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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 2016

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 2016 first quarterly financial report of the Company for the three months ended 31 March 2016. 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 2016. 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
Zhao Pei	Independent director	Personal reason	Zhang Ke
Xiang Xujia	Director	Personal reason	Gao Jianjun

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. person-in-charge of accounting) 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 was 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	254,661,112	256,979,526	-0.9
Net asset attributable to the shareholders of the listed company	83,065,750	83,484,300	-0.5
	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	-1,014,013	-4,207,910	-

	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	12,512,676	13,075,000	-4.3
Net profit attributable to shareholders of the listed company	-223,082	15,139	-1,573.6
Net profit attributable to shareholders of the listed company net of non-recurring gains or losses	-276,059	-73,751	-
Weighted average return on net assets (%)	-0.27	0.02	Decreased by 0.29 percentage point
Basic earnings per share (RMB per share)	-0.017	0.001	-1,800.0
Diluted earnings per share (RMB per share)	-0.017	0.001	-1,800.0

Non-recurring gains or losses and relevant amounts

√ Applicable □ Not applicable

Unit: RMB'000

Item	Amount for the current period	Explanation
Gains or losses from disposal of non-current assets	9,412	–
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 standards and adhering to certain principles under national policies	5,949	–
Gains or losses from debt restructuring	7,454	–
Gains or losses from external entrusted loans	43,062	–
Other non-operating income and expenses apart from the foregoing	4,221	–
Impact on minority shareholders' interests (after tax)	-15,056	–
Effect of income tax	-2,065	–
Total	52,977	–

2.2 Major production and operational data

Unit: RMB

Item	Unit	January to March, 2016	January to March,2015 (Restated)	Percentage change %
I. Coal operations				
1. Production volume of commercial coal	10,000 tonnes	2,049	1,971	4.0
Of which: Thermal coal	10,000 tonnes	1,774	1,816	-2.3
Coking coal	10,000 tonnes	275	155	77.4
2. Sales volume of commercial coal	10,000 tonnes	3,041	2,422	25.6
Of which: Sales volume of self-produced coal	10,000 tonnes	2,009	1,665	20.7
II. Coal chemical operations				
(I) Olefin				
1. Polyethylene production	10,000 tonnes	9.3	8.7	6.9
Sales volume	10,000 tonnes	9.0	9.1	-1.1
2. Polypropylene production	10,000 tonnes	8.5	8.3	2.4
Sales volume	10,000 tonnes	8.8	7.0	25.7
(II) Urea				
1. Production	10,000 tonnes	55.8	47.3	18.0
2. Sales volume	10,000 tonnes	77.7	49.0	58.6
(III) Methanol				
1. Production	10,000 tonnes	16.6	17.8	-6.7
2. Sales volume	10,000 tonnes	19.2	17.2	11.6
(IV) Coke				
1. Production	10,000 tonnes	49.2	48.5	1.4
2. Sales volume	10,000 tonnes	50.6	51.9	-2.5
Of which: Sales volume of self-produced coke	10,000 tonnes	48.6	47.6	2.1
III. Coal mining equipment operations				
1. Output value of coal mining equipment	RMB 100 million	8.6	11.1	-22.5

- Notes:*
1. Production volume of commercial coal of this period and the same period of the previous year did not include the production volume of commercial coal of Hecaogou Coal Mine of China Coal Shaanxi Yulin Energy & Chemical Company Limited.
 2. The sales volume of methanol of the Company included proprietary sales of all methanol products of China Coal Heilongjiang Coal Chemical Engineering (Group) Company Limited (“**Heilongjiang Coal Chemical Group**”), a subsidiary of China National Coal Group Corporation (the “**China Coal Group**”).

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, 2016	January to March, 2015	31 March 2016	31 December 2015
According to PRC GAAP	-223,082	15,139	83,065,750	83,484,300
Items and amounts adjusted according to IAS				
(a) Adjustment to special funds and deferred tax of the coal industry	-225,298	-32,841	354,218	419,338
(b) Adjustment to floating of non-tradable shares under equity split	-	-	-155,259	-155,259
(c) Adjustment to government grants	927	927	-39,883	-40,810
According to IAS	-447,453	-16,775	83,224,826	83,707,569

