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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)

THIRD 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 third quarterly financial report of the Company for the nine months ended 30 September 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 October 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 Directors absent

Name of director absent	Position of director absent	Reasons for absence	Name of proxy
Liu Zhiyong	Director	Personal reason	Du Ji'an
Zhang Ke	Independent director	Personal reason	Zhang Chengjie

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 third quarterly report of the Company is unaudited.

II. BASIC 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	247,885,302	241,848,785	2.5
Net assets attributable to the equity holders of the listed company	88,687,538	85,919,580	3.2
	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)	Increase/decrease compared to the corresponding period of the previous year (%)
Net cash flows generated from operating activities	10,640,243	6,088,211	74.8
	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)	Increase/decrease compared to the corresponding period of the previous year (%)
Operational revenue	59,793,093	41,489,247	44.1
Net profit attributable to the equity holders of the listed company	2,432,452	893,691	172.2
Net profit attributable to the equity holders of the listed company net of non-recurring gains or losses	2,253,407	-105,494	N/A
Weighted average return on net assets (%)	2.79	1.07	Increased by 1.72 percentage points
Basic earnings per share (RMB per share)	0.18	0.07	157.1
Diluted earnings per share (RMB per share)	0.18	0.07	157.1

Non-recurring gains or losses and relevant amounts

√ Applicable □ Not applicable

Unit: RMB'000

Item	Amount for the reporting 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
Gains or losses from disposal of non-current assets	17,288	109,624	–
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	27,161	91,153	–
Reversal of impairment provisions for receivables subject to individual impairment test	0	1,843	–
Gains or losses from external entrusted loans	16,344	49,033	–
Other non-operating income and expenses apart from the foregoing	13,862	-26,398	–
Gains from disposal of available-for-sale financial assets	0	5,269	–
Gains from disposal of long-term equity investments	0	143	–
Investment losses due to the change of accounting method from cost to equity	0	-4,190	–
Impact on minority shareholders' interests (after tax)	513	15,511	–
Effect of income tax	-20,201	-62,943	–
Total	54,967	179,045	–

2.2 Major production and operational data

Unit: RMB

Item	Unit	January to September, 2017	January to September, 2016	Percentage change %
I. Coal operations				
1. Production volume of commercial coal	10,000 tonnes	5,796	6,007	-3.5
Of which: Thermal coal	10,000 tonnes	5,098	5,285	-3.5
Coking coal	10,000 tonnes	698	722	-3.4
2. Sales volume of commercial coal	10,000 tonnes	9,586	10,042	-4.5
Of which: Sales volume of self-produced coal	10,000 tonnes	5,612	6,073	-7.6
II. Coal chemical operations				
(I) Olefin				
1. Polyethylene production	10,000 tonnes	30.8	26.9	14.5
Sales volume	10,000 tonnes	30.9	26.6	16.2
2. Polypropylene production	10,000 tonnes	30.2	26.1	15.7
Sales volume	10,000 tonnes	30.8	25.9	18.9
(II) Urea				
1. Production	10,000 tonnes	149.3	150.1	-0.5
2. Sales volume	10,000 tonnes	162.3	157.0	3.4
(III) Methanol				
1. Production	10,000 tonnes	48.7	42.6	14.3
2. Sales volume	10,000 tonnes	9.8	33.0	-
III. Coal mining equipment operations				
1. Output value of coal mining equipment	RMB100 million	37.8	22.4	68.8

Note: The sales volume of methanol from January to September 2017 excludes the Company's internal self-consumption of 481,000 tonnes.

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

Unit: RMB'000

	Net profit attributable to the equity holders of the listed company		Net assets attributable to the equity holders of the listed company	
	January to September, 2017	January to September, 2016	As at 30 September 2017	As at 31 December 2016
According to PRC GAAP	2,432,452	893,691	88,687,538	85,919,580
Items and amounts adjusted according to IAS:				
(a) Adjustment to special funds and deferred tax of the coal industry	714,953	-495,164	211,477	319,819
(b) Adjustment to floating of non-tradable shares under equity split	–	–	-155,259	-155,259
(c) Adjustment to government grants	2,783	2,783	-34,317	-37,100
According to IAS	3,150,188	401,310	88,709,439	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		181,432				
Particulars of top 10 shareholders						
Name of shareholders (full name)	Number of shares held as	Shareholding percentage (%)	Number of shares subject to trading	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	3,739,293,459	28.20	–	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)	40,655,146	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)	25,017,637	0.19	–	Unknown	–	Unknown
Sealand Securities CO., LTD. (國海證券股份有限公司)	15,603,771	0.12	–	Unknown	–	Unknown
China Life Insurance Company Limited – Dividends – Personal Dividends – 005L – FH002 Shanghai (中國人壽保險股份有限公司 – 分紅 – 個人分紅 – 005L – FH002滬)	10,599,780	0.08	–	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)	9,694,935	0.07	–	Unknown	–	Unknown
Particulars of top 10 shareholders not subject to trading moratorium						

