中国中煤能源股份有限公司

CHINA COAL ENERGY COMPANY LIMITED

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

Stock Code: 01898

INTERIM REPORT

Contents

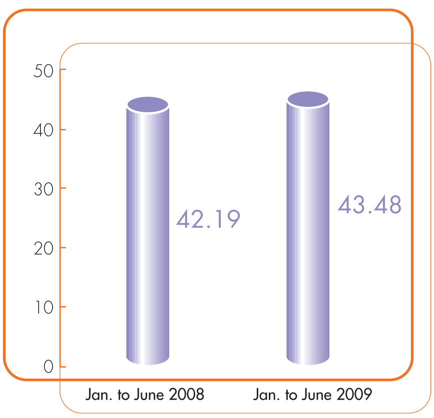
Results Highlights

Operating Results

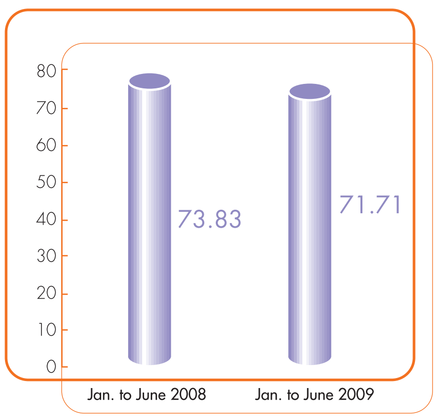
Items (RMB100 million)	For the six months ended 30 June 2009	2008	Percentage change%
Revenue	225.65	256.09	-11.9
Of which: Coal operations	172.38	183.71	-6.2
Coking operations	13.95	37.81	-63.1
Coal mining equipment operations	25.63	20.70	23.8
Other operations	13.69	13.87	-1.3
Cost of sales	159.66	177.41	-10.0
Gross profit	65.98	78.68	-16.1
Profit from operations	62.51	66.41	-5.9
Profit before tax	61.00	63.44	-3.8
Profit attributable to equity holders of the Company	43.48	42.19	3.1
Basic earnings per share (RMB)	0.33	0.32	3.1

Unit: RMB100 million

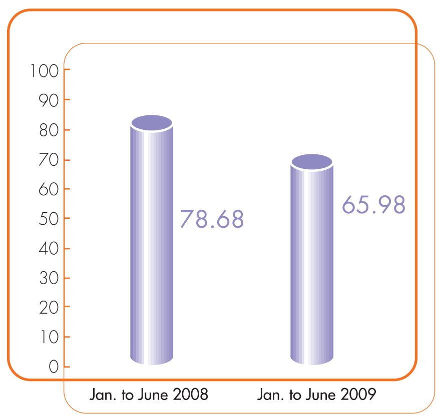
Profit attributable to equity holders of the Company



EBITDA



Gross Profit



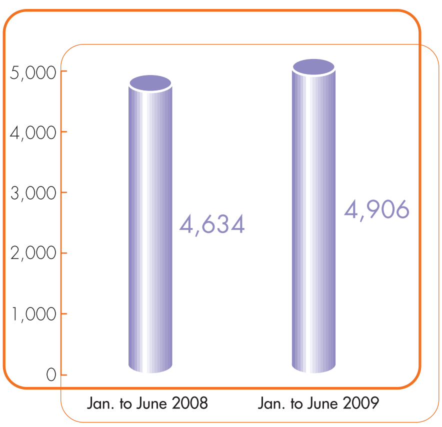
Results Highlights

Business Highlights

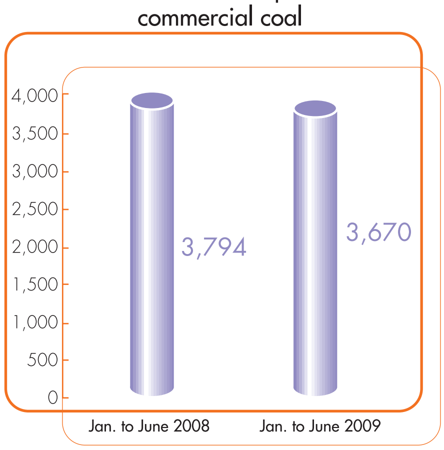
Items	2009	2008	Percentage change%
	For the six months ended 30 June		
1. Coal operations (10 thousand tons)			
Raw coal production volume	**5,267**	4,998	**5.4**
Of which: Self-produced raw coal	**4,906**	4,634	**5.9**
Sales volume of commercial coal	**4,113**	4,583	**-10.3**
Of which: Sales volume of self-produced commercial coal	**3,670**	3,794	**-3.3**
2. Coal mining equipment operations			
Coal mining equipment production value (RMB100 million)	**30.7**	22.5	**36.4**
Sales volume of coal mining equipment (10 thousand tons)	**10.5**	10.8	**-2.8**
3. Coking operations (10 thousand tons)			
Coke production volume	**200**	221	**-9.5**
Of which: Equity production volume	**140**	174	**-19.5**
Sales volume of coke	**98**	163	**-39.9**

Unit: 10 thousand tons

Self-produced raw coal production volume



Sales volume of self-produced commercial coal



Chairman's Statement

Dear shareholders,

In the first half of 2009, as the world economy fell into deep recession due to the deepening and spread of the global financial crisis, the demand for energy had declined. With the aim of effectively coping with the severe challenges brought by such financial crisis, the Chinese government had adopted a series of critical measures to support its economic growth and stimulate the domestic demand. As a result, the macro-economy of China had begun to show signs of recovery. In view of this change in the market, China Coal Energy Company Limited (the "**Company**" or "**China Coal Energy**") had taken active measures to optimize its industrial structure, increase coal production volume, adjust marketing strategy and expand sales volume, as a result of which, the Company had achieved favorable operating results. On behalf of the board of directors of the Company (the "**Board**"), I am pleased to present the interim report of China Coal Energy for the six months ended 30 June 2009 and to report the results of the Company for this period to all shareholders of the Company.

Chairman's Statement

1. REVIEW OF THE REPORTING PERIOD

(1) Favorable operating results were achieved

In the first half of 2009, China Coal Energy achieved favorable operating results by overcoming difficulties such as falling market demand, unfavorable market changes for coal sales and mounting pressure to enhance production volume. The Company's overall position has outperformed its original expectation. During the reporting period, the net profit attributable to equity holders of the Company amounted to RMB4.348 billion, representing an increase of RMB0.129 billion or 3.1% over the same period last year; the basic earnings per share attributable to equity holders of the Company amounted to RMB0.33, representing an increase of RMB0.01 or 3.1% over the same period last year. The unit cost of sales of self-produced commercial coal was RMB265.81/ton, representing a decrease of RMB10.58/ton or 3.8% over the same period last year. Due to the factors including coke industry being at a low ebb as well as the shrinking coal export volume, the operating revenue of the Company during the reporting period was RMB22.565 billion, representing a decrease of RMB3.044 billion or 11.9% over the same period last year, of which the external revenue from coal operations of the Company amounted to RMB17.238 billion, accounting for 76.4% of the total revenue of the Company, being 4.7 percentage points higher than that of the same period last year.

