CHINA COAL ENERGY COMPANY LIMITED*

中國中煤能源股份有限公司

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

(Stock Code: 01898)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS:

- In 2022, the Group's revenue amounted to RMB220.577 billion, representing a decrease of RMB19.251 billion or 8.0% as compared with 2021.
- In 2022, the profit attributable to the equity holders of the Company amounted to RMB19.719 billion, representing an increase of RMB4.547 billion or 30.0% as compared with 2021.
- In 2022, the basic earnings per share of the Company was RMB1.49, representing an increase of RMB0.35 as compared with 2021.
- In 2022, EBITDA amounted to RMB43.892 billion, representing an increase of RMB4.529 billion or 11.5% as compared with 2021.
- The Board recommended the payment of final dividends of RMB0.413 per share (inclusive of tax) for the year 2022, which is subject to the approval by the Shareholders at the annual general meeting for the year of 2022.

The Board of China Coal Energy Company Limited is pleased to announce the audited annual results of the Group for the year ended 31 December 2022 prepared by the Group in accordance with the International Financial Reporting Standards ("**IFRS**"):

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	NOTES	Year ended 31 December 2022 RMB'000	Year ended 31 December 2021 RMB'000 (Restated)
Revenue	6	**220,576,859**	239,828,439
Cost of sales			
Materials used and goods traded		**(120,016,117)**	(154,227,715)
Staff costs		**(9,337,716)**	(7,341,261)
Depreciation and amortisation		**(9,927,575)**	(10,278,007)
Repairs and maintenance		**(2,895,820)**	(2,724,373)
Transportation costs and port expenses		**(10,766,014)**	(10,683,327)
Sales taxes and surcharges		**(7,240,645)**	(5,906,252)
Others		**(10,794,967)**	(10,258,611)
		(170,978,854)	(201,419,546)
Gross profit		**49,598,005**	38,408,893
Selling expenses		**(928,768)**	(818,491)
General and administrative expenses		**(6,633,986)**	(5,656,462)
Other income, gains and losses, net		**(8,516,376)**	(3,365,286)
Impairment losses under expected credit loss model, net of reversal		**(218,168)**	(22,021)
Profit from operations		**33,300,707**	28,546,633
Finance income	7	**135,135**	114,599
Finance costs	7	**(3,863,142)**	(4,071,568)
Share of profits of associates and joint ventures		**5,010,429**	3,279,607
Profit before income tax		**34,583,129**	27,869,271
Income tax expense	8	**(7,500,202)**	(6,561,988)
Profit for the year		**27,082,927**	21,307,283

	NOTE	Year ended 31 December 2022 RMB'000	Year ended 31 December 2021 RMB'000 (Restated)
Other comprehensive income (expense):			
Items that will not be reclassified to profit or loss			
Share of other comprehensive income of associates, net of related income tax		**(68,349)**	–
Fair value changes on equity instruments at fair value through other comprehensive income, net of tax		**754,289**	90,568
		685,940	90,568
Items that may be reclassified subsequently to profit or loss			
Fair value changes on debt instruments at fair value through other comprehensive income, net of tax		**25,937**	(9,644)
Impairment loss for debt instruments at fair value through other comprehensive income included in profit or loss, net of reversal		**5,621**	(817)
Exchange differences arising on translation of foreign operations		**4,396**	(33,924)
		35,954	(44,385)
Other comprehensive income for the year, net of tax		**721,894**	46,183
Total comprehensive income for the year		**27,804,821**	21,353,466
Profit for the year attributable to:			
Equity holders of the Company		**19,719,469**	15,172,278
Non-controlling interests		**7,363,458**	6,135,005
		27,082,927	21,307,283
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**20,433,115**	15,222,895
Non-controlling interests		**7,371,706**	6,130,571
		27,804,821	21,353,466
Basic and diluted earnings per share for the profit attributable to equity holders of the Company (RMB)	*10*	**1.49**	1.14

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	NOTES	As at 31 December 2022 RMB'000	As at 31 December 2021 RMB'000 (Restated)
Non-current assets			
Property, plant and equipment		**126,445,836**	129,208,630
Right-of-use assets		**362,754**	406,752
Investment properties		**69,089**	84,413
Mining rights		**39,484,920**	43,070,151
Intangible assets		**1,895,222**	1,924,916
Land use rights		**6,788,002**	6,385,064
Goodwill		**6,084**	6,084
Interests in associates		**25,240,148**	22,638,811
Interests in joint ventures		**4,508,156**	4,048,413
Equity instruments at fair value through other comprehensive income		**3,410,938**	2,417,834
Deferred income tax assets		**2,242,247**	2,376,648
Long-term receivables		**406,200**	369,680
Other non-current assets		**4,845,680**	3,855,168
Total non-current assets		**215,705,276**	216,792,564
Current assets			
Inventories		**9,350,026**	8,322,812
Trade receivables and notes receivables	*11*	**8,747,383**	7,768,165
Debt instruments at fair value through other comprehensive income	*11*	**5,881,285**	5,954,995
Contract assets		**1,972,141**	1,662,944
Prepayments and other receivables		**6,934,687**	8,774,646
Restricted bank deposits		**9,175,006**	6,150,730
Term deposits with initial terms of over three months		**51,852,476**	35,678,680
Cash and cash equivalents		**29,998,038**	31,095,384
Total current assets		**123,911,042**	105,408,356
TOTAL ASSETS		**339,616,318**	322,200,920

	NOTES	As at 31 December 2022 RMB'000	2021 RMB'000 (Restated)
Current liabilities			
Trade and notes payables	*12*	**25,420,854**	27,264,143
Contract liabilities		**6,236,819**	5,372,787
Accruals, advances and other payables		**37,285,929**	29,682,567
Lease liabilities		**73,291**	74,325
Taxes payable		**3,207,822**	3,183,238
Short-term borrowings		**281,390**	654,155
Current portion of long-term borrowings		**30,891,551**	11,578,247
Current portion of long-term bonds		**1,561,811**	10,063,267
Current portion of provision for close down, restoration and environmental costs		**38,723**	66,874
Total current liabilities		**104,998,190**	87,939,603
Non-current liabilities			
Long-term borrowings		**40,333,864**	60,862,670
Long-term bonds		**12,977,222**	14,173,894
Deferred income tax liabilities		**4,412,709**	5,597,260
Lease liabilities		**372,460**	419,448
Provision		**16,800**	79,532
Provision for employee benefits		**89,605**	96,972
Provision for close down, restoration and environmental costs		**5,141,213**	3,583,885
Deferred revenue		**2,235,906**	2,350,555
Other long-term liabilities		**4,259,184**	4,264,637
Total non-current liabilities		**69,838,963**	91,428,853
Total liabilities		**174,837,153**	179,368,456
Equity			
Share capital		**13,258,663**	13,258,663
Reserves	*13*	**52,551,361**	49,251,789
Retained earnings	*13*	**64,703,761**	51,599,022
Equity attributable to the equity holders of the Company		**130,513,785**	114,109,474
Non-controlling interests		**34,265,380**	28,722,990
Total equity		**164,779,165**	142,832,464
TOTAL EQUITY AND LIABILITIES		**339,616,318**	322,200,920

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Going Concern

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

3. RESTATEMENTS ARISING FROM BUSINESS COMBINATIONS UNDER COMMON CONTROL

3.1 2021 Acquisition

On 26 October 2021, the Group acquired the 100% equity interest in Beijing Zhongzhuang Changrong Coal Mining Machinery Co., Ltd ("**Changrong Company**") for a cash consideration of RMB4,320,000. On 30 November 2021, the Group acquired the 100% equity interest in Pingshuo Industrial Group Company Limited ("**Pingshuo Industrial Company**") for a cash consideration of RMB1,408,863,000. The two acquisitions were referred to as the "2021 Acquisition".

As the Group, Changrong Company and Pingshuo Industrial Company were under common control of China Coal Group before and after the 2021 Acquisition, the acquisition is considered as a business combination under common control. The principle of merger accounting for business combination involving businesses under common control has therefore been applied. As a result, the consolidated financial statements of the Group have been prepared as if Changrong Company and Pingshuo Industrial Company were subsidiaries of the Company ever since they became under common control of China Coal Group.

Accordingly, the consolidated statement of financial position as at 31 December 2020 has been restated to include the assets and liabilities of Changrong Company and Pingshuo Industrial Company at carrying amounts in the books of China Coal Group. The 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 2020 have been restated to include the results and cash flows of Changrong Company and Pingshuo Industrial Company as if Changrong Company and Pingshuo Industrial Company were subsidiaries of the Company throughout the year ended 31 December 2020. Respective notes to the consolidated financial statements have also been restated. All significant intragroup transactions, balances, income and expenses are eliminated on combination.

3.2 2022 Acquisition

On 14 January 2022, a wholly-owned subsidiary of the Company, China Coal Sales and Transportation Company Limited ("**China Coal Sales Company**", 中國煤炭銷售運輸有限責任公司), acquired a 56% equity interest in Jingmin Industrial and Trading Company Limited ("**Jing Min Company**", 中煤京閩(福建)工貿有限公司) held by the Parent Company at a consideration of RMB135,677,000. The acquisition was referred to as the "2022 Acquisition".

As the Group and Jing Min Company were under common control of China Coal Group before and after the 2022 Acquisition, the acquisition is considered as a business combination under common control. The principle of merger accounting for business combination involving businesses under common control has therefore been applied. As a result, the consolidated financial statements of the Group have been prepared as if Jing Min Company was a subsidiary of the Company ever since it was under common control of China Coal Group.

Accordingly, the consolidated statement of financial position as at 31 December 2021 has been restated to include the assets and liabilities of Jing Min Company at carrying amounts in the books of China Coal Group. The 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 2021 have been restated to include the results and cash flows of Jing Min Company as if Jing Min Company was a subsidiary of the Company as at 1 January 2021. Respective notes to the consolidated financial statements have also been restated. All significant intragroup transactions, balances, income and expenses are eliminated on combination.

As a result of the 2022 Acquisition, the relevant line items in the consolidated statement of financial position as at 31 December 2021 have been restated. The following table shows the effect for each individual line item affected:

	The Group (as previously reported) *RMB'000*	**Effect of the 2022 Acquisition** *RMB'000*	**Consolidation Adjustments** *RMB'000*	**The Group (after Acquisition)** *RMB'000* (Restated)
Consolidated statement of financial position at 31 December 2021:				
Non-current assets				
Property, plant and equipment	128,763,219	5,145	–	128,768,364
Intangible assets	1,924,774	142	–	1,924,916
Deferred income tax assets	2,373,505	3,143	–	2,376,648
Current assets				
Inventories	8,192,303	132,794	–	8,325,097
Trade receivables	7,545,912	320,934	(98,681)	7,768,165
Debt instruments at fair value through other comprehensive income	5,926,495	28,500	–	5,954,995
Prepayments and other receivables	8,732,859	41,791	(4)	8,774,646
Cash and cash equivalents	31,095,231	224,767	(224,614)	31,095,384
Current liabilities				
Trade and notes payables	27,198,784	163,611	(98,252)	27,264,143
Contract liabilities	5,176,923	195,864	–	5,372,787
Accruals, advances and other payables	29,829,409	78,205	(225,047)	29,682,567
Taxes payable	3,175,727	7,511	–	3,183,238
Short-term borrowings	581,547	72,608	–	654,155
Non-current liabilities				
Deferred revenue	2,341,650	8,905	–	2,350,555

	The Group (as previously reported) *RMB'000*	Effect of the 2022 Acquisition *RMB'000*	Consolidation Adjustments *RMB'000*	The Group (after Acquisition) *RMB'000* (Restated)
Equity				
Share capital	13,258,663	100,000	(100,000)	13,258,663
Reserves	49,195,789	54,147	1,853	49,251,789
Retained earnings	51,095,657	76,365	(3,278)	51,168,744
Non-controlling interest	28,613,862	–	101,425	28,715,287

As a result of the 2022 Acquisition, the relevant line items in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the year ended 31 December 2021, have been restated. The following table shows the effect for each individual line item affected:

	The Group (as previously reported) *RMB'000*	Effect of the 2022 Acquisition *RMB'000*	Consolidation Adjustments *RMB'000*	The Group (after Acquisition) *RMB'000* (Restated)
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021:				
Revenue	231,127,302	8,967,099	(739,567)	239,354,834
Materials used and goods traded	(146,279,711)	(8,873,738)	736,910	(154,416,539)
Staff costs	(7,167,475)	–	–	(7,167,475)
Depreciation and amortisation	(10,278,082)	–	–	(10,278,082)
Repairs and maintenance	(2,707,029)	–	–	(2,707,029)
Transportation costs and port expenses	(10,679,067)	–	–	(10,679,067)
Sales taxes and surcharges	(5,843,425)	(6,523)	–	(5,849,948)
Others	(10,254,942)	–	2,132	(10,252,810)
Selling expenses	(837,425)	(16,694)	2,656	(851,463)
General and administrative expenses	(5,649,293)	(7,169)	–	(5,656,462)
Other income	2,623	69	–	2,692
Impairment losses under expected credit loss model, net of reversal	(21,884)	(137)	–	(22,021)
Net of other gains and losses	(3,361,879)	(6,099)	–	(3,367,978)
Finance income	114,599	2,132	(2,132)	114,599
Finance costs	(4,068,509)	(3,059)	–	(4,071,568)
Income tax expense	(6,554,474)	(7,514)	–	(6,561,988)
Fair value changes on debt instruments at fair value through other comprehensive income, net of tax	(9,644)	–	–	(9,644)
Consolidated statement of cash flows for the year ended 31 December 2021:				
Net cash generated from (used in):				
Operating activities	48,106,335	(9,773)	–	48,096,562
Investing activities	(25,382,158)	(132)	–	(25,382,290)
Financing activities	(6,697,021)	9,965	–	(6,687,056)

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendment to IFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRSs 2018-2020	*Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41*

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

(a) Amendments to IFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the year, the amendments did not have any impact on the financial position and performance of the Group.

(b) Amendment to IFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The amendment did not have significant impact on the consolidated financial position and performance of the Group.

(c) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, and the cost of those items as determined by IAS 2 Inventories in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Prior to the initial application of the amendments, the Group produced items during the testing process of the Group's machinery and equipment and deducted the net proceeds from selling those items from the cost of machinery and equipment. As a result of applying the amendments, the Group has recognised the proceeds from selling those items and the cost of them in profit or loss for the current and prior years, and increased the corresponding cost and depreciation of the related machinery and equipment. There's no cumulative effect of initially applying the amendments and no adjustment to the retained earnings on 1 January 2021. Set out below are the amounts by which the consolidated statement of financial position as at 31 December 2021 was affected as at 31 December 2021 due to the application of Amendments to IAS 16:

	The Group (after Acquisition) (Note 3.2) *RMB'000*	**Effect of Application of Amendments to IAS 16** *RMB'000*	**The Group** (Restated) *RMB'000*
Property, plant and equipment	128,768,364	440,266	129,208,630
Total non-current assets	216,352,298	440,266	216,792,564
Inventories	8,325,097	(2,285)	8,322,812
Total current assets	105,410,641	(2,285)	105,408,356
TOTAL ASSETS	321,762,939	437,981	322,200,920
Retained earnings	51,168,744	430,278	51,599,022
Equity attributable to the equity holders of the Company	113,679,196	430,278	114,109,474
Non-controlling interests	28,715,287	7,703	28,722,990
Total equity	142,394,483	437,981	142,832,464
TOTAL EQUITY AND LIABILITIES	321,762,939	437,981	322,200,920

(d) Set out below are the amounts by which the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021 was affected due to the application of Amendments to IAS 16:

	The Group (after Acquisition) (Note 3.2) *RMB'000*	**Effect of Application of Amendments to IAS 16 and others** *RMB'000*	**The Group** (Restated) *RMB'000*
Revenue	239,354,834	473,605	239,828,439
Materials used and goods traded	(154,416,539)	188,824	(154,227,715)
Staff costs	(7,167,475)	(173,786)	(7,341,261)
Depreciation and amortisation	(10,278,082)	75	(10,278,007)
Repairs and maintenance	(2,707,029)	(17,344)	(2,724,373)
Transportation costs and port expenses	(10,679,067)	(4,260)	(10,683,327)
Sales taxes and surcharges	(5,849,948)	(56,304)	(5,906,252)
Others	(10,252,810)	(5,801)	(10,258,611)
Cost of sales	(201,350,950)	(68,596)	(201,419,546)
Gross profit	38,003,884	405,009	38,408,893
Selling expenses	(851,463)	32,972	(818,491)
Profit from operations	28,108,652	437,981	28,546,633
Profit before income tax	27,431,290	437,981	27,869,271
Profit for the year	20,869,302	437,981	21,307,283

As a result of the application of Amendments to IAS 16, the relevant line items in the Group's consolidated income statement and comprehensive income for the year ended 31 December 2022 which have been affected are shown below:

	Before the application of Amendments to IAS 16 *RMB'000*	**Effect of application of Amendments to IAS 16** *RMB'000*	**After the application of Amendments to IAS 16** *RMB'000*
Revenue	220,504,720	72,139	220,576,859
Sales taxes and surcharges	(7,237,231)	(3,414)	(7,240,645)
Others	(10,762,307)	(32,660)	(10,794,967)
Cost of sales	(170,942,780)	(36,074)	(170,978,854)
Gross profit	49,561,940	36,065	49,598,005
Profit from operations	33,264,642	36,065	33,300,707
Profit before income tax	34,547,064	36,065	34,583,129
Profit for the year	27,046,862	36,065	27,082,927

(e) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(f) *Annual Improvements to IFRSs 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendment that is applicable to the Group are as follows:

IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

5. SEGMENT INFORMATION

5.1 General information

(a) Factors that management used to identify the Group's operating and reportable segments

The Chief Operating Decision Maker ("**CODM**") has been identified as the Management Office (經營層).