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	214,135					
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	3,950,042,867	29.79	-	Unknown	-	Foreign legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	346,112,290	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)	32,501,110	0.25	-	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)	21,110,427	0.16	-	Unknown	-	Unknown
Meng Diliang (蒙棟良)	12,537,197	0.09	-	Unknown	-	Unknown
Guosen Securities Co., Ltd. (國信證券股份有限公司)	10,126,654	0.08	-	Unknown	-	Unknown
Hong Kong Securities Clearing Company Ltd. (香港中央結算有限公司)	9,852,063	0.07	-	Unknown	-	Foreign 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	3,950,042,867	Overseas listed foreign shares	3,950,042,867
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	346,112,290	Ordinary shares denominated in RMB	346,112,290
China Coal Hong Kong Limited (中煤能源香港有限公司)	132,351,000	Overseas listed foreign shares	132,351,000
Central Huijin Asset Management Company Limited (中央匯金資產管理有限責任公司)	83,035,400	Ordinary shares denominated in RMB	83,035,400
Xu Kaidong (徐開東)	32,501,110	Ordinary shares denominated in RMB	32,501,110
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)	21,110,427	Ordinary shares denominated in RMB	21,110,427
Meng Diliang (蒙棣良)	12,537,197	Ordinary shares denominated in RMB	12,537,197
Guosen Securities Co., Ltd. (國信證券股份有限公司)	10,126,654	Ordinary shares denominated in RMB	10,126,654
Hong Kong Securities Clearing Company Ltd. (香港中央結算有限公司)	9,852,063	Ordinary shares denominated in RMB	9,852,063

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.

- Note:*
- The above information was prepared in accordance with the register of shareholders of the Company as at 31 March 2016 provided by the China Securities Depository and Clearing Corporation Limited Shanghai Branch and Computershare Hong Kong Investor Services Limited.
 - The H shares held by HKSCC Nominees Limited are held on behalf of various customers.

As at 31 March 2016, 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
General reserves	253,419	123,919	104.5	The increase in general reserves provided by China Coal Finance Co., Ltd. according to the relevant requirements of the Ministry of Finance.
Interest payables	1,670,279	1,112,479	50.1	Mainly due to the increase in interest-bearing debts.

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

Unit: RMB'000

Items	January to March, 2016	January to March, 2015	Increase/decrease (%)	Major reasons for the changes
Finance costs	1,005,511	733,409	37.1	Mainly due to the increase in interest bearing debts.
Loss from impairment of assets	-99,246	12,741	-878.9	Mainly due to the reversal of provision for impairment loss in inventory during the reporting period resulted from the external sales of inventory provided for impairment loss during the previous year.
Investment gain	36,693	60,009	-38.9	Mainly due to the decrease in investment gain recognised in proportion to shareholding in shareholding companies.
Profit from operations	-204,884	30,470	-772.4	Mainly due to the significant decline in the prices of coal products as affected by market conditions.
Non-operating income	54,063	94,571	-42.8	Mainly due to the recognition of equity investment cost during the same period of last year, being less than its entitled share of the fair value gain of the identifiable net assets of the investees on acquisition, while no such activity occurred during the period.
Non-operating expenses	26,735	6,276	326.0	Mainly due to the increase in the costs arising from land resumption of the subordinate enterprises during the reporting period.
Total profit	-177,556	118,765	-249.5	Mainly due to the significant decrease in the price of coal products as affected by market conditions.
Income tax expenses	-35,511	35,820	-199.1	Mainly due to the effect of loss of certain enterprises.
Net profit	-142,045	82,945	-271.3	Mainly due to the significant decline in the prices of coal products as affected by market conditions.
Other comprehensive income (net of tax)	-21,560	-12,495	72.5	Mainly due to the change of conversion difference in foreign currency statements of foreign subsidiaries.
Total comprehensive income	-163,605	70,450	-332.2	Mainly due to the combined effects of year-on-year decrease in the Company's net profit as affected by market conditions, as well as the change of conversion difference in foreign currency statements

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

Unit: RMB'000

Items	January to March, 2016	January to March, 2015	Major reasons for the changes
Net cash flows generated from operating activities	-1,014,013	-4,207,910	Mainly due to the strengthening of capital management and strict control on utilised capital of the Company.
Net cash flows generated from investment activities	-940,643	-3,060,588	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 as well as the year-on-year increase in cash flows generated from the changes in term deposits with an initial term of more than three months.
Net cash flows generated from financing activities	-1,503,071	2,887,645	Mainly due to the tightening control on scale of debts of the Company, leading to a significant year-on-year decrease in net cash inflow generated from debt financing.

