



2025 INTERIM
REPORT

兖矿能源集团股份有限公司
YANKUANG ENERGY GROUP COMPANY LIMITED

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

Stock Code : 01171

IMPORTANT NOTICE

The Board, the Directors and senior management of the Company warrant the authenticity, accuracy and completeness of the information contained in the interim report and there are no misrepresentations, misleading statements contained in or material omissions from the interim report for which they shall assume joint and several responsibilities.

The 2025 interim report of the Company has been approved by the eighteenth meeting of the ninth session of the Board. The quorum of the meeting is 11, and 11 Directors attended the meeting. All Directors attended the Board meeting.

The 2025 interim report of the Company has not been audited.

The 2025 interim report of the Company has been reviewed by the audit committee of the Board.

Mr. Li Wei, Chairman of the Board, Mr. Zhao Zhiguo, Chief Financial Officer, and Mr. Guo Hui, Head of the finance management department of the Company, hereby warrant the authenticity, accuracy and completeness of the financial statements contained in this interim report.

The Board of the Company proposed to distribute a half-year cash dividend of RMB1.80 per 10 shares (including tax) based on the number of shares on the record date of the dividend and equity distribution.

The forward-looking statements contained in the 2025 interim report regarding the Company's future plans do not constitute any substantive commitment to investors and investors are reminded of the investment risks.

There was no appropriation of funds of the Company by the Controlling Shareholder and its related parties for non-operational activities.

There were no guarantees granted to external parties by the Company, which violated the prescribed decision-making procedures.

There was no such case that more than half of the Directors cannot guarantee the authenticity, accuracy and completeness of this interim report.

The Company has disclosed the main risks faced by the Group, the influences and the countermeasures in this interim report. For details, please refer to the relevant content in "Chapter 3 Management Discussion and Analysis", to which the investors' attention are drawn.

All data contained in this report are rounded off, and the increase and decrease percentages were calculated based on the original data before rounding off.

For this reason, the total of a table may be different from the the actual total of the data shown in the table. Any differences are due to rounding.

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CHAPTER 1 DEFINITIONS

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

DEFINITIONS

“Yankuang Energy”, “Company”	Yankuang Energy Group Company Limited, a joint stock limited company established under the laws of the PRC in 1997 and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the SSE, respectively;
“Group”	The Company and its subsidiaries;
“Shandong Energy” or “Controlling Shareholder”	Shandong Energy Group Co., Ltd., a company with limited liability reformed and established under the laws of the PRC in 1996, is the controlling shareholder of the Company, directly and indirectly holding 52.84% of the shares of the Company as at the end of the reporting period;
“Heze Neng Hua”	Yanmei Heze Neng Hua Company Limited, a company with limited liability established under the laws of the PRC in 2002, which is mainly engaged in the development and operation of coal resources of and electric power business Zhaolou Coal Mine and Wanfu Coal Mine in Heze City, Shandong Province being a 98.33% owned subsidiary of the Company as at the end of the reporting period;
“Luxi Mining”	Shandong Energy Group Luxi Mining Company Limited, a company with limited liability established under the laws of the PRC in 2021 which is mainly engaged in coal mining, coal washing, coal products sales and etc., being a 51% owned subsidiary of the Company as at the end of the reporting period;
“Tianchi Energy”	Shanxi Heshun Tianchi Energy Company Limited, a company with limited liability established under the laws of the PRC in 1999 which is mainly engaged in operation of Tianchi Coal Mine in Jinzhong, Shanxi Province, being a 81.31% owned subsidiary of the Company as at the end of the reporting period;
“Xibei Mining”	Shandong Energy Group Xibei Mining Co., Ltd.* (山東能源集團西北礦業有限公司), a limited liability company established under the laws of China in 2021. which is mainly engaged in coal mining, coal washing, processing and sales. Since July 2025, the Company has consolidated its financial statements, and it is now 51% owned subsidiary of the Company as at the disclosure date of this report;
“Ordos Company”	Yankuang Energy (Ordos) Company Limited, a company with limited liability established under the laws of the PRC in 2009 which is mainly engaged in the development and operation of coal resources and chemical projects being a wholly-owned subsidiary of the Company;

CHAPTER 1 DEFINITIONS – CONTINUED

“Haosheng Company”	Inner Mongolia Haosheng Coal Mining Company Limited, a company with limited liability established under the laws of the PRC in 2010 which is mainly engaged in the production and operation of Shilawusu Coal Mine in Ordos, Inner Mongolia Autonomous Region, being a 59.38% owned subsidiary of the Company as at the end of the reporting period;
“Inner Mongolia Mining”	Inner Mongolia Mining (Group) Co., Ltd., a company with limited liability established under the laws of the PRC in 2013 which is mainly engaged in the investment and management of mineral resources, coal mining and preparation, mineral products sales and other businesses, being a 51% owned subsidiary of the Company as at the end of the reporting period;
“Future Energy”	Shaanxi Future Energy and Chemicals Co. Ltd., a company with limited liability established under the laws of the PRC in 2011 which is mainly engaged in the R&D, production and sales of chemical products, coal mining and sales, etc., being a 73.97% owned subsidiary of the Company as at the end of the reporting period;
“Xinjiang Neng Hua”	Yankuang Xinjiang Neng Hua Company Ltd., a company with limited liability established under the laws of the PRC in 2007 which is mainly engaged in coal mining and preparation, chemicals production, sales of coal and coal products, etc., being a 51% owned subsidiary of the Company as at the end of the reporting period;
“Lunan Chemicals”	Yankuang Lunan Chemicals Co., Ltd., a company with limited liability established under the laws of the PRC in 2007 which is mainly engaged in the development, production and sales of chemical products, etc., being a wholly-owned subsidiary of the Company;
“Yulin Neng Hua”	Yanzhou Coal Yulin Neng Hua Company Limited, a company with limited liability established under the laws of the PRC in 2004 which is mainly engaged in the production and operation of chemical projects, being a wholly-owned subsidiary of the Company;
“Donghua Heavy Industry”	Yankuang Donghua Heavy Industry Company Limited, a company with limited liability established under the laws of China in 2013., which is mainly engaged in the design, manufacturing, installation, repair of mining equipment, electromechanical equipment and spare parts, being a wholly-owned subsidiary of the Company;
“Yankuang Leasing”	Yankuang Financial Leasing Company Limited, a company with limited liability established under the laws of the PRC in 2014, which is mainly engaged in the financial leasing, leasing, leasing trade consultation and guarantees, as well as commercial factoring related to its main business, etc., being a wholly-owned subsidiary of the Company;

CHAPTER 1 DEFINITIONS – CONTINUED

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

CHAPTER 1 DEFINITIONS – CONTINUED

“Securities Law”	Securities Law of the RPC;
“Articles” or “Articles of Association”	The articles of association of the Company;
“Shareholders”	The shareholders of the Company;
“Directors(s)”	The director(s) of the Company;
“Board”	The board of directors of the Company;
“RMB”	Renminbi, the lawful currency of the PRC, unless the context otherwise requires;
“AUD”	Australian dollars, the lawful currency of Australia;
“USD”	United States dollars, the lawful currency of the United States;
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong.

CHAPTER 2 COMPANY INFORMATION AND MAJOR FINANCIAL INDICATORS

I. INFORMATION OF THE COMPANY

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

* For identification purpose only

II. CONTACT DETAILS

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

III. GENERAL INFORMATION

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

CHAPTER 2 COMPANY INFORMATION AND MAJOR FINANCIAL INDICATORS – CONTINUED

IV. INFORMATION DISCLOSURE AND PLACE FOR DOCUMENT INSPECTION

Newspapers for information disclosure in the PRC	China Securities Journal (www.cs.com.cn) Shanghai Securities News (www.cnstock.com) Securities Times (www.stcn.com) Securities Daily (www.zqrb.cn)
Website for publishing interim report	Website for publishing A Shares interim report: www.sse.com.cn Website for publishing H Shares interim report: www.hkexnews.hk
The interim report is available at	Secretariat to the Board of Yankuang Energy Group Company Limited, 949 Fushan South Road, Zoucheng City, Shandong, the PRC

V. CORPORATE STOCKS

Stock type	Place of Listing	Stock Abbreviation	Stock Code
A Share	Shanghai Stock Exchange	Yankuang Energy	600188
H Share	HKEX	YANKUANG ENERGY	01171

VI. OTHER INFORMATION

Certified Public Accountants (A Shares)	Name	Baker Tilly China Certified Public Accountants LLP
	Office Address	Zone A-1 & A-5, 68/F, 19 Chegongzhuang West Road, Haidian District, Beijing
Certified Public Accountants (H Shares)	Name	Baker Tilly Hong Kong Limited
	Office Address	8/F, 728 King's Road, Quarry Bay, Hong Kong

CHAPTER 2 COMPANY INFORMATION AND MAJOR FINANCIAL INDICATORS – CONTINUED

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(Prepared in accordance with IFRS)

In order to increase the comparability of the Company's financial reports and to facilitate investors in the market to better understand the Company's financial condition, the Company has changed its accounting policy for business combinations under the common control in accordance with the IFRSs, i.e., from the acquisition approach to the equity combination approach. For details, please refer to the note on "Material Accounting Policy Information" in the financial statements prepared in accordance with IFRS. The Company has made retroactive adjustments to the financial indicators and operating data of previous years.

(I) Operating Results

	For the six months ended 30 June			
	2025 (RMB'000) (Unaudited)	2024 (RMB'000) (Unaudited)	Changes as compared with the corresponding period of the previous year (%)	For the year ended 31 December 2024 (RMB'000) (Audited)
Sales income	53,966,273	62,154,648	-13.17	124,534,194
Gross profit	14,234,079	19,791,445	-28.08	41,829,597
Finance costs	-1,941,536	-2,354,638	-17.54	-4,137,324
Profit before income tax	8,837,064	14,313,526	-38.26	26,867,011
Net income attributable to Shareholders of the Company during the reporting period	4,730,555	7,717,112	-38.70	14,056,067
Earnings per share	RMB0.47	RMB0.79	-40.25	RMB1.42

Notes:

- During the reporting period, the Company consolidated the financial statement of Yankuang Energy (Holin Gol) Company Limited.
- During the reporting period, the Company completed the repurchase and cancellation of a portion of its restricted shares. As of 30 June 2025, the Company's total share capital was adjusted from 10,039,860,402 shares to 10,037,480,544 shares. Earnings per share and other related indicators were calculated based on the weighted average number of ordinary shares outstanding.

CHAPTER 2 COMPANY INFORMATION AND MAJOR FINANCIAL INDICATORS – CONTINUED

(II) Assets and Liabilities

	As at 30 June		As at
	2025	2024	31 December
	(RMB'000)	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)	(Audited)
Current assets	108,261,010	102,408,566	98,134,615
Current liabilities	137,879,373	112,051,975	117,556,724
Total assets	373,388,562	358,965,138	356,350,370
Equity attributable to Shareholders of the Company	58,925,212	55,769,426	58,610,077
Net assets per share	RMB5.87	RMB5.55	RMB5.91
Return on net assets (%)	8.03	13.84	23.98

(III) Summary of Cash Flow Statement

	For the six months ended 30 June			
	2025	2024	Changes as compared with the corresponding period of the previous year (%)	For the year ended 31 December 2024
	(RMB'000)	(RMB'000)		(RMB'000)
	(Unaudited)	(Unaudited)		(Audited)
Net cash from operating activities	12,405,128	9,641,459	28.66	23,139,743
Net (decrease)/increase in cash and cash equivalents	6,047,755	3,318,425	82.25	229,543
Net cash flow per share from operating activities	RMB1.24	RMB0.99	25.42	RMB2.33

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS

I. ILLUSTRATION ON AND MAIN BUSINESS DURING THE REPORTING PERIOD

(I) Main Business and Mode of Operation

1. Coal business

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

2. Coal chemical business

The Company's coal chemical business is mainly distributed in Shandong Province, Shaanxi Province, Inner Mongolia Autonomous Region and Xinjiang Uygur Autonomous Region of China. The main products include methanol, acetic acid, ethyl acetate, caprolactam, urea, ethylene glycol naphtha, full range liquid paraffin and etc., which are mostly sold to North China, East China, Northwest China and other regions.

(II) Market Position

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

(III) Industry Overview

In the first half of 2025, domestic raw coal production continued to grow, while imported coal volume declined. Affected by the squeezing of thermal power space by new energy and the lack of overall demand for downstream steel, construction materials, etc., the coal market showed a loose supply and demand pattern, and prices fluctuated downward. The coal chemical industry was affected by overcapacity and weak demand, showing a pattern of strong supply and weak demand, and prices were generally under pressure.

Elaboration on Newly Added Significant Non-Principal Business During the Reporting Period

Not applicable.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

II. DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS

Business Overview

Item	January- June 2025	January- June 2024	Increase/ Decrease	Increase/ Decrease (%)
1. Coal Business (kiloton)				
Saleable coal production volume	73,597	69,078	4,519	6.54
Saleable coal sales volume	64,811	67,875	-3,064	-4.51
2. Coal Chemicals Business (kiloton)				
Production volume of chemical products	4,745	4,181	563	13.47
Sales volume of chemical products	4,171	3,747	424	11.32
3. Power Generation Business (10,000KWh)				
Electricity generated	359,585	391,433	-31,848	-8.14
Electricity sold	290,985	326,933	-35,949	-11.00

Note: In the first half of 2025, the production volume of saleable coal of the Group amounted to 73.60 million tons, while the sales volume of saleable coal were 64.81 million tons. Among them, the sales volume of self-produced saleable coal was 62.34 million tons. The difference of 11.26 million tons between the production volume and sales volume of self-produced saleable coal was mainly due to the internal consumption by chemical and electricity businesses of 8.05 million tons, and an increase in inventory of 3.21 million tons during the first half of the year.

Significant Changes in the Company's Operation during the Reporting Period, or Matters had or Expected to have Significant Influence on the Company's Business Operation during the Reporting Period

Not applicable.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

III. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

The core competitiveness of the Group was mainly reflected in the following aspects:

First, rich in resources reserve. The Group established coal production bases in Shandong, Inner Mongolia, Xinjiang, and Australia, encompassing key energy regions both domestically and internationally, thereby establishing a strong advantages in resource agglomeration. As at the end of 2024, the in-situ resource of coal amounted to 46.4 billion tons (according to JORC standards), with its reserves ranking among the industry's leaders. In the first half of this year, the acquisition of Xibei Mining increased by 6.352 billion tons of new coal resources, and increased the recoverable reserves by 3.652 billion tons. The coal produced by the Company includes varieties such as thermal coal, PCI coal, and coking coal, which fully cater to diversified market demands. While consolidating the advantages of coal resources, the Group proactively established the layout across various mineral sectors, possessed six potash mining rights in Canada, with proven reserves of high-quality potassium chloride amounting to 1.7 billion tons. Additionally, the Group planned to develop the Caosiyao molybdenum mine in Inner Mongolia, with resources estimated at 1.04 billion tons, providing support and guarantee for sustainable development.

Second, deep in industry chain synergy. The Group's primary industries encompass mining, high-end chemicals and new materials, high-end equipment manufacturing, intelligent logistics, and new energy. Through careful construction of a complete and efficient industrial chain, we achieved precise allocation and efficient utilization of resources, effectively reduced operating costs, and built a market risk resilience system.

Third, strong in technological R&D. The Group possessed advanced core technologies in deep mine extraction and intelligent comprehensive mining, and actively promoted the transformation of scientific and technological achievements. Our production efficiency and safety standards ranked at the forefront of the industry. The project of "complete set of technology and engineering application of digital and intelligent high-efficiency mining of deep coal" has won the Second Prize of the National Technological Advancement, demonstrating its strong strength in coal mining technology innovation. We have successfully developed and utilized the world's first set of ultra-large comprehensive mining equipment designed for an 8.2-meter mining height, greatly improving the efficiency of resource extraction; we also undertook the major challenging project of "4000-ton Gasification Demonstration Unit" from the Ministry of Science and Technology, with which we have achieved the international leading level, and have established the first domestic million-ton indirect liquefaction demonstration facility, broadening the path for clean and efficient coal utilization.

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

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

IV. MAIN BUSINESS DURING THE REPORTING PERIOD

(I) Business Operation by Segments

1. Coal Business

(1) Coal Production

During the first half of 2025, the Group produced 73.60 million tons of salable coal, representing an increase of 4.52 million tons or 6.5% as compared with the corresponding period of last year.

The following table sets out the production volume of the salable coal of the Group for the first half of 2025:

Unit: kiloton

Item	January- June 2025	January- June 2024	Increase/ Decrease	Increase/ Decrease (%)
1. The Company	10,097	11,359	-1,262	-11.11
2. Heze Neng Hua	2,015	1,092	923	84.48
3. Luxi Mining	6,273	5,629	644	11.44
4. Tianchi Energy	627	626	1	0.12
5. Future Energy	9,332	8,934	399	4.46
6. Ordos Company	5,744	5,990	-246	-4.11
7. Haosheng Company	4,076	2,870	1,206	42.01
8. Inner Mongolia Mining	3,767	2,978	789	26.48
9. Xinjiang Neng Hua	9,889	9,931	-42	-0.42
10. Yancoal Australia	18,904	16,999	1,905	11.21
11. Yancoal International	2,875	2,671	203	7.61
Total	73,597	69,078	4,519	6.54

Notes:

The production volume of salable coal in Heze Neng Hua increased year-on-year, mainly due to the joint trial operation of Wanfu Coal Mine under Heze Neng Hua, which affected the year-on-year increase in the production volume of salable coal in Heze Neng Hua.

The production volume of salable coal in Haosheng Company increased year-on-year, mainly due to the elimination of the factors limiting the production under the geological conditions during the Reporting Period, and the year-on-year increase in output of salable coal.

(2) Coal prices and sales

The sales volume of coal of the Group for the first half of 2025 was 64.81 million tons, representing a decrease of 3.06 million tons or 4.5% as compared with the corresponding period of the previous year.

The sales income of coal business of the Group for the first half of 2025 was RMB34.475 billion, representing a decrease of RMB12.877 billion or 27.2% as compared with the same period of the previous year.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

The following table sets out the Group's production and sales of saleable coal by coal types for the first half of 2025:

	January-June 2025				January-June 2024			
	Production volume	Sales volume	Sales price	Sales income	Production volume	Sales volume	Sales price	Sales income
	(Kiloton)	(Kiloton)	(RMB/ton)	(RMB million)	(Kiloton)	(Kiloton)	(RMB/ton)	(RMB million)
1. The Company	10,097	8,804	612.28	5,390	11,359	10,869	802.42	8,722
No.1 clean coal	16	20	1,037.15	20	232	236	1,230.19	290
No.2 clean coal	2,498	2,350	850.84	1,999	3,157	3,151	1,199.25	3,778
No.3 clean coal	2,223	2,219	700.68	1,555	1,892	1,898	980.07	1,861
Sub-total of clean coal	4,737	4,588	779.03	3,574	5,281	5,285	1,121.90	5,929
Screened raw coal	5,359	4,216	430.79	1,816	6,077	5,585	500.09	2,793
2. Heze Neng Hua	2,015	1,753	920.48	1,614	1,092	832	1,408.83	1,172
No.2 clean coal	1,404	1,406	974.75	1,371	820	794	1,454.65	1,154
No.3 clean coal	216	212	916.11	194	–	–	–	–
Screened raw coal	396	135	363.76	49	272	38	461.30	18
3. Luxi Mining	6,273	6,591	770.74	5,080	5,629	5,323	1,185.74	6,312
clean coal	4,421	4,736	922.47	4,369	4,104	3,775	1,494.17	5,640
clean blended coal	1,852	1,854	383.19	711	1,525	1,549	434.01	672
4. Tianchi Energy	627	625	389.83	244	626	655	537.96	352
Screened raw coal	627	625	389.83	244	626	655	537.96	352
5. Future Energy	9,332	5,965	462.91	2,761	8,934	6,779	550.03	3,729
No.3 Clean Coal	948	482	489.92	236	1,156	777	671.03	522
Lump coal	2,214	2,105	507.82	1,069	1,752	1,675	686.23	1,150
Screened raw coal	6,170	3,378	431.09	1,456	6,026	4,327	475.55	2,058
6. Ordos Company	5,744	4,472	370.92	1,659	5,990	4,349	426.11	1,853
Screened raw coal	5,744	4,472	370.92	1,659	5,990	4,349	426.11	1,853
7. Haosheng Company	4,076	2,670	388.03	1,036	2,870	2,913	544.87	1,587
Screened raw coal	4,076	2,670	388.03	1,036	2,870	2,913	544.87	1,587
8. Inner Mongolia Mining	3,767	3,049	365.71	1,115	2,978	2,989	523.95	1,566
Screened raw coal	3,767	3,049	365.71	1,115	2,978	2,989	523.95	1,566
9. Xinjiang Neng Hua	9,889	9,123	122.40	1,117	9,931	9,444	148.57	1,403
Screened raw coal	9,889	9,123	122.40	1,117	9,931	9,444	148.57	1,403
10. Yancoal Australia	18,904	16,594	689.56	11,442	16,999	16,944	830.59	14,073
Semi-hard coking coal	–	–	–	–	52	52	2,204.09	115
Semi-soft coking coal	1,799	1,579	851.29	1,344	1,162	1,159	1,526.42	1,768
PCI coal	1,370	1,202	1,056.64	1,270	807	804	1,572.11	1,264
Thermal coal	15,735	13,813	639.12	8,828	14,977	14,929	731.85	10,926
11. Yancoal International	2,875	2,695	575.66	1,552	2,671	2,661	674.02	1,793
Thermal coal	2,875	2,695	575.66	1,552	2,671	2,661	674.02	1,793
12. Traded coal	–	2,469	593.40	1,465	–	4,117	1,163.06	4,788
Total	73,597	64,811	531.93	34,475	69,078	67,875	697.62	47,351

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

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

	Impact of Changes on Coal Sales Volume (RMB million)	Impact of Changes on Coal Sales Price (RMB million)
The Company	-1,657	-1,674
Heze Neng Hua	1,298	-856
Luxi Mining	1,503	-2,735
Tianchi Energy	-16	-93
Future Energy	-448	-520
Ordos Company	53	-247
Haosheng Company	-132	-419
Inner Mongolia Mining	31	-482
Xinjiang Neng Hua	-48	-239
Yancoal Australia	-291	-2,340
Yancoal International	23	-265
Traded coal	-1,916	-1,407
Total	-1,600	-11,276

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

The following table sets out the Group's coal sales by geographical regions for the first half of 2025:

	January-June 2025		January-June 2024	
	Sales Volume (Kiloton)	Sales Income (RMB million)	Sales Volume (Kiloton)	Sales Income (RMB million)
1. China	53,011	25,881	57,480	38,447
East China	22,955	13,467	24,688	21,178
South China	6,569	3,597	8,304	5,520
North China	8,708	4,442	7,567	4,824
Central China	2,230	1,546	3,314	2,847
Northwest China	11,448	2,161	12,814	3,302
Other regions	1,101	667	792	777
2. Japan	4,106	3,835	3,981	4,199
3. South Korea	2,356	1,659	2,571	2,450
4. Thailand	1,928	859	1,866	908
5. Australia	1,697	950	1,379	784
6. Others	1,712	1,291	598	563
7. Total for the Group	64,811	34,475	67,875	47,351

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

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

The following table sets out the Group's coal sales volume by industries for the first half of 2025:

	January-June 2025		January-June 2024	
	Sales Volume (Kiloton)	Sales Income (RMB million)	Sales Volume (Kiloton)	Sales Income (RMB million)
1. Electricity power	33,539	16,490	36,628	20,463
2. Metallurgy	9,935	8,117	9,479	12,868
3. Chemical	10,654	4,387	10,390	5,730
4. Trade	8,587	4,306	8,775	6,530
5. Others	2,096	1,174	2,603	1,761
6. Total for the Group	64,811	34,475	67,875	47,351

(3) The Cost of Coal Sales

The Group's cost of coal sales for the first half of 2025 was RMB21.362 billion, representing a decrease of RMB6.532 billion or 23.4% on the corresponding period in 2024.

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

	Total cost of sales				Cost of sales per ton			
	January- June 2025 (RMB million)	January- June 2024 (RMB million)	Increase/ Decrease (RMB million)	Increase/ Decrease (%)	January- June 2025 (RMB/ton)	January- June 2024 (RMB/ton)	Increase/ Decrease (RMB/ton)	Increase/ Decrease (%)
The Company	4,189	4,760	-571	-11.99	444.48	406.97	37.51	9.22
Heze Neng Hua	1,237	853	384	45.07	705.78	822.79	-117.01	-14.22
Luxi Mining	3,171	3,669	-498	-13.57	481.18	689.30	-208.12	-30.19
Tianchi Energy	237	287	-50	-17.44	378.67	437.65	-58.98	-13.48
Future Energy	1,327	1,498	-171	-11.41	175.99	197.40	-21.41	-10.85
Ordos Company	1,057	1,238	-181	-14.59	236.37	237.74	-1.37	-0.58
Haosheng Company	1,100	1,124	-25	-2.19	274.30	386.01	-111.71	-28.94
Inner Mongolia Mining	1,094	989	105	10.60	287.04	330.94	-43.90	-13.27
Xinjiang Neng Hua	679	1,134	-455	-40.11	74.46	120.11	-45.65	-38.01
Yancoal Australia	7,059	8,113	-1,054	-12.99	425.41	478.83	-53.42	-11.16
Yancoal International	1,014	1,039	-26	-2.46	376.08	390.60	-14.52	-3.72
Traded Coal	1,281	4,626	-3,345	-72.31	518.87	1,123.81	-604.94	-53.83

Note: The total cost of sales and cost of coal sales per ton in the table above are data before offsetting by each business segment.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

Explanation of the change in the sales cost of coal per ton of Luxi Mining: Luxi Mining optimized its production layout, and the production of salable coal increased year-on-year; and increased its efforts to reduce cost and control expenses, which led to a year-on-year decrease in the cost of sales per ton.

Explanation of the change in the sales cost of coal per ton of Xinjiang Nenghua: Xinjiang Nenghua increased its efforts to reduce costs reduce and control expenses, which led to a year-on-year decrease in the cost of sales per ton.

2. Coal chemicals business

The following table sets out the Group's coal chemicals business for the first half of 2025:

	January-June 2025				January-June 2024			
	Production Volume	Sales Volume	Sales Income (RMB million)	Cost of Sales (RMB million)	Production Volume	Sales Volume	Sales Income (RMB million)	Cost of Sales (RMB million)
	(Kiloton)	(Kiloton)	(Kiloton)	(Kiloton)	(Kiloton)	(Kiloton)	(Kiloton)	(Kiloton)
Methanol	2,127	2,037	3,681	2,523	1,993	1,908	3,503	2,924
Acetic acid	518	360	819	713	509	337	900	790
Ethyl acetate ^①	132	133	607	585	179	176	935	953
Caprolactam	181	182	1,553	1,597	177	171	1,976	1,836
POM	34	31	249	272	32	30	303	272
Crude liquid wax ^②	-	-	-	-	176	170	1,084	547
Full range liquid paraffin ^②	232	216	1,256	522	-	-	-	-
Naphtha	125	124	813	588	109	108	736	608
Ethylene glycol	191	191	754	388	198	201	766	576
Urea ^③	509	485	710	619	324	314	599	397
Others	695	411	1,782	1,556	484	330	1,711	1,661
Total	4,745	4,171	12,224	9,363	4,181	3,747	12,513	10,564

Notes:

- ① The production, sales, sales income and cost of sales of ethyl acetate decreased year-on-year, mainly due to: Lunan Chemicals actively responded to changes in the market environment and carried out flexible production and continuously optimized the product structure, causing year-on-year decrease in production and sales of ethyl acetate.
- ② The changes in production and sales volume, sales income and cost of sales of crude liquid wax and full range liquid paraffin were mainly due to the fact that Future Energy proactively took flexible production and continuously optimized the product structure in response to changes in market environment, causing changes in production volume and sales of its chemical products.
- ③ The year-on-year increase in production volume, sales volume, sales revenue, and sales cost of urea were mainly due to: Lunan Chemicals started production of urea unit with capacity of 400 kilotons in the second quarter of 2024.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

3. Power Generation Business

The following table sets out the operation of the Group's power business for the first half of 2025:

	January-June 2025				January-June 2024			
	Power Generation (10,000KWh)	Power Sold (10,000KWh)	Sales Income (RMB million)	Sales Cost (RMB million)	Power Generation (10,000KWh)	Power Sold (10,000KWh)	Sales Income (RMB million)	Sales Cost (RMB million)
1. Jining No.3 Power	37,588	31,948	129	130	61,593	53,611	241	197
2. Heze Neng Hua	74,666	66,621	256	219	69,917	61,368	258	206
3. Lunan Chemicals	20,776	14,930	49	38	10,725	6,719	23	19
4. Yulin Neng Hua	4,993	4,675	11	11	7,146	5,956	15	16
5. Future Energy	52,496	15,445	45	55	39,088	9,857	28	40
6. Inner Mongolia Mining	169,067	157,365	629	517	202,964	189,423	679	634
Total	359,585	290,985	1,119	969	391,433	326,933	1,244	1,112

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

(II) Analysis of Main Business

1. Analysis on changes of items in the financial statement

Unit: RMB million

Items	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Increase/ Decrease (%)
Sales income	53,966	62,155	-13.17
Sales cost	39,732	42,363	-6.21
Sales, general and administration expenses	6,472	7,290	-11.21
Net cash from operating activities	12,405	9,641	28.66
Net cash from investment activities	-7,218	-3,335	—
Net cash from financing activities	860	-2,988	—
Income tax expense	1,715	3,099	-44.66

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

Explanation of changes in net cash generated from investing activities: ① The purchase of property, plant and equipment and right of use assets, and payments to construction in progress increased year-on-year by RMB1.514 billion; ② The year-on-year increase of RMB2.296 billion in the repayment of net loan receivables.

Explanation of changes in net cash generated from financing activities: ① The payments made for business combinations under common control decreased by RMB8.129 billion year-on-year; ② The year-on-year decrease of RMB4.514 billion in the proceeds from issuance of shares.

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

2. *Elaboration on significant changes in business scope, the profit structure or source of profit of the Company during the reporting period*

Not applicable.

3. *Source and use of fund*

For the first half of 2025, the Group's source of fund was mainly from operating cash flow and bond issuance and bank loans. And the fund was mainly used for operating expenses, purchasing of fixed property, machinery and equipment, bank loans repayment, consideration payment for assets and equity acquisition, etc.

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

Not applicable.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

(IV) Analysis on Assets and Liabilities

1. Assets and liabilities

Unit: RMB million

Item	Closing amount as at 30 June 2025	Percentage to the total assets as at 30 June 2025 (%)	Closing amount as at 31 December 2024	Percentage to the total assets as at 31 December 2024 (%)	Percentage of increase/ decrease in closing amount (%)	Notes
Long term payables	10,861	2.91	6,635	1.86	63.70	The payable for mining rights increased by RMB4.177 billion compared with such in the beginning of the year.
Amounts due to Parent Company and its subsidiaries	1,910	0.51	4,850	1.36	-60.62	The payable to related parties for daily goods decreased compared with such in the beginning of the year.
Borrowings due within one year	54,405	14.57	37,715	10.58	44.26	During the reporting period, the Group added new short-term borrowings.

Other explanations

Not applicable.

