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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 2015

Pursuant to the regulations and rules of China Securities Regulatory Commission and Shanghai Stock Exchange (the “SSE”), 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 2015 third quarterly financial report of the Company for the nine months ended 30 September 2015. 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 2015. 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
Peng Yi	Director	Personal reason	Li Yanjiang

1.3 Li Yanjiang (the person-in-charge of the Company), Weng Qing'an (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. MAJOR FINANCIAL DATA OF THE COMPANY AND CHANGES OF SHAREHOLDERS

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	257,480,269	242,706,302	6.1
Net assets attributable to shareholders of the listed company	84,832,909	86,717,506	-2.2
	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	1,278,551	587,141	117.8

	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	44,878,835	52,079,324	-13.8
Net profit attributable to shareholders of the listed company	-1,666,302	659,202	-352.8
Net profit attributable to shareholders of the listed company net of non-recurring gains or losses	-1,794,913	521,409	-444.2
Weighted average return on net assets (%)	-1.94	0.76	Decreased by 2.70 percentage points
Basic earnings per share (RMB per share)	-0.13	0.05	-360.0
Diluted earnings per share (RMB per share)	-0.13	0.05	-360.0

Non-recurring gains or losses and relevant amounts

√ Applicable □ Not applicable

Unit: RMB'000

Item	Amount for the current period (July to September)	Amount 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	-10,240	-24,812	—
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 on-going basis in fixed amount or volume according to certain principles under national policies	12,125	56,269	—
Gains or losses from debt restructuring	3,356	3,356	—
Reversal of impairment provisions for receivables subject to individual impairment test	5	8,809	—
Gains or losses from external entrusted loans	26,822	97,214	—
Other non-operating income and expenses apart from the foregoing	10,414	40,575	—
Effect of income tax	-5,073	-39,805	—
Impact on minority shareholders' interests (after tax)	-12,688	-12,995	—
Total	24,721	128,611	—

2.2 Major production and operational data

Unit: RMB

Item	Unit	January to September, 2015	January to September, 2014	Percentage change %
I. Coal operations				
1. Production volume of commercial coal	10,000 tonnes	7,159	8,737	-18.1
Of which: Thermal coal	10,000 tonnes	6,496	8,295	-21.7
Coking coal	10,000 tonnes	663	442	50.0
2. Sales volume of commercial coal	10,000 tonnes	10,118	11,502	-12.0
Of which: Sales volume of self-produced coal	10,000 tonnes	7,158	8,101	-11.6
II. Coal chemical operations				
(I) Olefin				
1. Polyethylene production	10,000 tonnes	26.8	5.0	436.0
Sales volume	10,000 tonnes	26.5	4.2	531.0
2. Polypropylene production	10,000 tonnes	25.0	3.7	575.7
Sales volume	10,000 tonnes	23.9	3.3	624.2
(II) Urea				
1. Production	10,000 tonnes	140.5	76.7	83.2
2. Sales volume	10,000 tonnes	117.2	63.9	83.4
(III) Methanol				
1. Production	10,000 tonnes	55.1	36.4	51.4
2. Sales volume	10,000 tonnes	55.2	39.2	40.8
(IV) Coke				
1. Production	10,000 tonnes	145.4	145.3	0.1
2. Sales volume	10,000 tonnes	156.3	181.1	-13.7
Of which: Sales volume of self-produced coke	10,000 tonnes	143.9	145.9	-1.4
III. Coal mining equipment operations				
1. Output value of coal mining equipment	RMB 100 million	32.8	44.0	-25.5

- Notes: 1. Commercial coal production volume of the Hecaogou Coal Mine of China Coal Shaanxi Yulin Energy & Chemical Company Limited was excluded from the commercial coal production volume for the current period and the corresponding period.
2. The methanol sales volume of the Company includes sales of all proprietary methanol products produced by China Coal Heilongjiang Coal Chemical Engineering (Group) Company Limited (hereinafter referred to as “**Heilongjiang Coal Chemical Group**”), a subsidiary of China National Coal Group Corporation (hereinafter referred to as “**China Coal Group**”).
3. The sales volumes of olefin, urea and methanol for January to September 2014 comprised those for the trial production period.

