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CHINA COAL ENERGY COMPANY LIMITED*

中國中煤能源股份有限公司

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

(Stock Code: 01898)

FIRST QUARTERLY REPORT 2017

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 2017 first quarterly financial report of the Company for the three months ended 31 March 2017. 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 27 April 2017. 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 All directors of the Company attended the meeting of the board of directors in relation to the consideration of the quarterly report.
- 1.3 Li Yanjiang (the person-in-charge of the Company), Chai Qiaolin (the person-in-charge of accounting affairs) and Chai Qiaolin (the person responsible for the accounting department, i.e. head of the accounting department) guarantee that the financial statements set out in this quarterly report are true, accurate and complete.
- 1.4 The first quarterly report of the Company is unaudited.

II. GENERAL INFORMATION OF THE COMPANY

2.1 Major financial data

Unit: RMB'000

	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	243,635,970	241,848,785	0.7
Net assets attributable to shareholders of the listed company	87,515,299	85,919,580	1.9
	From the beginning of the year to the end of the reporting period	From the beginning of the previous year to the end of the corresponding period of the previous year	Increase/decrease compared to the corresponding period of the previous year (%)
Net cash flows generated from operating activities	2,240,172	-1,014,013	N/A
	From the beginning of the year to the end of the reporting period	From the beginning of the previous year to the end of the corresponding period of the previous year	Increase/decrease compared to the corresponding period of the previous year (%)
Operational revenue	17,864,765	12,512,676	42.8
Net profit attributable to shareholders of the listed company	1,170,967	-223,082	N/A
Net profit attributable to shareholders of the listed company net of non-recurring gains or losses	1,093,890	-276,059	N/A
Weighted average return on net assets (%)	1.35	-0.27	Increased by 1.62 percentage points
Basic earnings per share (RMB per share)	0.088	-0.017	N/A
Diluted earnings per share (RMB per share)	0.088	-0.017	N/A

Non-recurring gains or losses and relevant amounts

√ Applicable □ Not applicable

Unit: RMB'000

Item	Amount for the reporting period	Explanations
Gains or losses from disposal of non-current assets	-3,849	–
Government grants included in profit or loss for the reporting 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	7,297	–
Reversal of impairment provisions for receivables subject to individual impairment test	64	–
Gains or losses from external entrusted loans	21,984	–
Other non-operating income and expenses apart from the foregoing	68,108	–
Impact on minority shareholders' interests (after tax)	-1,642	–
Effect of income tax	-14,885	–
Total	77,077	–

2.2 Major production and operational data

Unit: RMB

Item	Unit	January to March, 2017	January to March, 2016 (restated)	Percentage change %
I. Coal operations				
1. Production volume of commercial coal	10,000 tonnes	1,926	2,049	-6.0
Of which: Thermal coal	10,000 tonnes	1,641	1,774	-7.5
Coking coal	10,000 tonnes	285	275	3.6
2. Sales volume of commercial coal	10,000 tonnes	2,787	3,041	-8.4
Of which: Sales volume of self-produced coal	10,000 tonnes	1,879	2,009	-6.5
II. Coal chemical operations				
(I) Olefin				
1. Polyethylene production	10,000 tonnes	9.3	9.3	0.0
Sales volume	10,000 tonnes	8.7	9.0	-3.3
2. Polypropylene production	10,000 tonnes	9.0	8.5	5.9
Sales volume	10,000 tonnes	6.8	8.8	-22.7
(II) Urea				
1. Production	10,000 tonnes	52.9	55.8	-5.2
2. Sales volume	10,000 tonnes	52.4	77.7	-32.6
(III) Methanol				
1. Production	10,000 tonnes	21.5	16.6	29.5
2. Sales volume	10,000 tonnes	5.8	19.2	-69.8
III. Coal mining equipment operations				
1. Output value of coal mining equipment	RMB 100 million	12.0	7.7	55.8

- Notes:
- The production and sales volume of olefin do not include the production and sales volume of Mengda Engineering Plastics Project for the trial production.
 - The sales volume of methanol of the Company included proprietary sales of all methanol products of 7,000 tonnes of China Coal Heilongjiang Coal Chemical Engineering (Group) Company Limited (the “**Heilongjiang Coal Chemical Group**”), a subsidiary of China National Coal Group Corporation (the “**China Coal Group**”), excluding the internal self-consumption of 146,000 tonnes.
 - Since January 2017, the production value of coal mining equipment of Xi’an Coal Mining Machinery Co., Ltd. was no longer incorporated in the statistical scope of the Company and the corresponding date for the same period of 2016 was restated.