3.1.4 Sales revenue, cost and gross profit of coal operations

For the period from January to March of 2016, the Company's revenue from coal operations decreased from RMB8.316 billion for the same period of last year to RMB8.177 billion, representing a decrease of RMB139 million; the cost of coal operations decreased from RMB5.695 billion for the same period of last year to RMB5.355 billion, representing a decrease of RMB340 million; the gross profit of coal operations increased from RMB2.621 billion for the same period of last year to RMB2.822 billion, representing an increase of RMB201 million.

3.1.5 Changes in coal sales volume and price

Currency: RMB

		January to March, 2016		January to March, 2015		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	2,009	278	1,665	347	344	-69	20.7	-19.9
	(I) Thermal coal	1,752	269	1,532	333	220	-64	14.4	-19.2
	1. Domestic sale	1,732	268	1,524	332	208	-64	13.6	-19.3
	2. Export	20	377	8	504	12	-127	150.0	-25.2
	(II) Coking coal	257	332	133	516	124	-184	93.2	-35.7
	1. Domestic sale	257	332	133	516	124	-184	93.2	-35.7
	2. Export	☆	☆	☆	☆	-	-	-	-
II. Proprietary coal trading	Total	967	268	697	363	270	-95	38.7	-26.2
	(I) Self-operated exports*	1	1,394	1	1,741	-	-347	-	-19.9
	(II) Domestic resale	940	268	661	358	279	-90	42.2	-25.1
	(III) Import trading	26	233	35	412	-9	-179	-25.7	-43.4
	(III) Transshipment trading	☆	☆	☆	☆	-	-	-	-
III. Import and export and domestic agency★	Total	65	4	60	5	5	-1	8.3	-20.0
	(I) Import agency	2	7	3	5	-1	2	-33.3	40.0
	(II) Domestic agency	-	-	5	7	-5	-	-	-
	(III) Export agency	63	4	52	5	11	-1	21.2	-20.0

Notes: ☆ : 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, 2016	January to March, 2015	January to December, 2015	As compared to January to March, 2015		As compared to January to December, 2015	
				Increase/decrease in amount	Increase/decrease (%)	Increase/decrease in amount	Increase/decrease (%)
Material costs (excluding cost of external purchase of raw coal for washing purpose)	36.39	48.79	45.94	-12.40	-25.4	-9.55	-20.8
Cost of external purchase of raw coal for washing purpose	3.89	9.10	11.57	-5.21	-57.3	-7.68	-66.4
Labour costs	25.41	39.17	29.74	-13.76	-35.1	-4.33	-14.6
Depreciation and amortisation	38.70	44.80	40.25	-6.10	-13.6	-1.55	-3.9
Repair expenses	7.28	8.30	6.96	-1.02	-12.3	0.32	4.6
Outsourcing mining engineering fee	11.63	16.14	11.56	-4.51	-27.9	0.07	0.6
Other costs	16.52	27.75	20.44	-11.23	-40.5	-3.92	-19.2
Unit cost of sales of self-produced commercial coal	139.82	194.05	166.46	-54.23	-27.9	-26.64	-16.0

For the period from January to March of 2016, the Company's unit cost of sales of self-produced commercial coal decreased from RMB194.05/tonne for the same period of last year to RMB139.82/tonne, representing a decrease of RMB54.23/tonne or 27.9%, or a decrease of RMB26.64/tonne or 16.0% as compared to RMB166.46/tonne for the year of 2015.

Firstly, material costs decreased by RMB12.40/tonne as compared to the corresponding period of 2015, mainly attributable to the further improvement of management of material requisition and consumption and the enhancement of recycling of coal producing enterprises, leading to a year-on-year decrease in the material costs.

Secondly, cost of external purchase of raw coal for washing purpose decreased by RMB5.21/tonne as compared to the corresponding period of 2015, mainly attributable to the year-on-year decrease in sales volume of external purchase of raw coal for washing purpose and the year-on-year fall in purchase price, leading to a year-on-year decrease in total cost of external purchase of raw coal for washing purpose.

Thirdly, labour costs decreased by RMB13.76/tonne as compared to the corresponding period of 2015, mainly attributable to the further enhanced controls over gross salaries, strict control on manpower and wage standards of coal producing enterprises, as well as the year-on-year increase in the production volume of self-produced commercial coal, leading to the year-on-year decrease in unit labour costs.

Fourthly, depreciation and amortization decreased by RMB6.10/tonne as compared to the corresponding period of 2015, mainly attributable to a year-on-year increase in the production volume of self-produced commercial coal, leading to the year-on-year decrease in the unit depreciation and amortization cost.