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 September, 2015	January to September, 2014	As at 30 September 2015	As at 31 December 2014
According to PRC GAAP	-1,666,302	659,202	84,832,909	86,717,506
Items and amounts adjusted according to IAS:				
(a) Adjustment to special reserves and relevant deferred tax	71,688	24,831	317,196	386,016
(b) Adjustment to floating of non-tradable shares under equity split	–	–	-155,259	-155,259
(c) Adjustment to government grants	2,783	2,783	-41,737	-44,520
According to IAS	-1,591,831	686,816	84,953,109	86,903,743

Explanations on major reconciliations:

- (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 for 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		247,493				
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	3,950,318,947	29.79	-	Unknown	-	Foreign legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	354,561,027	2.67	-	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 Investment Ltd. (中央匯金投資有限責任公司)	83,035,400	0.63	-	Unknown	-	State-owned legal person
Xu Kaidong (徐開東)	26,942,086	0.20	-	Unknown	-	Unknown
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	11,640,041	0.09	-	Unknown	-	Foreign legal person
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)	6,714,300	0.05	-	Unknown	-	Unknown
China Construction Bank – SSE 180 Trading Open-end Index Securities Investment Fund (中國建設銀行–上證180交易型開放式指數 證券投資基金)	5,500,174	0.04	-	Unknown	-	Unknown
China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司)	5,500,000	0.04	-	Unknown	-	State-owned legal person

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	3,950,318,947	Overseas listed foreign shares	3,950,318,947
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	354,561,027	Ordinary shares denominated in RMB	354,561,027
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 Investment Ltd. (中央匯金投資有限責任公司)	83,035,400	Ordinary shares denominated in RMB	83,035,400
Xu Kaidong (徐開東)	26,942,086	Ordinary shares denominated in RMB	26,942,086
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	11,640,041	Ordinary shares denominated in RMB	11,640,041
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)	6,714,300	Ordinary shares denominated in RMB	6,714,300
China Construction Bank – SSE 180 Trading Open-end Index Securities Investment Fund (中國建設銀行－上證180交易型開放式指數證券投資基金)	5,500,174	Ordinary shares denominated in RMB	5,500,174
China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司)	5,500,000	Ordinary shares denominated in RMB	5,500,000

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 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 30 September 2015 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.

According to the disclosure of interests published on the website of HKSE, Funde Sino Life Insurance Co., Ltd. had long positions in 1,974,317,147 H shares of the Company as at 30 September 2015, representing 14.89% 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 items 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
Prepayment	1,920,348	1,409,224	36.3	Increase in freight prepayment and port fee, etc. of subordinate enterprises of the Company.
Interest receivable	210,581	131,008	60.7	Mainly due to increase in accrued interest on deposits.
Dividend receivable	11,771	29,490	-60.1	Receipt of dividends distributed in previous years from equity investment companies in the current period.
Financial assets available for sale	5,512,191	4,241,735	30.0	Mainly due to the fact that the Company ceased to exercise significant influence over Taiyuan Coal Gasification Longquan Energy Development Company Limited in the current period and therefore the investment of RMB702 million in it was adjusted to be presented as financial assets available for sale instead of long-term equity investments, and the capital increase in Mengxi-Huazhong Railway Company Limited by RMB400 million in proportion to shareholding ratio.
Deferred income tax assets	2,336,996	1,300,519	79.7	Mainly due to an increase in deductible temporary differences of subsidiaries of the Company as a result of their loss.