2. Overseas asset

(All financial data in this section was prepared under CASs)

(1) Size of asset

As at 30 June 2025, the Group's overseas asset is RMB74.503 billion, representing 19.8% over the total asset.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

(2) Elaboration on the high proportion of overseas asset

Unit: RMB million

Overseas asset	Reasons of ownership	Mode of operation	Operating revenue of the reporting period	Net profit of the reporting period
Yancoal Australia	incorporated by investment	self-operated	12,053	753
Yancoal International	incorporated by investment	self-operated	1,658	286
SMT Scharf AG	Equity acquisition	self-operated	416	14

Other explanations

Not applicable.

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

(All financial data in this section was prepared under CASs)

As at 30 June 2025, the Group's asset subject to restriction was RMB62.657 billion, which mainly included monetary fund, receivables financing and related pledged asset for borrowings. For details, please refer to "Notes to Key Items of the Consolidated Financial Statements – Assets Subject to Restriction on Ownership or Right of Use" in the notes to the financial report prepared under CASs.

4. Other explanation

(1) Debt to equity ratio

As at 30 June 2025, the equity attributable to the Shareholders of the Company and the total borrowings amounted to RMB58.925 billion and RMB116.791 billion, respectively, representing a debt-to-equity ratio (equals to total borrowings divided by Shareholders' interests attributable to the Shareholders) of 198.2%.

(2) Contingent liabilities

For details of the contingent liabilities, please see "Contingent liabilities" in the notes to the financial statements prepared under the IFRS.

(3) Pledge of assets

For details of pledge of assets, please refer to "Notes to Key Items of the Consolidated Financial Statements – Assets Subject to Restriction on Ownership or Right of Use" in the notes to the financial report prepared under the CASs.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

(V) Analysis of Investment

(All financial data in this section was prepared under CASs)

1. Analysis on general external equity investment

Not applicable.

(1). Major equity investment

Not applicable.

(2). Major non-equity investment

Not applicable.

(3). Financial assets measured at fair value

Unit: RMB'000

Assets categories	Profit and loss due to changes		Accumulated fair value changes included in equity	Impairment accrued during the reporting period	Purchase amount during the reporting period	Sales/ redemption amount during the reporting period	Other changes	Amount at the end of the reporting period
	Amount at the beginning of the reporting period	in the fair value during the reporting period						
Stocks	826	66	255	0	0	0	1	1,148
Trust products	70,521	-2	0	0	0	0	0	70,519
Others	1,730,540	98,275	0	0	5,034	113,211	37,025	1,757,663
Total	1,801,887	98,339	255	0	5,034	113,211	37,025	1,829,330

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

Stock investment

Unit: RMB'000

Stock varieties	Stock code	Stock abbreviation	Initial investment amount	Source of capital	Book value as at the beginning of the reporting period		Profit and loss due to changes in fair value during the reporting period		Accumulated fair value changes included in equity interest	Purchase amount during the reporting period	Sales amount during the reporting period	Investment profit and loss during the reporting period	Book value as at the end of the reporting period	Accounting accounts
Stocks	601777	Qianli Technology	0	Debt restructuring	480	66	0	0	0	0	0	0	546	Exchange traded financial assets
Stocks	601008	Lianyunyang	89	Monetary capital	346	0	255	0	0	0	0	0	601	Other investments in equity instruments
Trust products –		CCB Trust – Cai Die No.6 Trust Plan on Property Rights	43,731	Debt restructuring	70,521	-2	0	0	0	0	0	0	70,519	Other investments in equity instruments
Total	/	/	43,820	/	71,347	64	255	0	0	0	0	0	71,666	/

Elaboration on securities investment:

Not applicable.

Elaboration on private capital investment:

Not applicable.

Elaboration on derivatives investment:

Not applicable.

(VI) Disposal of Material Assets and Equity

Not applicable.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

(VII) Analysis on Major Controlled Companies and Joint Stock Companies

(All financial data in this section was prepared under CASs)

Major subsidiaries and investees accounting for over 10% of the net profit of the Company

Unit: RMB million

Name of companies	Type of companies	Principal activities	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Luxi Mining	Subsidiary	Coal mining, coal washing, coal products sales and etc.	5,000	44,078	12,077	5,572	1,178	747
Ordos Company	Subsidiary	Development and operation of coal resources and chemical projects	10,800	23,871	13,478	7,388	1,265	1,171
Future Energy	Subsidiary	R&D, production and sales of chemical products, coal mining and sales, etc.	5,400	34,466	29,739	6,431	2,800	2,312
Yancoal Australia	Subsidiary	Coal mining and operation of coal mines	AUD6,219 million	55,072	41,217	12,053	1,095	753

The major controlled companies that recorded significant year-on-year fluctuations in operating results for the first half of the year are as follows:

Luxi Mining

In the first half of 2025, Luxi Mining achieved a net profit of RMB747 million, representing a decrease of RMB667 million or 47.2% year-on-year, mainly due to the year-on-year decrease in the selling price of coal products.

Yancoal Australia

In the first half of 2025, Yancoal Australia achieved a net profit of RMB753 million, representing a year-on-year decrease of RMB1,268 million or 62.7%, mainly due to the year-on-year decrease in the selling price of coal products.

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

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

Acquisition and disposal of subsidiaries during the reporting period

Name of company	Methods to acquire and dispose of subsidiaries during the reporting period	Impact on overall production and operation and results
Yankuang Energy (Holin Gol) Company Limited	Equity Acquisition	No substantive production or business operations were carried out, and no material impact was imposed on the overall operations and results of the Group

Other explanations

Not applicable.

(VIII) Structures of Entities Controlled by the Company

Not applicable.

V. DISCLOSURE ON OTHER EVENTS

(All financial data in this section was prepared under CASs)

(I) Possible Risks

Risks arising from safety management

The Group's two business segments of coal mining and coal chemicals are of high hazardous nature, and of complex uncertainties, thus the risk of safety management can easily arise.

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

Risks arising from environmental protection

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

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

Counter measures: The Group will strictly implement the requirements of environmental protection regulations, actively promote the upgrading and revamping of infrastructure and improve the operation and management of infrastructure, so as to ensure pollutants discharged all meet the required standards. The Group will also implement strategic transformation, actively promote the transformation of traditional industries, boost the development of emerging industries, and follow the path of green and low-carbon development. In addition, the Group will promote the efficient and clean utilization of coal and maintain the coal's dominant role in the energy structure.

Risks arising from exchange rate

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

Counter measures: The Group strengthens the study and analysis on the trend of foreign exchange, and take advantage of comprehensive financial instruments to lower the risks brought by the fluctuation of foreign exchange. According to the trend of exchange rate changes, the Group will conclude the appropriate preservation clause in the trading contract, and flexibly use foreign exchange derivative instruments, sign forward foreign exchange contracts and lock exchange rate.

Risks arising from geopolitics

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

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

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

(II) Other Disclosure

1. Capital expenditure plan

The capital expenditure for the first half of 2025 and the capital expenditure plan of 2025 of the Group (grouped by business entities) are set out in the following table:

Unit: RMB100 million

	For the first half of 2025	For the year 2025 (Budget)
The Company	5.05	36.62
Donghua Heavy Industry	0.00	1.31
Yankuang Logistics Technology Co., Ltd.	0.98	5.35
Heze Neng Hua	0.84	11.66
Luxi Mining	3.55	11.74
Lunan Chemicals	1.96	11.18
Future Energy	0.53	8.36
Ordos Company	2.34	20.05
Haosheng Company	0.01	0.91
Inner Mongolia Mining	0.15	9.54
Xinjiang Neng Hua	12.08	31.37
Yancoal Australia	19.81	35.54
Yancoal International	2.45	5.06
Other subsidiaries	1.69	6.76
Total	51.45	195.45

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

The capital expenditure for the first half of 2025 and the capital expenditure plan of 2025 of the Group (grouped by fund use) are set out in the following table:

Unit: RMB100 million

	For the first half of 2025	For the year 2025 (Budget)
Infrastructure Project	22.35	79.57
Coal mine infrastructure	16.62	33.17
Infrastructure for chemical projects	4.43	31.86
Infrastructure for logistics and warehouse	1.19	7.62
Other infrastructures	0.11	6.93
Maintenance of simple reproduction	25.72	97.35
Safety production plan expenditure	3.28	17.28
Technology R&D plan	0.00	0.66
Technology revamp plan	0.09	0.59
Total	51.45	195.45

The Group will coordinate the direction of capital investment and the investment rhythm, focus on high-quality projects with high returns, excellent technology and strong synergy, further optimize investment estimates, and strictly control non-essential expenditures. By adopting measures such as centralized procurement and optimizing bidding, it is expected to save more than RMB2.5 billion in capital expenditure. The Group has sufficient capital reserves to meet the needs of future strategic investment, project construction and Shareholder dividends.

2. *Coal exploration, development and mining during the reporting period*

For the first half of 2025, the Group's coal exploration expenditure was RMB4.55 million, mainly including drilling for the mine construction project of Yancoal Australia's Moolarben coal mine, and the expenditure of Yancoal International's exploration projects; and the relevant capital expenditure for coal development and mining was RMB3.643 billion, which was mainly invested in the expenditure of fixed asset of existing mines and the development and mining costs of WuCaiWan No. 4 Open-pit Mine, as well as coal mines under Yancoal Australia and Yancoal International.

3. *Operation strategy of the second half of 2025*

In the second half of 2025, the Group will follow development trends, seize favourable opportunities, comprehensively advance production organisation, cost control, market sales, project construction optimization and upgrading and quality and efficiency improvement.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

I. Expanding capacity and improving quality, and creating collaborative efficiency to cultivate new advantages for future development

The Group fully taps the potential for increased efficiency across the five core industries, amplify the synergistic effects of industrial collaboration, and promote the Group's scale expansion, growth acceleration, and operational efficiency improvements to accumulate momentum for leapfrog development.

First, the mining industry will focus on scale breakthroughs. The Group will implement the strategy of “stabilising the province, expanding outside the province, and optimising overseas” to ensure an increase of more than 40 million tons in salable coal production volume for 2025, achieving a historic breakthrough of 180 million tons. The Shandong region will adhere to implement meticulous extraction practices and stable production and volume, being stable at 38-40 million tons; Regions outside the Shandong province will focus on completion of procedures and production and efficiency achievements. Among them, the Shaanxi-Mongolia base will reach 44 million to 46 million tons; the Xinjiang base will exceed 25 million tons. Overseas regions will focus on optimising mines design, expanding the production and improving efficiency, achieving 40 million to 44 million tons. Xibei Mining will be consolidated, resulting in an increase of more than 30 million tons.

Second, the chemical industry will focus on upgrading and transforming. The Group will deeply promote the integration of three chains, i.e., the raw material matching chain, regional coordination chain, and value upgrade chain, and strengthen the management of “fluctuation, reduction and shutdown”, ensuring safe, stable, long-lasting, full and optimal operations. The Group continues to deepen the flexible production model of “one head, multiple lines”, producing market-oriented, high-value-added “flagship” products. The annual production volume of chemical products will exceed 9 million tons, with the proportion of high-end chemical products continuing to increase.

Third, the high-end equipment manufacturing industry focuses on strengthening its strength and optimising its effectiveness. The Group will align with the “3812” strategic goals, integrate internal resources and actively expand its domestic and international market. The Group will make the high-standard operation of a zero-carbon park for smart manufacturing, realize the “green-driven green” and the data center and the CFH project base are put into the park. The talent, technology and market resources from the European platform are deeply integrated, and the R&D innovation and domestic-international collaboration are increased, continuously enhancing the global market share and brand influence of high-end equipment manufacturing products.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

Fourth, the smart logistics industry will focus on efficient operations. Through the integration of resources in the whole chain and systematic cost reduction, the Group will help to enhance the pricing power of the main business products in sales and circulation, and strive to become an internationally competitive comprehensive service provider for bulk commodity supply chains. The Group aims to achieve an annual logistics volume of 300 million tons and profits exceeding RMB240 million. The Group will give full play to the advantages of the park in Yankuang Tai'an Port and location, improve the turnover rate, develop a model of "coal blending for creating efficiency", and realize the coordination of the whole chain of coal source, logistics and market. The Group will accelerate the construction of a logistics hub channel network, The Group will expand multimodal transport, build and put into use special railway lines from Caojiashuochang to Niujialiang mining area and promote the construction of a special railway line in the Xinjiang Zhundong mining area, vigorously develop warehousing and sewage services, and continue to increase railway and port transport volumes. We will deeply cultivate the development model of "physical logistics + digital intelligent logistics", accelerate the integration and transformation of Wubo Technology, and create a logistic ecological aggregation.

Fifth, the new energy industry focuses on resource acquisition. The Group will focus on the cooperation opportunities of the "foreign power into Shandong" and "power from Xinjiang to other regions". The Group will focus on development areas such as Shandong headquarters, Shaanxi-Mongolia, and Xinjiang, etc., choose opportunities to advance projects such as the integration of "source, grid, load and storage", hydrogen production with green power projects of Rongxin Chemicals and Xinjiang Nenghua. The Group uses existing industrial bases and new investments to drive the expansion and improvement of new energy.

II. In-depth exploration of connotations, increasing profits and creating efficiency, and broadening the benefits of lean management

The Group will deepen lean control measures such as the "Ten Strengths and Ten Efficiency Enhancements", comprehensively improve the quality and efficiency of economic operation, achieve cost reduction and efficiency improvements of more than RMB3 billion throughout the year.

First, optimizing processes to "reduce unit consumption". The Group will deepen the "Three Reductions and Three Improvements" and "Two Optimizations and Three Reductions", optimize production continuity, operational processes, and production organisation to minimise production unit consumption, which the cost of coal sales per ton will be reduced by 3%-5%.

Second, flexibly marketing to "improve efficiency". The Group will comprehensively implement the strategies of "clean coal + customization", "long-term contracts + direct supply", and "national rail + water transportation", and strictly enforce the hard measures of "three grasps and two guarantees". The strategy of the Group is to increase the proportion of long-term cooperation, and builds a four-dimensional marketing model of "long-term customers as the foundation, market customers as the extension, direct supply customers as support, and trade customers as supplements". The Group will strengthen the control of the whole process of coal quality, continue to deepen the "Three Nils Project", win the trust of customers with excellent product quality and reliable corporate credit, and consolidate the brand image of "Yankuang Coal".

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

Third, the Group will implement measures of cost-saving to “control expenses”. The Group will optimise the allocation of long-term and short-term funds, reasonably match financing methods, improve the efficiency of fund utilisation, strive to reduce the comprehensive financing cost by 10%, and achieve a fund efficiency of RMB600 million. The Group will strictly control non-production expenditures and strive to reduce controllable expenses by 5% throughout the year. The Group will scientifically prepare procurement budgets, and improve the level of bid ding and prices comparison procurement, and strive to reduce procurement costs by more than RMB220 million.

Fourth, coordination of material resources for “optimization of inventory.” The Group will deepen the “clear inventory” initiative and the equipment management of “six unifications”, aiming to reduce costs and improve efficiency in material resources and equipment management by RMB400 million and reduce existing material resources by 10%.

III. Scientific control, focusing on key tasks, and maximisation of investment value

The Group will coordinate to management the direction of capital allocation and investment pace, focus on high-yield, excellent technology, and strong synergistic quality projects, further optimise and reduce investment budgets, and strictly control non-essential expenditures. By adopting measures such as centralized procurement and optimizing bidding, it is expected to save more than RMB2.5 billion in capital expenditure. The Group will prioritise the construction of the “Eight Major Projects” to ensure that the projects are completed and put into operation upon completion, and achieve expected results upon operation. The Group has sufficient financial reserves to meet future strategic investment, project construction, and Shareholder dividend requirements. In the first half of the year, the net cash flow from operating activities of the Group was RMB13.6 billion, with monetary funds of RMB45.2 billion.

The **mining industry** focuses its efforts on accelerating the promotion of key projects under construction, and focuses on the key procedures of the proposed key projects. **In the Shaanxi- Inner Mongolia region**, the Youfanghao Mine, Huolinhe No. 1 Mine, Liusanggedan Mine, Yangjiaping Mine, and Garutu Mine are scheduled to be completed one after another over the next five years, adding an annual production capacity of 35 million tons per year, bringing the regional production capacity to over 80 million tons. The Caosiyao Molybdenum Mine, with an annual production capacity of 16.5 million tons, is scheduled to commence construction in the first half of 2026. Upon completion in 2028, it will become a new profit growth point for the Group. The approval process for the second phase of the WuCaiWan No. 4 Open-pit Mine **in the Xinjiang region** will be completed by 2026, with regional production capacity reaching over 43 million tons. Upon completion, the two coal mines in Mafuchuan and Maojiachuan **in the Gansu region** will add an annual production capacity of 15 million tons, bringing the regional production capacity to over 22 million tons.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

The high-end chemical and new materials industry adheres to the dual strategies of “extending and strengthening industrial chain” and “cluster development”, gradually improving the development level and quality. The 800,000-ton olefin project of Rongxin Chemicals will complete and commence production and the 60,000-ton polyformaldehyde project of Lunan Chemicals will complete and put into production in 2026. Then, the polyformaldehyde production capacity of the Group will rank first in China. The construction of 800,000-tonne olefin project of Xinjiang Nenghua and the 500,000-tonne high-temperature Fischer-Tropsch project of Future Energy are advanced orderly, achieving the extension of the industrial chain towards high-end and diversified development.

IV. Rewarding Shareholders, sharing achievements, and setting a new standard for value creation

Since its listing, the Group has always placed Shareholder interests in the first place, adhering to the concept of “Shareholders first, value sharing”, and actively adopting diversified methods to share development achievements with investors. The Group has cumulatively distributed dividends of RMB86.8 billion. In the “2025 Cash Dividend List of Listed Companies” of the China Association of Listed Companies, it ranks the 24th in the total dividends. In the second half of the year, the Group will successively implement measures such as dividend distributions and share buybacks, and effectively enhance its value creation and return capabilities.

First, the Group will continue to implement interim dividends. The Group will distribute a cash dividend of RMB0.18 per share, totaling RMB1.8 billion, continuing to create a good situation of healthy development and investor returns of the Group.

Second, the Group will choose an opportunity to implement repurchases and increase holdings. The Group plans to invest RMB50 million to RMB100 million to repurchase A-Shares and RMB150 million to RMB400 million to repurchase H-Shares. The Controlling Shareholder has committed to “not reduce holdings + appropriately increase holdings”, demonstrating the Group’s commitment to rewarding investors’ trust and driving the Group’s value to new heights.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

4. *The impact of exchange rate changes*

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

- (1) The overseas coal sales income are priced in USD and AUD respectively, generating an impact on the overseas coal sales income;
- (2) The exchange gains and losses of the foreign currency deposits and borrowings;
- (3) The cost of imported equipment and accessories of the Group.

Affected by the fluctuations in foreign exchange rates, the Group had a book exchange loss of RMB204 million during the reporting period.

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

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

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

5. *Implementation of an Action Plan of “Improving Quality, Increasing Efficiency and Enhancing Returns”*

During the reporting period, the Company diligently implemented various measures in accordance with an action plan of “Improving Quality, Increasing Efficiency and Enhancing Returns”, strengthened and optimised core businesses, deepened lean management, improved the corporate governance, practiced ESG principles, enhanced investor relations management, and increased investor returns, all of which achieved good results.

I. *Core Business Optimisation: Refining Industrial Structure for Sustainable Growth*

Since 2025, the Company has accelerated the release of its competitive production capacity, successfully implemented strategic mergers and acquisitions, and achieved breakthroughs in key projects. The Company further refined the industrial structure of its “Five Core Businesses” and enhanced its long-term development potential.

In terms of the mining industry: The Wanfu Coal Mine in Shandong has commenced joint trial operation. The first phase of the Wucaiwan No. 4 Open-pit Mine, with a capacity of 10 million tons per annum, has exposed coal seams and contributed to output; the acquisition of Xibei Mining was completed in July 2025. Huolinhe No. 1 Coal Mine’s capacity increased to 7 million tons per annum. The Liusangedan Coal Mine obtained its mining licence, and Caosiyao Molybdenum Mine

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

secured its project approval. The production capacities of current operational, under-construction and planned mines of the Group collectively reached 320 million tons. The strategic target of achieving 300 million tons of raw coal production by 2030 remains on schedule.

In terms of the high-end chemical new materials industry: Rongxin Chemicals 800,000-tonne olefin project commenced full-scale construction. Lunan Chemicals 60,000-tonne polyformaldehyde project progressed steadily. Xinjiang Nenghua's 800,000-tonne olefin project advanced orderly, and the formalities for the 500,000-ton high-temperature Fischer-Tropsch project of Future Energy have been accelerated.

In terms of high-end equipment manufacturing industry: Full-frame hydraulic support products have been exported to Australia, achieving breakthroughs in overseas markets. Efforts have been made to strengthen and optimise the European equipment manufacturing R&D platform, efficiently integrating the technology, markets and industrial chain resources of the SMT Scharf AG in Germany, and strategically acquiring the CFH GmbH in Germany, thereby establishing internationally leading equipment systems in auxiliary transportation, air filtration and dust removal. The Group continues to deepen its presence in the European and Asia-Pacific markets, with ongoing improvements in industrial sophistication, innovation capabilities and international competitiveness.

In terms of smart logistics industry: Logistics resources in Shandong and Xinjiang regions have been integrated to strengthen the “five-in-one” industrial system, comprising railways, highways, ports and shipping, industrial parks and platforms. The Group's self-operated and invested railway network has exceeded 4,000 kilometers in operational mileage, with 12 logistics parks covering road, rail and water transport, and an annual dispatch capacity of 700 million tons. The “physical logistics + platform” of Wubo Technology was deeply integrated, expanding the new model of the commodity supply chain and achieving a transportation volume of 110 million tons.

In terms of new energy industry: A coordinated development model of “industry + new energy” has been adopted. The LuXi Smart Manufacturing Park has achieved “direct connection to green electricity”, and Yankuang Tai'an Port's “zero-carbon park” has been constructed to high standards, achieving full coverage of clean energy and dynamic carbon neutrality.

Efforts are being coordinated to advance the “indicator acquisition + project construction”, with orderly progress achieved in Rongxin Chemicals' 700,000 kW green electricity-based hydrogen production project, Xinjiang Energy & Chemical's 250,000 kW green electricity-based hydrogen production project, and the 180,000 kW wind power project in Zoucheng, Shandong.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

II. Lean Management: Steady Improvement in Operational Quality and Efficiency

Efforts to tap potential and enhance efficiency have been precisely implemented, partially offsetting the impact of coal market price fluctuations and resulting in steady improvement in operational quality and efficiency.

In terms of production organization: Advantageous production capacity has been rapidly released, with the production volume of saleable coal reaching 73.6 million tons in the first half of the year, a record high for the same period in history, and the annual production volume of saleable coal is expected to exceed 180 million tons. The chemical segment has achieved stable, full-capacity and optimised operation, maintaining historically high output levels and significantly improving profitability, thereby providing strong support to overall performance and contributing RMB1.07 billion in net profit attributable to the parent company, representing a year-on-year increase of RMB950 million.

In terms of marketing: Sales strategies have been flexibly adjusted and product structure optimised. Fulfilment of long-term contracts has been ensured, with strategic and key long-term contract customers playing a stabilising role in product pricing.. Product strategies such as “value creation through premium coal” and “customised sales” have been implemented, with flexible adjustments to customer structure and active development of high-value clients to mitigate downward market pressure.

In terms of cost control, special initiatives such as “strict cost control and frugality” and “ten cost-saving measures” have been launched, with “eight concrete actions” implemented across production, management, finance and procurement. As a result, the sales cost per ton of coal in the first half of the year was RMB328/ton, representing a year-on-year decrease of 8.7%.

In terms of fund management: The Group conducted low-interest-rate debts to replace high-interest-rate ones and adopted innovative financing instruments, reducing the average financing interest rate to 2.6%, down 0.37 percentage points from the beginning of the year, saving interest expenses of RMB270 million. The Group will coordinate the direction of capital investment and the investment rhythm, focus on high-quality projects with high returns, excellent technology and strong synergy, further optimize investment estimates, and strictly control non-essential expenditures. By adopting measures such as centralized procurement and optimizing bidding, it is expected to save more than RMB2.5 billion in capital expenditure.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

III. Regulated Governance: Perfecting Yankuang-specific Corporate Governance System

The Group continued to refine the distinctive governance system with Yankuang's characteristics, which integrated the "profound unification of Party leadership and corporate governance, the organic convergence of state-owned asset supervision and listing regulatory standards, and the coordinated approach to domestic governance and overseas control", ensuring standardised and efficient corporate operations.

The Articles of Association and 12 supporting fundamental governance systems were revised and improved to further optimise the governance structure and enhance operational efficiency, making the Group the first batch of listed companies in the industry to abolish the Supervisory Committee. Subsidiary governance was optimised, with full inclusion of "Party Building Segment" in the articles of affiliated enterprises, ensuring that external directors constituted the majority, strengthening the control of equity-participating enterprises, and enhancing performance evaluations for property rights representatives. For newly acquired entities including SMT Scharf AG, Xibei Mining, and CFH GmbH, the Group formulated standardised management and control guidelines, clarified the boundaries of rights and responsibilities in accordance with laws and regulations, and established a well-integrated management and regulatory model that harmonises state-owned asset, listing, and overseas supervision.

IV. Practising ESG Philosophy: Advancing Green, Low-carbon and High-quality Development

The Group implemented its ESG strategic principles of "Pursuing Green and Low-Carbon Development, Upholding Compliance and Transparency, and Promoting Sustainability," integrating green development concepts throughout its production and operations. The comprehensive energy consumption per unit of industrial output value, energy consumption per unit of raw coal production, and the land subsidence treatment rate all reached industry-leading levels. 17 mines were included in the National Green Mine Catalogue, with emissions of particulate matter, sulphur dioxide, chemical oxygen demand, and ammonia nitrogen each reduced by over 50% compared to regulatory assessment benchmarks.

The Group actively fulfilled its social responsibilities and systematically built a governance framework aligned with international standards. ESG ratings from MSCI and Wind remained at the highest level in the industry. The Group ranked first in the industry for 5 consecutive years in the CDP Carbon Disclosure Project and was named among the "Top 50 ESG Best Practices" by New Fortune, being a magazine.

CHAPTER 3 MANAGEMENT DISCUSSION & ANALYSIS – CONTINUED

V. Conveying Value: Expanding Communication Channels with the Capital Market

The Group attached great importance to investor communication, adopting a demand-oriented approach and engaging in “real-time” interaction with the capital market through diverse methods. More than 200 announcements were released domestically and internationally in the first half of 2025, with nearly 800 investor engagements conducted. High-quality annual results road shows were held both domestically and overseas. Reverse road shows were organised to invite investors to visit Xibei Mining. The Group participated in the Shandong Securities Regulatory Bureau’s “Online Collective Reception Day for Investors of Listed Companies” and the “High Dividend and Strong Returns Theme” organized by the Shanghai Stock Exchange, addressing key investor concerns. Its open and transparent approach earned widespread recognition from the capital market and accolades such as “Best Listed Company” and “Most Valuable Hong Kong Stock” from New Fortune, being a magazine.

VI. Delivering Shareholder Returns: Sharing the Fruits of Corporate Development

The Group upheld the concept of value sharing and strictly implemented its 2023–2025 profit distribution policy, establishing stable, transparent, and sustainable return expectations for investors. An interim dividend of RMB0.18/share was declared for 2025, bringing the cumulative dividend payout since listing to RMB86.8 billion, ranking 24th in total dividend amount on the “2025 Listed Companies Cash Dividend Ranking” by the China Association for Public Companies. The Group received the “Investor Relations Management Shareholder Return Award” in the 16th Tianma Award for Investor Relations Management.

The Group formulated the Rules on Market Value Management and established a “135” market value management mechanism tailored to Yankuang’s characteristics. This mechanism focuses on improving the quality of the listed Company, supported by standardized governance, value sharing, and efficient communication, while emphasizing main business enhancement, capital operation optimization, brand-image building, and leveraging overseas synergies, with rational use of market value tools as a key measure. The Controlling Shareholders publicly committed to “no reduction + timely increase” in shareholding, conveying strong confidence in the Company’s intrinsic value and development prospects. A coordinated A+H Share repurchase plan was launched to restore market valuation through capital market instruments.

CHAPTER 4 COMPANY GOVERNANCE, ENVIRONMENT AND SOCIETY

1. CHANGES IN DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Positions assumed	Changes
Wang JiuHong	Director	Election
Gao Jingxiang	Independent Director	Election
Kang Dan	Vice General Manager	Appointment
Xu Changhou	Vice General Manager	Appointment
Qi Junming	Chief Safety Officer	Appointment
Peng Suping	Independent Director	Resignation
Li Shipeng	Supervisor, Chairman of the Supervisory Committee	Resignation
Zhu Hao	Supervisor	Resignation
Jin Jiahao	Employee Supervisor	Resignation
Kang Dan	Chief Safety Officer	Resignation

Explanation of changes in Directors and senior management of the company

Changes in Directors

Upon consideration and approval at the thirteenth meeting of the ninth session of the Board of the Company convened on 24 February 2025, Mr. Wang JiuHong was nominated as a non-employee representative Director of the ninth session of the Board of the Company and was elected at the 2024 annual general meeting held on 30 May 2025. His term of office is aligned with that of the other Directors elected for the ninth session of the Board.

For details, please refer to the announcement of resolutions of the thirteenth meeting of the ninth session of the Board dated 24 February 2025, the announcement regarding the nomination of a non-employee representative Director, the announcement of the proposed appointment of non-independent Directors, and the resolution announcement of the 2024 annual general meeting dated 30 May 2025. Such information was published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

Upon consideration and approval at the sixteenth meeting of the ninth session of the Board of the Company convened on 25 April 2025, Mr. Gao Jingxiang was nominated as an independent Director of the ninth session of the Board of the Company and was elected at the 2024 annual general meeting held on 30 May 2025. His term of office is aligned with that of the other Directors elected for the ninth session of the Board. Mr. Peng Suping ceased to serve as an independent Director of the Company due to the part-time standard work requirement of academicians of the Chinese Academy of Engineering.

For details, please refer to the announcement of resolutions of the sixteenth meeting of the ninth session of the Board dated 25 April 2025, the announcement regarding the nomination of a candidate for an independent director and the announcement regarding proposed appointment of an independent non-executive director, and the resolution announcement of the 2024 annual general meeting dated 30 May 2025. Such information is published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

CHAPTER 4 COMPANY GOVERNANCE, ENVIRONMENT AND SOCIETY – CONTINUED

Change in Senior Management

Upon consideration and approval at the fifteenth meeting of the ninth session of the Board of the Company convened on 8 April 2025, Mr. Kang Dan and Mr. Xu Changhou were appointed as Vice General Managers of the Company, and Mr. Qi Junming was appointed as the Chief Safety Officer. Their terms of office are aligned with those of other senior management appointed at the ninth session of the Board. Mr. Kang Dan ceased to serve as the Chief Safety Officer of the Company.

For details, please refer to the announcement of resolutions of the fifteenth meeting of the ninth session of the Board dated 8 April 2025. Such information is published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

Abolition of the Supervisory Committee

Upon discussion and consideration at the sixteenth meeting of the ninth session of the Board of the Company convened on 25 April 2025, the Resolution in Relation to the Amendments to the Articles of Association and Relevant Rules of Procedure, and the Abolition of the Supervisory Committee was passed. The resolution was subsequently approved at the 2024 annual general meeting held on 30 May 2025. The Supervisory Committee was abolished by the Company, and the positions of Supervisors were automatically terminated.