The Group's operating and reportable segments are entities or group of entities that offer different products and services. The following reportable segments are presented in a manner consistent with the way in which information is reported internally to the Group's CODM for the purpose of resource allocation and performance assessment. They are managed according to different nature of products and services, production process and the environment in which they are operated. Most of these entities engage in just one single business under one operating segment, except for a few entities dealing with a variety of operations. Financial information of entities operating more than one segment has been separately presented as discrete segment information for CODM's review.

(b) Operating and reportable segments

The Group's operating and reportable segments are coal, coal-chemical products, mining machinery and finance.

- Coal – production and sales of coal;
- Coal – chemical products – production and sales of coal-chemical products;
- Mining machinery – manufacturing and sales of mining machinery;
- Finance – providing deposit, loan, bill acceptance and discount and other financial services to entities within the Group and China Coal Group.

In addition, segments relating to aluminium, electricity generating, equipment trading agency services, tendering services and other insignificant manufacturing businesses which are not reportable were combined and disclosed in "Others" segment category.

5.2 Information about operating and reportable segment profit or loss, assets and liabilities

(a) Measurement of operating and reportable segment profit or loss, assets and liabilities

The CODM evaluates performance on the basis of profit or loss before income tax expense. The Group accounts for inter-segment sales and transfers as if the sales or transfers were to the third parties, i.e. at current market prices. The amounts of segment information are denominated in RMB, which is consistent with the currency in the reports used by the CODM.

Segment assets and liabilities are those operating assets and liabilities that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets and liabilities exclude deferred income tax assets, deferred income tax liabilities, taxes payable or tax advanced payment and assets and liabilities of head office.

(b) Operating and reportable segments' profit or loss, assets and liabilities

	Year ended and as at 31 December 2022								
	Coal *RMB'000*	Coal-chemical products *RMB'000*	Mining machinery *RMB'000*	Finance *RMB'000*	Others *RMB'000*	Total segment *RMB'000*	Unallocated *RMB'000*	Inter-segment elimination *RMB'000*	Total *RMB'000*
Segment revenue									
Total revenue	190,918,482	22,701,052	10,608,534	2,385,526	7,583,220	234,196,814	–	(13,619,955)	220,576,859
Inter-segment revenue	(10,080,631)	(836,762)	(1,193,437)	(491,760)	(1,017,365)	(13,619,955)	–	13,619,955	–
Revenue from external customers	180,837,851	21,864,290	9,415,097	1,893,766	6,565,855	220,576,859	–	–	220,576,859
Segment results									
Profit (loss) from operations	30,685,890	1,251,372	689,633	1,268,293	(518,302)	33,376,886	(344,505)	268,326	33,300,707
Profit (loss) before income tax	31,892,906	2,795,838	669,441	1,267,635	(577,607)	36,048,213	(1,534,130)	69,046	34,583,129
Interest income	278,074	65,498	31,351	–	61,935	436,858	723,072	(1,024,795)	135,135
Interest expense	(1,658,801)	(750,030)	(84,948)	–	(218,898)	(2,712,677)	(2,007,643)	863,388	(3,856,932)
Depreciation and amortisation	(6,472,392)	(3,225,418)	(449,590)	(1,538)	(423,978)	(10,572,916)	(18,547)	–	(10,591,463)
Share of profits of associates and joint ventures	2,641,984	2,229,363	34,995	–	454	4,906,796	103,633	–	5,010,429
Income tax (expense) credit	(6,712,435)	(260,687)	(87,018)	(313,335)	141,131	(7,232,344)	(287,951)	20,093	(7,500,202)
Other material non-cash items									
Provision for impairment of property, plant and equipment	(669,777)	(702,878)	–	–	(575,961)	(1,948,616)	–	–	(1,948,616)
(Provision for) reversal of impairment of other assets	(6,954,239)	(25,265)	(63,113)	(99,447)	18,618	(7,123,446)	(880)	87,203	(7,037,123)
Addition to non-current assets	6,843,743	3,556,574	198,119	4,837	32,755	10,636,028	11,448	–	10,647,476
Segment assets and liabilities									
Total assets	195,005,314	64,169,902	19,745,261	96,169,284	15,352,034	390,441,795	11,862,103	(62,687,580)	339,616,318
Including: interests in associates and joint ventures	10,271,089	14,738,242	596,740	–	282,827	25,888,898	3,859,406	–	29,748,304
Total liabilities	98,085,928	24,120,937	10,275,756	90,708,338	9,080,775	232,271,734	59,828,301	(117,262,882)	174,837,153

	Year ended and as at 31 December 2021(Restated)								
	Coal *RMB'000*	Coal–chemical products *RMB'000*	Mining machinery *RMB'000*	Finance *RMB'000*	Others *RMB'000*	Total segment *RMB'000*	Unallocated *RMB'000*	Inter–segment elimination *RMB'000*	Total *RMB'000*
Segment revenue									
Total revenue	211,094,186	21,851,066	10,372,623	1,691,036	8,403,044	253,411,955	–	(13,583,516)	239,828,439
Inter-segment revenue	(10,165,075)	(364,636)	(1,495,849)	(383,540)	(1,174,416)	(13,583,516)	–	13,583,516	–
Revenue from external customers	200,929,111	21,486,430	8,876,774	1,307,496	7,228,628	239,828,439	–	–	239,828,439
Segment results									
Profit (loss) from operations	26,802,503	1,518,347	626,871	1,101,075	(1,136,537)	28,912,259	(265,006)	(100,620)	28,546,633
Profit (loss) before income tax	26,334,086	2,889,766	493,834	1,100,412	(1,215,561)	29,602,537	(1,611,996)	(121,270)	27,869,271
Interest income	305,651	44,238	26,280	–	20,013	396,182	1,002,513	(1,284,096)	114,599
Interest expense	(1,922,626)	(819,999)	(75,007)	–	(218,556)	(3,036,188)	(2,424,438)	1,363,854	(4,096,772)
Depreciation and amortisation	(6,893,325)	(2,835,001)	(454,549)	(1,585)	(613,811)	(10,798,271)	(18,156)	–	(10,816,427)
Share of profits of associates and joint ventures	1,142,670	2,147,389	(85,585)	–	–	3,204,474	75,133	–	3,279,607
Income tax (expense) credit	(5,662,241)	(113,551)	(61,241)	(274,033)	(8,526)	(6,119,592)	(460,920)	18,524	(6,561,988)
Other material non-cash items									
Provision for impairment of property, plant and equipment	(2,239,433)	(26,237)	(20,349)	–	(1,233,428)	(3,519,447)	–	–	(3,519,447)
(Provision for) reversal of impairment of other assets	(115,471)	(3,763)	(18,912)	32,823	671	(104,652)	574	(12,417)	(116,495)
Addition to non-current assets	7,938,277	3,953,127	198,532	126	67,611	12,157,673	(383,978)	–	11,773,695
Segment assets and liabilities									
Total assets	164,854,985	58,781,692	19,243,827	75,667,250	11,538,899	330,086,653	13,587,599	(21,473,332)	322,200,920
Including: interests in associates and joint ventures	8,666,869	13,481,969	577,033	–	134,097	22,859,968	3,827,256	–	26,687,224
Total liabilities	70,356,829	20,835,953	9,031,696	70,933,993	5,594,810	176,753,281	68,508,960	(65,893,785)	179,368,456

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

5.3 Geographical information

Information about the Group's revenue from external customers is presented based on the geographical location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

Analysis of revenue

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
		(Restated)
Domestic markets	**218,536,929**	238,781,437
Overseas markets	**2,039,930**	1,047,002
	220,576,859	239,828,439

Analysis of non-current assets

	As at 31 December	
	2022	2021
	RMB'000	*RMB'000*
		(Restated)
Domestic markets	**209,645,626**	211,627,822
Overseas markets	**265**	580
	209,645,891	211,628,402

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

5.4 Major customers

No revenue from transactions with a single external customer amounts to 10% or more of the Group's revenue for both 2022 and 2021.

6. REVENUE

	Year ended 31 December 2022 RMB'000	2021 RMB'000 (Restated)
Goods and services	**218,406,144**	238,194,788
Rental income	**276,949**	326,155
Interest income	**1,893,766**	1,307,496
	220,576,859	239,828,439

(i) Disaggregation of revenue from contracts with customers:

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

	Year ended 31 December 2021 (Restated)				
	Coal *RMB'000*	Coal-chemical products *RMB'000*	Mining machinery *RMB'000*	Others *RMB'000*	Total *RMB'000*
Sales of goods recognised					
Sales of coal	200,444,858	–	–	–	200,444,858
Sales of coal-chemical products	–	21,443,483	–	–	21,443,483
Sales of mining machinery	–	–	8,378,567	–	8,378,567
Sales of electric power	–	–	–	4,320,762	4,320,762
Sales of aluminum products	–	–	–	2,011,983	2,011,983
Others	23,989	17,764	268,280	527,112	837,145
	200,468,847	21,461,247	8,646,847	6,859,857	237,436,798
Provision of services recognised					
Agent services	10,246	–	16,700	108,248	135,194
Railway services	3,191	–	–	202,005	205,196
Others	169,359	15,405	181,482	51,354	417,600
	182,796	15,405	198,182	361,607	757,990
Revenue from contracts with customers	200,651,643	21,476,652	8,845,029	7,221,464	238,194,788
Analysed by geographical markets					
Domestic markets	200,102,703	21,411,738	8,411,881	7,221,464	237,147,786
Overseas markets	548,940	64,914	433,148	–	1,047,002
	200,651,643	21,476,652	8,845,029	7,221,464	238,194,788

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

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

	Year ended 31 December 2021 (Restated)			
	Segment revenue *RMB'000*	Eliminations *RMB'000*	Less: rental and interest income *RMB'000*	Consolidated *RMB'000*
Coal	211,094,186	(10,165,075)	(277,468)	200,651,643
Coal-chemical products	21,851,066	(364,636)	(9,778)	21,476,652
Mining machinery	10,372,623	(1,495,849)	(31,745)	8,845,029
Finance	1,691,036	(383,540)	(1,307,496)	–
Others	8,403,044	(1,174,416)	(7,164)	7,221,464
Total	253,411,955	(13,583,516)	(1,633,651)	238,194,788

(ii) Performance obligations for contracts with customers

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

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

The consideration received from the customers before the delivery of goods is recognised as contract liabilities in the Group's consolidated financial statements. There is no significant financing component or right of return arrangement in the sales contract.

Sales of coal-chemical products (revenue recognised at a point in time)

The Group sells coal-chemical products directly to the customers, revenue is recognised when the customers obtained control of goods transferred, i.e. when the customers received the coal-chemical products.

The consideration received from the customers before the delivery of goods is recognised as contract liabilities in the Group's consolidated financial statements. There is no significant financing component or right of return arrangement in the sales contract.

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

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

7. FINANCE INCOME AND COSTS

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
		(Restated)
Finance income:		
– Interest income on bank deposits	**106,739**	84,297
– Interest income on entrusted loans	**28,396**	30,302
Total finance income	**135,135**	114,599
Interest expenses:		
– Borrowings	**2,833,864**	3,008,344
– Long-term bonds	**820,857**	1,198,310
– Unwinding of discount	**371,307**	298,284
– Lease liabilities	**22,578**	26,821
Other incidental bank charges	**7,720**	1,581
Net foreign exchange losses	**(1,510)**	(26,785)
Finance costs	**4,054,816**	4,506,555
Less: amounts capitalised on qualifying assets (Note)	**(191,674)**	(434,987)
Total finance costs	**3,863,142**	4,071,568
Finance costs, net	**3,728,007**	3,956,969

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

	Year ended 31 December	
	2022	2021
Capitalisation rate used to determine the amount of finance costs eligible for capitalisation	**3.45%-4.89%**	4.18%-4.90%

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Current income tax – PRC enterprise income tax (Note (a))	**9,308,701**	6,842,719
Deferred income tax	**(1,808,499)**	(280,731)
	7,500,202	6,561,988

Notes:

(a) The provision for the PRC enterprise income tax is calculated based on the statutory income tax rate of 25%. The applicable income tax rate in 2022 and 2021 is 25% on the assessable income of each of the companies now comprising the Group, determined in accordance with the relevant PRC income tax rules and regulations, except for certain subsidiaries which are taxed at preferential tax rate of 15% based on the relevant PRC tax laws and regulations. For Sunfield Resources Pty Ltd, a subsidiary registered in Australia, tax is calculated based on the statutory income tax rate of 30%. For China Japan Coal Ltd, a subsidiary registered in Japan, tax is calculated by 15.0% for the portion under 8 million yen and 23.2% for the portion of 8 million yen or above.

(b) The taxation of the Group's profit before income tax differs from the theoretical amount that would arise using the rates prevailing in the jurisdictions in which the Group operates as follows:

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
		(Restated)
Profit before income tax	**34,583,129**	27,869,271
Tax calculated at statutory income tax rate of 25% (2021: 25%) in the PRC	**8,645,782**	6,967,318
Effect of preferential tax rates on income of certain subsidiaries	**(1,116,570)**	(790,708)
Adjustment of income tax of the previous period	**33,438**	(92,886)
Income not subject to taxation	**(761,591)**	(824,844)
Expenses not deductible for taxation purposes	**117,430**	105,798
Utilisation of previously unrecognised tax losses	**(678,593)**	(228,801)
Tax losses for which no deferred income tax asset has been recognised	**38,813**	446,200
Deductible temporary differences for which no deferred income tax asset has been recognised	**337,667**	634,917
Recognition of previously unrecognised deductible temporary differences	**4,079**	(9,780)
Additional expenses allowable for tax deduction	**(117,375)**	(129,084)
Taxable impact regarding transfer of investment in a associate from the company to a subsidiary	**603,925**	–
Others	**393,197**	483,858
Income tax expense	**7,500,202**	6,561,988

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

	Year ended 31 December 2022			Year ended 31 December 2021		
	Before tax	**Tax charge**	**After tax**	Before tax	Tax credit	After tax
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Fair value changes on equity instruments measured at FVTOCI	**(965,408)**	**211,119**	**(754,289)**	(90,566)	(2)	(90,568)
Fair value changes on debt instruments measured at FVTOCI	**(30,947)**	**5,010**	**(25,937)**	13,335	(3,691)	9,644
Impairment loss for debt instruments at FVTOCI included in profit or loss, net of reversal	**(5,621)**	**–**	**(5,621)**	817	–	817
Exchange differences arising on translation of foreign operations	**(4,396)**	**–**	**(4,396)**	33,924	–	33,924
Share of other comprehensive income of associates, net of related income tax	**68,349**	–	**68,349**	–	–	–
	(938,023)	**216,129**	**(721,894)**	(42,490)	(3,693)	(46,183)
Deferred income tax		**216,129**			(3,693)	

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

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Deferred income tax	**216,129**	(3,693)

9. DIVIDENDS

During the year ended 31 December 2022, dividends for ordinary shareholders of the Company recognised as distribution is RMB3,984,572,400 being final divided for the year ended 31 December 2021 of RMB0.301 per share for 13,258,663,400 shares.

