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CHINA COAL ENERGY COMPANY LIMITED*

中國中煤能源股份有限公司

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

(Stock Code: 01898)

THIRD QUARTERLY REPORT 2020

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

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

This announcement is a summary of the 2020 third quarterly financial report of the Company for the nine months ended 30 September 2020. The full text of the quarterly financial report will be available on the website of The Stock Exchange of Hong Kong Limited (the "HKSE") on 28 October 2020. The full text of the quarterly financial report is in Chinese only.

I. IMPORTANT NOTICE

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

1.2 Absence of director

Name of absent director	Position of absent director	Reason for absence	Name of proxy
Zhang Ke	Independent Director	Other work commitment	Zhang Chengjie

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

1.4 The third quarterly report of the Company is unaudited.

* For identification purpose only

II. BASIC INFORMATION OF THE COMPANY

2.1 Major financial data

Unit: RMB'000

Items	As at the end of the reporting period	As at the end of the previous year (Restated)	Increase/decrease at the end of the reporting period as compared to the end of the previous year (%)
Total assets	283,995,572	272,565,137	4.2
Net assets attributable to shareholders of the listed company	99,855,721	97,201,863	2.7
	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the corresponding period of the previous year (January to September) (Restated)	Increase/decrease compared to the corresponding period of the previous year (%)
Net cash flows generated from operating activities	19,456,904	16,903,273	15.1
	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the corresponding period of the previous year (January to September) (Restated)	Increase/decrease compared to the corresponding period of the previous year (%)
Operational revenue	100,244,308	94,255,021	6.4
Net profit attributable to shareholders of the listed company	4,154,393	5,762,084	-27.9
Net profit attributable to shareholders of the listed company net of nonrecurring gains or losses	4,022,539	5,572,279	-27.8
Weighted average return on net assets (%)	4.22	6.07	Decreased by 1.85 percentage points
Basic earnings per share (RMB per share)	0.31	0.43	-27.9
Diluted earnings per share (RMB per share)	0.31	0.43	-27.9

Non-recurring gains or losses and relevant amounts

√ Applicable □ Not applicable

Unit: RMB'000

Items	Amount for the current period (July to September)	Amount for the period from the beginning of the year to the end of the reporting period (January to September)	Explanations
Profit and loss on disposal of non-current assets	2,932	1,433	–
Government grants included in profit or loss for the current period, excluding those closely related to the Company's ordinary business and granted on an ongoing basis in fixed amount or volume according to certain principles under national policies	32,874	118,359	–
Net profit or loss for the period of subsidiaries formed by business combination under common control from the beginning of the period to the date of combination	–	2,424	–
Reversal of impairment provisions for receivables and contract assets subject to individual impairment test	–	17,006	–
Gain or loss from external entrusted loans	4,663	31,073	–
Dividend income gained when other equity instrument investments are held	–	1,600	–
Other non-operating income and expenses apart from the foregoing	3,926	-12,966	–
Effect of income tax	-6,027	-31,393	–
Impact on minority shareholders' interests (after tax)	-1,390	4,318	–
Total	36,978	131,854	–

2.2 Major production and operational data

Unit: RMB

Items	Unit	January to September 2020	January to September 2019	Percentage change %
I. Coal operations				
1. Production volume of commercial coal	10,000 tonnes	8,267	7,716	7.1
Of which: Thermal coal	10,000 tonnes	7,390	6,878	7.5
Coking coal	10,000 tonnes	877	838	4.6
2. Sales volume of commercial coal	10,000 tonnes	19,023	16,229	17.2
(1) Sales volume of self produced coal	10,000 tonnes	8,333	7,749	7.5
Of which: external sales volume	10,000 tonnes	7,923	7,254	9.2
(2) Sales volume of proprietary coal trading	10,000 tonnes	10,592	8,046	31.6
Of which: external sales volume	10,000 tonnes	10,071	7,487	34.5
(3) Agency sales of coal	10,000 tonnes	98	434	-77.4