(2) Steady production and operation were maintained

- **Faster growth in coal production.** During the reporting period, the Company had a raw coal production of 52.67 million tons, representing an increase of 2.69 million tons or 5.4% over the same period last year, of which the production of self-produced raw coal was 49.06 million tons, representing an increase of 2.72 million tons or 5.9% over the same period last year. Due to the slope expansion in the open pit mines and the lengthening work faces, as well as the significant increase in raw coal production in the same period last year, the Company once encountered difficulties in enhancing its coal production in the first four months of 2009. Facing this production pressure, the Company took active measures to optimize its production process, improve the on-site management and reinforce the production coordination, which helped the Company to achieve a historical high record in this May and June with a monthly production of 10.45 million tons and 10.54 million tons of raw coal, respectively. The Pingshuo Mining Area recorded a historical high in daily raw coal production of 0.325 million tons. The stripping volume of open pit mines increased by 53.26 million cubic meters or 47.9% over the same period last year, while the road-heading drivage in underground mines increased by 7,285 meters or 30.9% over the same period last year, which had laid a solid foundation for the future production increase of the Company. The Company will continue to maintain the production momentum of raw coal and strive to fulfill its annual production target.

- **New breakthrough in commercial coal sales and marketing.** The Company adjusted its marketing strategy in a timely manner and increased the ratio of long term contract sales, which improved the market structure and ensured the smooth sales and production process. The Company has entered into annual thermal coal sales contracts with principal power customers at satisfactory price by strengthening the price negotiation. While consolidating the well-established power customers base, the Company had also actively explored new markets such as construction materials, chemical industry, metallurgy and etc, so as to optimize its customer structure and expand sales channels. As a result, the contracted volume for non-thermal coal accounted for 20% of the total contracted volume of the Company. By utilizing the coal blending facilities at transit ports, the Company continued to improve its product portfolio, develop high value-added lump coal and endeavor to increase its profitability. During the reporting period, the sales of commercial coal amounted to 41.13 million tons, representing a decrease of 4.70 million tons or 10.3%

Chairman's Statement

over the same period last year, which was mainly due to the decrease in agency coal export of 4.17 million tons over the same period last year. The domestic sales of the thermal coal produced by the Company reached 35.53 million tons, representing an increase of 2.13 million tons or 6.4% over the same period last year. The sales of self-produced commercial coal of the Company accounted for 89.2% of its total sales of commercial coal, 6.4 percentage points higher than that of the same period last year.

- **Remarkable improvement in the technology innovation capability for coal mining equipment operations.** The Company relied on technology innovation to capture high-end product markets and endeavored to increase the competitiveness of its products and its capacity of sustainable development. During the reporting period, the Company made an investment of RMB85.90 million in technology innovation and obtained a number of technical achievements. The Company had actively assumed the National Key Technology Projects for the "eleventh five-year plan" and successfully developed hydraulic roof supports with maximum cutting height of 5.2 meters and working resistance of 15,000 kN and the 2x1,000kW armored face conveyor system. In addition, the armored face conveyor system with an installed power of 3x1,000kW developed by the Company had passed the technical appraisal of the industry. All these achievements will provide equipment support for the national construction of large-scale coal bases and the safe and efficient coal mines. During the reporting period, 7,487 units (sets) of major coal mining equipment were produced, and the production value of coal mining equipment of the Company was RMB3.07 billion, representing an increase of 36.4% over the same period last year. The sales revenue of coal mining equipment of the Company amounted to RMB2.803 billion, representing an increase of 25.0% over the same period last year. The relevant gross profit margin was 18.8%, 2.6 percentage points higher than that of the same period last year.

- **Recovery of the coking operations.** Due to a stagnant demand from downstream steel manufacture market and the sustained high raw material price, the profitability of coke industry declined significantly during the second half of 2008. The Company responded in a timely manner to the market changes and adjusted its sales and production plan to minimize the adverse impacts brought by market fluctuation. During the reporting period, the coke production of the Company was 2 million tons, representing a decrease of 0.21 million tons or 9.5% over the same period last year; the sales volume of coke was 0.98 million, representing a decrease of 0.65 million tons or 39.9% over the same period last year, of which the export volume of coke decreased by 0.31 million tons. The coke market began to pick up since May 2009 and the coke operations of the Company recorded profit in this May. In the second half of 2009, the Company will closely monitor the market dynamics and properly arrange the sales and production of coke with a view to enhancing the operating revenue from its coke operations.

- **A leading position in the industry in respect of production safety.** China Coal Energy had made great efforts to promote the construction of an intrinsically safe enterprise and had set up a long term mechanism for production safety. As a result, gas accidents had been eliminated. During the reporting period, the fatality rate of raw coal production per million tons of the Company was 0.019, which was lower than that of the same period last year. The Company's production safety continued to maintain at the world's leading level. The Company actively performed its social responsibilities, attached great importance to the ecological construction in its mining areas and made great efforts to develop recycling economy with the goal of promoting the harmonious development of the enterprise, society and environment.

(3) Construction of investment projects was accelerated

- Construction of large-scale coal bases progressed smoothly

Antaibao Underground Mine in the Pingshuo Mining Area with an annual production capacity of 6 million tons had passed pre-acceptance inspection and had a total coal production of 1.34 million tons in this May and June. It is expected that its production volume in the second half of 2009 will maintain a stable growth. The Pingshuo East Open Pit Mine Project with an annual production capacity of 20 million tons is planned to be completed and commence production in June 2011. The overburden removal work of the coal pit is currently progressing smoothly and the ancillary coal preparation plant of the project is undergoing foundation treatment. The preliminary preparation works for the dedicated railway of the project, including the construction plan, have been basically completed.

The project of Wangjialing Coal Mine in the Huajin Mining Area with an annual production capacity of 6 million tons is scheduled to be completed and commence production in October 2010. Currently more than half of the construction work for mining shaft has been completed. The construction works of the mine, the ancillary coal preparation plant and the comprehensive utilization power plant are progressing rapidly. The layout designing for the dedicated railway has been completed.

The renovation and expansion project for Kongzhuang Coal Mine with an annual production capacity of 1.8 million tons and the coal washing plant project for Yaoqiao Coal Mine in the Datun Mining Area are accelerating their progress. As a major project to enhance the industrial scale of the production base and improve the coal, electricity and aluminum industry chain, the high-precision aluminum sheets project with an annual production capacity of 0.1 million tons has officially commenced construction.

The preliminary design for the renovation and expansion project of Xinjiang 106 Mine with an annual production capacity of 1.8 million tons has passed experts' appraisal. The project is planned to commence construction in the near future.

- Coal chemical projects progressed smoothly

The Erdos project with an annual production capacity of 25 million tons of coal, 4.2 million tons of methanol and 3 million tons of dimethyl ether has a total investment of RMB38 billion and ancillary coal resource of 5.201 billion tons. Currently the preparation works have been basically completed and the application for the project approval is under way. The Heilongjiang project with an annual methanol production capacity of 0.25 million tons has commenced joint trial operation and is expected to commence production by the end of 2009.

