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CHINA COAL ENERGY COMPANY LIMITED*

中國中煤能源股份有限公司

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

(Stock Code: 01898)

FIRST QUARTERLY REPORT 2013

Pursuant to the regulations and rules of China Securities Regulatory Commission and Shanghai Stock Exchange, China Coal Energy Company Limited (the “**Company**”, 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 2013 first quarterly financial report of the Company for the three months ended 31 March 2013. The full text of the quarterly financial report will be available on the website of the Stock Exchange of Hong Kong Limited on 26 April 2013. The full text of the quarterly financial report is in Chinese only.

§1 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 information set out in this report does not contain any false representations, misleading statements or material omissions, and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the content of this report.
- 1.2** The third meeting in 2013 of the second session of the board of directors of the Company was held on 26 April 2013. Mr. Li Yanmeng, a non-executive director of the Company, was unable to attend the meeting and appointed Mr. Wang An, chairman and executive director of the Company as his proxy to attend the meeting and exercise the voting right on his behalf. All the other directors of the Company attended the meeting in person. The Resolution on the First Quarterly Report 2013 was considered and approved at the meeting, with 9 affirmative votes, 0 dissenting vote and 0 abstaining vote, to publish the First Quarterly Report 2013 of the Company at home and abroad.

1.3 The first quarterly financial report of the Company was unaudited.

1.4 Name of the person-in-charge of the Company	Wang An
Name of the person-in-charge of accounting affairs of the Company	Weng Qing'an
Name of the person responsible for the accounting department (head of the accounting department)	Chai Qiaolin

Wang An (the person-in-charge of the Company), Weng Qing'an (the person-in-charge of accounting affairs of the Company) and Chai Qiaolin (the person responsible for the accounting department, i.e. head of the accounting department) declare that the financial statements set out in this quarterly report are true and complete.

§2 BASIC INFORMATION ABOUT THE COMPANY

2.1 Major accounting data and financial indicators

	As at the end of the reporting period	As at the end of the previous year	Increase/ (decrease) at the end of the reporting period as compared to the end of the previous year (%)
Total assets (RMB'000)	189,064,569.00	183,863,821.00	2.8
Owners' equity interest (or shareholders' equity interest) (RMB'000)	88,139,950.00	86,101,645.00	2.4
Net asset per share attributable to shareholders of the listed company (RMB per share)	6.65	6.49	2.5

	From the beginning of the year to the end of the reporting period		Increase/ (decrease) compared to the corresponding period of the previous year (%)
Net cash flows from operating activities (RMB'000)	1,106,640.00		-64.6
Net cash flows per share from operating activities (RMB per share)	0.08		-66.7
	The reporting period	From the beginning of the year to the end of the reporting period	Increase/ (decrease) during the reporting period as compared to the corresponding period of the previous year (%)
Net profit attributable to shareholders of the listed company (RMB'000)	1,655,255.00	1,655,255.00	-37.8
Basic earnings per share (RMB per share)	0.12	0.12	-40.0
Basic earnings per share net of non-recurring gains or losses (RMB per share)	0.12	0.12	-40.0
Diluted earnings per share (RMB per share)	0.12	0.12	-40.0
Weighted average return on net assets (%)	1.90	1.90	Decreased by 1.28 percentage points
Weighted average return on net assets net of non-recurring gains or losses (%)	1.88	1.88	Decreased by 1.26 percentage points

Items after deducting non-recurring gains or losses and relevant amounts:

Unit: RMB'000

Items	Amount
Gains or losses from disposal of non-current assets	-1,439
Government grants included in gains or losses for the current period, excluding those closely related to the Company's ordinary business and granted on an on-going basis in fixed amount or volume according to certain principles under national policies	2,669
Gains or losses from debt restructuring	79
Gains or losses from external entrusted loans	32,417
Other non-operating income and expenses apart from the foregoing	-6,899
Effect of income tax	-6,606
Impact on minority interests (after tax)	-1,388
Total	18,833

2.2 Major production and operational data

	January to March, 2013	January to March, 2012 (restated)	Percentage change %
I. Commercial coal production volume (10,000 tonnes)	2,966	2,948	0.6
Including: Pingshuo Company	2,252	2,307	-2.4
Shanghai Energy Company	196	183	7.1
China Coal Huajin Company	164	42	290.5
Dongpo Company	193	204	-5.4
Nanliang Company	50	42	19.0
Tang Shan Gou Company	30	34	-11.8
Dazhong Company	77	108	-28.7
Shuozhong Company	146	193	-24.4
Shaanxi Company	25	☆	-