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 listed company		Net assets attributable to equity holders of the listed company	
	January to March, 2017	January to March, 2016	As at 31 March 2017	As at 31 December 2016
According to PRC GAAP	1,170,967	-223,082	87,515,299	85,919,580
Items and amounts adjusted according to IAS:				
(a) Adjustment to special funds and deferred tax of the coal industry	301,847	-225,298	226,221	319,819
(b) Adjustment to floating of non-tradable shares under equity split	-	-	-155,259	-155,259
(c) Adjustment to government grants	927	927	-36,173	-37,100
According to IAS	1,473,741	-447,453	87,550,088	86,047,040

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		195,126				
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 (中國中煤能源集團有限公司)	7,605,207,608	57.36	–	Nil	–	State-owned legal person
HKSCC Nominees Limited	3,950,753,078	29.80	–	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	–	Unknown	–	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	–	Foreign legal person
Central Huijin Asset Management Company Limited (中央匯金資產管理有限責任公司)	83,035,400	0.63	–	Unknown	–	State-owned legal person
Xu Kaidong (徐開東)	40,735,146	0.31	–	Unknown	–	Unknown
China Construction Bank Corporation – New China Credit Enhancements Debt Securities Investment Fund (中國建設銀行股份有限公司 – 新華信用增益債券型證券投資基金)	18,486,388	0.14	–	Unknown	–	Unknown
Haitong Securities Co., Ltd. – Zhongrong Zhongzheng Coal Index Graded Securities Investment Fund (海通證券股份有限公司 – 中融中證煤炭指數分級證券投資基金)	17,586,819	0.13	–	Unknown	–	Unknown
Agricultural Bank of China Limited – Fullgoal CSI SOE Reform Index Classified Securities Investment Fund (中國農業銀行股份有限公司 – 富國中證國有企業改革指數分級證券投資基金)	15,287,859	0.12	–	Unknown	–	Unknown
Zhang Xubin (張旭彬)	12,898,833	0.10	–	Unknown	–	Unknown

Particulars of top 10 shareholders not subject to trading moratorium			
Name of Shareholders	Number of listed shares 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	3,950,753,078	Overseas listed foreign shares	3,950,753,078
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)	40,735,146	Ordinary shares denominated in RMB	40,735,146
China Construction Bank Corporation – New China Credit Enhancements Debt Securities Investment Fund (中國建設銀行股份有限公司 – 新華信用增益債券型證券投資基金)	18,486,388	Ordinary shares denominated in RMB	18,486,388
Haitong Securities Co., Ltd. – Zhongrong Zhongzheng Coal Index Graded Securities Investment Fund (海通證券股份有限公司 – 中融中證煤炭指數分級證券投資基金)	17,586,819	Ordinary shares denominated in RMB	17,586,819
Agricultural Bank of China Limited – Fullgoal CSI SOE Reform Index Classified Securities Investment Fund (中國農業銀行股份有限公司 – 富國中證國有企業改革指數分級證券投資基金)	15,287,859	Ordinary shares denominated in RMB	15,287,859
Zhang Xubin (張旭彬)	12,898,833	Ordinary shares denominated in RMB	12,898,833
Explanations on affiliated relationship or parties acting in concert among the abovementioned shareholders	China Coal Hong Kong Limited (中煤能源香港有限公司) is a wholly-owned subsidiary of China Coal Group, 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: 1. The above information was prepared in accordance with the register of shareholders of the Company as at 31 March 2017 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.

