiaries

Changes in the Group’s interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries including reattribution of relevant reserves between the Group and non-controlling interests according to the Group’s and non-controlling interests’ proportionate interests. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Changes in the Group's interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC-Int 21 Levies, in which the Group applies IAS 37 or IFRIC-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see the accounting policy below);

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Changes in the Group’s ownership interests in existing subsidiaries (Continued)

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that: (Continued)

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

Business combinations (Continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Merger accounting for business combination involving entities under common control

The consolidated financial statements include the financial statements items of the combining entities or businesses in which the common control combination occurs as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. Difference between the consideration transferred in the common control combination and the aggregate carrying value of the assets and liabilities of the combining entities or businesses at the date of the transaction is included in equity in the capital reserve. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

When the consideration transferred includes a contingent consideration arrangement, the Group recognise the fair value of contingent consideration at the date of common control combination as part of the consideration transferred in exchange for the combining entities or business. The contingent consideration is reviewed subsequently at the end of each reporting period before settlement and adjusted to reflect the Group's best estimate of the amount required to settle the obligation. Differences arising from remeasurement and settlement of the contingent consideration are recognised in the capital reserve.

The consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is or the portion so classified is accounted for in accordance with IFRS 5. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates and joint ventures (Continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates and joint ventures (Continued)

Changes in the Group's interests in associates and joint ventures

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Acquisition of additional interests in associates or joint ventures

When the Group increases its ownership interest in an associate or a joint venture but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Interests in joint operations (Continued)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRS Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.

When a group entity enters into a transaction with a joint operation in which the group entity is a joint operator, such as a sale or contribution of assets, the Group is considered to be conducting the transaction with the other parties to the joint operation and the Group recognises gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation. When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such classification requires the asset or the disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

The Group recognised revenue from the following major sources:

- Sales of goods (including coal, equipment manufacturing and chemical products)
- Provision of coal railway transportation services, electricity and heat supply

Sales of goods

Revenue from sale of coal, equipment manufacturing and chemical products is recognised at the point when the control of the goods is transferred to the customers (generally on delivery of the goods to the location specified by the customers and accepted by the customers). It is a point of time where the customer has the ability to direct the use of the products and obtain substantially all of the remaining benefits of the products.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Provision of services

Revenue from coal railway transportation services is recognised when the services are rendered.

Revenue from supply of electricity and heat is recognised at the time when the electricity or heat is transmitted.

Sea freight services

When contracts for sale of coal include sea freight services the performance obligation associated with providing the shipping is separately measured and recognised as the service is provided.

Provision of management services

Revenue from the provision of management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as lessee (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures lease liability at the present value of the lease payments that unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate at the date of reassessment.
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as lessee (Continued)

Lease liabilities (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

Sale and leaseback transactions

The Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of HKFRS 9.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e., the currency of the primary environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Renminbi) at the rate of exchange prevailing at the end of each reporting period, and their income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a partial disposal of an interest in a joint arrangement or over an associate that includes a foreign operation of which the retained interest becomes a financial asset) all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowings costs are recognised as expenses in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefits costs

Payments to defined contribution plans including included state-managed retirement benefit schemes and superannuation funds are recognised as an expense when employees have rendered service entitling them to the contributions.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another IFRS Accounting Standard requires or permits their inclusion in the cost of an asset.

Share-based payment

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based compensation reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based compensation reserve.

When share options are exercised, the amount previously recognised in share-based compensation reserve will be transferred to share capital and/or share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based compensation reserve will be transferred to retained earnings.

When shares granted are vested, the amount previously recognised in share-based compensation reserve will be transferred to share premium.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Share-based payment (Continued)

Equity-settled share-based payment transactions (Continued)

Cash-settled share-based payment transactions

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. The fair value of the cash-settled share-based payments is determined without taking into consideration all non-market vesting conditions.

At the end of each reporting period until the liability is settled, and at the date of settlement, the liability is remeasured to fair value. For cash-settled share-based payments that are already vested, any changes in fair value are recognised in profit or loss for the year. For cash-settled share-based payments which are still subject to non-market vesting conditions, the effects of vesting and non-vesting conditions are accounted on the same basis as equity-settled share-based payments.

In case of share options granted by a subsidiary, the share options reserve of the subsidiary is classified as and grouped under non-controlling interests by the Group on consolidation. At the time when the share options are exercised, the amount previously recognised in share-based compensation reserve will be transferred to share premium of that subsidiary. The Group will account for the dilution as an equity transaction if the exercise of share options does not constitute a loss of the Group's control over that subsidiary.

Recognition and measurement of restricted stock repurchase obligations

Under the Group's stock incentive plan of restricted stock, the Group grants non-publicly issued shares of the Company for a restricted sale period (the "Restricted Shares") to the incentive targets. During the restricted sale period, restricted shares shall be restricted for sale and shall not be transferred, pledged for any guarantee or used for repayment of debts. When the agreed unlocking conditions are met, the restricted stock will be unlocked. If all or part of the shares expire or be cancelled due to unlocking, the Group will repurchase the shares at the agreed price.

On the grant date, the Group recognises the share capital and capital reserve according to the subscription payment received from the incentive targets. Meanwhile, for the Group obligation of restricted stock repurchase, recognised liabilities calculated by the number of restricted stock and the repurchase price, treat as the acquisition of treasury stock.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary difference. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, interest in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

For the purpose of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either:

(a) the same taxable entity; or

(b) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Intangible assets (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are carried at costs less any accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(i) Mining reserves

Mining reserves represent the portion of total proven and probable reserves in the mine. Mining reserves are amortised over the life of the mine on a unit of production basis of the estimated total proven and probable reserves. Changes in the annual amortisation rate resulting from changes in the remaining reserves are applied on a prospective basis from the commencement of the next financial year.

(ii) Mining resources

Mining resources represent the fair value of economically recoverable reserves (excluding the portion of total proven and probable reserves of a mining right i.e. does not include the above mining reserves) of a mining right (Details are set out in the accounting policy of exploration and evaluation expenditure). When production commences, the mining resources for the relevant areas of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and construction in progress as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost or fair value less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment leases.

Buildings in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss. The cost of those items are measured in accordance with the measurement requirements of IAS 2. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets, other than construction in progress and freehold land, over their estimated useful lives and after taking into account their estimated residual values, using the straight line method or unit of production method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised immediately in the consolidated statement of profit or loss.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purposes.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

If a property becomes an owner-occupied property because its use has been changed as evidenced by commencement of owners-occupation, the fair value of the property at the date of change in use is considered as the deemed cost for subsequent accounting.

Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each separately identifiable area of interest which is at individual mine level.

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatments methods; and/or
- Compiling pre-feasibility and feasibility studies.

These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Exploration and evaluation expenditure (Continued)

Exploration expenditure relates to the initial search for deposits with economic potential. Expenditure on exploration activity is not capitalised.

Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. Capitalisation of evaluation expenditure commences when there is a high degree of confidence that the Group will determine that a project is commercially viable, i.e. the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Group.

Evaluation expenditure incurred is accumulated in respect of each separately identifiable area of interest which is at individual mine level. These costs are only carried forward where the right of tenure for the area of interest is current and to the extent that they are expected to be recouped through successful development and commercial exploitation, or alternatively, sale of the area, or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

The carrying amount of exploration and evaluation assets is assessed for impairment when facts or circumstances suggest the carrying amount of the assets may exceed their recoverable amount.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated costs in relation to an abandoned area are written-off in full in the period in which the decision to abandon the area is made.

Capitalised evaluation expenditure considered to be tangible is recorded as a component of property, plant and equipment. Otherwise, it is recorded as an intangible asset. Exploration and evaluation assets acquired in a business combination are recognised at their fair value at the acquisition date (the fair value of potential economically recoverable reserves at the acquisition date which is shown as “Mining resources”).

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable (i.e. when proved reserves of coal are determined and development is approved by management), the exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining reserves or property, plant and equipment. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

On reclassification, the carrying amounts of exploration and evaluation assets are also reviewed and, where appropriate, written down to their recoverable amount.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful life to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Inventories

Inventories of coal, iron ore, equipment and chemical products are stated at the lower of cost and net realisable value. Cost, which comprises direct materials and, where applicable, direct labour and overheads that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventory less all estimated costs of completion and costs necessary to make the sale. Cost necessary to make the sale include incremental cost directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Inventories of auxiliary materials, spare parts and small tools expected to be used in production are stated at weighted average cost less allowance, if necessary, for obsolescence.

Overburden in advance

Overburden in advance comprises mining stripping (waste removal) costs both during the development and production phase of the Group's operations.

When stripping costs are included in the development phase of a mine before the production phase commences (development stripping), such expenditure is capitalised as part of the cost of constructing the mine if it can be demonstrated that it is probable that future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved. The stripping assets are subsequently amortised over its useful life using a units of production method, in accordance with the policy applicable to mine properties. The capitalisation of development stripping costs ceases when the mine/component is commissioned and ready for use as intended by management.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Overburden in advance (Continued)

Waste removal costs incurred in the production phase creates two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where production stripping costs are incurred and the benefit is improved access to ore to be mined in the future, the costs are recognised as a stripping activity asset in mine properties.

If the costs of the inventory produced and the stripping asset are not separately identifiable, the allocation is undertaken based on waste-to-ore stripping ratio for the particular ore component concerned. If mining of waste in a period occurs in excess of the expected life-of-component average waste-to-ore strip ratio, the excess is recognised as part of the stripping asset. Where mining occurs at or below the expected life-of-component stripping ratio in a period, the entire production stripping cost is allocated to the cost of the ore inventory produced.

Amortisation is provided using the units-of-production method over the life of the identified component of ore body. The units-of-production method results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable reserves).

Stripping costs that do not satisfy the asset recognition criteria are expensed.

Land subsidence, restoration, rehabilitation and environmental costs

One consequence of coal mining is land subsidence caused by the resettlement of the land above the underground mining sites. Depending on the circumstances, the Group may relocate inhabitants from the land above the underground mining sites prior to mining those sites or the Group may compensate the inhabitants for losses or damages from land subsidence after the underground sites have been mined. The Group may also be required to make payments for restoration, rehabilitation or environmental protection of the land after the underground sites have been mined.

An estimate of such costs is recognised in the period in which the obligation is identified and is charged as an expense in proportion to the coal extracted. At the end of each reporting period, the Group adjusts the estimated costs in accordance with the actual land subsidence status. The provision is also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the undepreciated capitalised cost of any related assets, in which case the capitalised cost is reduced to nil and remaining adjustment is recognised in profit or loss. Changes to the capitalised cost result in an adjustment to future depreciation and finance charges.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Provisions (Continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Restoration provisions

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the net cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

When assessing whether a contract is onerous or loss-making, the Group includes costs that relate directly to the contract, consisting of both the incremental costs (to specify, e.g. direct labour and materials) and an allocation of other costs (to specify, e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract) that relate directly to fulfilling contracts.

Contingent assets

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group and they are not recognised in the consolidated financial statements. The Group assesses continually the development of contingent assets. If it has become virtually certain that an inflow of economic benefits will arise, the Group recognises the asset and the related income in the consolidated financial statements in the reporting period in which the change occurs.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Contingent liabilities (Continued)

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised in profit or loss is included in the "Other income and gains" line item.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and not subject to impairment assessment. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments and is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Other income and gains" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other income and gains" line item.

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including bills and accounts receivables, other receivables and long-term receivables) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for bills and accounts receivables.

For all other financial instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of "investment grade' as per the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 4 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Measurement and recognition of ECL (Continued)

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Lifetime ECL for certain bill and accounts receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other income and gains" line item (note 10) as part of the net foreign exchange gains;

- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the "Other income and gains" line item (note 10) as part of the net foreign exchange gains. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of carrying amount (at fair value) is recognised in other comprehensive income in the investment revaluation reserve;

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other income and gains" line item as part of the gain from changes in fair value of financial assets (note 10);

- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investment revaluation reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term;
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective hedging instrument.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instrumentss (Continued)

Financial liabilitiess (Continued)

Financial liabilities at FVTPL (Continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including bills and accounts payable, other payables, amounts due to parent company and its subsidiary companies, guaranteed notes, bank borrowings, other borrowings, corporate bond and long term payables borrowings are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instrumentss (Continued)

Financial liabilitiess (Continued)

Financial guarantee contracts (Continued)

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the “Other income and gains” line item in profit or loss (note 10) as part of net foreign exchange gains for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk:

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "Other income and gains" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosure made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

Significant influence over associates

As stated in note 23, the directors of the Company considered that China Zheshang Bank Co., Ltd. ("Zheshang Bank"), 臨商銀行股份有限公司 ("Linshang Bank"), Qilu Bank Co. Ltd. ("Qilu Bank") and Inner Mongolia Yitai Huzhun Railway Co., Ltd.* (內蒙古伊泰呼准铁路有限公司) ("Huzhun Railway"), in which the Group has 3.40%, 17%, 7.49% and 18.94% equity interest respectively, are associates of the Group.

The Group considered that it has the practical power to participates in significant financial and operating decisions and are able to exercise significant influence over the investees even though it owns less than 20% of the ownership interest and voting control taking into account (1) that the Group's ownership interest is significant relative to other shareholders due to the wide dispersion of shareholding interests; (2) the representation or right to appoint/nominate directors on the board of directors of these investees; and (3) the rights to participate in the policy-making process, including dividends and other distribution of the investees.

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Depreciation of mining structures

The cost of mining structures (note 17) is depreciated using the unit of production method based on the estimated total production volume for which the structure was designed that are based on the total estimated proven and probable reserves of each of the mine and the unit of production for the year. The management exercises their judgement in estimating the unit of production rates of the mining structures and the remaining estimated total production volume of the mine. The estimated total coal production volumes are updated at regular intervals and have taken into account recent production and technical information as well as the proven and probable estimated reserves about each mine. These changes are considered a change in estimate for accounting purposes and are reflected on a prospective basis in related depreciation rates. Estimates of the remaining estimated total production volume are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information.

Amortisation of mining reserve

Mining reserve (note 17) is amortised based on unit of production basis. The expensing of overburden costs is based on saleable coal production over its estimated economically recoverable reserves. The units of production for each mine are estimated on the basis of the total estimated proven and probable reserves of the mine. Proven and probable mining reserve estimates are updated at regular intervals and have taken into account recent production and technical information about each mine.

Provision for land subsidence, restoration, rehabilitation and environmental costs

The provision (note 35) is reviewed regularly to verify that it properly reflects the remaining obligation arising from the current and past mining activities. Provision for land subsidence, restoration, rehabilitation and environmental costs are determined by the management based on their best estimates of the current and future costs, latest government policies and past experience.

As at 31 December 2024, the carrying amount of provision for land subsidence, restoration, rehabilitation and environmental costs is RMB12,918,288,000 (2023: RMB13,724,310,000).

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Estimated impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belong.

The future cash flow is estimated based on past performance and expectation for market development. As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2024, the carrying amounts of intangible assets and property, plant and equipment were RMB59,007,793,000 and RMB135,260,991,000 (2023 (Restated): RMB62,280,141,000 and RMB132,710,453,000) respectively. Details of the impairment of property, plant and equipment and intangible assets are disclosed in notes 17 and 18, respectively.

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Exploration and evaluation expenditure

Under the Group's accounting policy, exploration expenditure is not capitalised. Evaluation expenditure is capitalised when there is a high degree of confidence that the Group will determine that a project is commercially viable and therefore it is considered probable that future economic benefits will flow to the Group.

There are occasions when the Group concludes that the asset recognition criteria are met at an earlier stage than approval to proceed. In these cases, evaluation expenditure is capitalised if there is a high degree of confidence that the Group will determine the project is commercially viable. The Group's view is that a high degree of confidence is greater than "more likely than not" (that is greater than 50 per cent certainty) and less than "virtually certain" (that is less than 90 per cent certainty). Determining whether there is a high degree of confidence that the Group will determine that an evaluation project is commercially viable requires a significant degree of judgement and assessment of all relevant factors such as the nature and objective of the project; the project's current stage and project timeline; current estimates of the project's net present value including sensitivity analyses for the key assumptions; and the main risks of the project. Development expenditure incurred prior to the decision to proceed is subject to the same criteria for capitalisation, being a high degree of confidence that the Group will determine that a project is commercially viable.

In accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources, the criteria for the capitalisation of evaluation costs are applied consistently from period to period.

Subsequent recovery of the carrying value for evaluation costs depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any related impairment provisions are charged to profit or loss.

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of bills and accounts receivables, other receivables and long-term receivables

Provision for impairment of bills and accounts receivables, other receivables and long-term receivables is made based on assessment of expected credit losses, which requires management's judgement and estimate. The expected loss rates are determined based on the Group's historical credit loss experience of receivables with similar credit risk characteristics and adjusted to reflect current and forward-looking such as macroeconomics factors affecting the ability of customers to settle the receivables. Changes in these assumptions and estimates could materially affect the results of the assessment and it may be necessary to make additional impairment charge to profit or loss.

At 31 December 2024, the carrying amount of bills and accounts receivables is approximately RMB13,188,501,000 (2023 (Restated): RMB12,517,010,000), net of accumulated impairment losses of approximately RMB952,065,000 (2023 (Restated): RMB529,078,000); the carrying amount of other receivables is approximately RMB14,540,339 (2023: RMB20,639,146), net of accumulated impairment losses of approximately RMB1,726,208,000 (2023: RMB2,531,852,000); and the carrying amount of long-term receivables is approximately RMB12,181,691,000 (2023: RMB7,741,730,000), net of accumulated impairment losses of approximately RMB740,129,000 (2023: RMB541,983,000).

6 SEGMENT INFORMATION

The Group is engaged primarily in the mining business and the smart logistics business. The Group does not currently have direct export rights in the PRC and all of its export sales are made through China National Coal Industry Import and Export Corporation ("National Coal Corporation"), Minmetals Trading Co., Ltd. ("Minmetals Trading") and/or Shanxi Coal Imp. & Exp. Group Corp. ("Shanxi Coal Corporation"). The final customer destination of the Company's export sales is determined by the Company, National Coal Corporation, Minmetals Trading and/or Shanxi Coal Corporation. The exploitation right of the Group's foreign subsidiaries is not restricted. Certain of the Company's subsidiaries and associates are engaged in manufacturing and trading of mining machinery and the transportation business via rivers and lakes and provision of financial services in the PRC. No separate segment information about these businesses is presented in the consolidated financial statements as the underlying gross sales, results and assets of these businesses, which are included in the mining business segment, are insignificant to the Group. Upon the acquisition of Yankuang Donghua Heavy Industry Limited ("Donghua") in 2016, the Group is also engaged in the manufacturing of comprehensive coal mining and excavating equipment. In addition, certain subsidiaries are engaged in production of methanol and other chemical products, and provision of heat and electricity, which is classified as "coal chemical, electricity and heat supply" business.

6 SEGMENT INFORMATION (Continued)

For management purposes, the Group is organised into the following four operating divisions, which are also the basis on which the Group reports its segment information.

Coal mining	Underground and open-cut mining, preparation and sales of coal and potash mineral exploration
Smart logistics	Provision of transportation services
Coal chemical, electricity and heat supply	Provision of electricity and related heat supply services and production and sales of chemical products
Equipment manufacturing	Manufacturing of comprehensive coal mining and excavating equipment

The accounting policies of the operating segments are same as the Group's accounting policies described in note 4. Segment results represent the results of each segment without allocation of corporate expenses, directors' emoluments, share of results of associates and joint ventures, interest income, finance cost and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Inter-segment revenue is charged at prices pre-determined by the relevant government authority.

Unallocated corporate income for the years ended 31 December 2024 and 2023 mainly included gain on sales of auxiliary materials and sundry items and other corporate income.

Unallocated corporate expenses for the years ended 31 December 2024 and 2023 mainly included bank charges, salaries and other employee benefits, miscellaneous taxes and sundry items and other corporate expenses.

Unallocated corporate assets at 31 December 2024 and 2023 mainly included certain bank balances and cash, investments in securities, deferred tax assets and sundry items and other corporate assets.

Unallocated corporate liabilities at 31 December 2024 and 2023 mainly included borrowings, dividend payables, deferred tax liabilities and sundry items and other corporate liabilities.

6 SEGMENT INFORMATION (Continued)

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

	For the year ended 31 December 2024					
	Coal mining RMB'000	Smart logistics RMB'000	Coal chemical, electricity and heat supply RMB'000	Equipment manufacturing RMB'000	Eliminations RMB'000	Consolidated RMB'000
Segment revenue						
External	91,624,522	3,271,132	28,564,079	1,074,461	–	124,534,194
Inter-segment	16,064,289	880,608	8,919,270	2,460,408	(28,324,575)	–
Total	107,688,811	4,151,740	37,483,349	3,534,869	(28,324,575)	124,534,194
Results						
Segment results	24,100,602	202,900	5,438,377	534,262	–	30,276,141
Unallocated corporate expenses						(6,815,375)
Unallocated corporate income						3,093,402
Interest income						2,156,454
Share of results of associates						2,219,617
Share of results of joint ventures						74,096
Finance costs						(4,137,324)
Profit before tax						26,867,011
Income tax expense						(6,252,476)
Profit for the year						20,614,535

6 SEGMENT INFORMATION (Continued)

(a) Segment revenue and results (Continued)

	For the year ended 31 December 2023					
	Coal mining RMB'000 (Restated)	Smart logistics RMB'000 (Restated)	Coal chemical, electricity and heat supply RMB'000 (Restated)	Equipment manufacturing RMB'000 (Restated)	Eliminations RMB'000 (Restated)	Consolidated RMB'000 (Restated)
Segment revenue						
External	102,019,064	478,114	29,809,517	435,847	–	132,742,542
Inter-segment	13,050,202	95,549	11,368,208	2,558,679	(27,072,638)	–
Total	115,069,266	573,663	41,177,725	2,994,526	(27,072,638)	132,742,542
Results						
Segment results	33,875,752	222,942	2,807,504	61,424	–	36,967,622
Unallocated corporate expenses						(5,533,311)
Unallocated corporate income						4,305,638
Interest income						2,246,290
Share of results of associates						2,197,657
Share of results of joint ventures						63,364
Finance costs						(4,493,257)
Profit before tax						35,754,003
Income tax expense						(9,541,161)
Profit for the year						26,212,842

The revenue for the years ended 31 December 2024 and 2023 represented revenue from contracts with customers within the scope of IFRS 15.