	January to March, 2013	January to March, 2012 (restated)	Percentage change %
II. Commercial coal sales volume (10,000 tonnes)	3,678	3,536	4.0
(I) Self-produced commercial coal	2,785	2,882	-3.4
1. Thermal coal	2,661	2,882	-7.7
(1) Domestic sale	2,649	2,858	-7.3
Of which: Long-term contract	1,509	1,152	31.0
Spot trading	1,140	1,706	-33.2
(2) Export	12	24	-50.0
Of which: Long-term contract	☆	24	-100.0
Spot trading	12	☆	—
2. Coking coal	124	☆	—
(1) Domestic sale	124	☆	—
Of which: Long-term contract	☆	☆	—
Spot trading	124	☆	—
(2) Export	☆	☆	—
(II) Proprietary coal trading	797	574	38.9
Of which: Domestic resale	756	518	45.9
Self-operated exports	1	1	0.0
Import trading	40	55	-27.3
(III) Import and export agency	96	80	20.0
Of which: Export agency	53	70	-24.3
Import agency	43	10	330.0
III. Coke production volume (10,000 tonnes)	46	43	7.0
IV. Output value of coal mining equipment (RMB10,000)	148,209	219,158	-32.4

☆: N/A

- Note: 1. Intra-group transaction volume included 1.83 million tonnes and 1.65 million tonnes which were transacted during the first quarter of 2013 and 2012 respectively.
2. Due to the adjustment of business combinations, commercial coal production volume, sales volume of coal and so on in 2012 are restated (same as below).

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

Unit: RMB'000

	Net profit attributable to equity holders of the Company		Net assets attributable to equity holders of the Company	
	January to March, 2013	January to March, 2012 (restated)	As at 31 March 2013	As at 31 December 2012
According to PRC GAAP	1,655,255	2,661,931	88,139,950	86,101,645
Items of difference and amount –				
(a) Adjustment to the Special Funds for Coal Industry	251,915	632,978	1,787,797	2,015,934
(b) Deferred tax adjustment due to the adjustment to the Special Funds for Coal Industry	-55,397	-157,849	-1,239,384	-1,183,987
(c) Adjustment to government grants	927	1,750	-51,013	-51,940
(d) Adjustment to floating of non-tradable shares under equity split	–	–	-155,259	-155,259
According to IFRS	1,852,700	3,138,810	88,482,091	86,726,393

Note: Due to the adjustment of business combinations, relevant financial information for 2012 was restated in accordance with applicable accounting standards (same as below).

Explanations on major reconciliations:

- (a) Adjustment to the Special Funds for Coal Industry: The Special Funds for Coal Industry comprise future development fund, safety fund, coal mine transformation fund, mine environmental restoration fund and sustainable development fund. Under PRC GAAP, the Company should make provisions for the Special Funds for Coal Industry based on the raw coal production volume 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, the provisions for the special funds included in cost during the current year are written back while the relevant expenditures are recognised upon occurrence.
- (b) The adjustment to deferred tax was due to the temporary differences arising from the difference between the carrying values of the assets and liabilities under IFRS and that under PRC GAAP as a result of the adjustment to the Special Funds for Coal Industry.
- (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.
- (d) 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.

2.4 Total number of shareholders and top 10 holders of shares not subject to trading moratorium as at the end of the reporting period