Items	Unit	January to September 2020	January to September 2019	Percentage change %
II. Coal chemical operations				
(I) Polyolefin				
1. Polyethylene production volume	10,000 tonnes	55.3	55.0	0.5
Sales volume	10,000 tonnes	54.6	55.1	-0.9
2. Polypropylene production volume	10,000 tonnes	53.5	52.6	1.7
Sales volume	10,000 tonnes	54.4	51.9	4.8
(II) Urea				
1. Production volume	10,000 tonnes	133.6	151.5	-11.8
2. Sales volume	10,000 tonnes	156.6	187.5	-16.5
(III) Methanol				
1. Production volume	10,000 tonnes	48.6	72.8	-33.2
2. Sales volume	10,000 tonnes	44.8	72.8	-38.5
Of which: external sales volume	10,000 tonnes	0.1	11.7	-99.1
III. Coal mining equipment operations				
1. Output value of coal mining equipment	RMB100 million	67.6	65.6	3.0

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

Unit: RMB'000

	Net profit attributable to shareholders of the listed company		Net assets attributable to shareholders of the listed company	
	January to September 2020	January to September 2019 (Restated)	As at 30 September 2020	As at 31 December 2019 (Restated)
According to PRC GAAP	4,154,393	5,762,084	99,855,721	97,201,863
Items and amounts adjusted according to IAS:				
(a) Adjustment to special funds and deferred tax of the coal industry	166,314	802,345	-23,257	27,328
(b) Adjustment to floating of non-tradable shares under equity split	-	-	-155,259	-155,259
(c) Adjustment to government grants	2,783	2,783	-23,187	-25,970
According to IAS	4,323,490	6,567,212	99,654,018	97,047,962

Explanations on major reconciliations are as follows:

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

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

Unit: Share

Total number of shareholders				148,154		
Particulars of top 10 shareholders						
Name of shareholders (full name)	Number of shares held as at the end of the reporting period	Shareholding percentage (%)	Number of shares subject to trading moratorium	Shares pledged or frozen		Nature of shareholders
				Status	Number	
China National Coal Group Corporation	7,605,207,608	57.36	-	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	3,952,753,424	29.81	-	Unknown	-	Foreign legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	346,112,355	2.61	-	Nil	0	State-owned legal person
China Coal Hong Kong Limited (中煤能源香港有限公司)	132,351,000	1.00	-	Nil	0	State-owned legal person
Central Huijin Asset Management Company Limited (中央匯金資產管理有限責任公司)	83,035,400	0.63	-	Nil	0	State-owned legal person
Xu Kaidong (徐開東)	32,618,710	0.25	-	Nil	0	Domestic natural person
Hong Kong Securities Clearing Company Limited	23,734,197	0.18	-	Nil	0	Foreign legal person
Hejin Wannianchun Real Estate Co., Ltd. (河津市萬年春置業有限公司)	12,501,100	0.09	-	Nil	0	Domestic non state-owned legal person
Shi Heping(師和平)	11,769,153	0.09	-	Nil	0	Domestic natural person
Luo Yinhui (羅銀輝)	6,618,200	0.05	-	Nil	0	Domestic natural person