(4) A leading edge in the industry in terms of coal reserve

The Company is of the view that resource procurement is fundamental to its sustainable development and therefore it has made further efforts to acquire more resources in the provinces such as Shanxi, Shaanxi, Xinjiang, Inner Mongolia and etc. As at 30 June 2009, based on the PRC mining standards, China Coal Energy had a retainable geological coal reserve of 12.83 billion tons, of which 7.73 billion tons were recoverable. In addition, the Company is also applying for coal mining rights in respect of approximate 9 billion tons of coal resources. The Company's total mine reserve is at a leading level in the coal industry.

Chairman's Statement

2. MAJOR TASKS IN THE SECOND HALF OF 2009

Currently, the Chinese economy is at a critical moment of stabilization and recovery and the economic stimulus policies have begun to take effect. However, there are still lots of difficulties and challenges that need to be dealt with and the foundation for economic recovery is yet to be strengthened. There still exist quite a few factors contributing to the uncertainty and unstability of the domestic and international economies. In the second half of 2009, the Chinese government is expected to continue its proactive fiscal policy and moderately loose monetary policy to solidify and further develop its economic situation, which is currently under gradual recovery.

The steady growth of the Chinese economy will help increase the demand for energy and thus bring more opportunities for the coal industry. Nevertheless, we realized that due to the global financial crisis and the changes in the supply and demand situation of the coal industry, the operation of coal industry will be under heavy pressure and the Company will encounter various challenges and difficulties in the future. Firstly, the newly added coal production capacity will be realized gradually and the market balance of supply and demand may change, which will lead to even more intensive market competition. Secondly, the profit margin of the Company might be squeezed due to increasing cost pressure from tax policy adjustments by the government and the gradual implementation of policies for coal mining enterprises to bear the full costs for coal mining. In view of the complicated domestic and international economic situation, China Coal Energy will coordinate its current and future commitment in light of its own conditions:

(1) To advance the construction of major coal bases by ensuring resource procurement and project implementation

- Make continuous efforts to procure new coal resources with the aim of building up bases for coal and coal conversion; integrate premier coal resources by acquiring superior projects; introduce new technologies and strengthening the "bi-directional integrations" between industry and talents as well as funds and technologies.
- Speed up the construction of existing projects including Pingshuo East Open Pit Mine and Wangjialing Coal Mine. Speed up the inspection and acceptance of Antaibao Underground Mine and the Great Power Plant and etc.

(2) To reinforce the organization of production, transportation and sales as well as strengthen production and operation management

- Organize production scientifically, speed up system innovation and reinforce technical research and continuously improve the production of mines through system optimization, equipment optimization and technology innovation.
- Reinforce market development, continue to expand its market shares in the markets such as construction materials, metallurgy, paper making and increase the proportion of long term contract. Further develop the Company's marketing team, enhance operation ability and service quality and expand the market share with first-class quality and services.
- Speed up the construction of distribution network, innovate marketing ideas and selling methods, broaden distribution channels and reduce selling costs. Speed up the deployment of coal distribution network and logistics network with a focus on key areas of energy consumption.

(3) To strengthen cost control and enhance profitability of the Company

- Strengthen regularized cost management, impose strict control on unit consumption, reinforce operational cost control, define cost-driven factors and enhance cost management.
- Impose strict control on non-productional expenditures and reinforce budget management.
- Make active efforts to implement benchmarking management, improve the indicator system for benchmarking management and improve corporate governance.

(4) To boost regulated management and create innovative ideas on work

- Reinforce the construction of the management and control system, build up a highly efficient and effectively balanced management and control system in line with the Company's general idea on target management, budget management and performance management in order to improve the efficiency of decision-making and execution.
- Boost the standardization work concerning safety and enhance the level of safe production and management comprehensively.
- Enhance the corporate competitiveness by the implementation of technological innovation and the promotion and application of the results of the Company's technological research and development.

On behalf of the Board, I would like to express my appreciation to all shareholders for your trust and support. In the second half of the year, China Coal Energy will, by riding on its own advantages, proactively cope with the impact from the financial crisis, continue to reinforce various management work and actively perform its social responsibility as well as comprehensively implement its production and operational targets of 2009 and strive to enhance the value of the Company.

Wang An
Chairman
Beijing, the PRC
14 August 2009

Management Discussion and Analysis of Financial Conditions and Operating Results

The following discussion and analysis should be read in conjunction with the Group's reviewed financial statements and the notes thereto. The Group's financial statements have been prepared in accordance with International Financial Reporting Standards.

I. Overview

Since 2009, the Group has actively tackled with the impact of the global financial crisis and the unfavorable macroeconomic condition. The Group had continued its favorable performance by strengthening marketing effort, optimizing product structure, conducting its production in a scientific manner and strictly controlling costs. For the six months ended 30 June 2009, profit attributable to equity holders of the Company was RMB4.348 billion, representing an increase of 3.1% over the same period last year; basic earnings per share was RMB0.33, representing an increase of RMB0.01 over the same period last year; the Group's total revenues (net of inter-segment sales) amounted to RMB22.565 billion, representing a decrease of 11.9% over the same period last year; The Group's EBITDA was RMB7.171 billion, representing a decrease of 2.9% over the same period last year; profit before tax was RMB6.100 billion, representing a decrease of 3.8% over the same period last year.

As at 30 June 2009, the Group had total assets of RMB94.321 billion, total liabilities of RMB28.479 billion and total equity of RMB65.842 billion (equity attributable to equity holders of the Company was RMB60.805 billion and minority interest was RMB5.037 billion). The Group's gearing ratio (total interest bearing liabilities/(total interest bearing liabilities + equity attributable to shareholders of the Company)) was 16.3%.

Management Discussion and Analysis of Financial Conditions and Operating Results

II. Operating Results

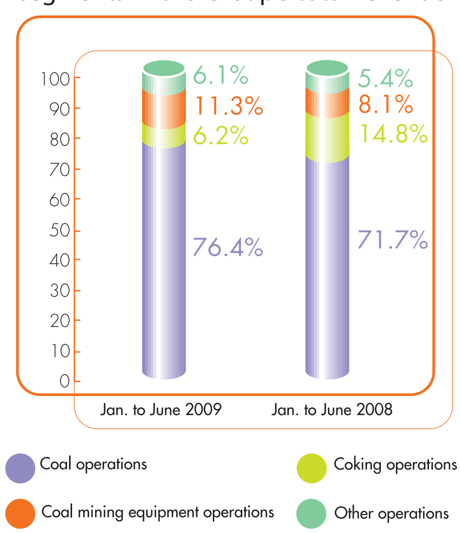
1. Revenues

(1) Consolidated revenues

For the six months ended 30 June 2009, the Group's total revenues net of inter-segment sales decreased by 11.9% from RMB25.609 billion for the six months ended 30 June 2008 to RMB22.565 billion. Changes in revenues for the respective business segments are as follows:

	Revenues net of inter-segment sales			
	For the six months ended 30 June 2009 RMB100 million	For the six months ended 30 June 2008 RMB100 million (restated)	Increase/decrease RMB100 million	%
Coal operations	172.38	183.71	-11.33	-6.2
Coking operations	13.95	37.81	-23.86	-63.1
Coal mining equipment operations	25.63	20.70	4.93	23.8
Other operations	13.69	13.87	-0.18	-1.3
Total	225.65	256.09	-30.44	-11.9

The proportion of revenues net of inter-segment sales of various business segments in the Group's total revenue



Management Discussion and Analysis of Financial Conditions and Operating Results

(2) *Segmental revenues*

- Coal operations

  Revenue of the Group's coal operations was mainly from the sales of coal produced from its own coal mines and coal washing plants (sales of self-produced commercial coal) to domestic and overseas customers. In addition, the Group also purchased coal from external coal enterprises for re-sale to the Group's customers (proprietary coal trading) and provided coal import and export agency services.