As at 31 March 2017, 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, representing 15.18% of the total number of 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 projects and financial indicators 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	Balance as at the end of the reporting period	Balance as at the beginning of the year	Increase/decrease (%)	Major reasons for the changes
Dividends receivable	143,239	85,970	66.6	Mainly due to the increase in dividends receivable from equity investment companies.
Interest payable	1,155,590	813,536	42.0	Mainly due to the increase in interests provided for undue interest-bearing debts.
Special reserves	1,553,741	1,181,350	31.5	Mainly due to the decrease in special reserves used by subsidiaries in the reporting period.

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

Unit: RMB'000

Items	January to March, 2017	January to March, 2016	Increase/decrease (%)	Major reasons for the changes
Operational revenue	17,864,765	12,512,676	42.8	Mainly due to the year-on-year increase in coal sales price.
Taxes and surcharges	667,979	313,939	112.8	Mainly due to the increase in relevant taxes and surcharges resulting from the year-on-year increase in coal sales price.
Loss from impairment of assets	147,517	-99,246	-248.6	Mainly due to the impairment provision made by the Company for the preliminary investment expenditures on some projects suspended.
Investment gain	169,020	36,693	360.6	Mainly due to the increase in investment gain of equity investment companies recognised according to shareholding ratio arising from the increase in net profits of equity investment companies.
Profit from operations	2,343,646	-204,884	-1,243.9	Mainly due to the year-on-year increase in coal sales price.
Non-operating incomes	79,666	54,063	47.4	Mainly due to the increase in gains arising from land resumption of the subordinate enterprises during the reporting period.
Non-operating expenses	8,103	26,735	-69.7	Mainly due to the decrease in losses from disposal of non-current assets of the subordinate enterprises during the reporting period.
Total profit	2,415,209	-177,556	-1,460.3	Mainly due to the year-on-year increase in coal sales price.
Income tax expenses	575,331	-35,511	-1,720.1	Mainly due to the increase in income tax expenses arising from the significant improvement on the performance of the Company.
Net profit	1,839,878	-142,045	-1,395.3	Mainly due to the year-on-year increase in coal sales price.
Other comprehensive income (net of tax)	9,854	-21,560	-145.7	Mainly affected by the differences of conversion in the statements of foreign currency of overseas subsidiaries.
Total comprehensive income	1,849,732	-163,605	-1,230.6	Mainly due to the year-on-year increase in the net profit of the Company, combined with the change in differences of conversion in the statements of foreign currency.

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

Unit: RMB'000

Items	January to March, 2017	January to March, 2016	Major reasons for the changes
Net cash flows generated from operating activities	2,240,172	-1,014,013	Mainly due to the significant improvement on the operating performance of the Company, the refinement of capital management and the downsizing of working capital used during the reporting period.
Net cash flows generated from investment activities	-32,512	-940,643	Mainly due to the combined effects of the year-on-year decrease in cash used in capital expenditure for acquisition of fixed assets by the Company during the reporting period, the receipt of the transfer of subsidiaries settlements as agreed, the collection of due self-operated loans by China Coal Finance Co., Ltd., the receipt of the compensation for land resumption, as well as the changes in term deposits with an initial term of more than three months.
Net cash flows generated from financing activities	72,078	-1,503,071	Mainly due to the year-on-year increase in the cash inflows from debt financing during the reporting period.

3.1.4 Sales revenue, cost and gross profit of coal operations

For the period from January to March of 2017, the Company's revenue from coal operations increased from RMB8.177 billion for the same period of 2016 to RMB14.281 billion, representing an increase of RMB6.104 billion; the cost of coal operations increased from RMB5.355 billion for the same period of 2016 to RMB7.980 billion, representing an increase of RMB2.625 billion; the gross profit of coal operations increased from RMB2.822 billion for the same period of 2016 to RMB6.301 billion, representing an increase of RMB3.479 billion.