Fifthly, repair costs decreased by RMB1.02/tonne as compared to the corresponding period of 2015, mainly attributable to the strengthening of routine repair and maintenance of equipment of coal producing enterprises and the decrease in repair outsourcing by making full use of the own repair capability as well as the year-on-year increase in the production volume of self-produced commercial coal, leading to the year-on-year decrease in the unit repair costs.

Sixthly, outsourcing mining engineering fee decreased by RMB4.51/tonne as compared to the corresponding period of 2015, mainly attributable to full use of self-operated stripping activities and roadheading teams by coal producing enterprises, control over outsourcing business volume and cut down of outsourcing business unit price, leading to a year-on-year decrease in outsourcing mining engineering costs.

Seventhly, other costs decreased by RMB11.23/tonne as compared to the corresponding period of 2015, mainly attributable to various measures taken by the Company to cut down the amount of non-production related sporadic projects and expenses for small and medium projects, leading to a decrease in other costs.

3.1.7 Changes in sales volume and price of major chemical products

Currency: RMB

	January to March, 2016		January to March, 2015		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								
1. Polyethylene	9.0	7,439	9.1	7,814	-0.1	-375	-1.1	-4.8
2. Polypropylene	8.8	5,463	7.0	6,937	1.8	-1,474	25.7	-21.2
(II) Methanol◆	19.2	1,318	17.2	1,320	2.0	-2	11.6	-0.2
(III) Urea	77.7	1,169	49.0	1,821	28.7	-652	58.6	-35.8
(IV) Coke								
1. Self-produced	48.6	583	47.6	824	1.0	-241	2.1	-29.2
2. Proprietary trading	2.0	617	4.3	940	-2.3	-323	-53.5	-34.4

◆: including sales of methanol produced by Heilongjiang Coal Chemical Group, a subsidiary of China Coal Group with 15.9 thousand tonnes from January to March 2016 and 4 thousand tonnes from January to March 2015.

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, 2016	January to March, 2015	Increase/decrease in amount	January to March, 2016	January to March, 2015	Increase/decrease in amount
Polyethylene	3.26	3.67	-0.41	3,635.4	4,028.4	-393.0
Polypropylene	3.11	2.50	0.61	3,548.1	3,553.6	-5.5
Methanol	2.20	2.40	-0.20	1,149.5	1,390.9	-241.4
Urea	5.87	5.48	0.39	754.6	1,117.4	-362.8
Coke	2.38	3.34	-0.96	488.8	703.3	-214.5

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

Applicable Not applicable

1. On 22 March 2016, the first meeting of the third session of the board of directors of the Company in 2016 considered and approved the “Proposal in respect of the Amendment to the Articles of Association” and agreed to submit the proposal to the general meeting of the Company for consideration.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 22 March 2016.

2. On 22 March 2016, the first meeting of the third session of the board of directors of the Company in 2016 considered and approved the “Proposal in respect of Renunciation of the Right of First Refusal of 49% Equity Interest in Shanxi China Coal Huajin Energy Company Limited”.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 22 March 2016.

3. On 22 March 2016, the first meeting of the third session of the board of directors of the Company in 2016 considered and approved the “Proposal in respect of the Adjustments to the Annual Caps for the Connected Transactions of the Company Contemplated under the Coal and Coal Related Products and Services Supply Agreement for 2016-2017”; considered and approved the “Proposal in respect of the Adjustments to the Annual Caps for the Connected Transactions Contemplated under the Financial Services Framework Agreement for 2016-2017” and agreed to submit the proposal to the general meeting of the Company for consideration.

For details, please refer to the announcements of the Company published on the websites of SSE, HKSE and the Company on 22 March 2016.

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 stated 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 Heilongjiang Coal Chemical Group, 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.” The issue was reviewed by the board of directors of the Company. 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 Subjects including 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 from 10 July 2015. China Coal Group did not dispose of any shares of the Company through the secondary market within the commitment period.

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 2015 and the reasons thereof

Applicable Not applicable

In the first half of 2016, owing to the combined effects of factors such as slowdown in the growth rate of macro-economy, excessive coal production capacity and sluggish demand of coal, prices in the coal market will still remain at low level. Facing the severe operational status, the Company will comprehensively strengthen our operation and management, rationally arrange coal production, actively respond to the market changes, strive to expand the products sales, further strengthen cost control, exercise strict control over investment scale to speed up industrial transformation and upgrade. Business performance of the Company will be expected to improve to some extent. However, affected by market environment, the accumulated net profit of the Company might remain negative for the first half of 2016.

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

Beijing, the PRC
27 April 2016

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*