Unit: Share

Total number of shareholders as at the end of the reporting period		303,528	
Particulars of the top 10 holders of listed shares not subject to trading moratorium			
Name of shareholders (full name)	Number of listed shares not subject to trading moratorium held as at the end of the reporting period	Type of shares	
China National Coal Group Corporation (中國中煤能源集團有限公司)	7,585,191,069	Ordinary shares denominated in RMB	7,585,191,069
HKSCC NOMINEES LIMITED	3,955,555,575	Overseas listed foreign shares	3,955,555,575
China Coal Hong Kong Limited (中煤能源香港有限公司)	125,351,000	Overseas listed foreign shares	125,351,000
CSOP Asset Management Limited – CSOP FTSE China A50 ETF (南方東英資產管理有限公司 – 南方富時中國A50ETF)	13,721,322	Ordinary shares denominated in RMB	13,721,322
Industrial and Commercial Bank of China – SSE50 Trading Open-end Index Securities Investment Fund (中國工商銀行 – 上證50交易型開放式指數證券投資基金)	13,059,873	Ordinary shares denominated in RMB	13,059,873
Xinjiang Zhongyou Chemical Group Company Limited (新疆中油化工集團有限公司)	12,689,981	Ordinary shares denominated in RMB	12,689,981
Bank of China Limited – Jiashi Hushen 300 Trading Open-end Index Securities Investment Fund (中國銀行股份有限公司 – 嘉實滬深300交易型開放式指數證券投資基金)	12,219,749	Ordinary shares denominated in RMB	12,219,749
Xu Wangguan (徐王冠)	12,000,154	Ordinary shares denominated in RMB	12,000,154
Tangshan Iron and Steel Group Company Limited (唐山鋼鐵集團有限責任公司)	9,393,000	Ordinary shares denominated in RMB	9,393,000
China Life Insurance Company Limited – Traditional – Ordinary Insurance Product – 005L – CT001 Hu (中國人壽保險股份有限公司 – 傳統 – 普通保險產品 – 005L – CT001滬)	9,169,169	Ordinary shares denominated in RMB	9,169,169

- Note: 1. The above information was prepared in accordance with the register of shareholders as at 31 March 2013 provided by the China Securities Depository and Clearing Corporation Limited Shanghai Branch and Computershare Hong Kong Investor Services Limited.
2. The H shares held by HKSCC Nominees Limited are held on behalf of various customers.

§3 SIGNIFICANT EVENTS

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

√ Applicable □ Not applicable

I. ANALYSIS ON CHANGES IN MAJOR ITEMS ON THE BALANCE SHEET

Unit: RMB'000

Items	As at 31 March 2013	As at 31 December 2012	Increase/ (decrease) (%)	Major reasons for the changes
Non-current assets due within one year	–	124,894	-100.0	Collection of the entrusted loan granted to an associate by China Coal and Coke, a subsidiary of the Company.
Interest payable	712,835	424,779	67.8	Mainly due to the increase in interest accrued on interest-bearing debts.

II. ANALYSIS ON CHANGES IN MAJOR ITEMS ON THE INCOME STATEMENT

Unit: RMB'000

Items	January to March, 2013	January to March, 2012 (restated)	Increase/ (decrease) (%)	Major reasons for the changes
Asset impairment losses	623	1,530	-59.3	Mainly due to a decrease in provision for bad debts of subsidiaries during the reporting period.
Investment gains/(losses)	24,671	-13,978	-	Mainly due to an increase in investment gains from associates as recognised based on shareholdings.
Profit from operations	2,601,751	3,755,677	-30.7	Mainly due to the year-on-year drops in sales and profit for the reporting period as affected by market conditions.
Non-operating income	12,740	19,702	-35.3	Mainly due to a year-on-year decrease in gains from disposal of non-current assets of subsidiaries.
Non-operating expenses	18,352	13,706	33.9	Mainly due to a year-on-year increase in losses from disposal of non-current assets of subsidiaries.
Total profit	2,596,139	3,761,673	-31.0	Mainly due to the year-on-year drops in sales and profit for the reporting period as affected by market conditions.
Income tax expense	606,563	935,699	-35.2	Mainly due to a year-on-year drop in profit before tax for the reporting period as affected by market conditions.
Minority shareholders' interests	334,321	164,043	103.8	Mainly due to an increase in the profit attributable to minority shareholders pro rata derived from China Coal Huajin Company, a non wholly-owned subsidiary of the Company commencing operation during the reporting period.