Name of shareholders	Number of listed shares not subject to	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	3,739,293,459	Overseas listed foreign shares	3,739,293,459
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)	40,655,146	Ordinary shares denominated in RMB	40,655,146
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)	25,017,637	Ordinary shares denominated in RMB	25,017,637
Sealand Securities CO., LTD. (國海證券股份有限公司)	15,603,771	Ordinary shares denominated in RMB	15,603,771
China Life Insurance Company Limited – Dividends – Personal Dividends – 005L – FH002 Shanghai (中國人壽保險股份有限公司 – 分紅 – 個人分紅 – 005L – FH002滬)	10,599,780	Ordinary shares denominated in RMB	10,599,780
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)	9,694,935	Ordinary shares denominated in RMB	9,694,935
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 has not issued any preference shares and has no preference shareholders with voting rights restored.		

Note: 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 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.

Save as the shareholders listed in the above tables, according to the disclosure of interests published on the website of HKSE, as at 30 September 2017, 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 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
Other receivables	2,448,495	3,616,127	-32.3	Mainly due to the entrusted loans recovered and the clearing amounts due from the equity transfer of the enterprises in 2016.
Prepayments	2,306,430	1,264,434	82.4	Mainly due to the increase in prepayment for procurement of materials and equipment and the prepaid freight.
Long-term deferred expenses	63,194	92,560	-31.7	Mainly due to the amortisation during the reporting period.
Receipts in advance	3,412,980	2,368,889	44.1	Mainly due to the increase in payments received in advance.
Interest payable	510,548	813,536	-37.2	Mainly due to the payment of interest due for the interest-bearing debts.
Deferred revenue	1,715,277	761,998	125.1	Mainly due to the increase in governmental subsidies relating to assets.
Special reserves	2,052,054	1,181,350	73.7	Mainly due to the increase in the balances of the special reserves as a result of the decrease in the expensed expenditures of the special funds provided by affiliated enterprises as required during the reporting period.

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

Items	January to September, 2017	January to September, 2016	Increase/decrease (%)	Major reasons for the changes
Operational revenue	59,793,093	41,489,247	44.1	Mainly due to the year-on-year increase in coal sales price.
Cost of sales	39,268,502	28,697,353	36.8	Mainly due to the year-on-year increase in the procurement price for the proprietary coal trading and the increase in costs of self-produced commercial coal.
Taxes and surcharges	1,934,267	1,043,402	85.4	Mainly due to the year-on-year increase in resource tax, urban maintenance and construction tax and education surcharge as a result of the significant year-on-year increase in the coal sales revenue.
Loss from impairment of assets	1,406,206	113,568	1,138.2	Mainly due to the increase in assets impairment loss charged in respect of the projects postponed according to the strategic arrangement and the non-performing assets pursuant to relevant provisions of the Accounting Standards for Business Enterprises.
Investment gain	788,713	1,339,608	-41.1	Mainly due to the investment gain of RMB929 million recognised on the disposal of assets less relevant to principal businesses by the Company in the first half of 2016, while no such investment gain was recognised during the reporting period, combined with the increase in investment gain of equity investment companies recognised according to the shareholding ratio.
Profit from operations	5,680,805	1,152,737	392.8	Mainly due to the combined effects of the year-on-year increase in coal sales price and the enhanced cost and expense control.
Net non-operating incomes (expenses)	174,330	112,837	54.5	Mainly due to the increase in gains arising from land resumption of the affiliated enterprises during the reporting period.
Total profit	5,855,135	1,265,574	362.6	Mainly due to the combined effects of the year-on-year increase in coal sales price and the enhanced cost and expense control.
Income tax expenses	1,676,385	-50,374	-	Mainly due to the increase in income tax expenses arising from the significant improvement on the performance of the Company.
Net profit	4,178,750	1,315,948	217.5	Mainly due to the combined effects of the year-on-year increase in coal sales price and the enhanced cost and expense control.
Net profit attributable to the equity holders of the Company	2,432,452	893,691	172.2	Mainly due to the combined effects of the year-on-year increase in coal sales price and the enhanced cost and expense control.
Minority shareholders' interests	1,746,298	422,257	313.6	Mainly due to the combined effects of the year-on-year increase in coal sales price and the enhanced cost and expense control.
Other comprehensive income (net of tax)	8,057	29,941	-73.1	Mainly due to the changes in the differences of conversion in the statements of foreign currency of overseas subsidiaries.
Total comprehensive income	4,186,807	1,345,889	211.1	Mainly due to the year-on-year increase in the net profit of the Company, combined with the changes 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 September, 2017	January to September, 2016	Major reasons for the changes
Net cash flows generated from operating activities	10,640,243	6,088,211	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	-5,213,073	12,467,159	Mainly due to the significant year-on-year decrease in the cash inflows arising from changes in the balance of term deposits with an initial term of more than three months.
Net cash flows generated from financing activities	-3,605,456	-21,251,613	Mainly due to the repayment of the medium-term notes of RMB15 billion which was due in the corresponding period of 2016.

