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# CHINA COAL ENERGY COMPANY LIMITED\*

中國中煤能源股份有限公司

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

(Stock Code: 01898)

## FIRST QUARTERLY REPORT 2021

Pursuant to the regulations and rules of China Securities Regulatory Commission and Shanghai Stock Exchange, China Coal Energy Company Limited (the “**Company**” or “**China Coal Energy**”, together with its subsidiaries, collectively the “**Group**”) is required to publish reports on a quarterly basis.

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This announcement is a summary of the 2021 first quarterly financial report of the Company for the three months ended 31 March 2021. The full text of the quarterly financial report will be available on the website of The Stock Exchange of Hong Kong Limited (the “**HKSE**”) on 22 April 2021. The full text of the quarterly financial report is in Chinese only.

### I. IMPORTANT NOTICE

1.1 The board of directors and the supervisory committee of the Company together with the directors, supervisors and the senior management thereof guarantee that the content of this quarterly report is true, accurate and complete and does not contain any false representations, misleading statements or material omissions, and severally and jointly accept legal responsibility for the content of this report.

1.2 Absence of director

| Name of absent director | Position of absent director | Reason for absence    | Name of proxy |
|-------------------------|-----------------------------|-----------------------|---------------|
| Zhao Rongzhe            | Director                    | Other work commitment | Du Ji'an      |

1.3 Peng Yi (the person-in-charge of the Company), Chai Qiaolin (the person-in-charge of accounting affairs) and Zheng Weili (the person responsible for the accounting department, i.e. head of the accounting department) guarantee that the financial statements set out in this quarterly report are true, accurate and complete.

1.4 The first quarterly report of the Company is unaudited.

\* For identification purpose only

## II. BASIC INFORMATION OF THE COMPANY

### 2.1 Major financial data

*Unit: RMB' 000*

|   | <b>As at the end of the reporting period</b>                             | <b>As at the end of the previous year</b>   | <b>Increase/decrease at the end of the reporting period as compared to the end of the previous year (%)</b> |
|---|--|---|---|
| Total assets  | 289,709,012  | 281,686,377   | 2.8   |
| Net assets attributable to shareholders of the listed company                                     | 104,900,725  | 100,857,446   | 4.0   |
|   | <b>From the beginning of the year to the end of the reporting period</b> | <b>From the beginning of the previous year to the end of the corresponding period of the previous year (Restated)</b> | <b>Increase/decrease compared to the corresponding period of the previous year (%)</b>                      |
| Net cash flows generated from operating activities  | 5,835,827  | 4,596,433   | 27.0  |
|   | <b>From the beginning of the year to the end of the reporting period</b> | <b>From the beginning of the previous year to the end of the corresponding period of the previous year (Restated)</b> | <b>Increase/decrease compared to the corresponding period of the previous year (%)</b>                      |
| Operational revenue   | 44,442,528   | 27,520,485  | 61.5  |
| Net profit attributable to shareholders of the listed company                                     | 3,509,206  | 648,488   | 441.1   |
| Net profit attributable to shareholders of the listed company net of nonrecurring gains or losses | 3,478,859  | 625,328   | 456.3   |
| Weighted average return on net assets (%)   | 3.41   | 0.66  | Increased by 2.75 percentage points   |
| Basic earnings per share (RMB per share)  | 0.26   | 0.05  | 420.0   |
| Diluted earnings per share (RMB per share)  | 0.26   | 0.05  | 420.0   |