III. ANALYSIS ON CHANGES IN MAJOR ITEMS ON THE CASH FLOW STATEMENT

Unit: RMB'000

Items	January to March, 2013	January to March, 2012 (restated)	Increase/ (decrease) (%)	Major reasons for the changes
Net cash flows generated from operating activities	1,106,640	3,124,317	-64.6	Mainly due to a year-on-year decrease in net cash inflow generated from operating activities, as a result of a drop in profit for the reporting period and a year-on-year increase in receivables attributable to operating activities as affected by market conditions.
Net cash flows generated from investment activities	-5,749,700	-1,067,927	438.4	Mainly due to a year-on-year increase in net cash outflow from investment activities, as a result of a year-on-year increase in project construction investment of subsidiaries and the fact that the cash outflow from investment activities for the same period last year was partially offset by a cash inflow arising from the less term deposits with original maturity of three months than that made at the beginning of last year.
Net cash flows generated from financing activities	3,443,187	1,687,427	104.0	Mainly due to a year-on-year increase in net cash inflow from financing activities, as a result of an increase in bank borrowings according to the needs from the Company's project construction, production and operation.

IV. CHANGES IN THE COAL SALES VOLUME AND SELLING PRICE

		January to March, 2013		January to March, 2012 (restated)		Year-on-year increase/decrease	
		Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)
I. Self-produced commercial coal	Total	2,785	448	2,882	501	-97	-53
	(I) Thermal coal	2,661	425	2,882	501	-221	-76
	1. Domestic sale	2,649	424	2,858	498	-209	-74
	(1) Long-term contract	1,509	446	1,152	463	357	-17
	(2) Spot trading	1,140	394	1,706	522	-566	-128
	2. Export	12	623	24	800	-12	-177
	(1) Long-term contract	☆	☆	24	800	-24	-
	(2) Spot trading	12	623	☆	☆	12	-
	(II) Coking coal	124	946	☆	☆	124	-
	1. Domestic sale	124	946	☆	☆	124	-
	(1) Long-term contract	☆	☆	☆	☆	-	-
	(2) Spot trading	124	946	☆	☆	124	-
	2. Export	☆	☆	☆	☆	-	-
	II. Proprietary coal trading	Total	797	502	574	653	223
(1) Domestic resale		756	504	518	654	238	-150
(2) Import trading		40	431	55	617	-15	-186
(3) Transshipment trading		☆	☆	☆	☆	-	-
(4) Self-operated exports *		1	2,366	1	3,140	-	-774
III. Import and export agency ★	Total	96	12	80	16	16	-4
	(1) Import agency	43	11	10	4	33	7
	(2) Export agency	53	14	70	18	-17	-4

☆: N/A

*: Briquette export

★: Selling price is agency service fee.

Note: When excluding freight and part handling charges, the average price of self-produced coal for the current period would be RMB346/tonne, representing a year-on-year decrease of RMB60/tonne; on that basis, the average price of self-produced thermal coal (excluding freight and part handling charges) for the current period would be RMB318/tonne, representing a year-on-year decrease of RMB88/tonne.

V. CHANGES IN THE UNIT SELLING COST OF SELF-PRODUCED COMMERCIAL COAL

Unit: RMB/tonne

Item	January to March, 2013	January to March, 2012 (restated)	January to December, 2012	As compared to January to March, 2012		As compared to January to December, 2012	
				Increase /decrease	Increase/decrease (%)	Increase /decrease	Increase/decrease (%)
Raw material costs (excluding external purchases of raw coal for washing purpose)	59.65	60.61	54.25	-0.96	-1.6	5.40	10.0
Costs of external purchases of raw coal for washing purpose	13.18	24.59	17.64	-11.41	-46.4	-4.46	-25.3
Labour costs	27.24	30.58	29.44	-3.34	-10.9	-2.20	-7.5
Depreciation and amortisation	30.74	28.76	28.89	1.98	6.9	1.85	6.4
Repair expenses	6.69	7.86	10.11	-1.17	-14.9	-3.42	-33.8
Coal sustainable development fund (reserve)	19.78	20.01	18.81	-0.23	-1.1	0.97	5.2
Other costs	58.87	66.59	51.54	-7.72	-11.6	7.33	14.2
Unit selling cost of self-produced commercial coal	216.15	239.00	210.68	-22.85	-9.6	5.47	2.6

For the period from January to March of 2013, the Company's unit selling cost of self-produced commercial coal decreased from RMB239.00/tonne for the same period of last year to RMB216.15/tonne, representing a decrease of RMB22.85/tonne or 9.6%, or an increase of RMB5.47/tonne or 2.6% as compared to RMB210.68/tonne for the year of 2012.