Particulars of top 10 shareholders not subject to trading moratorium			
Name of shareholders	Number of listed shares held not subject to trading moratorium	Type and number of Shares	
		Type	Number
China National Coal Group Corporation (中國中煤能源集團有限公司)	7,605,207,608	Ordinary shares denominated in RMB	7,605,207,608
HKSCC NOMINEES LIMITED	3,952,753,424	Overseas listed foreign shares	3,952,753,424
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	346,112,355	Ordinary shares denominated in RMB	346,112,355
China Coal Hong Kong Limited (中煤能源香港有限公司)	132,351,000	Overseas listed foreign shares	132,351,000
Central Huijin Asset Management Company Limited (中央匯金資產管理有限責任公司)	83,035,400	Ordinary shares denominated in RMB	83,035,400
Xu Kaidong (徐開東)	32,618,710	Ordinary shares denominated in RMB	32,618,710
Hong Kong Securities Clearing Company Limited	23,734,197	Ordinary shares denominated in RMB	23,734,197
Hejin Wannianchun Real Estate Co., Ltd. (河津市萬年春置業有限公司)	12,501,100	Ordinary shares denominated in RMB	12,501,100
Shi Heping(師和平)	11,769,153	Ordinary shares denominated in RMB	11,769,153
Luo Yinhui (羅銀輝)	6,618,200	Ordinary shares denominated in RMB	6,618,200
Explanations on affiliated relationship or parties acting in concert among the above-mentioned shareholders	China Coal Hong Kong Limited (中煤能源香港有限公司) is a wholly-owned subsidiary of China National Coal Group Corporation (中國中煤能源集團有限公司), the controlling shareholder of the Company. It is not certain if any of the other shareholders are affiliated or acting in concert with each other.		
Explanations on preference shareholders with voting rights restored and the number of shares held	The Company does not have preference shares and has no preference shareholders with voting rights restored.		

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

1. The above information was prepared in accordance with the register of shareholders of the Company as at 30 September 2020 provided by the China Securities Depository and Clearing Corporation Limited Shanghai Branch and Computershare Hong Kong Investor Services Limited.
2. The A shares held by Hong Kong Securities Clearing Company Limited are held on behalf of various customers.
3. The H shares held by HKSCC Nominees Limited are held on behalf of various customers.
4. As at 30 September 2020, according to the disclosure of interests published on the website of HKSE, Funde Sino Life Insurance Co., Ltd. had long positions in 2,012,858,147 H shares of the Company.

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

Applicable Not applicable

III. SIGNIFICANT EVENTS

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

√ Applicable □ Not applicable

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

Unit: RMB'000

Items	As at 30 September 2020	As at 31 December 2019 (Restated)	Increase/ decrease compared to the end of the previous year (%)	Major reasons for the changes
Cash at bank and on hand	36,486,848	25,604,083	42.5	Mainly due to the combined effects that the Company maintained a better capability to generate cash from operations, realizing a net cash inflow of RMB19.457 billion from operating activities as well as RMB6.696 billion in cash used for capital expenditures and a net cash outflow of RMB3.286 billion from capital raising activities in the current period.
Financing receivables	4,346,193	6,897,430	-37.0	Mainly due to the impact brought about by the decrease in the amount of notes settlement of the Company in the current period and the use of acceptance bills through endorsement transfer and discounting.
Prepayments	1,907,131	1,277,268	49.3	Mainly due to the increase in railway transportation expenses, raw materials and commodity purchases that the Company needed to prepay for production and sales activities.
Contract assets	1,460,841	953,581	53.2	Mainly due to the increase in the Company's right to consideration arising from its sales of coal equipment products. Such rights will be exercised upon completion of the ancillary services agreed in the contract.

Items	As at 30 September 2020	As at 31 December 2019 (Restated)	Increase/ decrease compared to the end of the previous year (%)	Major reasons for the changes
Long-term receivables	520,837	250,012	108.3	Mainly due to the increase in lease receivables as a result of the development of lease services by affiliated companies.
Construction in progress	17,867,137	12,608,923	41.7	Mainly due to the steady progress made in construction projects in the current period, and the final closing of acquisition of Shanxi China Coal Pingshuo Panjiayao Company Limited (山西中煤平朔潘家窯煤業有限責任公司) by China Coal Pingshuo Group Company Limited, a subsidiary of the Company in the first half of the year and its consolidation in the consolidated statement, the technical upgrading projects of which led to an increase in construction in progress.
Other non-current assets	7,292,789	10,679,582	-31.7	Mainly due to the consolidation of Shanxi China Coal Panjiayao Company Limited in the consolidated statement as mentioned above leading to the decrease in the payments for investments prior to the consolidation.
Short-term borrowings	1,436,547	4,106,347	-65.0	Mainly due to the repayment of short-term borrowings upon maturity by the Company.
Non-current liabilities due within one year	23,211,031	33,732,460	-31.2	Mainly due to the repayment of the long-term loans and the redemption of mid-term notes upon maturity by the Company.
Long-term borrowings	50,060,144	34,242,915	46.2	Mainly due to the implementation of project loans by the Company in accordance with the annual financing plan, which increased the medium and long-term debt.