***Non-recurring gains or losses and relevant amounts***

√ Applicable    □ Not applicable

*Unit: RMB'000*

| <b>Items</b>  | <b>Amount for the current period</b> | <b>Explanations</b> |
|---|--------------------------------------|---------------------|
| Profit or loss on disposal of non-current assets  | 3,156                                | —                   |
| Government grants included in profit or loss for the current period, excluding those closely related to the Company's ordinary business and granted on an ongoing basis in fixed amount or volume according to certain principles under national policies | 27,278                               | —                   |
| Gain or loss from external entrusted loans  | 7,422                                | —                   |
| Other non-operating income and expenses apart from the foregoing  | 3,176                                | —                   |
| Gain or Loss on other non-recurring items   | 293                                  | —                   |
| Impact on minority shareholders' interests (after tax)  | -3,314                               | —                   |
| Effect of income tax  | -7,664                               | —                   |
| Total   | 30,347                               | —                   |

## 2.2 Major production and operational data

*Unit: RMB*

| Items  | Unit           | January to<br>March 2021 | January to<br>March 2020 | Percentage<br>change % |
|--|----------------|--------------------------|--------------------------|------------------------|
| <b>I. Coal operations</b>                    |                |                          |                          |                        |
| 1. Production volume of commercial coal      | 10,000 tonnes  | 2,859                    | 2,556                    | 11.9                   |
| Of which: Thermal coal                       | 10,000 tonnes  | 2,551                    | 2,285                    | 11.6                   |
| Coking coal                                  | 10,000 tonnes  | 308                      | 271                      | 13.7                   |
| 2. Sales volume of commercial coal           | 10,000 tonnes  | 7,249                    | 5,060                    | 43.3                   |
| (1) Sales volume of self produced coal       | 10,000 tonnes  | 2,858                    | 2,484                    | 15.1                   |
| Of which: external sales volume              | 10,000 tonnes  | 2,694                    | 2,347                    | 14.8                   |
| (2) Sales volume of proprietary coal trading | 10,000 tonnes  | 4,126                    | 2,524                    | 63.5                   |
| Of which: external sales volume              | 10,000 tonnes  | 3,857                    | 2,322                    | 66.1                   |
| (3) Agency sales of coal                     | 10,000 tonnes  | 265                      | 52                       | 409.6                  |
| <b>II. Coal chemical operations</b>          |                |                          |                          |                        |
| (I) Polyolefin                               |                |                          |                          |                        |
| 1. Polyethylene production volume            | 10,000 tonnes  | 20.2                     | 19.3                     | 4.7                    |
| Sales volume                                 | 10,000 tonnes  | 19.5                     | 14.4                     | 35.4                   |
| 2. Polypropylene production volume           | 10,000 tonnes  | 19.5                     | 18.6                     | 4.8                    |
| Sales volume                                 | 10,000 tonnes  | 19.1                     | 17.7                     | 7.9                    |
| (II) Urea                                    |                |                          |                          |                        |
| 1. Production volume                         | 10,000 tonnes  | 53.8                     | 48.9                     | 10.0                   |
| 2. Sales volume                              | 10,000 tonnes  | 63.7                     | 59.1                     | 7.8                    |
| (III) Methanol                               |                |                          |                          |                        |
| 1. Production volume                         | 10,000 tonnes  | 24.2                     | 20.4                     | 18.6                   |
| 2. Sales volume                              | 10,000 tonnes  | 24.3                     | 20.2                     | 20.3                   |
| Of which: external sales volume              | 10,000 tonnes  | 4.5                      | 0.1                      | 4,400.0                |
| <b>III. Coal mining equipment operations</b> |                |                          |                          |                        |
| 1. Output value of coal mining equipment     | RMB100 million | 21.8                     | 21.4                     | 1.9                    |

## 2.3 Major differences arising from the adoption of different accounting standards in preparing the financial statements

Unit: RMB'000

|   | Net profit attributable to shareholders of the listed company |                                  | Net assets attributable to shareholders of the listed company |                        |
|---|---|----------------------------------|---|------------------------|
|   | January to March 2021   | January to March 2020 (Restated) | As at 31 March 2021   | As at 31 December 2021 |
| According to PRC GAAP   | 3,509,206   | 648,488                          | 104,900,725   | 100,857,446            |
| Items and amounts adjusted according to IAS:                          |   |                                  |   |                        |
| (1) Adjustment to special funds and deferred tax of the coal industry | 521,702   | 409,851                          | -15,202   | -20,446                |
| (2) Adjustment to floating of non-tradable shares under equity split  | –   | –                                | -155,259  | -155,259               |
| (3) Adjustment to government grants                                   | 927   | 927                              | -21,333   | -22,260                |
| According to IAS  | 4,031,835   | 1,059,266                        | 104,708,931   | 100,659,481            |