Disaggregation of revenue from contracts with customers by timing of recognition

	2024 RMB'000	2023 RMB'000 (Restated)
Timing of revenue recognition		
At a point in time	**124,534,194**	132,742,542

6 SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	As at 31 December 2024					
	Coal mining RMB'000	Smart logistics RMB'000	Coal chemical, electricity and heat supply RMB'000	Equipment manufacturing RMB'000	Unallocated RMB'000	Consolidated RMB'000
Assets						
Segment assets	209,176,122	4,207,520	67,122,041	6,116,877	–	286,622,560
Interests in associates						24,367,062
Interests in joint ventures						1,275,916
Unallocated corporate assets						44,084,832
						356,350,370
Liabilities						
Segment liabilities	142,832,198	3,258,204	32,755,561	2,457,931	–	181,303,894
Unallocated corporate liabilities						43,061,036
						224,364,930

6 SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities (Continued)

	As at 31 December 2023					
	Coal mining RMB'000 (Restated)	Smart logistics RMB'000	Coal chemical, electricity and heat supply RMB'000 (Restated)	Equipment manufacturing RMB'000 (Restated)	Unallocated RMB'000	Consolidated RMB'000 (Restated)
Assets						
Segment assets	207,176,481	3,930,049	65,017,287	5,435,558	–	281,559,375
Interests in associates						22,636,610
Interests in joint ventures						1,335,995
Unallocated corporate assets						46,827,461
						352,359,441
Liabilities						
Segment liabilities	157,533,793	184,163	29,186,043	2,367,688	–	189,271,687
Unallocated corporate liabilities						45,717,138
						234,988,825

6 SEGMENT INFORMATION (Continued)

(c) Other segment information

	For the year ended 31 December 2024				
	Coal mining RMB'000	Smart logistics RMB'000	Coal chemical electricity and heat supply RMB'000	Equipment manufacturing RMB'000	Consolidated RMB'000
Amounts included in the measure of segment profit or loss or segment assets:					
Capital additions	13,615,644	–	–	777,097	14,392,741
Amortisation of intangible assets	1,768,491	–	418,774	38,426	2,225,691
Depreciation of property, plant and equipment	9,823,360	48,737	2,076,645	190,552	12,139,294
Depreciation of right-of-use assets	405,891	–	44,234	4,059	454,184
Impairment loss recognised/(reversal) on:					
– inventories	4,045	–	–	–	4,045
– long-term Receivables	198,146	–	–	–	198,146
– bills and accounts Receivables	413,983	–	–	–	413,983
– other receivables	(106,560)	–	–	–	(106,560)

6 SEGMENT INFORMATION (Continued)

(c) Other segment information (Continued)

	For the year ended 31 December 2023				
	Coal mining RMB'000 (Restated)	Smart logistics RMB'000 (Restated)	Coal chemical electricity and heat supply RMB'000 (Restated)	Equipment manufacturing RMB'000 (Restated)	Consolidated RMB'000 (Restated)
Amounts included in the measure of segment profit or loss or segment assets:					
Capital additions	19,149,573	89,395	575,124	16,282	19,830,374
Amortisation of intangible assets	2,297,296	–	450,273	114	2,747,683
Depreciation of property, plant and Equipment	8,460,427	35,182	2,795,417	271,618	11,562,644
Depreciation of right-of-use assets	363,317	–	39,394	3,541	406,252
Impairment loss recognised/(reversal) on:					
– inventories	35,092	–	–	–	35,092
– long-term receivables	(17,338)	–	–	–	(17,338)
– bills and accounts receivables	(52,139)	–	–	–	(52,139)
– other receivables	36,070	–	–	–	36,070

6 SEGMENT INFORMATION (Continued)

Geographical information

The following table sets out the geographical information. The geographical location of sales to external customers is based on the location at which the services were provided or the destination of goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of interests in associates and joint ventures.

The geographical information of revenue from contracts with customers are as follows:

	2024 **RMB'000**	2023 RMB'000 (Restated)
The PRC (place of domicile)	**88,198,625**	91,381,031
Australia	**35,949,295**	41,273,047
Others	**386,274**	88,464
Total	**124,534,194**	132,742,542

The geographical information of non-current assets (note) are as follows:

	2024 **RMB'000**	2023 RMB'000 (Restated)
The PRC (place of domicile)	**192,031,747**	199,570,858
Australia	**52,465,998**	43,266,781
Canada	**2,003,043**	1,966,140
Total	**246,500,788**	244,803,779

Note: Non-current assets excluded investments in securities, long-term receivables, royalty receivables, deposits made on investments and deferred tax assets.

Information about major customers

No revenue from customers contributed over 10% of the total revenue of the Group for the years ended 31 December 204 and 2023.

7 GROSS SALES OF COAL

	2024 RMB'000	2023 RMB'000 (Restated)
Coal sold in the PRC, gross	**57,295,263**	62,382,843
Coal sold outside the PRC, gross	**34,329,259**	39,636,221
	91,624,522	102,019,064

8 COST OF SALES AND SERVICES PROVIDED

Cost of sales and services provided included:

	2024 RMB'000	2023 RMB'000 (Restated)
Amortisation of intangible assets	**2,011,622**	2,590,948
Depreciation of property, plant and equipment	**11,189,681**	10,599,676
Depreciation of right-of-use assets	**454,184**	406,252

9 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses included:

	2024 RMB'000	2023 RMB'000 (Restated)
Wages and employee benefits	**6,653,780**	6,436,319
Amortisation of intangible assets	**214,069**	156,735
Depreciation of property, plant and equipment	**949,613**	962,968
Depreciation of right-of-use assets	**10,933**	4,570

10 OTHER INCOME AND GAINS/LOSSES

	2024 RMB'000	2023 RMB'000 (Restated)
Gain on sales of auxiliary materials	**295,418**	529,883
Sea freight service	**375,999**	344,523
Management service fee income	**128,937**	114,486
Interest income	**2,156,454**	2,246,290
Government grants (note)	**322,303**	291,019
Impairment loss recognised on inventories, net	**(4,045)**	(35,092)
Impairment loss recognised on property, plant and equipment	**(4,713)**	–
Impairment loss reversed/(recognised) on long term receivables, net	**(198,146)**	17,338
Impairment loss (recognised)/reversed on bills and accounts receivables and other receivables, net	**(307,423)**	16,069
Gain on disposal of intangible asset, net	**–**	13,226
Gain on disposal of right-of-use assets, net	**46,218**	–
Gain/(loss) on disposal of property, plant and equipment, net	**48,579**	(12,072)
Realised (losses)/gains from hedge derivatives	**(586,825)**	28,412
Fair value changes in investment properties	**(7,788)**	18,454
Fair value changes in financial assets and liabilities at FVTPL	**44,120**	57,284
Fair value changes in royalty receivables	**(8,606)**	(71,717)
Fair value changes in investments in securities	**(62,646)**	85,883
Gain on bargain purchases	**134,765**	–
Fair value changes in contingent consideration receivable	**(22,172)**	–
Exchange gain, net	**737,383**	152,877
Others	**150,979**	508,775
	3,238,791	4,305,638

Note:

Government grants mainly represented subsidies provided to the Group to finance its operations and there were no unfulfilled conditions.

11 FINANCE COSTS

	2024 RMB'000	2023 RMB'000 (Restated)
Interest on bank and other borrowings	**4,255,938**	4,737,671
Interest on lease liabilities	**51,008**	53,118
	4,306,946	4,790,789
Less:		
Amounts capitalised on construction in progress (Note)	**(169,622)**	(297,532)
	4,137,324	4,493,257

Note:

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 2.27% to 4.75% (2023: 2.27% to 4.75%) per annum to expenditure on qualifying assets.

12 INCOME TAX EXPENSE

	2024 RMB'000	2023 RMB'000 (Restated)
Current tax	**6,190,203**	9,647,506
Deferred tax (Note 39)	**62,273**	(106,345)
	6,252,476	9,541,161

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Company and its subsidiaries in the PRC is 25% for both years, except for certain subsidiaries that are entitled to a preferential tax rate of 15% (2023: 15%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Group is operating in certain jurisdictions where the Global Anti-Base Erosion Model Rules ("Pillar Two rules") are effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

12 INCOME TAX EXPENSE (Continued)

Income tax relating to items recognised in the other comprehensive income is disclosed as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Current tax		
Income tax related to fair value change on equity investments at FVTOCI	**4**	30
Deferred tax		
Net gain on cash flow hedge	**52,814**	12,713

The total tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Profit before tax	**26,867,011**	35,754,003
Tax calculated at PRC EIT rate of 25% (2023: 25%)	**6,716,753**	8,938,501
Tax effect of share of results of associates and joint ventures	**(573,428)**	(565,255)
Tax effect of expenses not deductible for tax purpose	**334,710**	480,340
Tax effect of income not taxable for tax purpose	**(425,963)**	(111,186)
Tax effect of tax losses not recognised	**254,261**	634,250
Utilisation of tax losses previously not recognised	**(83,206)**	(60,460)
Changes in tax base of assets (Note)	**(59,328)**	(65,190)
Effect of tax rate differences in other taxation jurisdictions	**(170,144)**	(131,842)
Others	**258,821**	422,003
Income tax expense	**6,252,476**	9,541,161
Effective income tax rate	**23.27%**	26.68%

Note: The amount represented tax benefits relating to the finalisation of tax bases arising from Yancoal Australia.

13 PROFIT BEFORE TAX

	2024 RMB'000	2023 RMB'000 (Restated)
Profit before tax has been arrived at after charging:		
Amortisation of intangible assets	**2,225,691**	2,747,683
Depreciation of property, plant and equipment	**12,139,294**	11,562,644
Depreciation of right-of-use assets	**465,117**	410,822
Auditors' remuneration	**8,400**	16,330
Staff costs, including directors', chief executive director's, supervisors' and management team's emoluments	**23,842,434**	22,437,832
Retirement benefit scheme contributions (included in staff costs above)	**2,769,690**	2,477,827
Share-based payments expenses (included in staff costs above)	**134,212**	290,075
Cost of inventories recognised as expenses (note)	**61,932,932**	61,004,865
Expense relating to short-term lease	**45,786**	280,431
Research and development other costs	**1,676,922**	1,816,674

Note: Cost of inventories includes RMB32,220,709,000 (2023: RMB30,186,947,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 8 for each of these types of expenses, and net gain on cash flow hedging instruments reclassified from equity to the initial carrying amount of inventories.

14 DIRECTORS', CHIEF EXECUTIVE DIRECTOR'S, SUPERVISORS' AND MANAGEMENT TEAM'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

Directors', chief executive director's, supervisors' and management team's emoluments

Directors' and chief executive's emoluments, disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	For the year ended 31 December 2024			
	Fees RMB'000	Salaries, allowance and other benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Independent non-executive directors				
Peng Suping	200	–	–	200
Zhu Limin	200	–	–	200
Woo Kar Tung, Raymond	200	–	–	200
Zhu Rui	200	–	–	200
	800	–	–	800
Executive directors				
Xiao Yaomeng[1]	–	1,313	206	1,519
Liu Jian	–	–	–	–
Liu Qiang	–	–	–	–
Zhang Haijun	–	–	–	–
Su Li	–	1,137	176	1,313
Huang Xiaolong	–	1,130	175	1,305
	–	3,580	557	4,137
Chief executive director				
Li Wei*	–	–	–	–

14 DIRECTORS', CHIEF EXECUTIVE DIRECTOR'S, SUPERVISORS' AND MANAGEMENT TEAM'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

Directors', chief executive director's, supervisors' and management team's emoluments (continued)

	For the year ended 31 December 2024			
	Fees RMB'000	Salaries, allowance and other benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Supervisors				
Li Shipeng*	–	–	–	–
Zhu Hao*	–	–	–	–
Jin Jiahao	–	1,140	177	1,317
	–	1,140	177	1,317
Other management team				
Li Hongguo[2]	–	1,068	166	1,234
Zhang Chuanchang[3]	–	1,174	182	1,356
Ma Junpeng[4]	–	902	142	1,044
Kang Dan	–	1,136	176	1,312
Wang Jiuhong	–	1,078	167	1,245
Yue Ning	–	5,763	307	6,070
Zhao Zhiguo	–	709	108	817
Gao Chunlei	–	1,015	157	1,172
Zhang Lei	–	4,306	–	4,306
Zhang Zhaoyun[5]	–	1,277	199	1,476
	–	18,428	1,604	20,032
Total	800	23,148	2,338	26,286

The executive directors', chief executive directors' and other management team's emoluments shown above were for their services to the management of the affairs of the Company and the Group.

The independent non-executive directors' and the supervisors' emoluments shown above were for their services as directors/supervisors of the Company.

* Emoluments of these directors and supervisors were borne by the Parent Company and there is no reasonable basis of allocating their emoluments to the Group.
1 Resigned on 18 September 2024
2 Resigned on 14 October 2024
3 Resigned on 31 December 2024
4 Resigned on 21 June 2024
5 Appointed on 21 June 2024

14 DIRECTORS', CHIEF EXECUTIVE DIRECTOR'S, SUPERVISORS' AND MANAGEMENT TEAM'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

Directors', chief executive director's, supervisors' and management team's emoluments (continued)

	For the year ended 31 December 2023			
	Fees RMB'000	Salaries, allowance and other benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Independent non-executive directors				
Peng Suping[6]	75	–	–	75
Zhu Limin[6]	150	–	–	150
Woo Kar Tung, Raymond[6]	75	–	–	75
Zhu Rui	75	–	–	75
Tian Hui[2]	75	–	–	75
Cai Chang[2]	75	–	–	75
Poon Chiu Kwok*[2]	75	–	–	75
	600	–	–	600
Executive directors				
Xiao Yaomeng	–	1,151	174	1,325
Liu Jian	–	–	–	–
Liu Qiang[6]	–	–	–	–
Zhang Haijun[6]	–	–	–	–
Su Li[5]	–	958	143	1,101
Huang Xiaolong	–	949	142	1,091
	–	3,058	459	3,517
Chief executive director				
Li Wei*	–	–	–	–

14 DIRECTORS', CHIEF EXECUTIVE DIRECTOR'S, SUPERVISORS' AND MANAGEMENT TEAM'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

Directors', chief executive director's, supervisors' and management team's emoluments (continued)

	For the year ended 31 December 2023			
	Fees RMB'000	Salaries, allowance and other benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Supervisors				
Li Shipeng*	–	–	–	–
Zhu Hao*	–	–	–	–
Jin Jiahao[5]	–	593	85	678
Qin Yanpo*[2]	–	–	–	–
Deng Hui[1]	–	–	–	–
	–	593	85	678
Other management team				
Zhao Qingchu[3]	–	855	128	983
Li Hongguo[4]	–	585	83	668
Zhang Chuanchang	–	948	142	1,090
Tian Zhaohua[3]	–	906	136	1,042
Ma Junpeng	–	955	143	1,098
Kang Dan	–	878	130	1,008
Wang Jiuhong	–	874	130	1,004
You Jiaqiang[3]	–	445	63	508
Yue Ning[7]	–	458	73	531
Zhao Zhiguo[7]	–	77	12	89
Gao Chunlei	–	81	13	94
Zhang Lei	–	4,538	–	4,538
	–	11,600	1,053	12,653
Total	600	15,251	1,597	17,448

14 DIRECTORS', CHIEF EXECUTIVE DIRECTOR'S, SUPERVISORS' AND MANAGEMENT TEAM'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

Directors', chief executive director's, supervisors' and management team's emoluments (continued)

The executive directors', chief executive directors' and other management team's emoluments shown above were for their services to the management of the affairs of the Company and the Group.

The independent non-executive directors' and the supervisors' emoluments shown above were for their services as directors/supervisors of the Company.

* Emoluments of these directors and supervisors were borne by the Parent Company and there is no reasonable basis of allocating their emoluments to the Group.

1 Resigned on 19 April 2023

2 Resigned on 30 June 2023

3 Resigned as executive director and appointed as other management team on 30 June 2023 and resigned on 27 October 2023

4 Appointed on 24 March 2023

5 Appointed on 19 April 2023

6 Appointed on 30 June 2023

7 Appointed on 27 October 2023

14 DIRECTORS', CHIEF EXECUTIVE DIRECTOR'S, SUPERVISORS' AND MANAGEMENT TEAM'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

Employees' emoluments

The five highest paid individuals of the Group included two (2023: two) directors for the year ended 31 December 2024. The emoluments of the remaining three (2023: three) highest paid individuals were stated as follows:

	2024 **RMB'000**	2023 RMB'000
Salaries, allowance and other benefits in kind	**23,148**	15,431
Retirement benefit scheme contributions	**797**	276
Discretionary bonuses	**1,541**	9,937
	25,486	25,644

Their emoluments were within the following bands:

	Number of individuals	
	2024	2023
HKD3,000,001 to HKD3,500,000	**–**	–
HKD4,500,001 to HKD5,000,000	**1**	1
HKD5,000,001 to HKD5,500,000	**1**	1
HKD6,500,001 to HKD7,000,000	**–**	–
HKD7,000,001 to HKD7,500,000	**–**	–
HKD12,000,001 to HKD12,500,000	**–**	–
HKD15,500,001 to HKD16,000,000	**1**	1
HKD16,500,001 to HKD17,000,000	**–**	–
	3	3

None of the directors, chief executive director, supervisors, management team and the five highest paid individuals waived any emoluments in the year ended 31 December 2024 and 2023. No emoluments were paid by the Group to any of the directors, supervisors, management team or five highest paid individuals as an inducement to joining the Group or as compensation for loss of office.

15 DIVIDEND

	2024 RMB'000	2023 RMB'000
2023 final and special dividend, RMB1.49 per share (2023: 2022 final and special dividend, RMB4.3 per share)	**13,816,393**	21,951,930

Pursuant to the annual general meeting held on 21 June 2024, a final dividend and special dividend of RMB13.0 per 10 shares and RMB1.9 per 10 shares and 3 bonus shares for every 10 shares respectively in respect of the year ended 31 December 2023 were approved by the shareholders and paid to shareholders of the Company.

The board of directors proposes to declare a final dividend of RMB0.54 per share (tax inclusive) in respect of the year ended 31 December 2024. The declaration and payment of the dividend needs to be approved by the shareholders of the Company in the forthcoming general meeting.

16 EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to equity shareholders of the Company for the year ended 31 December 2024 of approximately RMB14,056,067,000 (2023 (Restated): RMB19,222,120,000) and on the weighted average of 9,913,443,000 (2023 (Restated): 9,746,275,000) shares in issue during the year ended 31 December 2024.

The calculation of the diluted earnings per share for the years ended 31 December 2024 and 2023 are based on the profit for the year attributable to equity shareholders of the Company with an adjustment on effect of dilutive share incentive schemes of a non-wholly owned subsidiary.

For the year ended 31 December 2023, the number of ordinary shares used in the calculation of diluted earnings per share is the weighted average number of ordinary shares in issue during the year as used in the basic earnings per share calculation and adjusted for the effect of potential ordinary shares from the Company's share options. For the year ended 31 December 2024, no adjustment is made to the weighted average number of ordinary shares as there were no potential ordinary shares in issue for 2024.

The calculation of basic and diluted earnings per share are based on the following data:

	2024 RMB'000	2023 RMB'000 (Restated)
Earnings		
Profit for the year attributable to owners of the parent, used in the basic earnings per share calculation	**14,056,067**	19,222,120
Adjustment to the share of profit of a subsidiary based on dilution of their earnings	**(13,989)**	(26,269)
Earnings for the purpose of diluted earnings per share	**14,042,078**	19,195,851

16 EARNINGS PER SHARE (Continued)

	2024 '000	2023 '000 (Restated)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**9,913,443**	9,746,275
Effect of dilutive potential ordinary shares:		
Share options	**–**	8,471
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**9,913,443**	9,754,746

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the bonus issue on 5 July 2024.