Items	As at 30 September 2020	As at 31 December 2019 (Restated)	Increase/ decrease compared to the end of the previous year (%)	Major reasons for the changes
Long-term payables	5,231,784	3,872,345	35.1	Mainly due to the acquisition of Shanxi China Coal Pingshuo Panjiayao Company Limited as mentioned above which validated that the consideration of the acquisition to be paid had led to the increase in the long-term payables in accordance with the relevant agreement.
Other non-current liabilities	718,117	362,508	98.1	Mainly due to project construction supporting funds allocated by China National Coal Group Corporation in the form of entrusted loans according to regulations being presented in other non-current liabilities.

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

Unit: RMB'000

Items	January to September 2020	January to September 2019 (Restated)	Year-on-year increase/ decrease (%)	Major reasons for the changes
Operating revenue	100,244,308	94,255,021	6.4	Mainly due to the year-on-year increase of the sales volume of the Group's commercial coal and the revenue from the coal mining equipment operations, as well as the key power projects being put into operation, which offset the impact of the decline in market prices of coal and coal chemical products on revenue.
Operating cost	73,127,779	65,167,262	12.2	Mainly due to the combined effects of year-on-year increase in the sales volume of the Company's commercial coal, the cost of the coal mining equipment operations, key power projects being put into operation, as well as the year-on-year decrease in the unit cost of sales of major products as a result of strengthening cost control.
Research and development expenses	236,521	156,053	51.6	Mainly due to the increase in investment in technology research and development by the Company.

Items	January to September 2020	January to September 2019 (Restated)	Year-on-year increase/decrease (%)	Major reasons for the changes
Investment gain	565,247	2,029,427	-72.1	Mainly due to the reduced profitability such as the decline in market price of coal and coal chemical product, coupled with the decline in maintenance output as planned of Company's equity participating companies, resulting in a corresponding decrease in investment gain recognised based on the share proportion of the Company.
Non-operating income	50,280	285,837	-82.4	Mainly due to the increase in non-operating income by RMB240 million arising from the Company's transfer of surplus coal production capacity in the same period last year. There was no such factor in the current period.

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

Unit: RMB'000

Items	January to September 2020	January to September 2019 (Restated)	Year-on-year increase/decrease in amount	Major reasons for the changes
Net cash flows generated from operating activities	19,456,904	16,903,273	2,553,631	Mainly due to the further enhanced lean management of funds to reduce the occupation of working capital by the Company in an all-round way, maintaining its strong capability to generate cash from operations.
Net cash flows generated from investment activities	-10,551,114	-7,892,789	-2,658,325	Mainly due to the combined effects of the year-on-year increase in cash outflow by RMB4.185 billion arising from a net increase in term deposits with an initial deposit period of more than three months, China Coal Pingshuo Group Company Limited, a subsidiary of the Company, recovering the entrusted loan of RMB1.275 billion from its previous subsidiary, China Coal Pingshuo No.1 Coal Gangue Power Generation Company Limited, as well as the year-on-year decrease of RMB784 million in cash used for capital expenditures.
Net cash flows generated from financing activities	-3,285,874	-2,402,313	-883,561	Mainly due to the year-on-year decrease in net debt financing arranged by the Company according to the annual financing plan and the overall capital.