Explanations on major reconciliations are as follows:

- (1) Adjustment to special reserves and relevant deferred tax: special reserves comprise maintenance fee, safety fund, coal mine transformation fund, mining environmental restoration security deposit and sustainable development reserve. Under PRC GAAP, the Group should make provisions for the special reserves which will be accounted as the production cost and contributions made to the special reserves of equity attributable to shareholders. Non-capital expenditure incurred should be directly offset against special reserves upon incurrence, while capital expenditure incurred should be recorded as fixed assets upon completion, and offset against special reserves based on the cost of the fixed assets with accumulated depreciation fully recognised. After that, no subsequent provisions for depreciation would be made to the relevant fixed assets. Under IFRS, provisions made for the special reserves should be recorded as retained earnings provision while the relevant expenditures are recognised upon incurrence and the special reserves are accordingly transferred to retained earnings.
- (2) Under PRC GAAP, the consideration paid by holders of non-tradable shares to holders of tradable shares in accordance with the reform proposal of equity split should be recorded as long-term equity investments in the balance sheet. Under IFRS, such consideration shall be recorded as interests of minority shareholders directly deducted from the equity attributable to shareholders.
- (3) Under PRC GAAP, subsidies considered as capital investment by the government should be recorded in “capital reserve”. Under IFRS, the subsidies mentioned above shall be treated as government grants.

**2.4 Total number of shareholders, top 10 shareholders and top 10 shareholders holding tradable shares (or shareholders not subject to trading moratorium) as at the end of the reporting period**

*Unit: Share*

| Total number of shareholders   |   |                             |  | 135,302                  |        |                          |
|--|---|-----------------------------|--|--------------------------|--------|--------------------------|
| Particulars of top 10 shareholders   |   |                             |  |                          |        |                          |
| Name of shareholders (full name)   | Number of shares held as at the end of the reporting period | Shareholding percentage (%) | Number of shares subject to trading moratorium | Shares pledged or frozen |        | Nature of shareholders   |
|  |   |                             |  | Status                   | Number |                          |
| China National Coal Group Corporation  | 7,605,207,608   | 57.36%                      | -  | Nil                      | 0      | State-owned legal person |
| HKSCC NOMINEES LIMITED   | 3,953,897,457   | 29.82%                      | -  | Unknown                  | -      | Foreign legal person     |
| China Securities Finance Corporation Limited (中國證券金融股份有限公司)  | 335,624,355   | 2.53%                       | -  | Nil                      | 0      | State-owned legal person |
| China Coal Hong Kong Limited (中煤能源香港有限公司)  | 132,351,000   | 1.00%                       | -  | Nil                      | 0      | Foreign legal person     |
| Central Huijin Asset Management Company Limited (中央匯金資產管理有限責任公司)   | 83,035,400  | 0.63%                       | -  | Nil                      | 0      | State-owned legal person |
| Hong Kong Securities Clearing Company Limited  | 79,122,108  | 0.60%                       | -  | Nil                      | 0      | Foreign legal person     |
| Agricultural Bank of China Limited – Guangfa Balance Selected Mixed Type Securities Investment Fund (中國農業銀行股份有限公司—廣發均衡優選混合型證券投資基金)             | 46,415,081  | 0.35%                       | -  | Nil                      | 0      | Other                    |
| China Construction Bank Corporation – Guangfa Value Leading Mixed Type Securities Investment Fund (中國建設銀行股份有限公司—廣發價值優勢混合型證券投資基金)               | 41,050,601  | 0.31%                       | -  | Nil                      | 0      | Others                   |
| Xu Kaidong (徐開東)   | 32,618,710  | 0.25%                       | -  | Nil                      | 0      | Domestic natural person  |
| Industrial and Commercial Bank of China Limited – Guangfa Value Advantage Mixed Type Securities Investment Fund (中國工商銀行股份有限公司—廣發價值優勢混合型證券投資基金) | 21,937,970  | 0.17%                       | -  | Nil                      | 0      | Others                   |