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
Notes payables	1,644,747	2,779,443	-40.8	Mainly due to the payment of external acceptance bills upon maturity.
Non-current liabilities due within one year	9,485,581	6,831,879	38.8	Mainly due to increase in long-term borrowings due within one year.
Other current liabilities	3,875,335	2,638,685	46.9	Mainly due to issuance of short-term financing bonds amounting to RMB1.5 billion by subsidiaries of the Company in the current period.
Bonds payables	40,853,726	30,855,018	32.4	Mainly due to the issuance of medium-term notes amounting to RMB10 billion by the Company in the current period.
Other comprehensive income	-70,191	-53,555	31.1	Mainly due to changes in difference from translation of foreign currencies of overseas subsidiaries.

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

Unit: RMB'000

Items	January to September, 2015	January to September, 2014	Increase/decrease (%)	Major reasons for the changes
Finance costs	3,047,536	1,323,932	130.2	Mainly due to the increase in interest expense arising from the coming into production of major coal chemical projects in the Inner Mongolia-Shaanxi Base and the increase in interest-bearing debts.
Loss from impairment of assets	95,110	162,959	-41.6	Mainly due to the decrease in loss of bad debt provision in the subordinate enterprises.
Investment gain	275,274	161,587	70.4	Mainly due to the increase in corporate profit derived from power and wharf companies with share participation of the Company, as well as the increase in investment gain recognised based on the share proportion of the Company.
Profit from operations	-1,851,690	1,352,745	-236.9	Mainly due to the substantial drop in coal price as affected by market conditions.
Total profit	-1,776,302	1,423,693	-224.8	Mainly due to the substantial drop in coal price as affected by market conditions.
Income tax expenses	-441,801	458,453	-196.4	Mainly due to the loss of several companies.
Net profit	-1,334,501	965,240	-238.3	Mainly due to the substantial drop in coal price as affected by market conditions.
Other comprehensive income (net of tax)	-16,636	-680	2,346.5	Mainly due to changes in difference from translation of foreign currencies of overseas subsidiaries.

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

Unit: RMB'000

Items	January to September, 2015	January to September, 2014	Increase/decrease (%)	Major reasons for the changes
Net cash flows generated from operating activities	1,278,551	587,141	117.8	Mainly due to the combined impact of year-on-year profit decrease as affected by the coal market conditions, but the Company increased the inventory product sales, consignment sales proportion of materials and accessories that led to a reduction in the capital used by the inventory, as well as the changes in the operational restricted deposit.
Net cash flows generated from investment activities	-18,044,093	-11,747,812	53.6	During the reporting period, the cash spent on capital expenditures for the acquisition of fixed assets recorded a year-on-year decrease, but this was affected by the combined impact of the year-on-year increase in cash outflow derived from the term deposit with initial maturity of over three months, together with the increase in cash inflow arising from the consolidation of China Coal Finance Co., Ltd. in the consolidated financial statements in the same period of last year.
Net cash flows generated from financing activities	15,866,559	17,435,792	-9.0	Mainly due to the combined impact of year-on-year decrease in net cash inflow from debt financing and cash payment for distribution of dividend, and the year-on-year increase in cash outflow from interest payment.

3.1.4 Sales revenue, cost and gross profit of coal business

For the period from January to September of 2015, the Company's sales revenue of coal business was RMB31.642 billion, representing a decrease of RMB11.20 billion as compared to RMB42.842 billion for the same period of last year. The cost of coal business was RMB21.774 billion, representing a decrease of RMB6.624 billion as compared to RMB28.398 billion for the same period of last year. The gross profit of coal business was RMB9.868 billion, representing a decrease of RMB4.576 billion as compared to RMB14.444 billion for the same period of last year.