For details, please refer to the announcement regarding the amendments to the Articles of Association and relevant rules of procedure of the Company dated 25 April 2025, and the resolution announcement of the 2024 annual general meeting dated 30 May 2025. Such information is published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

CHAPTER 4 COMPANY GOVERNANCE, ENVIRONMENT AND SOCIETY – CONTINUED

II. PROFIT DISTRIBUTION SCHEME OR CAPITAL RESERVE TRANSFERRED TO SHARE CAPITAL SCHEME

Proposed Profit Distribution Scheme or Capital Reserve Transferred to Share Capital Scheme for the First Half of 2025

Whether distributed or transferred	Yes
Number of bonus share for every 10 shares (share)	0
Amount of cash dividend for every 10 shares (RMB) (including tax)	1.80
Number of shares converted for every 10 shares (share)	0

Relevant explanation on profit distribution scheme or capital reserve transferred to share capital scheme

The Board of the Company proposed to distribute a cash dividend of RMB1.80 (inclusive of tax) per 10 shares for the half-year of 2025, based on the total share capital on the record date for equity distribution. Such distribution proposal will be distributed to the Shareholders of the Company within two months of the disclosure of this report. Pursuant to the Articles of Association, the cash dividend will be calculated and declared in RMB.

If there is any change in the total share capital of the Company during the period between the date of disclosure of this report and the date of registration of shareholdings for the implementation of the equity distribution, the Company intends to maintain the distribution amount per share unchanged and adjust the total amount of distribution accordingly.

To determine the identity of the Shareholders entitled to receive the interim dividend, the Company's H Share register of members will be closed from Monday, 15 September 2025 to Monday, 22 September 2025 (both dates inclusive), during which no share transfers will be effected. In order to be entitled to the interim dividend, H Shareholders who have not registered the transfer documents are required to deposit the transfer documents together with the relevant Share certificates with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 12 September 2025.

III. CIRCUMSTANCE AND IMPACT OF THE EQUITY INCENTIVE SCHEME AND EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER INCENTIVE SCHEME TO EMPLOYEES

(I) Equity Incentive Scheme Disclosed in Extraordinary Announcement with no Progress or Changes

Not applicable.

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

General Information on Share Incentive

2021 A-Share Restricted Share Incentive Scheme

Incentive method: restricted shares

Source of underlying shares: issuance of shares to incentive participants

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

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

As considered and approved at the 2022 first extraordinary general meeting, the 2022 first class meeting of Shareholders of A Shares/H Shares and the twentieth meeting of the eighth session of the Board of the Company on 27 January 2022, the Company grants restricted shares to incentive participants under the 2021 A-Share Restricted Share Incentive Scheme (the “Restricted Share Incentive Scheme”).

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

CHAPTER 4 COMPANY GOVERNANCE, ENVIRONMENT AND SOCIETY – CONTINUED

As considered and approved at the thirteen meeting of the ninth session of the Board of the Company convened on 24 February 2025, it was confirmed that the conditions for lifting the second lock-up period of the Restricted Share Incentive Scheme have been fulfilled, and the Company has unlocked 36,738,700 restricted shares granted to 1,171 incentive participants from the restriction on sale. The weighted average closing price of the Company's shares immediately prior to the date of unlocking of restricted shares was RMB13.21 (price before ex-rights and ex-dividend). On 7 March 2025, restricted stocks that had been unlocked were circulated.

As of 30 June 2025, the holding of restricted shares is as follows:

Unit: 0'000 shares

Name	Position	Number of restricted shares held at the beginning of the year	Number of newly granted restricted shares	Grant price of restricted shares (RMB/share)	Number of restricted shares lapsed during the reporting period	Unlocked shares during the reporting period	Locked shares during the reporting period	Number of the restricted shares at the end of the reporting period	Market price at the end of the reporting period (RMB/share)
Wang JiuHong	Party Secretary, Director, General Manager	10,452	0	11.72	0	5,148	5,304	5,304	12.17
Kang Dan	Member of the CPC Committee, Vice General Manager	10,452	0	11.72	0	5,148	5,304	5,304	12.17
Zhang Zhaoyun	Member of the CPC Committee, Chief Engineer	7,839	0	11.72	0	3,861	3,978	3,978	12.17
Huang Xiaolong	Director, Secretary to the Board	20,904	0	11.72	0	10,296	10,608	10,608	12.17
Gao Chunlei	member of the CPC Committee, Chief Engineer (chemical engineer)	10,452	0	11.72	0	5,148	5,304	5,304	12.17
Xu Changhou	Vice General Manager	7,839	0	11.72	0	3,861	3,978	3,978	12.17
Qi Junming	Chief Safety Officer	10,452	0	11.72	0	5,148	5,304	5,304	12.17
Sub-total of Directors and senior management		78.39	0	/	0	38.61	39.78	39.78	/
Sub-total of others		7,640,412	0	/	237,9858	3,635,2602	3,767,166	3,767,166	/
Total		7,718,802	0	/	237,9858	3,673,8702	3,806,946	3,806,946	/

Notes:

- ① The above table is filled out based on the employment status of the Company's Directors and senior management on the disclosure date of this report.
- ② According to the Restricted Share Incentive Scheme, all the incentive participants set out in the above table was granted locked restricted stocks on 27 January 2022. The closing price before the date of granting such restricted shares was RMB22.06 (price before ex-rights and ex-dividend).
- ③ Due to work adjustment of 41 incentive participants, the Company repurchased and canceled 2.37986 million restricted shares that have been granted but not yet unlocked. For details, please refer to "(II) Historical Adjustments" in this section of "Abstract of Restricted Share Incentive Scheme".

At the beginning and end of the reporting period, the number of restricted shares granted under all of the Company's equity incentive scheme was 0. During the reporting period, the number of shares issued based on restricted shares granted under all of the equity incentive schemes was 0, which, divided by the weighted average of the total number of A Shares issued during the period, equals 0%.

Summary of the Restricted Share Incentive Scheme

(I) *Grant of the Restricted Share Incentive Scheme*

1. Purpose of the Restricted Share Incentive Scheme

To further improve the medium and long-term incentive mechanism, fully mobilize the enthusiasm of the Company's management team and key employees, closely combine the interests of Shareholders, the Company's interests and the personal interests of the core team, and enhance the Company's market competitiveness and sustainable development capabilities.

2. Scope of participants

The participants of the Restricted Share Incentive Scheme include the Directors, senior management, mid-level management and backbone employees of the Company, excluding external Directors (including independent Directors), Supervisors, Shareholders or de facto controllers that individually or jointly hold 5% or above shares of the Company and their spouses, parents and children.

3. Number of underlying shares

As considered and approved by the Company's 2022 first extraordinary general meeting of Shareholders, the first A-Share/H-Share Shareholders' Meeting and the 20th meeting of the eighth session of the Board on 27 January 2022, 61.74 million restricted shares (representing approximately 0.62% of the Company's total issued share capital (excluding treasury shares) as at the disclosure date of this report) were granted to 1,245 incentive participants, and all restricted shares have been granted on 27 January 2022. The underlying stocks involved are RMB ordinary shares (A Shares).

4. Maximum amount of shares for each participant

The number of Company shares granted to any one of the incentive participants through all the equity incentive scheme within the validity period shall not, in aggregate, exceed 1% of the Company's total share capital on the announcement date of the draft of the Restricted Share Incentive Scheme.

5. Grant date

As considered and approved at the twentieth meeting of the eighth session of the Board of the Company convened on 27 January 2022, the grant date was 27 January 2022.

6. Lock-up period

Lock-up periods of the Restricted Share Incentive Scheme are 24 months, 36 months and 48 months from the date of completion of the registration of the grant of restricted shares.

CHAPTER 4 COMPANY GOVERNANCE, ENVIRONMENT AND SOCIETY – CONTINUED

7. Unlocking Arrangements

The unlocking period of the restricted shares granted by the Restricted Share Incentive Scheme and the unlocking time schedule of each period are shown in the following table:

Unlocking arrangements	Unlocking period	Proportion of unlocking
First unlocking period	From the first trading day after the 24th month from the registration date of the restricted share to the last trading day within the 36th month from the registration date for the restricted share	33%
Second unlocking period	From the first trading day after the 36th month from the registration date of the restricted share to the last trading day within the 48th month from the registration date for the restricted share	33%
Third unlocking period	From the first trading day after the 48th month from the registration date of restricted shares to the last trading day within the 60th month from the registration date for restricted shares	34%

8. Grant price

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

9. Basis of determination of the grant price

The grant price shall not be lower than the par value of the share and shall not be lower than 50% of the fair market price, and the fair market price shall be determined by the higher of the following prices:

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

Standard 2: One of the average trading prices of the Company's underlying shares in the 20th trading days, 60th trading days or 120th trading days prior to the announcement of the draft of the Restricted Share Incentive Scheme.

CHAPTER 4 COMPANY GOVERNANCE, ENVIRONMENT AND SOCIETY – CONTINUED

See the table below for details:

Unit: RMB/Share

	Standard 1		Standard 2		Lowest granting price
	The average trading price of the Company's share in the previous trading day	The average trading price of the Company's share in the previous 20 trading days	The average trading price of the Company's share in the previous 60 trading days	The average trading price of the Company's share in the previous 120 trading days	
A Shares	23.44	23.29	27.03	22.55	11.72

10. Repurchase principle

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

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

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

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

CHAPTER 4 COMPANY GOVERNANCE, ENVIRONMENT AND SOCIETY – CONTINUED

11. Validity period

The Restricted Share Incentive Scheme came into effect since approval by the 2022 first extraordinary general meeting, the 2022 first class meeting of Shareholders of A/H Shares convened on 27 January 2022. The validity period of the restricted shares granted under the Restricted Share Incentive Scheme shall not exceed 60 months commencing from the date of granting the restricted shares.

12. Completion of the grant

On 24 February 2022, the Company completed the registration of the grant of restricted shares in the Shanghai branch of China Securities Depository and Clearing Corporation Ltd. For details, please refer to the Company's announcement dated 25 February 2022 on the results of the grant of the 2021 A-Share Restricted Share Incentive Scheme.

(II) *Historical adjustment to the Restricted Share Incentive Scheme*

As considered and approved at the second meeting of the ninth Board of the Company held on 25 August 2023, since the Company carried out two profit distributions during the restricted period, and distributed 0.5 bonus share for each share, the Board adjusted the repurchase price and quantity of restricted shares. After this adjustment, the repurchase price was adjusted from RMB11.72 per share to RMB3.6133 per share, and the number of restricted shares that had been granted but not released from sales restrictions was adjusted from 61.74 million to 92.61 million; Due to reasons such as position change and retirement of 26 participants, the Company canceled 2.67 million restricted shares that had been granted but not been released. For details, please refer to the Company's announcement dated 25 August 2023 on the adjustment of the repurchase price and quantity of restricted shares, and the announcement on the repurchase and cancellation of restricted shares that had been granted to some participants but not been released.

As considered and approved at the fifth meeting of the ninth session of the Board of the Company on 23 February 2024, given the fact that 16 participants no longer met the incentive conditions due to job transfers and other reasons, 2 participants had been assessed as "unqualified" in performance evaluation, and 4 participants had been assessed as "up-to-threshold" in performance evaluation, the Company decided to repurchase and cancel the 1.40118 million restricted stocks granted but not yet released for the above 22 incentive participants. Please refer to the announcement of the Company dated 23 February 2024 in relation to repurchase and cancellation of restricted shares that had been granted to some participants but not been released.

As considered and approved at the thirteen meeting of the ninth session of the Board of the Company on 24 February 2025, since the Company carried out two profit distributions within 2024, and distributed 0.3 bonus share for each share, the Board of the Company adjusted the repurchase price and quantity of restricted shares. After this adjustment, the repurchase price was adjusted from RMB3.6133 per share to RMB1.4033 per share, and the number of restricted shares that had been granted but not released from sales restrictions was adjusted from 59.3754 million to 77.18802 million; 27 incentive participants no longer meet the incentive conditions due to job transfers and other reasons, 5 participants have been assessed as "unqualified" in performance evaluation, and 9 incentive participants had been assessed as "up-to-threshold" in performance evaluation, the Company decided to repurchase and cancel the 2.379860 million restricted stocks granted but not yet released for the above 41 incentive participants. Please refer to the announcement of the Company dated 24 February 2025 in relation to repurchase and cancellation of restricted shares that had been granted to some participants but not been released.

CHAPTER 4 COMPANY GOVERNANCE, ENVIRONMENT AND SOCIETY – CONTINUED

Other Explanations

Not applicable.

Employee shareholding scheme

Not applicable.

Other Incentive Schemes

Not applicable.

IV. CORPORATE GOVERNANCE

(Prepared in accordance with the listing rules in PRC)

Since its listing, the Company has paid close attention to the process of standardization and rule of law in the securities market. In accordance with the “Company Law”, “Securities Law” and the relevant regulatory regulations of the place of listing, following the principles of transparency, accountability, and safeguarding the rights and interests of all Shareholders, a relatively standardized and stable corporate governance structure has been established, which is no material difference from the requirements and the relevant documents of the CSRC.

On 15 November 2024, the CSRC issued the “Guidelines No. 10 for the Regulation of Listed Companies – Market Value Management,” requiring constituent companies of major indices to formulate a market value management policies and submit such to the Board for review. As a constituent company of the CSI A500 Index and the CSI 300 Index, Yankuang Energy formulated the Administrative Measures for Market Values in accordance with the above requirements and in light of its actual circumstances.

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

On 28 March 2025, the CSRC revised the Guidelines on Articles of Association of Listed Companies, the Rules of Shareholders’ Meetings of Listed Companies, and other regulatory provisions, requiring companies to amend their Articles of Association and relevant procedural rules, and abolish the Supervisory Committee, with a view to further enhancing corporate governance structure, strengthening protection of Shareholders’ rights, and clarifying the rights and responsibilities of Controlling Shareholders and de facto controllers. In accordance with the above requirements and taking into account its actual circumstances, the Company amended the Articles of Association, the Rules of Procedures for the General Meeting of Shareholders, and the Rules of Procedures for the Board, abolished the Supervisory Committee and repealed the Rules of Procedure for the Supervisory Committee, and accordingly revised 16 internal management policies.

CHAPTER 4 COMPANY GOVERNANCE, ENVIRONMENT AND SOCIETY – CONTINUED

For details, please refer to the announcement on resolutions of the sixteenth meeting of the ninth session of the Board of the Company dated 25 April 2025, the announcement regarding amendments to the Articles of Association and relevant procedural rules, and the announcement on the resolutions passed at the 2024 annual general meeting dated 30 May 2025. Such information is published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

On 25 April 2025, the CSRC issued the Regulations on Suspension and Exemption of Information Disclosure by Listed Companies, requiring companies to establish dedicated policies to define internal review procedures for deferred and exempted disclosure of information. In accordance with the above requirements and in light of its actual circumstances, the Company formulated the Administrative Measures for Suspension and Exemption of Information Disclosure (信息披露暫緩與豁免管理制度).

For details, please refer to the announcement of resolutions of the seventeenth meeting of the ninth session of the Board of the Company dated 30 May 2025. Such information is published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

On 15 May 2025, the Shanghai Stock Exchange revised the Guidelines No. 1 for Self-regulation of Listed Companies – Standardized Operation (《上海證券交易所上市公司自律監理指引第1號－規範運作》), requiring companies to establish internal audit policies that clearly define the leadership structure, responsibilities and authorities, staffing, funding arrangements, utilisation of audit results, and accountability mechanisms for internal audit work. In accordance with the above requirements and in light of its actual circumstances, the Company formulated the Management Measures for Internal Audit.

For details, please refer to the announcement on resolutions of the eighteenth meeting of the ninth session of the Board of the Company dated 29 August 2025. Such information is published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

Upon consideration and approval at the eighteenth meeting of the ninth session of the Board of the Company convened on 29 August 2025, the Company revised the Measures for Fund Management (資金管理辦法) and formulated the Measures for Equity Investment Management (股權投資管理辦法) and the Measures for Overseas Investment Management (境外投資管理辦法), in order to ensure compliance with regulatory requirements and to support actual production and operational needs.

For details, please refer to the announcement on resolutions of the eighteenth meeting of the ninth session of the Board of the Company dated 29 August 2025. Such information is published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

V. COMPLIANCE WITH CORPORATE GOVERNANCE CODE & MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”)

(Prepared in accordance with the Hong Kong Regulatory Requirements for Listing)

The Board believes that good corporate governance is very important to the operation and development of the Group. The Group has established a relatively standardized and stable corporate governance structure, following the corporate governance principles of transparency, accountability, and safeguarding the rights and interests of all Shareholders.

The Group has established the reporting system to all Directors, to ensure all Directors are informed of the Company's business. The Group believes that the regular Board meetings can provide an effective communication channel for the non-executive Directors, thus enabling the non-executive Directors to discuss fully and openly on the Group's business. The Board regularly reviews corporate governance practices to ensure the Company's operation is in compliance with the laws, regulations and supervisory rules of places where the shares of the Company are traded, and consistently endeavors to implement a high standard of corporate governance.

The documentation for the corporate governance practices implemented by the Group include, but not limited to the followings: the Articles, the Rules of Procedures for the General Meeting of Shareholders, the Rules of Procedures for the Board, the Detailed Work Policy of the General Manager, the Rules of Procedure of the General Manager Office Meeting, the Work Policy of the Independent Directors, the Rules for the Management of Board Authorization, Work System for the Board Secretary, the Rules for Disclosure of Information, the Administrative Measures for the Related Transactions, the Rules for the Management of Relationships with Investors, the Management System of Shares Held Related by Directors, Senior Management and Insiders and the Relevant Changes, the Rules for Monitoring and Assessment of the Implementation of the Resolutions of the Board, Administrative Measures for Property Rights Representatives, the Standard of Conduct and Professional Ethics for Senior Employees, the Management Measures on the Establishment of Internal Control System, the Measures on Overall Risk Management, the Administrative Measures for Market Values and the Information Disclosure Delay and Waiver Management System. As of the disclosure date of this report, the documentation for the corporate governance practices adopted by the Group also includes the Corporate Governance Code contained in the Hong Kong Listing Rules, and the operation of the corporate governance of the Group is compliant with the requirements of the Corporate Governance Code. The Company has fully complied with the code provisions as set out in Part 2 of the Corporate Governance Code.

The Company has strictly complied with the above documentation for the corporate governance practices and the Corporate Governance Code without any deviation.

After making specific inquiries to all Directors and senior management, the Company confirmed that the Directors and senior management of the Company have strictly complied with the standards for the conduct of securities transactions as set out in the Model Code and the Management System of Securities Held and Transacted by Directors, Senior Management and Insiders. The Company has adopted a code of conduct not less than the Model Code for the securities transactions of Directors and Senior Management.

For details, please refer to the Report on Corporate Governance of the Company included in 2024 annual report of the Company.

CHAPTER 4 COMPANY GOVERNANCE, ENVIRONMENT AND SOCIETY – CONTINUED

VI. INVESTOR RELATIONS

In accordance with the regulatory requirements of the place of listing, the Company has been continuously improving the system for the management of relationships with investors, and improved standard management of investor relations. During the reporting period, the Company reported the business situation to investors face-to-face and at the same time acknowledged the opinions and suggestions of investors and the capital market on the Company by means of road shows, anti-road shows and other methods. The Company actively held regular performance report briefings and took the initiative to hold investor briefings on relevant major issues. In addition to regular channels such as SSE e-interaction, investor briefings, the Company responded to investor enquiry and opinions by telephone, email, We-chat and other media, or sought opinions and suggestions from investors for improvement, and communicated with analysts, fund managers and investors for around 800 persons.

VII. ENVIRONMENTAL INFORMATION OF LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES SUBJECT TO MANDATORY ENVIRONMENTAL INFORMATION DISCLOSURE

Number of Enterprises Included in the List of
Enterprises Subject to Mandatory Environmental
Information Disclosure

28

No.	Name of enterprises	Index for accessing the report on mandatory environmental information disclosure
1	Yankuang Energy Group Company Limited Nantun Coal Mine	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370000706096972
2	Yankuang Energy Group Company Limited Xinglongzhuang Coal Mine	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370000706220283T
3	Yankuang Energy Group Company Limited Baodian Coal Mine	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370000706096999J
4	Yankuang Energy Group Company Limited Dongtan Coal Mine	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370000706096980M
5	Yankuang Energy Group Company Limited Jining No.2 Coal Mine	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370000706092808K
6	Yankuang Energy Group Company Limited Jining No.3 Coal Mine	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=913700007267048323
7	Yankuang Energy Group Company Limited Yangcun Coal Mine	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=913700001660825360

CHAPTER 4 COMPANY GOVERNANCE, ENVIRONMENT AND SOCIETY – CONTINUED

Number of Enterprises Included in the List of
Enterprises Subject to Mandatory Environmental
Information Disclosure

28

No.	Name of enterprises	Index for accessing the report on mandatory environmental information disclosure
8	Yancoal Heze Energy Chemical Co., Ltd. Zhaolou Coal Mine	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370000692003957B
9	Yancoal Wanfu Energy Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91371724MA3F1GKX2M
10	Shandong Yankuang Jining No.3 Power Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370800771045952K
11	Yanmei Heze Neng Hua Company Limited	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370000754456581B
12	Yankuang Lunan Chemicals Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=913704006644327461
13	Ordos Zhuanlongwan Coal Co., Ltd.	Enterprise Environmental Information Disclosure System (Inner Mongolia) http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplYearReport/index.js&keyword=%E9%84%82%E5%B0%94%E5%A4%9A%E6%96%AF%E5%B8%82%E8%BD%AC%E9%BE%99%E6%B9%BE%E7%85%A4%E7%82%AD%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8
14	Inner Mongolia Haosheng Coal Mining Company Limited	Enterprise Environmental Information Disclosure System (Inner Mongolia) http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplYearReport/index.js&keyword=%E5%86%85%E8%92%99%E5%8F%A4%E6%98%8A%E7%9B%9B%E7%85%A4%E4%B8%9A%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8
15	Ordos Yingpanhao Coal Mining Company Limited	Enterprise Environmental Information Disclosure System (Inner Mongolia) http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplYearReport/index.js&keyword=%E9%84%82%E5%B0%94%E5%A4%9A%E6%96%AF%E5%B8%82%E8%90%A5%E7%9B%98%E5%A3%95%E7%85%A4%E7%82%AD%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8
16	Inner Mongolia Rongxin Chemicals Co., Ltd.	Enterprise Environmental Information Disclosure System (Inner Mongolia) http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplYearReport/index.js&keyword=%E5%86%85%E8%92%99%E5%8F%A4%E8%8D%A3%E4%BF%A1%E5%8C%96%E5%B7%A5%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8

CHAPTER 4 COMPANY GOVERNANCE, ENVIRONMENT AND SOCIETY – CONTINUED

Number of Enterprises Included in the List of
Enterprises Subject to Mandatory Environmental
Information Disclosure

28

No.	Name of enterprises	Index for accessing the report on mandatory environmental information disclosure
17	Ulanqab Hongda Industrial Co., Ltd.	Enterprise Environmental Information Disclosure System (Inner Mongolia) http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplYearReport/index.js&keyword=%E4%B9%8C%E5%85%B0%E5%AF%9F%E5%B8%83%E5%B8%82%E5%AE%8F%E5%A4%A7%E5%AE%9E%E4%B8%9A%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8
18	Shaanxi Future Energy Chemicals Co. Ltd.	Enterprise Environmental Information Disclosure System (Shaanxi) http://113.140.66.227:11077/#/noLogin/qymd?key=%E9%99%95%E8%A5%BF%E6%9C%AA%E6%9D%A5%E8%83%BD%E6%BA%90%E5%8C%96%E5%B7%A5%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8
19	Yanzhou Coal Yulin Neng Hua Company Limited	Enterprise Environmental Information Disclosure System (Shaanxi) http://113.140.66.227:11077/#/noLogin/qymd?key=%E5%85%96%E5%B7%9E%E7%85%A4%E4%B8%9A%E6%A6%86%E6%9E%97%E8%83%BD%E5%8C%96%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8
20	Yankuang Yulin Fine Chemicals Co., Ltd.	Enterprise Environmental Information Disclosure System (Shaanxi) http://113.140.66.227:11077/#/noLogin/qymd?key=%E5%85%96%E7%9F%BF%E6%A6%86%E6%9E%97%E7%B2%BE%E7%BB%86%E5%8C%96%E5%B7%A5%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8
21	Shandong Xinjulong Energy Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=913700007563990580
22	Guotun Coal Mine of Linyi Mining Group Heze Coal-fired Power Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=913700006731531087
23	Shandong Lilou Coal Mining Co., Ltd	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370000795346514H
24	Pengzhuang Coal Mine of Linyi Mining Group Heze Coal-fired Power Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=913700006731531162
25	Feicheng Mining Group Shanxian Energy Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=9137000067452090X9

CHAPTER 4 COMPANY GOVERNANCE, ENVIRONMENT AND SOCIETY – CONTINUED

Number of Enterprises Included in the List of
Enterprises Subject to Mandatory Environmental
Information Disclosure

28

No.	Name of enterprises	Index for accessing the report on mandatory environmental information disclosure
26	Shandong Tangkou Coal Industry Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=913700006667367359
27	Feicheng Mining Group Liangbaosi Energy Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong) http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370000779717557X
28	Yankuang Xinjiang Coal Chemicals Co., Ltd.	Enterprise Environmental Information Disclosure and Credit Evaluation System of Xinjiang Uygur Autonomous Region https://124.117.235.203:9015/index

Other explanations

Not applicable.

8. DETAILS OF EFFORTS TO CONSOLIDATE AND EXPAND ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL REVITALISATION

The Company actively responded to the national strategy for rural revitalisation by implementing initiatives in organisational, industrial, cultural and ecological revitalisation, deepening cooperation between local governments and enterprises, developing distinctive industries based on local conditions, promoting regional development, and consolidating and expanding the achievements in poverty alleviation. In the first half of the year, the Company made charitable donations totalling RMB25.2078 million, primarily to support local governments in implementing rural revitalisation and related initiatives.

Organisational revitalisation: The Company has incorporated paired assistance into its annual work plan, formulated both annual and medium-to-long-term assistance programmes, and assigned dedicated personnel to strengthen communication and liaison with assisted villages and towns, conduct field visits and household surveys, and implement tailored measures based on local conditions and specific needs.

Industrial revitalisation: The Company has deepened the model of “village-enterprise co-development”, supported the development of distinctive industries and economic crops, and actively promoted the sales of products from assisted regions through initiatives such as “purchase instead of donation” and “buy to support”, thereby enhancing the sustainability of rural revitalisation.

Cultural revitalisation: The Company has supported rural cultural development by exploring local cultural resources, sponsoring cultural events such as community art galas, enhancing cultural confidence in rural areas, and fostering a renewed spirit of rural civilisation, thereby providing sustained cultural impetus for rural revitalisation.

Ecological revitalisation: The Company is committed to improving the rural natural environment and residents’ living conditions by strongly supporting afforestation projects, participating in tree-planting and greening activities, and actively contributing to the construction of ecological civilisation in rural areas, working hand in hand with local residents to build a better countryside.

CHAPTER 5 SIGNIFICANT EVENTS

(The financial data listed in this section are calculated in accordance with CASs)

I. PERFORMANCE OF UNDERTAKINGS

(I) Undertakings of the De facto Controller of the Company, the Shareholders, the Related Parties, the Buyer, the Company and Other Related Parties During the Reporting Period or Extended to the Reporting Period

Background	Type	Undertaker	Undertakings	Date of undertakings	With performance deadline or not	Period of commitment	Perform timely and strictly or not	Reasons for failure of performance timely	Measures in case of failure of performance timely
Undertakings related to IPO	Resolve horizontal competition	Shandong Energy	Avoidance of horizontal competition: Shandong Energy and the Company entered into the restructuring agreement when the Company was carrying out the restructuring in 1997, pursuant to which Shandong Energy undertook that it would take various effective measures to avoid horizontal competition with the Company.	Year 1997	No	Long-term effective	Yes	Under normal performance	None
Other undertakings	Others	Shandong Energy	Shandong Energy made undertakings in relation to finance business with Shandong Energy Finance Company as follows:	26 August 2022	No	Long-term effective	Yes	Under normal performance	None

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Background	Type	Undertaker	Undertakings	Date of undertakings	With performance deadline or not	Period of commitment	Perform timely and strictly or not	Reasons for failure of performance timely	Measures in case of failure of performance timely
			1. In view of the independence of Yankuang Energy in assets, business, personnel, finance and other aspects from Shandong Energy, Shandong Energy will continue to maintain the independence of Yankuang Energy and fully respect its autonomy in management; Yankuang Energy and its subsidiary, Shandong Energy Finance Company will decide on the financial business between Shandong Energy Finance Company and Shandong Energy on its own based on the requirements of business development in compliance with relevant supervisory regulations and the rules of procedures for decision-making as stipulated in the Articles and the Articles of Shandong Energy Group Finance Co., Ltd. 2. To ensure the safety of the Company's fund managed by Shandong Energy Finance Company, Shandong Energy and its controlled companies undertook to carry out financial business with Shandong Energy Finance Company in accordance with laws and regulations, and will not appropriate the Company's fund through Shandong Energy Finance Company in any other forms. 3. In case Shandong Energy and its controlled companies misappropriated any capital fund of Yankuang Energy through Shandong Energy Finance Company or in any other form and caused any loss, Shandong Energy and its controlled companies will make full amount compensation in cash. 4. Shandong Energy undertook to strictly abide by the relevant rules and regulations of the CSRC, the Shanghai Stock Exchange and the Articles, exercise the Shareholder's rights and perform the Shareholder's obligations as equally as other Shareholders, and neither seek unfair interest by use of the position as the Controlling Shareholder, nor impair the legal interests of Yankuang Energy and other public Shareholders.						