| Particulars of top 10 shareholders not subject to trading moratorium   |  |                                    |               |
|--|--|------------------------------------|---------------|
| Name of shareholders   | Number of listed shares held not subject to trading moratorium   | Type and number of Shares          |               |
|  |  | Type                               | Number        |
| China National Coal Group Corporation (中國中煤能源集團有限公司)   | 7,605,207,608  | Ordinary shares denominated in RMB | 7,605,207,608 |
| HKSCC NOMINEES LIMITED   | 3,953,897,457  | Overseas listed foreign shares     | 3,953,897,457 |
| China Securities Finance Corporation Limited (中國證券金融股份有限公司)  | 335,624,355  | Ordinary shares denominated in RMB | 335,624,355   |
| China Coal Hong Kong Limited (中煤能源香港有限公司)  | 132,351,000  | Overseas listed foreign shares     | 132,351,000   |
| Central Huijin Asset Management Company Limited (中央匯金資產管理有限責任公司)   | 83,035,400   | Ordinary shares denominated in RMB | 83,035,400    |
| Hong Kong Securities Clearing Company Limited  | 79,122,108   | Ordinary shares denominated in RMB | 79,122,108    |
| Agricultural Bank of China Limited – Guangfa Balance Selected Mixed Type Securities Investment Fund (中國農業銀行股份有限公司—廣發均衡優選混合型證券投資基金)             | 46,415,081   | Ordinary shares denominated in RMB | 46,415,081    |
| China Construction Bank Corporation – Guangfa Value Leading Mixed Type Securities Investment Fund (中國建設銀行股份有限公司—廣發價值優勢混合型證券投資基金)               | 41,050,601   | Ordinary shares denominated in RMB | 41,050,601    |
| Xu Kaidong (徐開東)   | 32,618,710   | Ordinary shares denominated in RMB | 32,618,710    |
| Industrial and Commercial Bank of China Limited – Guangfa Value Advantage Mixed Type Securities Investment Fund (中國工商銀行股份有限公司—廣發價值優勢混合型證券投資基金) | 21,937,970   | Ordinary shares denominated in RMB | 21,937,970    |
| Explanations on affiliated relationship or parties acting in concert among the above-mentioned shareholders                                    | China Coal Hong Kong Limited (中煤能源香港有限公司) is a wholly-owned subsidiary of China Coal Group (中煤集團), the controlling shareholder of the Company. It is not certain if any of the other shareholders are affiliated or acting in concert with each other. |                                    |               |
| Explanations on preference shareholders with voting rights restored and the number of shares held  | The Company does not have preference shares and has no preference shareholders with voting rights restored.  |                                    |               |

*Notes:* The above tables of particulars of top 10 shareholders and particulars of top 10 shareholders not subject to trading moratorium are based on the followings:

1. The above information was prepared in accordance with the register of shareholders of the Company as at 31 March 2021 provided by the China Securities Depository and Clearing Corporation Limited Shanghai Branch and Computershare Hong Kong Investor Services Limited.
2. The A shares held by Hong Kong Securities Clearing Company Limited are held on behalf of various customers.
3. The H shares held by HKSCC Nominees Limited are held on behalf of various customers.

As at 31 March 2021, according to the disclosure of interests published on the website of HKSE, Funde Sino Life Insurance Co., Ltd. had long positions in 2,012,858,147 H shares of the Company.