Firstly, costs of external purchases of raw coal for washing purpose decreased by RMB11.41/tonne as compared to the corresponding period of previous year, mainly attributable to the drops in purchase volume and unit price of external purchases of raw coal for washing purpose as compared to the corresponding period of previous year, as a result, the overall cost of external purchases of raw coal for washing purpose decreased during the period.

Secondly, labour costs decreased by RMB3.34/tonne as compared to the corresponding period of previous year, mainly attributable to the stricter control over labour costs of the Company, and the appropriate adjustments to salary level by certain subsidiaries according to their business performance.

Thirdly, depreciation and amortisation increased by RMB1.98/tonne as compared to the corresponding period of previous year, mainly attributable to the transfer of construction-in-progress projects including Wangjialing Coal Mine to fixed assets during the period, as well as an increase in purchase of fixed assets according to the needs from production and operation as compared to the corresponding period of previous year.

Fourthly, repair expenses decreased by RMB1.17/tonne as compared to the corresponding period of previous year, mainly attributable to the increase in replacement of equipment and facilities being put into operation by the Company. In addition, the Company enhanced independent equipment repair and maintenance through fully capitalising on its own repair and maintenance capabilities, which also led to a decrease in repair and maintenance costs.

Fifthly, other costs decreased by RMB7.72/tonne as compared to the corresponding period of previous year, mainly attributable to the increase in the use of special funds such as safety fund, future development fund, environmental restoration fund and coal mine industry transformation fund of the Company during the period, as a result, the cost balance decreased accordingly.

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

Applicable Not applicable

- (1) On 27 March 2012, the resolution on “Investment in the Construction of Engineering Plastics Project in Ordos” was considered and approved at the first meeting of the second session of the Board for 2012, regarding that the Company would invest in the construction of Engineering Plastics Project in Ordos. The project has completed procurement of equipment with long delivery cycle and the basic design. The detailed design and process package design are in progress, the tender process of EPC is about to be completed, and on-site construction is progressing.

For details, please refer to the announcement of the Company dated 27 March 2012 published on the websites of Shanghai Stock Exchange, the Stock Exchange of Hong Kong Limited and the Company.

- (2) In May 2010, the Ministry of Environmental Protection of China issued the “Circular on Examination Results after Environmental Protection Inspection on Listed Companies”, which addressed the environmental issues on the relocation of the neighbouring residents of China Coal and Coke Jiuxin Limited (a subsidiary of the Company) in Lingshi. The Company took the initiative to converse and coordinate with the local government and residents, and the “Agreement on the Relocation of Residents” was entered into by China Coal and Coke Jiuxin Limited and the Lingshi county government in July 2012. The Company paid a one-off relocation expense in full, while the Lingshi county government was responsible for the execution of relocation. So far 96 households have been relocated, representing 50% of the total relocation mission.

For details, please refer to the announcement of the Company dated 27 May 2010 published on the websites of Shanghai Stock Exchange, the Stock Exchange of Hong Kong Limited and the Company.

- (3) On 15 August 2012, the resolution on “Investment in the Construction of Mengxi-Huazhong Railway for Coal Transportation” was considered and approved at the third meeting of the second session of the Board for 2012. The Company, together with China Railway Investment Corporation and other promoters, established Mengxi-Huazhong Railway Company Limited, in which the Company owned as to 10% equity interest. With procedures of business registration and business license completed in September 2012, the company as project legal person will be responsible for construction of Mengxi-Huazhong Railway for Coal Transportation. The construction of this project is in the process of implementation.

For details, please refer to the announcement of the Company dated 15 August 2012 published on the websites of Shanghai Stock Exchange, the Stock Exchange of Hong Kong Limited and the Company.

- (4) On 21 August 2012, the Company entered into the Capital Contribution Agreement with China National Coal Group Corporation in relation to establishment of China Coal Finance Co., Ltd, with a registered capital of RMB3 billion to which the Company will contribute RMB2.73 billion or 91% and China National Coal Group Corporation will contribute RMB270 million or 9%, both in cash. Currently, the Company is actively going through the approval procedures for establishment of China Coal Finance Co., Ltd.

For details, please refer to the announcement of the Company dated 21 August 2012 published on the websites of Shanghai Stock Exchange, the Stock Exchange of Hong Kong Limited and the Company.