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Background	Type	Undertaker	Undertakings	Date of undertakings	With performance deadline or not	Period of commitment	Perform timely and strictly or not	Reasons for failure of performance timely	Measures in case of failure of performance timely
	Others	Xinwen Mining Group Co., LTD., Longkou Mining Group Co., LTD., Zibo Mining Group Co., LTD., Feicheng Mining Coal Industry Co., Ltd., Linyi Mining Group Co., LTD. (hereinafter collectively referred to as the "Transferor")	The Transferor has made the following commitments to Yankuang Energy in connection with the acquisition of 51% equity of Luxi Mining by Yankuang Energy's (the "Transferee"): 1. If the relevant government authorities take disposal measures such as limiting production, stopping production, closing down and retreating from coal mines of subsidiaries of Luxi Mining Group in accordance with Ludongneng (2021) No. 3, Luzhengzi (2021) No. 143 or relevant implementing regulations after the settlement day of this transaction, the Transferor undertakes: (1) The Transferor shall give corresponding compensation to the Transferee; (2) If the Transferor and the Transferee fail to reach a consensus on the aforesaid specific compensation amount, the Transferee may notify the Transferor in writing to terminate the Equity Transfer Agreement, and the Transferor shall return the equity transfer price paid. 2. In addition to the mining rights whose proceeds of the transfer has been deducted, for the four mining rights namely Guotun Coal Mine, Pengzhuang Coal Mine, Liangbaosi Coal Mine and Chenmanzhuang Coal Mine that have been disposed by cash, national capital and other means of compensation, if the mining rights transfer proceeds are levied by the relevant competent authorities on the resource reserves within the scope of the relevant mining rights evaluation in this transaction and the above-mentioned transfer proceeds are not reflected in the audit report of this transaction after the settlement day of this transaction, then: (1) The Transferor shall compensate the Transferee in cash according to the amount of transfer proceeds levied on these subsidiaries (the amount of compensation shall be the amount of transfer proceeds levied $\times 51\%$ $\times$ the proportion of equity held by Luxi Mining in these subsidiaries);	28 April 2023	No	Long-term effective	Yes	Under normal performance	None

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Background	Type	Undertaker	Undertakings	Date of undertakings	With performance deadline or not	Period of commitment	Perform timely and strictly or not	Reasons for failure of performance timely	Measures in case of failure of performance timely
			(2) The Transferor shall make cash compensation to the Transferee for the remaining part of the corresponding resource reserves in this transaction that has not been calculated and collected according to the rate of return on the transfer of mining rights at the time of the sale of mineral products (if applicable); (3) The amount of compensation to the Transferee shall be limited to the amount contained in the mining rights evaluation report quoted in the evaluation report based on the Equity Transfer Agreement $\times 51\% \times$ the proportion of equity held by Luxi Mining in such subsidiaries.						
	Others	Xinwen Mining Group Co., LTD., Shandong Energy (hereinafter collectively referred to as the "Transferor")	The Transferor has made the following commitments to Yankuang Energy in connection with Yankuang Energy's (the "Transferee") acquisition of 51% equity of Xinjiang Neng Hua:	28 April 2023	No	Long-term effective	Yes	With regard to the commitment of the exploration right renewal of Huangcaohu, Xinjiang Neng Hua has completed the renewal in May 2023 and made the commitment that other parts will be fulfilled normally.	None

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Background	Type	Undertaker	Undertakings	Date of undertakings	With performance deadline or not	Period of commitment	Perform timely and strictly or not	Reasons for failure of performance timely	Measures in case of failure of performance timely
			1. As of 28 April 2023, the valid period of exploration rights held by Xinjiang Neng Hua in Huangcaohu 1-11 exploration areas, Qitai County, Zhundong Coal Field, Xinjiang, has expired. The Transferor undertakes to actively urge and assist Xinjiang Neng Hua to complete the registration procedures for the change of exploration rights as soon as possible. If Xinjiang Neng Hua is subject to losses due to its inability to complete the registration procedures for the change of exploration rights on time after the settlement day of this transaction, the Transferor shall compensate the Transferee at that time. 2. In addition to the mining rights whose proceeds of the transfer has been deducted, for the two mining rights namely Baosheng Coal Mine and Hongshanwa Coal Mine that are disposed in a compensated way, after the delivery date of this transaction, if the mining rights transfer proceeds are levied by the relevant competent authorities on the resource reserves within the scope of the relevant mining rights evaluation in this transaction and the above-mentioned transfer proceeds are not reflected in the audit report of this transaction after the settlement day of this transaction, then: (1) The Transferor shall make cash compensation to the Transferee within 30 days after the payment obligations are specified according to the amount of transfer proceeds levied on these subsidiaries (the amount of compensation shall be the amount of transfer proceeds levied $\times 51\%$ $\times$ the proportion of equity held by Xinjiang Neng Hua in its subsidiaries); (2) The Transferor shall make cash compensation to the Transferee for the remaining part of the corresponding resource reserves in this transaction that has not been calculated and collected according to the rate of return on the transfer of mining rights at the time of the sale of mineral products (if applicable);						

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Background	Type	Undertaker	Undertakings	Date of undertakings	With performance deadline or not	Period of commitment	Perform timely and strictly or not	Reasons for failure of performance timely	Measures in case of failure of performance timely
			(3) The amount of compensation to the Transferee shall be limited to the amount contained in the mining rights evaluation report quoted in the evaluation report based on the Equity Transfer Agreement $\times 51\% \times$ the proportion of equity held by Xinjiang Neng Hua in such subsidiaries.						
	Others	Xinwen Mining Group Co., Ltd., Longkou Mining Group Co., Ltd., Zibo Mining Group Co., Ltd., Feicheng Mining Coal Industry Co., Ltd., Linyi Mining Group Co., Ltd. (hereinafter collectively referred to as the "Transferor")	The Transferor makes the following commitments regarding the operating result of Luxi Mining (the "Target Company") for 2023-2025: 1. For 2023-2025 (the "Commitment Period"), the Target Company's audited net profit attributable to the Shareholders of the parent company after deducting non-recurring gains and losses (the "Net Profit") during the Commitment Period shall not be less than RMB11.4248014 billion (the "Cumulative Committed Net Profit During the Commitment Period") according to CASs. 2. If the Target Company fails to achieve the Cumulative Net Profit During The Commitment Period, the Transferor will compensate Yankuang Energy in cash. The specific compensation amount shall be calculated as follows: Performance compensation amount for the Commitment Period = (Cumulative Committed Net Profit During The Commitment Period – cumulative realized net profit for the Commitment Period) $\div$ cumulative committed net profit for the Commitment Period $\times$ the price of the underlying equity transaction – other compensated amount.	28 April 2023	Yes	2023-2025	Yes	Under normal performance	None
	Others	Xinwen Mining Group Co., LTD., Shandong Energy (hereinafter collectively referred to as the "Transferor")	The Transferor makes the following commitments regarding the operating results of Xinjiang Neng Hua (the "Target Company") for 2023-2025:	28 April 2023	Yes	2023-2025	Yes	Under normal performance	None

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Background	Type	Undertaker	Undertakings	Date of undertakings	With performance deadline or not	Period of commitment	Perform timely and strictly or not	Reasons for failure of performance timely	Measures in case of failure of performance timely
			1. For 2023-2025 (the "Commitment Period"), the Target Company's audited net profit attributable to the Shareholders of the parent company after deducting non-recurring gains and losses (the "Net Profit") during the Commitment Period shall be no less than RMB4.0134561 billion (the "Cumulative Committed Net Profit During The Commitment Period") according to CASs. 2. If the Target Company fails to achieve the cumulative net profit during the Commitment Period, the Transferor will compensate Yankuang Energy in cash, and the specific compensation amount shall be calculated as follows: Performance compensation amount for the Commitment Period = (Cumulative Committed Net Profit During The Commitment Period – cumulative realized net profit for the Commitment Period) ÷ Cumulative Committed Net Profit During The Commitment Period × price of the underlying equity transaction – other compensated amount.						

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Background	Type	Undertaker	Undertakings	Date of undertakings	With performance deadline or not	Period of commitment	Perform timely and strictly or not	Reasons for failure of performance timely	Measures in case of failure of performance timely
	Others	Fujian Dongju Technology Co., Ltd., Fujian Dongpu Investment Center (Limited Partnership), Fujian Dongzhen Investment Center (Limited Partnership), Fujian Dongxi Investment Center (Limited Partnership), Fujian Dongbo Investment Center (Limited Partnership), Fujian Dongwo Investment Center (Limited Partnership), Fujian Dongchuang Investment Center (Limited Partnership), Fujian Dongtan Investment Center (Limited Partnership), Fujian Dongsha Investment Center (Limited Partnership), Fujian Dongda Investment Center (Limited Partnership), Jingdian (Fujian) International Trade Co., Ltd., Fujian Dongtou Investment Center (Limited Partnership), Dongming Industry Group Co., Ltd. (hereinafter collectively referred to as the "Undertakers")	The Undertakers make the following undertakings regarding the operating results of Wubo Technology (the "Target Company") for 2024-2028: 1.The audited net profit attributable to the Shareholders of the parent company, excluding non-recurring gains and losses (the "Net Profit"), of the Target Company for 2024-2028 shall not be less than RMB98.7537 million, RMB109.3141 million, RMB115.8510 million, RMB126.8099 million, and RMB139.0910 million, respectively according to CASs. 2. If the Target Company fails to achieve the above committed results by the end of any assessment year, the Transferor will compensate Yankuang Energy in cash, and the specific compensation amount shall be calculated as follows: Performance compensation amount for the Commitment Period = (cumulative committed net profit by the end of the period – cumulative actual net profit by the end of the period) ÷ total committed net profit for each year within the profit Commitment Period × the cash capital increase amount of this transaction – cumulative compensated amount.	31 May 2024	Yes	2024-2028	Yes	Under normal performance	None

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Background	Type	Undertaker	Undertakings	Date of undertakings	With performance deadline or not	Period of commitment	Perform timely and strictly or not	Reasons for failure of performance timely	Measures in case of failure of performance timely
	Others	Zibo Mining Group Co., Ltd., Longkou Mining Group Co., Ltd., Xinwen Mining Group Co., Ltd., and Feicheng Feikuang Coal Industry Co., Ltd. (collectively referred to as the "Transferors")	The Transferors have made the following undertakings in respect of the mining rights of Xibei Mining (the "Target Company"): 1. Upon the effectiveness of the Equity Acquisition and Capital Injection Agreement (股權收購及增資協議), the Transferors undertake that: (1) If the exploration rights of Mafuchuan or Maojiaochuan mining blocks cannot be converted into mining rights or retained, the Transferors shall compensate the Transferee. The specific compensation amount shall be calculated as: the reduction in value of the exploration rights as assessed using the parameters in the transaction Valuation Report $\times 55\% \times 51\%$; (2) If the exploration permits for Mafuchuan or Maojiaochuan mining blocks are not renewed or are revoked by the competent authorities, the Transferors shall compensate the Transferee. The compensation amount shall be calculated as: the assessed value of the relevant exploration rights $\times 55\% \times 51\%$ (If the competent authorities provide compensation for the revocation of the exploration right, such compensation shall be deducted from the above compensation amount).	8 April 2025	Yes	Long-term effective	Yes	Under normal performance	None

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Background	Type	Undertaker	Undertakings	Date of undertakings	With performance deadline or not	Period of commitment	Perform timely and strictly or not	Reasons for failure of performance timely	Measures in case of failure of performance timely
			2. After the transaction closing date, if the competent authorities determine that any subsidiary of Xibei Mining had outstanding mining rights transfer proceeds payable prior to the valuation benchmark date of this transaction, and such amounts were not reflected in the Valuation Report or the relevant audit report of this transaction, then: (1) The undertaking party shall compensate the Transferee in cash for the actual amount of such proceeds to be paid by the relevant subsidiary (compensation amount = actual amount of the transfer proceeds to be paid $\times$ 51% $\times$ proportion of the equity interest held by Xibei Mining in the subsidiary); (2) For any remaining resources within the resources corresponding to this transaction which have not yet been assessed for mineral rights transfer proceeds based on the transfer proceeds rate at the time of mineral product sales, the Transferors shall also provide cash compensation to the Transferee; (3) The aggregate compensation amount payable by the Transferors to the Transferee for matters relating to any subsidiary of Xibei Mining shall not exceed (assessed value of the relevant mining right in this transaction $\times$ 51% $\times$ proportion of Xibei Mining's equity interest in the subsidiary holding such mining right). The Transferors shall bear compensation liability up to the amount of the transfer consideration and capital injection consideration, respectively.						

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Background	Type	Undertaker	Undertakings	Date of undertakings	With performance deadline or not	Period of commitment	Perform timely and strictly or not	Reasons for failure of performance timely	Measures in case of failure of performance timely
			3. With respect to the mining rights of Yangjiacun Coal Mine, Youfanghao Coal Mine, and Bayan Gaole Coal Mine, if, after the transaction completion date, the competent governmental authorities, due to the failure or partial failure to implement the relevant conversion projects, impose collection of transfer proceeds on the resource reserves allocated to such projects (in addition to the transfer proceeds collected from Xibei Mining or its subsidiaries): (1) If any allocated resource reserves are revoked, the Transferors shall compensate the Transferee. The specific compensation amount shall be calculated as: revoked resource reserves ÷ resource reserves corresponding to the mining rights in this transaction × assessed value of the relevant mining rights corresponded to this transaction × 51% × proportion of equity interest held by Xibei Mining in the relevant subsidiary; (2) If Xibei Mining or the company holding such mining right suffers losses due to other liabilities imposed, the Transferors shall provide corresponding compensation to the Transferee.						

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Background	Type	Undertaker	Undertakings	Date of undertakings	With performance deadline or not	Period of commitment	Perform timely and strictly or not	Reasons for failure of performance timely	Measures in case of failure of performance timely
	Others	Zibo Mining Group Co., Ltd., Longkou Mining Group Co., Ltd., Xinwen Mining Group Co., Ltd., and Feicheng Feikuang Coal Industry Co., Ltd. (collectively referred to as the "Transferors")	The Transferors make the following undertakings regarding the operating results of Xibei Mining (the "Target Company") for 2025 to 2027: 1. For 2025 to 2027 (the "Commitment Period"), calculated in accordance with the CASs, the audited net profit attributable to Shareholders of the parent company of the Target Company, after deducting non-recurring gains and losses (the "Net Profit"), shall not be less than RMB7,121.9341 million in aggregate for the Commitment Period (the "Cumulative Committed Net Profit During The Commitment Period"). 2. If the Target Company fails to achieve the Cumulative Committed Net Profit During The Commitment Period, the Transferors shall compensate Yankuang Energy in cash. The compensation amount shall be the higher of the following two calculations: (1) Compensation amount during the Commitment Period = (Cumulative Committed Net Profit During The Commitment Period – cumulative actual net profit) × 51%; (2) Compensation amount for the Commitment Period = (valuation of this transaction – valuation at the end of the Commitment Period) × 51% (if the result is less than zero, it shall be deemed as zero).	8 April 2025	Yes	2025-2027	Yes	Under normal performance	None

Note:

- ① Regarding the commitments made by the Transferors in connection with the Company's acquisition of 51% equity of Luxi Mining and 51% equity of Xinjiang Neng Hua, please refer to the Company's related/connected transaction announcement dated 28 April 2023 for details.
- ② Regarding the commitments made by the Undertakers in connection with the transaction for the acquisition of equity interest in Wubo Technology, please refer to the Company's announcement on the acquisition of Wubo Technology Co., Ltd. dated 31 May 2024 for details.
- ③ Regarding the commitments made by the Transferors in connection with the capital increase and acquisition of 51% equity interest in Xibei Mining, please refer to the Company's related/connected transaction announcement dated 8 April 2025 for details.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

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

Not applicable.

III. VIOLATION OF GUARANTEES

Not applicable.

IV. AUDIT OF THE INTERIM REPORT

Not applicable.

V. CHANGES AND HANDLING OF MATTERS RELATED TO NON-STANDARD AUDIT OPINIONS IN THE ANNUAL REPORT OF THE PREVIOUS YEAR

Not applicable.

VI. MATTERS RELATED TO BANKRUPTCY REORGANIZATION

Not applicable.

VII. SIGNIFICANT LITIGATION AND ARBITRATION EVENTS

✓ The company involved significant litigation and arbitration events during the reporting period

(I) Litigation and Arbitration Events Disclosed In the Extraordinary Announcements and With No Subsequent Progress

Not applicable.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

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

Unit: RMB0'000

During the reporting period:

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

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

During the reporting period:

Plaintiff (applicant)	Defendant (respondent)	Joint and several liable party	Type	Background	Estimated liabilities and amount		Progress	Judgment and impact	Judgment execution
					Amount involved	and amount			
Duanxin Supply Chain	Shenzhen McKelley Technology Co., Ltd. ("McKelley Company")	Li Guanwei, Dai Lixiang, etc	Litigation	In February 2023, Duanxin Supply Chain sued McKelley Company and related guarantors to the Shenzhen Intermediate Court on the grounds of debt disputes, requiring them to pay off debts due, interest and liquidated damages totaling RMB396.1885 million. In June 2024, the Shenzhen Intermediate People's Court ruled that McKelley Company was bankrupt and liquidated. In August 2024, Duanxin Supply Chain declared claims of RMB509.8821 million to the insolvency administrator of McKelley Company. In December 2024, Duanxin Supply Chain received the first-instance judgment, with the Shenzhen Intermediate People's Court ruling in favor of Duanxin Supply Chain's litigation request. The defendant, McKelley Company, has submitted an appeal to the Guangdong Provincial High People's Court. As of the date of disclosure of this report, the Guangdong Provincial High People's Court has not issued a ruling.	39,618.85	No	In the second instance	As of the end of the reporting period, the Company has made impairment provision for the full amount involved in this case, and this lawsuit will not adversely affect the Company's profit after the period.	–
Duanxin Supply Chain	Suning Shopping Group Co., Ltd. ("Suning Shopping")	None	Litigation	In February 2023, Duanxin Supply Chain sued Suning Shopping to Nanjing Intermediate People's Court on the grounds of disputes over sales contracts, requiring it to pay the loan, interest and liquidated damages totaling RMB670.90 million. In January 2025, Duanxin Supply Chain received a ruling from the Nanjing Intermediate People's Court, which dismissed the lawsuit on the grounds of suspected economic crimes and transferred the case to the public security authorities.	67,090.00	No	The case was transferred to criminal investigation, and the litigation process was concluded.	As of the end of the reporting period, the Company has made impairment provision for the full amount involved in this case, and this lawsuit will not adversely affect the Company's profit after the period.	–

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

During the reporting period:

Plaintiff (applicant)	Defendant (respondent)	Joint and several liable party	Type	Background	Amount involved	Estimated liabilities and amount	Progress	Judgment and impact	Judgment execution
Inner Mongolia Jinkong Financial Leasing Co., Ltd. ("Inner Mongolia Jinkong")	Zhongrong Sheng International Financial Leasing (Tianjin) Co., Ltd. ("Zhongrong Sheng"), Han Yanjie, Tianjin Kaitai Shengshi Asset Management Co., Ltd	Datang International Development Group Limited ("Datang International")	Litigation	In November 2023, Inner Mongolia Jinkong filed a lawsuit with the Hohhot Intermediate People's Court on the ground that Zhongrong Sheng and other defendants violated the factoring and financial lease contract, requiring Zhongrong Sheng and other defendants to pay the principal of the factoring and financial lease payment of RMB246.0928 million, the corresponding interest and liquidated damages, and requiring Datang International to bear joint and several liabilities. In June 2025, Inner Mongolia Jinkong received a judgment from the Hohhot Intermediate People's Court, rejecting Inner Mongolia Jinkong's claim. Inner Mongolia Jinkong appealed to the High People's Court of the Inner Mongolia Autonomous Region.	24,609.28	No	In the second instance	This case has received a court judgment to reject Inner Mongolia Jinkong's litigation claim, and Inner Mongolia Jinkong has filed an appeal. Notice of court is currently pending.	-
Yankuang Energy	Inner Mongolia Jiutai New Material Technology Co., Ltd. ("Jiutai Company")	Shandong Jiutai Chemical Industrial Technology Company Limited, Ordos Manlai Company Limited	Litigation	In August 2024, the Company filed an arbitration application with China International Economic and Trade Arbitration Commission (the "CIETAC"), requiring Jiutai Company to refund the equity transfer fee, liquidated damages, advance payment, etc., totaling approximately RMB1.438 billion, and bear the arbitration fee, security fee, insurance fee, attorney's fee and other creditor's rights expenses for the realization of the case, requiring the three respondents to bear jointly liability. In July 2025, the Company received an arbitration award from the CIETAC, ruling that Jiutai Company and the other three respondents should refund the coal mine equity transfer payment and the portion of mining rights transfer proceeds advanced by the Company, totaling RMB666.3908 million, and bear part of the preservation fees, legal fees, and other expenses.	143,816.02	No	Closed	The CIETAC ruled that Jiutai Company and the other three respondents refunded the company's coal mine equity transfer money and part of the mining rights transfer proceeds in advance, totaling RMB666.3908 million, and to bear part of the arbitration fees, preservation fees, and lawyer fees.	-

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

During the reporting period:

Plaintiff (applicant)	Defendant (respondent)	Joint and several liable party	Type	Background	Amount involved	Estimated liabilities and amount	Progress	Judgment and impact	Judgment execution
Haosheng Company	Xibu New Era Investment Jointstock Company ("Xibu New Era")	No	Litigation	In December 2024, Haosheng Company submitted an arbitration application to the Jinan Arbitration Commission, requesting that Xibu New Era fulfill its capital increase obligations according to the "Capital Increase Agreement" and bear the corresponding breach of contract liabilities, totaling approximately RMB1.209 billion. In May 2025, the Company received an award from the Jinan Arbitration Commission, ruling that Xibu New Era should pay the capital increase of a total of RMB564.7389 million to Haosheng Company and bear the corresponding liquidated damages, preservation fees, arbitration fees, etc.	120,866.6	No	Closed	The Jinan Arbitration Commission ruled that Western New Era paid a total of RMB564.7389 million to Haosheng Company and bore the corresponding liquidated damages, preservation fees and arbitration fees.	–
Haosheng Company	China Jingu International Trust Co., Ltd. ("Jingu Trust")	No	Litigation	In January 2025, Haosheng Company filed a lawsuit with the Ordos Intermediate People's Court, requesting that Jingu Trust assume the capital increase obligations and pay the breach of contract penalties corresponding to the equity in Haosheng Company acquired from Xibu New Era, totaling approximately RMB1.209 billion. As of the disclosure date of this report, the Ordos Intermediate People's Court has not issued a ruling.	120,866.6	No	In the first instance	This case is currently under trial of the first instance, and the Company is unable to accurately estimate the impact of the arbitration on the profit after the period.	–
Inner Mongolia Mining	Ordos Cultural Industry Investment Co., Ltd., Bainianshuren (Group) Co., Ltd.	No	Litigation	In October 2024, Inner Mongolia Mining applied for arbitration with the Hohhot Arbitration Commission based on the signed "Capital Increase Agreement of Ordos Cultural Industry Park Cultural Education Co., Ltd." The Company requested that Ordos Cultural Industry Investment Co., Ltd. and Bainianshuren (Group) Co., Ltd. Shall perform their repurchase obligations and pay the equity transfer amount, capital occupation fee, and liquidated damages, totaling RMB342.9219 million. As of the disclosure date of this report, the Hohhot Arbitration Commission has not issued a ruling.	34,292.19	No	In arbitration	This case is currently under arbitration proceedings, and the Company is unable to accurately estimate the impact of the arbitration on the profit after the period.	–

(III) Other Explanation

Not applicable.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

VIII. PUNISHMENT ON THE LISTED COMPANY, ITS DIRECTORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS, AND DE FACTO CONTROLLERS FOR VIOLATION OF LAWS AND REGULATIONS AND THEIR RECTIFICATION

Not applicable.

IX. THE EXPLANATION ON THE CREDIT CONDITIONS OF THE COMPANY, THE CONTROLLING SHAREHOLDERS, AND DE FACTO CONTROLLERS DURING THE REPORTING PERIOD

Not applicable.

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

X. MAJOR RELATED/CONNECTED TRANSACTIONS

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

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

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

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

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

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

Not applicable.

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

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

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

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

Upon consideration at the 2023 first extraordinary shareholders' meeting of the Company held on 27 October 2023, the Company was approved to sign the Bulk Commodities Sales and Purchase Agreement with Shandong Energy, together with the transaction cap for 2024-2025. For details, please refer to the Company's announcements dated 25 August 2023 and 27 October 2023 and the circular dated 28 September 2023.

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

As considered and approved at the 2024 annual general meeting held on 30 May 2025, the Company was approved to sign the new Provision of Materials Supply Agreement, Mutual Provision of Labour and Services Agreement, Provision of Insurance Fund Administrative Services Agreement, Bulk Commodities Sales and Purchase Agreement and Provision of Products, Materials and Asset Leasing Agreement with Shandong Energy, together with the transaction cap for 2025-2027. The above continuing related/connected transaction agreement shall take effect retroactively from 1 January 2025. For details, please refer to the Company's announcements dated 8 April 2025 and 30 May 2025 and the circular dated 15 May 2025.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

The re-signing of the continuing related/connected transaction agreements are based on the normal daily operation needs of the Company and its subsidiaries, which reflect the principle of fairness and rationality, and conform to the interests of the Company and all Shareholders. It will neither adversely affect the Company's present and future financial condition, operating results, the independence of the Company, nor make the Company's business rely on the Controlling Shareholders.

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

In the first half of 2025, the sales of goods and provision of services by the Group to Shandong Energy Group amounted to RMB5.657 billion; the goods and services provided by Shandong Energy Group to the Group amounted to RMB4.386 billion.

The following table sets out the continuing related/connected transactions of the supply of materials and services between the Group and Shandong Energy Group in 2025:

	The first half of 2025		The first half of 2024		Increase/ decrease of
	Amount	Percentage of operating revenue	Amount	Percentage of operating revenue	related/ connected Transactions
	(RMB'000)	(%)	(RMB'000)	(%)	(%)
Sales of goods and provision of services by the Group to Shandong Energy Group	5,656,580	9.53%	5,879,681	8.13%	-3.79%
Sales of goods and provision of services by Shandong Energy Group to the Group	4,385,730	7.39%	4,238,906	5.86%	3.46%

The table below shows the effect on the Group's profits from sales of coal by the Group to Shandong Energy Group in the first half of 2025:

	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit (RMB'000)
Coal sold to Shandong Energy Group	4,316,720.68	3,669,212.57	647,508.10

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

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

② Continuing related/connected transaction of financial services

At the second extraordinary general meeting of the Company for 2022 held on 28 October 2022, the Company considered and approved the Financial Services Agreement entered into between Shandong Energy Finance Company and Shandong Energy, pursuant to which Shandong Energy Finance Company shall provide deposit, comprehensive credit facilities and other financial services to Shandong Energy Group, with annual caps on the relevant transactions for each of the years from 2023 to 2025. The applicable deposit interest rates, loan interest rates and service fees shall be determined in accordance with the relevant regulations of the People's Bank of China or other financial regulatory authorities, and with reference to normal commercial terms. For details, please refer to the Company's announcements dated 26 August 2022 and 28 October 2022, and the circular dated 12 October 2022.

At the 2024 annual general meeting of the Company held on 30 May 2025, the Company considered and approved the entering into of a new Financial Services Agreement between Shandong Energy Finance Company and Shandong Energy (the "Shandong Energy Group Financial Services Agreement"), pursuant to which Shandong Energy Finance Company shall provide deposit, comprehensive credit facilities and other financial services to Shandong Energy, and Shandong Energy Finance Company shall subscribe for/purchase monetary funds sold by Zhongtai Securities Co., Ltd. ("Zhongtai Securities") and receive related services, with annual caps for the transactions contemplated under the aforesaid services for each of the years from 2025 to 2027. The relevant deposit interest rates, loan interest rates and service fees shall be determined in accordance with the relevant regulations of the People's Bank of China or financial regulatory authorities, with reference to normal commercial terms. The above continuing related/connected transaction agreement shall be retrospectively effective from 1 January 2025. For details, please refer to the Company's announcements dated 8 April 2025 and 30 May 2025 and the circular dated 15 May 2025.

During the first half of 2025, the maximum daily balance of deposits (including accrued interest) placed by Shandong Energy Group with Shandong Energy Finance Company was RMB29,790 million, the maximum daily balance of comprehensive credit facilities (including accrued interest) was RMB16,368 million, and the financial service fees incurred amounted to RMB0.6919 million.

During the first half of 2025, the maximum daily balance of monetary funds subscribed/purchased by Shandong Energy Finance Company through Zhongtai Securities (including the quota for subscribing/purchasing monetary funds and the remaining account balance) was RMB0 million, and the service fees imposed by Zhongtai Securities on Shandong Energy Finance Company amounted to RMB0 million.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

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

At the 2024 annual general meeting of the Company held on 30 May 2025, the Company considered and approved the entering into of a new Financial Services Agreement between Shandong Energy Finance Company and Yankuang Energy, pursuant to which Shandong Energy Finance Company shall provide deposit, comprehensive credit facilities and other financial services to the Group, with annual caps for the transactions contemplated under the agreement for each of the years from 2025 to 2027. The relevant deposit interest rates, loan interest rates and service fees shall be determined in accordance with the relevant regulations of the People's Bank of China or financial regulatory authorities, with reference to normal commercial terms. The above continuing related/connected transaction agreement shall be retrospectively effective from 1 January 2025. For details, please refer to the Company's announcements dated 8 April 2025 and 30 May 2025 and the circular dated 15 May 2025.

During the first half of 2025, the maximum daily balance of deposits (including accrued interest) placed by the Group with Shandong Energy Finance Company was RMB11,340 million, the maximum daily balance of comprehensive credit facilities (including accrued interest) was RMB15,957 million, and the financial service fees incurred amounted to RMB1.4474 million.

③ Continuing related/connected transactions of finance leases

At the 2023 first extraordinary general meeting of the Company held on 27 October 2023, the Company considered and approved the entering into of the Finance Lease Agreement with Shandong Energy Group and the annual transaction caps for 2024-2025 as stipulated therein. The lease interest rate shall be not less than 5% above the quoted interest rate on the loan market for the same period published by the National Interbank Funding Center, and the maximum interest rate shall be not more than 7.5%. For details, please refer to the Company's announcements dated 25 August 2023 and 27 October 2023 and the circular dated 28 September 2023.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

At the 2024 annual general meeting of the Company held on 30 May 2025, the Company considered and approved the entering into of a new Finance Lease Agreement with Shandong Energy Group and the annual transaction caps for 2025-2027 as stipulated therein. The minimum interest rate for factoring and other services provided by the Company to Shandong Energy shall be the yield of government bonds with the same maturity, and the maximum interest rate shall be 1.5% above the quoted interest rate on the loan market for the same period published by the National Interbank Funding Center. The above continuing related/connected transaction agreement shall be retrospectively effective from 1 January 2025. For details, please refer to the Company's announcements dated 8 April 2025 and 30 May 2025 and the circular dated 15 May 2025.

Pursuant to the Finance Lease Agreement, the Company shall provide financial leasing services to Shandong Energy Group, charge Shandong Energy Group for a handling fee or consultancy fee in a lump sum upon or prior to the Company's payment of consideration for the transfer of leased assets, and charge Shandong Energy Group for rent on a quarterly basis.

In the first half of 2025, a total of RMB11.86 million was charged for the principal balance of the financial lease, lease interest, handling fee and consultancy fee.

④ Continuing related/connected transactions of entrusted management

At the 2023 first extraordinary general meeting of the Company held on 27 October 2023, the Company considered and approved the entering into of the Entrusted Management Service Framework Agreement with Shandong Energy and the transaction cap for 2025 as stipulated therein.

At the 2024 annual general meeting of the Company held on 30 May 2025, the Company considered and approved the entering into of a new Entrusted Management Service Framework Agreement with Shandong Energy Group and the annual transaction caps for 2025-2027 as stipulated therein. The entrusted management fees shall be determined by both parties based on the condition of the specific underlying assets, the cost incurred by Yankuang Energy in performing the entrusted management, and the profitability of the underlying assets. The above continuing related/connected transaction agreement shall be retrospectively effective from 1 January 2025. For details, please refer to the Company's announcements dated 8 April 2025 and 30 May 2025 and the circular dated 15 May 2025.