**2.5 Total number of holders of preference shares, top 10 holders of preference shares and top 10 holders of preference shares (not subject to trading moratorium) as at the end of the reporting period**

Applicable  Not applicable

**III. SIGNIFICANT EVENTS**

**3.1 Significant changes of the major accounting items and financial indicators of the Company and the reasons thereof**

Applicable  Not applicable

**3.1.1 Analysis on reasons for the major changes in items on the balance sheet**

*Unit: RMB'000*

| <b>Items</b>        | <b>As at<br/>31 March<br/>2021</b> | <b>As at<br/>31 December<br/>2020</b> | <b>Increase/<br/>decrease<br/>(%)</b> | <b>Major reasons for the changes</b>   |
|---------------------|------------------------------------|---------------------------------------|---------------------------------------|--|
| Account receivables | 10,016,570                         | 7,241,095                             | 38.3                                  | Mainly due to the increase in account receivables during the settlement period as a result of the significant increase in income due to the expansion in sales scale of the Company. |
| Tax payables        | 2,744,640                          | 1,634,611                             | 67.9                                  | Mainly due to the increase in EIT and VAT payables as a result of the increase in earnings and expansion in sales scale of the Company.  |



### 3.1.2 Analysis on reasons for the major changes in items on the income statement

Unit: RMB'000

| Items                             | January to March 2021 | January to March 2020 (Restated) | Increase/decrease (%) | Major reasons for the changes  |
|-----------------------------------|-----------------------|----------------------------------|-----------------------|--|
| Operating revenue                 | 44,442,528            | 27,520,485                       | 61.5                  | Mainly due to the significant increase in sales prices of the major products of the Company benefited from the stable recovery of the macro economy, the year-on-year increase in production and sales volume as a result of strengthening the production of coal, coal chemical and coal mining equipment products, as well as the expansion in sales scale of purchased coal by leveraging on its strong network channels resulting in an increase of operating revenue. |
| Operating cost                    | 32,861,337            | 19,606,770                       | 67.6                  | Mainly due to the increase in production and sales volume of the major products of the Company, as well as the expansion in sales scale of purchased coal resulting in an increase of operating cost.  |
| Tax expenses and surcharges       | 1,288,758             | 914,015                          | 41.0                  | Mainly due to the year-on-year increase in ad valorem resources tax as a result of the increase in sales volume sales price of the self-produced coal of the Company.  |
| Research and development expenses | 81,433                | 42,857                           | 90.0                  | Mainly due to the increase in research and development expenses of the Company for enhancing its technology and innovation.  |
| Investment gain                   | 828,102               | 46,460                           | 1,682.4               | Mainly due to the year-on-year increase in earnings of investee companies and the year-on-year increase in investment gain recognised based on the share proportion of the Company in such companies.  |
| Income tax expenses               | 1,370,784             | 742,139                          | 84.7                  | Mainly due to the year-on-year increase in earnings of the Company.  |

### 3.1.3 Analysis on reasons for major changes in items on the cash flow statement

Unit: RMB'000

| Items   | January to March 2021 | January to March 2020 (Restated) | increase/decrease in amount | Major reasons for the changes  |
|---|-----------------------|----------------------------------|-----------------------------|--|
| Net cash flows generated from operating activities  | 5,835,827             | 4,596,433                        | 1,239,394                   | Mainly due to the combined effect of growth of the operating results of the Company as well as the increase of the deposits derived from members other than China Coal Energy by the Finance Company.  |
| Net cash flows generated from investment activities | -2,881,831            | 3,130,981                        | -6,012,812                  | Mainly due to the combined effects of the change in time deposits of the Company with initial deposit period of more than three months as well as the self-operated loan to members other than China Coal Energy by the Finance Company on a year-on-year basis, resulting in an increase in cash outflow. |
| Net cash flows generated from financing activities  | 428,636               | 4,493,473                        | -4,064,837                  | Mainly due to the year-on-year decrease in debt financing arranged by the Company according to the annual financing plan and the overall capital.  |