A total dividend of RMB5,472,160,500 for the year ended 31 December 2022 has been proposed by the directors of the Company and is subject to approval by the shareholders at the 2022 annual general meeting. These consolidated financial statements do not reflect this dividend payable.

	Year ended 31 December 2022 *RMB'000*
Proposed final dividend	**5,472,161**

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the number of 13,258,663,400 ordinary shares in issue during the year.

	Year ended 31 December	
	2022	2021 (Restated)
Profit attributable to the equity holders of the Company (RMB'000)	**19,719,469**	15,172,278
Number of ordinary shares in issue (in thousands)	**13,258,663**	13,258,663
Basic earnings per share (RMB per share)	**1.49**	1.14

There were no differences between the basic and diluted earnings per share amounts for the year ended 31 December 2022 and 2021 as the Group had no dilutive potential ordinary shares in issue during those periods.

11. TRADE AND NOTES RECEIVABLES/DEBT INSTRUMENTS AT FVTOCI

	As at 31 December	
	2022 *RMB'000*	2021 *RMB'000* (Restated)
Trade receivables (Notes (a), (b) and (c))	**8,239,265**	7,768,165
Notes receivables	**508,118**	–
	8,747,383	7,768,165
Debt instruments at FVTOCI (Notes (d) and (e))	**5,881,285**	5,954,995

Notes:

(a) Trade receivables are analysed as follows:

	As at 31 December	
	2022 *RMB'000*	2021 *RMB'000* (Restated)
Trade receivables		
– Associates	**239,872**	665,965
– Joint ventures	**36,241**	1,307
– Fellow subsidiaries	**802,779**	918,637
– Third parties	**7,160,373**	6,182,256
Trade receivables, net	**8,239,265**	7,768,165

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

	As at 31 December	
	2022	2021
	RMB'000	*RMB'000*
		(Restated)
Within 6 months	**6,330,707**	5,720,508
7 months – 1 year	**764,323**	980,783
1 – 2 years	**773,611**	558,198
2 – 3 years	**310,640**	293,350
Over 3 years	**819,141**	769,037
Trade receivables, gross	**8,998,422**	8,321,876
Less: Allowance for credit losses	**(759,157)**	(553,711)
Trade receivables, net	**8,239,265**	7,768,165

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers, domestically and internationally dispersed.

As at 31 December 2022, the Group obtained a long-term loan of RMB1,837,624,000 from the bank, with future electricity revenue contract rights of RMB177,324,000 as collateral.

Trade receivables from related parties are unsecured, interest-free and repayable within one year in accordance with the relevant contracts entered into between the Group and the related parties.

(b) The carrying amounts of trade receivables are denominated in the following currencies:

	As at 31 December	
	2022	2021
	RMB'000	*RMB'000*
		(Restated)
RMB	**8,210,225**	7,654,035
US Dollar ("**USD**")	**29,040**	114,130
	8,239,265	7,768,165

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

(d) Debt instruments at FVTOCI are notes receivables which are considered to be held within a business model whose objective is achieved by both selling and collecting contractual cash flows. The notes receivables are principally bank accepted notes with maturity of less than one year (31 December 2021: less than one year).

(e) As at 31 December 2022, notes receivables of RMB202,163,000 (2021: RMB236,199,000) are pledged to banks for issuing notes payables amounting to RMB162,163,000 (2021: RMB192,953,000).

12. TRADE AND NOTES PAYABLES

	As at 31 December	
	2022	2021
	RMB'000	*RMB'000*
		(Restated)
Trade payables (note (a))	**23,319,776**	24,273,261
Notes payables	**2,101,078**	2,990,882
	25,420,854	27,264,143

Notes:

(a) Trade payables are analysed as follows:

	As at 31 December	
	2022	2021
	RMB'000	*RMB'000*
		(Restated)
Trade payables		
– Fellow subsidiaries	**4,370,584**	3,225,374
– A joint venture	**–**	–
– Associates	**333,378**	219,295
– Third parties	**18,615,814**	20,828,592
	23,319,776	24,273,261

Trade payables due to related parties are unsecured, interest-free and payable in accordance with the relevant contracts entered into between the Group and the related parties.

Aging analysis of trade payables based on date of delivery of goods and service received is as follows:

	As at 31 December	
	2022	2021
	RMB'000	*RMB'000*
		(Restated)
Less than 1 year	**20,235,004**	20,763,524
1 – 2 years	**1,234,426**	1,493,262
2 – 3 years	**612,110**	565,699
Over 3 years	**1,238,236**	1,450,776
	23,319,776	24,273,261

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

	As at 31 December	
	2022	2021
	RMB'000	*RMB'000*
		(Restated)
RMB	**25,418,300**	27,135,291
USD	**2,554**	128,852
	25,420,854	27,264,143

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

(d) As at 31 December 2022, notes receivables with amount of RMB202,163,000 (2021: RMB236,199,000) are pledged to banks for issuing notes payables amounting to RMB162,163,000 (2021: RMB192,953,000).

13. RESERVES AND RETAINED EARNINGS

	Capital reserve	**Statutory reserve funds**	**General reserve**	**Future development fund**	**Safety fund**	**Other funds related to coal mining**	**Translation reserve**	**Other reserves**	**Retained earnings**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(note a)		*(note b)*	*(note c)*	*(note d)*				
At 31 December 2020 as previously reported	32,846,821	4,846,957	470,764	1,667,389	1,928,694	73,691	(55,946)	6,356,571	40,407,688	88,542,629
Acquisition of a subsidiary under common control in 2022 *(Note 3.2)*	56,000	–	–	–	–	–	–	(16)	46,002	101,986
At 1 January 2021 (Restated)	32,902,821	4,846,957	470,764	1,667,389	1,928,694	73,691	(55,946)	6,356,555	40,453,690	88,644,615
Profit for the year (Restated)	–	–	–	–	–	–	–	–	15,172,278	15,172,278
Other comprehensive income (expense), net of tax	–	–	–	–	–	–	(33,924)	84,541	–	50,617
Appropriations	–	671,147	111,779	619,495	915,345	(1,181)	–	–	(2,316,585)	–
Share of other change of reserves of associates and joint ventures	–	–	–	–	–	–	–	(117,770)	262,476	144,706
Acquisition of a subsidiary under common control in 2021 *(Note 3.1)*	(1,217,020)	–	–	–	–	–	–	–	(196,163)	(1,413,183)
Dividends	–	–	–	–	–	–	–	–	(1,776,661)	(1,776,661)
Others (Restated)	–	–	–	–	–	–	–	28,452	(13)	28,439
At 31 December 2021 (Restated)	31,685,801	5,518,104	582,543	2,286,884	2,844,039	72,510	(89,870)	6,351,778	51,599,022	100,850,811

	Capital reserve RMB'000	Statutory reserve funds RMB'000 (note a)	General reserve RMB'000	Future development fund RMB'000 (note b)	Safety fund RMB'000 (note c)	Other funds related to coal mining RMB'000 (note d)	Translation reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
At 31 December 2021 as previously reported	31,629,801	5,518,104	582,543	2,286,884	2,844,039	72,510	(89,870)	6,351,778	51,095,657	100,291,446
Acquisition of a subsidiary under common control in 2022 *(Note 3.2)*	56,000	–	–	–	–	–	–	–	73,087	129,087
Application of Amendments of IAS 16 *(Note 4)*	–	–	–	–	–	–	–	–	430,278	430,278
At 1 January 2022 (Restated)	31,685,801	5,518,104	582,543	2,286,884	2,844,039	72,510	(89,870)	6,351,778	51,599,022	100,850,811
Profit for the year	–	–	–	–	–	–	–	–	19,719,469	19,719,469
Other comprehensive income (expense), net of tax	–	–	–	–	–	–	4,396	709,250	–	713,646
Appropriations	–	610,507	518,422	696,112	573,693	(6,338)	–	–	(2,392,396)	–
Share of other change of reserves of associates and joint ventures	–	–	–	–	–	–	–	340,310	(230,042)	110,268
Acquisition of a subsidiary under common control in 2022 *(Note 3.2)*	(135,677)	–	–	–	–	–	–	–	–	(135,677)
Dividends	–	–	–	–	–	–	–	–	(4,000,797)	(4,000,797)
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	–	–	–	–	–	–	(11,379)	8,534	(2,845)
Others	–	–	–	–	–	–	–	276	(29)	247
At 31 December 2022	31,550,124	6,128,611	1,100,965	2,982,996	3,417,732	66,172	(85,474)	7,390,235	64,703,761	117,255,122

Notes:

(a) Statutory reserve funds

In accordance with the PRC Company Law and the relevant articles of association, each of the Company and its subsidiaries established in the PRC (the "**PRC Group Entities**") is required to set aside 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to the PRC companies ("**PRC GAAP**") and regulations applicable to the PRC Group Entities, to the statutory reserve funds until such reserve reaches 50% of the registered capital of the relevant PRC Group Entities. The appropriation to the reserve must be made before any distribution of dividends to the equity holders before reaching 50% threshold mentioned above. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as the relevant PRC Group Entities' share capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the relevant PRC Group Entities.

(b) Future development fund

Pursuant to the relevant PRC regulations, the Group is required to set aside an amount to a future development fund. The fund can be used for future development of the coal mining operations, and is not available for distribution to shareholders. Upon incurring qualifying development expenditures, an equivalent amount should be transferred from future development fund to retained earnings.

(c) **Safety fund**

Pursuant to certain regulations issued by the Ministry of Finance (財政部) and the State Administration of Work Safety (安全監管總局) of the PRC, the subsidiaries of the Company which are engaged in coal mining are required to set aside an amount to a safety fund at RMB5 to RMB50 per ton of raw coal mined. The subsidiaries of the Company which are engaged in coal-chemical, machinery manufacturing, electricity metallurgy and other relevant business are required to set aside an amount of certain percentage of revenue to a safety fund. The safety fund can be used for safety facilities and environment improvement, and is not available for distribution to shareholders. Upon incurring qualifying safety expenditure, an equivalent amount should be transferred from safety fund to retained earnings.

(d) **Other funds related to coal mining**

(i) Transformation and environmental restoration fund

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

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

(ii) Sustainable development fund

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

14. CONTINGENT LIABILITIES

In 2009, the Company acquired the entire interests in Yihua Mining and Mengda Mining in the open market and since then they become the wholly-owned subsidiaries. During the years 2010 and 2011, the Company made a number of acquisitions in Yinhe Hongtai in the open market and then it becomes a subsidiary.

In 2021, Wushengqi State-owned Assets Investment and Management Co., LTD. ("**Wushengqi**") launched claims to Yihua Mining, Mengda Mining and Yinhe Hongtai, for (1) the contracts entered on 25 December 2008 for the transfer of mining rights in Mudu Chaideng Coal Mine to Yihua Mining, (2) the contract entered on 25 December 2008 for the transfer of mining rights in No. 2 Coal Mine in Nalinhe Mine Area to Mengda Mining; and (3) the contract entered on 26 July 2007 for the transfer of relevant mining right to Yinhe Hongtai. Wushengqi claimed that these contracts were invalid as these transfer of mining rights violated the relevant rules and regulations of the Inner Mongolia Autonomous Region while they were determined below the required minimum transfer price for high-quality thermal coal. The Company has been sued for the differences between the required minimum prices and the actual transfer considerations paid by the then-existing owners of these entities.

In mid-January 2022, Ordos Intermediate People's Court made the first instance judgment on three cases, and ordered Yihua Mining, Mengda Mining and Yinhe Hongtai to pay for the under-paid transfer prices of RMB1.454 billion, RMB2.224 billion and RMB1.623 billion, respectively. Yihua Mining, Mengda Mining and Yinhe Hongtai have appealed to the Higher People's Court of The Inner Mongolia Autonomous Region against the verdict of the first instance.

On 22 December 2022, the Higher People's Court of The Inner Mongolia Autonomous Region revoked the first instance judgements of the Ordos Intermediate People's Court and remanded the judgement to the Ordos Intermediate People's Court for retrial. The appeal is on-going as of the report date. The Company will continue to monitor the latest developments in these litigations to assess the possible implications.

15. FINANCIAL GUARANTEE CONTRACTS

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

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

		As at 31 December	
		2022	2021
	Year of maturity	**Face value**	Face value
		RMB'000	*RMB'000*
Bank loans of:			
– Related parties	2035	**1,248,639**	7,504,455
– Third parties	2045	**334,000**	316,000
Total		**1,582,639**	7,820,455

In addition to the above disclosed, outstanding financial guarantee provided by the Group in respect of unutilised bank facilities of Zhongtian Synergetic Energy Company Limited ("**Zhongtian Synergetic**"), an associate of the Group, and Yan'an Hecaogou Coal Company Limited ("**Hecaogou Coal**"), a joint venture of the Group, amounted to nil and nil respectively, as at 31 December 2022 (31 December 2021: RMB11.3 billion and RMB811 million respectively).

16. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for by the Group at the end of the reporting period but not yet incurred is as follows:

	As at 31 December	
	2022	2021
	RMB'000	*RMB'000*
Property, plant and equipment	**4,603,830**	4,656,720
Mining rights	**235,000**	235,000
Technical know-how	**9,391**	31,686
	4,848,221	4,923,406

(b) **Investment commitments**

According to the agreement entered into on 15 July 2006, Zhongtian Synergetic was established by the Company, China Petroleum & Chemical Corporation and the other two companies. As a 38.75% shareholder, the Company has invested RMB6,787 million in Zhongtian Synergetic as at 31 December 2022 and is committed to further invest RMB481 million in the future.

According to the agreement entered into on October 2014, Shaanxi Jingshen Railway Company Limited ("**Jingshen Railway**") was established by Shaanxi Yulin (a subsidiary of the Company), Shaanxi Coal and Chemical Industry Group Co., Ltd., Shaanxi Yulin Coal Distribution Co., Ltd. and a number of other independent parties. As a 4% shareholder, Shaanxi Yulin has invested RMB215 million in Jingshen Railway as at 31 December 2022 and is committed to further invest RMB33 million in the future.

According to the agreement entered into in June 2021, China Coal Pingshuo Group Co., Ltd ("**Pingshuo Group**"), a subsidiary of the Company, invested RMB1,000 million as a limited partner to subscribe for the fund shares of Shuozhou Huashuo Jinshi Energy Industry Transformation Master Fund Partnership (limited partnership) ("**Partnership**"). Pingshuo Group has invested RMB200 million in Partnership as at 31 December 2022 and is committed to invest the remaining subscribed capital of RMB800 million during the investment period of the Partnership.

17. EVENTS AFTER THE END OF THE REPORTING PERIOD

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

CHAIRMAN'S STATEMENT

Dear Shareholders,

In 2022, China Coal Energy resolutely implemented the decisions and deployment of the State Council of China, and by embracing, studying and carrying out the spirit of the 20th Party Congress, we insisted on high-quality development, fully implemented the development direction of "efficiency enhancement and incremental transformation", and accelerated the building of a world-class energy enterprise. During the reporting period, sales revenue from major products such as coal, coal chemical and coal mining equipment maintained the momentum of growth. The Group realised profit before tax of RMB34.583 billion, representing a year-on-year increase of 24.1%; profit attributable to equity holders of the Company amounted to RMB19.719 billion, representing a year-on-year increase of 30.0%; net cash inflow created by production and sales activities amounted to RMB40.049 billion, representing a year-on-year increase of 7.3%. The return on net assets increased by 2.1 percentage points year-on-year; and the gearing ratio decreased by 6.2 percentage points over the beginning of the year.