In the first half of 2025, Shandong Energy Group paid an entrusted management fee of RMB10.61 million to the Company.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

The following table sets out the details of the annual transaction caps for 2025 and actual transaction amounts for the first half of 2025 of the above continuing related/connected transactions:

No.	Type of related/connected transaction	Agreement	Annual transaction cap for 2025 (RMB'000)	Actual transaction amount for the first half of 2025 (RMB'000)
1	Procurement of materials and equipment from Shandong Energy Group	Provision of Materials Supply Agreement	5,840,000	684,460
2	Labour and services provided by Shandong Energy Group	Mutual Provision of Labour and Services	7,571,000	795,980
	Labour and services provided to Shandong Energy Group	Agreement	1,810,000	483,350
3	Insurance fund management and payment services provided by Shandong Energy Group (free of charge) for the Group	Provision of Insurance Fund Administrative Services Agreement	1,059,000	317,410
	Insurance fund management and payment services provided by the Group (free of charge) for Shandong Energy Group		315,000	101,430
4	Sale of products and materials and asset leasing to Shandong Energy Group	Provision of Products, Materials and Asset Leasing Agreement	15,261,000	3,669,020
5	Procurement of bulk commodities from Shandong Energy Group	Bulk Commodities Sales and Purchase	11,683,000	2,586,430
	Sale of bulk commodities to Shandong Energy Group	Agreement	8,223,000	1,379,620
6	Financial services provided to Shandong Energy Group	Shandong Energy Group Financial Services Agreement	62,500,000	29,790,293
	Deposit		32,000,000	16,368,240
	Comprehensive credit		6,000	691.92
	Financial service fee		4,000,000	0
	Shandong Energy Finance Company subscribed for/ purchased monetary funds distributed by Zhongtai Securities	Balance of monetary funds (including account balance)	3,000	0
	Service fee			
7	Financial services provided to Yankuang Energy	Yankuang Energy Financial Services Agreement	27,000,000	11,339,553
	Deposit		30,000,000	15,957,227
	Comprehensive credit		10,000	1,447.4
	Financial service fee			
8	Financial leasing services provided to Shandong Energy Group	Finance Lease Agreement	2,000,000	0
	Total financing amount		170,000	11,860
	Interest and expenses			
9	Entrusted management services provided to Shandong Energy Group	Entrusted Management Services Framework Agreement	60,000	10,610

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

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

① Continuing related/connected transactions of coal sales

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

The 2025 annual cap for coal sales of the Group to Glencore Group was USD350 million. In the first half of 2025, this related/connected transaction amounted to approximately USD83 million.

② Continuing related/connected transactions of coal purchase

At the fourth meeting of the ninth session of the Board of the Company held on 15 January 2024, the renewal of the HVO Sales Agreement between Yancoal Australia and Glencore and the annual transaction caps for 2024-2026 as stipulated therein were approved. It is stipulated in HVO Sales Agreement: HVO Coal Sales Pty Ltd, a subsidiary of Yancoal Australia, shall pay the corresponding transaction amount to Yancoal Australia and Glencore respectively according to the total amount and corresponding product quota collected in each sales agreement with the client and HVO Coal Sales Pty Ltd shall pay the transaction amount to Yancoal Australia and Glencore no later than three business days after receiving payment from its customers. For details, please refer to the Company's announcement dated 15 January 2024.

The 2025 annual cap for equity coal credits purchase of the Group from Glencore Group under the HVO Sales Agreement was USD1,300 million. In the first half of 2025, this related/connected transaction amounted to approximately USD268 million.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

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

The 2025 annual cap for coal purchase of the Group from Glencore Group under the Coal Purchase Framework Agreement was USD250 million. In the first half of 2025, this related/connected transaction amounted to approximately USD21 million.

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

Upon discussion and deliberation at the general manager's office meeting held on 6 November 2023, the Diesel Fuel Supply Agreement entered into between HV Operations and Glencore Australia Oil Pty Ltd (the "GAO"), a subsidiary of Glencore, on 8 December 2023 and the caps for such transaction for the years of 2024 to 2026 were approved. The Diesel Fuel Supply Agreement stipulates that: (i) HV Operations shall generate a purchase order before the delivery month; (ii) GAO shall deliver the amount of fuel before the date specified in the purchase order, and HV Operations shall pay after the fuel is delivered; and (iii) the payment is calculated based on the volume delivered and the price assessment with reference to the Singapore FOB price of 10ppm low sulphur diesel published in the S&P Global Platts Oil Price Report, as well as the price determined according to the Diesel Fuel Supply Agreement. For details, please refer to the Company's announcement dated 8 December 2023.

The 2025 annual cap for the purchase of diesel fuel of the Group from GAO was USD220 million. In the first half of 2025, this related/connected transaction amounted to approximately USD69 million.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

(3) Approval and execution of continuing related/connected transactions with RGL

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

In order to efficiently utilise the existing experiences in professional services of the Company, expand the business scale of the logistics segment of the Company, increase the Company's market share and enhance the profitability of the subsidiaries, at the fourteenth meeting of the ninth session of the Board held on 28 March 2025 by the Company, the signing of the Transportation and Cargo Agency Service Agreement between the Company and RGL and its subsidiaries (the "RGL Group") was considered and approved, and it was agreed that the Group shall provide RGL and/or its associates with related services such as transportation and cargo agency (including pre-declaration, port unloading, customs clearance and inspection, etc.), and the caps of transaction amounts for each of the years from 2025-2027 for the limited transactions thereof. Among them, the amount of fees for transportation services and cargo agency services will be capped at RMB2.01 billion, RMB2.22 billion and RMB2.43 billion for the three financial years of 2025, 2026 and 2027, respectively. The prices for the cargo transportation services and port agency services are based on market prices. For the purpose of determining market prices, the Company's sales department and its designated personnel are primarily responsible for verifying the prices normally offered by other independent third parties by obtaining quotations from tenders through email, fax or telephone enquiries to at least two independent third parties or through the publication of tender notices in various media resources such as local newspapers and magazines. The Company's sales department will update such information from time to time based on purchase requests and will continuously monitor market prices to ensure that transportation services and cargo agency services are conducted in accordance with the pricing policies set out above. Tax charges, and administrative levies (port construction costs, etc.) in port charges are borne by RGL Group and/or its associates, and the specific amounts are based on the amounts actually incurred. The continuing related/connected transaction agreement is effective retroactively from 1 January 2025 onwards. Please refer to the Company's announcement dated 28 March 2025 for further details.

In the first half of 2025, the transaction amount of this related/connected transaction was approximately RMB0.331 billion.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

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

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

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

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

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

From 28 March 2025 to 30 June 2025, the Group purchased bulk commodities from RGL Group in the amount of RMB0 billion, and RGL Group purchased bulk commodities from the Group in the amount of RMB0 billion.

③ Undisclosed events in extraordinary announcements

Not applicable.

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

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

Not applicable.

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

Capital Increase by WindSun Science & Technology in Dongfang Electrical

Upon consideration and approval by the Company's general manager's office meeting, in order to introduce the advanced power electronic control technology of WindSun Science & Technology Co., Ltd. ("WindSun Science & Technology"), a subsidiary of Shandong Energy, to Yanzhou Dongfang Electrical Co., Ltd ("Dongfang Electrical"), a subsidiary of Donghua Heavy Industry, on 14 February 2025, Donghua Heavy Industry entered into a capital increase agreement with WindSun Science & Technology and Dongfang Electrical. WindSun Science & Technology contributed RMB55.9257 million in cash to subscribe for additional registered capital of Dongfang Electrical. Upon completion of the capital increase, WindSun Science & Technology held a 50% equity interest in Dongfang Electrical and Donghua Heavy Industry held a 47.168% equity interest in Dongfang Electrical. Dongfang Electrical will no longer be a subsidiary of the Company.

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

For details, please refer to the related/connected transaction announcement dated 14 February 2025, which is published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or the China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

Acquisition of 51% Equity Interest in Xibei Mining through Equity Acquisition and Capital Increase

As considered and approved at the 2024 annual general meeting of the Company held on 30 May 2025, the Company acquired 26% equity interest in Xibei Mining for RMB4.748 billion in cash, and injected capital of RMB9.318 billion into Xibei Mining in cash. Upon completion of the capital increase, the Company holds a total of 51% equity interest in Xibei Mining.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

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

For details, please refer to the announcement of related/connected transaction dated 8 April 2025, the announcement of the resolutions passed at the 2024 annual general meeting dated 30 May 2025, the announcement on the completion of related/connected transaction dated 11 July 2025. Such information was published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or the China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

In the first half of 2025, the total production of salable coal of Xibei Mining reached 16.26 million tons, representing an increase of 2.09 million tons or 14.8% year-on-year. The sales volume of salable coal reached 15.61 million tons, representing an increase of 1.87 million tons or 13.6% year-on-year, and the key financial information is as follows:

Unit: RMB100 million

Item	The first half of 2025	The first half of 2024
Operating revenue	74.25	70.11
Operating profit	7.58	9.17
Net profit	6.90	7.89
Net profit attributable to the Shareholders of the parent company	4.60	6.37

Item	30 June 2025	31 December 2024
Total assets	537.44	566.31
Total liabilities	427.46	399.75
Owners' equities	109.98	166.56
Owners' equities attributable to the Shareholders of the parent company	43.91	96.81

Capital Increase by Huaju Energy in Power Sales Company

Upon consideration and approval by the Company's general manager's office meeting, Shandong Huaju Energy Co., Ltd. ("Huaju Energy") signed a capital increase agreement with Shandong Energy and its subsidiary, Yankuang Power Sales Co., Ltd. ("Power Sales Company") on 29 August 2025. Huaju Energy contributed RMB253.62375 million in cash to subscribe for additional registered capital of Power Sales Company. Upon completion of the capital increase, Huaju Energy held 70% equity interest in Power Sales Company and Shandong Energy held 30% equity interest in Power Sales Company. Power Sales Company will be a subsidiary of the Company.

As of the disclosure date of this report, the procedures of equity transfer and industrial and commercial registration change of the above transaction are in progress.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

For details, please refer to the announcement on a related/connected transaction regarding the acquisition of a 70% equity interest in Power Sales Company by way of capital increase of the Company dated 29 August 2025. Such information was published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or the China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

3. *Matters not disclosed in extraordinary announcements*

Not applicable.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

3. *Matters not disclosed in extraordinary announcements*

Unit: RMB100 million

Co-investor	Connected relationship	Name of the investee	Principal business of the investee	Registered capital of the investee	Total assets of the investee	Net assets of the investee	Net profit of the investee	Progress of material projects under construction of the investee
Shandong Energy Group New Energy Group Co., Ltd ("New Energy Group")	Affiliated company within Shandong Energy	Shandong Energy New Energy Group (Zoucheng) Wind Power Co., Ltd ("Wind Power Company")	Wind power technology services; solar power technology services; energy storage technology services.	2.1	2.1	2.1	/	/

Note: Wind Power Company has not yet been incorporated. It has not yet commenced production and operating activities and has no net profit and material projects in progress.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Elaboration on significant related/connected transactions of cooperative external investment

Upon consideration and approval by the Company's general manager's office meeting, the Company and its wholly-owned subsidiary, Yancoal International proposed to sign a joint venture agreement with New Energy Group. New Energy Group shall contribute RMB107.1 million in cash and holds a 51% equity interest, the Company shall contribute RMB60.9 million in cash and hold a 29% equity interest, and Yancoal International shall contribute an equivalent of RMB42 million in US dollars in cash and hold a 20% equity interest, for the joint establishment of Wind Power Company.

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

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

As of the date of disclosure of this report, the relevant procedures of the above transaction are in progress.

(IV) Credit and Debt Obligation Among Related Parties

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

Not applicable.

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

Not applicable.

3. *Matters not disclosed in extraordinary announcements*

Unit: RMB100 million

Related party	Connected relationship	Fund provided to related parties			Fund provided to the listed company by related parties		
		Beginning balance	Amount occurred	Closing balance	Beginning balance	Amount occurred	Closing balance
Shandong Energy Group	Controlling Shareholder	179.55	-0.03	179.53	317.00	39.15	356.15
Total		179.55	-0.03	179.53	317.00	39.15	356.15
Reasons for credit and debt obligation among related parties		Both parties sell goods and provide services, etc. to each other.					
The impact of credit and debt obligation among related parties on the Company's operating results and financial condition		No material impact					

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

(V) Financial business between the Company and the connected financial company, the Company's holding financial company and the related party

1. Deposit Business

Unit: RMB100 million

Related party	Connected relationship	Maximum daily deposit limit	Deposit interest rate range	Opening balance	Current Period		Closing balance
					Total deposit amount for the current period	Total withdrawal amount for the current period	
Shandong Energy Group	Controlling Shareholder	625	0.335%-1.35%	225.25	4,657.62	4,584.97	297.90
Total	/	/	/	225.25	4,657.62	4,584.97	297.90

2. Loan Business

Unit: RMB100 million

Related party	Connected relationship	Loan amount	Loan interest rate range	Opening balance	Current Period		Closing balance
					Total Loan amount for the current period	Total repayment amount for the current period	
Shandong Energy Group	Controlling Shareholder	220	2.4%-2.8%	140.85	84.69	81.60	143.94
Total	/	/	/	140.85	84.69	81.60	143.94

3. Credit Business or Other Financial Business

Unit: RMB100 million

Related party	Connected relationship	Business type	Total amount	Actual amount
Shandong Energy Group	Controlling Shareholder	Acceptance, letter of guarantee	100	19.59

4. Other Explanations

As of the end of the reporting period, the balance of margin received by Shandong Energy Finance Company for financial services provided to related parties was RMB47 million, and the margin portion was not counted in the credit amount.

Pursuant to the Guidance on Self-supervision for Listed Companies No.5 – Transactions & Connected Transactions (《上市公司自律監管指引第5號－交易與關聯交易》), the Company issued Risk Assessment Report on Shandong Energy Finance Company.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

(VI) Other significant related/connected transactions

Arrangement of non-planning expenses for subsidiaries of Luxi Mining

As considered and approved at the fourteenth meeting of the ninth session of the Board held on 28 March 2025 by the Company, in order to further optimise the arrangement of the existing non-planning expenses for retirees and off-duty workers as well as survivors of deceased employees due to work-related illnesses and deaths, Luxi Mining and its affiliated units – Feicheng Mining Group Liangbaosi Energy Co., Ltd. (“Liangbaosi Energy”), Shandong Xinjulong Energy Co., Ltd. (“Xinjulong Energy”), Guotun Coal Mine of Linyi Mining Group Heze Coal-fired Power Co., Ltd. (“Heze Coal-fired Power Guotun Coal Mine”) (collectively referred to as the “Luxi Mining Affiliated Units”) entered into the Agreement on the Arrangement for the Disbursement of Non-planning Expenses for Retirees, Off-duty Workers, Survivors and Others with Linyi Mining Group Co., Ltd. (“Linyi Mining Group”), the Company’s related/connected party, respectively. Pursuant to the agreement, the non-planning expenses currently borne 100% by Luxi Mining Affiliated Units will be adjusted to be borne jointly by Luxi Mining and Linyi Mining Group on a pro rata basis from the effective date of the agreement. Pursuant to the Liangbaosi Energy Arrangement Agreement, Luxi Mining and Linyi Mining Group agreed to bear the non-planning expenses originally borne by Liangbaosi Energy in the proportion of 85% (i.e. RMB863 million in aggregate) and 15% (i.e. RMB152 million in aggregate) respectively; pursuant to the Xinjulong Energy Arrangement Agreement, Luxi Mining and Linyi Mining Group agreed to bear the non-planning expenses originally borne by Xinjulong Energy in the proportion of 60% (i.e. RMB1,073 million in aggregate) and 40% (i.e. RMB716 million in aggregate); pursuant to the Heze Coal-fired Power Arrangement Agreement, Luxi Mining and Linyi Mining Group agreed to bear the non-planning expenses originally borne by Heze Coal-fired Power Guotun Coal Mine in the proportion of 83.5931% (i.e. RMB864 million in aggregate) and 16.4069% (i.e. RMB169 million in aggregate). The transaction does not involve any adjustment to the amount of the non-planning expenses, but only involves arrangements related to the sharing and payment of the non-planning expenses, which will not have any negative impact on the Company’s financial position and operating results, nor prejudice the legitimate rights and interests of the Company and the minority Shareholders.

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

Provision of an internal loan to Heze Coal Electricity by Luxi Mining

As approved at the seventeenth meeting of the ninth session of the Board held on 30 May 2025 by the Company, in order to meet capital needs of Linyi Mining Group Heze Coal Electricity Co., Ltd. (“Heze Coal Electricity”) for its production and operation, Luxi Mining provided an internal loan of RMB1 billion to Heze Coal Electricity.

The internal loan does not constitute a related transaction under the Listing Rules of the SSE; it constitutes financial assistance requiring approval by the Shareholders at the Board meeting.

Pursuant to the Listing Rules of the Hong Kong Stock Exchange, the internal loan constitutes a related/connected transaction between connected subsidiaries. According to the calculation of the transaction amount, the Board of the Company has the authority to approve it, and related/connected Directors shall abstain from voting.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

For details, please refer to the announcement of the Company dated 30 May 2025 in relation to the provision of financial assistance to subsidiaries and the related/connected transaction announcement, as well as the announcement on the resolutions passed at the seventeenth meeting of the ninth session of the Board dated 30 May 2025. Such information was published on the websites of the SSE, the Hong Kong Stock Exchange, the Company, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

(VII) Others

Not applicable.

XI. MATERIAL CONTRACTS AND PERFORMANCE

1. Trust, Contract or Lease

Not applicable.

2. Material guarantees performed or not yet completed during the reporting period

Unit: RMB100 million

External guarantees of the Company (excluding guarantee to subsidiaries)															
Guarantor	Relationship between guarantor and the listed company		Amount	Date of guarantee (date of signing)		Date of the guarantee		Type of guarantee	Principal debts	Collateral (if any)	Whether the guarantee has been fulfilled			Counter guarantee	Connected guarantee or not
	Guaranteed party			(date of signing)	Starting date of the guarantee	Expiry date of the guarantee					Overdue or not	Overdue amount			Connected relationship
Yankuang Energy Group Company Limited	Headquarters of the Company	Yantai Jinzheng Eco-Technology Limited	1.37	10 March 2023	10 March 2023	9 May 2026	Joint guarantee	1.10	/	No	No	/	Joint guarantees provided by other Shareholders	No	/
Total guarantees of the Company during the reporting period (excluding guarantees to subsidiaries)															0
Total guarantee balance at the end of the reporting period (A) (excluding guarantees to subsidiaries)															1.10
Guarantees to subsidiaries by the Company															
Total guarantees to subsidiaries during the reporting period															20.5
Total balance of guarantees to subsidiaries at the end of the reporting period (B)															108.16
Total amount of guarantees of the Company (including guarantees to subsidiaries)															
Total amount of guarantees (A+B)															109.26
Percentage of total amount of guarantees in the net assets of the Company (%)															12.94
Of which:															
Amount of guarantees to Shareholders, de facto controllers and related parties (C)															0
Amount of guarantees directly or indirectly to guaranteed parties with a debts-to-assets ratio exceeding 70% (D)															52.32
Total amount of guarantees exceeding 50% of net assets (E)															0
Total amount of the above 3 categories of guarantees (C+D+E)															52.32
Explanation on unexpired guarantees that may be subject to joint and several liability															None
Details of guarantees															

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

External guarantees of the Company (excluding guarantee to subsidiaries)															
Guarantor	Relationship between guarantor and the listed company	Guaranteed party	Amount	Date of guarantee (date of signing)	Starting date of the guarantee	Expiry date of the guarantee	Type of guarantee	Principal debts	Collateral (if any)	Whether the guarantee			Connected		
										has been fulfilled	Overdue or not	Overdue amount	Counter guarantee	guarantee or not	Connected relationship
1. The external guarantee occurred during the previous period and extended to the reporting period															
As reviewed and approved at the 2019 annual general meeting, the Company provided guarantees of RMB1 billion to Lunan Chemicals. As at 30 June 2025, the balance of the above guarantees was RMB600 million.															
As reviewed and approved at the 2020 annual general meeting, Inner Mongolia Mining provided guarantees of RMB1.429 billion to Ulanqab Hongda Industrial Co., Ltd, and RMB699 million to Ordos Fengwei Photovoltaic Power Co., Ltd.. As at 30 June 2025, the balances of above guarantees were RMB1.052 billion and RMB478 million.															
As reviewed and approved at the 2022 annual general meeting, the Company provided guarantees of RMB200 million to Yulin Neng Hua. As at 30 June 2025, the balance of the above guarantees was RMB93 million.															
As reviewed and approved at the 2023 annual general meeting, Luxi Mining provided RMB200 million of guarantees to Shandong Lilou Coal Mining Co., Ltd, a wholly-owned subsidiary of the Company. As of 30 June 2025, the balances of above guarantees was RMB128 million.															
As at 30 June 2025, Yancoal Australia and its subsidiaries had a total of AUD1.002 billion performance deposits and guarantees required for operation.															
As reviewed and approved at the 2021 first extraordinary general meeting of Shareholders of the Company, Future Energy provided RMB400 million of guarantee to Shaanxi Jingshen Railway Co., Ltd. As of 30 June 2025, the balances of above guarantees was RMB274 million.															
As considered and approved at the 2024 first extraordinary general meeting of Shareholders of the Company, the Company renewed the external guarantee of RMB137 million for Jinzheng Environmental Protection, which was passively formed as a result of the transfer of its equity interest. As at 30 June 2025, the balance of the above guarantee was RMB110 million.															
2. Guarantees arising during the reporting period															
As reviewed and approved at the 2023 annual general meeting, the Company provided guarantees of RMB50 million to Yankuang Ruifeng International Trading Co., Ltd.. On 8 April 2025 and 21 April 2025, Xinjiang Energy provided guarantees of RMB 600 million and RMB 1.4 billion to Xinwen Mining Group (Yili) Energy Development Co., Ltd, a wholly-owned subsidiary of the Company. As at 30 June 2025, the balance of the above guarantees were RMB600 million and RMB1.4 billion.															
As reviewed and approved at the 2023 annual general meeting of the Company, Yancoal Australia and its subsidiaries provided a guarantee in an amount not exceeding AUD1.5 billion per year to Yankuang Energy's Australian subsidiaries for their daily operation. During the reporting period, Yancoal Australia and its subsidiaries had a total of AUD377 million produced performance deposits and performance guarantees required for operation.															

Note: The table above was prepared in accordance with the CASs and calculated at AUD/RMB exchange rate of 4.6817. Apart from the above disclosures, the Company does not have any guarantee contracts performed or not yet completed during the reporting period.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

3. Other Major Contract

Not applicable.

4. Other Major Events

Capital Increase by Haosheng Company

Upon consideration and approval by the Company's general manager's office meeting, Haosheng Company intends to solicit entities that allocate coal resources in the Shilawusu Coal Field to increase its capital by way of public tender in Shandong Property Right Exchange Center. The proposed tender price of this capital increase is RMB2,147.3200 million, of which RMB465.3382 million is included in the registered capital of Haosheng Company, and the remaining RMB1,681.9818 million is included in the capital reserve. Upon full investment in Haosheng Company through this capital increase by the entities allocating the coal resources of the Shilawusu Coal Field, the Company would hold 42.64% equity interest in Haosheng Company, becoming the largest Shareholder and consolidating the financial statements.

As of the disclosure date of this report, the procedures of the capital increase above are in progress.

HFR Cooperation Matters

Upon consideration and approval by the general manager's office meeting, the Company entered into the Implementation Agreement and the Equity Subscription Agreement (collectively, the "Original Agreements") with Highfield Resources Limited ("HFR") on 23 September 2024, pursuant to which the Company intended to subscribe for shares to be issued by HFR through asset injection and cash contribution, thereby becoming its largest Shareholder and acquiring control.

On 12 May 2025, HFR, Qinghai Salt Lake Industry Co., Ltd. ("Qinghai Salt Lake"), a subsidiary of China Minmetals Corporation, the Company, and EMR Capital (currently the largest Shareholder and creditor of HFR) entered into a non-binding letter of intent (the "LOI"). According to the LOI, Qinghai Salt Lake intends to subscribe for ordinary shares to be issued by HFR for approximately USD300 million in cash, thereby becoming its largest Shareholder and acquiring control upon completion.

In August 2025, the Company received a notice from Qinghai Salt Lake that Qinghai Salt Lake would no longer proceed with the subscription transaction described in the LOI.

In order to protect the rights and interests of the Company and the Shareholders, the Company will continue to pay attention to the progress of relevant matters and fulfill its information disclosure obligations in a timely manner.

For details, please refer to the announcements dated 19 July 2024 regarding the proposed strategic cooperation with HFR, 23 September 2024 regarding the proposed acquisition of HFR, 12 May 2025 and 18 August 2025 regarding the progress of the acquisition of Highfield Resources Limited. Such information was published on the websites of the SSE, the Hong Kong Stock Exchange, the Company, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Partial Release of Pledged Shares by the Controlling Shareholder

On 11 April 2022, Shandong Energy pledged part of its A Shares in the Company to secure the exchange and repayment of principal and interest of its exchangeable corporate bonds. On 9 May 2025, Shandong Energy fully released the pledge over 209,803,279 A Shares of the Company held through its special pledged account.

For details, please refer to the announcement dated 12 May 2025 regarding the partial release of pledged shares by the Controlling Shareholder. Such information was published on the websites of the SSE, the Hong Kong Stock Exchange, the Company, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

Yancoal Australia's Acquisition of 3.75% Interest in Moolarben Held by Korea Electric Power Corp.

Upon consideration and approval by the general manager's office meeting, Yancoal Australia acquired a 3.75% interest in the Moolarben coal mine held by Korea Electric Power Corp. at a price not exceeding AUD110.5 million. Upon completion of the transaction, Yancoal Australia holds a 98.75% interest in the Moolarben coal mine.

As at the date of this report, the relevant procedures for equity transfer and industrial and commercial registration change are in progress.

XII. EXPLANATION ON PROGRESS OF USE OF PROCEEDS

Not applicable.

XIII. EXPLANATION ON OTHER SIGNIFICANT EVENTS

(Prepared in accordance with the regulatory requirements for listing in Hong Kong)

(I) Repurchase, sale or redemption of the Company's listed securities

Grant of additional issuance and H Share repurchase mandates at the 2024 annual general meeting

Upon review and approval at the 2024 annual general meeting of the Company held on 30 May 2025, a general mandate was granted to the Board to, subject to the approval of relevant regulatory authorities and in compliance with applicable laws, administrative regulations and the Articles of Association, determine, as appropriate and having regard to the Company's operational needs and prevailing market conditions during the mandate period, whether to issue additional shares not exceeding 20% of the total number of issued shares (excluding any treasury shares) as at the date of passing the relevant resolution.

Upon review and approval at the 2024 annual general meeting of the Company held on 30 May 2025, a general mandate was granted to the Board to, subject to the approval of relevant regulatory authorities and in compliance with applicable laws, administrative regulations and the Articles of Association, determine, as appropriate and having regard to the Company's operational needs and prevailing market conditions during the mandate period, whether to repurchase H Shares not exceeding 10% of the total number of issued H Shares (excluding any treasury shares) as at the date of passing the relevant resolution.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

Exercise of the H Share repurchase mandate granted at the 2024 annual general meeting and approval of the repurchase of A Shares

Upon review and approval at the eighteenth meeting of the ninth session of the Board held on 29 August 2025, the Board resolved to authorize designated persons to, within the scope of the Board resolution, handle specific matters relating to the repurchase of H Shares pursuant to the general mandate granted at the 2024 annual general meeting. The total amount of funds for the repurchase shall not be less than RMB150 million and shall not exceed RMB400 million, and the repurchase price shall not exceed 105% of the average closing price of the Company's H Shares on the Hong Kong Stock Exchange for the five trading days prior to the repurchase.

After consideration and approval at the eighteenth meeting of the ninth session of the Board held by the Company on 29 August 2025, through the "Resolution in relation to the Repurchase of A Shares of the Company", and the repurchased A Shares were intended to be used as treasury shares for the Company's equity incentives for a period of 3 years. If the shares above are not used for equity incentives within 3 years, they will be cancelled. The total repurchase funds shall not be less than RMB50 million and shall not exceed RMB100 million. The repurchase price shall not exceed RMB17.08 per share.

For details, please refer to the announcement of the resolutions of the 18th meeting of the ninth session of the Board dated 29 August 2025, the share repurchase report regarding the repurchase of shares through centralized bidding and the announcement on the share repurchase plan through centralized bidding. Such information was published on the websites of the SSE, the Hong Kong Stock Exchange, the Company, and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

(II) Remuneration Policy

The remuneration for the Directors and senior management is proposed to the Board by the remuneration committee under the Board. Upon review and approval by the Board, any remuneration proposal for the Directors will be proposed to the Shareholders' general meeting for approval. The remuneration for senior management is reviewed and approved by the Board.

The Company adopts an annual remuneration as the means for assessing and incentivizing the Directors and senior management. The annual remuneration consists of annual basic salary and annual performance salary. The annual basic salary is determined according to the operational scale, profitability, operating management difficulty and employees' income of the Company. The annual performance salary is determined by the actual operating results. The annual basic salaries for the Directors and senior management of the Company are pre-paid on a monthly basis and the annual performance salaries are cashed after the audit assessment to be carried out in the following year.

The compensation policy for other employees of the Group mainly adopts the job performance pay system based on job responsibilities and quantitative assessment results, and the performance pay is assessed and cashed by the overall economic benefits of the Company and personal performance.

CHAPTER 5 SIGNIFICANT EVENTS – CONTINUED

(III) Auditors

As reviewed and approved at the 2024 annual general meeting held on 30 May 2025, Baker Tilly China Certified Public Accountants LLP and Baker Tilly Hong Kong Limited were appointed as accountants of A Shares and H Shares for the year 2025, who are responsible for auditing, reviewing and internal control audit evaluation of the Company's financial statements. The term of responsibility begins at the date of the conclusion of the 2024 annual general meeting and ends at the 2025 general meeting.

The Company shall pay RMB8.40 million for audit services of domestic and overseas business in 2025. The Company bears board and lodging costs induced by the accountants during the period of working in the Company, and does not bear travel and other expenses. The Board was authorized to decide to pay for additional services such as follow-up audit and internal control audit evaluation due to the addition of new subsidiaries or changes in supervisory and regulatory rules.

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

Under the Hong Kong regulation Accounting and Financial Reporting Council Ordinance, Chapter 588 (as amended, supplemented or otherwise modified from time to time), the auditor Baker Tilly Hong Kong Limited for the year 2025 appointed by the Company is a registered public interest entity auditor.