### 3.1.4 Revenue, cost and gross profit of coal operations

In the first quarter of 2021, the macro economy has steadily recovered. The selling price of the self-produced commercial coal of the Company increased significantly. The Company endeavoured to increase production and sales to guarantee supply, and the scale of coal production and sales were expanded. The production volume of self-produced commercial coal was 28.59 million tonnes, representing a year-on-year increase of 3.03 million tonnes or 11.9%; the sales volume of self-produced commercial coal was 28.58 million tonnes, representing a year-on-year increase of 3.74 million tonnes or 15.1%; the sales volume of proprietary coal trading was 41.26 million tonnes, representing a year-on-year increase of 16.02 million tonnes or 63.5%. The Company recorded a sales revenue from coal operations of RMB36.678 billion, representing an increase of RMB14.780 billion or 67.5%, as compared to RMB21.898 billion for the same period of last year, of which, the sales revenue from self-produced commercial coal was RMB14.590 billion, representing an increase of RMB2.918 billion or 25.0%, as compared to RMB11.672 billion for the same period of last year; the sales revenue from proprietary coal trading was RMB22.083 billion, representing an increase of RMB11.860 billion or 116.0%, as compared to RMB10.223 billion for the same period of last year.

The cost of sales of coal operations was RMB27.406 billion, representing an increase of RMB12.125 billion or 79.3%, as compared to RMB15.281 billion for the same period of last year, of which, the cost of sales of self-produced commercial coal increased by RMB799 million year on year, due to the combined effects of the Company's enhancement of cost control leading to the year-on-year decrease of the unit cost of sales of self-produced commercial coal by RMB0.27/tonne, and the year-on-year increase of its sales volume by 3.74 million tonnes; and the cost of sales of proprietary coal increased on a year-on-year basis by RMB11.326 billion due to the year-on-year increase of the sales volume of proprietary coal by 16.02 million tonnes.

The gross profit of coal operations was RMB9.272 billion, representing an increase of RMB2.655 billion or 40.1%, as compared to RMB6.617 billion for the same period of last year, of which, self-produced commercial coal recorded a gross profit of RMB8.427 billion, representing an increase of RMB2.119 billion as compared to RMB6.308 billion for the same period of last year; proprietary coal trading recorded a gross profit of RMB840 million, representing an increase of RMB534 million as compared to RMB306 million for the same period of last year.

### 3.1.5 Coal sales volume and selling prices before netting of inter-segmental sales and the year-on-year changes

Currency: RMB

|   |                             | January to March 2021 |       | January to March 2020 |       | Year-on-year                 |                           |                                 |                           |
|---|-----------------------------|-----------------------|-------|-----------------------|-------|------------------------------|---------------------------|---------------------------------|---------------------------|
|   |                             |                       |       |                       |       | Increase/decrease in amount  |                           | Increase/decrease in percentage |                           |
|   |                             |                       |       |                       |       | Sales volume (10,000 tonnes) | Selling price (RMB/tonne) | Sales volume (10,000 tonnes)    | Selling price (RMB/tonne) |
| I. Self-produced commercial coal            | Total                       | 2,858                 | 511   | 2,484                 | 470   | 374                          | 41                        | 15.1                            | 8.7                       |
|   | (I) Thermal coal            | 2,539                 | 459   | 2,209                 | 421   | 330                          | 38                        | 14.9                            | 9.0                       |
|   | 1. Domestic sale            | 2,539                 | 459   | 2,209                 | 421   | 330                          | 38                        | 14.9                            | 9.0                       |
|   | (II) Coking coal            | 319                   | 919   | 275                   | 858   | 44                           | 61                        | 16.0                            | 7.1                       |
|   | 1. Domestic sale            | 319                   | 919   | 275                   | 858   | 44                           | 61                        | 16.0                            | 7.1                       |
| II. Proprietary coal trading                | Total                       | 4,126                 | 535   | 2,524                 | 405   | 1,602                        | 130                       | 63.5                            | 32.1                      |
|   | (I) Domestic resale         | 4,064                 | 536   | 2,494                 | 401   | 1,570                        | 135                       | 63.0                            | 33.7                      |
|   | (II) Self-operated exports* | 6                     | 1,206 | 2                     | 1,866 | 4                            | -660                      | 200.0                           | -35.4                     |
|   | (III) Import trading        | 56                    | 402   | 28                    | 668   | 28                           | -266                      | 100.0                           | -39.8                     |
| III. Import and export and domestic agency* | Total                       | 265                   | 2     | 52                    | 6     | 213                          | -4                        | 409.6                           | -66.7                     |
|   | (I) Import agency           | 256                   | 2     | 15                    | 4     | 241                          | -2                        | 1,606.7                         | -50.0                     |
|   | (II) Export agency          | 9                     | 8     | 37                    | 7     | -28                          | 1                         | -75.7                           | 14.3                      |