3.1.4 Sales revenue, cost and gross profit of coal operations

For the period from January to September of 2017, the Company's revenue from coal operations increased from RMB29.977 billion for the same period of 2016 to RMB48.094 billion, representing an increase of RMB18.117 billion; the cost of coal operations increased from RMB20.715 billion for the same period of 2016 to RMB30.311 billion, representing an increase of RMB9.596 billion; the gross profit of coal operations increased from RMB9.262 billion for the same period of 2016 to RMB17.783 billion, representing an increase of RMB8.521 billion.

3.1.5 Changes in coal sales volume and price

Currency: RMB

		January to September, 2017		January to September, 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	5,612	495	6,073	300	-461	195	-7.6	65.0
	(I) Thermal coal	4,930	442	5,362	287	-432	155	-8.1	54.0
	1. Domestic sale	4,921	442	5,331	287	-410	155	-7.7	54.0
	2. Export	9	577	31	384	-22	193	-71.0	50.3
	(II) Coking coal	682	877	711	393	-29	484	-4.1	123.2
	1. Domestic sale	682	877	711	393	-29	484	-4.1	123.2
	2. Export	☆	☆	☆	☆	-	-	-	-
II. Proprietary coal trading	Total	3,673	501	3,720	291	-47	210	-1.3	72.2
	(I) Domestic resale	3,486	500	3,527	291	-41	209	-1.2	71.8
	(II) Self-operated exports*	19	1,149	10	600	9	549	90.0	91.5
	(III) Import trading	164	450	183	291	-19	159	-10.4	54.6
	(IV) Transshipment trading	4	626	0	-	4	-	-	-
III. Import and export and domestic agency★	Total	301	8	249	3	52	5	20.9	166.7
	(I) Import agency	39	6	11	6	28	0	254.5	0.0
	(II) Export agency	197	7	187	4	10	3	5.3	75.0
	(III) Domestic agency	65	10	51	1	14	9	27.5	900.0

☆: N/A for the period.

* : Briquette export.

★: Selling price is the agency service fee.

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

Unit: RMB/tonne

Item	January to September, 2017	January to September, 2016	Year-on-year	
			Increase/ decrease in amount	Increase/ decrease (%)
Material costs	52.85	41.30	11.55	28.0
Labour costs	28.11	30.47	-2.36	-7.7
Depreciation and amortisation	44.12	44.01	0.11	0.2
Repair expenses	12.14	7.56	4.58	60.6
Outsourcing mining engineering fee	16.77	11.38	5.39	47.4
Other costs	47.01	17.29	29.72	171.9
Unit cost of sales of self- produced commercial coal	201.00	152.01	48.99	32.2

For the period from January to September 2017, the Company's unit cost of sales of self-produced commercial coal was RMB201.00/tonne, representing an increase of RMB48.99/tonne or 32.2% as compared to RMB152.01/tonne for the same period of 2016.

Unit material costs increased year-on-year by RMB11.55/tonne, which was mainly attributable to the combined effects of the year-on-year increase in material cost as coal production enterprises of the Company put more efforts in production safety, the year-on-year price rise in raw materials such as diesel, and the year-on-year increase in unit purchase price of externally purchased raw coal for washing purpose.

Unit labour costs decreased by RMB2.36/tonne year-on-year, which was mainly attributable to the year-on-year decrease in labour costs as the Company proactively implemented the policy of "cutting overcapacity", deepened corporate reform and imposed strict controls on gross manpower and gross salaries..

Unit depreciation and amortisation costs increased by RMB0.11/tonne year-on-year, which was mainly attributable to a year-on-year decrease in the Group's self-produced commercial coal production volume during the reporting period, which led to a year-on-year increase in unit depreciation and amortisation costs.

Unit repair expenses increased by RMB4.58/tonne year-on-year, which was mainly attributable to a year-on-year increase in repair costs resulting from the strengthening of repair and maintenance of equipment by coal producing enterprises of the Company.

Unit outsourcing mining engineering fee increased by RMB5.39/tonne year-on-year, which was mainly attributable to the year-on-year increase in the outsourcing mining engineering volume of coal producing enterprises of the Company.

Unit other costs increased by RMB29.72/tonne year-on-year, which was mainly attributable to the year-on-year decrease in using of special reserves made by coal producing enterprises of the Company as expenses.

