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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 2024

Pursuant to the regulations and rules of China Securities Regulatory Commission and Shanghai Stock Exchange (“SSE”), 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 2024 first quarterly financial report of the Company for the three months ended 31 March 2024. 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 24 April 2024. The full text of the quarterly financial report is in Chinese only.

IMPORTANT NOTICE

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.

The person-in-charge of the Company, the person-in-charge of accounting affairs and the person responsible for the accounting department (head of the accounting department) guarantee that the financial information set out in this quarterly report are true, accurate and complete.

Whether the first quarterly financial statements is audited or not

Yes No

I. MAJOR FINANCIAL DATA

(I) Major Accounting Data and Financial Indicators

Unit: RMB' 000

Items		The reporting period	Increase/decrease in the reporting period as compared to the corresponding period of the previous year (%)
Operational revenue		45,394,500	-23.3
Net profit attributable to shareholders of the listed company		4,969,520	-30.5
Net profit attributable to shareholders of the listed company net of non-recurring gains or losses		4,892,218	-31.4
Net cash flows generated from operating activities		3,405,180	-69.3
Basic earnings per share (RMB per share)		0.37	-31.5
Diluted earnings per share (RMB per share)		0.37	-31.5
Weighted average return on net assets (%)		3.38	Decreased by 1.94 percentage points
	As at the end of the reporting period	As at the end of the previous year	Increase/decrease in the reporting period as compared to the corresponding period of the previous year (%)
Total assets	351,793,888	349,359,919	0.7
Owners' equity attributable to shareholders of the listed company	149,762,696	144,121,015	3.9

(II) Items of non-recurring gains or losses and relevant amounts√ Applicable Not applicable*Unit: RMB'000*

Items of non-recurring gains or losses	Amount for the reporting period	Explanations
Profit or loss on disposal of non-current assets, including the write-off portion of provision for assets impairment	-1,911	–
Government grants included in profit or loss for the current period, excluding those closely related to the Company's ordinary business and granted on determined standards and having a sustained impact on the Company's profit and loss according to certain principles under national policies	98,504	–
Capital occupation fee received from non-financial entities included in profit or loss for the current period	5,925	–
Gains or losses from external entrusted loans	46	–
Other non-operating income and expenses apart from the foregoing	-12,153	–
Less: Effect of income tax	19,667	–
Impact on minority shareholders' interests (after tax)	-6,558	–
Total	77,302	–

Explanation shall be provided for the Company's determination of the items which are not defined in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public-Extraordinary Profit and Loss as non-recurring profit or loss items which are significant in amounts and the determination of the non-recurring profit or loss items defined in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public-Extraordinary Profit and Loss as recurring items.

 Applicable Not applicable

(III) Major production and operational data*Currency: RMB*

Items	Unit	January to March 2024	January to March 2023	Percentage change %
I. Coal operations				
(I) Production volume of commercial coal	10,000 tonnes	3,273	3,330	-1.7
Of which: Thermal coal	10,000 tonnes	2,992	3,051	-1.9
Coking coal	10,000 tonnes	281	279	0.7
(II) Sales volume of commercial coal	10,000 tonnes	6,387	7,477	-14.6
Of which: Self-produced commercial coal	10,000 tonnes	3,231	3,257	-0.8
Proprietary coal trading	10,000 tonnes	2,973	3,931	-24.4
Import and export and domestic agency	10,000 tonnes	183	289	-36.7
II. Coal chemical operations				
(I) Polyolefin				
1. Production volume	10,000 tonnes	39.2	37.8	3.7
2. Sales volume	10,000 tonnes	37.3	36.5	2.2
(II) Urea				
1. Production volume	10,000 tonnes	47.5	47.9	-0.8
2. Sales volume	10,000 tonnes	55.1	64.5	-14.6
(III) Methanol				
1. Production volume	10,000 tonnes	41.2	49.9	-17.4
2. Sales volume	10,000 tonnes	39.6	50.7	-21.9
(IV) Ammonium nitrate				
1. Production volume	10,000 tonnes	13.0	11.6	12.1
2. Sales volume	10,000 tonnes	13.0	12.1	7.4
III. Coal mining equipment operations				
Output value of coal mining equipment	RMB100 million	29.0	30.5	-4.9