  For the six months ended 30 June 2009, the Group's total revenue from coal operations decreased from RMB18.678 billion for the six months ended 30 June 2008 to RMB17.357 billion, representing a decrease of 7.1%. The revenue net of other inter-segment sales decreased from RMB18.371 billion for the six months ended 30 June 2008 to RMB17.238 billion, representing a decrease of 6.2%.

  For the six months ended 30 June 2009, the Group's revenue from self-produced commercial coal sales was RMB15.643 billion, of which the revenue net of inter-segment sales was RMB15.524 billion, representing a decrease of RMB1.408 billion or 8.3% over the same period last year, of which revenue from domestic sales of self-produced commercial coal was RMB15.213 billion, representing an increase of RMB0.406 billion or 2.7% over the same period last year; revenue from export sales of self-produced commercial coal was RMB0.311 billion, representing a decrease of RMB1.814 billion or 85.4% over the same period last year.

  For the six months ended 30 June 2009, revenue from proprietary coal trading of the Group was RMB1.697 billion, representing an increase of RMB0.323 billion or 23.5% over the same period last year.

  For the six months ended 30 June 2009, revenue from the Group's coal import and export agency service was RMB17 million, representing a decrease of RMB48 million or 73.8% over the same period last year. The average agency fee remained unchanged at RMB12/ton.

Management Discussion and Analysis of Financial Conditions and Operating Results

The Group's coal sales volume and prices for the six months ended 30 June 2009 and for the six months ended 30 June 2008 were compared as follows:

		For the six months ended 30 June 2009		For the six months ended 30 June 2008 (restated)		Increase/decrease	
		Sales volume (10,000 tons)	Selling price (RMB/ton)	Sales volume (10,000 tons)	Selling price (RMB/ton)	Sales volume (10,000 tons)	Selling price (RMB/ton)
Self-produced commercial coal	Total	3,670	423	3,794	446	-124	-23
	(I) Thermal coal	3,611	415	3,652	429	-41	-14
	1. Exports	58	533	312	674	-254	-141
	(1) Long-term agreements	58	533	312	674	-254	-141
	(2) Spot trading	☆	☆	☆	☆	☆	☆
	2. Domestic sales	3,553	414	3,340	407	213	7
	(1) long-term agreements	3,070	415	2,700	362	370	53
	(2) Spot trading	483	403	640	596	-157	-193
	(II) Coking coal	59	874	142	879	-83	-5
	1. Exports	☆	☆	1	1,938	-1	☆
	2. Domestic sales	59	874	141	870	-82	4
Proprietary coal trading	Total	295	576	231	595	64	-19
	(I) Self-operated exports	1	3,009	11	1,423	-10	1,586
	1. long-term agreements	☆	☆	3	606	-3	☆
	2. Spot trading	1	3,009	8	1,726	-7	1,283
	(II) Domestic re-sale	259	572	218	553	41	19
	1. long-term agreements	78	540	17	552	61	-12
	2. Spot trading	181	586	201	553	-20	33
	(III) Import trading	35	568	2	614	33	-46
Import and export agency	Total	148	12	558	12	-410	—
	(I) Import agency	7	1	☆	☆	7	☆
	(II) Export agency	141	12	558	12	-417	—

☆ : did not occur for the current reporting period

Management Discussion and Analysis of Financial Conditions and Operating Results

- Coking operations

  The Group's revenue from coking operations decreased from RMB3.781 billion for the six months ended 30 June 2008 to RMB1.395 billion for the six months ended 30 June 2009, representing a decrease of 63.1%. The decrease was mainly attributable to the Group's adjustment to the production and sales of coke which was in line with market changes as well as the significant decline in the selling price of coke.

  Sales volume of coke for the six months ended 30 June 2009 amounted to 0.98 million tons, representing a decrease of 0.65 million tons or 39.9% over the same period last year, of which the sales volume of self-produced coke amounted to 0.93 million tons, representing a decrease of 0.35 million tons or 27.3% over the same period last year.

  For the six months ended 30 June 2009, the average sales price of coke of the Group was RMB1,354/ton, representing a decrease of RMB628/ton over the same period of 2008, of which the average domestic sales price of coke was RMB1,353/ton, representing a decrease of RMB415/ton over the same period of 2008; the average export sales price of coke was RMB1,848/ton, representing a decrease of RMB1,021/ton over the same period of 2008.

- Coal mining equipment operations

  The Group's revenue from the coal mining equipment operations increased from RMB2.242 billion for the six months ended 30 June 2008 to RMB2.803 billion for the six months ended 30 June 2009, representing an increase of 25.0%, of which the revenue after net of other inter-segment sales increased from RMB2.070 billion for the six months ended 30 June 2008 to RMB2.563 billion for the same period of 2009, representing an increase of 23.8%. The increase was mainly attributable to an increase in selling price as a result of higher proportion sales of high-end products.

- Other operations

  For the six months ended 30 June 2009, the Group's total revenue from operations such as sales of primary aluminum, power and the provision of coal mine design services increased from RMB1.618 billion for the six months ended 30 June 2008 to RMB1.769 billion, representing an increase of 9.3%, of which the revenue after net of other inter-segment sales decreased from RMB1.387 billion for the six months ended 30 June 2008 to RMB1.369 billion, representing a decrease of 1.3%.

Management Discussion and Analysis of Financial Conditions and Operating Results

2. Cost of sales

(1) Consolidated cost of sales

For the six months ended 30 June 2009, the Group's cost of sales decreased from RMB17.741 billion for the six months ended 30 June 2008 to RMB15.966 billion, representing a decrease of 10.0%. Changes in major items of cost of sales were as follows:

Materials costs decreased from RMB9.219 billion for the six months ended 30 June 2008 to RMB7.385 billion, representing a decrease of 19.9%. The decrease was mainly attributable to the decrease in the Group's purchase prices of raw materials and the reduction of the coke production and sales volume which led to corresponding decrease in material consumption.

Staff costs increased from RMB1.318 billion for the six months ended 30 June 2008 to RMB1.505 billion, representing an increase of 14.2%. The increase was mainly attributable to the Group's expansion on production capacity and operation scale, which resulted in the corresponding increase in staff costs.

Depreciation and amortization expenses increased from RMB664 million for the six months ended 30 June 2008 to RMB802 million, representing an increase of 20.8%. The increase was mainly attributable to the increase in the number of production equipments and facilities in operation.

Repair and maintenance costs decreased from RMB384 million for the six months ended 30 June 2008 to RMB317 million, representing a decrease of 17.4%.

Transportation costs decreased from RMB3.610 billion for the six months ended 30 June 2008 to RMB3.260 billion, representing a decrease of 9.7%. The decrease was mainly attributable to the reduction in the Group's sales volume of coal and coke.

Sales taxes and surcharges decreased from RMB587 million for the six months ended 30 June 2008 to RMB443 million, representing a decrease of 24.5%. The decrease was mainly attributable to the decrease in the Group's operating revenue.