The adjustment to comparative earnings per share, arising from the bonus issue is as follows:

	RMB
Reported figure before adjustments	2.39
Adjustment arising from common control combination in prior years	0.19
Adjustment arising from the bonus issue	(0.61)
Restated figure	1.97

17 INTANGIBLE ASSETS

	Mining reserves RMB'000	Mining resources (exploration and evaluation assets) RMB'000	Technology RMB'000	Water licenses RMB'000	Others RMB'000	Total RMB'000
Cost						
At 1 January 2023 (Restated)	81,965,948	2,724,581	1,416,336	544,924	263,812	86,915,601
Exchange adjustments	873,434	–	3,366	7,057	5,299	889,156
Additions	711,659	–	6,642	41,413	3,788	763,502
Disposals	(4,488)	–	–	–	(440)	(4,928)
At 31 December 2023 and 1 January 2024 (Restated)	83,546,553	2,724,581	1,426,344	593,394	272,459	88,563,331
Exchange adjustments	(2,488,988)	–	(4,268)	(17,901)	(19,633)	(2,530,790)
Additions	36,494	–	26,574	–	32,890	95,958
Acquisition of subsidiaries	69,906	–	–	–	404,782	474,688
Disposals	(102,183)	–	(224,084)	–	(2,450)	(328,717)
At 31 December 2024	81,061,782	2,724,581	1,224,566	575,493	688,048	86,274,470
Amortisation and impairment						
At 1 January 2023 (Restated)	22,133,639	–	835,490	68,869	206,638	23,244,636
Exchange adjustments	285,217	–	3,365	754	4,491	293,827
Charged for the year	2,590,948	–	102,289	13,577	40,869	2,747,683
Eliminated on disposals	(2,600)	–	–	–	(356)	(2,956)
At 31 December 2023 and 1 January 2024 (Restated)	25,007,204	–	941,144	83,200	251,642	26,283,190
Exchange adjustments	(1,082,961)	–	(4,268)	(1,912)	(14,566)	(1,103,707)
Charged for the year	2,011,622	–	85,711	13,713	114,645	2,225,691
Eliminated on disposals	(9,454)	–	(126,593)	–	(2,450)	(138,497)
At 31 December 2024	25,926,411	–	895,994	95,001	349,271	27,266,677
Carrying values						
At 31 December 2024	55,135,371	2,724,581	328,572	480,492	338,777	59,007,793
At 31 December 2023 (Restated)	58,539,349	2,724,581	485,200	510,194	20,817	62,280,141

17 INTANGIBLE ASSETS (Continued)

The mining rights (mining reserves) are amortised based on unit of production method.

The mining resources is reclassified to mining reserves when the reserves are reasonably proved to be commercial available. It is stated at cost less impairment.

Technology has not yet reached the stage of commercial application and therefore is not amortised. Patent is also included in technology and it is amortised on a straight line basis of 10 years over the useful life.

Water licenses are amortised over the life of mine. If the mining activities of the relevant locations have not yet been started and the connections to water sources have not been completed, no amortisation will be provided.

Other intangible assets mainly represented capacity replacement right which is amortised on a straight-line basis over the contractual term.

Amortisation expense of the mining rights for the year of RMB2,011,622,000 (2023: RMB2,590,948,000) has been included in cost of sales and services provided. Amortisation expense of other intangible assets for the year of RMB214,069,000 (2023 (Restated): RMB156,735,000) has been included in selling, general and administrative expenses.

During the years ended 31 December 2024 and 2023, for cash-generating units with impairment indicator, their recoverable amounts have been determined using the value-in-use method.

Value-in-use has been determined using a discounted cash flow model. The key assumptions to which the model is most sensitive include:

- Coal prices
- Foreign exchange rates, if applicable
- Production and capital costs
- Discount rate
- Coal reserves and resources

In determining the value assigned to each key assumption, management has used external sources of information and utilised the expertise of external consultants and/or experts within the Group to validate entity specific assumptions such as coal reserves and resources.

Production and capital costs are based on the Group's estimates of forecasted geological conditions, stage of existing plant and equipment and future production levels. The information is obtained from internally maintained budgets, the five-year business plan, life of mine models, life of mine plans and project evaluations performed by the Group in its ordinary course of business.

The Group has applied pre-tax discount rates ranged from 8% – 9% (2023: 8% – 12%) to discount the forecast cash flows. The pre-tax discount rate applied to the future cash flow forecasts represents an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. This rate is also consistent with the Group's five-year business plan, life of mine models and project evaluations performed in ordinary course of business.

During the years ended 31 December 2024 and 2023, no impairment loss was recognised.

18 PROPERTY, PLANT AND EQUIPMENT

	Freehold land in Australia RMB'000	Buildings RMB'000	Mining structures RMB'000	Railway structures RMB'000	Other plant, machinery and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
Cost							
At 1 January 2023 (restated)	1,442,541	16,186,631	49,177,786	21,865,694	104,428,972	17,938,112	211,039,736
Exchange adjustment	38,084	32,156	376,279	–	565,142	–	1,011,661
Additions	–	–	–	844,775	3,436,616	10,946,303	15,227,694
Transfer	–	388,808	55,155	1,070,832	7,164,663	(8,679,458)	–
Transfer from investment properties	–	452,112	–	–	–	–	452,112
Disposals/write-off	–	(241,999)	(117,275)	(160,005)	(3,734,520)	–	(4,253,799)
At 31 December 2023 and 1 January 2024 (Restated)	1,480,625	16,817,708	49,491,945	23,621,296	111,860,873	20,204,957	223,477,404
Exchange adjustment	(104,730)	(87,506)	(999,547)	–	(1,566,244)	–	(2,758,027)
Additions	–	555,479	1,100,536	41,378	5,082,346	10,151,863	16,931,602
Transfer to investment properties	–	–	–	–	–	(76,490)	(76,490)
Acquisition of subsidiaries	–	75,591	–	–	192,513	75,236	343,340
Transfer	–	623,897	1,481,071	902,745	4,819,416	(7,827,129)	–
Disposals/write-off	–	(36,489)	(1,258,989)	(25,242)	(2,581,099)	–	(3,901,819)
At 31 December 2024	1,375,895	17,948,680	49,815,016	24,540,177	117,807,805	22,528,437	234,016,010

18 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Freehold land in Australia RMB'000	Buildings RMB'000	Mining structures RMB'000	Railway structures RMB'000	Other plant, machinery and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
Accumulated depreciation and impairment							
At 1 January 2023 (Restated)	–	5,746,482	15,034,412	8,263,016	51,990,664	–	81,034,574
Exchange adjustment	–	18,776	181,492	–	383,240	–	583,508
Provided for the year	–	385,989	1,844,082	1,211,903	8,120,670	–	11,562,644
Eliminated on disposals	–	(63,290)	(41,033)	(14,647)	(2,294,805)	–	(2,413,775)
At 31 December 2023 and 1 January 2024 (Restated)	–	6,087,957	17,018,953	9,460,272	58,199,769	–	90,766,951
Exchange adjustment	–	**(52,436)**	**(507,404)**	–	**(1,030,853)**	–	**(1,590,693)**
Provided for the year	–	**1,098,239**	**1,941,874**	**825,615**	**8,273,566**	–	**12,139,294**
Impairment loss recognised in profit or loss	–	–	–	–	**3,256**	**1,457**	**4,713**
Eliminated on disposals	–	**(26,443)**	**(515,402)**	**(25,242)**	**(1,998,159)**	–	**(2,565,246)**
At 31 December 2024	–	**7,107,317**	**17,938,021**	**10,260,645**	**63,447,579**	**1,457**	**98,755,019**
Carrying values							
At 31 December 2024	**1,375,895**	**10,841,363**	**31,876,995**	**14,279,532**	**54,360,226**	**22,526,980**	**135,260,991**
At 31 December 2023 (Restated)	1,480,625	10,729,751	32,472,992	14,161,024	53,661,104	20,204,957	132,710,453

18 PROPERTY, PLANT AND EQUIPMENT (Continued)

The following estimated useful lives are used for the depreciation of property, plant and equipment, other than freehold land:

Buildings	10 to 30 years
Railway structures	10 to 25 years
Other plant, machinery and equipment	2.5 to 40 years

The mining structures include the main and auxiliary mine shafts and underground tunnels. Depreciation is provided to write off the cost of the mining structures using the units of production method based on the estimated production volume for which the structure was designed and the contractual period of the relevant mining rights.

As at 31 December 2024, property, plant and equipment with carrying amount of approximately RMB3,173,736,000 (2023: RMB3,436,600,000) have been pledged to secure bank borrowings of the Group.

During the year ended 31 December 2024, impairment loss of RMB4,713,000 (2023: Nil) was recognised.

19 LEASES

(i) Right-of-use assets

	2024 RMB'000	2023 RMB'000 (Restated)
Leased properties	**53,455**	39,580
Land use right	**5,141,276**	5,018,457
Plant, machinery and equipment	**447,389**	580,394
At 31 December	**5,642,120**	5,638,431

As at 31 December 2024, right-of-use assets of approximately RMB5,141,276,000 represents land use right located in the PRC (2023 (Restated): RMB5,018,457,000).

In addition, the Group has lease arrangements for buildings and plant, machinery and equipment. The lease terms are generally ranged from two to five years.

19 LEASES (Continued)

(i) Right-of-use assets (Continued)

In respect of lease arrangement for renting certain production equipment, the Group has options to purchase the production equipment at a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

Additions to the right-of-use assets for the year ended 31 December 2024 amounted to RMB716,465,000 due to new lease arrangements of land use right and plant, machinery and equipment (2023 (Restated): RMB416,373,000).

During the year ended 31 December 2024, the Group early terminated certain leases and derecognised right-of-use assets amounted to RMB48,254,000 (2023: Nil).

During the years ended 31 December 2024 and 2023, no right-of-use assets was transferred to property, plant and equipment.

The Group has obtained the land use right certificates for all leasehold lands except for leasehold lands with carrying amount of RMB34,659,000 (2023 (Restated): RMB539,567,000) in which the Group is in the process of obtaining.

(ii) Lease liabilities

Lease liabilities payable:	**2024 RMB'000**	2023 RMB'000 (Restated)
Within one year	**226,851**	158,511
After one year but within two years	**99,245**	114,649
After two years but within five years	**201,999**	212,369
	528,095	485,529
Less: Amount due for settlement within 12 months shown under current liabilities	**(226,851)**	(158,511)
Amount due for settlement after 12 months shown under non-current liabilities	**301,244**	327,018

During the year ended 31 December 2024, the Group entered into a number of new leases agreements in respect of renting plant, machinery and equipment and recognised lease liability of RMB410,822,000 (2023: RMB291,027,000).

During the year ended 31 December 2024, the Group early terminated certain leases and derecognised lease liabilities amounted to RMB48,254,000 (2023: Nil).

19 LEASES (Continued)

(iii) Amounts recognised in profit or loss

	2024 RMB'000	2023 RMB'000 (Restated)
Depreciation of right-of-use assets	**465,117**	410,822
Interest on lease liabilities	**51,008**	53,118
Expense relating to short-term leases	**45,786**	280,431

(iv) Other

During the year ended 31 December 2024, the total cash outflow for leases amount approximately to RMB828,481,000 (2023: RMB1,910,550,000).

Restrictions or covenants on leases

As at 31 December 2024, lease liabilities of RMB528,095,000 are recognised with related right-of-use assets of RMB5,624,120,000 (2023: lease liabilities of RMB485,529,000 and related right-of-use assets of RMB5,638,431,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

20 INVESTMENT PROPERTIES

	RMB'000
Fair value	
At 1 January 2023 (restated)	1,471,730
Additions	36,590
Transfer from inventories	34,907
Increase in fair value recognised in profit or loss	18,454
Transfer to property, plant and equipment	(452,112)
At 31 December 2023 and 1 January 2024 (restated)	**1,109,569**
Additions	**44,425**
Acquisition of subsidiaries	**12,128**
Transfer from property, plant and equipment	**76,490**
Decrease in fair value recognised in profit or loss	**(7,788)**
At 31 December 2024	**1,234,824**

20 INVESTMENT PROPERTIES (Continued)

All of the Group's investment properties are situated in Mainland China.

The fair value of the Group's investment properties as at 31 December 2024 and 31 December 2023 has been arrived at on the basis of a valuation carried out on the respective dates by Shangdong Zhongxin Assets Appraisal Company Limited* (山東中新資產評估有限公司), independent qualified professional valuers not connected to the Group.

* The official name of the entity only available in Chinese. The English name is for identification purpose only.

The valuation was arrived at by reference to market evidence of transaction prices and rentals for similar properties in the similar locations and conditions. Details of valuation techniques and assumptions are discussed below. There has been no change from the valuation techniques used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The Group has obtained the land use right certificates for all investment properties except for investment properties with carrying amount of RMB34,659,000 (2023 (Restated): RMB744,266,000) in which the Group is in the process of obtaining.

An analysis of the Group's investment properties that are measured subsequent to initial recognition at fair value grouped into fair value hierarchy level 3 based on the degree to which the inputs to fair value measurement is observable and the information about how the valuation has reached and the use of significant unobservable inputs are as follows:

	Fair value hierarchy	Fair value as at 31 December 2024	Valuation technique and key inputs	Significant unobservable	Range of unobservable inputs	Relationship of significant unobservable inputs to fair value
Commercial investment properties	Level 3	RMB1,234,824,000 (2023: RMB1,109,569,000)	Market Comparison Approach – By reference to recent selling price of comparable properties and adjusted to reflect the time, size and location	Adjusted market price	RMB14,600 to RMB61,200 (2023: RMB15,200 to RMB56,700) per square metre	The higher the adjusted market price, the higher the fair value

21 GOODWILL

	2024 RMB'000	2023 RMB'000 (Restated)
Cost:		
At 1 January	**1,025,732**	1,016,563
Exchange adjustments	**(23,257)**	9,169
At 31 December	**1,002,475**	1,025,732
Impairment losses		
At 1 January	**706,814**	706,220
Exchange adjustments	**(1,508)**	594
At 31 December	**705,306**	706,814
Net carrying value		
At 31 December	**297,169**	318,918

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units that are expected to benefit from that business combination. The net carrying amount of goodwill had been allocated as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Mining		
– Shandong Yanmei Shipping Co., Ltd	**10,045**	10,045
– Yancoal Resources Ltd	**267,412**	287,666
– Syntech Holdings Pty Ltd and Syntech Holdings II Pty Ltd	**19,712**	21,207
	297,169	318,918

21 GOODWILL (Continued)

Business performance is reviewed by management on an individual business unit basis. In particular, each mine is considered to be a separate cash generating unit.

For the purposes of impairment testing, the recoverable amounts of the cash generating units have been determined on the basis of value-in-use calculations. Value-in-use has been determined using a discounted cash flows model. Cash flow projections during the budget period are based on the budgeted revenue and expected gross margins during the budget period and the raw materials price inflation during the budget period. Expected cash inflows/outflows have been determined based on past performance and management's expectations for the market development. The future cash flows are highly dependent on the following unobservable inputs: forecast sales volumes and forecasted selling prices.

In determining each of the key inputs, management has used external sources of information and utilised the expertise of external consultants and experts within the Group to validate entity specific assumptions such as mining reserves and mining resources. Furthermore, in estimating future coal prices, the Group receives long term forecast coal price data from multiple externally verifiable sources when determining its coal price forecasts, making adjustments for specific coal quality factors. The long term forecast exchange rate is based on externally verifiable sources. Production and capital costs are based on the Group's estimate of forecasted geological conditions, stage of existing plant and equipment and future production levels. This information is obtained from internally maintained budgets, the five year business plan, life of mine models and project evaluations performed by the Group in its ordinary course of business.

The cash flow model was based on financial budgets approved by management covering a 5-year period with an assumption of pre-tax discount rate of ranged from 8% to 12% (2023: 8% to 12%). It represents an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset. Externally verifiable data received by the Group validates this assumption. For mining business units, the recoverable amount is also dependent on the estimated lives of mines ranged from 4 to 40 years (2023: 4 to 40 years), which is calculated based on the Group's annual coal production forecast for each mine and mining reserves and mining resources. For non-coal business, the growth rate was based on the relevant industry growth rate forecast and does not exceed the average long-term growth rate for the relevant industry. The management determined the gross margin ratio mainly based on past performance of the CGU and the management's expectations for the market development.

The cash flows beyond the 5-year period are extrapolated using a zero percent growth rate. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of each of the above units to exceed the recoverable amount of each of the above units.

22 INVESTMENTS IN SECURITIES

	2024 RMB'000	2023 RMB'000
Financial assets at fair value through profit or loss		
Unlisted equity securities (Note (i))	**561,896**	553,745
Financial assets at fair value through other comprehensive income		
Equity securities listed on the SSE (Note (ii))	**345**	366
Unlisted equity securities (Note (i))	**116,280**	116,278
	116,625	116,644
	678,521	670,389

Notes:

(i) These unlisted equity investments represent investments in unlisted equity securities issued by private entities established in the PRC. Part of these investments in equity instruments, amounting to approximately RMB116,280,000 (2023: RMB116,278,000), are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The remaining investments of approximately RMB561,896,000 (2023: RMB553,745,000) are classified and measured as at FVTPL, which is classified as non-current assets as it is expected to be realised after 12 months after the reporting period.

(ii) As at 31 December 2024 and 2023, the investments in equity securities listed on the Shanghai Stock Exchange (the "SSE") are carried at fair value which are determined based on the quoted market prices in active market.

23 INTERESTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Cost of investments in associates	15,304,221	15,228,281
Share of post-acquisition profit and other comprehensive income, net of dividends	9,068,999	7,414,487
	24,373,220	22,642,768
Less: accumulated impairment loss recognised	(6,158)	(6,158)
	24,367,062	22,636,610

Details of each of the Group's material associates at the end of the reporting period are as follows:

Name of entity	Place of incorporation/ registration/ operation	Class of shares held	Proportion of ownership interest held by the Group 2024	2023	Principal activity
Huadian Zouxian Power Generation Company Limited ("Huadian Zouxian") (Note (i))	The PRC	Registered capital	30%	30%	Electricity generation business
Shandong Shengyang Wood Co., Ltd	The PRC	Registered capital	39.77%	39.77%	Artificial board, CCF processing
Jiemei Wall Materials Co., Limited	The PRC	Registered capital	20%	20%	Coal refuse baked brick
Shanghai CIFCO Futures Co., Limited	The PRC	Registered capital	33%	33%	Trading and consultation futures
Qilu Bank (Notes (ii) and (iii))	The PRC	Registered capital	7.49%	7.69%	Financial services
Huzhun Railway (Note (ii))	The PRC	Registered capital	18.94%	18.94%	Railway construction and transportation
Yankuang Power Sales Co., Ltd.	The PRC	Registered capital	25%	25%	Sales of electricity
Port Waratah Coal Services Ltd ("PWCS")	Australia	Ordinary shares	50%	30%	Provision of coal receivable, blending, stockpiling and ship loading service
Zheshang Bank (Note (ii))	The PRC	Registered capital	3.4%	3.4%	Financial services
Linshang Bank (Note (ii))	The PRC	Registered capital	17%	17%	Financial services
Shandong Yancoal Property Service Company Limited ("Yancoal Property Service")	The PRC	Registered capital	35%	35%	Property management, garden greening engineering, sewage treatment and rental housing agency service
Yili Xintian Coal Chemical Co., Ltd. ("Yili Xintian")	The PRC	Registered capital	45%	45%	Production and sales of coal-to-synthetic
InnerMongolia Jinlian Aluminum Material Limited Company ("Jinlian Aluminum")	The PRC	Registered capital	44.24%	44.24%	Aluminium post-processing, Production and sales of aluminium ingots, aluminium products and derivative products

* The official name of the entity is in Chinese. The English name is for identification purpose only.

Notes:

(i) Huadian Zouxian is a strategic partner of the Group.

(ii) The Group considered that it has the practical ability to exercise significant influence on the associates even though it owns less than 20% of the ownership interest and voting right and take into account 1) the Group's ownership interest is significant relative to other shareholders due to the wide dispersion of shareholding interests; 2) the representation or right to appoint/nominate directors on the board of directors of the associates; and 3) the rights to participate in the policy-making process, including dividends and other distribution.

(iii) During the year ended 31 December 2024, the Group's shareholding ratio decreased from 7.69% to 7.49% due to other shareholders' capital injection.

23 INTERESTS IN ASSOCIATES (Continued)

All of the above associates have been accounted for using equity method in the consolidated financial statements. Except for Huzhun Railway, Yankuang Power Sales Co., Ltd, PWCS, Yancoal Property Service and Linshang Bank which are indirectly held by the Company, all associates are held by the Company directly. The interests held disclosed above for PWCS represented the equity interests held by Yancoal Australia.

Except for Qilu Bank and Zheshang Bank, all of the associates are private companies whose quoted market price is not available. As at 31 December 2024, the fair value of the shares of Qilu Bank and Zheshang Bank held by the Group at 31 December 2024 were approximately RMB2,023,580,000 (2023: RMB1,397,121,000) and RMB2,717,640,000 (2023: RMB1,669,628,000) respectively. The fair values are based on the quoted market prices available on their respective stock exchange, which are level 1 input under IFRS 13.