3.1.5 Changes in coal sales volume and selling price

Currency: RMB

		January to September 2015		January to September 2014		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	7,158	301	8,101	368	-943	-67	-11.6	-18.2
	(I) Thermal coal	6,521	289	7,644	357	-1,123	-68	-14.7	-19.0
	1. Domestic sale	6,494	288	7,605	356	-1,111	-68	-14.6	-19.1
	(1) Long-term contract	5,546	299	6,293	370	-747	-71	-11.9	-19.2
	(2) Spot trading	948	224	1,311	291	-363	-67	-27.7	-23.0
	2. Export	27	443	39	557	-12	-114	-30.8	-20.5
	(1) Long-term contract	27	443	39	557	-12	-114	-30.8	-20.5
	(2) Spot trading	☆	☆	☆	☆	-	-	-	-
	(II) Coking coal	637	451	457	556	180	-105	39.4	-18.9
	1. Domestic sale	637	451	457	556	180	-105	39.4	-18.9
	(1) Long-term contract	☆	☆	☆	☆	-	-	-	-
	(2) Spot trading	637	451	457	556	180	-105	39.4	-18.9
	2. Export	☆	☆	☆	☆	-	-	-	-
	II. Proprietary coal trading	Total	2,657	331	3,022	418	-365	-87	-12.1
(I) Domestic resale		2,502	325	2,837	412	-335	-87	-11.8	-21.1
(II) Self-operated exports *		2.6	1,671	2.2	2,027	0.4	-356	18.2	-17.6
(III) Import trading		152	406	183	504	-31	-98	-16.9	-19.4
III. Import and export agency ★	Total	303	3	379	4	-76	-1	-20.1	-25.0
	(I) Import agency	7	6	60	9	-53	-3	-88.3	-33.3
	(II) Export agency	150	4	159	5	-9	-1	-5.7	-20.0
	(III) Domestic agency	146	1	160	1	-14	-	-8.8	-

Notes: ☆ : N/A.

* : Briquette export.

★ : Selling price refers to agency service fee.

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

Unit: RMB/tonne

Items	January to September, 2015	January to September, 2014	January to December, 2014	As compared to January to September, 2014		As compared to January to December, 2014	
				Increase/decrease in amount	Increase/decrease (%)	Increase/decrease in amount	Increase/decrease (%)
Material cost (excluding cost of external purchase of raw coal for washing purpose)	41.35	42.71	47.93	-1.36	-3.2	-6.58	-13.7
Cost of external purchase of raw coal for washing purpose	5.00	12.04	11.57	-7.04	-58.5	-6.57	-56.8
Labour costs	28.81	28.75	30.66	0.06	0.2	-1.85	-6.0
Depreciation and amortisation	39.23	33.88	36.91	5.35	15.8	2.32	6.3
Repair expenses	5.98	6.91	7.41	-0.93	-13.5	-1.43	-19.3
Outsourcing mining- engineering fee	14.02	25.90	26.44	-11.88	-45.9	-12.42	-47.0
Other costs	33.32	41.40	34.65	-8.08	-19.5	-1.33	-3.8
Unit cost of sales of self-produced commercial coal	167.71	191.59	195.57	-23.88	-12.5	-27.86	-14.2

For the period from January to September of 2015, the Company's unit cost of sales of self-produced commercial coal decreased from RMB191.59/tonne for the same period of last year to RMB167.71/tonne, representing a decrease of RMB23.88/tonne or 12.5%, or a decrease of RMB27.86/tonne or 14.2% as compared to RMB195.57/tonne for the year of 2014.

Firstly, material costs decreased by RMB1.36/tonne year-on-year, mainly attributable to the further efforts in strengthening quota management of material consumption, strengthening recycling and conservation of materials, and the year-on-year price reduction of material procurement (e.g. diesel) and the decrease in stripping volume that led to a year-on-year decrease of RMB500 million in the total cost of materials. However, the self-produced commercial coal volume recorded a year-on-year decrease of 15.78 million tonnes, leading to an increase in cost of coal materials per tonne, and the combined effects resulted in the decrease in the unit cost of materials by RMB1.36/tonne.

Secondly, the cost of external purchase of raw coal for washing purposes decreased by RMB7.04/tonne year-on-year, mainly attributable to the decrease in volume of external purchase of raw coal for washing purposes and the decrease in unit price of procurement as compared to the corresponding period of last year, resulting in a year-on-year decrease of total cost of external purchase of raw coal for washing purposes by RMB617 million.