Resolutely carrying out the mission of securing energy supply and making positive contributions to stable economic and social development. We organized coal production and sales in a scientific manner, vigorously released advanced production capacity while ensuring safety, and strictly implemented the national policy on supply and price stability. During the year, we produced 119.17 million tonnes of self-produced commercial coal, representing a year-on-year increase of 4.4%, and continued to operate coal chemical business in a safe, efficient and stable manner. The output of the major products reached 5.667 million tonnes, representing a year-on-year increase of 3.4%, despite the scheduled overhaul of some equipment. We continuously enhanced the high-end manufacturing and intelligent research and development of coal mining equipment and achieved an output value of RMB9.96 billion, representing a year-on-year increase of 5.3%. We continued to promote technological innovation through financial business and unremittingly improved the level of intensive and lean management of funds. The asset scale of the Finance Company reached nearly RMB100 billion, leading the industry in terms of capital concentration and operation efficiency, which further enhanced the service guarantee capability.

The sound operation and development of various businesses of the Company have strongly supported the synergic development of urban and rural areas where our key enterprises are located. During the reporting period, the Company also directly invested more than RMB59 million in various poverty alleviation campaigns, serving and rewarding the society and laying a solid foundation for social development.

Continuously optimising and adjusting industrial layout and structure and promoting green and low-carbon development. Focusing on key regions with abundant resources, such as Xinjiang, Inner Mongolia, Shaanxi and Shanxi, the Company constantly increased advanced production capacity and actively implemented demonstration bases for the coal-power integration and integration of coal power and renewable energy to explore the construction of new energy structure. As a key coal mine for energy supply assurance, Dahaize Coal Mine with an annual output of 15 million tonnes of high-quality thermal coal has overall attained successful trial operation, and was approved for the increase in output by 5 million tonnes to 20 million tonnes. The production capacity of two open pit coal mines in Pingshuo Group East Open Pit Coal Mine and Anjialing Coal Mine was increased by 5 million tonnes per year upon on-site review, respectively. Besides, the production capacity of Xinjiang 106 Coal Mine was approved to increase by 600,000 tonnes. By actively promoting the construction of key projects, we made steady progress in the construction of Libi Coal Mine with an annual output of 4 million tonnes of anthracite and Antaibao 2×350MW low calorific value coal power generation project, completed all external approval procedures for Shaanxi Yulin's coal chemical phase II project with an annual output of 900,000 tonnes of polyolefin, and included Wushenqi Tuke 2×660MW pithead coal power project into the planning of new coal power projects in the west of Inner Mongolia. By accelerating green transformation, we basically completed the 263MW photovoltaic project of the first phase of the new energy demonstration base of Shanghai Energy Company and realized grid connection, started the construction of the 100MW agricultural-photovoltaic complementary project of Pingshuo Group, and included the 160MW photovoltaic power generation project into the list of guaranteed grid-connected new energy projects in Shanxi Province. Based on the actual condition of the Company, we summarized and actively practiced the green development concept of "carbon production without carbon emission" and "coal-free coal chemical industry". The 100,000-ton "Liquid Sunshine" project, an innovative low-carbon energy integration model, was selected in the first list of "Enlisting and Leading" of "Double-Carbon" key technological innovation demonstration projects in Inner Mongolia Autonomous Region in 2022.

Deepening reform and innovation and continuously enhancing vitality and momentum of high-quality development. With the successful completion of the Three-year Action Plan on State-owned Enterprise Reform, we accomplished all tasks, continuously improved the institutional system and steadily enhanced the modern corporate governance capability. By implementing special arrangements for improving the quality of listed company controlled by state-owned enterprises, we continued to strengthen corporate governance and information disclosure, and won the Best Capital Market Communication Award in the Sixth China IR Excellence Awards. We maintained an A grade in the annual information disclosure evaluation of the Shanghai Stock Exchange for consecutive years. Centering on major regional development strategies of the country, we continued to promote regional and professional integration and optimize industrial and regional layouts. We actively explored and promoted market-based operation mechanisms such as special project awards, term-based awards as well as the "Enlisting and Listing" mechanism, adding to the vitality of reform and innovation. By stepping up efforts to make core technological breakthrough and increasing investment in technological research and development, we obtained 257 patents, and 2 types of coal mining products, namely the scraper conveyor equipment and hydraulic support, were selected as national champion products of manufacturing industry. By focusing on key national research and development plans, we filled the technological gap with the high-end wear-resistant steel plate new material preparation technology and the technical performance of the full set of individual forcible entry tools in emergency rescue and disaster relief was industry-leading. In advancing technological breakthroughs for major science and technology special projects, we set a new industry benchmark for efficient major disaster control by adopting a combined fracturing and anti-shock technology up and down the pit in coal mines in Inner Mongolia and Shaanxi. The construction of intelligent coal mines has achieved significant success, of which, 36 intelligent mining faces were established, 4 mines have passed the examination and acceptance for intelligent demonstration coal mines and 9 mines have met level 1 of national safe production standardized management system, showcasing our further improvement in safety assurance capacity.

The 20th Party Congress highlighted high-quality development as the top task of building a modern socialist country in all respects. In 2023, China Coal Energy will thoroughly implement the spirit of the 20th Party Congress and carry out the new development concept completely, precisely and comprehensively. We will focus on high-quality development and further promote the development concept of "efficiency enhancement and incremental transformation" to accelerate the construction of a world-class energy enterprise in the following aspects. **First,** centering on the "14th Five-Year Plan", we will accelerate the construction of demonstration bases for "combination of coal and coal power, combination of coal power and renewable energy", continue to optimise the industrial layout and structure, continuously improve the energy supply and security guarantee capacity and accelerate the green and low-carbon transformation. **Second,** we will thoroughly implement a new round of tasks on the reform of state-owned enterprises, firmly promote the special project to improve the quality of listed company controlled by state-owned enterprises, and bring out greater vitality and organic momentum for high-quality development with a more sound and efficient market-oriented and law-oriented operation mechanism and good corporate governance. **Third,** we will continue to strengthen innovation, constantly optimise technology innovation structure and mechanism, actively integrate into the national technology innovation structure, quicken the steps to make breakthroughs of key and core technologies, and keep on promoting the construction of digital China Coal. **Fourth,** by adhering to the system concept and bottom-line thinking, we will continue to strengthen safe production, ecological protection, energy conservation and emission reduction while preventing and resolving various major risks. **Fifth,** we will insist on running in line with world-class standards, continuously improve lean and refined management and constantly improve quality and efficiency in order to successfully achieve the annual production and operation goals. **Sixth,** we will continue to improve the level of corporate governance and the quality of information disclosure, further enhance communication and exchange with investors, strengthen market value management and maintain a good image in the capital market.

In 2023, the management and staff of the Company will make persistent efforts and forge ahead while staying true to our original aspiration and bearing in mind our mission. We will actively participate in Chinese modernization of energy and reward all shareholders and investors with new endeavors in building a world-class energy enterprise and new achievements of pursuing high-quality development.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND OPERATING RESULTS

The following discussion and analysis should be read in conjunction with the Group's audited financial statements and the notes thereto. The Group's financial statements have been prepared in accordance with the IFRS.

I. OVERVIEW

For the year ended 31 December 2022, the Group organised and fostered various tasks for production, operation, reform and development, strengthened the organisation of production and sales, took scientific control of cost, and deepened lean management, maintaining a high-quality development trend with progress in stability and promising advancement. The Group realised revenue of RMB220.577 billion for the year, profit before tax of RMB34.583 billion, profit attributable to the equity holders of the Company of RMB19.719 billion, and net cash inflow from production and sales activities of RMB40.049 billion.

During the reporting period, coal production enterprises actively released their advanced capacity, made every effort to maintain stable supply and price, achieving gross profit of RMB43.088 billion, representing a year-on-year increase of RMB9.909 billion. Coal chemical enterprises coordinated production and device maintenance to achieve safe, stable and efficient operation, achieving gross profit of RMB2.730 billion in production and operation, representing a year-on-year increase of RMB482 million. Equipment enterprises intensively promoted high-end intelligent transformation and upgrade, optimised the product and business structure and captured quality orders, achieving revenue of RMB10.609 billion and profit before tax of RMB669 million, thereby maintaining a continuous growth trend. Finance Company promoted financial innovation continuously and strengthened the lean management of funds, achieving profit before tax of RMB1.268 billion, representing a year-on-year increase of RMB168 million. With significant improvement in operating efficiency of associates and joint ventures, the Group recognised share of profits of associates and joint ventures in proportion to shareholding of RMB5.010 billion, representing a year-on-year increase of RMB1.730 billion. In addition, the Group further solidified asset quality. For inaccessible mining rights in the short term, increased investment costs due to longer construction cycles, and coal mines with reduced recoverable reserves due to changes in underground geological conditions and enterprises with operating loss impacted by the market conditions, the Group organised asset impairment test in accordance with accounting standards and made provision for accrued impairment on assets of RMB8.801 billion accordingly based on the test results.

Unit: RMB100 million

	For the year ended 31 December 2022	For the year ended 31 December 2021 (restated)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Revenue	**2,205.77**	2,398.28	-192.51	-8.0
Cost of sales	**1,709.79**	2,014.20	-304.41	-15.1
Gross profit	**495.98**	384.08	111.90	29.1
Selling, general and administrative expenses	**75.63**	64.75	10.88	16.8
Other income, other gains and losses, net	**-85.16**	-33.65	-51.51	153.1
Profit from operations	**333.01**	285.47	47.54	16.7
Finance income	**1.35**	1.15	0.20	17.4
Finance costs	**38.63**	40.72	-2.09	-5.1
Profit attributable to associates and joint ventures	**50.10**	32.80	17.30	52.7
Profit before income tax	**345.83**	278.69	67.14	24.1
EBITDA	**438.92**	393.63	45.29	11.5
Profit attributable to the equity holders of the Company	**197.19**	151.72	45.47	30.0
Net cash generated from operating activities	**436.34**	480.97	-44.63	-9.3
In which: Net cash flow generated from production and sales activities	**400.49**	373.11	27.38	7.3
Increase in cash inflow due to deposits absorbed from members other than China Coal Energy by Finance Company	**35.85**	107.86	-72.01	-66.8
Net cash generated from investing activities	**-220.46**	-253.82	33.36	-13.1
Net cash generated from financing activities	**-226.87**	-66.87	-160.00	239.3

Unit: RMB100 million

	As at 31 December 2022	As at 31 December 2021 (restated)	**Compared with the end of last year** Increase/ decrease in amount	Increase/ decrease (%)
Assets	**3,396.16**	3,222.01	174.15	5.4
Liabilities	**1,748.37**	1,793.68	-45.31	-2.5
Interest-bearing debts	**860.46**	973.32	-112.86	-11.6
Equity	**1,647.79**	1,428.33	219.46	15.4
Equity attributable to the equity holders of the Company	**1,305.14**	1,141.09	164.05	14.4
Gearing ratio (%) = total interest-bearing debts/(total interest-bearing debts + equity)	**34.3**	40.5	A decrease of 6.2 percentage points	

Note: 1. During the reporting period, the Group has incurred consolidation of enterprises under common control, therefore the data for the comparative period was restated in accordance with the relevant requirements under accounting standards.

2. According to the "Amendment to International Accounting Standard No. 16 – Property, Plant and Equipment" issued by the International Accounting Standards Board in May 2020, since 1 January 2022, the income from the sale of trial production products before the property, plant and equipment are ready for their intended use is no longer used to offset the construction cost of the assets, and such income and related costs are included in the profit or loss for the current period. The Group has retrospectively adjusted the data for last year and the end of the last year.

II. OPERATING RESULTS

(I) Consolidated operating results

1. Revenue

For the year ended 31 December 2022, the Group's revenue decreased by RMB19.251 billion or 8.0% from RMB239.828 billion for the year ended 31 December 2021 to RMB220.577 billion. Revenue before netting of inter-segmental sales generated from each operating segment of the Group and the year-on-year changes are set out as follows:

Unit: RMB100 million

	Revenue before netting of inter-segmental sales			
	For the year ended 31 December 2022	For the year ended 31 December 2021 (restated)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Coal operations	**1,909.18**	2,110.94	-201.76	-9.6
Self-produced commercial coal	**861.48**	720.90	140.58	19.5
Proprietary coal trading	**1,041.16**	1,384.28	-343.12	-24.8
Coal chemical operations	**227.01**	218.51	8.50	3.9
Coal mining equipment operations	**106.09**	103.73	2.36	2.3
Financial operations	**23.86**	16.91	6.95	41.1
Other operations	**75.83**	84.03	-8.20	-9.8
Net of inter-segmental sales	**-136.20**	-135.84	-0.36	–
The Group	**2,205.77**	2,398.28	-192.51	-8.0

Revenue net of inter-segmental sales generated from each operating segment of the Group for the year ended 31 December 2022 and the year-on-year changes are set out as follows:

Unit: RMB100 million

	Revenue net of inter-segmental sales		**Year-on-year**	
	For the year ended 31 December 2022	For the year ended 31 December 2021 (restated)	Increase/ decrease in amount	Increase/ decrease (%)
Coal operations	**1,808.38**	2,009.29	-200.91	-10.0
Self-produced commercial coal	**793.31**	674.73	118.58	17.6
Proprietary coal trading	**1,009.04**	1,329.33	-320.29	-24.1
Coal chemical operations	**218.64**	214.86	3.78	1.8
Coal mining equipment operations	**94.15**	88.77	5.38	6.1
Financial operations	**18.94**	13.07	5.87	44.9
Other operations	**65.66**	72.29	-6.63	-9.2
The Group	**2,205.77**	2,398.28	-192.51	-8.0

The proportion of revenue net of inter-segmental sales generated from each operating segment of the Group in the Group's total revenue for the year ended 31 December 2022 and the year-on-year changes are set out as follows:

	Proportion of revenue net of inter-segmental sales (%)		
	For the year ended 31 December 2022	For the year ended 31 December 2021 (restated)	**Increase/ decrease (percentage point(s))**
Coal operations	**82.0**	83.8	-1.8
Self-produced commercial coal	**36.0**	28.1	7.9
Proprietary coal trading	**45.7**	55.4	-9.7
Coal chemical operations	**9.9**	9.0	0.9
Coal mining equipment operations	**4.3**	3.7	0.6
Financial operations	**0.9**	0.5	0.4
Other operations	**2.9**	3.0	-0.1

2. *Cost of sales*

For the year ended 31 December 2022, the Group's cost of sales decreased by RMB30.441 billion or 15.1% from RMB201.420 billion for the year ended 31 December 2021 to RMB170.979 billion. Cost of sales generated from each operating segment of the Group and the year-on-year changes are set out as follows:

Unit: RMB100 million

	For the year ended 31 December 2022	For the year ended 31 December 2021 (restated)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Coal operations	**1,478.30**	1,779.15	-300.85	-16.9
Self-produced commercial coal	**441.92**	398.54	43.38	10.9
Proprietary coal trading	**1,032.33**	1,375.54	-343.21	-25.0
Coal chemical operations	**199.71**	196.03	3.68	1.9
Coal mining equipment operations	**87.24**	86.53	0.71	0.8
Financial operations	**9.92**	6.01	3.91	65.1
Other operations	**70.59**	79.77	-9.18	-11.5
Inter-segment elimination	**-135.97**	-133.29	-2.68	2.0
The Group	**1,709.79**	2,014.20	-304.41	-15.1

3. *Gross profit and gross profit margin*

For the year ended 31 December 2022, the Group's gross profit increased by RMB11.190 billion or 29.1% from RMB38.408 billion for the year ended 31 December 2021 to RMB49.598 billion; gross profit margin increased by 6.5 percentage points from 16.0% for the year ended 31 December 2021 to 22.5%. The gross profit and gross profit margin of each operating segment of the Group and the year-on-year changes are set out as follows:

Unit: RMB100 million

	Gross profit			**Gross profit margin (%)**		
	For the year ended 31 December 2022	For the year ended 31 December 2021 (restated)	Increase/ decrease (%)	**For the year ended 31 December 2022**	For the year ended 31 December 2021 (restated)	Increase/ decrease (percentage point(s))
Coal operations	**430.88**	331.79	29.9	**22.6**	15.7	6.9
Self-produced commercial coal	**419.56**	322.36	30.2	**48.7**	44.7	4.0
Proprietary coal trading	**8.83**	8.74	1.0	**0.8**	0.6	0.2
Coal chemical operations	**27.30**	22.48	21.4	**12.0**	10.3	1.7
Coal mining equipment operations	**18.85**	17.20	9.6	**17.8**	16.6	1.2
Financial operations	**13.94**	10.90	27.9	**58.4**	64.5	-6.1
Other operations	**5.24**	4.26	23.0	**6.9**	5.1	1.8
The Group	**495.98**	384.08	29.1	**22.5**	16.0	6.5

Note: The above gross profit and gross profit margin of each operating segment are figures before netting of inter-segmental sales.