Summarised financial information in respect of the Group's material associates is set out below:

Huadian Zouxian	**2024 RMB'000**	2023 RMB'000
Current assets	**963,966**	1,076,767
Non-current assets	**3,320,330**	3,679,603
Current liabilities	**(519,007)**	(624,678)
Non-current liabilities	**(76,935)**	(478,518)
Revenue	**3,783,385**	4,091,131
Profit for the year	**235,553**	356,954
Other comprehensive income for the year	**–**	–
Total comprehensive income for the year	**235,553**	356,954
Dividend received from the associate during the year	**64,811**	–

Huzhun Railway	**2024 RMB'000**	2023 RMB'000
Current assets	**568,922**	489,066
Non-current assets	**10,058,752**	10,639,073
Current liabilities	**(623,926)**	(664,486)
Non-current liabilities	**(1,010,950)**	(1,462,457)
Revenue	**1,942,420**	2,093,359
Profit for the year	**266,216**	407,370
Other comprehensive expense for the year	**(14,944)**	(521)
Total comprehensive income for the year	**251,272**	406,849
Dividend received from the associate during the year	**32,307**	34,282

23 INTERESTS IN ASSOCIATES (Continued)

Summarised financial information in respect of the Group's material associates is set out below: (Continued)

Linshang Bank	**2024** **RMB'000**	2023 RMB'000
Current assets	**134,359,960**	151,703,658
Non-current assets	**34,833,799**	5,851,327
Current liabilities	**(156,028,592)**	(141,035,054)
Non-current liabilities	**(1,368,979)**	(5,377,923)
Revenue	**3,905,476**	3,533,638
Profit for the year	**533,333**	390,331
Other comprehensive income for the year	**19,252**	44,691
Total comprehensive income for the year	**552,585**	435,022

Yili Xintian	**2024** **RMB'000**	2023 RMB'000
Current assets	**671,826**	2,330,119
Non-current assets	**11,635,535**	12,275,742
Current liabilities	**(1,425,012)**	(3,821,485)
Non-current liabilities	**(5,857,785)**	(6,556,860)
Revenue	**5,630,462**	7,152,624
Profit for the year	**334,238**	965,996
Other comprehensive income for the year	**–**	–
Total comprehensive income for the year	**334,238**	965,996

Jinlian Aluminum	**2024** **RMB'000**	2023 RMB'000
Current assets	**3,502,678**	2,981,713
Non-current assets	**11,745,816**	12,759,339
Current liabilities	**(3,984,923)**	(5,079,154)
Non-current liabilities	**(2,352,262)**	(2,548,843)
Revenue	**18,341,919**	17,318,850
Profit for the year	**1,716,911**	949,150
Other comprehensive income for the year	**–**	–
Total comprehensive income for the year	**1,716,911**	949,150
Dividend received from the associate during the year	**453,231**	908,239

23 INTERESTS IN ASSOCIATES (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associates in respect of material associates recognised in the consolidated financial statements:

Huadian Zouxian	**2024 RMB'000**	2023 RMB'000
Carrying amount of the Group's interest in the associate	**1,102,420**	1,095,952

Huzhun Railway	**2024 RMB'000**	2023 RMB'000
Carrying amount of the Group's interest in the associate	**2,219,401**	2,206,022

Linshang Bank	**2024 RMB'000**	2023 RMB'000
Carrying amount of the Group's interest in the associate	**2,237,879**	2,156,759

Yili Xintian	**2024 RMB'000**	2023 RMB'000
Carrying amount of the Group's interest in the associate	**2,099,069**	1,902,382

Jinlian Aluminum	**2024 RMB'000**	2023 RMB'000
Carrying amount of the Group's interest in the associate	**4,734,190**	4,427,860

Note: Qilu Bank, Zheshang Bank are public companies traded on the National SME Equity Transfer System and Hong Kong Stock Exchange respectively. They are the material associates of the Group. Since the audited results of Qilu Bank and Zheshang Bank for the year ended 31 December 2024 were not yet publicly available when these consolidated financial statements were approved, the relevant financial information of Qilu Bank were not presented.

Aggregate information of Qilu Bank, Zheshang Bank and other associates that are not individually material.

	2024 RMB'000	2023 RMB'000
The Group's share of profit and total comprehensive income*	**1,122,165**	1,140,576
Aggregate carrying amount of the Group's interests in these associates*	**11,974,103**	10,847,635

* Included those of Qilu Bank and Zheshang Bank.

24 INTERESTS IN JOINT VENTURES

	2024 RMB'000	2023 RMB'000
Share of net assets	**1,275,916**	1,355,995

Details of each of the Group's joint ventures at the end of the reporting period are as follows:

Name of entity	Place of incorporation/ registration/ operation	Class of shares held	Proportion of ownership interest held by the Group 2024	2023	Proportion of voting rights held by the Group 2024	2023	Principal activity
Australian Coal Processing Holdings Pty Ltd (Note (i))	Australia	Ordinary shares	50%	50%	50%	50%	Investment holding
Middlemount Joint Venture (Note (i))	Australia	Ordinary shares	50%	50%	50%	50%	Coal mining and sales
Sheng Di Finlay Coal Processing Technology (Tianjin) Co., Ltd	The PRC	Registered capital	50%	50%	50%	50%	Consultancy services for deep preprocess technology
Shandong Bochuang Kaisheng Industrial Technology Co., Ltd.	The PRC	Ordinary shares	50%	50%	50%	50%	Manufacturing of mining machinery
Shandong Fenglong Intelligent Control Technology Co., Ltd.	The PRC	Ordinary shares	50%	50%	50%	50%	Manufacturing of mining machinery

The joint ventures are accounted for using equity method in the consolidated financial statements. All of the joint ventures are private companies and are not individually material to the Group.

Note (i): The interests held disclosed above represented the interests held by Yancoal Australia.

25 INTERESTS IN JOINT OPERATIONS

Information on major joint operations is as follows:

Name of entity	Place of Incorporation/ registration/ operation	Proportion of ownership interest held by the Group 2024	2023	Principal activity
Boonal joint operation	Australia	**50%**	50%	Provision of a coal haul road and train load out facilities
Moolarben joint operation	Australia	**95%**	95%	Development and operation of open-cut and underground coal mines
Hunter Valley Australia Operation	Australia	**51%**	51%	Underground coal mines
Warkworth Coal Sales Pty Ltd	Australia	**84.5%**	84.5%	Development and operation of open-cut mines
Mount Thorley Joint Venture	Australia	**80%**	80%	Development and operation of open-cut mines
Middlemount Joint Venture	Australia	**50%**	50%	Underground coal mines
Newcastle Coal Infrastructure Group Pty Ltd	Australia	**27%**	27%	Development and operation of open-cut mines

The above joint operations are established and operated as unincorporated businesses and are held indirectly by the Company. The interest held disclosed above represented the interest held by Yancoal Australia.

26 LONG-TERM RECEIVABLES

	2024 RMB'000	2023 RMB'000 (Restated)
Current assets		
– Loan receivables (Note)	**4,717,754**	2,279,264
– Less: impairment loss recognised	**–**	–
	4,717,754	2,279,264
Non-current assets		
– Loan receivables (Note)	**6,078,047**	4,265,817
– Others	**2,126,019**	1,738,632
– Less: impairment loss recognised	**(740,129)**	(541,983)
	7,463,937	5,462,466
	12,181,691	7,741,730

Note: The loan receivables carry interest at 2.60% to 8.40% (2023: 3.82% to 6.91%) per annum and are secured by the machinery of the borrowers.

During the year ended 31 December 2024 and 2023, in determining the ECL for these assets, the directors of the Company have taken into account the historical default experience, the financial position of the counterparties as well as the future prospects of the industries in which the debtors operate obtained from available market data considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these receivables.

26 LONG-TERM RECEIVABLES (Continued)

An analysis of the gross amount of long-term receivables is as follows:

	12-month ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL – credit impaired RMB'000	Total RMB'000
Gross amount as at 31 December 2024				
– Performing	**9,915,184**	**–**	**–**	**9,915,184**
– Doubtful	**–**	**2,507,543**	**–**	**2,507,543**
– Default	**–**	**–**	**499,093**	**499,093**
	9,915,184	**2,507,543**	**499,093**	**12,921,820**

	12-month ECL RMB'000 (Restated)	Lifetime ECL RMB'000 (Restated)	Lifetime ECL – credit impaired RMB'000 (Restated)	Total RMB'000 (Restated)
Gross amount as at 31 December 2023				
– Performing	5,391,259	–	–	5,391,259
– Doubtful	–	2,507,543	–	2,507,543
– Default	–	–	384,911	384,911
	5,391,259	2,507,543	384,911	8,283,713

Movement in the impairment losses on long-term receivables are as follows:

	12-month ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL – credit impaired RMB'000	Total RMB'000
At 1 January 2023 (Restated)	112,116	105,680	339,197	556,993
Impairment loss recognised/(reversed)	58,970	–	(76,308)	(17,338)
Exchange adjustments	–	–	2,328	2,328
At 31 December 2023 and 1 January 2024 (Restated)	**171,086**	**105,680**	**265,217**	**541,983**
Impairment loss (reversed)/recognised	**73,210**	**–**	**124,936**	**198,146**
At 31 December 2024	**244,296**	**105,680**	**390,153**	**740,129**

27 ROYALTY RECEIVABLES

	2024 RMB'000	2023 RMB'000
At 1 January	**1,056,952**	1,098,316
Exchange adjustments	**(74,113)**	30,353
Change in fair value	**(8,606)**	(71,717)
At 31 December	**974,233**	1,056,952
Analysed for reporting purposes as:		
Current assets	**83,605**	107,247
Non-current assets	**890,628**	949,705
	974,233	1,056,952

A right to receive a royalty of 4% of Free on Board trimmed sales from Middlemount Coal Pty Ltd ("Middlemount") mine operated by Middlemount Joint Venture was acquired as part of the acquisition of Gloucester Coal Limited ("Gloucester"). This financial asset has been determined to have a finite life being the life of the Middlemount mine and is measured at fair value basis.

The royalty receivable is measured based on management expectations of the future cash flows at each reporting date with the re-measurement recorded in profit or loss. The amount expected to be received in the next 12 month is disclosed as current receivable and the expected future cash flow beyond 12 months is disclosed as a non-current receivable. (Loss)/gain from change in fair value is included in other income and gains/losses.

28 INVENTORIES

	2024 RMB'000	2023 RMB'000 (Restated)
Auxiliary material, spare parts and small tools	**2,729,499**	2,948,332
Coal products	**1,926,533**	1,855,983
Iron ore	**–**	6,434
Methanol	**346,657**	254,181
	5,002,689	5,064,930
Work in progress	**622,118**	561,648
Finished goods	**2,000,003**	2,117,868
	7,624,810	7,744,446

During the year, provision for inventories of RMB34,243,000 (2023: RMB35,092,000) had been made while RMB30,198,000 (2023: nil) had been reversed.

29 FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB'000	2023 RMB'000
Current asset		
Listed equity investments	**481**	225
Current liability		
Derivatives not for hedge		
– Interest rate swaps	**538,427**	550,761

30 CONTINGENT CONSIDERATION RECEIVABLES

	2024 RMB'000	2023 RMB'000 (Restated)
Acquisition of subsidiaries	**77,304**	–

The balance represents the aggregate sum of contingent consideration receivable in relation to the acquisition of Wubo Technology Co., Ltd* (物泊科技有限公司) (see Note 48) as cash and specific compensation, if there are any shortfalls between the actual results and the profit guarantee pursuant to the sale and purchase agreement.

31 BILLS AND ACCOUNTS RECEIVABLES

	2024 RMB'000	2023 RMB'000 (Restated)
Accounts receivables (at amortised cost)	**10,212,911**	7,501,346
Less: impairment loss on accounts receivables	**(951,681)**	(528,261)
	9,261,230	6,973,085
Bills receivables (at FVTOCI)	**3,927,655**	5,544,742
Less: impairment loss on bills receivables	**(384)**	(817)
	3,927,271	5,543,925
	13,188,501	12,517,010

Bills receivables represent unconditional orders in writing issued by or negotiated from customers of the Group for completed sale orders which entitle the Group to collect a sum of money from banks or other parties. The bills are non-interest bearing and have an average maturity of six months.

31 BILLS AND ACCOUNTS RECEIVABLES (Continued)

As at 31 December 2024, the gross amount of bills and accounts receivables arising from contracts with customers amounted to approximately RMB14,140,566,000 (2023 (Restated): RMB13,046,088,000).

According to the credit rating of different customers, the Group allows a range of credit periods to its trade customers not exceeding 180 days.

The following is an aged analysis of bills and accounts receivables, net of allowance for impairment, presented based on the invoice dates, which approximates the respective revenue recognition dates, at the end of the reporting period:

	2024 **RMB'000**	2023 RMB'000 (Restated)
0 – 90 days	**8,038,770**	8,280,039
91 – 180 days	**2,716,012**	1,811,466
181 – 365 days	**1,515,161**	1,466,723
Over 1 year	**918,558**	958,782
	13,188,501	12,517,010

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed once a year.

The Group measures the loss allowance for bills and accounts receivables at an amount equal to lifetime ECL. As part of the Group's credit risk management, the Group uses debtors' ageing to assess the impairment on a collective basis for part of its customers which consist of large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

For accounts receivables of approximately RMB2,019,598,000 (2023: RMB1,483,740,000) that are due from large and state-owned enterprises which have good credit rating and very rare past default payment history, the directors of the Company considered that there is no expected credit loss on these receivables as at 31 December 2024.

31 BILLS AND ACCOUNTS RECEIVABLES (Continued)

The following table provides information about the exposure to credit risk and ECL for bills and accounts receivables from customers, which are assessed individually or collectively based on provision matrix as at 31 December 2024 and 2023.

As at 31 December 2024	**Average expected loss rate %**	**Gross carrying amount RMB'000**	**Loss allowance RMB'000**
Accounts receivables – collective assessment			
Past due within 1 year	**0.13**	**7,035,193**	**9,445**
Past due 1 – 2 years	**3.69**	**106,690**	**3,933**
Past due 2 – 3 years	**24.74**	**70,661**	**17,478**
Past due over 3 years	**79.49**	**67,417**	**53,590**
		7,279,961	**84,446**
Accounts receivables – individual assessment		**2,932,950**	**867,235**
		10,212,911	**951,681**
Bills receivables	**0.01**	**3,927,655**	**384**
		14,140,566	**952,065**

As at 31 December 2023	Average expected loss rate %	Gross carrying amount RMB'000 (Restated)	Loss allowance RMB'000 (Restated)
Accounts receivables – collective assessment			
Past due within 1 year	0.17	6,218,524	10,420
Past due 1 - 2 years	1.72	389,983	6,692
Past due 2 - 3 years	3.40	142,797	4,850
Past due over 3 years	25.83	225,376	58,218
		6,976,680	80,180
Accounts receivables – individual assessment		524,666	448,081
		7,501,346	528,261
Bills receivables	0.01	5,544,742	817
		13,046,088	529,078

31 BILLS AND ACCOUNTS RECEIVABLES (Continued)

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward looking information that is available without undue cost or effort. The grouping is regularly reviewed by the management to ensure relevant information about specific debtor is updated.

Receivable are written off if past due for more than 4 years and are not subject to enforcement activity. The Group does not hold collateral as security. During the year ended 31 December 2024, accounts receivables of approximately RMB2,883,000 (2023: RMB19,799,000) were written-off.

An analysis of the impairment loss on bills and accounts receivables for the years ended 31 December 2024 and 2023 is as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
At 1 January	**529,078**	600,996
Impairment loss recognised/(reversed)	**413,983**	(52,139)
Written-off	**(2,883)**	(19,779)
Exchange re-alignment	**11,887**	–
At 31 December	**952,065**	529,078

Included in bills and accounts receivables as at 31 December 2024 are balances of approximately RMB1,494,602,000 (2023: RMB1,602,647,000) that have been pledged to secure borrowings and banking facilities granted to the Group.

32 PREPAYMENTS AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000 (Restated)
Advance to suppliers	**4,761,542**	5,097,411
Less: impairment loss on advance to suppliers (Note (i))	**(14,475)**	(14,475)
	4,747,067	5,082,936
Prepaid relocation costs of inhabitants	**15,288,067**	12,288,996
Other taxes	**1,248,031**	1,022,105
Dividend receivables	**45,974**	455,230
Loan receivables (Note (ii))	**8,105,126**	13,074,000
Other receivables	**6,389,239**	7,109,916
Less: impairment loss on other receivables (Note (iii))	**(1,726,208)**	(2,531,852)
	34,097,296	36,501,331

32 PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Notes:

(i) An analysis of the impairment loss on advance to suppliers for the years ended 31 December 2024 and 2023 is as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	**14,475**	30,737
Impairment loss reversed	–	(16,262)
At 31 December	**14,475**	14,475

Advances will be written-off, if aged over 4 years and considered irrecoverable by the management after considering the credit quality of the individual party and the nature of the amount.

(ii) The loan receivables carried interest ranging from 2.60% to 3.60% (2023: 3.65% to 4.20%) per annum and are repayable within 12 months from the end of the reporting period.

(iii) The Group recognised lifetime ECL and 12-month ECL for other receivables based on the credit risk grading framework as follows:

As at 31 December 2024	**Average expected loss rate %**	**Gross carrying amount RMB'000**	**Loss allowance RMB'000**
Other receivables – Performing	**2.33**	**13,119,286**	**305,155**
Other receivables – Default	**100.00**	**1,421,053**	**1,421,053**
		14,540,339	**1,726,208**

As at 31 December 2023	Average expected loss rate %	Gross carrying amount RMB'000 (Restated)	Loss allowance RMB'000 (Restated)
Other receivables – Performing	5.24	19,107,953	1,000,659
Other receivables – Default	100.00	1,531,193	1,531,193
		20,639,146	2,531,852

32 PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Notes: (continued)

(iv) Movement in the impairment losses on other receivables is as follows:

	Lifetime ECL – non credit impaired RMB'000	Lifetime ECL – credit impaired RMB'000	Total RMB'000
At 1 January 2023	914,294	1,916,399	2,830,693
Impairment loss recognised/(reversed)	126,466	(74,134)	52,332
Written-off	(40,101)	(311,072)	(351,173)
At 31 December 2023 and 1 January 2024	**1,000,659**	**1,531,193**	**2,531,852**
Impairment loss reversed	**(40,027)**	**(66,533)**	**(106,560)**
Written-off	**(655,478)**	**(43,606)**	**(699,084)**
At 31 December 2024	**305,154**	**1,421,054**	**1,726,208**

33 RESTRICTED CASH, PLEDGED TERM DEPOSITS AND BANK BALANCES AND CASH

At the reporting date, the restricted cash mainly represents the bank acceptance bill deposits paid for safety work as required by the State Administrative of work safety and guarantee deposits for issuance of bank bills which carry interest at market rates of 0.32% to 0.46% (2023: 0.32% to 0.46%) per annum.

Pledged term deposits were pledged to certain banks as security for loans and banking facilities granted to the Group, which carry fixed interest rate ranging from 1.30% to 1.50% (2023: 0.59% to 3.47%) per annum. The pledged term deposits will be released upon the settlement of relevant bank borrowings.

Bank balances carry interest at market rates which ranged from 0.10% to 1.35% (2023: from 0.20% to 1.45%) per annum.

34 ASSETS CLASSIFIED AS HELD FOR SALE

	2024 RMB'000	2023 RMB'000
Land held for sale	–	8,291

The balance at 31 December 2023 represented parcels of freehold non-mining land that is held for future sale in Australia.

35 PROVISIONS FOR LAND SUBSIDENCE, RESTORATION, REHABILITATION AND ENVIRONMENTAL COSTS

	2024 RMB'000	2023 RMB'000 (Restated)
At 1 January	**13,724,310**	14,269,078
Exchange adjustments	**6,977**	232,694
Additional provision in the year	**501,720**	465,398
Utilisation of provision	**(1,314,719)**	(1,242,860)
At 31 December	**12,918,288**	13,724,310
Analysed for reporting purposes as:		
Current liabilities	**251,123**	254,688
Non-current liabilities	**12,667,165**	13,469,622
	12,918,288	13,724,310

Provision for land subsidence, restoration, rehabilitation and environmental costs has been determined by the management of the Group based on their best estimates. However, in so far as the effect on the land and the environment from current mining activities becomes apparent in future periods, the estimate of the associated costs may be subject to change in the near term.

36 PROVISIONS

	2024 RMB'000	2023 RMB'000
Current liabilities		
– Take or pay provision (Note (i))	**9,799**	17,547
– Onerous contract provision (Note (ii))	**24,846**	29,670
	34,645	47,217
Non-current liabilities		
– Take or pay provision (Note (i))	**–**	28,089
– Onerous contract provision (Note (ii))	**78,729**	109,121
– Employee benefits (Note (iii))	**638,422**	626,871
– Post employment benefits (Note (iv))	**5,021,043**	5,253,767
– Others	**85,045**	83,726
	5,823,239	6,101,574
	5,857,884	6,148,791

Notes:

(i) Take or pay provision, which arose from business combination in prior years, is the assessment of forecast excess capacity for port and rail contracts. A provision was recognised for the discounted estimated excess capacity. The provision is released to profit or loss over the period in which excess capacity is realised.

(ii) The onerous contract provision is the assessment of a coal supply and transportation agreement to supply coal at below market prices. A provision was recognised for the discounted estimated variance between contract and market prices. The provision has a finite life and will be released to profit or loss over the contract term.

(iii) The balance mainly included provision for long-term employee entitlements and other employee incentives.

(iv) The balance mainly related to the provision for termination benefits made in relation the Group's plan in simplification of the organisation structure.

37 BORROWINGS

	2024 RMB'000	2023 RMB'000
Current liabilities		
Bank borrowings		
– Unsecured borrowings (Note (i))	**22,369,863**	8,483,707
– Secured borrowings (Note (ii))	**3,684,169**	4,827,948
Guaranteed notes (Note (iii))	**–**	10,796,410
Corporate bonds (Note (iv))	**11,660,503**	–
	37,714,535	24,108,065
Non-current liabilities		
Bank borrowings		
– Unsecured borrowings (Note (i))	**40,754,687**	40,912,685
– Secured borrowings (Note (ii))	**14,942,806**	20,440,164
Corporate bonds (Note (iv))	**15,973,544**	12,172,858
Other secured borrowings (Note (v))	**1,410,489**	2,554,212
	73,081,526	76,079,919
	110,796,061	100,187,984

Notes:

(i) Unsecured borrowings are detailed as follows:

	2024 RMB'000	2023 RMB'000
Within one year	**22,369,863**	8,483,707
After one year but within two years	**20,929,387**	14,891,445
After two years but within five years	**15,845,300**	17,568,920
More than five years	**3,980,000**	8,452,320
	63,124,550	49,396,392

As at 31 December 2024, included in unsecured borrowings are short-term borrowings amounting to approximately RMB22,369,863,000 (2023: RMB8,483,707,000) which carrying interest at 2.20% to 4.15% per annum (2023: 2.50% to 4.98% per annum).