- (5) China National Coal Group Corporation and its wholly-owned subsidiary China Coal Hong Kong Limited, since October 2012, have increased shareholding in A Share and H Share of the Company respectively through several batches of purchases. For the period between the first time of increase in shareholding in October 2012 and the end of the reporting period, China National Coal Group Corporation increased shareholding by 79,319,050 A Shares and China Coal Hong Kong Limited increased shareholding by 5,351,000 H Shares in total. After the shareholding increase, China National Coal Group Corporation has a shareholding in 7,585,191,069 A Shares and China Coal Hong Kong Limited has a shareholding in 125,351,000 H Shares in total. China National Coal Group Corporation and its parties acting in concert have a total amount in A Shares and H Shares representing 58.15% of the total issued share capital of the Company. China National Coal Group Corporation and its parties acting in concert undertook not to decrease their shareholding of the Company within 12 months since the first shareholding increase.

For details, please refer to the announcement of the Company dated 10 October 2012 published on the websites of Shanghai Stock Exchange, the Stock Exchange of Hong Kong Limited and the Company.

3.3 Performance of undertakings given by the Company, the shareholders and de facto controllers

Applicable Not applicable

(1) Performance of non-competition undertakings by China National Coal Group Corporation

On 5 September 2006, the Company entered into the Non-competition Agreement with China National Coal Group Corporation pursuant to which a decision-making mechanism to avoid conflict of interests was established. Until present, China Coal Import and Export Company, a wholly-owned subsidiary of China National Coal Group Corporation, China Coal Group Shanxi Jinhaiyang Energy Co., Limited, which is held as to 60% by China National Coal Group Corporation and China Coal Heilongjiang Coal Chemical Engineering (Group) Company Limited, a wholly-owned subsidiary of China National Coal Group Corporation, have been engaged in coal production and coal chemical business. China National Coal Group Corporation and the Company are proactively tackling horizontal competitions. Currently, the relevant works are progressing smoothly. Since the conditions of demand and supply in domestic coal market have changed rather significantly and the PRC government has imposed stricter regulatory requirements on safe coal production which resulted in longer approval period of coal projects, the Company will, in comprehensive consideration of the factors like the coal market and capital market updates and its development strategy and with a high sense of responsibility to investors, opportunistically acquire the assets of relevant coal and coal chemical businesses of China National Coal Group Corporation, so as to reduce horizontal competition between China National Coal Group Corporation and the Company.

Details of the undertaking of the Company's controlling shareholder China National Coal Group Corporation on reducing horizontal competition and the solution are disclosed in the section headed "Significant Events" set out in Annual Report 2012 of the Company published on 15 March 2013.

(2) Increase in shareholding in the Company by China National Coal Group Corporation

For details, please refer to the paragraph headed "Analysis and explanation on the progress of significant events and their impact and solutions" herein.

3.4 Warning in respect of possible loss or any significant changes in projected aggregate net profit from beginning of the year until 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

The Company may record a decrease in aggregate net profit from the beginning of 2013 until the end of the next reporting period as compared with that of the corresponding period of the previous year due to the prolonged low coal prices under a relatively significant change in demand and supply of the domestic coal market in 2013.

3.5 Implementation of the cash dividend policy during the reporting period

On 15 March 2013, the Board of the Company recommended the payment of cash dividends of RMB2,785,296,150 to shareholders of the Company, representing 31.5% of the profit attributable to the shareholders of the Company which was RMB8,842,210,000 as set out in the consolidated financial statements for 2012 prepared in accordance with International Financial Reporting Standards (or representing 30% of the net profit attributable to the shareholders of the Parent Company prepared in accordance with the PRC Accounting Standards for Business Enterprises). The proposed dividend distribution will be made based on the Company's entire issued share capital of 13,258,663,400 shares, representing a dividend of RMB0.210 per share (inclusive of tax). The proposed dividends are subject to consideration and approval by shareholders at the 2012 annual general meeting of the Company.

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

Beijing, the PRC
26 April 2013

As at the date of this announcement, the executive directors of the Company are Wang An and Yang Lieke; the non-executive directors of the Company are Li Yanjiang, Li Yanmeng and Peng Yi; and the independent non-executive directors of the Company are Zhang Jiaren, Zhao Pei, Ngai Wai Fung and Zhou Qinye.

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

** For identification purpose only*