(II) Operating results of segments

1. Coal Operations Segment

(1) Revenue

Revenue from the coal operations of the Group was mainly generated from sales of coal produced from self-owned coal mines and coal washing plants to domestic and overseas customers (sales of self-produced commercial coal), resale of coal purchased from external enterprises to customers (sales of proprietary coal trading) and coal import and export and domestic agency services.

For the year ended 31 December 2022, for coal operations of the Group, the revenue decreased by 9.6% from RMB211.094 billion for the year ended 31 December 2021 to RMB190.918 billion, and revenue net of inter-segmental sales decreased by 10.0% from RMB200.929 billion for the year ended 31 December 2021 to RMB180.838 billion.

For the year ended 31 December 2022, the revenue from sales of self-produced commercial coal of the Group increased by 19.5% from RMB72.090 billion for the year ended 31 December 2021 to RMB86.148 billion, which was mainly attributable to the year-on-year increase of RMB73/tonne in the selling price leading to an increase of RMB8.819 billion in the revenue of self-produced commercial coal and the year-on-year increase of 8.16 million tonnes in the sales volume leading to an increase in revenue of RMB5.239 billion. Revenue net of inter-segmental sales increased by 17.6% from RMB67.473 billion for the year ended 31 December 2021 to RMB79.331 billion.

For the year ended 31 December 2022, the revenue from the proprietary coal trading of the Group decreased by 24.8% from RMB138.428 billion for the year ended 31 December 2021 to RMB104.116 billion, which was mainly attributable to the year-on-year decrease of 53.80 million tonnes in the sales volume leading to a decrease of RMB40.914 billion in revenue from sales of proprietary coal trading and the year-on-year increase of RMB51/tonne in the selling price leading to an increase in revenue of RMB6.602 billion. Revenue net of inter-segmental sales decreased by 24.1% from RMB132.933 billion for the year ended 31 December 2021 to RMB100.904 billion.

For the year ended 31 December 2022, revenue from the coal agency business of the Group increased by RMB58 million from RMB39 million for the year ended 31 December 2021 to RMB97 million.

The Group's coal sales volume before netting of inter-segmental sales and selling prices for the year ended 31 December 2022 and the year-on-year changes are set out as follows:

				For the year ended 31 December 2022		For the year ended 31 December 2021 (restated)		**Year-on-year** Increase/decrease in amount		Increase/ decrease	
				Sales volume ***(10,000 tonnes)***	**Selling price** ***(RMB/ tonne)***	Sales volume *(10,000 tonnes)*	Selling price *(RMB/ tonne)*	Sales volume *(10,000 tonnes)*	Selling price *(RMB/ tonne)*	Sales volume *(%)*	Selling price *(%)*
I.	Self-produced commercial coal	Total		**12,034**	**716**	11,218	643	816	73	7.3	11.4
		(I)	Thermal coal	**11,036**	**622**	10,182	570	854	52	8.4	9.1
			1. Domestic sale	**11,035**	**622**	10,182	570	853	52	8.4	9.1
			2. Export	**1**	**2,430**	☆	☆	1	–	–	–
		(II)	Coking coal	**998**	**1,750**	1,036	1,355	-38	395	-3.7	29.2
			Domestic sale	**998**	**1,750**	1,036	1,355	-38	395	-3.7	29.2
II.	Proprietary coal trading	Total		**12,822**	**812**	18,202	761	-5,380	51	-29.6	6.7
		(I)	Domestic sale	**12,669**	**806**	17,989	762	-5,320	44	-29.6	5.8
		(II)	Self-operated export	**60**	**2,115**	44	1,252	16	863	36.4	68.9
		(III)	Import trading	**93**	**743**	169	496	-76	247	-45.0	49.8
III.	Import and export and domestic agency★	Total		**1,439**	**7**	1,260	3	179	4	14.2	133.3
		(I)	Import agency	**60**	**8**	1	6	59	2	5,900.0	33.3
		(II)	Export agency	**46**	**61**	4	8	42	53	1,050.0	662.5
		(III)	Domestic agency	**1,333**	**5**	1,255	3	78	2	6.2	66.7

☆: No occurrence.

★: Selling price is agency service fee.

Note: Sales volume of commercial coal includes the inter-segmental self-consumption volume of the Group which amounted to 17.05 million tonnes for 2022 and 18.65 million tonnes (restated) for 2021.

(2) Cost of sales

For the year ended 31 December 2022, the Group's cost of sales of coal operations decreased by 16.9% from RMB177.915 billion for the year ended 31 December 2021 to RMB147.830 billion, which was mainly attributable to the increase in cost of self-produced commercial coal by RMB4.338 billion due to expansion in sales scale in self-produced commercial coal and a year-on-year decrease in the cost of procurement of proprietary coal trading of RMB34.218 billion with the year-on-year decrease in the sales volume of the purchased coal and the year-on-year increase in procurement cost which in aggregate led to. The composition of the cost of sales of the Group's coal operations and its year-on-year changes are set out as follows:

Unit: RMB100 million

Item	**For the year ended 31 December 2022**	**Percentage (%)**	For the year ended 31 December 2021 (restated)	Percentage (%)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
Materials costs (excluding proprietary coal trading procurement cost)	**78.54**	**5.3**	67.68	3.8	10.86	16.0
Proprietary coal trading procurement cost☆	**1,014.30**	**68.6**	1,356.48	76.2	-342.18	-25.2
Staff costs	**66.78**	**4.5**	49.51	2.8	17.27	34.9
Depreciation and amortisation	**63.18**	**4.3**	65.29	3.7	-2.11	-3.2
Repairs and maintenance	**15.51**	**1.0**	16.24	0.9	-0.73	-4.5
Transportation costs and port expenses	**97.72**	**6.6**	96.49	5.4	1.23	1.3
Sales taxes and surcharges	**67.40**	**4.6**	54.66	3.1	12.74	23.3
Outsourcing mining engineering fees	**40.01**	**2.7**	39.47	2.2	0.54	1.4
Other costs★	**34.86**	**2.4**	33.33	1.9	1.53	4.6
Total cost of sales for coal operations	**1,478.30**	**100.0**	1,779.15	100.0	-300.85	-16.9

☆: This cost does not include transportation costs and port expenses related to proprietary coal trading which amounted to RMB1.803 billion for 2022 and RMB1.906 billion for 2021 and are set out in the item of transportation costs and port expenses.

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

The composition of the Group's unit cost of sales of self-produced commercial coal for the year ended 31 December 2022, and the year-on-year changes are set out as follows:

Unit: RMB/tonne

Item	For the year ended 31 December 2022	Percentage (%)	For the year ended 31 December 2021 (restated)	Percentage (%)	Year-on-year Increase/ decrease in amount	Year-on-year Increase/ decrease (%)
Materials costs	**65.27**	**17.8**	60.33	17.0	4.94	8.2
Staff costs	**55.49**	**15.1**	44.13	12.4	11.36	25.7
Depreciation and amortisation	**52.50**	**14.3**	58.20	16.4	-5.70	-9.8
Repairs and maintenance	**12.89**	**3.5**	14.48	4.1	-1.59	-11.0
Transportation costs and port expenses	**66.22**	**18.0**	69.03	19.4	-2.81	-4.1
Sales taxes and surcharges	**56.01**	**15.3**	48.72	13.7	7.29	15.0
Outsourcing mining engineering fees	**33.33**	**9.1**	35.19	9.9	-1.86	-5.3
Other costs	**25.51**	**6.9**	25.19	7.1	0.32	1.3
Total unit cost of sales of self-produced commercial coal	**367.22**	**100.0**	355.27	100.0	11.95	3.4

For the year ended 31 December 2022, the Group's unit cost of sales of self-produced commercial coal amounted to RMB367.22/tonne, representing a year-on-year increase of RMB11.95/tonne or 3.4%, which was mainly attributable to the year-on-year increase of unit material costs due to the increase in the procurement price of electricity, diesel and detonator materials; and the facts that with reasonable adjustment of salary level and cash bonus according to the operating performance, and the gradual reduction of outsourcing labour by strengthening the establishment of coal production teams in each mining area according to the policy requirements, unit staff costs recorded a year-on-year increase; with the year-on-year decrease in depreciation and amortisation due to provision for impairment in certain coal business asset and the dilution effect of the increase in production volume of self-produced commercial coal, unit depreciation and amortisation recorded a year-on-year decrease; with the dilution effect of the increase in production volume of self-produced commercial coal, leading to a year-on-year decrease in unit repair and maintenance costs and outsourcing mining engineering fees; the proportion of the sales volume of self-produced commercial coal that the Group bears railway transportation costs and port expenses to the total sales volume of self-produced commercial coal of the Group decreased, leading to a year-on-year decrease in unit transportation costs and port expenses; and with the year-on-year increase in the selling price of self-produced commercial coal and the year-on-year increase in gross profit margin, unit sales tax and surcharges increased year-on-year.

(3) Gross profit and gross profit margin

For the year ended 31 December 2022, sales scale of the self-produced commercial coal of the Group expanded and the selling price increased. Gross profit from coal operations segment increased by 29.9% from RMB33.179 billion for the year ended 31 December 2021 to RMB43.088 billion, while gross profit margin increased by 6.9 percentage points from 15.7% for the year ended 31 December 2021 to 22.6%. In particular, the gross profit of self-produced commercial coal recorded a year-on-year increase of RMB9.720 billion, and the gross profit margin recorded a year-on-year increase of 4.0 percentage points.

2. Coal Chemical Operations Segment

(1) Revenue

For the year ended 31 December 2022, the revenue from coal chemical operations of the Group increased by 3.9% from RMB21.851 billion for the year ended 31 December 2021 to RMB22.701 billion; revenue net of inter-segmental sales increased by 1.8% from RMB21.486 billion for the year ended 31 December 2021 to RMB21.864 billion, which was mainly attributable to the combined effect of the increase in selling price of urea and ammonium nitrate products, and the commencement of production of by-products under the Technological Transformation Project of Annual Methanol Output of 1 Million Tonnes from Synthetic Gas in the second half of 2021.

The sales volume and selling prices of the major coal chemical products of the Group for the year ended 31 December 2022 and the year-on-year changes are set out as follows:

		For the year ended 31 December 2022		For the year ended 31 December 2021 (restated)		**Year-on-year**			
						Increase/decrease in amount		Increase/ decrease	
		Sales volume ***(10,000 tonnes)***	**Selling price** ***(RMB/ tonne)***	Sales volume *(10,000 tonnes)*	Selling price *(RMB/ tonne)*	Sales volume *(10,000 tonnes)*	Selling price *(RMB/ tonne)*	Sales volume *(%)*	Selling price *(%)*
I.	Polyolefin	**146.9**	**7,401**	146.2	7,521	0.7	-120	0.5	-1.6
	1. Polyethylene	**74.0**	**7,479**	73.4	7,455	0.6	24	0.8	0.3
	2. Polypropylene	**72.9**	**7,323**	72.8	7,587	0.1	-264	0.1	-3.5
II.	Urea	**179.2**	**2,612**	221.3	2,228	-42.1	384	-19.0	17.2
III.	Methanol	**185.5**	**1,931**	153.3	1,845	32.2	86	21.0	4.7
	Of which:								
	Inter-segment self-consumption volume	**155.2**	**1,936**	110.1	1,817	45.1	119	41.0	6.5
	External sales	**30.3**	**1,905**	43.2	1,915	-12.9	-10	-29.9	-0.5
IV.	Ammonium nitrate	**46.9**	**2,632**	42.8	1,918	4.1	714	9.6	37.2

Besides, leveraging on channel advantage, the Group commenced the business of procurement of chemical products from third parties and sales to its customers, which for the year ended 31 December 2022, amounted to 65,400 tonnes, realising sales revenue of RMB521 million.

(2) *Cost of sales*

For the year ended 31 December 2022, cost of sales for the coal chemical operations of the Group increased by 1.9% from RMB19.603 billion for the year ended 31 December 2021 to RMB19.971 billion, which was mainly attributable to the combined effect of the increase in purchase price of raw material coal and fuel coal and increase in repair and maintenance expenses of chemical device. The composition of the cost of sales of the Group's coal chemical operations and the year-on-year changes are set out as follows:

Unit: RMB100 million

Item	For the year ended 31 December 2022	Percentage (%)	For the year ended 31 December 2021 (restated)	Percentage (%)	Year-on-year Increase/ decrease in amount	Year-on-year Increase/ decrease (%)
Materials costs (excluding cost of chemical materials in proprietary trading)	**122.93**	**61.5**	119.81	61.1	3.12	2.6
Cost of chemical materials in proprietary trading	**5.15**	**2.6**	8.76	4.5	-3.61	-41.2
Staff costs	**11.69**	**5.9**	11.07	5.6	0.62	5.6
Depreciation and amortisation	**28.34**	**14.2**	27.80	14.2	0.54	1.9
Repairs and maintenance	**9.95**	**5.0**	7.73	3.9	2.22	28.7
Transportation costs and port expenses	**8.96**	**4.5**	9.13	4.7	-0.17	-1.9
Sales taxes and surcharges	**3.05**	**1.5**	3.07	1.6	-0.02	-0.7
Other costs	**9.64**	**4.8**	8.66	4.4	0.98	11.3
Total cost of sales for coal chemical operations	**199.71**	**100.0**	196.03	100.0	3.68	1.9

The unit cost of sales of the major self-produced coal chemical products of the Group for the year ended 31 December 2022 and the year-on-year changes are set out as follows:

Unit: RMB/tonne

Item	**For the year ended 31 December 2022**	For the year ended 31 December 2021 (restated)	**Year-on-year** Increase/ decrease in amount	Increase/ decrease (%)
I. Polyolefin	**7,083**	6,927	156	2.3
1. Polyethylene	**7,102**	6,913	189	2.7
2. Polypropylene	**7,063**	6,942	121	1.7
II. Urea	**1,869**	1,688	181	10.7
III. Methanol	**2,040**	1,927	113	5.9
IV. Ammonium nitrate	**1,076**	1,383	-307	-22.2

(3) Gross profit and gross profit margin

For the year ended 31 December 2022, the gross profit of the Group's coal chemical operations increased by 21.4% from RMB2.248 billion for the year ended 31 December 2021 to RMB2.730 billion, while gross profit margin increased by 1.7 percentage points from 10.3% for the year ended 31 December 2021 to 12.0%, which was mainly affected by a year-on-year increase in the product price of urea and ammonium nitrate.

3. Coal Mining Equipment Operations Segment

(1) Revenue

For the year ended 31 December 2022, the Group's revenue from coal mining equipment operations increased by 2.3% from RMB10.373 billion for the year ended 31 December 2021 to RMB10.609 billion, revenue net of inter-segmental sales increased by 6.1% from RMB8.877 billion for the year ended 31 December 2021 to RMB9.415 billion, which was mainly attributable to the further optimisation of product structure and the increase in demand for relevant products driven by the coal mine intelligent upgrade and modification.