Long-term borrowings of the Group amounting to approximately RMB40,754,687,000 (2023: RMB40,912,685,000) carrying interest at 2.38% to 4.98% per annum (2023: 2.50% to 4.98% per annum).

37 BORROWINGS (Continued)

Notes: (continued)

(ii) Secured borrowings are detailed as follows:

	2024 RMB'000	2023 RMB'000
Within one year	**3,684,169**	4,827,948
After one year but within two years	**14,133,756**	2,938,096
After two years but within five years	**809,050**	9,113,755
More than five years	**–**	8,388,313
	18,626,975	25,268,112

As at 31 December 2024, the secured borrowings of Yancoal International (Holding) Co., Ltd., were amounted to approximately RMB718,840,000 (approximately USD100,000,000) (2023: approximately RMB3,514,350,000 (approximately USD500,000,000)) which carried interest at three-month LIBOR plus a margin of 1.8% per annum, approximately 7.30% (2023: 7.20%) per annum.

As at 31 December 2024, secured borrowings of Premier Coal Limited and Premier Holdings Pty., Ltd., were amounted to approximately RMB157,400,000 (approximately AUD34,924,000) (2023: approximately RMB161,447,000 (approximately AUD33,299,000) which carried interest 8.70% (2023: 8.70%) per annum.

Other than the above, at 31 December 2024, secured borrowings of the Group amounting to RMB17,750,735,000 (2023: RMB21,592,315,000), which carried interest at 2.02% to 4.90% (2023: 2.27% to 6.20%) per annum.

As at 31 December 2024 and 2023, certain of the borrowings of the Group were secured by the Group's interests in certain overseas subsidiaries and joint operations.

37 BORROWINGS (Continued)

Notes: (continued)

(iii) Guaranteed notes are detailed as follows:

	2024 RMB'000	2023 RMB'000
Guaranteed notes denominated in RMB repayable		
Within one year	–	8,606,692
Guaranteed notes denominated in USD repayable		
Within one year	–	2,189,718
	–	10,796,410

In 2014, with the approval from China Securities Regulatory Commission, the Company was allowed to issue 10-year RMB notes at RMB3,050,000,000 with interest rate of 6.15% per annum. As at 31 December 2024, 10-year notes amounted to RMB3,236,346,000 are matured and fully repaid in current year (2023: RMB3,236,346,000 remain outstanding).

In May 2021, RMB guaranteed notes with par value of RMB3,000,000,000 in aggregate were issued by the Company. As at 31 December 2024, guaranteed notes of RMB3,184,890,000 with interest rate of 3.74% per annum are matured (2023: matured in 2024) and fully repaid in current year. The notes are unconditionally guaranteed by the Company.

In July 2021, RMB guaranteed notes with par value of RMB2,000,000,000 in aggregate were issued by the Company. As at 31 December 2024, guaranteed notes of RMB2,185,456,000 with interest rate of 3.80% per annum are matured (2023: matured in 2024) and fully repaid in current year. The notes are unconditionally guaranteed by the Company.

In November 2021, USD guaranteed notes with par value of USD300,000,000 in aggregate were issued by a subsidiary of the Company. As at 31 December 2024, guaranteed notes with par value of USD300,000,000 (approximately RMB2,189,718,000) with interest rate of 2.90% per annum are matured (2023: matured in 2024) and fully repaid in current year. The notes are unconditionally guaranteed by the Company.

37 BORROWINGS (Continued)

Notes: (continued)

(iv) Corporate bonds denominated in RMB are detailed as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Within one year	**11,660,503**	–
After one year but within two years	**1,998,666**	2,696,625
After two years but within five years	**4,997,578**	1,997,833
More than five years	**8,977,300**	7,478,400
	27,634,047	12,172,858

In 2020, the Company issued bonds with a total principal amount of RMB10,000,000,000. The first phase of the bonds was issued in March 2020 with an aggregate principal amount of RMB5,000,000,000 in two series: (i) RMB2,700,000,000 with maturity period of 5 years and annual interest rate of 3.43%; (ii) RMB2,000,000,000 with maturity period of 10 years and annual interest rate of 4.29%. The second phase of the bonds was issued in October 2020 with a principal amount of RMB1,500,000,000 with maturity period of 10 years and annual interest rate of 4.27%.

In 2021, the Company issued bonds with a total principal amount of RMB1,000,000,000 with maturity period of 5 years and annual interest rate of 4.13%. The bonds are unsecured.

In 2023, the Company issued bonds with a total principal amount of RMB5,000,000,000. The first phase of the bond was issued in May 2023 with an aggregate principal amount of RMB3,000,000,000 in two series: (i) RMB1,000,000,000 with maturity period of 5 years and annual interest rate of 3.34%; (ii) RMB2,000,000,000 with maturity period of 10 years and annual interest rate of 3.80%. The second phase of the bond was issued in June 2023 with a principal amount of RMB2,000,000,000 with maturity period of 10 years and annual interest rate of 3.75%. The bonds are unsecured.

In 2024, the Company issued bonds with a total principal amount of RMB14,200,000,000. The first phase of the bonds was issued in July 2024 with a principal amount of RMB2,000,000,000 with maturity period of 6 months and annual interest rate of 3.80%. The second phase of the bonds was issued in July 2024 with a principal amount of RMB2,700,000,000 with maturity period of 6 months and annual interest rate of 3.43%. The third phase of the bonds was issued in July 2024 with a principal amount of RMB2,000,000,000 with maturity period of 6 months and annual interest rate of 1.82%. The fourth phase of the bonds was issued in October 2024 with a principal period of 6 months and annual interest rate of 4.27%. The fifth phase of the bonds was issued in November 2024 with a principal amount of RMB3,000,000,000 with maturity period of 9 months and annual interest rate of 2.02%. The sixth phase of the bonds was issued in December 2024 with a principal amount of RMB3,000,000,000 with maturity period of 9 months and annual interest rate of 1.75%. The bonds are unsecured and repayable on demand.

As at 31 December 2024, the aggregate outstanding principal amount of the bonds is RMB27,600,000,000 (2023: RMB12,200,000,000).

(v) Other secured borrowings are detailed as follows:

As at 31 December 2024, the secured borrowings of the Group were amounting to RMB1,410,489,000 (2023: RMB2,554,212,000) which carried interest at 3.10% to 4.65% (2023: 4.65%) per annum.

38 LONG-TERM PAYABLES

	2024 RMB'000	2023 RMB'000 (Restated)
Intangible assets payable (Note (i))	**4,285,033**	4,733,863
Non-contingent royalty payable	**13,381**	16,157
Others (Note (ii))	**2,690,511**	1,985,187
	6,988,925	6,735,207
Analysed for reporting purposes as:		
Current liabilities	**354,381**	385
Non-current liabilities	**6,634,544**	6,734,822
	6,988,925	6,735,207

Notes:

(i) Intangible assets payable represented the consideration for acquisition of mining rights. The amount is payable by the Group by instalments from 2019 to 2049.

(ii) Included in the balance was an interest-free, unsecured advance of RMB2,041,902,000 (2023: RMB1,749,214,000) made of an independent third party.

39 DEFERRED TAXATION

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2024 RMB'000	2023 RMB'000
Deferred tax assets	**2,563,955**	3,043,652
Deferred tax liabilities	**(8,300,488)**	(8,575,176)
	(5,736,533)	(5,531,524)

39 DEFERRED TAXATION (Continued)

Deferred tax assets/(liabilities) of the Group and the movements thereon for both reporting periods are:

	Mining rights (mining reserves) RMB'000	Property, plant and equipment, investment properties and intangible assets RMB'000	Tax losses RMB'000	Provision for land subsidence, restoration, rehabilitation and environmental costs RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023 (Restated)	(5,911,950)	(3,514,295)	1,522,784	2,632,365	(269,414)	(5,540,510)
Exchange adjustments	(65,233)	(79,671)	–	40,910	(6,078)	(110,072)
Credited (charged) to profit or loss	127,646	99,719	(193,719)	(15,999)	88,698	106,345
Credited to other comprehensive income	–	–	–	–	12,713	12,713
At 31 December 2023	(5,849,537)	(3,494,247)	1,329,065	2,657,276	(174,081)	(5,531,524)
At 1 January 2024 (Restated)	(5,849,537)	(3,494,247)	1,329,065	2,657,276	(174,081)	(5,531,524)
Exchange adjustments	(80,446)	(48,055)	–	1,351	2,908	(124,242)
Credited (charged) to profit or loss	91,769	39,227	(147,228)	(69,682)	23,641	(62,273)
Acquisition of subsidiaries	–	–	–	–	(71,308)	(71,308)
Credited to other comprehensive income	–	–	–	–	52,814	52,814
At 31 December 2024	(5,838,214)	(3,503,075)	1,181,837	2,588,945	(166,026)	(5,736,533)

The temporary differences mainly arose from unpaid provision of salaries and wages, provisions of compensation fees for mining rights and land subsidence, restoration, rehabilitation and environmental costs and also included payments on certain expenses such as exploration costs and certain income in Australia.

At the reporting date, the Group has unused tax losses of approximately RMB10,036 million (2023: RMB12,609 million) available for offset against future profits. Deferred tax asset has been recognised for tax losses of RMB5,256 million (2023: RMB6,360 million) for such tax losses. No deferred tax asset has been recognised in respect of tax losses of approximately RMB4,780 million (2023: RMB6,249 million) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of RMB4,780 million (2023: RMB6,249 million) that will be expiring within five years.

By reference to financial budgets, management believes that there will be sufficient future profits for the realisation of deferred tax assets which have been recognised in respect of tax losses.

40 BILLS AND ACCOUNTS PAYABLES

	2024 RMB'000	2023 RMB'000 (Restated)
Accounts payables	**15,990,363**	14,168,463
Bills payables	**11,481,838**	11,887,224
	27,472,201	26,055,687

The following is an aged analysis of bills and accounts payables presented based on the invoice dates at the reporting date:

	2024 RMB'000	2023 RMB'000 (Restated)
0 – 90 days	**13,389,789**	15,332,616
91 – 180 days	**5,698,338**	3,549,611
181 – 365 days	**4,159,571**	3,327,760
Over 1 year	**4,224,503**	3,845,700
	27,472,201	26,055,687

The average credit period for accounts and bills payables is 90 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

41 OTHER PAYABLES AND ACCRUED EXPENSES

	2024 RMB'000	2023 RMB'000 (Restated)
Accrued staff costs	**2,453,284**	2,985,814
Other taxes payable	**1,630,616**	1,432,522
Payables in respect of purchases of property, plant and equipment and construction materials	**78,352**	81,028
Security deposits received	**913,849**	686,422
Deposits received from customers in relation to financing business	**23,359,247**	26,373,026
Interest payable	**543,963**	12,984
Dividends payable	**3,169,768**	2,931,471
Payables for acquisition of subsidiaries/associates	**832,623**	11,496,646
Exploration rights payables	**–**	5,236,899
Deposits from other customers	**4,163,253**	5,499,242
Others	**2,997,063**	2,676,011
	40,142,018	59,412,065

42 CONTRACT LIABILITIES

	2024 RMB'000	2023 RMB'000
Contract liabilities	**4,788,213**	5,091,445

As at 1 January 2023, contract liabilities amounted to RMB5,085,316,000.

Contract liabilities include advances received to deliver goods and advances received to render transportation services. The increase in contract liabilities was mainly due to more deposits were received in current year.

Revenue recognised during the year ended 31 December 2024 that was included in the contract liabilities as at 31 December 2023 in the current year is RMB5,091,445,000 (2023: RMB5,085,316,000). There was no revenue recognised that related to performance obligations that were satisfied in prior year.

43 SHAREHOLDERS' EQUITY

(a) Share capital

The Company's share capital structure at the reporting date is as follows:

	Domestic invested shares A shares	Foreign invested shares H shares	Total
Number of shares			
At 1 January 2023	3,048,703,640	1,900,000,000	4,948,703,640
Issue of shares upon exercise of share options (Note (i))	12,656,840	–	12,656,840
Repurchase and cancellation of shares (Note (i))	(2,670,000)	–	(2,670,000)
Issue of bonus shares (Note (ii))	1,530,680,240	950,000,000	2,480,680,240
At 31 December 2023 and 1 January 2024	**4,589,370,720**	**2,850,000,000**	**7,439,370,720**
Repurchase and cancellation of shares (iii)	**(1,401,180)**	**–**	**(1,401,180)**
Issuance of bonus share (Note (iv))	**1,376,390,862**	**940,500,000**	**2,316,890,862**
Issue of placing shares (Note (v))	**–**	**285,000,000**	**285,000,000**
At 31 December 2024	**5,964,360,402**	**4,075,500,000**	**10,039,860,402**
	RMB'000	RMB'000	RMB'000
Registered, issued and fully paid			
At 1 January 2023	3,048,704	1,900,000	4,948,704
Issue of shares upon exercise of share options (Note (i))	12,657	–	12,657
Forfeiture of shares under the restricted share incentive scheme (Note (i))	(2,670)	–	(2,670)
Issue of bonus shares (Note (ii))	1,530,680	950,000	2,480,680
At 31 December 2023 and 1 January 2024	**4,589,371**	**2,850,000**	**7,439,371**
Forfeiture of shares under the restricted share incentive scheme	**(1,401)**	**–**	**(1,401)**
Issuance of bonus share (Note (iii))	**1,376,390**	**940,500**	**2,316,890**
Issue of placing shares (Note (iv))	**–**	**285,000**	**285,000**
At 31 December 2024	**5,964,360**	**4,075,500**	**10,039,860**

Each share has a par value of RMB1.

Notes:

(i) During the year ended 31 December 2023, 12,656,840 A shares were issued upon the exercise of share options and 2,670,000 A shares were repurchased and cancelled accordingly to forfeiture under the Restricted Share Incentive Scheme. The scheme were repurchased at price of RMB3.6133 per share.

43 SHAREHOLDERS' EQUITY (Continued)

(a) Share capital (Continued)

Notes: (Continued)

(ii) On 24 March 2023, the Board proposed a bonus issue on the basis of five bonus share for every ten shares then held. The bonus issue was approved by Shareholders on 30 June 2023 and 1,530,680,240 bonus A shares and 950,000,000 bonus H shares were issued on 14 July 2023 and 7 August 2023 respectively.

(iii) Duriing the year ended 31 December 2024, 1,401,180 A share were repurchased and cancelled accordingly to forteiture under Restructed share incentive scheme. The scheme were repurchased at prices of RMB3.6133 per share.

(iv) On 28 March 2024, the Board proposed a bonus issue on the basis of three bonus share for every ten shares then held. The bonus issue was approved by Shareholder on 21 June 2024 and 1,376,390,862 bonus A shares and 940,500,000 bonus H shares were issued on 5 July 2024 and 31 July 2024 respectively.

(v) On 12 June 2024, a total of 285,000,000 new H shares have been successfully placed by a placing agent to no fewer than six investors at price of HKD17.39 per new H share pursuant to the terms and conditions of the placing agreement, representing 10.00% of the number of issued H Shares and approximately 3.83% of the number of issued Shares immediately before the Completion, and approximately 9.09% of the number of issued H Shares and approximately 3.69% of the number of issued shares as enlarged by the allotment and issue of the new H shares immediately.

(b) Reserves

(i) Future Development Fund

Pursuant to regulation in the PRC, the Company, Shanxi Heshun Tianchi Energy Company Limited ("Shanxi Tianchi") and Heze are required to transfer an annual amount to a future development fund at RMB6 per tonne of raw coal mined (Xintai, Ordos, Shaanxi Future Energy and Inner Mongolia Mining: RMB10.5 per tonne of raw coal mined). The fund can only be used for the future development of the coal mining business and is not available for distribution to shareholders.

From 2008 onwards, Shanxi Tianchi is required to transfer an additional amount at RMB5 per tonne of raw coal mined as coal mine transformation fund. Pursuant to the Shanxi Provincial Government's decision, coal mine transformation fund was suspended since 1 August 2013.

Pursuant to the regulations of the Shandong Province Finance Bureau, State-owned Assets Supervision and Administration Commission of Shandong Province and the Shandong Province Coal Mining Industrial Bureau, the Company is required to transfer an additional amount at RMB5 per tonne of raw coal mined from 1 July 2004 to the reform specific development fund for the future improvement of the mining facilities and is not distributable to shareholders. No further transfer to the reform specific development fund is required from 1 January 2008.

43 SHAREHOLDERS' EQUITY (Continued)

(b) Reserves (Continued)

(i) Future Development Fund (Continued)

In accordance with the regulations of the State Administration of Work Safety, the Company has a commitment to incur RMB15 per tonne of raw coal mined from 1 February 2012 onwards (Shanxi Tianchi RMB30 per tonne of raw coal mined from 1 October 2013 onwards, Xintai and Ordos RMB15 per tonne of raw coal mined from 1 February 2012 onwards, Shaanxi Future Energy and Inner Mongolia Mining RMB15 per tonne of raw coal mined) for each tonne of raw coal mined which will be used for enhancement of safety production environment and improvement of facilities ("Work Safety Cost"). In prior years, the work safety expenditures are recognised only when acquiring the assets or incurring other work safety expenditures. The Company, Heze, Shanxi Tianchi, Xintai and Ordos make appropriation to the future development fund in respect of unutilised Work Safety Cost from 2008 onwards.

In accordance with the regulations of the State Administration of Work Safety, the Company's subsidiaries, Hua Ju Energy, Shanxi Tianhao and Yulin, have a commitment to incur Work Safety Cost at the rate of: 4% of the actual sales income for the year below RMB10 million; 2% of the actual sales income for the year between RMB10 million and RMB100 million (included); 0.5% of the actual sales income for the year between RMB100 million and RMB1 billion (included); 0.2% of the actual sales income for the year above RMB1 billion.

(ii) Statutory Common Reserve Fund

The Company has to set aside 10% of its profit for the statutory common reserve fund (except where the fund has reached 50% of its registered capital). The statutory common reserve fund can be used for the following purposes:

- to make good losses of the previous years; or
- to convert into capital, provided such conversion is approved by a resolution at a shareholders' general meeting and the balance of the statutory common reserve fund does not fall below 25% of the registered capital.

(iii) Retained earnings

In accordance with the Company's Articles of Association, the profit for the purpose of appropriation will be deemed to be the lesser of the amounts determined in accordance with (i) PRC accounting standards and regulations and (ii) IFRS Accounting Standards or the accounting standards of the places in which its shares are listed.

As at 31 December 2024, the distributable reserve of the Company is approximately RMB9,174,557,000 (2023: RMB14,709,639,000).

44 PERPETUAL CAPITAL SECURITIES

	RMB'000
At 1 January 2023	13,248,614
Issuance of perpetual capital security	4,998,000
Redemption of perpetual capital security	(1,696,600)
Dividend to holders of perpetual capital security	444,743
Distribution paid to holders of perpetual capital security	(452,980)
At 31 December 2023 and 1 January 2024	**16,541,777**
Issuance of perpetual capital security	**13,000,000**
Redemption of perpetual capital security	**(6,287,670)**
Dividend to holders of perpetual capital security	**631,865**
Distribution paid to holders of perpetual capital security	**(618,751)**
At 31 December 2024	**23,267,221**

Notes:

(i) The Company issued 3.40% perpetual capital securities with par value RMB2,000,000,000 on 19 October 2023. Coupon payments of 3.40% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

(ii) The Company issued 3.16% perpetual capital securities with par value RMB3,000,000,000 on 21 November 2023. Coupon payments of 3.16% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

44 PERPETUAL CAPITAL SECURITIES (Continued)

Notes: (Continued)

(iii) The Company issued 2.85% perpetual capital securities with par value RMB3,000,000,000 on 2 February 2024. Coupon payments of 2.85% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

(iv) The Company issued 2.28% perpetual capital securities with par value RMB3,000,000,000 on 18 June 2024. Coupon payments of 2.28% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

(v) The Company issued 2.17% perpetual capital securities with par value RMB2,000,000,000 on 25 July 2024. Coupon payments of 2.17% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

(vi) The Company issued 2.43% perpetual capital securities with par value RMB1,500,000,000 on 30 October 2024. Coupon payments of 2.43% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

(vii) The Company issued 2.26% perpetual capital securities with par value RMB1,500,000,000 on 22 November 2024. Coupon payments of 2.26% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

(viii) The Company issued 2.06% perpetual capital securities with par value RMB2,000,000,000 on 11 December 2024. Coupon payments of 2.06% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

45 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes the borrowings, perpetual capital securities and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company assess the annual budget prepared by the accounting and treasury department and consider and evaluate the cost of capital and the risks associated with each class of capital. The Group will balance its capital structure through the payment of dividends, issue of new shares and new debts or the repayment of existing debts.

46 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2024 RMB'000	2023 RMB'000 (Restated)
Financial assets		
Financial assets at FVTPL:		
– Unlisted equity instruments	**561,896**	553,745
– Contingent considertion receivables	**77,304**	–
– Royalty receivables	**974,233**	1,056,952
– Listed equity investments	**481**	225
Financial assets at amortised cost	**81,276,254**	81,140,265
Financial assets at FVTOCI:		
– Equity instruments listed on the SSE	**345**	366
– Unlisted equity instruments	**116,280**	116,278
– Bills receivables	**3,927,271**	5,543,925
Financial liabilities		
Financial liabilities at FVTPL		
– Derivative financial instruments	**538,427**	550,761
Financial liabilities at amortised cost	**190,777,541**	198,275,569

46 FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include investments in securities, bills and accounts receivables, royalty receivables, other receivables, bank balances and cash, pledged term deposits, restricted cash, long-term receivables, derivative financial instruments, bills and accounts payables, other payables, long-term payables, borrowings, lease liabilities, amounts due to Parent Company and its subsidiaries. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, market risk (currency risk, interest rate risk and other price risk), and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There has been no significant change to the Group's exposure to market risk or the manner in which it manages and measures the risk.

Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. As at 31 December 2024 and 2023, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in note 54.

The credit risk of the Group mainly arises from bills and accounts receivables, royalty receivables, other receivables, bank balances and cash, pledged term deposits, restricted cash, long-term receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. The Group maintains its cash and cash equivalents with reputable banks. Therefore, the directors consider that the credit risk for such is minimal.

The Group generally grants the customers with long-relationship credit terms not exceeding 180 days, depending on the situations of the individual customers. For small to medium sized new customers, the Group generally requires them to pay for the products before delivery.

The impairment assessment and quantitive disclosure of accounts and bills receivables are set out in note 31.

For other non-trade related receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

The quantitive disclosure of other receivables are set out in note 32.

46 FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

In order to minimise credit risk, the Group has tasked its operation management committee to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the operation management committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Bills and accounts receivables	Other financial assets/other items
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1)	Lifetime ECL – not credit impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle after due date (refer to as Stage 1)	Lifetime ECL – not credit impaired	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2)	Lifetime ECL – not credit impaired	Lifetime ECL – not credit impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit impaired	Lifetime ECL – credit Impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The credit quality of the Group's financial assets as well as the Group's maximum exposure to credit risk by credit risk rating grades are disclosed in respective notes.

46 FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Details of the accounts receivables from the five customers with the largest gross receivable balances at 31 December 2024 and 2023 are as follows:

	Percentage of accounts receivable	
	2024	2023
Five largest receivable balances	**20.80%**	26.87%

The management considers the strong financial background and good creditability of these customers, and there is no significant uncovered credit risk.

Market risk

(i) Currency risk

The Group's sales are denominated mainly in the functional currency of the relevant group entity making the sale, whilst costs are mainly denominated in the group entity's functional currency. Accordingly, there is no significant exposure to transactional foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities in currencies other than the functional currencies of the relevant group entities at the reporting date are as follows:

	Liabilities		Assets	
	2024 **RMB'000**	2023 RMB'000 (Restated)	**2024** **RMB'000**	2023 RMB'000 (Restated)
USD	**2,070,641**	7,481,039	**7,165,755**	7,009,777
EUR ("EUR")	**–**	–	**–**	13,400
Hong Kong Dollar ("HKD")	**–**	–	**146,199**	122,627

The sales of the subsidiaries in Australia are mainly export sales and some of their fixed assets are imported from overseas. Their foreign exchange exposures are hedged by foreign currency denominated borrowings. The Group's operations in the PRC do not adopt any foreign exchange hedging policy.

46 FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis

The Group is mainly exposed to the fluctuation against the currency of USD.

The following table details the Group's sensitivity to a 5% (2023: 5%) increase and decrease in RMB against relevant foreign currencies. 5% (2023: 5%) represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next reporting date. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2023: 5%) change in foreign currency rates and also assumes all other risk variables remained constant. The sensitivity analysis includes loans of foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

	USD impact (Note (i))	
	2024	2023
	RMB'000	RMB'000
		(Restated)
(Decrease)/increase in profit		
– if RMB weakens against respective foreign currency	**254,755**	(23,563)
– if RMB strengthens against respective foreign currency	**(254,755)**	23,563

Note:

(i) This is mainly attributable to the exposure of the Group's outstanding bank deposit and loans denominated in USD.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

46 FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances, pledged term deposits, restricted cash (note 33) and variable rate borrowings (note 37).

The Group's exposures to interest rate risk on financial assets and financial liabilities are detailed in the liquidity risk section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the People's Bank of China ("PBOC") arising from the Group's RMB borrowings and the LIBOR arising from the Group's USD borrowings.

Sensitivity analysis

The following table details the Group's sensitivity to a change of 100 basis points in the interest rate, assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year and all the variables were held constant.

	2024 **RMB'000**	2023 RMB'000
(Decrease)/increase in profit		
– if increases by 100 basis points	**(110,080)**	(101,337)
– if decreases by 100 basis points	**110,080**	101,337

(iii) Other price risk

In addition to the above risks relating to financial instruments, the Group is exposed to equity price risk through investment in listed equity securities. The Group currently does not have any arrangement to hedge the price risk exposure of its investment in equity securities. The Group's exposure to equity price risk through investment in listed equity securities is not significant.

46 FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In managing the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity tables

	Within 1 year or on demand RMB'000	After 1 year but within 5 years RMB'000	More than 5 years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount RMB'000
At 31 December 2024					
Non-derivative financial liabilities					
Bills and accounts payable	27,472,201	–	–	27,472,201	27,472,201
Other payables	40,142,018	–	–	40,142,018	40,142,018
Amounts due to Parent Company and its subsidiary companies	4,850,241	–	–	4,850,241	4,850,241
Bank borrowings	27,419,524	54,428,008	4,188,592	86,036,124	81,751,525
Corporate bonds	12,029,055	7,217,373	9,261,044	28,507,472	27,634,047
Other secured borrowings	–	1,442,218	–	1,442,218	1,410,489
Long-term payables	354,381	6,634,544	–	6,988,925	6,988,925
	112,267,420	69,722,143	13,449,636	195,439,199	190,249,446
Financial liabilities at fair value through profit or loss	538,427	–	–	538,427	538,427
Financial guarantees issued					
Maximum amount guaranteed (Note)	4,360,525	–	–	4,360,525	4,360,525

46 FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

	Within 1 year or on demand RMB'000 (Restated)	After 1 year but within 5 years RMB'000 (Restated)	More than 5 years RMB'000 (Restated)	Total undiscounted cash flow RMB'000 (Restated)	Carrying amount RMB'000 (Restated)
At 31 December 2023					
Non-derivative financial liabilities					
Bills and accounts payable	26,055,687	–	–	26,055,687	26,055,687
Other payables	59,412,065	–	–	59,412,065	59,412,065
Amounts due to Parent Company and its subsidiary companies	5,399,097	–	–	5,399,097	5,399,097
Bank borrowings	15,042,002	59,346,349	6,510,098	80,898,449	74,664,504
Guaranteed notes	11,503,900	–	–	11,503,900	10,796,410
Corporate bonds	–	4,887,897	7,786,553	12,674,450	12,172,858
Other secured borrowings	–	3,299,438	–	3,299,438	2,554,212
Long-term payable	385	6,734,822	–	6,735,207	6,735,207
	117,413,136	74,268,506	14,296,651	205,978,293	197,790,040
Financial liabilities at fair value through profit or loss	550,761	–	–	550,761	550,761
Financial guarantees issued					
Maximum amount guaranteed (Note)	4,432,689	–	–	4,432,689	4,432,689

Additional information about the maturity of lease liabilities is provided in the following table:

	Within 1 year RMB'000	1-5 years RMB'000	5+ years RMB'000	Total RMB'000	Carrying amount RMB'000
At 31 December 2024	**226,851**	**99,245**	**201,999**	**528,095**	**528,095**
At 31 December 2023	**158,511**	**114,649**	**212,369**	**485,529**	**485,529**

Note: the amount presented is the maximum contractual presented under guarantees issued.

46 FINANCIAL INSTRUMENTS (Continued)

(c) Fair values

The fair value of listed equity investment is determined with reference to quoted market price. The fair values of the interest rate swap are estimated based on the discounted cash flows between the contract forward rate and spot forward rate. The fair value of royalty receivables is determined on the basis as set out in note 27. The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

The following table presents the carrying value of financial instruments measured at fair value across the three levels of the fair value hierarchy:

	Fair value as at 31 December 2024			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets at FVTPL:				
– Unlisted equity investments	–	–	561,896	561,896
– Contingent consideration receivable	–	–	77,304	77,304
– Royalty receivables	–	–	974,233	974,233
– Listed equity investments	481	–	–	481
Financial assets at FVTOCI:				
– Investments in securities listed on the SSE	345	–	–	345
– Unlisted equity securities	–	–	116,280	116,280
– Bills receivables	–	3,927,271	–	3,927,271
	826	3,927,271	1,729,713	5,657,810
Liabilities				
Financial liabilities at FVTPL:				
– Derivative financial instruments	–	538,427	–	538,427

46 FINANCIAL INSTRUMENTS (Continued)

(c) Fair values (Continued)

	Fair value as at 31 December 2023			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000 (Restated)	Total RMB'000 (Restated)
Assets				
Financial assets at FVTPL:				
– Unlisted equity investments	–	–	553,745	553,745
– Royalty receivables	–	–	1,056,952	1,056,952
– Listed equity investments	225	–	–	225
Financial assets at FVTOCI:				
– Investments in securities listed on the SSE	366	–	–	366
– Unlisted equity securities	–	–	116,278	116,278
– Bills receivables	–	5,543,925	–	5,543,925
	591	5,543,925	1,726,975	7,271,491
Liabilities				
Financial liabilities at FVTPL:				
– Derivative financial instruments	–	550,761	–	550,761

During the years ended 31 December 2024 and 2023, there are no change in categories between level 1 and level 2 and no movement from or into level 3.

The fair value of the royalty receivables is determined using the discounted future cash flows that are dependent on the following unobservable inputs: forecast sales volumes, coal prices and fluctuations in foreign exchange rates. The forecast sales volumes are based on the internally maintained budgets, five-year business plan and life of mine models. The forecast coal prices and long-term exchange rates are based on external data consistent with the data used for impairment assessments. The risk-adjusted post-tax discount rate used to determine the future cash flows is 11% (2023: 11%). The estimated fair value would increase if the sales volumes and coal prices were higher and if the AUD weakens against the USD. The estimated fair value would also increase if the risk adjusted discount rate was lower.

47 SHARE-BASED PAYMENTS

(a) The Company

Restricted Share Incentive Scheme

In January 2022, a restricted share incentive scheme of the Company (the "Restricted Share Incentive Scheme") was approved. The principal terms are as follows:

(i) Purpose

The Restricted Share Incentive Scheme is for the purpose to further improve the medium and long-term incentive mechanism of the Company's management team and key employees, closely combine the interests of Shareholders, the Company's interests and the personal interests of the core team, and enhance the Company's market competitiveness and sustainable development capabilities.

(ii) Scope of participants

The participants include the directors, senior management, mid-level management and core employees of the Company. In respect of the abovementioned participants, any such directors and senior management must have been elected at the General Meeting or appointed by the Board. A participant must be employed by and have entered into a labour contract or an employment contract with the Company, the wholly-owned subsidiaries or controlled subsidiaries of the Company as at the date of grant and during the assessment years.

The participants do not include the external directors (including the independent directors), the supervisors and any shareholder or actual controller individually or jointly holding more than 5% of the shares of the Company and their respective spouse, parents and children. The participants shall not also be participants of share incentive schemes of any other listed companies, and persons who are already participants of such incentive schemes of any other listed companies shall not take part in the Restricted Share Incentive Scheme.

(iii) Total number of the options involved in the Restricted Share Incentive Scheme

The number of Restricted Shares granted under the scheme is 61,740,000. The conditions on unlocking the restricted shares of the participants need to meet certain performance conditions and personal performance evaluation conditions.

(iv) Validity period

The validity period of the Restricted Shares granted under the Restricted Share Incentive Scheme shall not exceed 60 months commencing from the date of granting the share options.

47 SHARE-BASED PAYMENTS (Continued)

(a) The Company (Continued)

Restricted Share Incentive Scheme (Continued)

(v) Vesting date

As reviewed and approved at the twentieth meeting of the eighth session of the Board convened on 27 January 2022, the vesting date is 27 January 2022.

(vi) Lock-up period

The lock-up periods of the Restricted Share Incentive Scheme are 24 months, 36 months and 48 months from the date of completion of the registration of the grant of restricted shares.

(vii) The grant price

The grant price of shares under the Restricted Share Incentive Scheme is RMB11.72 per share.

(viii) Unlocking arrangements

The Restricted Shares are subject to a sales restriction period of 24 months from the grant date of the Restricted Shares. During the lockup period, Restricted Shares may not be transferred, pledged for any guarantee or used for repayment of debts. The 36 months after the restricted sale period is the lifting period. In each unlocking period, if the conditions for unlocking of the Restricted Shares are met, the incentive object can apply for the Restricted Shares held through the Restricted Share Incentive Scheme to be divided into three batches of the termination of sales restrictions, and the proportions were 33%, 33% and 34% respectively. If the Company's performance assessment targets for a particular unlocking period of the restricted shares are not met, all the restricted shares of the participants for that period shall not be unlocked and shall be repurchased by the Company at the agreed price.

(ix) The completion of the granting

On 24 February 2022, the Company completed the registration of the grant of the restricted shares in the Shanghai branch of China Clearing Corporation.

During the year ended 31 December 2024, 1,401,180 shares of the Company were forfeited under the Restricted Share Incentive Scheme (2023: 2,670,000 shares forfeited) RMB158,047,000 (2023: RMB268,480,000) was recognised as share-based compensation expenses during the year ended 31 December 2024.

For the year ended 31 December 2024, no shares issued under the Restricted Share Incentive Scheme.

47 SHARE-BASED PAYMENTS (Continued)

(b) Equity incentive plan of a subsidiary

Yancoal Australia, a non-wholly-owned subsidiary of the Company, had adopted a share incentive scheme and the principal terms of the incentive plan (the "Plan") are as follows:

(i) Purpose

The purpose of the Plan is to:

(1) attract, retain and motivate eligible employees essential for the continued growth and development of Yancoal Australia;

(2) provide a strategic, value based reward for eligible employees who make a key contribution to the success of Yancoal Australia;

(3) align the interests of eligible employees more closely with the interests of shareholders by providing an opportunity for eligible employees to receive an equity interest in the form of awards;

(4) provide eligible employees with the opportunity to share in any future growth in value of Yancoal Australia; and

(5) provide greater incentive for eligible employees to focus on Yancoal Australia's longer term goals.

(ii) Scope of participants

Those employees that the Board of Yancoal Australia (the" Board") determine are eligible to participate in the Plan (the "Participants"). Eligible employee may receive, at the absolute discretion of the Board, options or rights (a conditional right to receive shares of Yancoal Australia) ("Rights") or a Share (each, an "Award") under the Plan.

(iii) Maximum number of shares

Where an offer is made under the Plan, the Board of Yancoal Australia must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares (or, in respect of Options or Rights, the total number of Shares which would be issued if those Options or Rights were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under: (a) the Plan or any other employee incentive scheme covered by the Australian Securities and Investments Commission ("ASIC") Class Order CO 14/1000 (or any amendment to or replacement of that Class Order) ("Class Order"); or (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme, ("5% Limit").

47 SHARE-BASED PAYMENTS (Continued)

(b) Equity incentive plan of a subsidiary (Continued)

(iii) Maximum number of shares (Continued)

The Rights are redeemable on a one-for-one basis for Yancoal Australia's shares. Yancoal Australia may at its discretion to settle Rights in cash or share.

During the year ended 31 December 2024, 1,533,906 (2023: 1,216,705) Rights were granted and 346,780 (2023: 175,016) Rights were forfeited or lapsed. During the year ended 31 December 2024, Nil Rights (2023: 268,777 Rights) were settled in cash and 2,390,183 Rights (2023: 2,007,635 Rights) were settled in shares. As at 31 December 2024, 5,234,278 Rights (2023: 6,437,335 Rights) were still outstanding.

During the year ended 31 December 2024, a share-based compensation expenses of RMB68,933,000 (2023: RMB21,595,000) was recognised in profit or loss.

The fair value of share options granted was estimated on the date of grant using the Black Scholes model, taking into account of the terms and conditions upon which the options were granted. The inputs used in the model was as follow:

	LTIP	LTIP	LTIP
Grant date	1/1/2024	1/1/2023	1/1/2022
Post-consolidation share price at grant date ($)	AUD2.45	AUD2.45	AUD2.86
Dividend yield	10%	10%	10%
Value per performance right	AUD3.78	AUD4.63	AUD2.1

The Rights has been valued using the volume weighted average price of Yancoal Australia's ordinary shares across a 10-day trading period before grant date.

There are a maximum of 5,234,278 shares available for issue, which, if issued as new shares of Yancoal Australia, would represent 0.4% of share capital in issue at 31 December 2024 (2023: 6,437,335 shares representing 0.5% of share capital of Yancoal Australia).

48 ACQUISITION OF SUBSIDIARIES

(A) Acquisition of 52.66% SMT Scharf

In March 2024, the Company entered into the equity transfer agreement whereby the Company agreed to purchase 52.66% equity interest in SMT Scharf AG ("SMT Scharf") at an aggregate consideration of approximately EUR32,170,000 (equivalent to RMB254,552,000). The acquisition was completed on 30 September 2024. SMT Scharf are mainly engaged in the manufacturing of transportation and infrastructure equipment for underground mining and tunnel construction sites. Upon completion of the acquisition, SMT Scharf became the non-wholly-owned subsidiary of the Group and the financial results of SMT Scharf have been consolidated into the Group's consolidated financial statements.

Consideration transferred

	RMB'000
Cash consideration paid	254,552
Total consideration	254,552

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	RMB'000
Intangible assets	53,895
Property, plant and equipment	94,586
Right-of-use assets	20,280
Investments in securities	14,191
Long-term receivables	4,934
Interests in joint ventures	174,966
Deferred tax assets	14,240
Inventories	355,688
Trade and bills receivables	223,587
Prepayment and other receivables	54,518
Cash and bank balances	56,529
Provisions	(7,767)
Borrowings	(127,709)
Lease liabilities	(22,887)
Long term payables	(19,957)
Trade and bills payables	(43,430)
Other payables and accrued expenses	(40,819)
Contract liabilities	(69,704)
Tax payable	(9,266)
Long term payables – due within one year	(7,212)
Net assets acquired	718,663
Less: Non-controlling interests at proportionate share of net assets	(347,004)
Less: Gain from a bargain purchase	(117,107)
	254,552

48 ACQUISITION OF SUBSIDIARIES (Continued)

(A) Acquisition of 52.66% SMT Scharf (Continued)

Consideration transferred (Continued)

Bargain purchase gain amounting approximately to RMB117,107,000 on acquisition of SMT Scharf, after reassessment, is recognised in profit or loss within the other income and gains/losses line item in the consolidated statement of profit or loss as a result of the difference between the fair value of the consideration paid and payable, and the fair value of the net assets acquired, which are the fair value of the identifiable assets acquired and liabilities assumed to their values with reference to the valuation report carried out by an independent qualified professional valuer not connected to the Group.

Net cash outflow on acquisition of SMT Scharf

	RMB'000
Cash consideration paid	254,552
Less: cash and cash equivalent balances acquired	(56,529)
	198,023

Impact of acquisition on the results of the Group

Included in the profit for the year ended 31 December 2024 is approximately RMB50,596,000 attributable to the additional business generated by SMT Scharf. Revenue for the year includes approximately RMB305,387,000 generated from SMT Scharf.

Had the acquisition been completed on 1 January 2024, total revenue for the year would have been approximately RMB786,067,000 and profit for the year would have been approximately RMB59,424,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

48 ACQUISITION OF SUBSIDIARIES (Continued)

(B) Acquisition of 45.00% Wubo Technology

On 31 May 2024, the Company entered into the capital increase agreement with Wubo Technology Co., Ltd* (物泊科技有限公司) ("Wubo Technology"), Fujian Dongju Technology Co., Ltd* (福建東聚科技有限公司) ("Fujian Dongju") and Dongming Industry Group Co., Ltd* (東銘實業集團有限公司), whereby the Company obtained 45% equity interest in Wubo Technology through subscription of the new registered capital of Wubo Technology with a cash consideration of RMB1,554,545,455. In addition, the Company entered into the voting rights entrustment agreement (the "Voting Right Entrustment Agreement") with Wubo Technology, Fujian Dongju and the entrusting shareholders (the "Entrusting Shareholders"). Pursuant to the Voting Right Entrustment Agreement, the Entrusting Shareholders have unanimously agreed to grant the Company, exclusively, unconditionally and irrevocably, all of the voting rights (aggregate of 6.32%) of equity interest of Wubo Technology, which they are entitled to and hold as shareholders of Wubo Technology. As a result, the Group practically exercises aggregate of 51.32% of the voting rights of Wubo Technology. The acquisition was completed on 31 October 2024. Upon completion, Wubo Technology became the non-wholly-owned subsidiary of the Group and the financial results of Wubo Technology have been consolidated into the Company's consolidated financial statements.

* The official name of the entity is in Chinese. The English name is for identification purpose only

Consideration transferred

	RMB'000
Cash consideration paid	1,554,546
Contingent consideration arrangement (Note)	(99,476)
Total consideration	1,455,070

Note:

An agreement requires the original shareholder of Wubo technology to guarantee the Company that the total net profits of Wubo Technology after tax for the financial years ended 31 December 2024, 2025, 2026, 2027 and 2028, calculated in accordance with the Chinese accounting standards, shall not less than approximately RMB987,537,000, RMB1,093,141,000, RMB1,158,510,000, RMB1,268,099,000, and RMB1,390,910,000 respectively. Fair value of contingent consideration receivable of RMB99,476,000 is estimated based on a probability model.