Other expenses increased from RMB1.959 billion for the six months ended 30 June 2008 to RMB2.254 billion, representing an increase of 15.1%. The increase was mainly attributable to the increase in the workload of rock soil stripping and mining shaft road-heading in the manufacturing process of the Group's subsidiaries.

Management Discussion and Analysis of Financial Conditions and Operating Results

(2) Segmental cost of sales

- Coal operations

Cost of sales for the Group's coal operations decreased from RMB11.806 billion for the six months ended 30 June 2008 to RMB11.423 billion for the six months ended 30 June 2009, representing a decrease of 3.2%. Changes in the major cost items were compared as follows:

	For the six months ended 30 June 2009 RMB100 million	For the six months ended 30 June 2008 RMB100 million (restated)	Increase/decrease RMB100 million	%
Materials	**39.99**	46.30	-6.31	-13.6
Staff costs	**11.31**	10.07	1.24	12.3
Depreciation and amortization	**5.84**	4.89	0.95	19.4
Repair and maintenance	**2.82**	3.31	-0.49	-14.8
Transportation costs	**31.54**	33.52	-1.98	-5.9
Others	**22.73**	19.97	2.76	13.8
Cost of sales of coal operations	**114.23**	118.06	-3.83	-3.2

Since 2009, the Group has effectively controlled cost through scientific production and adopted strict cost-control measures amid the unfavourable macro-economic situation. For the six months ended 30 June 2009, the Group's cost of sales of self-produced commercial coal was RMB9.755 billion, representing a decrease of RMB731 million or 7.0% over the same period last year. Unit cost of sales of self-produced commercial coal was RMB265.81/ton, representing a decrease of RMB10.58/ton or 3.8% over the same period last year.

Management Discussion and Analysis of Financial Conditions and Operating Results

The major items of the Group's unit cost of sales of self-produced commercial coal for the six months ended 30 June 2009 and the six months ended 30 June 2008 were compared as follows:

	For the six months ended 30 June 2009 RMB/ton	For the six months ended 30 June 2008 RMB/ton (restated)	Increase/decrease RMB/ton	%
Production cost	179.86	188.04	-8.18	-4.4
Materials	63.51	87.26	-23.75	-27.2
Staff costs	30.81	26.55	4.26	16.0
Depreciation and amortization	15.93	12.88	3.05	23.7
Repair and maintenance	7.68	8.74	-1.06	-12.1
Others	61.93	52.61	9.32	17.7
Transportation costs	85.95	88.35	-2.40	-2.7
Cost of sales of self-produced commercial coal	265.81	276.39	-10.58	-3.8

- Coking operations

The cost of sales of coking operations decreased from RMB3.190 billion for the six months ended 30 June 2008 to RMB1.308 billion for the six months ended 30 June 2009, representing a decrease of 59.0%. The unit cost of coke sales was RMB1,207/ton, representing a decrease of RMB223/ton over the same period last year, which was mainly attributable to the decrease of the sales volume of coke and the lower purchase prices of raw materials.

- Coal mining equipment operations

The cost of sales of coal mining equipment operations increased from RMB1.879 billion for the six months ended 30 June 2008 to RMB2.276 billion for the six months ended 30 June 2009, representing an increase of 21.1%. The increase was mainly attributable to higher purchase prices of imported materials and components due to an increase in the proportion of high-end products.

Management Discussion and Analysis of Financial Conditions and Operating Results

3. Gross profit

For the six months ended 30 June 2009, the Group's gross profit decreased from RMB7.868 billion for the six months ended 30 June 2008 to RMB6.598 billion, representing a decrease of 16.1%. The Group's gross profit margin decreased from 30.7% for the six months ended 30 June 2008 to 29.2% for the six months ended 30 June 2009, representing a decrease of 1.5 percentage points over the same period last year.

The Group's gross profit and gross profit margin for each business segment for the six months ended 30 June 2009 and for the six months ended 30 June 2008 were as follows:

	Gross profit			Gross profit margin		
	For the six months ended 30 June 2009 RMB100 million	For the six months ended 30 June 2008 RMB100 million (restated)	Increase/ decrease RMB100 million	For the six months ended 30 June 2009 %	For the six months ended 30 June 2008 % (restated)	Increase/ decrease percentage points
Coal operations	59.34	68.73	-9.39	34.2	36.8	-2.6
Self-produced commercial coal	58.88	67.53	-8.65	37.6	39.2	-1.6
Proprietary coal trading	0.29	0.54	-0.25	1.7	3.9	-2.2
Coking operations	0.87	5.91	-5.04	6.2	15.6	-9.4
Coal mining equipment operations	5.27	3.63	1.64	18.8	16.2	2.6
Other operations	0.76	0.29	0.47	4.3	1.8	2.5

Note: The above gross profit and gross profit margin for each business segments are the figures before the elimination of inter-segment sales.

4. Selling, general and administrative expenses

For the six months ended 30 June 2009, the Group's selling, general and administrative expenses decreased from RMB1.330 billion for the six months ended 30 June 2008 to RMB1.227 billion, representing a decrease of 7.7%,which was controlled effectively.

5. Loss from fair value changes of financial assets

For the six months ended 30 June 2009, there was no profit or loss from changes in fair value of financial assets as the Group had disposed of all the A shares in China COSCO Holdings Company Limited ("**COSCO**") held by the Group. For the six months ended 30 June 2008, the Group recognized a fair value loss of RMB916 million due to the price fall of COSCO shares.

Management Discussion and Analysis of Financial Conditions and Operating Results

6. Other income

For the six months ended 30 June 2009, the Group's other income increased from RMB700 million for the six months ended 30 June 2008 to RMB810 million, representing an increase of 15.7%. The increase was mainly attributable to the investment gains of RMB166 million realized from disposal of A shares in COSCO held by the Group, a decrease in interest income of RMB110 million and an increase in government grant and subsidy of RMB53 million compared to the same period last year.

7. Profit from operations

The Group's profit from operations decreased from RMB6.641 billion for the six months ended 30 June 2008 to RMB6.251 billion for the six months ended 30 June 2009, representing a decrease of 5.9%. Changes in profit from operations for each business segment were as follows:

	Profit from operations			
	For the six months ended 30 June 2009 RMB100 million	For the six months ended 30 June 2008 RMB100 million (restated)	Increase/decrease RMB100 million	%
Coal operations	**53.26**	63.00	-9.74	-15.5
Coking operations	**0.36**	4.97	-4.61	-92.8
Coal mining equipment operations	**2.55**	1.95	0.60	30.8
Other operations	**1.04**	-0.25	1.29	—

Note: The above profit from operations for each business segment are the figures before the elimination of inter-segment sales.

8. Finance costs, net

The Group's net finance costs decreased from RMB433 million for the six months ended 30 June 2008 to RMB165 million for the six months ended 30 June 2009, representing a decrease of 61.9%, which was mainly attributable to an exchange gain of RMB105 million on the Group's borrowings denominated in Japanese Yen due to the weakening of Japanese Yen against RMB during the period, as compared to an exchange loss of RMB143 million on the foreign currency assets and liabilities of the Group for the same period last year.