3.1.4 Revenue, cost and gross profit of coal operations

For the period from January to September 2020, the Company's coal business achieved sales revenue of RMB80.294 billion, representing an increase of RMB5.138 billion or 6.8% as compared with RMB75.156 billion for the same period of last year. Among them: sales revenue of self-produced commercial coal was RMB36.738 billion, representing a decrease of RMB1.823 billion or 4.7% as compared with RMB38.561 billion for the same period of last year, mainly because the sales of self-produced commercial coal increased by 5.84 million tonnes year-on-year, increasing revenue by RMB2.909 billion, and the sales price fell by RMB57/tonne year-on-year, reducing revenue by RMB4.732 billion. The sales revenue of proprietary coal trading was RMB43.550 billion, representing an increase of RMB6.976 billion or 19.1% as compared with the RMB36.574 billion for the same period of last year, mainly because the sales volume of proprietary coal trading increased by 25.46 million tonnes year-on-year, increasing revenue by RMB11.574 billion, and the sales price fell by RMB44/tonne year-on-year, reducing revenue by RMB4.598 billion.

The cost of sales of coal operations was RMB58.194 billion, representing an increase of RMB7.465 billion or 14.7% as compared with RMB50.729 billion for the same period of last year. Among them, the sales cost of self-produced commercial coal decreased by RMB175 million year-on-year, which was attributable to the combined effects of the year-on-year decrease in the unit sales cost of self-produced commercial coal by RMB17.01/tonne as the Company strengthened cost control, and the year-on-year increase in the sales volume of self-produced commercial coal by 5.84 million tonnes; the sales cost of proprietary coal trading increased by RMB7.640 billion year-on-year, which was attributable to the combined effect of the year-on-year increase in sales volume of proprietary coal trading by 25.46 million tonnes and the year-on-year decrease in the purchase price by RMB30/tonne.

For the period from January to September 2020, the unit sales cost of the Company's self-produced commercial coal decreased year-on-year, and coal sales increased year-on-year. However, due to the downward impact of market prices, the Company's coal operations achieved a gross profit of RMB22.100 billion, representing a decrease of RMB2.327 billion or 9.5%. as compared with RMB24.427 billion for the same period of last year.

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

Currency: RMB

		January to September 2020		January to September 2019		Year-on-year			
						Increase/decrease in amount		Increase/decrease in percentage	
		Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (%)	Selling price (%)
I. Self-produced commercial coal	Total	8,333	441	7,749	498	584	-57	7.5	-11.4
	(I) Thermal coal	7,452	398	6,911	437	541	-39	7.8	-8.9
	1. Domestic sale	7,443	398	6,897	437	546	-39	7.9	-8.9
	2. Export	9	508	14	590	-5	-82	-35.7	-13.9
	(II) Coking coal	881	802	838	995	43	-193	5.1	-19.4
	1. Domestic sale	881	802	838	995	43	-193	5.1	-19.4
II. Proprietary coal trading	Total	10,592	411	8,046	455	2,546	-44	31.6	-9.7
	(I) Domestic resale	10,481	410	7,939	453	2,542	-43	32.0	-9.5
	(II) Self-operated exports*	18	1,020	23	1,282	-5	-262	-21.7	-20.4
	(III) Import trading	93	436	84	403	9	33	10.7	8.2
III. Import and export and domestic agency*	Total	98	6	434	5	-336	1	-77.4	20.0
	(I) Import agency	16	4	83	4	-67	0	-80.7	0.0
	(II) Export agency	82	7	125	8	-43	-1	-34.4	-12.5
	(III) Domestic agency	☆	☆	226	3	-226	-	-100.0	-

* : Briquette export.

★ : Selling price is agency service fee.

☆ : N/A for the period.

Note: Sales volume of the commercial coal is before net of inter-segmental sales within the Company which was 9.31 million tonnes for January to September 2020 and 10.54 million tonnes for January to September 2019.