3.1.5 Changes in coal sales volume and price

Currency: RMB

		January to March, 2017		January to March, 2016		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	1,879	510	2,009	278	-130	232	-6.5	83.5
	(I) Thermal coal	1,610	456	1,752	269	-142	187	-8.1	69.5
	1. Domestic sale	1,605	456	1,732	268	-127	188	-7.3	70.1
	2. Export	5	569	20	377	-15	192	-75.0	50.9
	(II) Coking coal	269	830	257	332	12	498	4.7	150.0
	1. Domestic sale	269	830	257	332	12	498	4.7	150.0
	2. Export	☆	☆	☆	☆	-	-	-	-
II. Proprietary coal trading	Total	819	508	967	268	-148	240	-15.3	89.6
	(I) Domestic resale	788	511	940	268	-152	243	-16.2	90.7
	(II) Self-operated exports*	0.7	2,347	1.0	1,394	-0.3	953	-30.0	68.4
	(III) Transshipment trading	30	372	26	233	4	139	15.4	59.7
III. Import and export and domestic agency★	Total	89	7	65	4	24	3	36.9	75.0
	(I) Import agency	9	6	2	7	7	-1	350.0	-14.3
	(II) Export agency	67	7	63	4	4	3	6.3	75.0
	(III) Domestic agency	13	10	-	-	13	-	-	-

☆: N/A for the period.

★: Selling price is agency service fee.

* : Briquette export.

3.1.6 Changes in unit cost of sales of self-produced commercial coal

Unit: RMB/tonne

Item	January to March, 2017	January to March, 2016	Year-on-year	
			Increase/ decrease in amount	Increase/ decrease (%)
Material costs	44.33	40.28	4.05	10.1
Labour costs	27.89	25.41	2.48	9.8
Depreciation and amortisation	44.60	38.70	5.90	15.2
Repair expenses	8.63	7.28	1.35	18.5
Outsourcing mining engineering fee	16.47	11.63	4.84	41.6
Other costs	52.77	16.52	36.25	219.4
Unit cost of sales of self-produced commercial coal	194.69	139.82	54.87	39.2

For the period from January to March 2017, the Company's unit cost of sales of self-produced commercial coal was RMB194.69/tonne, representing an increase of RMB54.87/tonne or 39.2% as compared to RMB139.82/tonne for the same period of 2016.

The unit cost of material increased year-on-year by RMB4.05/tonne, which was mainly attributable to the combined effects of the year-on-year increase in material cost as coal producing enterprises put more efforts in safety production, and the increase in material prices such as diesel oil.

The unit labour costs increased year-on-year by RMB2.48/tonne, which was mainly attributable to the year-on-year increase in provision for labour costs made by coal producing enterprises based on performance evaluation.

The unit depreciation and amortisation increased year-on-year by RMB5.90/tonne, which was mainly because more equipment was purchased by coal producing enterprises to meet the requirements of safety production and Muguajie Coal washing Plant (木瓜界洗煤廠) resumed operation, the depreciation of which was transferred from administrative expenses to production cost, leading to a year-on-year increase in depreciation and amortisation.

The unit repair costs increased year-on-year by RMB1.35/tonne, which was mainly attributable to a year-on-year increase of repair costs resulting from the strengthening the repair and maintenance of equipment by coal producing enterprises.

The unit outsourcing mining engineering fee increased year-on-year by RMB4.84/tonne, which was mainly attributable to the increase in the volume of outsourcing mining engineering settled by coal producing enterprises.

The unit other costs increased year-on-year by RMB36.25/tonne, which was mainly attributable to the year-on-year decrease in special reserves used by coal producing enterprises as expenses.

3.1.7 Changes in sales volume and price of major chemical products

Currency: RMB

	January to March, 2017		January to March, 2016		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) Olefin	15.5	7,928	17.8	6,462	-2.3	1,466	-12.9	22.7
1. Polyethylene	8.7	8,276	9.0	7,439	-0.3	837	-3.3	11.3
2. Polypropylene	6.8	7,485	8.8	5,463	-2.0	2,022	-22.7	37.0
(II) Urea	52.4	1,382	77.7	1,169	-25.3	213	-32.6	18.2
(III) Methanol◆	5.8	2,223	19.2	1,318	-13.4	905	-69.8	68.7

◆ : Including sales of methanol produced by Heilongjiang Coal Chemical Group, a subsidiary of China Coal Group with 6.9 thousand tonnes from January to March 2017 and 15.9 thousand tonnes from January to March 2016.