9. Profit before income tax

The Group's profit before income tax decreased from RMB6.344 billion for the six months ended 30 June 2008 to RMB6.100 billion for the six months ended 30 June in 2009, representing a decrease of 3.8%.

Management Discussion and Analysis of Financial Conditions and Operating Results

10. Income tax

The Group's income tax expenses decreased from RMB1.520 billion for the six months ended 30 June 2008 to RMB1.492 billion for the six months ended 30 June 2009, representing a decrease of 1.8%, which was mainly attributable to a decrease in taxable income due to decrease in profit before income tax.

11. Profit attributable to equity holders of the Company

Profit attributable to equity holders of the Company increased from RMB4.219 billion for the six months ended 30 June 2008 to RMB4.348 billion for the six months ended 30 June 2009, representing an increase of 3.1%.

III. Cash Flow

As at 30 June 2009, the Group had cash and cash equivalents amounting to RMB9.157 billion, a net increase of RMB1.272 billion as compared to the cash and cash equivalents of RMB7.885 billion as at 31 December 2008.

Net cash generated from operating activities decreased from RMB5.464 billion for the six months ended 30 June 2008 to RMB4.372 billion for the six months ended 30 June 2009, representing a decrease of 20.0%, of which, cash inflow from operation decreased by RMB1.251 billion, cash inflow generated from interest income increased by RMB1.320 billion and cash outflow for tax payment increased by RMB1.184 billion.

Net cash used in investing activities decreased from RMB24.275 billion for the six months ended 30 June 2008 to RMB4.378 billion for the six months ended 30 June 2009, representing a decrease of 82.0%, which was mainly attributable to a decrease in the fund as term deposits with initial terms exceeding three months of RMB20.401 billion during the period compared to the same period last year.

Net cash generated from financing activities decreased from RMB25.643 billion for the six months ended 30 June 2008 to RMB1.276 billion for the six months ended 30 June 2009, representing a decrease of 95.0%, which was mainly attributable to the net proceeds inflow of RMB25.320 billion from the issuance of A shares in the same period last year.

IV. Liquidity and Sources of Capital

As at 30 June 2009, the main sources of capital for the Group were the net funds generated from business operations, bank borrowings and net proceeds raised from global and domestic capital market. Capital of the Group was mainly applied to the investment of production facilities and equipments for coal, coking and coal mining equipment operations, repayment of the Group's debts, and as working capital and to pay general operating expenditures of the Group.

The Group's cash flow generated from business operations, net proceeds raised on global and domestic capital markets and the credit facilities granted by relevant banks are sufficient to finance production activities and project constructions in the future.

V. Assets and Liabilities

1. Property, plant and equipment

The net value of property, plant and equipment of the Group increased from RMB28.848 billion as at 31 December 2008 to RMB31.610 billion as at 30 June 2009, representing an increase of RMB2.762 billion or 9.6%.

2. Trade and note receivables

As at 30 June 2009, the balance of trade and note receivables of the Group amounted to RMB6.163 billion, representing an increase of RMB581 million or 10.4% compared to the balance of RMB5.582 billion as at 31 December 2008, of which, the net balance of trade receivables amounted to RMB4.490 billion, representing an increase of RMB32 million as compared to the balance of RMB4.458 billion as at 31 December 2008.

3. Borrowings

As at 30 June 2009, the borrowings of the Group amounted to RMB11.864 billion, representing an increase of RMB883 million compared to RMB10.981 billion as at 31 December 2008, of which, the new borrowings of the Company's subsidiaries amounted to RMB1.520 billion. Repayment of debt amounted to RMB532 million and the book value of borrowings in Japanese Yen decreased by RMB105 million due to changes in exchange rate.

VI. Significant Investment

For the six months ended 30 June 2009, the Group had no new significant investment.

VII. Material Acquisition and Disposal

For the six months ended 30 June 2009, the Group did not have any material acquisition and disposal.

VIII. Exchange Rate Risks

The business operations of the Group are affected by fluctuations in the exchange rate of Renminbi as the Group receives the United States dollar for most of its export sales and some of its liabilities are denominated in foreign currencies, including Japanese Yen and the United States dollar. In the meanwhile, the Group also has to pay equipments and spare parts imported in foreign currencies, which are mostly the United States dollar. Therefore, exchange rate fluctuation of foreign currencies vs. RMB may have favorable or adverse effect on the operating results of the Group. The appreciation of Renminbi will lead to a decline in the revenue from exports, but will also decrease the cost of equipments and spare parts imported by the Group, and the costs for the repayment of foreign debts.

Management Discussion and Analysis of Financial Conditions and Operating Results

IX. Commodity Price Risks

The Group is also subject to commodity price risks arising from movements in the prices of its products and materials.

X. Industry Risks

Like other coal companies and coking companies in China, the Group's operational activities are subject to regulations by the Chinese government in aspects such as industry policies, project approval, granting of permits, industry-specific tax and surcharge, environmental protection and safety standards. Therefore the Group may be constrained in expanding business or increasing earnings. Future policies to be adopted by the Chinese government in industries relevant to the Group's businesses such as coal and chemical may have an impact on the Group's operations.

XI. Contingent Liabilities

1. Bank guarantees

As at 30 June 2009, the Group provided a guarantee of RMB550 million to secure the bank borrowings of ShanXi Pingshuo Coal Gangue Electricity Generation Co., Ltd., an associate of the Group, in proportion to the Group's shareholdings in it.

Pursuant to the approval obtained at the first meeting of the first session of the board of directors of the Company in 2009 held on 27 February 2009 , the Company agreed to provide guarantee of RMB600 million to Mengji Railway Company Limited in which the Company held 5% equity interests to secure the bank borrowing of Mengji Railway Company Limited. The relevant guarantee agreement has not been executed yet.

2. Environmental protection responsibilities

Environmental protection laws and regulations are in full force in China. The management of the Group is of the opinion that other than those have been accounted for in the financial statements, there does not currently exist any other liability in relation to environmental protection that may have material adverse impact on the financial position of the Group.

3. Contingent legal liability

As at 30 June 2009, the Group was not involved in any material litigation or arbitration, and to the knowledge of the Group, there is no material litigation or arbitration pending or threatened against the Group. As at 30 June 2009, the Group was involved in certain non-material lawsuits. The management of the Group believes that all such cases will not have material adverse effect on the financial conditions of the Group.

I. COAL OPERATIONS

In the first half of 2009, the Company had actively tackled with the severe impact of the global financial crisis and the change in supply and demand conditions in the domestic and overseas coal markets, reinforced production coordination and on-site organization and strengthened the coordination among production, transportation and sales. The production of raw coal of the Company increased steadily over the same period last year, the costs were effectively controlled, the sales structure was further optimized and the operational performance of core business was improved steadily.

1. Coal production

In the first half of 2009, the Company's raw coal production was 52.67 million tons, representing an increase of 2.69 million tons or 5.4% over the same period last year. Production of self-produced raw coal was 49.06 million tons, representing an increase of 2.72 million tons or 5.9% over the same period last year and accounting for 93.1% of the Company's raw coal production.