48 ACQUISITION OF SUBSIDIARIES (Continued)

(B) Acquisition of 45.00% Wubo Technology (Continued)

Consideration transferred (Continued)

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	RMB'000
Intangible assets	289,846
Property, plant and equipment	192,840
Right-of-use assets	18,936
Investment properties	12,128
Long-term receivables	37,580
Interests in associates	34,945
Inventories	12,270
Trade and bills receivables	1,785,880
Prepayment and other receivables	752,779
Cash and bank balances	2,624,049
Borrowings	(137,613)
Lease liabilities	(25,367)
Long term payables	(9,356)
Deferred tax liabilities	(83,583)
Trade and bills payables	(1,550,828)
Other payables and accrued expenses	(486,208)
Contract liabilities	(1,090)
Tax payable	(18,524)
Net assets acquired	3,448,684
Less: Non-controlling interests at proportionate share of net assets	(1,978,518)
Less: Gain from a bargain purchase	(15,096)
	1,455,070

Bargain purchase gain amounting approximately to RMB15,096,000 on acquisition of Wubo Technology, after reassessment, is recognised in profit or loss within the other income and gains/losses line item in the consolidated statement of profit or loss as a result of the difference between the fair value of the consideration paid and payable, and the fair value of the net assets acquired, which are the fair value of the identifiable assets acquired and liabilities assumed to their values with reference to the valuation report carried out by an independent qualified professional valuer not connected to the Group.

48 ACQUISITION OF SUBSIDIARIES (Continued)

(B) Acquisition of 45.00% Wubo Technology (Continued)

Net cash inflow on acquisition of Wubo Technology

	RMB'000
Cash consideration paid	1,455,070
Less: cash and cash equivalent balances acquired	(2,624,049)
	(1,168,979)

Impact of acquisition on the results of the Group

Included in the profit for the year ended 31 December 2024 is approximately RMB48,526,000 attributable to the additional business generated by Wubo Technology. Revenue for the year includes approximately RMB2,691,452,000 generated from Wubo Technology.

Had the acquisition been completed on 1 January 2024, total revenue for the year would have been approximately RMB16,376,049,000 and profit for the year would have been approximately RMB107,040,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

(C) Other business combinations

During the year ended 31 December 2024, the Group also acquired certain insignificant subsidiaries. The aggregate consideration for these acquisitions were approximately RMB115,958,000, fair value of net assets acquired (including identifiable net assets, non-controlling interest and gain from a bargain purchase recognised were approximately RMB242,170,000, RMB123,650,000 and RMB2,562,000 respectively.

Impact of acquisition on the results of the Group

Included in the profit for the year is approximately RMB39,592,000 attributable to the additional business generated by other businesses. Revenue for the year includes approximately RMB650,024,000 generated from the other businesses.

49 NON-CONTROLLING INTERESTS

Summarised financial information of material non-controlling interests of subsidiaries is set out below:

	Yancoal Australia At 31 December		Haosheng At 31 December	
	2024 RMB'000	2023 RMB'000	**2024 RMB'000**	2023 RMB'000
Non-controlling interests percentage	**37.74%**	37.74%	**44.56%**	44.56%
Summarised financial information				
Current assets	**15,761,234**	11,992,635	**3,620,883**	3,335,987
Non-current assets	**39,733,653**	42,286,495	**12,660,595**	12,645,301
Current liabilities	**(5,901,232)**	(5,334,239)	**(3,294,457)**	(3,543,841)
Non-current liabilities	**(7,605,498)**	(8,003,875)	**(6,581,455)**	(6,656,803)
Net assets	**41,988,157**	40,941,016	**6,405,566**	5,780,644
Carrying amounts of non-controlling interests	**15,846,330**	15,451,139	**2,854,320**	2,575,855
Revenue	**32,213,609**	36,752,056	**3,364,856**	2,592,957
Profit for the year	**5,690,354**	8,697,201	**424,651**	61,645
Other comprehensive income/(expense)	**410,778**	(11,390)	**–**	–
Total comprehensive income	**6,101,132**	8,685,811	**424,651**	61,645
Total comprehensive income allocated to non-controlling interests	**2,302,567**	3,390,500	**189,225**	27,469
Cash flows generated from operating activities	**10,168,515**	6,359,064	**1,409,787**	701,110
Cash flows used in investing activities	**(3,233,373)**	(2,936,498)	**(164,558)**	(346,610)
Cash flows (used in)/generated from financing activities	**(2,502,333)**	(9,715,713)	**1,323,799**	(342,046)
Net increase/(decrease) in cash and cash equivalents	**4,432,809**	(6,293,147)	**2,569,028**	12,454

49 NON-CONTROLLING INTERESTS (Continued)

Summarised financial information of material non-controlling interests of subsidiaries is set out below: (Continued)

	Shaanxi Future Energy At 31 December		Inner Mongolia Mining At 31 December	
	2024 RMB'000	2023 RMB'000	**2024 RMB'000**	2023 RMB'000
Non-controlling interests percentage	**26.03%**	26.03%	**49%**	49%
Summarised financial information				
Current assets	**17,491,502**	15,621,380	**2,393,612**	2,584,567
Non-current assets	**14,972,532**	15,772,565	**35,146,900**	35,372,354
Current liabilities	**(2,274,434)**	(3,083,314)	**(13,226,195)**	(16,582,191)
Non-current liabilities	**(2,890,190)**	(3,469,646)	**(12,455,378)**	(10,115,278)
Net assets	**27,299,410**	24,840,985	**11,858,939**	11,259,452
Carrying amounts of non-controlling interests	**7,106,036**	6,466,108	**5,810,880**	5,517,131
Revenue	**14,267,821**	15,277,230	**4,864,385**	3,380,553
Profit/(loss) for the year and total comprehensive income/(expense)	**5,178,684**	5,649,578	**208,556**	(584,719)
Total comprehensive income/(expense) allocated to non-controlling interests	**1,348,011**	1,470,585	**102,192**	(286,512)
Cash flows (used in)/generated from operating activities	**7,122,817**	6,645,097	**1,926,139**	799,103
Cash flows (used in)/generated from investing activities	**(107,510)**	(178,477)	**461,283**	215,002
Cash flows generated from/(used in) financing activities	**(8,542,859)**	(5,021,055)	**(2,380,196)**	(1,007,743)
Net increase/(decrease) in cash and cash equivalents	**(1,527,552)**	1,445,565	**7,226**	6,362

Note: The above financial information is before elimination of intra-group transactions.

50 RELATED PARTY BALANCES AND TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. In accordance with Main Board Listing Rules Chapter 14A, continuing connected transactions are disclosed below:

(a) Balances and transactions with related parties

	2024 RMB'000	2023 RMB'000
Nature of balances (other than those already disclosed)		
Bills and accounts receivables		
– Parent Company and its subsidiaries	**134,572**	884,540
– Joint ventures	**6,907**	31,357
– Associates	**44,002**	582
Prepayments and other receivables		
– Parent Company and its subsidiaries	**7,702,856**	12,732,703
– Associates	**216,984**	1,003,197
Long-term receivables		
– Parent Company and its subsidiaries	**5,699,769**	2,203,476
– Associates	**87,742**	535,079
Bills and accounts payables		
– Parent Company and its subsidiaries	**4,850,241**	5,399,097
– Associates	**120,444**	85,321
Other payables and accrued expenses		
– Parent Company and its subsidiaries	**–**	39,598,277
– Associates	**1,118**	98

The amounts due from/to the Parent Company and its subsidiaries, joint ventures and associates excluding the Group, are non-interest bearing, unsecured and repayable on demand.

50 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(a) Balances and transactions with related parties (Continued)

During the years ended 31 December 2024 and 2023, the Group had the following significant transactions with the Parent Company and/or its subsidiaries (excluding the Group):

	2024 RMB'000	2023 RMB'000 (Restated)
Income		
Sales of coal	**6,355,825**	22,615,686
Sales of bulk commodities	**3,459,171**	196,280
Sales of auxiliary materials	**1,244,979**	1,463,346
Sales of coal chemical	**206,309**	286,296
Supply of heat and electricity	**13,169**	9,012
Equipment leasing	**264,352**	105,000
Professional services	**41,696**	16,472
Provision of repair and maintenance services	**268,160**	251,614
Provision of road transportation services	**146,129**	23,276
Provision of technology services	**31,257**	9,827
Provision of port services	**628,326**	–
Labour export and training	**141,026**	7,999
Mine rescue	**69,378**	–
Interest income	**447,144**	11,688
Financing lease principal	**100,000**	–
Expenditure		
Purchases of supply materials and equipments	**3,254,129**	15,821,519
Labour and services	**4,458,070**	142,989
Construction services	**2,556,485**	2,603,290
Medical service	**39,446**	44,667
ERP operation and maintenance services	**147,739**	47,170
Financial services	**26,824,824**	25,537,903
Purchase of bulk commodities	**2,578,658**	214,213
Interest expenses	**297,484**	549,323

Expenditures for social welfare and support services (excluding medical and child care expenses) are approximately RMB48,887,000 (2023: RMB20,873,000) for the year ended 31 December 2024. These expenses will be negotiated with and paid by the Parent Company each year.

As at 31 December 2024, the Parent Company and its subsidiaries, excluding the Group, had deposited approximately RMB5,142,979,000 (2023: RMB9,446,098,000) to Yankuang Finance. For the year ended 31 December 2024, interest income from and interest expense to the Parent Company and its subsidiaries (excluding the Group) amounted to approximately RMB110,873,000 and RMB346,016,000 respectively (2023: RMB454,087,000 and RMB339,971,000).

In addition to the above, the Company participates in a retirement benefit scheme of the Parent Company in respect of retirement benefits (note 52).

50 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(b) Balances and transactions with other state-controlled entities in the PRC

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government ("state-controlled entities"). In addition, the Group itself is part of a large group of companies under the Parent Company which is controlled by the PRC government. Apart from the transactions with the Parent Company and its subsidiaries disclosed above, for the years ended 31 December 2024 and 2023, the Group's significant transactions with other state-owned enterprises are a large portion of its sales of goods and purchases of raw materials and related receivables and payables.

In addition, the Group has entered into various transactions, including deposits placements, borrowings and other general banking facilities, with certain banks and financial institutions which are state-controlled entities in its ordinary course of business. In view of the nature of those banking transactions, the directors of the Company are of the opinion that separate disclosure would not be meaningful. The directors of the Company consider that the transactions with other state-owned enterprises are not significant to the Group's operations. In the opinion of the directors of the Company, all such transactions were conducted in the ordinary course of business and on normal commercial terms.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management were as follows:

	2024 **RMB'000**	2023 RMB'000
Directors fee	**800**	600
Salaries, allowance and other benefits in kind	**23,148**	15,251
Retirement benefit scheme contributions	**2,338**	1,597
	26,286	17,448

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

51 COMMITMENTS

Save as disclosed elsewhere is the consolidated financial statements, the Group had the following capital commitments.

	2024 RMB'000	2023 RMB'000
Capital expenditure contracted for but not provided in the condensed consolidated financial statements		
Acquisition of property, plant and equipment		
– the Group	**5,999,956**	2,419,806
– share of joint operations	**1,127,234**	713,675
– others	**–**	112,828
Intangible assets		
– share of joint operations	**–**	116,960
– others	**–**	173
Exploration and evaluation		
– the Group	**4,330**	–
– share of joint operations	**30,508**	4,880
	7,162,028	3,368,322

52 RETIREMENT BENEFITS

Qualifying employees of the Company are entitled to pension, medical and other welfare benefits. The Company participates in a scheme of the Parent Company and pays a monthly contribution to the Parent Company in respect of retirement benefits at an agreed contribution rate based on the monthly basic salaries and wages of the qualified employees. The Parent Company is responsible for the payment of all retirement benefits to the retired employees of the Company.

The Company's subsidiaries are participants in a state-managed retirement scheme pursuant to which the subsidiaries pay a fixed percentage of its qualifying staff's wages as a contribution to the scheme. The subsidiaries' financial obligations under this scheme are limited to the payment of the employer's contribution. During the year, contributions paid and payable by the subsidiaries pursuant to this arrangement were insignificant to the Group. The Group's overseas subsidiaries pay fixed contribution as pensions under the laws and regulations of the relevant countries.

During the year and at the balance sheet date, there were no forfeited contributions which arose upon employees leaving the above schemes available to reduce the contributions payable in future years.

53 HOUSING SCHEME

The Company currently makes a fixed monthly contribution for each of its qualifying employees to a housing fund which is equally matched by a contribution from the employees. The contributions are paid to the Parent Company which utilises the funds, along with the proceeds from the sales of accommodation and, if the need arises, from loans arranged by the Parent Company, to construct new accommodation.

54 CONTINGENT LIABILITIES

The Group had contingent liabilities at 31 December 2024 in respect of:

(i) Guarantees

		2024 RMB'000	2023 RMB'000
(a)	**The Group**		
	Performance guarantees provided to daily operations	**379,502**	385,411
	Guarantees provided in respect of the cost of restoration of certain mining leases, given to government departments as required by statute	**571,914**	581,739
(b)	**Joint operations**		
	Performance guarantees provided to external parties	**958,879**	973,809
	Guarantees provided in respect of the cost of restoration of certain mining leases, given to government departments as required by statute	**2,061,861**	2,097,282
(c)	**Related parties**		
	Performance guarantees provided to external parties	**368,962**	374,707
	Guarantees provided in respect of the cost of restoration of certain mining leases, given to government departments as required by statute	**19,407**	19,741
		4,360,525	4,432,689

(ii) Letter of Support provided to Middlemount

Yancoal Australia has issued a letter of support dated 4 March 2015 to Middlemount, a joint venture of the Group confirming:

- it will not demand the repayment of any loan due from Middlemount, except to the extent that Middlemount agrees otherwise or as otherwise provided in the loan agreement; and
- it will provide financial support to Middlemount to enable it to meet its debts as and when they become due and payable, by way of new shareholder loans in proportion to its share of the net assets of Middlemount.

This letter of support will remain in force whilst the Group is a shareholder of Middlemount or until notice of not less than 12 months is provided or such shorter period as agreed by Middlemount.

54 CONTINGENT LIABILITIES (Continued)

(iii) Other contingencies

A number of claims have been made against the Group as part of the Group's day to day operations. The directors of the Company do not believe that the outcome of these claims will have a material impact on the Group's financial position.

55 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

During the year ended 31 December 2024, the Group entered into several new arrangement in respect of buildings, and plant, machinery and equipment. Right-of-use assets and lease liabilities of approximately RMB410,822,000 (2023: RMB291,027,000) were recognised at the commencement of the lease.

56 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	Borrowings (Note 37) RMB'000	Lease liabilities (Note 19) RMB'000	Total RMB'000
At 1 January 2024	100,187,984	485,529	100,673,513
Cash flows	11,366,145	(158,126)	11,208,019
New lease arrangements	–	215,576	215,576
Acquisition of subsidiaries	275,322	48,254	323,576
Exchange adjustments	(1,033,390)	(63,138)	(1,096,528)
At 31 December 2024	110,796,061	528,095	111,324,156

56 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Continued)

	Borrowings (Note 37) RMB'000	Lease liabilities (Note 19) RMB'000	Total RMB'000
At 1 January 2023	86,721,645	658,275	87,379,920
Cash flows	9,327,977	(260,172)	9,067,805
New lease arrangements	–	291,027	291,027
Exchange adjustments	4,138,362	(203,601)	3,934,761
At 31 December 2023	100,187,984	485,529	100,673,513

57 INFORMATION OF THE COMPANY

The Company's statement of financial position is disclosed as follows:

	2024 RMB'000	2023 RMB'000
Non-current assets		
Intangible assets	**645,764**	710,771
Investment properties	**28,838**	–
Property, plant and equipment	**14,767,207**	14,246,390
Right-of-use assets	**8,180,912**	6,630,444
Investments in securities	**4,073**	4,093
Interests in subsidiaries (Note a)	**98,656,624**	96,480,663
Interests in associates	**7,476,680**	6,955,562
Interests in joint venture	**29,266**	37,414
Long-term receivables – due after one year	**3,717,477**	3,718,244
Deposit made on investments	**122,448**	118,154
Deferred tax assets	**3,094,231**	1,124,170
	136,723,520	130,025,905
Current assets		
Inventories	**187,495**	471,414
Financial assets at fair value through profit or loss	**481**	225
Bills and accounts receivable	**4,105,155**	4,392,153
Prepayments and other receivables	**55,611,613**	39,708,822
Restricted cash	**816,167**	732,645
Bank balances and cash	**3,856,269**	5,445,387
	64,577,180	50,750,646

57 INFORMATION OF THE COMPANY (Continued)

	2024 RMB'000	2023 RMB'000
Current liabilities		
Bills and accounts payable	**7,084,340**	7,936,151
Other payables and accrued expenses	**39,368,757**	46,525,805
Contract liabilities	**524,564**	695,517
Borrowings	**24,094,797**	17,727,776
Lease liabilities	**8,574,096**	1,236,224
Tax payable	**209,460**	535,522
Long term payables – due within one year	**464,017**	673,958
	80,320,031	75,330,953
Net current liabilities	**15,742,851**	24,580,307
Total assets less current liabilities	**120,980,669**	105,445,598
Non-current liabilities		
Provision for land subsidence, restoration, rehabilitation and environmental costs	**1,367,542**	1,161,403
Deferred tax liabilities	**2,281,349**	269,819
Borrowings	**57,154,444**	56,606,428
Lease liabilities	**8,574,096**	5,313,078
Long term payables	**184,497**	135,625
	69,561,928	63,486,353
Net assets	**51,418,741**	41,959,245
Equity		
Equity attributable to equity shareholders of the Company	**28,151,520**	25,417,468
Owners of Perpetual capital securities	**23,267,221**	16,541,777
Total equity	**51,418,741**	41,959,245

57 INFORMATION OF THE COMPANY (Continued)

Notes:

(a) Details of the Company's major subsidiaries at 31 December 2024 and 2023 are as follows:

Name of subsidiary	Place of incorporation/ registration/ operation	Paid up capital/ issues share capital	Proportion of registered capital/ issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2024		2023		2024	2023	
			Directly	Indirectly	Directly	Indirectly			
Shandong Yanmei Shipping Co., Ltd. (note 1)	The PRC	RMB5,500,000	92%	–	92%	–	92%	92%	Transportation via rivers and lakes and the sales of coal and construction materials
QingDao ZhongYan Trade Co., Ltd. (note 1)	The PRC	RMB50,000,000	100%	–	100%	–	100%	100%	Trade and storage in free trade zone
Shandong Huaju Energy Co., Ltd. (note 1)	The PRC	RMB288,589,774	74%	–	74%	–	74%	74%	Thermal power generation
Yanmei Heze Energy Chemical Co., Ltd. (note 1)	The PRC	RMB3,000,000,000	98%	–	98%	–	98%	98%	Coal mining and sales
Yanmei Wanfu Energy Co., Ltd. (note 1)	The PRC	RMB600,000,000	–	89%	–	89%	89%	89%	Coal mining and sales
Yanzhou Nengyuan Yulin Nenghua Co., Ltd. (note 1)	The PRC	RMB1,400,000,000	100%	–	100%	–	100%	100%	Methanol and electricity power business
Yankuang Energy (Ordos) Co., Ltd.. (note 1)	The PRC	RMB10,800,000,000	100%	–	100%	–	100%	100%	Investment holding, coal mining and sales
Inner Mongolia Rongxin Chemicals Co., Ltd. (note 1)	The PRC	RMB648,360,000	–	100%	–	100%	100%	100%	Development of methanol project
Inner Mongolia Xintai Coal Co., Ltd. (note 1)	The PRC	RMB5,000,000	–	100%	–	100%	100%	100%	Coal mining and sales
Ordos Zhuanlongwan Coal Co., Ltd. (note 1)	The PRC	RMB5,050,000,000	–	100%	–	100%	100%	100%	Coal mining and sales, manufacturing and sales of mining
Inner Mongolia Mengda Railway Co., Ltd. (note 1)	The PRC	RMB201,000,000	–	67%	–	67%	67%	67%	Coal processing, sales and transportation
Inner Mongolia Mengtong Railway Co., Ltd. (note 1)	The PRC	RMB100,000,000	–	51%	–	51%	51%	51%	Coal processing, sales and transportation
Yanzhou Coal Shanxi Energy Chemical Co., Ltd. (note 1)	The PRC	RMB600,000,000	100%	–	100%	–	100%	100%	Investment holding

57 INFORMATION OF THE COMPANY (Continued)

Notes: (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2024 and 2023 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration/ operation	Paid up capital/ issues share capital	Proportion of registered capital/ issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2024		2023		2024	2023	
			Directly	Indirectly	Directly	Indirectly			
Shanxi Heshun Tianchi Power Co., Ltd. (note 1)	The PRC	RMB90,000,000	–	81%	–	81%	81%	81%	Coal mining business
Yancoal International (Holding) Co., Ltd	Hong Kong	USD689,313,091	100%	–	100%	–	100%	100%	Investment holding
Yancoal International Technology Development Co., Limited	Hong Kong	USD1,000,000	–	100%	–	100%	100%	100%	Coal mining technology development, transfer and consultation
Yancoal International Resources Development Co., Limited	Hong Kong	USD600,000	–	100%	–	100%	100%	100%	Coal resource exploration development
Yancoal Luxembourg Energy Holding Co., Ltd	Luxembourg	USD500,000	–	100%	–	100%	100%	100%	Investment Holding
Athena Holding Pty Ltd	Australia	AUD24,450,405	–	100%	–	100%	100%	100%	Holding Company
Tonford Holdings Pty Ltd	Australia	AUD46,407,917	–	100%	–	100%	100%	100%	Holding company
Premier Coal Holdings Pty Ltd	Australia	AUD321,613,108	–	100%	–	100%	100%	100%	Holding company
Wilpeena Holdings Pty Ltd	Australia	AUD3,457,381	–	100%	–	100%	100%	100%	Holding company
Yancoal Energy Pty Ltd	Australia	AUD202,977,694	–	100%	–	100%	100%	100%	Holding company
Yankuang Dongping Land Port Co., Ltd. (note 1)	The PRC	RMB9,199,750,740	–	46%	–	46%	46%	46%	Port infrastructure construction, operation and management
Yancoal Technology Development Pty Ltd	Australia	AUD2	–	100%	–	100%	100%	100%	LTCC technology development and equipment rental
Zhongyin (Jining) Financial Leasing Co., Ltd. (note 1)	The PRC	USD14,000,000	–	100%	–	100%	100%	100%	Financial leasing
Zhongyin (Heze) Financial Leasing Co., Ltd. (note 1)	The PRC	USD14,000,000	–	100%	–	100%	100%	100%	Financial leasing
Yancoal Australia Limited (note 2)	Australia	AUD6,482,144,000	62%	–	62%	–	62%	62%	Investment holding