Thirdly, the labour costs recorded a year-on-year increase of RMB0.06/tonne, mainly because during the reporting period, various coal producing enterprises strictly followed the requirements of linking remuneration with performance, further enhancing control of total salary amount, and strengthening reduction on labour dispatch workforce and lowering the total usage of labour, which resulted in a year-on-year decrease of total labour costs by RMB267 million. However, the output of self-produced commercial coal decreased by 15.78 million tonnes year-on-year, which led to an increase in the total labour costs. The combined effect increased the unit labour cost by RMB0.06/tonne year-on-year.

Fourthly, the cost of depreciation and amortisation increased by RMB5.35/tonne as compared to the corresponding period of 2014, mainly because during the reporting period, the depreciation period of certain fixed assets owned by the coal producing enterprises underwent adjustments, while the self-produced commercial coal output decreased by 15.78 million tonnes year-on-year, which resulted in the increase of the cost of depreciation and amortisation.

Fifthly, repair expenses decreased by RMB0.93/tonne as compared to the corresponding period of 2014, mainly attributable to the enhancement of routine repair and maintenance of equipment by the coal producing subordinate enterprises, full utilisation of the self-repairing capability and decrease in outsourced repair, which led to a year-on-year decrease of repairing expense by RMB132 million.

Sixthly, outsourcing mining engineering fee decreased by RMB11.88/tonne as compared to the corresponding period of 2014, mainly attributable to the strengthening in management of outsourcing business by coal producing enterprises, stringent control of unit price of outsourcing, as well as the year-on-year decrease in the stripping volume, resulting in a year-on-year decrease of total outsourcing mining engineering fee by RMB1.095 billion.

Seventhly, other costs decreased by RMB8.08/tonne as compared to the corresponding period of 2014, mainly attributable to suspension of the provision for environmental restoration fund and coal mine industry transformation fund by coal enterprises in Shanxi province since 1 December 2014, resulting in a year-on-year reduction in costs by RMB1.166 billion.

3.1.7 Changes in sales volume and selling price of major chemical products

Currency: RMB

	January to September 2015		January to September 2014		Increase/Decrease in amount		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)	Sales volume (%)	Selling price (%)
(I) Olefin	50.4	7,585	☆	☆	50.4	-	-	-
1. Polyethylene	26.5	7,964	☆	☆	26.5	-	-	-
2. Polypropylene	23.9	7,165	☆	☆	23.9	-	-	-
(II) Methanol◆	55.2	1,541	12.7	2,112	42.5	-571	334.6	-27.0
(III) Urea	117.2	1,725	16.4	1,435	100.8	290	614.6	20.2
(IV) Coke	156.3	758	181.1	956	-24.8	-198	-13.7	-20.7
1. Self-produced	143.9	749	145.9	924	-2.0	-175	-1.4	-18.9
2. Proprietary trading	12.4	867	35.2	1,084	-22.8	-217	-64.8	-20.0

◆: Includes the sales volume of methanol produced by China Coal Heilongjiang Coal Chemical Engineering (Group) Company Limited, a subsidiary of China Coal Group, amounting to 20,900 tonnes in January to September 2015, as compared to 47,500 tonnes for the corresponding period of 2014.

☆: N/A.

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 2015	January to September 2014	Increase/decrease	January to September 2015	January to September 2014	Increase/decrease
Olefin	18.96	☆	18.96	3,766.82	☆	-
Methanol	6.97	2.68	4.29	1,262.26	2,100.19	-837.93
Urea	12.18	2.22	9.96	1,039.72	1,352.97	-313.25
Coke	10.06	15.97	-5.91	643.90	865.92	-222.02

☆: N/A for the period.