Despite the slope expansion in the open pit mines, the lengthening work faces during the reporting period, and the fast growth in raw coal production in the same period last year, the Pingshuo Mining Area still maintained rapid growth in raw coal production. Production of raw coal during the reporting period amounted to 42.65 million tons, representing an increase of 3 million tons or 7.6% over the same period last year. Antaibao Underground Mine had a raw coal production of 1.91 million tons since its pre-acceptance and its output in this June reached 0.71 million tons. It is expected that this mine will be able to achieve stable production in the second half of 2009.

Self-produced Raw Coal Production (10 thousand tons)	**January to June, 2009**	January to June, 2008	Change %
Pingshuo Mining Area	**4,265**	3,965	7.6
Antaibao Open Pit Mine	**1,249**	1,232	1.4
Anjialing Open Pit Mine	**1,012**	938	7.9
Anjialing Underground Mines (including No.1 mine and No.2 mine)	**1,813**	1,795	1.0
Antaibao Underground Mine	**191**	—	—
Datun Mining Area	**440**	440	—
Liliu Mining Area	**66**	165	-60.0
Dongpo Coal Mine	**68**	—	—
Nanliang Mining Area	**67**	64	4.7
Total	**4,906**	4,634	5.9

During the reporting period, unit production cost of self-produced raw coal amounted to RMB96.06/ton, representing an increase of RMB1.09/ton over the same period last year, which was mainly due to the increase in open pit stripping as well as the increase in charges such as depreciation and repair expenses. Unit cost of sales of self-produced commercial coal amounted to RMB265.81/ton, representing a decrease of RMB10.58/ton or 3.8% over the same period last year.

Business Performance

2. Coal sales

In the first half of 2009, the demand had decreased and there had been a relatively higher supply in the domestic and international coal markets. In view of these unfavorable market conditions, the Company took effective measures to cope with the market changes. In view of the lower coal price in the international market compared to that in the domestic market, the Company adjusted its sales structure and logistics direction for coal sales and endeavored to increase coal import. The Company also used transit ports to expand blending coal resources, further optimized its product portfolio and endeavored to improve the profitability of its products. In addition to consolidating its traditional power customer base, the Company also actively expanded into such markets as construction material, chemical and metallurgical industries to increase its sales volume. Non-thermal coal sales accounted for 20% of the total sales volume during the reporting period.

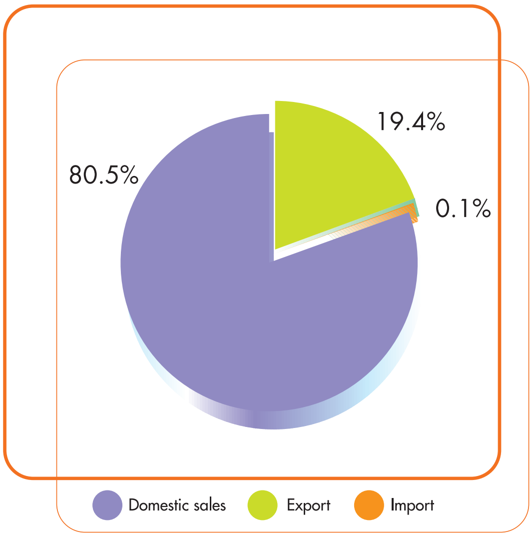
Sales of commercial coal (10 thousand tons)	January to June, 2009	January to June, 2008	Percentage change %	January to June, 2009, percentage of total sales %
Total	**4,113**	4,583	-10.3	100.0
By sales market				
Domestic sales	**3,871**	3,699	4.6	94.1
including: self-produced	**3,612**	3,481	3.8	87.8
Export sales	**200**	882	-77.3	4.9
including: self-produced and self-arranged sales	**59**	324	-81.8	1.4
Import sales	**42**	2	2,000.0	1.0
By product source				
Self-produced	**3,670**	3,794	-3.3	89.2
Non self-produced	**443**	789	-43.9	10.8
including: Proprietary third				
party coal trading	**295**	231	27.7	7.2
– Domestic resale	**259**	218	18.8	6.3
– Export	**1**	11	-90.9	—
– Import	**35**	2	1,650.0	0.9
Agency sales	**148**	558	-73.5	3.6
– Export	**141**	558	-74.7	3.4
– Import	**7**	—	—	0.2

(1) *Domestic sales increased while export sales decreased.*

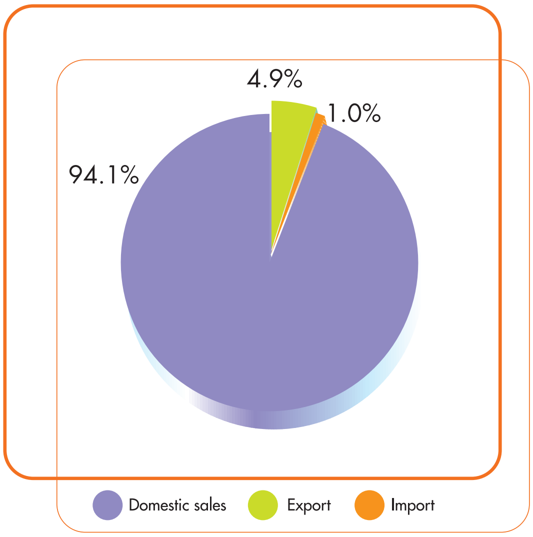
During the reporting period, the Company's coal sales amounted to 41.13 million tons, representing a decrease of 4.70 million tons or 10.3% over the same period last year, mainly on account of the decrease in export agency sales due to the lower price in the international market compared to the domestic market. Domestic coal sales amounted to 38.71 million tons, accounting for 94.1% of the total coal sales and representing an increase of 1.72 million tons or 4.6% over the same period last year; coal export sales amounted to 2.00 million tons, accounting for 4.9% of the total coal sales and representing a decrease of 6.82 million tons or 77.3% over the same period last year; coal import sales amounted to 0.42 million tons, representing an increase of 0.40 million tons over the same period last year.

Sales structure of commercial coal - by sales market

Jan. to June 2008



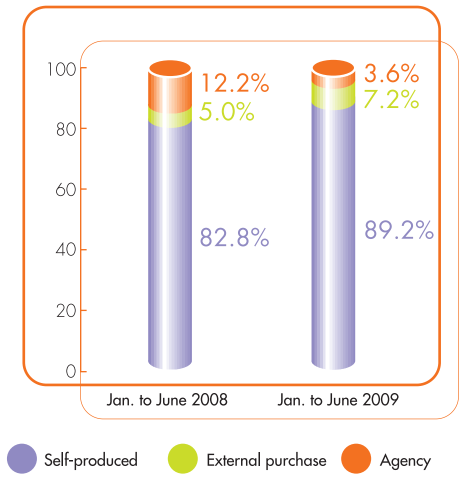
Jan. to June 2009



Business Performance

Sales of self-produced commercial coal decreased slightly. During the reporting period, sales of self-produced commercial coal amounted to 36.70 million tons, representing a decrease of 1.24 million tons or 3.3% over the same period last year, and accounting for 89.2% of the total sales of coal, representing an increase of 6.4 percentage points over the same period last year. The decrease in sales of self-produced coal was mainly due to the slope expansion in the open pit mines and the lengthening work faces during the current reporting period. The growth rate of coal production from this January to April slowed down. Faced with the pressure of increasing production, the Company actively adopted measures and scientifically organized its production. The coal production from this May to June resumed to the normal level. As the production of self-produced coal grows steadily, sales of self-produced commercial coal are expected to improve in the second half of 2009.