3.1.7 Changes in sales volume and price of major chemical products

Currency: RMB

	January to September, 2017		January to September, 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) Polyolefin	61.7	7,564	52.5	6,949	9.2	615	17.5	8.9
1. Polyethylene	30.9	8,038	26.6	7,685	4.3	353	16.2	4.6
2. Polypropylene	30.8	7,088	25.9	6,193	4.9	895	18.9	14.5
(II) Urea	162.3	1,371	157.0	1,172	5.3	199	3.4	17.0
(III) Methanol◆	9.8	2,139	33.0	1,399	-23.2	740	-70.3	52.9

◆: Including sales of methanol produced by Heilongjiang Coal Chemical Group, a subsidiary of China Coal Group with 19.2 thousand tonnes from January to September 2017 and 38.0 thousand tonnes from January to September 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 September, 2017	January to September, 2016	Increase/decrease in amount	January to September, 2017	January to September, 2016	Increase/decrease in amount
(I) Polyolefin	33.15	20.41	12.74	5,376	3,885	1,491
1. Polyethylene	16.60	10.64	5.96	5,377	3,996	1,381
2. Polypropylene	16.55	9.77	6.78	5,375	3,770	1,605
(II) Urea	15.32	11.36	3.96	944	724	220
(III) Methanol	2.10	4.16	-2.06	2,137	1,259	878

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

and solutions

√ Applicable □ Not applicable

1. Matters in relation to issuance of the corporate bonds

The Company completed the public issuance of the 2017 first tranche corporate bonds in the amount of RMB1 billion on 20 July 2017, with a term of five years (3+2) and an annual interest rate of issuance at 4.61%.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 21 July 2017.

2. Matters in relation to issuance of the short-term financing bonds

The Company completed the issuance of the 2017 first tranche of short-term financing bonds in the amount of RMB3 billion on 24 July 2017, with a term of 365 days and an interest rate for the issue of 4.53%.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 24 July 2017.

3. Matters in relation to registration of medium-term notes

On 9 August 2017, as disclosed in the Announcement on the Approved Registration of Medium-term Notes of China Coal Energy, the National Association of Financial Market Institutional Investors approved the registration of medium-term notes of RMB10 billion of the Company.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 9 August 2017.

4. Matters in relation to the use of proceeds to temporarily supplement the working capital

On 23 August 2017, the Resolution on the Continuing Use of Proceeds to Temporarily Supplement the Working Capital was considered and approved at the sixth meeting of the third session of the board of directors of the Company in 2017, which approved the Company to use the idle proceeds of RMB3.355 billion to temporarily supplement the working capital of the Company and the period of use shall not exceed 12 months.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 23 August 2017.

5. Matters in relation to changes in the use of proceeds

On 23 August 2017, the Resolution on Change of Use of the Part of the Company's Proceeds from A-share Issue in Investment Project was considered and approved at the sixth meeting of the third session of the board of directors of the Company in 2017, which approved the Company to change the use of the balance of the proceeds from A-share issue used in Xiaohuigou Coal Mine Project together with the interest thereon aggregating RMB736 million into construction of Xiaohuigou Coal Mine. The Resolution is still subject to consideration and approval at the first extraordinary general meeting of the Company in 2017.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 23 August 2017.

6. *Matters in relation to transfer of equity interest in subsidiaries*

On 23 August 2017, the Resolution on the Negotiated Transfer of 100% Equity Interest in China Coal and Coke Holdings Limited (Tianjin)* (中煤焦化控股(天津)有限責任公司) Held by China Coal and Coke Holdings Limited* (中煤焦化控股有限責任公司) and the Resolution on the Negotiated Transfer of 100% Equity Interest in Shanxi Coal Transportation and Sales Co., Ltd* (山西中煤焦化運銷有限責任公司) Held by China Coal and Coke Holdings Limited* (中煤焦化控股有限責任公司) were considered and approved at the sixth meeting of the third session of the board of directors of the Company in 2017.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 23 August 2017.

7. *Matters in relation to nomination of executive director candidate and appointment of president and vice presidents of the Company*

On 23 August 2017, the Resolution on the Election of the Executive Director of the Company, the Resolution on the Appointment of the President of the Company and the Resolution on the Appointment of Vice Presidents of the Company were considered and approved at the sixth meeting of the third session of the board of directors of the Company in 2017, which approved the Company to nominate Mr. Niu Jianhua as an executive director candidate for the third session of the board of directors of the Company, and to appoint Mr. Niu Jianhua as the president of the Company and Mr. Ma Gang and Mr. Ni Jiayu as vice presidents of the Company. The abovementioned appointment of executive director candidate is still subject to approval at the first extraordinary general meeting of the Company in 2017.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 23 August 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

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

Beijing, the PRC, 27 October 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, Du Ji'an and Xiang Xujia; 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.

* For identification purpose only