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

Unit: RMB/tonne Currency: RMB

Items	January to September 2020	January to September 2019	Year-on-year	
			Increase/decrease in amount	Increase/decrease in percentage (%)
Materials costs	51.69	59.09	-7.40	-12.5
Staff costs	24.29	30.13	-5.84	-19.4
Depreciation and amortization	52.44	52.33	0.11	0.2
Repair expenses	11.48	8.38	3.10	37.0
Outsourcing mining engineering fee	24.75	30.24	-5.49	-18.2
Other costs	30.97	32.46	-1.49	-4.6
Unit cost of sales of self-produced commercial coal	195.62	212.63	-17.01	-8.0

For the period from January to September 2020, the Company's unit cost of sales of self-produced commercial coal was RMB195.62/tonne, representing a decrease of RMB17.01/tonne or 8.0% as compared to RMB212.63/tonne for the same period of last year, which was mainly attributable to the year-on-year decrease in the unit material cost as the Company continued to optimize the production organization, actively released the advanced production capacity, vigorously reduced cost and tapped potential as well as the decline in diesel procurement prices, etc. The Company's reasonable adjustments to the salaries of employees based on operating results as well as the 50% reduction by stages in social insurance fees for the support of the control measures of the COVID-19 pandemic by the government have both contributed to the year-on-year decrease in unit staff cost. The Company's expanded production scale of self-produced commercial coal has caused an increase in the daily repair and maintenance expenses of related equipment, which in turn resulted in a year-on-year increase in the unit repair expenses. The year-on-year decrease in the Company's scheduled outsourced mining engineering volume as well as the year-on-year increase in the output of self-produced commercial coal led to the year-on-year decrease in the unit outsourced mining engineering fees.

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

Currency: RMB

Items	January to September 2020		January to September 2019		Year-on-year			
	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Increase/decrease in amount		Increase/decrease in percentage	
					Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales Volume (%)	Selling price (%)
(I) Polyolefin	109.0	6,169	107.0	7,350	2.0	-1,181	1.9	-16.1
1. Polyethylene	54.6	5,902	55.1	7,112	-0.5	-1,210	-0.9	-17.0
2. Polypropylene	54.4	6,437	51.9	7,603	2.5	-1,166	4.8	-15.3
(II) Urea	156.6	1,595	187.5	1,795	-30.9	-200	-16.5	-11.1
(III) Methanol	44.8	1,259	72.8	1,506	-28.0	-247	-38.5	-16.4
Of which: Inter-segment self-consumption volume [◆]	44.7	1,311	61.1	1,495	-16.4	-184	-26.8	-12.3
External sales	0.1	1,259	11.7	1,567	-11.6	-308	-99.1	-19.7

◆ : The amount of inter-segment self-consumption volume represents the supply of methanol by China Coal Yuanxing Company and China Coal Shaanxi Company to Mengda Chemical Company and Ordos Energy Chemical Company.

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

Unit: RMB/tonne Currency: RMB

Items	January to September 2020	January to September 2019	Year-on-year	
			Increase/decrease in amount	Increase/decrease in percentage (%)
(I) Polyolefin	4,689	5,508	-819	-14.9
1. Polyethylene	4,769	5,564	-795	-14.3
2. Polypropylene	4,608	5,449	-841	-15.4
(II) Urea	1,120	1,095	25	2.3
(III) Methanol	1,395	1,377	18	1.3

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

Applicable Not applicable

3.3 Undertakings not yet fully performed during the reporting period

Applicable Not applicable

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

Applicable Not applicable

By Order of the Board
China Coal Energy Company Limited
Li Yanjiang
Chairman of the Board, Executive Director

Beijing, the PRC
28 October 2020

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

This English language version is provided for reference purpose only. In the event of any inconsistency between the English and the Chinese version, the Chinese version shall prevail.