57 INFORMATION OF THE COMPANY (Continued)

Notes: (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2024 and 2023 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration/ operation	Paid up capital/ issues share capital	Proportion of registered capital/ issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2024		2023		2024	2023	
			Directly	Indirectly	Directly	Indirectly			
Gloucester Pty Ltd	Australia	AUD719,720,808	–	62%	–	62%	100%	100%	Coal resource exploration development
Yancoal Resources Ltd	Australia	AUD446,409,065	–	62%	–	62%	100%	100%	Coal mining business in Australia
Yancoal Australia Sales Pty Ltd	Australia	AUD100	–	62%	–	62%	100%	100%	Coal sales
Yancoal Mining Services Ltd	Australia	AUD100	–	62%	–	62%	100%	100%	Provide management services to the underground mines
Coal & Allied Industries Pty Limited	Australia	AUD3,724,000,000	–	62%	–	62%	100%	100%	Coal mining business
Yancoal Moolarben Pty Ltd	Australia	AUD300,000,000	–	62%	–	62%	100%	100%	Coal mining and coal mine
Watagan Mining Company Pty Ltd	Australia	USD575,000,000	–	62%	–	62%	100%	100%	Coal mining and coal mine management
Inner Mongolia Haosheng Coal Industry Co., Ltd. (note 1)	The PRC	RMB1,184,620,000	55.44%	–	55.44%	–	55.44%	55.44%	Sales of coal mine machinery equipment and accessories
Shandong Zhongding Yunlian Technology Co., Ltd. (note 1)	The PRC	RMB100,000,000	51%	–	51%	–	51%	51%	Coal Mining and sales
Shandong Yancoal Rizhao Port Coal Storage & Blending Co., Ltd. (note 1)	The PRC	RMB300,000,000	71%	–	71%	–	71%	71%	Coal sales
Qingdao Yancoal Dongqi Energy Co., Ltd. (note 1)	The PRC	RMB50,000,000	–	71%	–	71%	71%	71%	Coal sales
Shandong Zhongyin International Trade Co., Ltd. (note 1)	The PRC	RMB300,000,000	100%	–	100%	–	100%	100%	Coal and non-ferrous metal wholesale
Shandong Zhongyin Logistics and Trading Co., Ltd. (note 1)	The PRC	RMB300,000,000	–	100%	–	100%	100%	100%	Trade Broker and Agent
Zhongyin Financial Leasing Co., Ltd. (note 1)	The PRC	RMB7,000,000,000	90%	9%	90%	9%	99%	99%	Financial leasing

57 INFORMATION OF THE COMPANY (Continued)

Notes: (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2024 and 2023 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration/ operation	Paid up capital/ issues share capital	Proportion of registered capital/ issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2024		2023		2024	2023	
			Directly	Indirectly	Directly	Indirectly			
Shanghai Dongjiang Real Estate Development Co., Ltd. (note 1)	The PRC	RMB8,000,000	–	100%	–	100%	100%	100%	Real estate development and operation, property management
Zhongyin (Hong Kong) Co., Limited	Hong Kong	USD15,000,000	–	100%	–	100%	100%	100%	Investment holding
Duanxin Investment Holding (Beijing) Co., Ltd. (note 1)	The PRC	RMB4,310,000,000	100%	–	100%	–	100%	100%	Investment and assets management
Tianjin Duanxin Yunlian Yongtai Investment Management Partnership(Limited Partnership) (note 1)	The PRC	RMB4,600,000,000	–	13%	–	13%	13%	13%	Investment management
Tianjin Duanxin Cloud Chain Yongsheng Investment Management Partnership(Limited Partnership) (note 1)	The PRC	RMB1,105,750,000	–	13%	–	13%	13%	13%	Investment management
Yankuang DONGHUA Heavy Industry Co., Ltd. (note 1)	The PRC	RMB2,277,888,000	100%	–	100%	–	100%	100%	Manufacturing of coal mining and excavating equipment
Yankuang Group Tangcun Industrial Co., Ltd. (note 1)	The PRC	RMB51,000,000	–	100%	–	100%	100%	100%	Manufacturing and repair of machinery and cable
Yanzhou Dongfang Electrical Co., Ltd. (note 1)	The PRC	RMB50,000,000	–	94%	–	94%	94%	94%	Manufacturing and installation of mining equipments
Yankuang Group Juntong Rubber Co., Ltd. (note 1)	The PRC	RMB6,600,000	–	55%	–	55%	55%	55%	Manufacturing and sale of rubber products
Shandong Yankuang Intelligent Manufacturing Co., Ltd. (note 1)	The PRC	RMB1,200,000,000	–	100%	–	100%	100%	100%	Manufacturing and sale of mining equipments
Shandong Duanxin Supply Chain Management Co., Ltd. (note 1)	The PRC	RMB200,000,000	100%	–	100%	–	100%	100%	Logistics storage and leasing
Heze Duanxin Supply Chain Management Co., Ltd (note 1)	The PRC	RMB10,000,000	–	100%	–	100%	100%	100%	Logistics storage and leasing

57 INFORMATION OF THE COMPANY (Continued)

Notes: (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2024 and 2023 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration/ operation	Paid up capital/ issues share capital	Proportion of registered capital/ issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2024		2023		2024	2023	
			Directly	Indirectly	Directly	Indirectly			
Dalateqi Duanxin Supply Chain Management Co., Ltd. (note 1)	The PRC	RMB5,000,000	–	100%	–	100%	100%	100%	Logistics storage and leasing
Ejin Horo Qi Duanxin Supply Chain Management Co., Ltd. (note 1)	The PRC	RMB10,000,000	–	100%	–	100%	100%	100%	Logistics storage and leasing
Wushenqi Duanxin Supply Chain Management Co., Ltd. (note 1)	The PRC	RMB10,000,000	–	100%	–	100%	100%	100%	Logistics
Juye Duanxin Supply Chain Management Co., Ltd. (note 1)	The PRC	RMB5,000,000	–	100%	–	100%	100%	100%	Logistics
Yulin Duanxin Supply Chain Management Co., Ltd. (note 1)	The PRC	RMB5,000,000	–	62%	–	62%	62%	62%	Sales of coal and other coal products
Qingdao VAST LUCKY International Company Limited (note 1)	The PRC	RMB200,000,000	51%	–	51%	–	51%	51%	Trading
Vast Lucky (HK) Limited	Hong Kong	HKD10,000,000	–	51%	–	51%	51%	51%	Trading
Duanxin Investment Holding (note 1) (Shenzhen) Company Limited (note 1)	The PRC	RMB1,100,000,000	–	100%	–	100%	100%	100%	Equity investment, the entrusted assets and investment management, corporate management and investment advisory
Duanxin Commercial Factoring (Shenzhen) Co., Ltd. (note 1)	The PRC	RMB100,000,000	100%	–	100%	–	100%	100%	Factoring
Duanxin Supply CHAIN (Shenzhen) Co., Ltd. (note 1)	The PRC	RMB100,000,000	–	100%	–	100%	100%	100%	Supply chain management
Yankuang Energy (Wuxi) Co., Ltd. (note 1)	The PRC	RMB58,000,000	100%	–	100%	–	100%	100%	Coal Sales
Yanmei Mining Engineering Co., Ltd. (note 1)	The PRC	RMB85,200,000	100%	–	100%	–	100%	100%	Engineering
Yancoal Blue Clean Energy Com. Ltd. (note 1)	The PRC	RMB310,000,000	100%	–	100%	–	100%	100%	Manufacturing and sales of coal products

57 INFORMATION OF THE COMPANY (Continued)

Notes: (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2024 and 2023 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration/ operation	Paid up capital/ issues share capital	Proportion of registered capital/ issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2024		2023		2024	2023	
			Directly	Indirectly	Directly	Indirectly			
Yankuang Group Financial Co., Ltd. (note 1)	The PRC	RMB4,000,000,000	–	–	–	–	–	–	Financial services
Shandong Energy Finance Co., Ltd.	The PRC	RMB7,000,000,000	54%	–	54%	–	54%	54%	Financial services
Zhongyin (Tai'an) Financial Leasing Co., Ltd. (note 1)	The PRC	RMB1,593,000,000	100%	–	100%	–	100%	100%	Leasing and commercial services
Shanghai Jujiang Asset Management Co., Ltd. (note 1)	The PRC	RMB500,000,000	100%	–	100%	–	100%	100%	Leasing and commercial services
Qingdao Dongfang Shenglong Industrial Co., Ltd. (note 1)	The PRC	RMB30,000,000	–	100%	–	100%	100%	100%	Coal wholesale business house leasing
Qingdao Duanxin Asset Management Co., Ltd. (note 1)	The PRC	RMB500,000,000	100%	–	100%	–	100%	100%	Equity investment fund management, Management of corporate asset, Foreign investment funds, Import and export service, International Trading, Export
Yankuang Wisdom Ecology Co., Ltd. (note 1)	The PRC	RMB80,000,000	100%	–	100%	–	100%	100%	Water pollution control services
Shaanxi Future Energy Chemical Co., Ltd. ("Shaanxi Future Energy Chemical") (note 1)	The PRC	RMB5,400,000,000	74%	–	74%	–	74%	74%	Research and Development of chemical product, coal mining and electric power production and sale
Shaanxi Future Clean Oil and Chemical Sales Co., Ltd. (note 1)	The PRC	RMB50,000,000	–	74%	–	74%	74%	74%	Sale of petroleum products, chemical products and coal
Shaanxi Future Clean Chemical Co., Ltd. (note 1)	The PRC	RMB30,000,000	–	38%	–	38%	38%	38%	Sale of petroleum products, chemical products and coal

57 INFORMATION OF THE COMPANY (Continued)

Notes: (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2024 and 2023 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration/ operation	Paid up capital/ issues share capital	Proportion of registered capital/ issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2024		2023		2024	2023	
			Directly	Indirectly	Directly	Indirectly			
Yankuang Yulin Fine Chemical Co., Ltd. (note 1)	The PRC	RMB46,200,000	100%	–	100%	–	100%	100%	Production and sales of Fischer-Tropsch synthesis catalysts
Yankuang Lunan Chemical Co., Ltd. (note 1)	The PRC	RMB5,040,690,900	100%	–	100%	–	100%	100%	Production and sales of chemical products
Yankuang Jining Chemical Equipment Co., Ltd. (note 1)	The PRC	RMB111,899,210	100%	–	100%	–	100%	100%	Production and sales of chemical products
Shangdong Yankuang Jisan Electric Power Co., Ltd. (note 1)	The PRC	RMB430,000,000	99%	–	99%	–	99%	99%	Thermal power generation
Yankuang Coal Chemical Supply and Marketing Co., Ltd. (note 1)	The PRC	RMB260,000,000	100%	–	100%	–	100%	100%	Sales of chemical products
Inner Mongolia Mining (Group) Company Limited ("Inner Mongolia Mining") (note 1)	The PRC	RMB6,997,396,122	51%	–	51%	–	51%	51%	Investment and management of mineral resources, sales of mineral products and import and export trade
Ulanqab Hongda Industrial Co., Ltd. (note 1)	The PRC	RMB550,000,000	–	51%	–	51%	51%	51%	Electricity power business
Ordos Fengwei Photoelectric Co., Ltd. (note 1)	The PRC	RMB180,000,000	–	51%	–	51%	51%	51%	Solar power, wind power and production management
Inner Mongolia Mining Resources Investment Holdings Co., Ltd. (note 1)	The PRC	RMB400,000,000	–	51%	–	51%	51%	51%	Investment and asset management
Ordos Green Energy Optoelectronics Co., Ltd. (note 1)	The PRC	RMB1,200,000,000	–	46%	–	46%	46%	46%	Light power and sale of electrical material
Ordos Cultural Industry Park Cultural Education Co., Ltd. (note 1)	The PRC	RMB209,034,000	–	32%	–	32%	32%	32%	Educational software development and event planning

57 INFORMATION OF THE COMPANY (Continued)

Notes: (Continued)

(a) Details of the Company's major subsidiaries at 31 December 2024 and 2023 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration/ operation	Paid up capital/ issues share capital	Proportion of registered capital/ issued share capital held by the Company				Proportion of voting power controlled		Principal activities
			2024		2023		2024	2023	
			Directly	Indirectly	Directly	Indirectly			
Inner Mongolia Financial Holding Financial Leasing Co., Ltd. (note 1)	The PRC	RMB1,200,000,000	–	28%	–	28%	28%	28%	Rental business
Shangdong Energy Group Luxi Mining Co., Limited	The PRC	RMB5,000,000,000	–	51%	–	51%	51%	51%	Mining, washing, sales of coal
Yankuang Xinjiang Neng Hua Company Limited	The PRC	RMB3,000,000,000	–	51%	–	51%	51%	51%	Mining, washing, sales of coal
Shangdong Energy Tower Shanghai Co., Ltd	The PRC	RMB4,000,000,000	–	75%	–	75%	75%	75%	Hotel management, property management, parking services
Yankuang Coal Chemical Engineering Company Limited	The PRC	RMB130,286,200	–	100%	–	–	100%	100%	Maintenance and transport business in the chemical industry

Unless otherwise specified, the capital of the above subsidiaries are registered capital (those established in the PRC) or ordinary shares (those established in other countries).

Note 1: The companies are established in the PRC as limited liability companies.

Note 2: The investment cost of RMB21,425,119,000 (2023: RMB21,425,119,000) in respect of investment in Yancoal Australia, a subsidiary dually listed on the Australia Stock Exchange and SEHK, was included in investment in subsidiaries. As at 31 December 2024, the market value of these shares was approximately RMB23,317,716,000 (equivalent to AUD4,810,653,000) (2023: approximately RMB19,748,831,000 (equivalent to AUD4,069,681,000)).

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

57 INFORMATION OF THE COMPANY (Continued)

Notes: (continued)

(b) The Company's equity is as follows:

	Share capital RMB'000	Share premium RMB'000	Capital reserve and future development fund RMB'000	Share option Reserve RMB'000	Statutory common fund RMB'000	Investment revaluation reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Perpetual capital securities RMB'000 (note 45)	Total RMB'000
At 1 January 2023	4,948,704	3,549,937	(2,717,962)	286,384	912,700	1,286	1,303,286	8,284,335	13,248,614	21,532,949
Profit for the year	-	-	-	-	-	-	16,638,147	16,638,147	444,743	17,082,890
Other comprehensive expense for the year:										
Fair value change of financial assets at FVTOCI	-	-	-	-	-	(88)	-	(88)	-	(88)
Total comprehensive income (expense) for the year	-	-	-	-	-	(88)	16,638,147	16,638,059	444,743	17,082,802
Issuance of perpetual capital securities	-	-	-	-	-	-	-	-	4,998,000	4,998,000
Redemption of perpetual capital securities	-	-	-	-	-	-	-	-	(1,696,600)	(1,696,600)
Distribution paid to holders of perpetual capital securities	-	-	-	-	-	-	-	-	(452,980)	(452,980)
Issuance of bonus shares	2,480,680	-	-	-	-	-	(2,480,680)	-	-	-
Issue of shares upon exercise of share option	12,657	86,664	-	-	-	-	-	99,321	-	99,321
Repurchase and cancellation of shares	(2,670)	409	398,613	-	-	(599)	-	395,753	-	395,753
Appropriations to reserves	-	-	-	-	751,114	-	(751,114)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	2,490,667	87,073	398,613	-	751,114	(599)	(3,231,794)	495,074	2,848,420	3,343,494
At 31 December 2023	7,439,371	3,637,010	(2,319,349)	286,384	1,663,814	599	14,709,639	25,417,468	16,541,777	41,959,245

57 INFORMATION OF THE COMPANY (Continued)

Notes: (continued)

(b) The Company's equity is as follows: (Continued)

	Share capital RMB'000	Share premium RMB'000	Capital Reserve and Future development fund reserve RMB'000	Share option Reserve RMB'000	Statutory common fund RMB'000	Investment revaluation reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Perpetual capital securities RMB'000 (note 45)	Total RMB'000
At 1 January 2024	7,439,371	3,637,010	(2,319,349)	286,384	1,663,814	599	14,709,639	25,417,468	16,541,777	41,959,245
Profit for the year	–	–	–	–	–	–	11,775,778	11,775,778	631,865	12,407,643
Other comprehensive expense for the year:										
Fair value change of financial assets at FVTOCI	–	–	–	–	–	(15)	–	(15)	–	(15)
Total comprehensive income/ (expense) for the year	–	–	–	–	–	(15)	11,775,778	11,775,763	631,865	12,407,628
Issuance of perpetual capital securities	–	–	–	–	–	–	–	–	13,000,000	13,000,000
Redemption of perpetual capital securities	–	–	–	–	–	–	–	–	(6,287,670)	(6,287,670)
Distribution paid to holders of perpetual capital securities	–	–	–	–	–	–	–	–	(618,751)	(618,751)
Appropriations to reserve	–	–	–	–	1,177,577	–	(1,177,577)	–	–	–
Issuance of bonus shares	2,316,890	–	–	–	–	–	(2,316,890)	–	–	–
Issue of placing shares	285,000	4,229,108	–	–	–	–	–	4,514,108	–	4,514,108
Repurchase and cancellation of shares	(1,401)	147,543	212,563	–	–	–	–	358,705	–	358,705
Dividends	–	–	–	–	–	–	(13,816,393)	(13,816,393)	–	(13,816,393)
Others	–	–	(98,131)	–	–	–	–	(98,131)	–	(98,131)
Total transactions with owners	2,600,489	4,376,651	114,432	–	1,177,577	–	(17,310,860)	(9,041,711)	6,093,579	(2,948,132)
At 31 December 2024	10,039,860	8,013,661	(2,204,917)	286,384	2,841,391	584	9,174,557	28,151,520	23,267,221	51,418,741

I SUPPLEMENTAL INFORMATION

Summary of differences between consolidated financial statements prepared under IFRS Accounting Standards and those under the PRC Accounting Rules and Regulations ("PRC GAAP")

The Group has also prepared a set of consolidated financial statements in accordance with relevant accounting principles and regulations applicable to PRC enterprises.

The consolidated financial statements prepared under IFRS Accounting Standards and those prepared under PRC GAAP have the following major differences:

(1) Future development fund and work safety cost

(a) Appropriation of future development fund is charged to profit before income taxes under PRC GAAP. Depreciation is not provided for plant and equipment acquired by utilising the future development fund under PRC GAAP but charged to expenses when acquired.

(b) Appropriation of the work safety cost is charged to profit before taxes under PRC GAAP. Depreciation is not provided for plant and equipment acquired by utilising the provision of work safety cost under PRC GAAP but charged to expenses when acquired.

(2) Reversal of impairment loss on intangible assets in Yancoal Australia

Under IFRS Accounting Standards, the reversal of impairment loss on mining reserves was recognised as income in consolidated profit or loss.

Under PRC GAAP, no reversal of impairment loss on mining reserves was recognised.

(3) Deferred taxation due to differences between the financial statements prepared under IFRS Accounting Standards and PRC GAAP

(4) Classification of perpetual capital security due to differences between the financial statements prepared under IFRS Accounting Standards and PRC GAAP

Under IFRS Accounting Standards, the perpetual capital security issued by the Company was classified as equity instrument and separated from net assets attributable to equity holders of the Company.

Under PRC GAAP, the perpetual capital security issued by the Company was classified as owners' equity.

I SUPPLEMENTAL INFORMATION (Continued)

Summary of differences between consolidated financial statements prepared under IFRS Accounting Standards and those under the PRC Accounting Rules and Regulations ("PRC GAAP") (Continued)

The following table summarises the differences between condensed consolidated financial statements prepared under IFRS Accounting Standards and those under PRC GAAP:

	Net income attributable to equity shareholders of the Company for the year ended 31 December		Net assets attributable to equity shareholders of the Company as at 31 December	
	2024	2023	**2024**	2023
	RMB'000	RMB'000 (Restated)	**RMB'000**	RMB'000 (Restated)
As per consolidated financial statements prepared under IFRS Accounting Standards	**14,056,067**	19,222,120	**58,610,077**	55,459,009
Impact of IFRS Accounting Standards adjustments in respect of:				
– Difference in accounting treatment on work safety funds	**479,005**	1,216,128	**–**	–
– Difference in accounting treatment on future development funds	**3,455**	3,455	**(24,703)**	(28,158)
– Reversal of impairment loss attributable to Yancoal Australia	**10,199**	10,199	**(58,843)**	(69,042)
– Deferred tax	**(123,675)**	(307,955)	**800,704**	924,379
– Perpetual capital security	**–**	–	**23,267,221**	16,541,777
As per consolidated financial statements prepared under PRC GAAP	**14,425,051**	20,143,947	**82,594,456**	72,827,965