CHAPTER 6 CHANGES IN SHARES AND SHAREHOLDERS

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

I. CHANGES IN SHARE CAPITAL

(I) Table of Changes in Shares

1. Table of changes in shares

Unit: share

	Before change		Increase/Decrease (+,-)		After change	
	Percentage				Percentage	
	Shares	(%)	Others	Sub-total	Shares	(%)
I. Shares with trading moratorium	77,188,020	0.77	-39,118,560	-39,118,560	38,069,460	0.38
1. State-shareholding	0	0	0	0	0	0
2. State-owned legal person shareholding	0	0	0	0	0	0
3. Other domestic shareholding	77,188,020	0.77	-39,118,560	-39,118,560	38,069,460	0.38
Including: domestic shareholding by non-state owned legal person	0	0	0	0	0	0
domestic shareholding by natural person	77,188,020	0.77	-39,118,560	-39,118,560	38,069,460	0.38
4. Foreign shareholding	0	0	0	0	0	0
Including: foreign legal person shareholding	0	0	0	0	0	0
foreign natural person shareholding	0	0	0	0	0	0
II. Shares without trading moratorium	9,962,672,382	99.23	36,738,702	36,738,702	9,999,411,084	99.62
1. A Shares	5,887,172,382	58.64	36,738,702	36,738,702	5,923,911,084	59.02
2. Foreign shares listed domestically	0	0	0	0	0	0
3. Foreign shares listed overseas	4,075,500,000	40.59	0	0	4,075,500,000	40.60
4. Others	0	0	0	0	0	0
III. Total number of shares	10,039,860,402	100	-2,379,858	-2,379,858	10,037,480,544	100

CHAPTER 6 CHANGES IN SHARES AND SHAREHOLDERS – CONTINUED

2. *Explanation on changes in shares*

Upon review and approval at the thirteenth meeting of the ninth session of the Board held on 24 February 2025, the Board approved the repurchase and cancellation of certain restricted shares that no longer met the incentive conditions, and confirmed that the conditions for lifting the restrictions under the second lock-up period of the Company's 2021 A-Share Restricted Share Incentive Scheme had been fulfilled. As at the end of the reporting period, the Company had repurchased and cancelled 2,379,858 restricted shares, and 36,738,702 restricted shares had been unlocked and became tradable on the market.

For details, please refer to the Company's announcements dated 24 February 2025 regarding the repurchase and cancellation of certain restricted shares and the fulfilment of unlocking conditions, the announcement dated 3 March 2025 on the unlocking and listing of restricted shares, and the announcement dated 24 April 2025 on the completion of the cancellation of certain restricted shares. Such information was published on the websites of the SSE, the Hong Kong Stock Exchange, the Company and/or China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily.

3. *The impact of changes in ordinary shares on financial indicators such as earnings per share, net assets per share after reporting period to the disclosure date of this interim report (if any)*

Not applicable.

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

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

CHAPTER 6 CHANGES IN SHARES AND SHAREHOLDERS – CONTINUED

(II) Changes in Shares with Trading Moratorium

Unit: share

Name of Shareholders	Number of shares with trading moratorium at the beginning of the period	Number of shares unlocked during the reporting period	Number of shares increased with trading moratorium during the reporting period	Number of shares decreased with trading moratorium during the reporting period	Number of shares with trading moratorium at the end of the reporting period	Reasons for trading moratorium	Unlocking date
Recipients of restricted share incentives (second unlocking period)	38,017,980	36,738,702	0	1,279,278	0	Restricted share incentive	For details of changes in shares and unlocking date, please refer to the relevant contents of "share incentive" in "Chapter 4 Company Governance, Environment and Society"
Recipients of restricted share incentives (third unlocking period)	39,170,040	0	0	1,100,580	38,069,460	Restricted share incentive	
Total	77,188,020	36,738,702	0	2,379,858	38,069,460	/	/

II. SHAREHOLDERS

(I) Total Number of Shareholders:

Total number of ordinary Shareholders at the end of the reporting period	147,762
Total number of preferred Shareholders with restored voting rights at the end of the reporting period	0

CHAPTER 6 CHANGES IN SHARES AND SHAREHOLDERS – CONTINUED

(II) Top Ten Shareholders and Top Ten Shareholders Holding Tradable Shares of the Company which are not Subject to Trading Moratorium as at the end of the Reporting Period

Unit: share

Shareholdings of the top ten Shareholders (excluding lending shares by means of financing transfer)							
Name of Shareholder (full name)	Increase/ decrease during the reporting period	Number of shares held at the end of the reporting period	Percentage holding of the total share capital (%)	Number of shares held subject to trading moratorium	Number of pledged, marked or locked shares		Nature of Shareholder
					Status of shares	Number of shares	
Shandong Energy Group Co., Ltd.	0	5,303,899,421	52.84	0	Pledged	282,697,893	State-owned legal person
HKSCC Nominees Limited	-204,590	3,161,953,328	31.50	0	Unknown	–	Overseas legal person
Hong Kong Securities Clearing Company Limited	21,119,009	109,622,657	1.09	0	No	0	Overseas legal person
Industrial and Commercial Bank of China Co., Ltd. – Huatai PineBridge CSI 300 Exchange Traded Open- End Index Securities Investment Fund	1,039,850	31,957,024	0.32	0	No	0	Others
Industrial and Commercial Bank of China Co., Ltd. – Cathay CSI Coal Exchange Traded Open-End Index Securities Investment Fund	13,965,882	27,784,139	0.28	0	No	0	Others
China Merchants Bank Co., Ltd. – Shanghai Stock Exchange Dividend Exchange Traded Open-End Index Securities Investment Fund	-5,170,321	26,434,604	0.26	0	No	0	Others
China Construction Bank Corporation – E-Fund CSI 300 Exchange Traded Open-End Index Initiated Securities Investment Fund	1,405,200	22,717,220	0.23	0	No	0	Others
Qian Hai Life Insurance Co., Ltd. – Participating Insurance Products	-1,574,950	19,284,824	0.19	0	No	0	Others
Industrial and Commercial Bank of China Co., Ltd. – ChinaAMC CSI 300 Exchange Traded Open-End Index Securities Investment Fund	2,496,870	16,658,258	0.17	0	No	0	Others
Bank of China Limited – Harvest CSI 300 Trading Open-End Index Securities Investment Fund	937,100	14,357,425	0.14	0	No	0	Others

CHAPTER 6 CHANGES IN SHARES AND SHAREHOLDERS – CONTINUED

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

Name of Shareholder	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class of shares	Number of shares
Shandong Energy Group Co., Ltd.	4,395,142,871	A Shares	4,395,142,871
HKSCC Nominees Limited	908,756,550	H Shares	908,756,550
Hong Kong Securities Clearing Company Limited	3,161,953,328	H Shares	3,161,953,328
Industrial and Commercial Bank of China Co., Ltd. – Huatai PineBridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund	109,622,657	A Shares	109,622,657
Industrial and Commercial Bank of China Co., Ltd. – Cathay CSI Coal Exchange Traded Open-End Index Securities Investment Fund	31,957,024	A Shares	31,957,024
China Merchants Bank Co., Ltd. – Shanghai Stock Exchange Dividend Exchange Traded Open-End Index Securities Investment Fund	27,784,139	A Shares	27,784,139
China Construction Bank Corporation – E-Fund CSI 300 Exchange Traded Open-End Index Initiated Securities Investment Fund	26,434,604	A Shares	26,434,604
Qian Hai Life Insurance Co., Ltd. – Participating Insurance Products	22,717,220	A Shares	22,717,220
Industrial and Commercial Bank of China Co., Ltd. – ChinaAMC CSI 300 Exchange Traded Open-End Index Securities Investment Fund	19,284,824	A Shares	19,284,824
Bank of China Limited – Harvest CSI 300 Trading Open-End Index Securities Investment Fund	16,658,258	A Shares	16,658,258
Bank of China Limited – Harvest CSI 300 Trading Open-End Index Securities Investment Fund	14,357,425	A Shares	14,357,425
Explanations on repurchase of special shares by the top 10 Shareholders	Not applicable		
Explanations on voting proxy, entrusted voting and abstention by the above Shareholders	Not applicable		
Connected relationship or concerted-party relationship among the above Shareholders	Huatai-Pinebridge Fund Management Co., Ltd. is the fund manager of “Industrial and Commercial Bank of China Co., Ltd. – Huatai PineBridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund” and “China Merchants Bank Co., Ltd. – Shanghai Stock Exchange Dividend Exchange Traded Open-End Index Securities Investment Fund”.		
	Apart from the disclosure above, it is unknown whether other Shareholders are connected with one another or whether any of these Shareholders fall within the meaning of parties acting in concert.		
Explanations on of preferred Shareholders with restored voting rights and the number of shares held by them	Not applicable		

CHAPTER 6 CHANGES IN SHARES AND SHAREHOLDERS – CONTINUED

Notes:

- ① As at 30 June 2025, Shandong Energy directly and indirectly held a total of 5,303,899,421 shares of the Company, accounting for 52.84% of the total share capital of the Company, of which; (i) 4,395,142,871 A Shares of the Company were held through its own account; (ii) 626,058,657 H Shares of the Company were held through the own account of Yankuang Group (Hong Kong) Company Limited ("Yankuang Hong Kong"); and (iii) 282,697,893 H Shares of the Company held through Yankuang Hong Kong's special corporate pledged account.
- ② All the information above, including "Total number of ordinary Shareholders at the end of the reporting period" and "Top ten Shareholders and top ten Shareholders holding tradable shares of the Company which are not subject to trading moratorium", is prepared in accordance with the registers of the Shareholders provided by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited and Computershare Hong Kong Investor Services Limited.
- ③ As the clearing and settlement agent for the Company's H Shares, HKSCC Nominees Limited holds the Company's H Shares in the capacity of a nominee. Hong Kong Securities Clearing Company Limited is the nominal holder of the Company's shares traded through Shanghai Stock Connect.

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

Not applicable.

CHAPTER 6 CHANGES IN SHARES AND SHAREHOLDERS – CONTINUED

Changes of top ten Shareholders and top ten Shareholders holding tradable shares from the previous period due to lending/returning of shares through refinancing

Not applicable.

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

Not applicable.

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

Not applicable.

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

As far as the Directors are aware, save as disclosed below, as at 30 June 2025, other than the Directors or chief executives of the Company, there were no other persons who were substantial Shareholders of the Company or had interest or short positions in the shares or underlying shares of the Company, which should (i) be disclosed pursuant to Sections 2 and 3 under Part XV of the Securities and Futures Ordinance ("SFO"); (ii) be recorded in the register to be kept pursuant to Section 336 of the SFO; or (iii) notify the Company and the Hong Kong Stock Exchange in other ways.

Name of Substantial Shareholder	Class of Shares	Capacity	Number of Shares Held (share)	Nature of Interest	Percentage in the H Share Capital of the Company	Percentage in Total Share Capital of the Company
Shandong Energy	A Shares (state-owned legal person shares)	Beneficial owner	4,395,142,871	Long position	–	43.79%
Shandong Energy ^①	H Shares	Interest of controlled corporations	908,756,550	Long position	22.30%	9.05%
			282,697,893	Short position	6.94%	2.82%

Notes:

- ① Yankuang Hong Kong holds such H Shares in the capacity of a beneficial owner.
- ② The percentage figures above have been rounded off to the nearest second decimal place.
- ③ Information disclosed herein is based on the information available on the website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk> and information provided by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.

CHAPTER 6 CHANGES IN SHARES AND SHAREHOLDERS – CONTINUED

III. DIRECTORS AND SENIOR MANAGEMENT

(I) Changes in Shareholding of Current and Resigned Directors and Senior Management during the Reporting Period

As at the end of the reporting period, except as disclosed below, none of the Directors and senior management of the Company had interest or short position in the shares, underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) that are required to (i) be recorded in the register to be kept in accordance with the Section 352 of the Securities and Futures Ordinance, or (ii) notice the listed issuer and the Hong Kong Stock Exchange in accordance with the provisions of the Model Code.

Unit: share

Name	Title	Number of shares held at the beginning of the reporting period	Number of shares held at the end of the reporting period	Class of shares	Increase/decrease of shareholding during the reporting period	Reasons for increase/decrease
Li Wei	Chairman	19,500	19,500	A Shares	0	–
Wang JiuHong	Director, senior management	235,560	235,560	A Shares	0	–
Liu Jian	Director	167,310	167,310	A Shares	0	–
Liu Qiang	Director	0	0	–	0	–
Zhang Haijun	Director	0	0	–	0	–
Su Li	Director	100,000	100,000	H Shares	0	–
Huang Xiaolong	Director, senior management	312,000	312,000	A Shares	0	–
		100,000	100,000	H Shares	0	–
Zhu Limin	Independent Director	0	0	–	0	–
Gao Jingxiang	Independent Director	0	0	–	0	–
Woo Kar Tung, Raymond	Independent Director	0	0	–	0	–
Zhu Rui	Independent Director	0	0	–	0	–
Jin Jiahao	the Secretary of the Discipline Inspection Commission	100,000	100,000	H Shares	0	–
Kang Dan	Senior management	235,560	235,560	A Shares	0	–
		100,000	100,000	H Shares	0	–
Zhang Zhaoyun	Senior management	196,560	196,560	A Shares	0	–
		100,000	100,000	H Shares	0	–
Yue Ning	Senior management	0	0	–	0	–
Zhao Zhiguo	Senior management	100,000	100,000	H Shares	0	–
Gao Chunlei	Senior management	156,000	156,000	A Shares	0	–
		100,000	100,000	H Shares	0	–
Xu Changhou	Senior management	95,290	108,390	A Shares	13,100	Shareholding increase
Qi Junming	Senior management	242,575	53,040	A Shares	-189,535	Shareholding decrease
Zhang Lei	Senior management	0	0	–	0	–
Peng Suping	Independent Director (resigned)	0	0	–	0	–

CHAPTER 6 CHANGES IN SHARES AND SHAREHOLDERS – CONTINUED

Other explanations

1. The above Directors and senior management are interested in the shares of the Company as beneficial owners (long position).
2. The share trading activities of Mr. Xu Changhou and Mr. Qi Junming occurred prior to their appointment as senior management of the Company.
3. The shareholding figures of the above Directors and senior management at the end of the reporting period include restricted shares that have not yet been unlocked. For details, please refer to the section “Chapter 4 – Company Governance, Environment and Society” of this report regarding share incentives.

(II) Share Incentive Mechanism to the Directors and Senior Management during the Reporting Period

Not applicable.

(III) Other explanations

Not applicable.

IV. CHANGES IN CONTROLLING SHAREHOLDER OR DE FACTO CONTROLLER

Not applicable.

V. MATTERS RELATED TO PREFERENCE SHARES

Not applicable.

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

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

(I) Corporate Bonds (including Enterprise Bonds)

1. Basic information of corporate bonds

Unit: RMB100 million

Bond name	Abbreviation	Code	Issue date	Interest start date	Most recent sell-back date after 31 August 2025	Maturity date	Balance	Interest rate (%)	Way to repay principal and interest	Trading location	Lead underwriter	Trustee	Investor eligibility arrangement (if any)	Trading mechanism	Whether there is risk of delisting
2020 corporate bond (first tranche) (class 3)	20 Yanzhou Coal 03	163236	10 March 2020	12 March 2020	/	12 March 2030	20	4.23	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Haitong Securities	Haitong Securities	Qualified investors	Bidding, quotation, inquiry and transaction	No
2020 corporate bond (second tranche) (class 2) ^①	20 Yanzhou Coal 05	175275	21 October 2020	23 October 2020	23 October 2025	23 October 2030	15	4.27	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Haitong Securities	Haitong Securities	Qualified investors	Bidding, quotation, inquiry and transaction	No
2021 corporate bond (first tranche) (class 2)	21 Yanzhou Coal 02	188164	28 May 2021	31 May 2021	/	31 May 2026	10	4.13	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	Haitong Securities	Haitong Securities	Qualified investors	Bidding, quotation, inquiry and transaction	No
2023 corporate bond (first tranche) (class 1)	23 Yankuang 01	115406	25 May 2023	26 May 2023	/	26 May 2028	10	3.34	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	CICC	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2023 corporate bond (first tranche) (class 2)	23 Yankuang 02	115407	25 May 2023	26 May 2023	/	26 May 2033	20	3.80	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	CICC	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No

CHAPTER 7 BONDS – CONTINUED

Bond name	Abbreviation	Code	Issue date	Interest start date	Most recent sell-back date after 31 August 2025	Balance	Interest rate (%)	Way to repay principal and interest	Trading location	Lead underwriter	Trustee	Investor eligibility arrangement (if any)	Trading mechanism	Whether there is risk of delisting
2023 corporate bond (second tranche) (class 2)	23 Yankuang 04	115544	15 June 2023	16 June 2023	/	20	3.75	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	CICC	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2024 Science and Technology Innovation Corporate Bonds (first tranche)	24 Yankuang KI	240552	13 March 2024	14 March 2024	/	30	3.03	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	CITIC Securities	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2024 Science and Technology Innovation Renewable Corporate Bonds (first tranche) ^①	Yankuang KY01	241141	17 June 2024	18 June 2024	/	30	2.28	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	GF Securities	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2024 Science and Technology Innovation Renewable Corporate Bonds (second tranche) ^①	Yankuang KY02	241324	24 July 2024	25 July 2024	/	20	2.17	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	GF Securities	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2024 Science and Technology Innovation Corporate Bonds (second tranche)	24 Yankuang K3	241379	2 August 2024	5 August 2024	/	30	2.05	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	GF Securities	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2024 Science and Technology Innovation Corporate Bonds (third tranche)	24 Yankuang K4	241636	12 September 2024	18 September 2024	/	20	2.15	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	GF Securities	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2025 Science and Technology Innovation Corporate Bonds (third tranche) (class 2)	25 Yankuang K2	242524	5 June 2025	6 June 2025	/	30	2.02	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	GF Securities	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No
2025 Science and Technology Innovation Renewable Corporate Bonds (first tranche) ^①	Yankuang KY04	243216	23 June 2025	23 June 2025	/	30	1.86	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	Shanghai Stock Exchange	GF Securities	Ping An Securities	Qualified investors	Bidding, quotation, inquiry and transaction agreement	No

CHAPTER 7 BONDS – CONTINUED

Notes:

- ① 2020 Corporate Bond (second tranche) (class 2) is a 10-year-fixed interest rate bond. At the end of the fifth interest-bearing year, the Company has the right to choose to adjust the coupon rate for the later maturity of the current bond and the investors have the right to sell the bond back to the Company.
- ② For 2024 Science and Technology Innovation Renewable Corporate Bond (first tranche), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by three years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.
- ③ For 2024 Science and Technology Innovation Renewable Corporate Bond (second tranche), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond placing by one term (that is, by three years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.
- ④ For 2025 Science and Technology Innovation Renewable Corporate Bond (first tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond placing by one term (that is, by two years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.

Countermeasures taken by the Company against the risk of delisting of the bonds

Not applicable.

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

Not applicable.

3. *Adjustments on credit rating results*

Not applicable.

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

Not applicable.

CHAPTER 7 BONDS – CONTINUED

(II) Proceeds from Corporate Bonds

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

1. Basic Information

Unit: RMB100 million

Bond code	Bond abbreviation	Whether it is a special-purpose bond	Specific type of the special-purpose bond	Gross proceeds	The balance of proceeds as of the end of the reporting period	The balance of the special account for the proceeds as of the end of the reporting period
242524	25 Yankuang K2	Yes	S&T Innovation Bonds	30	0	0
243216	Yankuang KY04	Yes	S&T Innovation Renewable Bonds	30	0	0

2. Adjustment of Change in Use of Proceeds

Not applicable.

3. Use of Proceeds

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

Unit: RMB100 million

Bond code	Bond abbreviation	Actual utilization of proceeds during the reporting period	Repayment of interest-bearing debts (excluding corporate bonds)	Repayment of corporate bonds	Replenishment of working capital	Investment in fixed asset projects	Equity investment, debt investment or asset acquisition	Other uses
242524	25 Yankuang K2	30	0	27	3	0	0	0
243216	Yankuang KY04	30	20	0	10	0	0	0

CHAPTER 7 BONDS – CONTINUED

- (2). Use of proceeds for repayment of corporate bonds and other interest-bearing debts

Bond code	Bond abbreviation	Repayment of corporate bonds	Repayment of other interest-bearing debts (excluding corporate bonds)
242524	25 Yankuang K2	Repayment of RMB 2.7 billion for 20 Yanzhou Coal 02	–
243216	Yankuang KY04	–	Repayment of bank loans of RMB2 billion

- (3). Use of proceeds for replenishing liquidity (excluding temporary replenishment)

Bonds Code	Bonds Abbreviation	Replenishment of Working Capital
242524	25 Yankuang K2	replenishment of working capital by RMB300 million
243216	Yankuang KY04	replenishment of working capital by RMB1,000 million

- (4). Use of proceeds for specific items

Not applicable.

- (5). Use of proceeds for other purposes

Not applicable.

- (6). Temporary replenishment

Not applicable.

CHAPTER 7 BONDS – CONTINUED

4. Compliance of the Use of Proceeds

Bond code	Bond abbreviation	Use of proceeds as stipulated in the prospectus	Actual use of proceeds as at the end of the reporting period (including actual use and temporary replenishment)	Whether the actual use was consistent with the intended use (including the intended use as stipulated in the prospectus and the use after compliance change)	Whether the use of proceeds and the management of the special account for the proceeds were compliant during the reporting period	Compliance of the use of proceeds with the debt management requirements of local governments
242524	25 Yankuang K2	Repayment of maturing bonds and replenishment of working capital	Repayment of maturing bonds and replenishment of working capital	Yes	Yes	Not applicable
243216	Yankuang KY04	Repayment of interest-bearing liabilities and replenishment of working capital	Repayment of interest-bearing debts and replenishment of working capital	Yes	Yes	Not applicable

Non-compliance of the use of proceeds and the management of the special account for the proceeds

Not applicable.

Being punished for illegal use of proceeds

Not applicable.

CHAPTER 7 BONDS – CONTINUED

(III) Other Matters that Should be Disclosed for Special-purpose Bonds

1. *The Company was an issuer of convertible bonds*

Not applicable.

2. *The Company was an issuer of green corporate bonds*

Not applicable.

3. *The Company was an issuer of renewable corporate bonds*

Unit: RMB100 million

Bond code	243216
Bond abbreviation	Yankuang KY04
Bond balance	30
Renewal status	–
Interest rate spikes	–
Interest deferral	–
Compulsory interest payment	–
Whether the bonds were still recognised in equity and related accounting treatment	Yes
Other matters	–

4. *The Company was an issuer of corporate bonds for poverty alleviation*

Not applicable.

5. *The Company was an issuer of corporate bonds for rural revitalization*

Not applicable.

6. *The Company was an issuer of Belt and Road Initiative corporate bonds*

Not applicable.

CHAPTER 7 BONDS – CONTINUED

7. *The Company was an issuer of technology innovation corporate bonds or innovation and entrepreneurship corporate bonds*

Unit: RMB100 million

The issuer category applicable to the bond	☐ Technology innovation enterprise
Bond code	242524
Bond abbreviation	25 Yankuang K2
Bond balance	30
Progress of technology innovation projects	–
Achievements in in promoting the development of technology and innovation	–
Operation of fund products (if any)	–
Other matters	–

The issuer category applicable to the bond	☐ Technology innovation enterprise
Bond code	243216
Bond abbreviation	Yankuang KY04
Bond balance	30
Progress of technology innovation projects	–
Achievements in in promoting the development of technology and innovation	–
Operation of fund products (if any)	–
Other matters	–

8. *The Company was an issuer of low-carbon transition (linked) corporate bonds*

Not applicable.

9. *The Company was an issuer of corporate bonds for bailout*

Not applicable.

10. *The Company was an issuer of bonds to support micro, small and medium-sized enterprises (MSME)*

Not applicable.

11. *Matters related to other special-purpose bonds*

Not applicable.

CHAPTER 7 BONDS – CONTINUED

(IV) Material Matters in relation to Corporate Bonds during the Reporting Period

Liabilities

(1). Interests-bearing liabilities and changes therein

1.1 Debt structure of the Company

At the beginning of the reporting period and at the end of the reporting period, the balance of interest-bearing debts of the Company (non-consolidated) was RMB84.268 billion and RMB100.458 billion, respectively, and the year-on-year change in the balance of interest-bearing debts during the reporting period was 19.2%.

Unit: RMB100 million

Type of interest-bearing debt	Overdue	Maturity		Total amount	As a percentage of total interest-bearing debts (%)
		Within one year (inclusive)	More than one year (exclusive)		
Corporate credit bonds	–	98.56	179.70	278.26	27.70
Bank loans	–	423.60	302.72	726.32	72.30
Loans from non-bank financial institutions	–	–	–	–	–
Other interest-bearing debts	–	–	–	–	–
Total	–	522.16	482.42	1,004.58	–

At the end of the reporting period, of the Company's corporate credit bonds in existence, the balance of corporate bonds was RMB17.661 billion, the balance of enterprise bonds was RMB0 billion, and the balance of debt financing instruments of non-financial enterprises was RMB10.165 billion.

CHAPTER 7 BONDS – CONTINUED

1.2 Consolidated interest-bearing debt structure of the Company

At the beginning of the reporting period and at the end of the reporting period, the balance of interest-bearing debts of the Company within the scope of the Company's consolidated financial statements was RMB118.492 billion and RMB129.206 billion, respectively, and the year-on-year change in the balance of interest-bearing debts during the reporting period was 9.0%.

Unit: RMB100 million

Type of interest-bearing debt	Overdue	Maturity		Total amount	As a percentage of total interest-bearing debts (%)
		Within one year (Inclusive)	More than one year (Exclusive)		
Corporate credit bonds	–	98.56	179.70	278.26	21.54
Bank loans	–	445.56	439.98	885.54	68.54
Loans from non-bank financial institutions	–	2.88	1.91	4.79	0.37
Other interest-bearing debts	–	10.91	112.56	123.47	9.56
Total	–	557.91	734.15	1,292.06	–

At the end of the reporting period, of the Company's corporate credit bonds in existence (consolidated), the balance of corporate bonds was RMB17.661 billion, the balance of enterprise bonds was RMB0 billion, and the balance of debt financing instruments of non-financial enterprises was RMB10.165 billion.

1.3 Foreign bonds

Not applicable.

CHAPTER 7 BONDS – CONTINUED

- (2). At the end of the reporting period, the Company and its subsidiaries had interest-bearing debts with an overdue amount of more than RMB10 million or corporate credit bonds which were overdue

Not applicable.

- (3). Seniority of liabilities against third parties

As of the end of reporting period, the seniority of liabilities against third parties within the scope of the Company's consolidated statements:

Not applicable.

- (4). Violations of provisions and commitments

The impact on the rights and interests of bond investors due to violation of laws and regulations, self-regulation rules, the Articles, information disclosure system as well as provisions or commitments in the prospectus of bond offerings during the reporting period.

Not applicable.

CHAPTER 7 BONDS – CONTINUED

(V) Debt Financing Instruments of Non-Financial Enterprises on the Interbank Bond Market

1. Basic information of debt financing instruments of non-financial enterprises

Unit: RMB100 million

Bond name	Abbreviation	Code	Issue date	Interest start date	Maturity date	Balance	Interest rate (%)	Way to repay principal and interest	Trading location	Investor eligibility arrangement (if any)	Trading mechanism	Whether there is risk of delisting
2021 medium-term note (first tranche)	21 Yanzhou Coal MTN001	102101379	22 July 2021	26 July 2021	26 July 2026	20	3.80	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal. inter-bank bond market	inter-bank bond market	The institutional investors from the inter-bank bond market	Circulation and transfer at the national inter-bank bond market	No
2022 medium-term note (first tranche) (class 2) ⁽¹⁾	22 Yankuang Energy MTN001B	102281099	18 May 2022	20 May 2022	20 May 2027	5	3.71	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	Circulation and transfer at the national inter-bank bond market	No
2023 medium-term note (first tranche) ⁽²⁾	23 Yankuang Energy MTN001	102382795	19 October 2023	23 October 2023	23 October 2025	20	3.40	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	Circulation and transfer at the national inter-bank bond market	No
2023 medium-term note (S&T innovation note) (second tranche) ⁽³⁾	23 Yankuang Energy MTN002 (S&T innovation note)	102383131	21 November 2023	23 November 2023	23 November 2025	30	3.16	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	Circulation and transfer at the national inter-bank bond market	No
2024 medium-term note (S&T innovation note) ⁽⁴⁾	24 Yankuang Energy MTN001 (S&T innovation note)	102480413	31 January 2024	2 February 2024	2 February 2027	30	2.85	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	Circulation and transfer at the national inter-bank bond market	No
2024 medium-term note (S&T innovation note) (second tranche) ⁽⁵⁾	24 Yankuang Energy MTN002 (S&T innovation note)	102484700	28 October 2024	30 October 2024	30 October 2026	15	2.43	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	Circulation and transfer at the national inter-bank bond market	No
2024 medium-term note (S&T innovation note) (third tranche) ⁽⁶⁾	24 Yankuang Energy MTN003 (S&T innovation note)	102485067	20 November 2024	22 November 2024	22 November 2026	15	2.26	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	Circulation and transfer at the national inter-bank bond market	No
2024 medium-term note (fourth tranche) ⁽⁷⁾	24 Yankuang Energy MTN004	102485351	9 December 2024	11 December 2024	11 December 2026	20	2.06	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	Circulation and transfer at the national inter-bank bond market	No
2024 super-short-term debentures (third tranche)	24 Yankuang Energy SCP003	012484031	25 December 2024	26 December 2024	19 September 2025	20	1.75	the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	Circulation and transfer at the national inter-bank bond market	No
2025 medium-term note (first tranche) ⁽⁸⁾	25 Yankuang Energy MTN001	102581977	28 April 2025	29 April 2025	29 April 2027	30	2.09	Interest paid once a year, the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	Circulation and transfer at the national inter-bank bond market	No
2025 super-short-term debentures (third tranche)	25 Yankuang Energy SCP001	012581757	23 July 2025	24 July 2025	11 December 2025	20	1.56	the entire principal repaid at one time at maturity, the final interest paid together with the principal.	inter-bank bond market	The institutional investors from the inter-bank bond market	Circulation and transfer at the national inter-bank bond market	No

CHAPTER 7 BONDS – CONTINUED

Notes:

- ① For 2022 medium term note (first tranche) (class 2), every five interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by five years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.
- ② For 2023 medium term note (first tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by two years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.
- ③ For 2023 medium term note (S&T innovation note) (second tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by two years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.
- ④ For 2024 medium term note (S&T innovation note) (first tranche), every three interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by three years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.
- ⑤ For 2024 medium term note (S&T innovation note) (second tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by two years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.
- ⑥ For 2024 medium term note (S&T innovation note) (third tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by two years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.
- ⑦ For 2024 medium term note (S&T innovation note) (fourth tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by two years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.
- ⑧ For 2025 medium term note (first tranche), every two interest-bearing years are regarded as one term. At the end of each term, the Company has the right to choose to extend the term of the current bond by one term (that is, by two years) or to repay the principal and interest of the current bond due at maturity in full at the end of the term.

CHAPTER 7 BONDS – CONTINUED

Countermeasures taken by the Company against the risk of delisting of the bonds

Not applicable.

Overdue outstanding bonds

Not applicable.

Explanation of overdue debts

Not applicable.

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

Not applicable.

3. *Adjustments on credit rating results*

Not applicable.

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

Not applicable.

Other explanations

Not applicable.

5. *Explanations on other conditions of debt financing instruments of non-financial enterprises*

Not applicable.

(VI) Loss in the Consolidated Financial Statements of the Company during the Reporting Period Exceeding 10% of the Net Assets at the End of the Previous Year

Not applicable.