(2) Cost of sales

For the year ended 31 December 2022, the Group's cost of sales for the coal mining equipment operations increased by 0.8% from RMB8.653 billion for the year ended 31 December 2021 to RMB8.724 billion. The composition of the Group's cost of sales for the coal mining equipment operations and the year-on-year changes are set out as follows:

Unit: RMB100 million

Item	For the year ended 31 December 2022	Percentage (%)	For the year ended 31 December 2021	Percentage (%)	Year-on-year Increase/ decrease in amount	Year-on-year Increase/ decrease (%)
Material costs	**62.84**	**72.0**	61.63	71.2	1.21	2.0
Staff costs	**8.87**	**10.2**	8.04	9.3	0.83	10.3
Depreciation and amortisation	**3.80**	**4.4**	3.83	4.4	-0.03	-0.8
Repairs and maintenance	**0.90**	**1.0**	0.90	1.1	0.00	0.0
Transportation costs	**1.27**	**1.5**	1.51	1.7	-0.24	-15.9
Sales taxes and surcharges	**0.38**	**0.4**	0.38	0.4	0.00	0.0
Other costs	**9.18**	**10.5**	10.24	11.9	-1.06	-10.4
Total cost of sales for coal mining equipment operations	**87.24**	**100.0**	86.53	100.0	0.71	0.8

(3) Gross profit and gross profit margin

For the year ended 31 December 2022, the gross profit of the Group's coal mining equipment operations segment increased by 9.6% from RMB1.720 billion for the year ended 31 December 2021 to RMB1.885 billion; and the gross profit margin increased by 1.2 percentage points from 16.6% for the year ended 31 December 2021 to 17.8%, which was mainly attributable to the further optimisation of the product structure resulting in a higher percentage of product with higher gross profit margin.

4. Financial Operations Segment

The financial operations segment of the Group is mainly engaged by Finance Company, which deepened the concept of lean management and strengthened financial technology innovation; fully optimised and upgraded the treasury system was to secure safe, stable and efficient capital flow; we focused on financial needs of member enterprises and constantly enriched financial products and services; enhanced the refined operation of interbank deposits, while adjusted the deposit allocation strategy in a timely and optimal manner, thereby realising value appreciation and effectiveness. For the year ended 31 December 2022, revenue of financial operations of the Group increased by 41.1% from RMB1.691 billion for the year ended 31 December 2021 to RMB2.386 billion; revenue net of inter-segmental sales increased by 44.9% from RMB1.307 billion for the year ended

31 December 2021 to RMB1.894 billion; cost of sales increased by 65.1% from RMB601 million for the year ended 31 December 2021 to RMB992 million; gross profit increased by 27.9% from RMB1.090 billion for the year ended 31 December 2021 to RMB1.394 billion; gross profit margin decreased by 6.1 percentage points from 64.5% for the year ended 31 December 2021 to 58.4%.

5. Other Operations Segment

Other operations segment of the Group mainly includes thermal power generation, aluminium processing, import of equipment and accessories, tendering and bidding services, railway transportation and other business. For the year ended 31 December 2022, the revenue from other operations segment decreased by 9.8% from RMB8.403 billion for the year ended 31 December 2021 to RMB7.583 billion; revenue net of inter-segmental sales decreased by 9.2% from RMB7.229 billion for the year ended 31 December 2021 to RMB6.566 billion; cost of sales decreased by 11.5% from RMB7.977 billion for the year ended 31 December 2021 to RMB7.059 billion; gross profit increased by 23.0% from RMB426 million for the year ended 31 December 2021 to RMB524 million; gross profit margin increased by 1.8 percentage points from 5.1% for the year ended 31 December 2021 to 6.9%.

(III) Selling, general and administrative expenses

For the year ended 31 December 2022, the Group's selling, general and administrative expenses increased by 16.8% from RMB6.475 billion for the year ended 31 December 2021 to RMB7.563 billion, which was mainly attributable to the year-on-year increase in staff remuneration and increase in research and development expenses along with the increased investment in technology innovation.

(IV) Finance income and finance costs

For the year ended 31 December 2022, the Group's net finance costs decreased by 5.8% from RMB3.957 billion for the year ended 31 December 2021 to RMB3.728 billion, which was mainly attributable to decrease of the Group's interest-bearing liabilities scale, as well as the Company's continual optimisation of debt structure, which has further lowered the consolidated cost of funds.

(V) Share of profits of associates and joint ventures

For the year ended 31 December 2022, the Group's share of profits of associates and joint ventures increased by 52.7% from RMB3.280 billion for the year ended 31 December 2021 to RMB5.010 billion, which was mainly attributable to the year-on-year increase in the profits of associates and joint ventures and thus the corresponding increase in the Group's share of profits of associates and joint ventures recognised in proportion to its shareholding.

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

For the year ended 31 December 2022, the Group's other income, other gains and losses, net were represented in a net loss of RMB8.516 billion, compared to the net loss of RMB3.365 billion for the year ended 31 December 2021, which was mainly contributed by the effect of the year-on-year increase of RMB4.838 billion for provision of the impairment of assets and the confirmation of the payment of gain in respect of certain projects for mining during the period in which procedures were not completed. Among which: the Shalajida Coal Mine of Yinhe Hongtai Company was not able to mine in short term due to the overlapping with water source protection zone, hence an impairment of assets of RMB6.285 billion was made based on impairment test results. Please refer to the relevant announcements dated 23 March 2023 published by the Company on the Shanghai Stock Exchange and the Stock Exchange for details; electric plant and aluminium belt plant of the Shanghai Energy Company made impairment provision of RMB753 million based on impairment test results. Please refer to the relevant announcement dated 23 March 2023 published by Shanghai Energy Company on the Shanghai Stock Exchange for details; China Coal Yuanxing Company incurred operation loss, hence an impairment provision of RMB725 million was made based on impairment test results; given the reduction in recoverable reserves due to changes in underground geological condition for Dongpo Coal Mine and Tangshangou Coal Mine, an impairment provision of RMB413 million and RMB417 million was made, respectively, based on the impairment test results.

III. CASH FLOW

As at 31 December 2022, the balance of the Group's cash and cash equivalents amounted to RMB29.998 billion, representing a net decrease of RMB1.097 billion as compared to RMB31.095 billion as at 31 December 2021.

Net cash inflow generated from operating activities decreased by RMB4.463 billion from RMB48.097 billion for the year ended 31 December 2021 to RMB43.634 billion, among which, net cash inflow generated from production and sales activities amounted to RMB40.049 billion, representing a year-on-year increase of RMB2.738 billion, which was mainly due to the growth in the Group's operating results and the continued enhancement of lean capital management to reduce operating capital usage.

Net cash outflow used in investing activities decreased by RMB3.336 billion from RMB25.382 billion for the year ended 31 December 2021 to RMB22.046 billion, which was mainly attributable to the combined effect of the year-on-year decrease of RMB3.818 billion in cash outflow arising from the change in term deposits with an initial deposit period of more than three months, the year-on-year decrease of RMB676 million in cash utilised as capital expenditure, the year-on-year increase of RMB499 million in cash inflow received in cash dividends from controlled entities, and the year-on-year increase of RMB1.593 billion in cash outflow generated from the provision of self-operated loans provided to members other than China Coal Energy by Finance Company.

Net cash outflow generated from financing activities increased by RMB16.000 billion from RMB6.687 billion for the year ended 31 December 2021 to RMB22.687 billion, which was mainly attributable to the combined effect of the year-on-year decrease of RMB15.848 billion in net debt financing arranged by the Group based on the general availability of funds, the year-on-year increase of RMB1.428 billion for dividends paid to external parties, and the year-on-year decrease of RMB1.277 billion in consideration paid for the merger of enterprises under common control in this year.

IV. SOURCES OF CAPITAL

For the year ended 31 December 2022, the Group's funds were mainly derived from the proceeds generated from business operations, bank borrowings and net proceeds raised in capital markets. The Group's funds were mainly used for investments in production facilities and equipment for coal, coal chemical, coal mining equipment and power generation operations, repayment of debts payable by the Group, and as the Group's working capital and general recurring expenditures.

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

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

V. ASSETS AND LIABILITIES

(I) Property, plant and equipment

As at 31 December 2022, the net value of property, plant and equipment of the Group amounted to RMB126.446 billion, representing a net decrease of RMB2.763 billion or 2.1% as compared to RMB129.209 billion as at 31 December 2021, among which, the net value of buildings was RMBB33.890 billion, accounting for 26.8%; that of mining structure was RMB31.106 billion, accounting for 24.6%; that of plant, machinery and equipment was RMB44.220 billion, accounting for 35.0%; that of construction in progress was RMB11.045 billion, accounting for 8.7%; and that of railways, transportation vehicles and other was RMB6.185 billion, accounting for 4.9%.

(II) Mining rights

As at 31 December 2022, the net value of the Group's mining rights amounted to RMB39.485 billion, representing a net decrease of RMB3.585 billion or 8.3% as compared to RMB43.070 billion as at 31 December 2021, which was mainly attributable to the combined effect of the provision for impairment, amortisation of mining rights and the recognization of the proceeds from transfer of mining rights in accordance with China's relevant policy by coal production enterprises of the Group, as well as changes in scope of consolidation of acquired subsidiaries in this year.

(III) Investments in associates and joint ventures

As at 31 December 2022, the net value of the Group's investment in associates and joint ventures amounted to RMB29.748 billion, representing a net increase of RMB3.061 billion or 11.5% as compared to RMB26.687 billion as at 31 December 2021, which was mainly attributable to the combined effect of the share of profits of associates and joint ventures recognized by the Group and the receipt of dividends distributed by associates and joint ventures.

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

As at 31 December 2022, the net value of the Group's equity instruments at fair value through other comprehensive income amounted to RMB3.411 billion, representing an increase of 993 million or 41.1% as compared to RMB2.418 billion as at 31 December 2021, which was mainly attributable to the increase in fair value of investment in some non-trading equity instruments.

(V) Accruals, advances and other payables

As at 31 December 2022, the balance of accruals, advances and other payables amounted to RMB37.286 billion, representing a net increase of RMB7.603 billion or 25.6% as compared to RMB29.683 billion as at 31 December 2021, which was mainly attributable to the combined effect of the increase in deposits absorbed from members other than China Coal Energy by Finance Company, the increase in unpaid dividends declared by some non-wholly-owned enterprises and the increased withdrawal of performance-based salary at the end of the year in light of the economic benefits.

(VI) Borrowings

As at 31 December 2022, the balance of borrowings of the Group amounted to RMB71.507 billion, representing a net decrease of RMB1.588 billion or 2.2% as compared to RMB73.095 billion as at 31 December 2021, among which: the balance of long-term borrowings (including long-term borrowings due within one year) was RMB71.226 billion, representing a net decrease of RMB1.215 billion as compared to RMB72.441 billion as at 31 December 2021; and the balance of short-term borrowings amounted to RMB281 million, representing a net decrease of RMB373 million as compared to RMB654 million as at 31 December 2021.

(VII) Long-term bonds

As at 31 December 2022, the balance of the long-term bonds of the Group (including the portion due within one year) amounted to RMB14.539 billion, representing a net decrease of RMB9.698 billion or 40.0% as compared to RMB24.237 billion as at 31 December 2021, which was mainly attributable to the repayment of the matured RMB10 billion medium-term notes with its own funds.

(VIII) Provision for close down, restoration and environmental costs

As at 31 December 2022, the provision for close down, restoration and environmental costs of the Group (including the provision for close down, restoration and environmental costs due within one year) amounted to RMB5.180 billion, representing a net increase of RMB1.529 billion or 41.9% as compared to RMB3.651 billion as at 31 December 2021, which was mainly attributable to the increase in provision for the mine geological environment governance and restoration fund of Dahaize Coal Mine in accordance with the relevant national policy.

VI. EQUITY

As at 31 December 2022, the equity of the Group was RMB164.779 billion, representing an increase of RMB21.946 billion or 15.4% from RMB142.833 billion as at 31 December 2021, among which, the equity attributable to the equity holders of the Company was RMB130.514

billion, representing an increase of RMB16.405 billion or 14.4% from RMB114.109 billion as at 31 December 2021. The items under the equity subject to significant change are analysed as below:

(I) Reserve

As at 31 December 2022, the reserve of the Group was RMB52.551 billion, representing an increase of RMB3.299 billion or 6.7% from RMB49.252 billion as at 31 December 2021, which was mainly attributable to the combined effect of the aggregate increase of RMB2.392 billion for special fund balance, surplus fund and reserve for general risk, the increase of RMB714 million for the balance of other comprehensive income due to increase in fair value of investment in non-trading equity instruments held and etc., as well as the increase of RMB340 million for the change in reserve of associates and joint ventures.

(II) Retained earnings

As at 31 December 2022, the retained earnings of the Group was RMB64.704 billion, representing an increase of RMB13.105 billion or 25.4% from RMB51.599 billion as at 31 December 2021, which was mainly because of the combined effect of the Group's realizing of profit attributable to shareholders of the Company of RMB19.719 billion, and the decrease in distribution of dividends for 2021 by RMB4.001 billion during the reporting period, and the aggregate decrease of RMB2.392 billion for provision of unutilised special fund, provision of surplus reserve and reserve for general risk, and the decrease of RMB230 million for the adjusted provision of unutilised special fund for associates and joint ventures.

VII. OVERSEAS ASSETS

At the end of the reporting period, total assets of the Group amounted to RMB339.616 billion, representing an increase of RMB17.415 billion or 5.4% as compared to the beginning of the year, among which, overseas assets amounted to RMB461 million, accounting for 0.14% of total assets. During the reporting period, there was no material change in the Group's overseas assets.

VIII. SIGNIFICANT CHARGE OF ASSETS

The Group did not have significant charge of assets during the reporting period. As at 31 December 2022, the book value of the Group's charge assets amounted to RMB1.551 billion, of which the book value of pledged assets was RMB380 million and the book value of mortgaged assets was RMB1.171 billion.

IX. SIGNIFICANT INVESTMENT

The Group had no significant investment during the reporting period.

X. MATERIAL ACQUISITIONS AND DISPOSALS

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

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

As of 31 December 2022, the Group has paid the principal and interest of its bonds and other debt financing instruments by the agreed time. No default or delayed payment of principal and interest has occurred.

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

(1) Risks of Fluctuation in Macro Economy

In the context of energy transformation, the coal industry will be affected by multiple factors such as financing, environmental protection, carbon emission, public opinion, and market pricing, which are closely related to the national macroeconomic policies. Currently, owing to the complicated and harsh circumstances of the world economy, there are still many uncertainties which may have certain impacts on the operating results of the Company. Adhering to its strategic goals, the Company will fully implement the development concept of "efficiency enhancement and incremental transformation", deepen corporate reform, strengthen scientific and technological innovation, promote transformation and upgrading, and accelerate industrial structure adjustment. By strengthening operation and management, strictly implementing budget and strengthening monitoring and analysis, the Company strives to achieve effective improvement in quality and reasonable growth in volume of its operation and development.

(2) Risks of Fluctuation in Product Prices

Due to various factors such as demand and supply, characteristics of products, transportation capacity and weather, it remains difficult to accurately determine the trend of prices of main products. In particular, olefin products are dependent on external forces to a certain extent. The volatility in international oil prices has a greater impact on the trend of olefin prices and the profitability of coal-to-olefins, and the demand for urea will still be in a seasonal cycle. The Company will enhance market research and judgment, flexibly adjust marketing strategies, improve the coordination mechanism of "production, sales and research" of differentiated products, further strengthen the marketing management of by-products, and improve the profitability of products. Relying on the existing marketing channels, the Company will steadily carry out domestic trading and international business of coal chemical products, and broaden the ways of self-operation and profit-making.