(IV) 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 2024	January to March 2023	31 March 2024	31 December 2023
According to PRC GAAP	4,969,520	7,155,268	149,762,696	144,121,015
Items and amounts adjusted according to IAS:				
(a) Adjustment to special funds and deferred tax of the coal industry	527,786	398,217	-73,327	-72,252
(b) Adjustment to floating of non-tradable shares under equity split	-	-	-155,259	-155,259
(c) Adjustment to government grants	927	927	-10,203	-11,130
According to IAS	5,498,233	7,554,412	149,523,907	143,882,374

Explanations on major reconciliations are as follows:

- (a) Adjustment to special reserves and relevant deferred tax: special reserves comprise maintenance fee, safety fund, coal mine transformation fund and sustainable development reserve. Under PRC GAAP, the Company 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.
- (b) 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.
- (c) 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.

(V) Changes of the major accounting data and financial indicators and the reasons thereof

√ Applicable □ Not applicable

Items	Percentage change (%)	Major reasons
Net profit attributable to shareholders of the listed company	-30.5	Mainly attributable to the year-on-year decrease in the selling price of coal and the year-on-year decrease in investment gains from invested companies.
Net profit attributable to shareholders of the listed company net of non-recurring gains or losses	-31.4	
Net cash flows generated from operating activities	-69.3	Mainly attributable to the year-on-year increase in cash outflow of RMB4.486 billion due to change of deposits absorbed from members other than China Coal Energy by China Coal Finance Co., Ltd. and the year-on-year decrease in profits.
Basic earnings per share (RMB per share)	-31.5	Mainly attributable to the year-on-year decrease in the selling price of coal and the year-on-year decrease in investment gains from invested companies.
Diluted earnings per share (RMB per share)	-31.5	
Weighted average return on net assets (%)	-36.5	

(VI) Changes in Accounting Items and Analysis of Operational Status of Major Business Sectors

1. Analysis of Accounting Items with Notable Changes

Unit: RMB' 000

Items	As at 31 March 2024/ January to March 2024	As at 31 December 2023/ January to March 2023	Percentage change (%)	Major reasons
Account receivables	10,757,296	7,116,996	51.1	Mainly attributable to the increase in account receivables during the settlement period as a result of the scale-up of sales of coal and coal mining equipment business in March.
Investment gains	444,478	983,862	-54.8	Mainly attributable to the year-on-year decrease in profitability of invested companies, which resulted in the corresponding decrease in investment gains recognized in proportional to the shareholding of the Company.
Net cash flow generated from investing activities	-1,070,859	-3,527,911	-69.6	Mainly attributable to the year-on-year decrease in cash outflow arising from changes in fixed-term deposits with an initial deposit period of more than three months.
Net cash flow generated from financing activities	-2,752,430	-5,120,759	-46.2	Mainly attributable to the year-on-year decrease in dividends and interest paid to external parties, and the year-on-year decrease in net decrease in debt financing of the Company.

2. Revenue, cost and gross profit of coal operations

For the first quarter, the Company's coal operations achieved sales revenue of RMB37.483 billion, representing a decrease of RMB13.261 billion or 26.1% as compared with RMB50.744 billion for the same period of last year. Among them: sales revenue of self-produced commercial coal was RMB19.306 billion, representing a decrease of RMB2.536 billion or 11.6% as compared with RMB21.842 billion for the same period of last year, mainly because the sales price of self-produced commercial coal decreased by RMB73/tonne year on year, decreasing revenue by RMB2.362 billion, and the sales volume decreased by 0.26 million tonnes year on year, decreasing revenue by RMB174 million. The sales revenue of proprietary coal trading was RMB18.167 billion, representing a decrease of RMB10.718 billion or 37.1% as compared with RMB28.885 billion for the same period of last year, mainly because the sales volume of proprietary coal trading decreased by 9.58 million tonnes year on year, decreasing revenue by RMB7.036 billion, and the sales price decreased by RMB124/tonne year on year, decreasing revenue by RMB3.682 billion.