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

√ Applicable □ Not applicable

1. On 21 August 2015, the second meeting of the third session of the board of directors of the Company in 2015 considered and passed the Resolution on Proposed Provision of Guarantee in Proportion to Shareholding for Zhongtian Synergetic Company in respect of the Syndicated Loan Facility for the Model Project on Deep Processing of Coal and agreed to submit the resolution to the general meeting of the Company for consideration and approval.

For details, please refer to the relevant announcement published on 21 August 2015 on the websites of SSE, HKSE and the Company.

2. On 21 August 2015, the second meeting of the third session of the board of directors of the Company in 2015 passed the Resolution on the Proposed Amendments to the Articles of Association and agreed to submit the resolution to the general meeting of the Company for approval.

For details, please refer to the relevant announcement published on 21 August 2015 on the websites of SSE, HKSE and the Company.

3. On 23 September 2015, the board of directors of the Company received the written resignation of Mr. Wang An, conveying his request to resign from the posts of chairman of the third session of the board of directors, executive director of the Company, and the chairman of the Strategic Planning Committee of the board of directors. The resignation took effect immediately upon delivery of his resignation report to the board of directors. Mr. Li Yanjiang, the vice chairman of the board of directors, shall temporarily perform the duties of the chairman of the board of directors until a new chairman of the board of directors is elected.

For details, please refer to the relevant announcement published on 23 September 2015 on the websites of SSE, HKSE and the Company.

3.3 Performance of undertakings given by the Company and shareholders with shareholdings over 5%

Applicable Not applicable

1. In May 2014, the Company received the Letter of Undertaking on Further Avoiding Horizontal Competition with China Coal Energy Company Limited from its controlling shareholder China Coal Group, in which China Coal Group, stating expressly that: “Within 7 years from the date of the Letter of Undertaking on Further Avoiding Horizontal Competition with China Coal Energy Company Limited, China Coal Group will inject its equity interests in China Coal Import and Export Company, China Coal Group Shanxi Huayu Energy Co., Ltd. and China Coal Heilongjiang Coal Chemical Engineering (Group) Company Limited, which have horizontal competition with China Coal Energy, into China Coal Energy, subject to fulfilling the procedures for meetings of the board of directors or shareholders’ general meeting by China Coal Energy under applicable laws and regulations and the Articles of Association of the Company.” The matter above was disclosed after consideration at the 2014 fourth meeting of the second session of the board of directors held on 13 May 2014. China Coal Energy will follow up the fulfilment of the above undertaking with a high sense of responsibility to investors in accordance with the relevant regulatory requirements.

For details, please refer to the Announcement on Fulfilment of Undertaking of the Company and Controlling Shareholder and the Announcement on Undertaking of China National Coal Group Corporation on Further Avoiding Horizontal Competition with China Coal Energy Company Limited respectively published on 14 February and 13 May 2014 on the websites of SSE, HKSE and the Company.

2. On 10 July 2015, the Company received a notice from its controlling shareholder, China Coal Group, stating that: China Coal Group has undertaken not to dispose of any shares of the Company through the secondary market within six months with effect from 10 July 2015.

For details, please refer to the Announcement on the Controlling Shareholder's Undertaking Not to Dispose of Any Shares of the Company published on 10 July 2015 on the websites of SSE, HKSE and the Company.

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 2014 and the reasons thereof

Applicable Not applicable

The Company will continue to record a loss in aggregate net profit for the period from the beginning of 2015 to the end of the next reporting period due to the continued slide of coal prices as China's coal industry continued to undergo the process of in-depth readjustment as a result of a number of factors including the macro-economic slowdown, excessive capacity of the coal industry and insufficient demand for coal.

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

Beijing, the PRC
27 October 2015

As at the date of this announcement, the executive directors of the Company are Li Yanjiang and Gao Jianjun; the non-executive directors of the Company are Peng Yi, 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 purposes only. In the event of any inconsistency between the English and the Chinese version, the Chinese version shall prevail.

* *For identification purposes only*