(3) Risks of Safe Production

Due to the inherent characteristics of the industry, the Company and other coal mining and coal chemical enterprises are affected by natural conditions and production characteristics, and are exposed to safety risks such as high temperature and high pressure, flammability and explosive, mine gas, permeability, roof fall, and impact on ground pressure. The Company will continue to improve the safety management system and strengthen the establishment of the dual prevention mechanism, pay close attention to the implementation of safety responsibilities, regularly organize emergency drills, deal with major disasters in advance, further prevent and resolve safety risks, and investigate and rectify incidents and hidden dangers. The Company will continue to increase investment in safety, promote the construction of intelligent, standardized, safe and efficient mines, strengthen safety quality improvement, strengthen safety infrastructure construction, and improve its intrinsic safety level.

(4) Risks of Environmental Protection

Under the national "dual carbon" goal and strategy, the Company and other coal, coal chemical and thermal power enterprises will face many challenges such as water resource management, energy conservation and emission reduction, environmental regulatory policies, and environmental governance due to their own industry characteristics. The Company will continue to adhere to the direction of green and low-carbon development, benchmark against the target task of "carbon peak and carbon neutrality", and continuously improve the ecological and environmental protection risk management and control system. It will also accelerate the construction of key environmental protection projects such as air, solid waste, wastewater and ecology, strengthen the daily management and statistical monitoring of ecological and environmental protection, continue to carry out pollution control, emission reduction and ecological governance, strengthen the assessment and accountability of ecological and environmental protection, thereby effectively resolving the ecological and environmental risks.

(5) Risks of Rising Costs

The underground geological conditions of coal mines are complex and changeable with high mining difficulties and costs. Coupled with the increase in coal mining resource costs, environmental costs, safety costs, transportation costs and commodity prices, the cost pressure of coal enterprises have increased to a certain extent. The Company will continue to exert greater effort in cost control, carry out cost variance analysis, and strengthen standard cost and quota management. By adopting new technologies, new working processes and new equipment, optimising production working faces and layout, improving production efficiency, and reducing material procurement costs and unit consumption level, the Company may gain new advantages in cost competition continuously.

(6) Risks of Project Investment

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

XIII. CONTINGENT LIABILITIES

(I) Bank guarantees

As at 31 December 2022, the Group provided guarantees of RMB2.806 billion in total, of which guarantees of RMB1.583 billion were provided to the invested companies in proportion to the Group's shareholdings.

(II) Environmental protection responsibilities

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

(III) Contingent legal liabilities

For details of the litigation involving Yihua Mining, Mengda Mining and Yinhe Hongtai Company, please refer to the relevant section of the Company's 2021 annual report. At present, the case is still in the process of litigation and does not have a material impact on the Company's production, operation and financial position. The Company will continue to strengthen communication and coordination to promote the resolution of historical issues.

For the year ended 31 December 2022, the Group was not involved in any other material litigation which constitutes a material impact of the Company's production and operation and financial position.

BUSINESS PERFORMANCE

I. PRINCIPAL BUSINESS OPERATIONS OF THE COMPANY IN 2022

(1) Coal Operations

1. Coal production

In 2022, adhering to the goal-oriented principle, the Group enhanced its organisation for production, optimized continuous mining, continuously increased its unit production and input level. It actively released advanced production capacity and facilitated the early production of new coal mines, thereby acting as the "ballast" and "stabiliser" of energy supply. During the year, the Group produced 119.17 million tonnes of commercial coal, representing an increase of 4.97 million tonnes or 4.4% compared with 114.20 million tonnes last year. In 2022, raw coal productivity was 31.5 tonnes per worker-shift, maintaining a leading level in the coal industry. It saw merit in intelligent coal construction, where 36 intelligent coal mining working faces and 9 intelligent integrated management and control platforms have been built, and 4 coal mines have been accepted as intelligent demonstration coal mines.

Table on Commercial Coal Production Volume

Unit:10 thousand tonnes

Item	**Year ended 31 December 2022**	Year ended 31 December 2021 (Restated)	**Change (%)**
Production volume of commercial coal	**11,917**	11,420	4.4
By region:			
Shanxi	**8,064**	8,273	-2.5
Inner Mongolia and Shaanxi	**3,133**	2,437	28.6
Jiangsu	**533**	520	2.5
Xinjiang	**187**	190	-1.6
By coal type:			
Thermal coal	**10,919**	10,384	5.2
Coking coal	**998**	1,036	-3.7

2. Coal sales

In 2022, the Group conscientiously implemented the national strategy and deployment of securing energy supply, strictly implemented the long and medium term coal contract of "two comprehensive coverage" and coal price policy, and proactively implemented the requirements on increasing production and sales volume and stabilising supply and price. The cumulative sales volume of commercial coal was 262.95 million tonnes for the year, of which, the sales volume of self-produced commercial coal was 120.34 million tonnes, representing a year-on-year increase of 7.3%, hence making great contribution to secure energy supply of the country and maintain economic and social stability. The Company actively established a large-scale "coal-electricity-chemical" marketing management system with the characteristics of China Coal to integrate the chain advantages with scale advantages, consolidated and expanded long-term strategic cooperation with quality power generation enterprises, while expanded the non-power industry and market to guarantee supply and procurement services in the market and actively stabilise its market share. As a result, the brand advantage, market discourse power and influence of China Coal were further increased.

Table on Coal Sales

Unit: 10 thousand tonnes

Item	**Year ended 31 December 2022**	Year ended 31 December 2021 (Restated)	**Change (%)**
Sales volume of commercial coal	**26,295**	30,680	-14.3
By business type:			
Self-produced commercial coal	**12,034**	11,218	7.3
Proprietary coal trading	**12,822**	18,202	-29.6
Import and export and domestic agency	**1,439**	1,260	14.2
By sales region:			
North China	**8,773**	10,216	-14.1
East China	**8,546**	10,118	-15.5
South China	**3,394**	5,093	-33.4
Central China	**2,548**	2,408	5.8
Northwest China	**2,061**	1,762	17.0
Other regions	**973**	1,083	-10.2

3. Coal reserve

Unit: 100 million tonnes

Major mining areas	**Major coal type**	**Resource reserve**	**Verified reserve**
Shanxi	Thermal coal	84.76	31.05
	Coking coal	19.95	9.99
	Anthracite	7.89	3.49
Inner Mongolia	Thermal coal	88.35	53.27
Heilongjiang	Thermal coal	3.03	1.36
Jiangsu	Thermal coal	4.13	1.11
	Coking coal	2.60	1.07
Shaanxi	Thermal coal	51.35	35.15
Xinjiang	Thermal coal	6.54	3.52
Total	–	268.60	140.01

As of the end of 2022, the Company's coal resources with self-owned mining rights amounted to 26.860 billion tonnes and verified reserve amounted to 14.001 billion tonnes. Resources utilised during the year amounted to 181 million tonnes.

(2) Coal Chemical Operations

In 2022, the Group kept on strengthening the refined management of coal chemical operations, and vigorously promoted energy conservation, consumption reduction, cost reduction and efficiency improvement. With the stable and efficient operation of coal chemical equipment, the production volume of major coal chemical products was 5.667 million tonnes during the year, representing a year-on-year increase of 3.4%. The Group overcame unfavorable factors such as severe volatility in the energy and chemical market and tight transportation in certain periods by flexibly adjusting marketing strategies, optimising customer structure, improving sales channels, and strengthening logistics management. During the year, the sales volume of major coal chemical products was 5.585 million tonnes, basically flat as compared with last year. The Group strictly implemented the national policies of securing supply and stabilising price of chemical fertilizers, fully guaranteed the domestic market demand, participated in and won the bid for the chemical fertilizer commercial reserve project in Heilongjiang Province for the first time, contributing to food security of the country with practical actions. As the Group actively carried out the polyolefin customisation business, the business model of "sales-based production" was more mature and the differentiated profitability was greatly improved. The Group also actively expanded the polyolefin international business with a view to achieving "zero breakthrough" in the polyolefin import business. The Group continued to optimise and strengthen the long-term mechanism for safe production, such as the production process of ammonium nitrate and the control of hidden dangers of devices. During the year, Pingshuo Energy Chemical Company, a subsidiary of the Company, did not experience any unplanned suspension, achieving continuous, stable, safe, and efficient operation.

Table on Production and Sales Volume of Major Coal Chemical Products

Unit: 10 thousand tonnes

Item	Year ended 31 December 2022	Year ended 31 December 2021 (Restated)	Change (%)
Total coal chemical products			
Production volume	**566.7**	548.3	3.4
Sales volume	**558.5**	563.6	-0.9
Polyolefin			
Production volume	**148.0**	146.4	1.1
Sales volume	**146.9**	146.2	0.5
Urea			
Production volume	**183.4**	204.9	-10.5
Sales volume	**179.2**	221.3	-19.0
Methanol			
Production volume	**187.9**	154.5	21.6
Sales volume	**185.5**	153.3	21.0
Ammonium nitrate			
Production volume	**47.4**	42.5	11.5
Sales volume	**46.9**	42.8	9.6

Notes:

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

2. The urea sales volume of the Group includes the buyout of urea products of Lingshi Chinacoal Chemical Co., Ltd., a subsidiary of China Coal Group. The project of Lingshi Chinacoal Chemical Co., Ltd. was discontinued and modified in 2022, leading to a year-on-year decrease in sales volume of urea.

3. The methanol sales volume of the Group includes internal consumption volume.

(3) Coal Mining Equipment Operations

In 2022, the Group optimised the supply assurance of materials and improved the efficiency of production technology preparation by focusing on reforms, strengthening functions, making up for shortcomings and securing operation, thus the output level was greatly enhanced. The aggregate production value of coal mining equipment amounted to RMB9.96 billion, representing a year-on-year increase of 5.3%. Focusing on the market, the Group paid close attention to the needs of users, continued to optimise the layout of industry and products, grasped the opportunity of intelligent construction of coal mines, and promoted the transformation and upgrading of "intelligence, informatisation and digitalization". As a result, accumulative value of new contracts increased by 25.7% year-on-year. The Company put more effort on product promotion, expanded market boundaries, and promoted the "three-isations" businesses such as electric automation, industrial software and information system integration being extended to markets including transportation and construction, while drilling products, loading and transportation vehicles, crane trucks and other products entered the non-coal field.

Table on Production Value and Revenue of Coal Mining Equipment

Unit: RMB100 million

	Production value			**Revenue**	
Product types	**Year ended 31 December 2022**	Year ended 31 December 2021	**Change (%)**	**Year ended 31 December 2022**	**Percentage of revenue of the coal mining equipment segment (%)**
Main conveyor products	**45.2**	41.2	9.7	**42.6**	40.2
Main support products	**32.5**	34.0	-4.4	**33.5**	31.6
Others	**21.9**	19.4	12.9	**30.0**	28.2
Total	**99.6**	94.6	5.3	**106.1**	100.0

(4) Financial Operations

In 2022, the Group continued to deepen financial technology innovation and lean capital management and facilitated the development of treasury system in full swing. It strengthened fund account management and budget implementation and monitoring to improve fund management efficiency and liquidity management. Also, by accurately analysing interest rate trend of the market, it made timely optimisation and adjustment on its allocation strategy of the interbank deposit category and term. Credit support was strengthened and resources allocation of credit funds and resources was further optimised to support the Group's industry structure adjustments. As at the end of 2022, scale of deposits absorbed amounted to RMB90.45 billion, representing a year-on-year increase of 27.8%; placement of interbank deposits amounted to RMB73.57 billion, representing a year-on-year increase of 20.6%; scale of self-operated loans amounted to RMB17.06 billion, representing a year-on-year increase of 55.1%; and scale of daily average self-operated loans for the year amounted to RMB14.04 billion, representing a year-on-year increase of 3.5%, all hitting the highest level in the history.

Table on Financial Operations

Unit: RMB100 million

Business types	**As at 31 December 2022/Year ended 31 December 2022**	As at 31 December 2021/Year ended 31 December 2021	Change (%)
Scale of deposits absorbed	**904.5**	707.6	**27.8**
Placement of interbank deposits	**735.7**	610.1	**20.6**
Scale of self-operated loans (daily average)	**140.4**	135.7	**3.5**

(5) Synergy among Business Segments

In 2022, focusing on leveraging the advantages of coal-electricity-chemical industry chain, the Group further pushed forward the regional integrated management and continuously optimised the regional industry structure, thereby realising the synergetic development among business segments and improving the overall competitiveness and risk resistance capacity. In 2022, the Group produced 11.01 million tonnes of coal for internal consumption, of which, the coal chemical projects in the regions of Inner Mongolia and Shaanxi purchased 8.42 million tonnes of self-produced coal of the Company, representing a year-on-year increase of 3.00 million tonnes. The coal mining equipment business segment achieved internal product sales and services revenue of RMB1.193 billion, representing 11.2% of the total revenue of the segment. For financial operations, newly issued internal loans amounted to RMB10.13 billion and the amount of internal loans as at the end of the year was RMB13.03 billion, offering financing convenience with rich varieties and quality service. Hence, financing costs have been lowered and a total of finance expenses amounting to RMB460 million have been saved.

II. ANALYSIS OF CORE COMPETITIVENESS

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

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

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

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

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

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

The Company insists on innovation-driven growth and becomes the leader of the industry. With the increased investment in research and development, the Company accelerates the integration of innovative resources, the construction of scientific research platform, and further promotes industry-university-research cooperation to ensure innovative development. The Company accelerates the construction of big data and digital management system. It also strives to carry out the construction of intelligent coal mines. New achievements were made in important technological projects, and the implementation of a batch of national technological projects achieved stage results. Through strengthening the research on key technologies, new technology “Key Technologies for Rock Burst Prevention and Control in the Areas of Inner Mongolia and Shaanxi” has set a new benchmark for efficient management of major disasters. The Company takes a step forward for digital transformation, and the integration of informatisation and industrialisation enables the business to improve steadily.

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

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

III. COMPETITIVE LANDSCAPE IN THE INDUSTRY

In terms of coal industry, China has fully capitalised the role of coal as the main energy source in recent years, focused on enhancing the guarantee on energy production, and effectively guaranteed the stable economic and social development and the increasingly growing energy demand from the public. According to data published by the National Bureau of Statistics, the raw coal production of coal enterprises above designated size nationwide in 2022 was 4.50 billion tonnes, representing a year-on-year increase of 0.37 billion tonnes or 9.0%. Of which, a total of six provinces had a raw coal output of over 100 million tonnes, with a total output of 3.88 billion tonnes, accounting for 86.3% of raw coal production of coal enterprises above designated size nationwide, an increase of 0.4 percentage points over 2021. A total of 15 provinces had an annual output of over 10 million tonnes, with a total output of 4.449 billion tonnes, accounting for 99.0% of raw coal production of coal enterprises above designated size nationwide, an increase of 0.1 percentage points over 2021, thus the concentration of the industry has been further increased.

In terms of coal chemical industry, China's urea industry is relatively scattered, and the market competition is relatively sufficient. As at the end of 2022, 20 enterprises were with installations of more than 1 million tonnes, 44 enterprises were with installations of more than 500,000 tonnes but less than 1 million tonnes, and the largest four enterprises accounted for about 13% of the industry's total production capacity only. The production capacity of polyolefin industry was intensively launched from 2020 to 2023, and the production capacity of new polyethylene and polypropylene reached 2.60 million tonnes and 3.53 million tonnes in 2022, respectively. The concentration of polyolefin industry has continued to decline, and the market competition has become increasingly intensive.

In terms of the coal mining equipment manufacturing industry, the market competition in the traditional three-machine and one roof support (三機一架) is intensive, and the profitability is relatively low. Leading enterprises have accelerated the pace of industrial integration and reorganisation, and the market competition landscape among large enterprise groups is more significant. It is estimated that, the overall market share of the top five enterprises including Tian Di Science & Technology (天地科技), Shanneng Heavy Equipment (山能重裝), China Coal Equipment (中煤裝備), Zhengzhou Coal Machinery (鄭煤機) and Jinneng Equipment (晉能裝備) shall be around 50%, and the market share of segmented markets such as high-end equipment and intelligent coal mining equipment shall be around 80% in 2022.