The cost of sales of coal operations was RMB27.356 billion, representing a decrease of RMB10.156 billion or 27.1%, as compared to RMB37.512 billion for the same period of last year, of which, the cost of sales of self-produced commercial coal amounted to RMB9.401 billion, representing a year-on-year increase of RMB524 million, which was mainly due to the combined effect of the year-on-year increase in the self-operated stripping volume and drifting footage of coal mines, the increase in the salary level of the production front-line team, and the increase in the balance due to the year-on-year decrease in the use of special funds expenditure during the current period, resulting in the year-on-year increase in the unit cost of sales of self-produced commercial coal of RMB18.42/tonne and the year-on-year decrease in sales volume of 0.26 million tonnes; and the cost of sales of proprietary coal trading amounted to RMB17.955 billion, representing a year-on-year decrease of RMB10.680 billion.

The coal operations achieved a gross profit of RMB10.127 billion, representing a decrease of RMB3.105 billion or 23.5%, as compared with RMB13.232 billion for the same period of last year.

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

Currency: RMB

Items		January to March 2024		January to March 2023		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. Self-produced commercial coal	Total	3,231	598	3,257	671	-26	-73	-0.8	-10.9
	(I) Thermal coal	2,961	514	2,981	576	-20	-62	-0.7	-10.8
	Domestic sale	2,961	514	2,981	576	-20	-62	-0.7	-10.8
	(II) Coking coal	270	1,515	276	1,697	-6	-182	-2.2	-10.7
	Domestic sale	270	1,515	276	1,697	-6	-182	-2.2	-10.7
II. Proprietary coal trading	Total	2,973	611	3,931	735	-958	-124	-24.4	-16.9
	(I) Domestic resale	2,798	612	3,897	730	-1,099	-118	-28.2	-16.2
	(II) Self-operated exports	10	1,557	11	2,167	-1	-610	-9.1	-28.1
	(III) Import trading	165	530	23	840	142	-310	617.4	-36.9
III. Import and export and domestic agency★	Total	183	6	289	6	-106	0	-36.7	0.0
	(I) Import agency	☆	☆	7	16	-7	-16	-100.0	-100.0
	(II) Export agency	3	30	6	90	-3	-60	-50.0	-66.7
	(III) Domestic agency	180	5	276	4	-96	1	-34.8	25.0

☆: N/A.

★: Selling price is agency service fee.

Note: Sales volume of the commercial coal is before netting of inter-segmental sales within the Company which was 4.23 million tonnes (including 2.93 million tonnes of self-produced commercial coal and 1.3 million tonnes of proprietary coal trading) in January to March 2024 and 4.84 million tonnes in January to March 2023.

4. Unit cost of sales of self-produced commercial coal and the year-on-year changes

Unit: RMB/tonne Currency: RMB

Items	January to March 2024	January to March 2023	Year-on-year	
			Increase/ decrease in amount	Increase/ decrease in percentage (%)
Materials costs	55.03	51.05	3.98	7.8
Staff costs	49.26	36.19	13.07	36.1
Depreciation and amortization	43.98	48.30	-4.32	-8.9
Repair expenses	11.04	10.97	0.07	0.6
Outsourced mining engineering fee	33.64	33.41	0.23	0.7
Transportation costs and port expenses	58.45	58.82	-0.37	-0.6
Other costs ★	39.57	33.81	5.76	17.0
Unit cost of sales of self-produced commercial coal	290.97	272.55	18.42	6.8

★: Other costs include the environmental restoration expenses arising from coal mining, and the expenditures for the sporadic projects incurred in direct relation to coal production and the provisions of unused security fee and maintenance fee for the current period.

In the first quarter, the Company's unit cost of sales of self-produced commercial coal was RMB290.97/tonne, representing a year-on-year increase of RMB18.42/tonne or 6.8%. This was mainly attributable to the Company strengthened production continuity, the year-on-year increase in self-operated stripping volume of open-pit mines and the self-operated drifting footage of underground mines, and the increase in the salary level of the production front-line team, resulting in an increasing cost of materials per ton of coal and labor cost per ton of coal year-on-year; the increase in the balance due to the year-on-year decrease in use of the Company's special funds expenditure during the current period, resulting in an increasing other costs per ton of coal year-on-year.