CHAPTER 7 BONDS – CONTINUED

(VII) Major Accounting Data and Financial Indicators

Unit: RMB0'000

Main indicator	As at the end of the reporting period	As at the end of 2024	Increase/decrease as at the end of the reporting period compared with that as at the end of 2024 (%)
Current ratio	0.78	0.83	-6.02
Quick ratio	0.68	0.72	-5.56
			Increase of 0.78 percentage points
Debt-to-asset ratio (%)	63.68	62.90	

	January to June 2025	January to June 2024	Increase/decrease during the reporting period compared with that in the same period in 2024 (%)
Net profit after deducting extraordinary gains or losses	442,966	729,839	-39.31
Total debt to EBITDA ratio	6.64	4.70	41.28
Interest coverage ratio	5.34	6.90	-22.61
Cash interest coverage ratio	3.61	6.20	-41.77
EBITDA interest coverage ratio	10.02	10.81	-7.31
Loan repayment ratio (%)	100	100	0
Interest coverage ratio (%)	100	100	0

II. CONVERTIBLE CORPORATE BONDS

Not applicable.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(Expressed in Renminbi)

	Notes	Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Restated) (Unaudited)
Gross sales of coal		34,474,631	47,351,189
Logistic service income		5,144,311	237,559
Gross sales of electricity and heat supply		1,554,400	1,632,862
Gross sales of equipment manufacturing		569,393	420,040
Gross sales of chemical products		12,223,538	12,512,998
Total revenue		53,966,273	62,154,648
Transportation costs		(7,245,123)	(2,594,899)
Cost of sales and service provided		(21,407,186)	(27,470,203)
Cost of electricity and heat supply		(1,374,957)	(1,599,441)
Cost of equipment manufacturing		(341,616)	(346,111)
Cost of chemical products		(9,363,312)	(10,352,549)
Total cost of sales		(39,732,194)	(42,363,203)
Gross profit		14,234,079	19,791,445
Selling, general and administrative expenses		(6,472,129)	(7,289,569)
Share of results of associates		1,262,400	1,288,183
Share of results of joint ventures		(68,699)	(4,182)
Other income and gains/losses		1,822,949	2,882,287
Finance costs	5	(1,941,536)	(2,354,638)
Profit before tax	7	8,837,064	14,313,526
Income tax expense	6	(1,715,264)	(3,099,263)
Profit for the period		7,121,800	11,214,263
Attributable to:			
Equity shareholders of the Company		4,730,555	7,717,112
Owners of perpetual capital securities		313,173	320,623
Non-controlling interests		2,078,072	3,176,528
		7,121,800	11,214,263
Earnings per share, basic	9	RMB0.47	RMB0.79
Earnings per share, diluted	9	RMB0.47	RMB0.79

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(Expressed in Renminbi)

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Restated) (Unaudited)
Profit for the period	7,121,800	11,214,263
Items that will not be reclassified subsequently to profit or loss:		
Fair value loss on investments in equity instruments designated as at fair value through other comprehensive income ("FVTOCI")	256	–
Income tax relating to item that will not be reclassified subsequently to profit or loss	(64)	–
	192	–
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive (expense)/income of associates	(175,142)	37,587
Exchange differences arising on translation of foreign operations	1,639,685	(784,611)
	1,464,543	(747,024)
Other comprehensive income/(expense) for the period, net of income tax	1,464,735	(747,024)
Total comprehensive income for the period	8,586,535	10,467,239
Attributable to:		
Equity shareholders of the Company	5,576,116	7,268,114
Owners of perpetual capital securities	313,173	320,623
Non-controlling interests	2,697,246	2,878,502
	8,586,535	10,467,239

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

(Expressed in Renminbi)

		At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
	Notes		
Non-current assets			
Intangible assets		66,390,391	59,007,793
Property, plant and equipment	10	134,789,871	135,260,991
Right-of-use assets	11	5,703,720	5,642,120
Investment properties		1,712,908	1,234,824
Prepayments for property, plant and equipment and intangible assets		16,597,378	19,414,913
Goodwill		308,298	297,169
Investments in securities		721,895	678,521
Interests in associates		24,809,594	24,367,062
Interests in joint ventures		1,252,782	1,275,916
Long-term receivables		7,300,524	7,463,937
Royalty receivables		920,656	890,628
Deposits made on investments		2,017,226	117,926
Deferred tax assets		2,602,309	2,563,955
		265,127,552	258,215,755
Current assets			
Inventories		8,324,328	7,624,810
Financial assets at fair value through profit or loss ("FVTPL")		546	481
Contingent consideration receivable	12	77,310	77,304
Long-term receivables – due within one year		4,336,461	4,717,754
Royalty receivables		108,923	83,605
Bills and accounts receivables	13	12,767,596	13,188,501
Prepayments and other receivables	14	36,915,069	34,097,296
Financial assets at amortised cost		542,661	–
Restricted cash	15	7,943,161	7,834,925
Pledged term deposits	15	467,250	14,720
Bank balances and cash	15	36,777,705	30,495,219
		108,261,010	98,134,615
Total assets		373,388,562	356,350,370

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CONTINUED

AS AT 30 JUNE 2025

(Expressed in Renminbi)

	Notes	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Provisions for land subsidence, restoration, rehabilitation and environmental costs	17	12,858,115	12,667,165
Provisions		5,768,027	5,823,239
Borrowings	18	62,386,152	73,081,526
Lease liabilities	11	191,266	301,244
Long term payables		10,861,061	6,634,544
Deferred tax liabilities		8,136,421	8,300,488
		100,201,042	106,808,206
Current liabilities			
Bills and accounts payables	16	25,749,728	27,472,201
Other payables and accrued expenses		47,908,017	40,142,018
Contract liabilities		6,207,203	4,788,213
Provisions for land subsidence, restoration, rehabilitation and environmental costs	17	500,634	251,123
Provisions		30,767	34,645
Amounts due to Parent Company and its subsidiaries		1,910,227	4,850,241
Borrowings	18	54,405,262	37,714,535
Financial liabilities at FVTPL		441,009	538,427
Lease liabilities	11	288,428	226,851
Tax payables		438,098	1,184,089
Long term payables – due within one year		–	354,381
		137,879,373	117,556,724
Total liabilities		238,080,415	224,364,930
Capital and reserves			
Share capital	19	10,037,481	10,039,860
Reserves	19	48,887,731	48,570,217
Equity attributable to equity shareholders of the Company		58,925,212	58,610,077
Owners of perpetual capital securities	20	24,768,044	23,267,221
Non-controlling interests		51,614,891	50,108,142
		135,308,147	131,985,440
Total liabilities and equity		373,388,562	356,350,370

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(Expressed in Renminbi)

	Attributable to equity shareholders of the Company										Perpetual capital securities issued by the Company	Non-controlling interests	Total
	Share capital	Share premium	Capital reserve and future development fund	Share-based compensation reserve	Statutory common reserve-fund	Translation reserve	Investment revaluation reserve	Cash flow hedge reserve	Retained earnings	Total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 19)								(Note 19)		(Note 20)		
At 1 January 2024 (Audited) (restated)	7,439,371	3,724,083	578,969	554,218	1,663,814	(6,101,437)	(1,333,418)	(528,489)	49,461,898	55,459,009	16,541,777	45,369,830	117,370,616
Profit for the period	-	-	-	-	-	-	-	-	7,717,112	7,717,112	320,623	3,176,528	11,214,263
Other comprehensive income/(expenses) for the period:	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-	-	-	37,587	-	-	37,587	-	-	37,587
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(486,585)	-	-	-	(486,585)	-	(298,026)	(784,611)
Total comprehensive income/(expense) for the period	-	-	-	-	-	(486,585)	37,587	-	7,717,112	7,268,114	320,623	2,878,502	10,467,239
Issuance of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	5,996,532	-	5,996,532
Redemption of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	(3,293,070)	-	(3,293,070)
Distribution paid to holders of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	(311,750)	-	(311,750)
Appropriations to statutory reserve	-	-	-	-	204,878	-	-	-	(204,878)	-	-	-	-
Business combination under common control	-	-	(133,505)	-	-	-	-	-	-	(133,505)	-	-	(133,505)
Issuance of shares	285,000	4,229,108	-	-	-	-	-	-	-	4,514,108	-	-	4,514,108
Repurchase and cancellation of shares	(1,401)	(3,662)	110,437	-	-	-	-	-	-	105,374	-	-	105,374
Recognition of equity-settled share-based payment expenses	-	-	-	82,096	-	-	-	-	-	82,096	-	-	82,096
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(759,666)	(759,666)
Dividends	-	-	-	-	-	-	-	-	(11,507,225)	(11,507,225)	-	-	(11,507,225)
Others	-	-	-	-	-	-	-	-	(18,545)	(18,545)	-	26,574	8,029
Transactions with owners	283,599	4,225,446	(23,068)	82,096	204,878	-	-	-	(11,730,648)	(6,957,697)	2,381,712	(733,092)	(5,299,077)
At 30 June 2024 (Unaudited) (restated)	7,722,970	7,949,529	555,901	636,314	1,868,692	(6,588,022)	(1,295,831)	(528,489)	45,448,362	55,769,426	19,254,112	47,515,240	122,538,778

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – CONTINUED

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(Expressed in Renminbi)

	Attributable to equity shareholders of the Company										Perpetual capital securities issued by the Company	Non-controlling interests	Total
	Share capital	Share premium	Capital	Share-based compensation reserve	Statutory common reserve-fund	Translation reserve	Investment revaluation reserve	Cash flow hedge reserve	Retained earnings				
			reserve										
			and future										
			development										
			fund										
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
(Note 19)								(Note 19)		(Note 20)			
At 1 January 2025 (Audited)	10,039,860	8,100,734	99,964	705,513	2,841,391	(8,215,506)	(1,074,934)	(272,739)	46,385,794	58,610,077	23,267,221	50,108,142	131,985,440
Profit for the period	-	-	-	-	-	-	-	-	4,730,555	4,730,555	313,173	2,078,072	7,121,800
Other comprehensive income/(expenses) for the period:	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value change of financial assets at FVOCI	-	-	-	-	-	-	192	-	-	192	-	-	192
Share of other comprehensive income of associates	-	-	-	-	-	-	(175,142)	-	-	(175,142)	-	-	(175,142)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	1,020,511	-	-	-	1,020,511	-	619,174	1,639,685
Total comprehensive income/(expense) for the period	-	-	-	-	-	1,020,511	(174,950)	-	4,730,555	5,576,116	313,173	2,697,246	8,586,535
Issuance of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	6,000,000	-	6,000,000
Redemption of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	(4,491,900)	-	(4,491,900)
Distribution paid to holders of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	(320,450)	-	(320,450)
Appropriations to statutory reserve	-	-	-	-	111,161	-	-	-	(111,161)	-	-	-	-
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	600	600
Repurchase and cancellation of shares	(2,379)	(960)	-	-	-	-	-	-	-	(3,339)	-	-	(3,339)
Recognition of equity-settled share-based payments	-	-	-	86,585	-	-	-	-	-	86,585	-	57,175	143,760
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,244,674)	(1,244,674)
Dividends	-	-	-	-	-	-	-	-	(5,420,239)	(5,420,239)	-	-	(5,420,239)
Step acquisition from an associate to a subsidiary (Note 25)	-	-	-	-	-	-	-	-	-	-	-	29,163	29,163
Deemed disposal from a subsidiary to an associate (Note 26)	-	-	-	-	-	-	-	-	-	-	-	(8,122)	(8,122)
Others	-	-	85,612	-	-	-	-	-	(9,600)	76,012	-	(24,639)	51,373
Transactions with owners	(2,379)	(960)	85,612	86,585	111,161	-	-	-	(5,541,000)	(5,260,981)	1,187,650	(1,190,497)	(5,263,828)
At 30 June 2025 (Unaudited)	10,037,481	8,099,774	185,576	792,098	2,952,552	(7,194,995)	(1,249,884)	(272,739)	45,575,349	58,925,212	24,768,044	51,614,891	135,308,147

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(Expressed in Renminbi)

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Restated) (Unaudited)
Net cash generated from operating activities	12,405,128	9,641,459
Investing activities		
Placement of restricted cash	(452,530)	(230,567)
Withdrawal of pledged term deposits	(108,235)	27,080
Purchase of intangible assets	(8,333)	–
Purchase of property, plant and equipment and right of use assets, and payments to construction in progress	(6,123,087)	(4,581,830)
Proceeds from disposal of property, plant and equipment	323,525	24,578
Proceeds from disposal of intangible assets	1,122	2,536
Increase in deposit paid for property, plant and equipment	(540,313)	(656,635)
Receipts from other investments	76,605	–
Receipts for financial assets and liabilities at FVTPL	53,359	–
Dividend received from associates	372,626	528,931
Net cash outflow arising from step acquisition from an associate to a subsidiary	(23,816)	–
Net cash outflow from deemed disposal from a subsidiary to an associate	(33,591)	–
Loan receivables (advanced)/repaid, net	(758,978)	1,537,067
Other investing activities	4,126	13,496
Net cash used in investing activities	(7,217,520)	(3,335,344)

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – CONTINUED

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(Expressed in Renminbi)

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Restated) (Unaudited)
Financing activities		
Distribution paid to holders of perpetual capital securities	(320,450)	(311,750)
Repayment of lease liabilities	(335,963)	(330,086)
Proceeds from issuance of shares	–	4,514,108
Proceeds from borrowings	29,344,377	27,168,440
Proceeds from issuance of perpetual capital securities	6,000,000	5,996,532
Repayments of borrowings	(21,719,700)	(25,647,292)
Dividends paid	(3,222,578)	–
Dividends paid to non-controlling shareholders	(2,494,938)	(1,056,746)
Redemption of perpetual capital securities	(4,491,900)	(3,293,070)
Contribution from non-controlling interests	600	–
Business combination under common control	(1,899,301)	(10,027,826)
Net cash generated from/(used in) financing activities	860,147	(2,987,690)
Net increase in cash and cash equivalents	6,047,755	3,318,425
Cash and cash equivalents at beginning of period	30,495,219	30,268,200
Effect of foreign exchange rate changes	234,731	72,651
Cash and cash equivalents at end of period	36,777,705	33,659,276

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi)

1 GENERAL INFORMATION

Yankuang Energy Group Company Limited (the “Company”) is established as a joint stock company with limited liability in the People’s Republic of China (the “PRC”). In April 2001, the status of the Company was changed to that of a Sino-foreign joint stock limited company. The Company’s A shares are listed on the Shanghai Stock Exchange (“SSE”) while its H shares are listed on The Stock Exchange of Hong Kong Limited (the “SEHK”). The Company’s parent and ultimate holding company is Shandong Energy Group Company Limited (the “Parent Company”), a state-owned enterprise in the PRC. The Company’s addresses of the registered office and principal place of business are disclosed in the Group Profile and General Information section of the interim financial report.

The Company’s principal activities are investment holdings, coal mining and coal railway transportation. The Company’s subsidiaries are principally engaged in coal mining, smart logistics, electricity and heat supply, equipment manufacturing and chemical products.

The condensed consolidated financial statements is presented in Renminbi (“RMB”), which is also the functional currency of the Company.

2 BASIS OF PREPARATION

The condensed consolidated financial statements of the Company and its subsidiaries (collectively as the “Group”) for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standards 34 (“IAS 34”) “Interim Financial Reporting” issued by the International Accounting Standards Board (the “IASB”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the SEHK.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The condensed consolidated financial statements have been prepared on a going concern basis notwithstanding the Group had net current liabilities of approximately RMB29,618,363,000 as at 30 June 2025.

In the opinion of the directors of the Company, the Group should be able to maintain itself as a going concern in the next twelve months from 30 June 2025 by taking into consideration the followings:

- The directors of the Company anticipate that the Group will generate positive cash flows from its operations; and
- The undrawn borrowings facilities available for immediate use.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

2 BASIS OF PREPARATION – CONTINUED

Based on the above, the directors of the Company consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 30 June 2025. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these condensed consolidated financial statements on a going concern basis. The condensed consolidated financial statements do not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

3 ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than additional change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

3.1 Application of amendments to IFRS Accounting Standards

In the current interim financial period, the Group has applied the following amendments to IFRS Accounting Standards as issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current interim financial period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

3 ACCOUNTING POLICIES – CONTINUED

3.2 Change in accounting policy for business combinations involving entities or businesses under common control

In prior periods, business combinations involving entities or businesses under common control were accounted for by the Group using the acquisition method. In preparing the condensed consolidated financial statement of the Group for the period ended 30 June 2024, the directors of the Company elected to apply the principles of merger accounting to account for business combinations involving entities or businesses under common control. The directors of the Company believe that this change in accounting policy can provide more relevant information to financial statements users by minimising the differences between the Group's condensed consolidated financial statements prepared under IFRS Accounting Standards and the China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC.

The change in accounting policy has been applied retrospectively and, consequently, the Group's condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for six months ended 30 June 2024 have been restated as if the entities or business had been combined on the earliest date of the period being presented, unless the combining entities or business first came under common control at a later date.

The tables below show the effects of restatements to due to above change in accounting policy on the condensed consolidated statement of profit or loss and condensed consolidated statement of profit or loss and other comprehensive income for six months ended 30 June 2024.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

3 ACCOUNTING POLICIES – CONTINUED

3.2 Change in accounting policy for business combinations involving entities or businesses under common control – continued

- (i) The effects of the restatements on the condensed consolidated statement of profit or loss for six months ended 30 June 2024:

	The Group (As previously reported) RMB'000	Impact of change in accounting policy RMB'000	The Group (Restated) RMB'000
Gross sales of coal	47,351,189	–	47,351,189
Logistic service income	237,559	–	237,559
Gross sales of electricity and heat supply	1,632,862	–	1,632,862
Gross sales of equipment manufacturing	420,040	–	420,040
Gross sales of chemical products	12,512,998	–	12,512,998
Total revenue	62,154,648	–	62,154,648
Transportation costs	(2,594,899)	–	(2,594,899)
Cost of sales and services provided	(27,862,633)	392,430	(27,470,203)
Cost of electricity and heat supply	(1,599,441)	–	(1,599,441)
Cost of equipment manufacturing	(346,111)	–	(346,111)
Cost of chemical products	(10,564,352)	211,803	(10,352,549)
Total cost of sales	(42,967,436)	604,233	(42,363,203)
Gross profit	19,187,212	604,233	19,791,445
Selling, general and administrative expenses	(7,298,841)	9,272	(7,289,569)
Share of results of associates	1,288,183	–	1,288,183
Share of results of joint ventures	(4,182)	–	(4,182)
Other income and gains/losses	2,791,584	90,703	2,882,287
Finance costs	(2,354,638)	–	(2,354,638)
Profit before tax	13,609,318	704,208	14,313,526
Income tax expense	(2,923,211)	(176,052)	(3,099,263)
Profit for the period	10,686,107	528,156	11,214,263
Attributable to:			
Equity shareholders of the Company	7,406,217	310,895	7,717,112
Owners of perpetual capital securities	320,623	–	320,623
Non-controlling interests	2,959,267	217,261	3,176,528
	10,686,107	528,156	11,214,263

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

3 ACCOUNTING POLICIES – CONTINUED

3.2 Change in accounting policy for business combinations involving entities or businesses under common control – continued

- (ii) The effects of the restatements on the condensed consolidated statement of profit or loss and other comprehensive income for six months ended 30 June 2024:

	The Group (As previously reported) RMB'000	Impact of change in accounting policy RMB'000	The Group (Restated) RMB'000
Profit for the period	10,686,107	528,156	11,214,263
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of associates	37,587	–	37,587
Exchange differences arising on translation of foreign operations	(784,611)	–	(784,611)
Other comprehensive expense for the year, net of income tax	(747,024)	–	(747,024)
Total comprehensive income for the period	9,939,083	528,156	10,467,239
Attributable to:			
Equity shareholders of the Company	6,957,219	310,895	7,268,114
Owners of perpetual capital securities	320,623	–	320,623
Non-controlling interests	2,661,241	217,261	2,878,502
	9,939,083	528,156	10,467,239

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

3 ACCOUNTING POLICIES – CONTINUED

3.3 Other changes in comparative figures

(i) *Statutory common reserve*

In prior periods, statutory common reserve fund (see Note 19(b)(iii)) as recorded in the Group's condensed consolidated financial statements includes the reserve fund of the Company and its subsidiaries in the PRC. For better presentation of the Group's equity structure and align with the Group's condensed consolidated financial statements prepared under the China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, the directors of the Company revisited and reallocated components of the Group's equity and the statutory common reserve fund as recorded in the Group's condensed consolidated financial statements now includes the reserve fund of the Company only. Comparative figures have been restated accordingly.

(ii) *Segment information*

During the six months ended 30 June 2025, the Group restructured its internal organisation such that the Group is currently organised into four operating divisions (six months ended 30 June 2024: five operating divisions). The electricity and heat supply division and the chemical products division as presented in the Group's condensed consolidated financial statements previously have been combined into one single operating division, namely coal chemical, electricity and heat division. Segment information for the six months ended 30 June 2024 has been re-presented accordingly.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

4 SEGMENT INFORMATION

The Group is engaged primarily in the mining business. The Group is also engaged in the smart logistics business. The Company does not currently have direct export rights in the PRC and all of its export sales is made through China National Coal Industry Import and Export Corporation (“National Coal Corporation”), Minmetals Trading Co., Ltd. (“Minmetals Trading”) and/or Shanxi Coal Imp. & Exp. Group Corp. (“Shanxi Coal Corporation”). The final customer destination of the Company’s export sales is determined by the Company, National Coal Corporation, Minmetals Trading and/or Shanxi Coal Corporation. The exploitation right of the Group’s foreign subsidiaries is not restricted. Certain of the Company’s subsidiaries and associates are engaged in manufacturing and trading of mining machinery and the transportation business via rivers and lakes and provision of financial services in the PRC. No separate segment information about these businesses is presented in these condensed consolidated financial statements as the underlying gross sales, results and assets of these businesses, which are currently included in the mining business segment, are insignificant to the Group. Upon the acquisition of Yankuang Donghua Heavy Industry Limited (“Donghua”) in 2016, the Group is also engaged in the manufacturing of comprehensive coal mining and excavating equipment. In addition, certain subsidiaries are engaged in production of methanol and other chemical products, and provision of heat and electricity, which is classified as “coal chemical, electricity and heat supply” business.

For management purposes, the Group is organised into the following four operating divisions, which are also the basis on which the Group reports its segment information.

Coal mining	Underground and open-cut mining, preparation and sales of coal and potash mineral exploration
Smart logistics	Provision of transportation services
Coal chemical, electricity and heat supply	Provision of electricity and related heat supply services and production and sales of chemical products
Equipment manufacturing	Manufacturing of comprehensive coal mining and excavating equipment

Segment results represent the results of each segment without allocation of corporate expenses, directors’ emoluments, share of results of associates and joint ventures, interest income, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Inter-segment revenue is charged at prices pre-determined by the relevant governmental authority.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

4 SEGMENT INFORMATION – CONTINUED

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment in the six months ended 30 June 2025:

	Six months ended 30 June 2025					Consolidated RMB'000 (Unaudited)
	Coal mining RMB'000 (Unaudited)	Smart logistics RMB'000 (Unaudited)	Electricity and heat supply RMB'000 (Unaudited)	Equipment manufacturing RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	
Segment revenue						
External	34,474,631	5,144,311	13,777,938	569,393	–	53,966,273
Inter-segment	6,572,910	542,690	4,356,551	454,824	(11,926,975)	–
Total	41,047,541	5,687,001	18,134,489	1,024,217	(11,926,975)	53,966,273
Results						
Segment results	10,522,121	248,822	2,818,125	226,865	–	13,815,933
Unallocated corporate expenses						(5,760,491)
Unallocated corporate income						1,140,623
Interest income						388,834
Share of results of associates						1,262,400
Share of results of joint ventures						(68,699)
Finance costs						(1,941,536)
Profit before tax						8,837,064
Income tax expense						(1,715,264)
Profit for the period						7,121,800

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

4 SEGMENT INFORMATION – CONTINUED

Segment revenues and results – Continued

The following is an analysis of the Group's revenue and results by reportable segment in the six months ended 30 June 2024:

	Six months ended 30 June 2024					Consolidated RMB'000 (Unaudited)
	Coal mining RMB'000 (Unaudited)	Smart logistics RMB'000 (Unaudited)	Electricity and heat supply RMB'000 (Unaudited)	Equipment manufacturing RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	
Segment revenue						
External	47,351,189	237,559	14,145,860	420,040	–	62,154,648
Inter-segment	17,077,493	45,748	7,687,951	597,203	(25,408,395)	–
Total	64,428,682	283,307	21,833,811	1,017,243	(25,408,395)	62,154,648
Results						
Segment results	17,544,234	60,381	2,097,906	59,534	–	19,762,055
Unallocated corporate expenses						(5,501,955)
Unallocated corporate income						703,735
Interest income						420,328
Share of results of associates						1,288,183
Share of results of joint ventures						(4,182)
Finance costs						(2,354,638)
Profit before tax						14,313,526
Income tax expense						(3,099,263)
Profit for the period						11,214,263

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

5 FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Restated) (Unaudited)
Interest on bank and other borrowings	1,957,411	2,492,513
Interest on lease liabilities	24,291	28,365
	1,981,702	2,520,878
Less: Interest expenses capitalised into construction in progress	(40,166)	(166,240)
	1,941,536	2,354,638

6 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Restated) (Unaudited)
Current tax	1,964,547	3,294,799
Deferred tax	(249,283)	(195,536)
	1,715,264	3,099,263

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the Company and its subsidiaries in the PRC is 25% for both periods, except for certain subsidiaries that are entitled to a preferential tax rate of 15% (six months ended 30 June 2024: 15%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Group is operating in certain jurisdictions where the Global Anti-Base Erosion Model Rules (“Pillar Two rules”) are effective. However, as the Group’s estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management’s best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

7 PROFIT BEFORE TAX

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Restated) (Unaudited)
Profit before tax has been arrived at after charging/(crediting):		
Amortisation of intangible assets	1,030,735	1,142,434
Depreciation of property, plant and equipment	6,007,925	5,227,985
Depreciation of right-of-use assets	191,544	232,559
(Gain)/loss on disposal of property, plant and equipment, net	(42,889)	7,188
Gain on bargain purchase	(9,926)	–
Loss on deemed disposal from a subsidiary to an associate	53,380	–
Impairment loss recognised/(reversed) on inventories, net	70,287	(24,612)
Impairment loss recognised/(reversed) on bills and accounts receivables and other receivables, net	35,105	(119,457)
Exchange loss/(gain), net	203,503	(279,660)

8 DIVIDEND

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
2024 final dividend, RMB0.54 per share (2024: 2023 final and special dividend, RMB14.9 per 10 shares)	5,420,239	11,507,225

Pursuant to the annual general meeting held on 30 May 2025, a final dividend of RMB0.54 per share (tax inclusive) in respect of the year ended 31 December 2024 was approved.

Pursuant to the annual general meeting held on 21 June 2024, a final dividend and special dividend of RMB13.0 per 10 shares and RMB1.9 per 10 shares and 3 bonus shares for every 10 shares respectively in respect of the year ended 31 December 2023 were approved.

The Board of Directors declares an interim dividend of RMB1.80 (six months ended 30 June 2024: RMB2.30 per 10 ordinary shares) per 10 ordinary shares for the six months ended 30 June 2025 on 29 August 2025.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

9 EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to equity shareholders of the Company for the six months ended 30 June 2025 of approximately RMB4,730,555,000 (six months ended 30 June 2024 (Restated): RMB7,717,112,000) and on the weighted average of approximately 10,039,032,000 (six months ended 30 June 2024 (Restated): 9,785,637,000) shares in issue during the six months ended 30 June 2025.

The calculation of the diluted earnings per share for the period ended 30 June 2025 and 2024 are based on the profit for the period attributable to equity shareholders of the Company with an adjustment on effect of dilutive share incentive scheme of a non-wholly owned listed subsidiary.

For the period ended 30 June 2025, the number of ordinary shares used in the calculation of diluted earnings per share is the weighted average number of ordinary shares in issue during the period as used in the basic earnings per share calculation and adjusted for the effect of potential ordinary shares from the Company's share options.

The calculation of basic and diluted earnings per share are based on the following data:

Earnings	Six months ended 30 June	
	2025	2024 (Restated)
	RMB'000	RMB'000
Profit for the period attributable to owners of the parent, used in the basic earnings per share calculation	4,730,555	7,717,112
Adjustment to the share of profit of a subsidiary based on dilution of their earnings	(1,216)	(7,551)
Earnings for the purpose of diluted earnings per share	4,729,339	7,709,561

Number of shares	Six months ended 30 June	
	2025	2024 (Restated)
	'000	'000
Number of ordinary shares in issue used in the basic earnings per share calculation	10,039,032	7,468,746
Effect of bonus issue of shares	–	2,316,891
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	10,039,032	9,785,637

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

10 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of approximately RMB5,529,201,000 (six months ended 30 June 2024: 2,509,153,000) and acquired property, plant and equipment from business combinations in amount approximately RMB73,124,000 (six months ended 30 June 2024: RMB1,151,000). Items of property, plant and equipment with a net book value of approximately RMB280,636,000 were disposed of during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB439,848,000), resulting in gain on disposals of approximately RMB42,889,000 (six months ended 30 June 2024: loss on disposals RMB7,188,000).

11 LEASES

(i) Right-of-use assets

As at 30 June 2025, the carrying amounts of right-of-use assets were approximately RMB43,279,000, RMB5,131,169,000 and RMB529,272,000 (31 December 2024: RMB53,455,000, RMB5,141,276,000 and RMB447,389,000) in respect of the properties leased under operating leases, land use right and plant, machinery and equipment under finance leases respectively.

During the six months ended 30 June 2025, the Group entered into a number of lease agreements for the properties leased under operating leases, land use right and plant, machinery and equipment under finance leases and on lease commencement, the Group recognised right-of-use assets of approximately RMB263,271,000 (six months ended 30 June 2024: RMB476,435,000).

(ii) Lease liabilities

As at 30 June 2025, the carrying amount of lease liabilities was approximately RMB479,694,000 (31 December 2024: RMB528,095,000). During the six months ended 30 June 2025, the Group entered into a number of new lease agreements and recognised lease liabilities of approximately RMB263,271,000 (six months ended 30 June 2024: RMB476,435,000).

(iii) Amounts recognised in profit or loss

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Restated) (Unaudited)
Depreciation expense on right-of-use assets	191,544	232,559
Interest on lease liabilities	24,291	28,365

(iv) Total cash outflow for leases

During the six months ended 30 June 2025, the total cash outflow for leases amount to approximately RMB335,963,000 (six months ended 30 June 2024: RMB330,086,000).

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

12 CONTINGENT CONSIDERATION RECEIVABLE

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Acquisition of subsidiaries	77,310	77,304

The balance represents the aggregate sum of contingent consideration receivable in relation to the acquisition of Wubo Technology Co., Ltd* (物泊科技有限公司) as cash and specific compensation, if there are any shortfalls between the actual results and the profit guarantee pursuant to the sale and purchase agreement.

* The official name of the entity is in Chinese. The English name is for identification purpose only.

13 BILLS AND ACCOUNTS RECEIVABLES

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Accounts receivables (at amortised cost)	9,207,461	10,212,911
Less: impairment loss on accounts receivables	(921,596)	(951,681)
	8,285,865	9,261,230
Bills receivables (at FVTOCI)	4,482,252	3,927,655
Less: impairment loss on bills receivables	(521)	(384)
	4,481,731	3,927,271
	12,767,596	13,188,501

Bills receivables represent unconditional orders in writing issued by or negotiated from customers of the Group for completed sale orders which entitle the Group to collect a sum of money from banks or other parties. The bills are non-interest bearing and have an average maturity of six months.

As at 30 June 2025, the gross amount of bills and accounts receivables arising from contracts with customers amounted to approximately RMB13,689,713,000 (31 December 2024: RMB14,140,566,000).