IV. INDUSTRY DEVELOPMENT TRENDS OF THE BUSINESS OF THE COMPANY

In terms of coal industry, China's GDP growth rate is expected to increase by around 5% in 2023 in accordance with the the government work report, which will effectively promote the accelerated recovery of energy consumption. Meanwhile, coal will still be the solid foundation for China's energy supply, and increasing production and ensuring supply will still be the main theme of the policy side of the coal industry in 2023. According to the implementation of production capacity planning of main coal production areas and the coal enterprises' coal mine projects under construction, it is expected that China's coal production will still have certain growth opportunities in 2023. In general, it is expected that the domestic coal supply and demand will continue to be in a tight balance in 2023, but the possibility of certain periodical and regional tensions remains. The medium coal price will drop throughout the year, but it will still be at a relatively high level, and the whole industry will maintain a relatively high level of prosperity.

In terms of coal chemical industry, the domestic new urea production capacity is expected to be 2.74 million tonnes in 2023, with a production capacity growth rate of 2.77%. China's urea demand mainly comes from three parts, namely, agricultural demand, industrial demand and export demand. In 2023, it is expected that agricultural demand will increase steadily, industrial demand will improve marginally, and export demand will be basically stable. Under the background of increasing supply capacity and basically stable demand, it is expected that the supply and demand of the domestic urea market will be balanced in 2023, and the urea industry is expected to maintain a reasonable level of profitability. The domestic polyolefin industry is still in the capacity release period in 2023. It is estimated that the new polyethylene production capacity will reach 3.00 million tonnes and the polypropylene production capacity will reach 6.90 million tonnes. With the stabilisation and recovery of the domestic economy, the demand for polyolefins is expected to recover, the cost of raw materials is expected to decline, and the overall profitability of the polyolefin industry is expected to improve.

In terms of coal mining equipment manufacturing industry, in accordance with the national policies such as Guiding Opinions on Accelerating the Intelligent Development of Coal Mines and Guidelines for Intelligent Development of Coal Mines, coupled with the introduction of supporting policies in major coal producing regions, which has set a clear direction and basis for the construction of intelligent mines. It is expected that the domestic intelligent construction of coal mines will step into a period of rapid development in the next 5 years, and the demand for highly reliable intelligent and green coal mining machinery equipment by coal enterprises will further increase. Meanwhile, with the increasing demand for after-sales services from downstream customers, suppliers providing comprehensive equipment and providers offering a full life cycle will become the main direction for major coal mining machinery enterprises to compete in the market.

V. PRODUCTION AND OPERATION PLANS OF THE COMPANY IN 2023

In 2023, the Company will adhere to the general principle of making progress amid stability, and completely implement the development direction of "efficiency enhancement and incremental transformation", strengthen lean management, deepen corporates reform, enhance technology innovation, optimise layout structure, as well as continuously promote high-quality development of the Company. The annual production and sales volumes of self-produced commercial coal, polyolefin products and urea are planned to achieve more than 125.00 million tonnes, more than 1.40 million tonnes and more than 1.90 million tonnes, respectively. Scientific control of cost will be also proactively adopted, and the Company will strive to achieve its satisfying operating results under the absence of major changes in the market. The Company will focus on the following tasks:

Firstly, strengthen production and sales organisation and improve energy supply capability. The Company will adhere to target-orientated approach, arrange production tasks in a scientifically and rationally manner, release advanced production capacity of self-owned coal mines, maintain the coal chemical equipment of work safety, stable production, long-period operation, fully-loaded operation and optimum operation, stabilise the scale of the purchased coal market, strive to increase production, sales and supply, and implement national energy supply requirements.

Secondly, strengthen the responsibility on implementation and improvement of safety management and control capabilities. The Company will adhere to the targets of people first, life first, and "zero death". With a more pragmatic attitude, more powerful measures, and more stringent means, we will stress the safety measures. The Company will accelerate the promotion of "one optimisation and three reduction" and intelligent construction, and effectively improve essential safety capabilities.

Thirdly, deepen lean management and enhance value creation capabilities. The Company will focus on the goal of building a world-class energy enterprise, and continue to carry out improvement on quality and efficiency and benchmark improvement actions, implement detailed and refined management, and continue to improve the capabilities of profitability and generating cash.

Fourthly, continue to deepen reforms and improve the capability of entrepreneurship. The Company will implement a new round of deepening state-owned enterprise reform and upgrading action requirements, further optimise and improve the system and mechanism, continue to release vitality and momentum, and improve management efficiency and effectiveness.

Fifthly, optimise the industrial layout and improve the capability of high-quality development. The Company will give full play to the advantages of essential resources, accelerate the construction of incremental projects, coordinate the implementation of existing projects, and promote the Company's high-quality transformation and development, strengthen the research and development of high-end manufacturing, coal-free coal chemical industry, and coal-based materials, and solidly promote the coordinated development of the industrial chain.

Sixthly, strengthen technological innovation and enhance the capability of independent innovation. The Company will continuously optimise the system and mechanism of technological innovation, build a "six-in-one" work system of management, research and development, platforms, talents, projects, and systems, and improve the efficiency of technological innovation; focus on national energy security and high-quality development of the industry, focus on key areas such as clean and efficient use of coal, the integration of new energy and coal chemical industry, as well as advance the allocation of innovative resources.

Seventhly, adhere to bottom-line thinking to improve risk prevention and control capabilities. The Company will coordinate development and safety, continue to strengthen safe production, ecological and environmental protection, energy conservation and emission reduction, and liquidity management, strongly hold the bottom line of no major risks, and create a favourable development environment.

Eighthly, strengthen compliance management and improve corporate governance capabilities. The Company will deeply promote the dedicated work of improving the quality of listed companies, continue to optimise and improve the content of information disclosure, continuously strengthen the compliance awareness of managers at all levels, further deepen daily communication with investors, and maintain a good image of the Company in the capital market.

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

SIGNIFICANT EVENTS

(1) Share Capital Structure

As of 31 December 2022, the structure of the share capital of the Company was as follows:

Unit: Share(s)

Type of Shares	**Number of Shares**	**Percentage (%)**
A Shares	9,152,000,400	69.03
Of which: A Shares held by China Coal Group	7,605,207,608	57.36
H Shares	4,106,663,000	30.97
Of which: H Shares held by China Coal Hong Kong Limited, a wholly-owned subsidiary of China Coal Group	132,351,000	1.00
Total	13,258,663,400	100.00
Of which: Shares held by China Coal Group and parties acting in concert with it	7,737,558,608	58.36

(2) Distribution of Final Dividends for 2021

The Company's 2021 profit distribution plan was considered and approved at the Company's 2021 annual general meeting held on 15 June 2022. Cash dividends of RMB3,984,572,400 were distributed to the Shareholders, representing 30% of the net profit attributable to the shareholders of the listed company which was RMB13,281,908,000 as set out in the consolidated financial statements for 2021 prepared in accordance with PRC GAAP. Based on the total issued share capital of 13,258,663,400 shares of the Company, RMB0.301 (inclusive of tax) per share would be distributed.

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

(3) Amendment to the Articles of Association and Rules of Procedures of the Board

The Articles of Association and the Rules of Procedures of the Board of the Company were amended in 2022, as considered and proposed at the 2022 third meeting of the fourth session of the Board held on 5 July 2022, and approved at the general meeting, A shareholder' class meeting and H shareholder' class meeting of the Company on 25 August 2022.

(4) Transaction of Assets

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

(5) Other Significant Events

Proposal on Continuing to Grant to the Management of the Company the General Mandate to Issue Debt Financing Instruments

On 15 June 2022, the 2021 annual general meeting of the Company considered and approved the Proposal on Continuing to Grant to the Management of the Company the General Mandate to Issue Debt Financing Instruments, in which the Board was generally and unconditionally authorised, who would in turn further authorise the management of the Company, with full power and authority to deal with the matters in relation to the issuance of domestic and/or overseas debt financing instruments of no more than RMB40 billion within the effective period of the resolution and in accordance with the specific needs of the Company and other conditions of the capital market.

EMPLOYEE

As at 31 December 2022, the total number of employees in the Group is 46,450 (2021: 45,474).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to improving its corporate governance level. For the year ended 31 December 2022, the Company strictly complied with the code provisions of Corporate Governance Code set out in appendix 14 of Hong Kong Listing Rules.

AUDIT AND RISK MANAGEMENT COMMITTEE

The audit and risk management committee of the Company has reviewed the annual results for the year ended 31 December 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in appendix 10 of Hong Kong Listing Rules ("**Model Code**"). The Company confirmed after careful inquiry that all Directors and Supervisors had been complying with the Model Code during the year ended 31 December 2022.

REMUNERATION OF DIRECTORS AND SUPERVISORS

For the year ended 31 December 2022, no Directors or Supervisors have agreed to waive any remuneration.

The remuneration package of Directors is determined by the remuneration committee and is subject to approval by the Board and Shareholders at the annual general meeting. To determine the remuneration package, the remuneration committee and the Board will take into consideration a number of factors, such as Directors' duties, responsibilities and performance as well as the operating results of the Group.

DIVIDENDS

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

On 23 March 2023, pursuant to the relevant PRC laws and regulations, the Board recommended the payment of cash dividends of RMB5,472,160,500 to the Shareholders, representing 30% of the net profit attributable to the shareholders of the listed company for the year ended 31 December 2022, which was RMB18,240,535,000 as set out in the consolidated financial statements prepared in accordance with PRC GAAP. The proposed dividend distribution will be made based on the Company's total issued share capital of 13,258,663,400 shares, representing a dividend of RMB0.413 per share (tax inclusive). The above proposed profit distribution plan is subject to the approval of Shareholders at the 2022 annual general meeting. Cash dividends will be distributed to Shareholders registered at the relevant record date upon approval.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and its implementing rules, the Company is required to withhold enterprise income tax at a rate of 10% before distributing the final dividend to non-resident enterprise Shareholders whose names appear on the Company's H Share register of members. Any shares registered in the name of the non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organisations, will be treated as being held by non-resident enterprise Shareholders and therefore an enterprise income tax shall be withheld for their dividends receivables.

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

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

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

For shareholders who are entitled to participate in the 2022 annual general meeting of the Company (expected to be convened prior to 30 June 2023) and holders of H shares who are entitled to receive the final dividend for the year ended 31 December 2022, the latest registration date and the period of closure of H share register as well as the dividend distribution date (expected to be prior to 31 August 2023) will be separately announced after determining the convening date of the 2022 annual general meeting of the Company.

Under relevant regulations of China Securities Depository and Clearing Corporation Limited Shanghai Branch and in line with the market practice regarding dividend distribution for A Shares, the Company will publish a separate announcement in respect of its dividend distribution to holders of A Shares after the Company's annual general meeting for 2022, which, among other things, will set out the record date and ex-rights date of dividend distribution for A Shares.

As of 31 December 2022, no arrangement was reached pursuant to which the Shareholders waived or agreed to waive their dividends.

PURCHASE, SALE OR REPURCHASE OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2022, the Company and its subsidiaries had not purchased, sold or repurchased any listed securities of the Company.

AUDITORS

Ernst & Young and Ernst & Young Hua Ming LLP (special general partnership) were appointed as overseas auditors and internal auditors for the year ended 31 December 2022. The former has audited the financial statements of the Company prepared in accordance with IFRS and provided unqualified opinion.

RELEASE OF ANNUAL REPORT ON HKEXNEWS WEBSITE

According to the Hong Kong Listing Rules, the Annual Report for 2022 of the Company, including all the information disclosed in this announcement, and will be disclosed on the Company website and HKEXnews Website on or prior to 30 April 2023.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

Company/China Coal Energy/ the Group/the Company	China Coal Energy Company Limited, unless otherwise indicated, also includes all of its subsidiaries
Board of the Company/Board	the board of directors of China Coal Energy Company Limited
Director(s)	the director(s) of the Company, including all the executive directors, non-executive directors and independent non-executive directors

Supervisor(s)	the supervisor(s) of the Company
China Coal Group	China National Coal Group Corporation, the controlling shareholder of the Company
Shanghai Energy Company	Shanghai Datun Energy Resources Company Limited
Pingshuo Group	China Coal Pingshuo Group Company Limited
Mengda Mining	Wushenqi Mengda Mining Company Limited
Finance Company	China Coal Finance Co., Ltd.
China Coal Yuanxing Company	Inner Mongolia China Coal Yuanxing Energy Chemical Company Limited
Yihua Mining	Ordos Yihua Mining Resources Company Limited
Yinhe Hongtai Company	Ordos Yinhe Hongtai Coal Power Company Limited
Pingshuo Mine Area	a mining area located in Shanxi Province, mainly comprising Antaibao Open Pit Mine, Anjialing Open Pit Mine as well as East Open Pit Mine
East Open Pit Mine	East Open Mine of China Coal Pingshuo Group
Dahaize Coal Mine	Dahaize Coal Mine Project of China Coal Shaanxi Yulin Energy & Chemical Company Limited
Wangjialing Coal Mine	Wangjialing Coal Mine Project of China Coal Huajin Energy Group Limited
Anjialing Coal Mine	east open pit mine of China Coal Pingshuo Group Company Limited
Libi Coal Mine	Libi Coal Mine of China Coal Huajin Group Jincheng Energy Company Limited
Antaibao 2×350MW low calorific value coal power generation project	Antaibao 2×350MW low calorific value coal power generation project of China Coal Antaibao Thermal Power Company Limited
Technological Transformation Project of Annual Methanol Output of 1 Million Tonnes from Synthetic Gas	the technological transformation project of annual methanol output of 1 million tonnes from synthetic gas of China Coal Ordos Energy Chemical Company Limited
Shaanxi Yulin's coal chemical phase II project with an annual output of 900,000 tonnes of polyolefin	China Coal Shaanxi Yulin Energy Chemical Co., Ltd. Coal Chemical Industry Phase II Project with an annual output of 900,000 tons of polyolefin

Wushenqi Tuke 2×660MW pithead coal power project	China Coal Northwest Energy Chemical Group Co., Ltd. Wushenqi Tuke Industrial Park 2x660MW pithead coal power project
coal-free coal chemical industry	Through adopting the coal chemical technology concept, the product can be produced without coal while having the power of coal chemical products
carbon production without carbon emission	As an energy enterprise, the Company actively explores the development path of "dual carbon" with China Coal's characteristics, advocates the reduction or non-emission of carbon dioxide in the process of coal chemical production, promotes the resource utilisation of carbon dioxide, and forms a new way of fossil energy utilisation of "non-emission of carbon production"
Liquid Sunllight	it is the synthesis of liquid sun fuel, which is the production of hydrogen by using solar energy and other renewable energy to electrolyte, and hydrogen reaction with carbon dioxide to produce green methanol
CSRC	China Securities Regulatory Commission
SASAC	State-owned Assets Supervision and Administration Commission of the State Council
HKSE	The Stock Exchange of Hong Kong Limited
HKEXnews Website	www.hkexnews.hk
SSE	the Shanghai Stock Exchange
SSE Website	www.sse.com.cn
Company Website	www.chinacoalenergy.com
Articles of Association	the articles of association passed at the inaugural meeting of the Company on 18 August 2006 and approved by the relevant state authorities, as amended and supplemented from time to time
A Share(s)	the ordinary share(s) issued to domestic investors in China with approval from CSRC, which are listed on the SSE and traded in RMB
H Share(s)	the overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company, which are listed on the HKSE for subscription in Hong Kong dollars
Share(s)	the ordinary shares of the Company, including A Share(s) and H Share(s)

Shareholder(s)	the shareholder(s) of the Company, including holder(s) of A Shares and holder(s) of H Shares
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
SSE Listing Rules	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
RMB	RMB yuan

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

Beijing, the PRC
23 March 2023

As at the date of this announcement, the Company's executive directors are Wang Shudong and Peng Yi; non-executive directors are Zhao Rongzhe and Xu Qian; independent non-executive directors are Zhang Ke, Zhang Chengjie, and Leung Chong Shun.

* *For identification purpose only*

This announcement is prepared in English and Chinese. In the event of any inconsistency between the two versions, the Chinese version shall prevail.