5. Sales volume and price of major coal chemical products and the year-on-year changes

Currency: RMB

Items	January to March 2024		January to March 2023		Year-on-year			
	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Increase/decrease in amount		Increase/decrease in percentage	
					Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (%)	Selling price (%)
I Polyolefin	37.3	6,848	36.5	7,056	0.8	-208	2.2	-2.9
1. Polyethylene	19.1	7,182	18.4	7,255	0.7	-73	3.8	-1.0
2. Polypropylene	18.2	6,498	18.1	6,855	0.1	-357	0.6	-5.2
II Urea	55.1	2,237	64.5	2,718	-9.4	-481	-14.6	-17.7
III Methanol	39.6	1,675	50.7	1,832	-11.1	-157	-21.9	-8.6
Of which: Inter-segment self-consumption volume ★★★	39.4	1,676	48.3	1,843	-8.9	-167	-18.4	-9.1
External sales	0.2	1,577	2.4	1,625	-2.2	-48	-91.7	-3.0
IV Ammonium Nitrate	13.0	2,251	12.1	2,459	0.9	-208	7.4	-8.5

6. Unit cost of sales of major coal chemical products and the year-on-year changes

Unit: RMB/tonne Currency: RMB

Items	January to March 2024	January to March 2023	Year-on-year	
			Increase/decrease in amount	Increase/decrease in percentage (%)
I Polyolefin	5,899	6,262	-363	-5.8
1. Polyethylene	5,883	6,307	-424	-6.7
2. Polypropylene	5,915	6,216	-301	-4.8
II Urea	1,561	1,837	-276	-15.0
III Methanol	1,741	2,130	-389	-18.3
IV Ammonium Nitrate	1,515	1,254	261	20.8

II. INFORMATION OF SHAREHOLDERS

(I) Table of the total number of shareholders of ordinary shares and shareholders of preference shares with voting rights restored and shareholding of top ten shareholders

Unit: shares

Total number of shareholders of ordinary shares at the end of the reporting period	91,795	Total number of shareholders of preference shares with voting rights restored at the end of the reporting period (if any)	-			
Particulars of top 10 shareholders (excluding share lent through refinancing)						
Name of shareholders	Nature of shareholders	Number of shares held	Percentage of shareholding (%)	Number of shares held subject to trading moratorium	Shares pledged, marked or frozen	
					Status	Number
China National Coal Group Corporation	State-owned legal person	7,607,243,708	57.38%	-	Nil	0
HKSCC NOMINEES LIMITED	Overseas legal person	3,959,709,469	29.87%	-	Unknown	-
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	State-owned legal person	335,624,355	2.53%	-	Nil	0
China Coal Hong Kong Limited (中煤能源香港有限公司)	Overseas legal person	132,351,000	1.00%	-	Nil	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	119,785,679	0.90%	-	Nil	0
Central Huijin Asset Management Company Ltd. (中央匯金資產管理有限責任公司)	State-owned legal person	65,745,241	0.50%	-	Nil	0
China Reform Investment Co., Ltd. (國新投資有限公司)	State-owned legal person	26,671,786	0.20%	-	Nil	0
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund (中國工商銀行股份有限公司 – 華泰柏瑞滬深300交易型開放式指數證券投資基金)	Others	19,442,059	0.15%	-	Nil	0
China Construction Bank Corporation – Wanjia Selected Mixed Securities Investment Fund (中國建設銀行股份有限公司 – 萬家精選混合型證券投資基金)	Others	19,181,700	0.14%	-	Nil	0
China Merchants Bank Co., Ltd. – Wanjia Macro Timing Multiple Strategies Flexible Allocation Hybrid Equity Investment Fund (招商銀行股份有限公司 – 萬家宏觀擇時多策略靈活配置混合型證券投資基金)	Others	18,285,695	0.14%	-	Nil	-