According to the credit rating of different customers, the Group allows a range of credit periods to its trade customers not exceeding 180 days.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

13 BILLS AND ACCOUNTS RECEIVABLES – CONTINUED

The following is an aged analysis of bills and accounts receivables, net of allowance for impairment, presented based on the invoice dates, which approximates the respective revenue recognition dates, at the end of the reporting period:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
0 – 90 days	7,064,485	8,038,770
91 – 180 days	2,278,697	2,716,012
181 – 365 days	2,057,563	1,515,161
Over 1 year	1,366,851	918,558
	12,767,596	13,188,501

An analysis of the impairment loss on bills and accounts receivables for the period/year ended 30 June 2025 and 31 December 2024 are as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
At the beginning of the period/year	952,065	529,078
(Reversal of)/provision for impairment losses	(9,181)	413,983
Written-off	(6,488)	(2,883)
Deemed disposal from a subsidiary to an associate	(14,279)	–
Others	–	11,887
At the end of the period/year	922,117	952,065

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed once a year.

The Group measures the loss allowance for bills and accounts receivables at an amount equal to lifetime ECL. As part of the Group's credit risk management, the Group uses debtors' ageing to assess the impairment on a collective basis for part of its customers which consist of large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

Included in bills and accounts receivables as at 30 June 2025 are balances of approximately RMB1,452,795,000 (31 December 2024: RMB1,494,602,000) that have been pledged to secure borrowings and banking facilities granted to the Group.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

14 PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Advance to suppliers	5,373,162	4,761,542
Less: impairment loss on advance to suppliers (Note (i))	(14,460)	(14,475)
	5,358,702	4,747,067
Prepaid relocation costs of inhabitants	16,461,076	15,288,067
Other taxes	1,172,640	1,248,031
Dividend receivables	278,854	45,974
Loan receivables (Note (ii))	9,001,103	8,105,126
Other receivables	6,376,633	6,389,239
Less: impairment loss on other receivables (Note (iii))	(1,733,939)	(1,726,208)
	36,915,069	34,097,296

Notes:

- (i) An analysis of the impairment loss on advance to suppliers for the period/year ended 30 June 2025 and 31 December 2024 are as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
At the beginning of the period/year	14,475	14,475
Impairment loss reversed	(15)	–
At the end of the period/year	14,460	14,475

Advances will be written off, if aged over 4 years and considered irrecoverable by the management after considering the credit quality of the individual party and the nature of the amount.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

14 PREPAYMENTS AND OTHER RECEIVABLES – CONTINUED

Notes: – Continued

- (ii) The loan receivables carried interest ranging from 2.4% to 2.8% (31 December 2024: 2.60% to 3.60%) per annum and are repayable within 12 months from the end of the reporting period.
- (iii) An analysis of the impairment loss on other receivables for the period/year ended 30 June 2025 and 31 December 2024 are as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
At the beginning of the period/year	1,726,208	2,531,852
Impairment loss recognised/(reversed), net	44,286	(106,560)
Written-off	(36,555)	(699,084)
At the end of the period/year	1,733,939	1,726,208

15 RESTRICTED CASH, PLEDGED TERM DEPOSITS AND BANK BALANCES AND CASH

At the reporting date, the restricted cash mainly represents the bank acceptance bill deposits paid for safety work as required by the State Administrative of work safety. Pledged term deposits were pledged to certain banks as security for loans and banking facilities granted to the Group. The pledged term deposits will be released upon the settlement of relevant bank borrowings.

16 BILLS AND ACCOUNTS PAYABLES

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Accounts payables	16,669,888	15,990,363
Bills payables	9,079,840	11,481,838
	25,749,728	27,472,201

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

16 BILLS AND ACCOUNTS PAYABLES – CONTINUED

The following is an aged analysis of bills and accounts payables based on the invoice dates at the reporting date:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
0 – 90 days	11,784,931	13,389,789
91 – 180 days	6,674,886	5,698,338
181 – 365 days	3,091,100	4,159,571
Over 1 year	4,198,811	4,224,503
	25,749,728	27,472,201

The average credit period for bills and accounts payables is 90 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

17 PROVISION FOR LAND SUBSIDENCE, RESTORATION, REHABILITATION AND ENVIRONMENTAL COSTS

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
At the beginning of the period/year	12,918,288	13,724,310
Exchange adjustment	242,316	6,977
Additional provision in the period/year	378,024	501,720
Utilisation of provision	(179,879)	(1,314,719)
At the end of the period/year	13,358,749	12,918,288
Analysed for reporting purposes as:		
Current liabilities	500,634	251,123
Non-current liabilities	12,858,115	12,667,165
	13,358,749	12,918,288

Provision for land subsidence, restoration, rehabilitation and environmental costs has been determined by the management of the Group based on their best estimates. However, in so far as the effect on the land and the environment from current mining activities becomes apparent in future periods, the estimate of the associated costs may be subject to change in the near term.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

18 BORROWINGS

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Current liabilities		
Bank borrowings		
– Unsecured borrowings (Note (i))	41,487,597	22,369,863
– Secured borrowings (Note (ii))	3,061,255	3,684,169
Corporate bonds (Note (iii))	9,856,410	11,660,503
	54,405,262	37,714,535
Non-current liabilities		
Bank borrowings		
– Unsecured borrowings (Note (i))	32,248,011	40,754,687
– Secured borrowing (Note (ii))	11,747,985	14,942,806
Corporate bonds (Note (iii))	17,970,156	15,973,544
Other secured borrowings	420,000	1,410,489
	62,386,152	73,081,526
Total borrowings	116,791,414	110,796,061

Notes:

- (i) Unsecured borrowings are repayable as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Within one year	41,487,597	22,369,863
After one year but within two years	13,388,614	20,929,387
After two years but within than five years	17,889,611	15,845,300
More than five years	969,786	3,980,000
	73,735,608	63,124,550

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

18 BORROWINGS – CONTINUED

Notes: – Continued

(ii) Secured borrowings are repayable as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Within one year	3,061,255	3,684,169
After one year but within two years	3,632,828	14,133,756
After two years but within than five years	4,020,928	809,050
More than five years	4,094,229	–
	14,809,240	18,626,975

(iii) Corporate bonds denominated in RMB are repayable as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Within one year	9,856,410	11,660,503
After one year but within two years	–	1,998,666
After two years but within than five years	10,987,056	4,997,578
More than five years	6,983,100	8,977,300
	27,826,566	27,634,047

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

19 SHAREHOLDERS' EQUITY

(a) Share capital

The Company's share capital structure at the reporting date is as follows:

	Domestic invested shares A shares	Foreign invested shares H shares	Total
Number of shares			
At 1 January 2024 (Audited)	4,589,370,720	2,850,000,000	7,439,370,720
Repurchase and cancellation of shares (Note (i))	(1,401,180)	–	(1,401,180)
Issuance of bonus share (Note (ii))	1,376,390,862	940,500,000	2,316,890,862
Issue of placing shares (Note (iii))	–	285,000,000	285,000,000
At 31 December 2024 and 1 January 2025 (Audited)	5,964,360,402	4,075,500,000	10,039,860,402
Repurchase and cancellation of shares (Note (iv))	(2,379,858)	–	(2,379,858)
At 30 June 2025 (Unaudited)	5,961,980,544	4,075,500,000	10,037,480,544
	Domestic invested shares A shares RMB'000	Foreign invested shares H shares RMB'000	Total RMB'000
Registered, issued and fully paid			
At 1 January 2024 (Audited)	4,589,371	2,850,000	7,439,371
Forfeiture of shares under the restricted share incentive scheme (Note (i))	(1,401)	–	(1,401)
Issuance of bonus share (Note (ii))	1,376,390	940,500	2,316,890
Issue of placing shares (Note (iii))	–	285,000	285,000
At 31 December 2024 and 1 January 2025 (Audited)	5,964,360	4,075,500	10,039,860
Repurchase and cancellation of shares (Note (iv))	(2,379)	–	(2,379)
At 30 June 2025 (Unaudited)	5,961,981	4,075,500	10,037,481

Each share has a par value of RMB1.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

19 SHAREHOLDERS' EQUITY – CONTINUED

(a) Share capital – Continued

Notes:

- (i) During the year ended 31 December 2024, 1,401,180 A share were repurchased and cancelled accordingly to forfeiture under Restricted share incentive scheme. The scheme were repurchased at prices of RMB3.6133 per share.
- (ii) On 28 March 2024, the Board proposed a bonus issue on the basis of three bonus share for every ten shares then held. The bonus issue was approved by Shareholders on 21 June 2024 and 1,376,390,862 bonus A shares and 940,500,000 bonus H shares were issued on 5 July 2024 and 31 July 2024 respectively.
- (iii) On 12 June 2024, a total of 285,000,000 new H shares have been successfully placed by a placing agent to no fewer than six investors at price of HKD17.39 per new H share pursuant to the terms and conditions of the placing agreement, representing 10.00% of the number of issued H Shares and approximately 3.83% of the number of issued Shares immediately before the Completion, and approximately 9.09% of the number of issued H Shares and approximately 3.69% of the number of issued shares as enlarged by the allotment and issue of the new H shares immediately.
- (iv) On 29 April 2025, 2,379,858 A share were repurchased and cancelled accordingly to forfeiture under Restricted share incentive scheme. The scheme were repurchased at prices of RMB1.4033 per share.

(b) Reserves

(i) *Future Development Fund*

Pursuant to regulation in the PRC, the Company, Shanxi Tianchi and Heze are required to transfer an annual amount to a future development fund at RMB6 per tonne of raw coal mined (Xintai, Ordos, Shaanxi Future Energy and Inner Mongolia Mining: RMB10.5 per tonne of raw coal mined). The fund can only be used for the future development of the coal mining business and is not available for distribution to shareholders.

From 2008 onwards, Shanxi Tianchi is required to transfer an additional amount at RMB5 per tonne of raw coal mined as coal mine transformation fund. Pursuant to the Shanxi Provincial Government's decision, coal mine transformation fund was suspended since 1 August 2013.

Pursuant to the regulations of the Shandong Province Finance Bureau, State-owned Assets Supervision and Administration Commission of Shandong Province and the Shandong Province Coal Mining Industrial Bureau, the Company is required to transfer an additional amount at RMB5 per tonne of raw coal mined from 1 July 2004 to the reform specific development fund for the future improvement of the mining facilities and is not distributable to shareholders. No further transfer to the reform specific development fund is required from 1 January 2008.

In accordance with the regulations of the State Administration of Work Safety, the Company has a commitment to incur RMB15 per tonne of raw coal mined from 1 February 2012 onwards (Shanxi Tianchi RMB30 per tonne of raw coal mined from 1 October 2013 onwards, Xintai and Ordos RMB15 per tonne of raw coal mined from 1 February 2012 onwards, Shaanxi Future Energy and Inner Mongolia Mining RMB15 per tonne of raw coal mined) for each tonne of raw coal mined which will be used for enhancement of safety production environment and improvement of facilities ("Work Safety Cost"). In prior years, the work safety expenditures are recognised only when acquiring the assets or incurring other work safety expenditures. The Company, Heze, Shanxi Tianchi, Xintai and Ordos make appropriation to the future development fund in respect of unutilised Work Safety Cost from 2008 onwards.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

19 SHAREHOLDERS' EQUITY – CONTINUED

(b) Reserves – Continued

(i) *Future Development Fund – Continued*

In accordance with the regulations of the State Administration of Work Safety, the Company's subsidiaries, Hua Ju Energy, Shanxi Tianhao and Yulin, have a commitment to incur Work Safety Cost at the rate of: 4% of the actual sales income for the year below RMB10 million; 2% of the actual sales income for the year between RMB10 million and RMB100 million (included); 0.5% of the actual sales income for the year between RMB100 million and RMB1 billion (included); 0.2% of the actual sales income for the year above RMB1 billion.

(ii) *Statutory Common Reserve Fund*

The Company and its subsidiaries in the PRC have to set aside 10% of its profit for the statutory common reserve fund (except where the fund has reached 50% of its registered capital). The statutory common reserve fund can be used for the following purposes:

- to make good losses of the previous years; or
- to convert into capital, provided such conversion is approved by a resolution at a shareholders' general meeting and the balance of the statutory common reserve fund does not fall below 25% of the registered capital.

(iii) *Retained earnings*

In accordance with the Company's Articles of Association, the profit for the purpose of appropriation will be deemed to be the lesser of the amounts determined in accordance with (i) the PRC accounting standards and regulations and (ii) IFRS Accounting Standards or the accounting standards of the places in which its shares are listed.

As at 30 June 2025, the distributable reserve of the Company is approximately RMB5,459,325,000 (31 December 2024: RMB9,174,557,000).

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

20 PERPETUAL CAPITAL SECURITIES

	RMB'000
At 1 January 2024 (Audited)	16,541,777
Issuance of perpetual capital security	13,000,000
Redemption of perpetual capital security	(6,287,670)
Dividend to holders of perpetual capital security	631,865
Distribution paid to holders of perpetual capital security	(618,751)
At 31 December 2024 and 1 January 2025 (Audited)	23,267,221
Issuance of perpetual capital security	6,000,000
Redemption of perpetual capital security	(4,491,900)
Dividend to holders of perpetual capital security	313,173
Distribution paid to holders of perpetual capital security	(320,450)
At 30 June 2025 (Unaudited)	24,768,044

Notes:

- (i) The Company issued 2.85% perpetual capital securities with par value RMB3,000,000,000 on 2 February 2024. Coupon payments of 2.85% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.
- (ii) The Company issued 2.28% perpetual capital securities with par value RMB3,000,000,000 on 18 June 2024. Coupon payments of 2.28% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.
- (iii) The Company issued 2.17% perpetual capital securities with par value RMB2,000,000,000 on 25 July 2024. Coupon payments of 2.17% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.
- (iv) The Company issued 2.43% perpetual capital securities with par value RMB1,500,000,000 on 30 October 2024. Coupon payments of 2.43% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

20 PERPETUAL CAPITAL SECURITIES – CONTINUED

Notes: – Continued

- (v) The Company issued 2.26% perpetual capital securities with par value RMB1,500,000,000 on 22 November 2024. Coupon payments of 2.26% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.
- (vi) The Company issued 2.06% perpetual capital securities with par value RMB2,000,000,000 on 11 December 2024. Coupon payments of 2.06% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.
- (vii) The Company issued 2.02% perpetual capital securities with par value RMB3,000,000,000 on 6 June 2025. Coupon payments of 2.02% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.
- (viii) The Company issued 1.86% perpetual capital securities with par value RMB3,000,000,000 on 23 June 2025. Coupon payments of 1.86% per annum on the perpetual capital securities are paid once a year. These perpetual capital securities have no fixed maturity and are redeemable at the discretion of the Group at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Company undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank. Since the perpetual capital security does not include any payment of cash or other contractual obligation of financial instrument, it is categorised as equity.

21 FAIR VALUES

The fair value of listed equity investment is determined with reference to quoted market price. The fair values of interest rate swap are estimated based on the discounted cash flows between the contract forward rate and spot forward rate. The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

21 FAIR VALUES – CONTINUED

The following table presents the carrying value of financial instruments measured at fair value across the three levels of the fair value hierarchy:

	Fair value as at 30 June 2025			
	Level 1 RMB'000 (Unaudited)	Level 2 RMB'000 (Unaudited)	Level 3 RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Assets				
Financial assets at FVTPL:				
– Unlisted equity investments	–	–	605,014	605,014
– Contingent consideration receivable	–	–	77,310	77,310
– Royalty receivables	–	–	1,029,579	1,029,579
– Listed equity investments	546	–	–	546
Financial assets at FVTOCI:				
– Bills receivables	–	4,481,731	–	4,481,731
– Investments in securities listed on the SSE	601	–	–	601
– Unlisted equity securities	–	–	116,280	116,280
	1,147	4,481,731	1,828,183	6,311,061
Liabilities				
Financial liabilities at FVTPL				
– Derivative financial instruments	–	441,009	–	441,009
	Fair value as at 31 December 2024			
	Level 1 RMB'000 (Audited)	Level 2 RMB'000 (Audited)	Level 3 RMB'000 (Audited)	Total RMB'000 (Audited)
Assets				
Financial assets at FVTPL:				
– Unlisted equity investments	–	–	561,896	561,896
– Contingent consideration receivable	–	–	77,304	77,304
– Royalty receivables	–	–	974,233	974,233
– Listed equity investments	481	–	–	481
Financial assets at FVTOCI:				
– Bills receivables	–	3,927,271	–	3,927,271
– Investments in securities listed on the SSE	345	–	–	345
– Unlisted equity securities	–	–	116,280	116,280
	826	3,927,271	1,729,713	5,657,810
Liabilities				
Financial liabilities at FVTPL				
– Derivative financial instruments	–	538,427	–	538,427

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

21 FAIR VALUES – CONTINUED

During the six months ended 30 June 2025 and the year ended 31 December 2024, there are no transfers between level 1 and level 2, or transfers into or out level 3.

The fair value of the royalty receivables is determined using the discounted future cash flows that are dependent on the following unobservable inputs: forecast sales volumes, coal prices and fluctuations in foreign exchange rates. The forecast sales volumes are based on the internally maintained budgets, five-year business plan and life of mine models. The forecast coal prices and long-term exchange rates are based on external data consistent with the data used for impairment assessments. The risk-adjusted post-tax discount rate used to determine the future cash flows is 11% (31 December 2024: 11%). The estimated fair value would increase if the sales volumes and coal prices were higher and if the AUD weakens against the US\$. The estimated fair value would also increase if the risk adjusted discount rate was lower.

22 RELATED PARTY BALANCES AND TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. Related party transactions, that are also continuing connected transactions under Main Board Listing Rules Chapter 14A, continuing connected transactions are disclosed below:

(a) Balances and transactions with related parties

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Nature of balances (other than those already disclosed)		
Bills and accounts receivables		
– Parent Company and its subsidiaries	124,201	134,572
– Joint ventures	–	6,907
– Associates	14,530	44,002
Prepayments and other receivables		
– Parent Company and its subsidiaries	14,482,592	7,702,856
– Associates	1,408	216,984
Long-term receivables		
– Parent Company and its subsidiaries	2,033,538	5,699,769
– Associates	154,308	87,742
Bills and accounts payables		
– Parent Company and its subsidiaries	3,509,683	4,850,241
– Associates	–	120,444
– Joint ventures	1,293	–
Other payables and accrued expenses		
– Associates	257	1,118

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

22 RELATED PARTY BALANCES AND TRANSACTIONS – CONTINUED

(a) Balances and transactions with related parties – Continued

The amounts due from/to the Parent Company and its subsidiaries, joint ventures and associates excluding the Group, are non-interest bearing, unsecured and repayable on demand.

During the six months ended 30 June 2025 and 2024, the Group had the following significant transactions with the Parent Company and/or its subsidiaries (excluding the Group):

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Restated) (Unaudited)
Income		
Sales of coal	3,664,776	2,429,295
Sales of bulk commodities	1,492,593	2,670,886
Sales of auxiliary materials	571,712	568,254
Sales of heat and electricity	4,935	2,828
Sales of methanol	116,296	100,816
Equipment leasing	90,152	3,141
Professional services	16,143	2,602
Provision of repair and maintenance services	3,765	10,084
Provision of road transportation services	282,342	86,944
Provision of technology services	40,738	4,830
Provision of port services	49,722	–
Labour export and training	61,060	86,629
Mine rescue	49,138	57,707
Interest income	210,752	234,438
Expenditure		
Purchases of supply materials and equipment	1,393,033	1,401,457
Repair and maintenance services	16,926	32,630
Labour and services	408,435	83,046
Construction services	377,454	572,468
Medical ambulance services	8,379	20,396
Coal train convoy services	–	56,116
ERP operation and maintenance services	31,985	22,527
Financial services	1,447	116,067
Purchases of bulk commodities	2,586,430	1,665,089
Interest expenses	168,447	154,410

In addition to the above, the Company participates in a retirement benefit scheme of the Parent Company in respect of retirement benefits.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

22 RELATED PARTY BALANCES AND TRANSACTIONS – CONTINUED

(b) Balances and transactions with other state-controlled entities in the PRC

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government (“state-controlled entities”). In addition, the Group itself is part of a large group of companies under the Parent Company which is controlled by the PRC government. Apart from the transactions with the Parent Company and its subsidiaries disclosed above, for the six months ended 30 June 2025 and for the year ended 31 December 2024, the Group’s significant transactions with other state-owned enterprises are a large portion of its sales of goods and purchases of raw materials and related receivables and payables.

In addition, the Group has entered into various transactions, including deposits placements, borrowings and other general banking facilities, with certain banks and financial institutions which are state-controlled entities in its ordinary course of business. In view of the nature of those banking transactions, the directors of the Company are of the opinion that separate disclosure would not be meaningful. The directors of the Company consider that the transactions with other state-owned enterprises are not significant to the Group’s operations. In the opinion of the directors of the Company, all such transactions were conducted in the ordinary course of business and on normal commercial terms.

23 COMMITMENTS

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following capital commitments.

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements		
Acquisition of property, plant and equipment		
– the Group	13,694,375	5,999,956
– share of joint operations	435,168	1,127,234
– others	453,058	–
Intangible assets		
– the Group	475,438	–
Exploration and evaluation		
– the Group	61,766	4,330
– share of joint operations	2,024	30,508
Capital injection to a subsidiary	9,317,605	–
	24,439,434	7,162,028

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

24 CONTINGENT LIABILITIES

(i) Guarantees

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
(a) The Group		
Performance guarantees provided to daily operations	519,669	379,502
Guarantees provided in respect of the cost of restoration of certain mining leases, given to government departments as required by statute	641,026	571,914
(b) Joint operations		
Performance guarantees provided to external parties	987,336	958,879
Guarantees provided in respect of the cost of restoration of certain mining leases, given to government departments as required by statute	2,199,768	2,061,861
(c) Related parties		
Performance guarantees provided to external parties	326,152	368,962
Guarantees provided in respect of the cost of restoration of certain mining leases, given to government departments as required by statute	19,062	19,407
	4,693,013	4,360,525

(ii) Letter of Support provided to Middlemount Coal Pty Ltd (“Middlemount”)

Yancoal Australia Ltd. (the “Yancoal Australia”) has issued a letter of support dated 4 March 2015 to Middlemount, a joint venture of the Group confirming:

- it will not demand the repayment of any loan due from Middlemount, except to the extent that Middlemount agrees otherwise or as otherwise provided in the loan agreement; and
- it will provide financial support to Middlemount to enable it to meet its debts as and when they become due and payable, by way of new shareholder loans in proportion to its share of the net assets of Middlemount.

This letter of support will remain in force whilst the Group is a shareholder of Middlemount or until notice of not less than 12 months is provided or such shorter period as agreed by Middlemount.

(iii) Other contingencies

A number of claims have been made against the Group as part of the Group’s day to day operations. The directors of the Company do not believe that the outcome of these claims will have a material impact on the Group’s financial position.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

25 STEP ACQUISITION FROM AN ASSOCIATE TO A SUBSIDIARY

On 20 December 2024, the Group entered a share transfer agreement with an independent third party to acquire 35% equity interest in Inner Mongolia Huomei Jinlian Mining Co., Ltd.* (內蒙古霍煤錦聯礦業股份有限公司) (“Huomei Jinlian”) at considerations of RMB23,818,000. Prior to the acquisition, the Group indirectly held 30% equity interest in Huomei Jinlian. The acquisition was completed in January 2025. After completion of acquisition, the Group directly holds 65% equity interest in aggregate in Huomei Jinlian, being a non-wholly owned subsidiary of the Group, and Huomei Jinlian ceased to be an associate of the Group. Huomei Jinlian subsequently changed its name to Yankuang Energy (Horing) Co., Ltd.* (兗礦能源(霍林郭勒)有限公司).

* The official name of the entity is in Chinese. The English name is for identification purpose only.

Consideration transferred:

	RMB'000
Cash consideration paid	23,818
Fair value of previously held 30% equity interest in Huomei Jinlian	20,416
Total consideration	<u>44,234</u>

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	RMB'000
Intangible assets	76,051
Property, plant and equipment	73,124
Bills and accounts receivables	743
Prepayments and other receivables	20,523
Bank balances and cash	2
Bills and accounts payables	(7,547)
Other payables and accrued expenses	(77,006)
Deferred tax liabilities	(2,567)
Net assets acquired	83,323
Less: Non-controlling interests at proportionate share of net assets	(29,163)
Less: Fair value of previously held 30% equity interest in Huomei Jinlian	(20,416)
Less: Gain on a bargain purchase	(9,926)
	<u>23,818</u>

Net cash outflow arising from acquisition:

	RMB'000
Cash consideration paid	23,818
Less: Cash and cash equivalent acquired	(2)
	<u>23,816</u>

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

26 DEEMED DISPOSAL FROM A SUBSIDIARY TO AN ASSOCIATE

During the period, Yanzhou Dongfang Electrical Co., Ltd* (兗州東方機電有限公司) (“Dongfang Electrical”) has become an associate of the Group by a deemed disposal.

On 14 February 2025, Yankuang Donghua Heavy Industry Co. Limited* (兗礦東華重工有限公司), a direct wholly-owned subsidiary of the Company, entered into the capital increase agreement (the “Agreement”) with Windsun Science Technology Co. Ltd* (新風光電子科技股份有限公司) (“Windsun Science”), a non-wholly-owned subsidiary of the Parent Company. Pursuant to the Agreement, Windsun Science intends to contribute approximately RMB55,926,000 in cash to subscribe for additional registered capital (the “Capital Injection”) of Dongfang Electrical. The Capital Injection was completed in March 2025 and the Group’s equity interest in Dongfang Electrical diluted from approximately 94.34% to 47.17%. Dongfang Electrical ceased to be the subsidiary of the Group and was then accounted for as an associate of the Group using equity method. The fair value of the retained interests in Dongfang Electrical at the date on which the control was lost is regarded as the cost on initial recognition of the interests in associates.

* The official name of the entity is in Chinese. The English name is for identification purpose only.

The net assets of the disposed subsidiary at the date of disposal were as follows:

	RMB'000
Property, plant and equipment	9,602
Intangible assets	107
Inventories	34,394
Bills and accounts receivables	285,523
Prepayments and other receivable	2,366
Bank balances and cash	33,591
Deferred tax assets	2,353
Bills and accounts payable	(229,340)
Other payables and accrued expenses	(10,781)
Contract liabilities	(1,317)
Net assets disposed of	126,498

Loss on deemed disposal from a subsidiary to an associate:

	RMB'000
Interest in an associate retained	64,996
Net assets	(126,498)
Non-controlling interests	8,122
Loss on deemed disposal of	(53,380)

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

26 DEEMED DISPOSAL FROM A SUBSIDIARY TO AN ASSOCIATE – CONTINUED

Net cash outflow arising on disposal:

	RMB'000
Cash consideration	–
Cash and cash equivalents disposed	33,591
	<u>33,591</u>

27 EVENTS AFTER THE REPORTING PERIOD

(a) Acquisition and capital increase in Shandong Energy Group Xibei Mining Co., Ltd.

On 8 April 2025, the Group and several vendors entered into an agreement for (i) acquisition of 26% equity interests in Shandong Energy Group Xibei Mining Co., Ltd. (“Xibei Mining”) at a consideration of approximately RMB4,748,251,000, and (ii) capital injection into Xibei Mining of approximately RMB9,317,604,000 (the “Transaction”). The Transaction was completed on 11 July 2025. Upon the completion of the transaction, the Group will hold 51% equity interest in Xibei Mining and thereafter Xibei Mining will become a non-wholly owned subsidiary of the Group. Details of the transaction are set out in the Group’s circular dated 15 May 2025 and Group’s announcement dated 11 July 2025.

(b) Capital Increase in Yankuang Power Sales Co., Ltd.

Upon consideration and approval by the Group’s general manager’s office meeting, Shandong Huaju Energy Co., Ltd. (“Huaju Energy”) signed a capital increase agreement with the Parent Company and its subsidiary, Yankuang Power Sales Co., Ltd. (“Power Sales Company”) on 29 August 2025. Huaju Energy contributed RMB253.62375 million in cash to subscribe for additional registered capital of Power Sales Company. Upon completion of the capital increase, Huaju Energy held 70% equity interest in Power Sales Company and Shandong Energy held 30% equity interest in Power Sales Company. Power Sales Company will be a subsidiary of the Group.

As of the disclosure date of this report, the procedures of equity transfer and industrial and commercial registration change of the above transaction are in progress.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

I SUPPLEMENTAL INFORMATION

SUMMARY OF DIFFERENCES BETWEEN CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER IFRS ACCOUNTING STANDARDS AND THOSE UNDER THE PRC ACCOUNTING RULES AND REGULATIONS (THE “PRC GAAP”)

The Group has also prepared a set of condensed consolidated financial statements in accordance with relevant accounting principles and regulations applicable to the PRC enterprises.

The condensed consolidated financial statements prepared under IFRS Accounting Standards and those prepared under the PRC GAAP have the following major differences:

(1) Future development fund and work safety cost

- (a) Appropriation of future development fund is charged to profit before income taxes under the PRC GAAP. Depreciation is not provided for plant and equipment acquired by utilising the future development fund under PRC GAAP but charged to expenses when acquired.
- (b) Appropriation of the work safety cost is charged to profit before taxes under the PRC GAAP. Depreciation is not provided for plant and equipment acquired by utilising the provision of work safety cost under the PRC GAAP but charged to expenses when acquired.

(2) Reversal of impairment loss on intangible assets in Yancoal Australia

Under IFRS Accounting Standards, the reversal of impairment loss on mining reserves was recognised as income in consolidated profit or loss.

Under the PRC GAAP, no reversal of impairment loss on mining reserves was recognised.

(3) Deferred taxation due to differences between the financial statements prepared under IFRS Accounting Standards and the PRC GAAP

(4) Classification of perpetual capital security due to differences between the financial statements prepared under IFRS Accounting Standards and the PRC GAAP

Under IFRS Accounting Standards, the perpetual capital security issued by the Company was classified as equity instrument and separated from net assets attributable to equity holders of the Company.

Under the PRC GAAP, the perpetual capital security issued by the Company was classified as owners' equity.

CHAPTER 8 CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

I SUPPLEMENTAL INFORMATION – CONTINUED

SUMMARY OF DIFFERENCES BETWEEN CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER IFRS ACCOUNTING STANDARDS AND THOSE UNDER THE PRC ACCOUNTING RULES AND REGULATIONS (THE “PRC GAAP”) – CONTINUED

(4) Classification of perpetual capital security due to differences between the financial statements prepared under IFRS Accounting Standards and the PRC GAAP – Continued

The following table summarises the differences between condensed consolidated financial statements prepared under IFRS Accounting Standards and those under the PRC GAAP:

	Net income attributable to equity shareholders of the Company for the six months ended 30 June 2025 RMB'000 (Unaudited)	Net assets attributable to equity shareholders of the Company as at 30 June 2025 RMB'000 (Unaudited)
As per condensed consolidated financial statements prepared under IFRS Accounting Standards	4,730,555	58,925,212
Impact of IFRS Accounting Standards adjustments in respect of:		
– Difference in accounting treatment on work safety funds	(111,161)	–
– Difference in accounting treatment on future development funds	1,727	(22,976)
– Reversal of impairment loss attributable to Yancoal Australia	5,099	(53,744)
– Deferred tax	25,828	826,532
– Perpetual capital security	–	24,768,044
As per condensed consolidated financial statements prepared under the PRC GAAP	4,652,048	84,443,068