\* : Briquette export.

\* : Selling price is agency service fee.

Note: Sales volume of the commercial coal is before net of inter-segmental sales within the Company which was 4.33 million tonnes for January to March 2021 and 3.39 million tonnes for January to March 2020.

### 3.1.6 The unit cost of sales of self-produced commercial coal and the year-on-year changes

Unit: RMB/tonne Currency: RMB

| Items   | January to March 2021 | January to March 2020 | Year-on-year                |                                     |
|---|-----------------------|-----------------------|-----------------------------|-------------------------------------|
|   |                       |                       | Increase/decrease in amount | Increase/decrease in percentage (%) |
| Materials costs                                     | 50.97                 | 51.50                 | -0.53                       | -1.0                                |
| Staff costs   | 28.94                 | 31.95                 | -3.01                       | -9.4                                |
| Depreciation and amortization                       | 52.54                 | 55.63                 | -3.09                       | -5.6                                |
| Repair expenses                                     | 10.55                 | 9.74                  | 0.81                        | 8.3                                 |
| Outsourced mining engineering fee                   | 36.58                 | 33.04                 | 3.54                        | 10.7                                |
| Other costs   | 36.07                 | 34.06                 | 2.01                        | 5.9                                 |
| Unit cost of sales of self-produced commercial coal | 215.65                | 215.92                | -0.27                       | -0.1                                |

In the first quarter of 2021, the unit cost of sales of self-produced commercial coal of the Company was RMB215.65/tonne, representing a decrease of RMB0.27/tonne or 0.1%, as compared to RMB215.92/tonne for the same period of last year. The Company continued to release its advanced production capacity activating the increase of the output of self-produced commercial coal, the dilution effect of which reduced the staff costs and depreciation and amortization costs per tonne of coal on a year-on-year basis. According to the production organization plan, the stripping volume of the Company's open pit mine and the drifting footage of the mine for the current period increased on a year-on-year basis, which resulted in the increase both in outsourced mining engineering fee per tonne of coal and repair expenses per tonne of coal. Besides, affected by the combined effect of the year-on-year decrease in utilization of the special fund provided by the Company in the current period as well as unbalanced settlement of sporadic expenses related to production, other costs per tonne of coal increased on a year-on-year basis.