3.1.8 Cost of sales of major chemical products

Currency: RMB

	Cost of sales (RMB100 million)			Unit cost of sales (RMB/tonne)		
	January to March, 2017	January to March, 2016	Increase/decrease in amount	January to March, 2017	January to March, 2016	Increase/decrease in amount
(I) Olefin	7.93	6.37	1.56	5,117	3,592	1,525
1. Polyethylene	4.43	3.26	1.17	5,108	3,635	1,473
2. Polypropylene	3.50	3.11	0.39	5,129	3,548	1,581
(II) Urea	4.75	5.87	-1.12	907	755	152
(III) Methanol	0.92	2.20	-1.28	1,593	1,150	443

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

√ Applicable Not applicable

1. Matters on appointment of chief financial officer

On 22 January 2017, the Resolution on the Appointment of the Chief Financial Officer of the Company was considered and approved at the first board meeting in 2017 of the third session of the board of directors of the Company, which approved the appointment of Mr. Chai Qiaolin as the chief financial officer of the Company.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 22 January 2017.

2. Matters on resignation of director and president

The board of directors of the Company received Mr. Gao Jianjun's written resignation in which he had conveyed to the board of directors his request to resign from the posts of director and the president of the Company. On 17 March 2017, the Resolution on the Resignation of Gao Jianjun was considered and approved at the second board meeting in 2017 of the third session of the board of directors of the Company, which approved that Mr. Gao Jianjun would no longer serve as the president of the Company, and that Mr. Qi Hegang, the vice president of the Company, shall perform the duties of the president until the appointment of the new president by the board of directors.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 17 March 2017.

3. Matters on election of director and vice chairman

On 22 March 2017, the Resolution on the Election of the Executive Director and Vice Chairman of the Company, the Resolution on the Election of Two New Independent Non-executive Directors and the Resolution on the Election of the Non-executive Director of the Company were considered and approved at the third board meeting in 2017 of the third session of the board of directors of the Company, which elected Mr. Peng Yi as an executive director and the vice chairman of the third session of the board of the directors of the Company, and approved the nominations of Mr. Zhang Chengjie and Mr. Leung Chong Shun as the candidates for independent non-executive directors of the third session of the board of directors of the Company and the nomination of Mr. Du Ji'an as a candidate for non-executive director of the Company. The nominations of the above-mentioned candidates are subject to the approvals of the shareholders' general meeting of the Company.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 22 March 2017.

4. Matters on resignation and election of supervisor

On 22 March 2017, the third session of the supervisory committee of the Company received the written resignation letter from Mr. Zhao Rongzhe, being a supervisor. Due to adjustment of work arrangements, Mr. Zhao Rongzhe has conveyed to the supervisory committee his request to resign from the shareholder representative supervisor. On 22 March 2017, the Resolution on the Election of the Shareholder Representative Supervisor of the Company was considered and approved at the first supervisory meeting in 2017 of the third session of the supervisory committee of the Company, which approved the nomination of Mr. Wang Wenzhang as a candidate for shareholder representative supervisor of the third session of the supervisory committee of the Company. The above-mentioned election is subject to the approval of the shareholders' general meeting of the Company.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 22 March 2017.

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 2016 and the reasons thereof

Applicable Not applicable

In 2017, the Chinese economy will keep the fundamentals of stable and robust development unchanged, and will be expected to maintain a medium-to-high-rate growth. The coal prices will be expected to maintain in a reasonable range. By sticking to the general requirement of “quality improvement amid stability with reform and innovation”, the Company will organise production in a scientific manner, stabilise production while enhance sales, and improve quality and efficiency in an effort to realise stable profit increase in the next reporting period.

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

Beijing, the PRC , 27 April 2017

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 Liu Zhiyong and Xiang Xujia; and the independent non-executive directors of the Company are Zhang Ke, Zhao Pei and Ngai Wai Fung.

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.

* For identification purpose only