Particulars of top 10 shareholders not subject to trading moratorium			
Name of Shareholder	Number of listed shares held not subject to trading moratorium	Type and number of Shares	
		Type	Number
China National Coal Group Corporation	7,607,243,708	Ordinary shares denominated in RMB	7,607,243,708
HKSCC NOMINEES LIMITED	3,959,709,469	Overseas listed foreign shares	3,959,709,469
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
Hong Kong Securities Clearing Company Limited	119,785,679	Ordinary shares denominated in RMB	119,785,679
Central Huijin Asset Management Company Ltd. (中央匯金資產管理有限責任公司)	65,745,241	Ordinary shares denominated in RMB	65,745,241
China Reform Investment Co., Ltd. (國新投資有限公司)	26,671,786	Ordinary shares denominated in RMB	26,671,786
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund(中國工商銀行股份有限公司 – 華泰柏瑞滬深 300 交易型開放式指數證券投資基金)	19,442,059	Ordinary shares denominated in RMB	19,442,059
China Construction Bank Corporation – Wanjia Selected Mixed Securities Investment Fund(中國建設銀行股份有限公司 – 萬家精選混合型證券投資基金)	19,181,700	Ordinary shares denominated in RMB	19,181,700
China Merchants Bank Co., Ltd. – Wanjia Macro Timing Multiple Strategies Flexible Allocation Hybrid Equity Investment Fund (招商銀行股份有限公司 – 萬家宏觀擇時多策略靈活配置混合型證券投資基金)	18,285,695	Ordinary shares denominated in RMB	18,285,695
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 (中國中煤), 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.		
Details of top 10 shareholders and top 10 shareholders not subject to trading moratorium participating in securities margin trading and short selling and refinancing (if any)	Top 10 shareholders and top 10 shareholders not subject to trading moratorium did not participate in securities margin trading business, see the table below for details of participating in refinancing business.		

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 2024 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.

During the reporting period, China Coal Group traded through centralized bidding through the Shanghai Stock Exchange, increased its holding of 500,000 A shares of the Company, accounting for approximately 0.0038% of the Company's total share capital. As at 31 March 2024, 7,607,243,708 A shares of the Company are held by China Coal Group, accounting for 57.38% of the Company's total issued share capital; 132,351,000 H shares of the Company are held by China Coal Hong Kong Company Limited, its wholly-owned subsidiary, aggregating amount of approximately 58.37% of the Company's total issued share capital.

As at 31 March 2024, 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.

Particulars of shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders not subject to trading moratorium participating in refinancing and share lending

Applicable Not applicable

Unit: shares

Particulars of shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders not subject to trading moratorium participating in refinancing and share lending								
Name of shareholder (Full name)	Shareholding in ordinary account and credit account at the beginning of the period		Shares lent by refinancing at the beginning of the period and not yet repaid		Shareholding in ordinary account and credit account at the end of the period		Shares lent by refinancing at the end of the period and not yet repaid	
	Total	Percentage (%)	Total	Percentage (%)	Total	Percentage (%)	Total	Percentage (%)
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund(中國工商銀行股份有限公司 – 華泰柏瑞滬深 300 交易型開放式指數證券投資基金)	13,457,459	0.10%	68,600	0.0005%	19,442,059	0.15%	175,400	0.0013%

The top 10 shareholders and the top 10 shareholders not subject to trading moratorium changed from the previous period due to the lending/repayment of refinancing

Applicable Not applicable

III. OTHER CAUTIONS

Other important information in relation to operating of the Company during the reporting period that investors are advised to pay attention

Applicable Not applicable

IV. QUARTERLY FINANCIAL STATEMENT

(1) Type of audit opinion

Applicable Not applicable

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

Beijing, the PRC
24 April 2024

As at the date of this announcement, the Company's executive directors are Wang Shudong, Liao Huajun and Zhao Rongzhe; non-executive director is Xu Qian; independent non-executive directors are Zhang Chengjie, Jing Fengru and Hung Lo Shan Lusan.

* *For identification purpose only*