### 3.1.7 Sales volume and price of major coal chemical products and the year-on-year changes

Currency: RMB

|  | January to March 2021        |                           | January to March 2020        |                           | Year-on-year                 |                           |                                     |                   |
|--|------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|-------------------------------------|-------------------|
|  |                              |                           |                              |                           | Increase/decrease in amount  |                           | Increase/decrease in percentage (%) |                   |
|  | 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   | 38.6                         | 7,444                     | 32.1                         | 6,052                     | 6.5                          | 1,392                     | 20.2                                | 23.0              |
| 1. Polyethylene  | 19.5                         | 7,321                     | 14.4                         | 6,000                     | 5.1                          | 1,321                     | 35.4                                | 22.0              |
| 2. Polypropylene   | 19.1                         | 7,569                     | 17.7                         | 6,095                     | 1.4                          | 1,474                     | 7.9                                 | 24.2              |
| (II) Urea  | 63.7                         | 1,927                     | 59.1                         | 1,692                     | 4.6                          | 235                       | 7.8                                 | 13.9              |
| (III) Methanol   | 24.3                         | 1,598                     | 20.2                         | 1,394                     | 4.1                          | 204                       | 20.3                                | 14.6              |
| Of which: Inter-segment self-consumption volume <sup>◆</sup> | 19.8                         | 1,649                     | 20.1                         | 1,393                     | -0.3                         | 256                       | -1.5                                | 18.4              |
| External sales   | 4.5                          | 1,375                     | 0.1                          | 1,681                     | 4.4                          | -306                      | 4,400.0                             | -18.2             |

◆ : The amount of inter-segment self-consumption volume represents the supply of methanol by Inner Mongolia China Coal Yuanxing Energy Chemical Company Limited (內蒙古中煤遠興能源化工有限公司) and China Coal Shaanxi Yulin Energy & Chemical Company Limited (中煤陝西榆林能源化工有限公司) to Inner Mongolia China Coal Mengda New Energy & Chemical Company Limited (內蒙古中煤蒙大新能源化工有限公司) and China Coal Ordos Energy Chemical Company Limited (中煤鄂爾多斯能源化工有限公司).

### 3.1.8 Unit cost of sales of major coal chemical products and year-on-year changes

Unit: RMB/tonne Currency: RMB

| Items                       | January to March 2021 | January to March 2020 | Year-on-year                |                                     |
|-----------------------------|-----------------------|-----------------------|-----------------------------|-------------------------------------|
|                             |                       |                       | Increase/decrease in amount | Increase/decrease in percentage (%) |
| (I) Polyolefin              | 5,477                 | 4,928                 | 549                         | 11.1                                |
| 1. Polyethylene             | 5,505                 | 4,985                 | 520                         | 10.4                                |
| 2. Polypropylene            | 5,448                 | 4,881                 | 567                         | 11.6                                |
| (II) Urea                   | 1,080                 | 1,105                 | -25                         | -2.3                                |
| (III) Methanol <sup>▲</sup> | 1,268                 | 1,250                 | 18                          | 1.4                                 |

▲ : The unit cost of sales of methanol includes the corresponding unit cost of sales of inter-segmental self-consumption volume.

**3.2 Analysis and explanation on the progress of significant events and their impacts and solutions**

applicable     Not applicable

**3.3 Undertakings not yet fully performed during the reporting period**

applicable     Not applicable

**3.4 Warning in respect of possible loss or any significant changes in aggregate net profit from beginning of the year until the end of the next reporting period as compared with that of the corresponding period of the previous year and the reasons thereof**

applicable     Not applicable

Since 2021, the macro economy has steadily recovered. The selling price of the main products of the Company increased significantly, and with the combined effect of the expansion of production and sale of main products, continuous strengthened cost control by the Company as well as the year-on-year increase of investment income from investee companies, it is expected that there will be a substantial growth in accumulated net profit from the beginning of this year to the end of the next reporting period as compared with that of the corresponding period of the previous year.

By Order of the Board  
**China Coal Energy Company Limited**  
**Peng Yi**  
*Vice Chairman and Executive Director*

Beijing, the PRC  
22 April 2021

*As at the date of this announcement, the executive director of the Company is Peng Yi; the non-executive directors of the Company are Du Ji'an, Zhao Rongzhe and Xu Qian; and the independent non-executive directors of the Company are Zhang Ke, Zhang Chengjie, and Leung Chong Shun.*