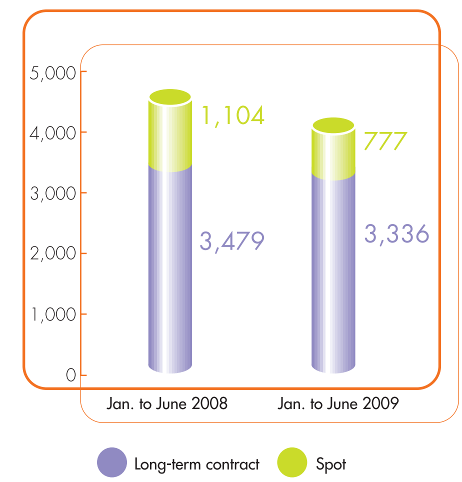
Sales structure of commercial coal - by product source



The proportion of sales under long-term contract increased. Commercial coal sales under long-term contract amounted to 33.36 million tons, accounting for 81.1% of the total commerical coal sales and representing an increase of 5.2 percentage points over the same period last year. Domestic coal sales under long-term contract amounted to 31.54 million tons, accounting for 94.5% of total coal sales under long-term contract and representing an increase of 16.0 percentage points over the same period last year.

Analysis of commercial coal sales-by contract

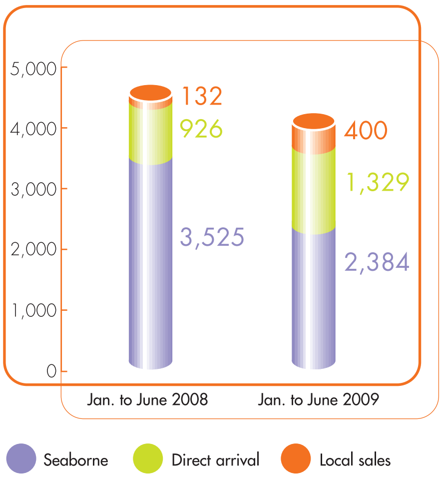
Unit: 10 thousand tons



Business Performance

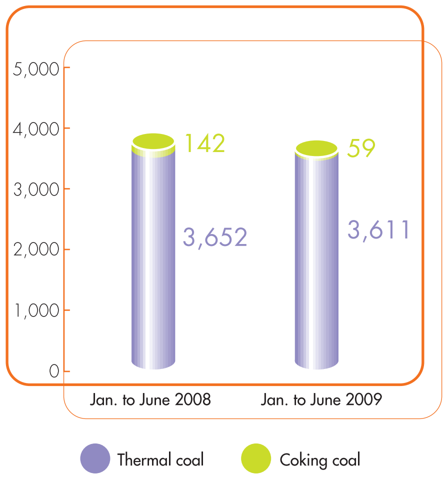
Analysis of commercial coal sales-by transportation

Unit: 10 thousand tons



Analysis of sales of self-produced commercial coal-by type of coal

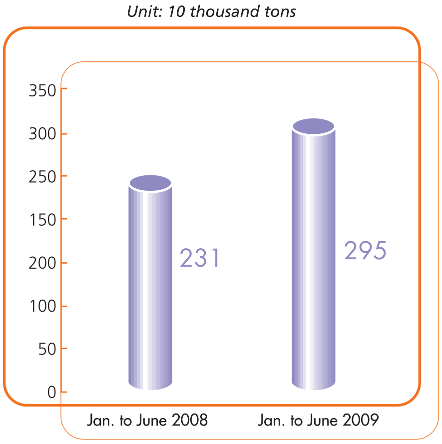
Unit: 10 thousand tons



Rapid growth in proprietary coal trading. During the reporting period, the Company recorded proprietary coal trading of 2.95 million tons, representing an increase of 0.64 million tons or 27.7% over the same period last year. Cost of coal sales per ton was RMB566, representing a decrease of 0.9% over the same period last year. Sales price of coal per ton was RMB576, representing a decrease of 3.2% over the same period last year. Gross profit margin was 1.7%, representing a decrease of 2.2 percentage points over the same period last year.

Proprietary coal trading

Unit: 10 thousand tons



Business Performance

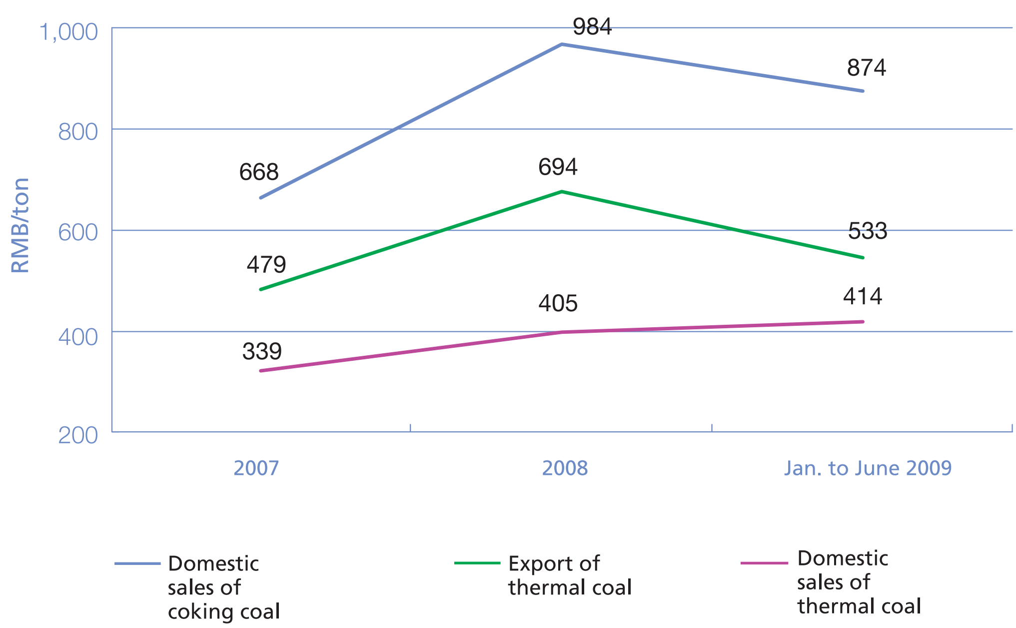
(2) *Domestic sales price under long-term contract increased while export and spot sales price decreased.*

During the reporting period, the average sales price of the Company's self-produced commercial coal was RMB423/ton, representing a decrease of RMB23/ton or 5.2% over the same period last year, which was mainly due to the sharp decrease in the export and domestic spot sales price.

Domestic average sales price of self-produced thermal coal was RMB414/ton, representing an increase of RMB7/ton or 1.7% over the same period last year. The average sales price under long-term contract of self-produced thermal coal was RMB415/ton, representing an increase of RMB53/ton or 14.6% over the same period last year; the average price of spot sales of self-produced thermal coal was RMB403/ton, representing a decrease of RMB193/ton or 32.4% over the same period last year. Domestic average sales price of self-produced coking coal was RMB874/ton, representing an increase of RMB4/ton or 0.5% over the same period last year.

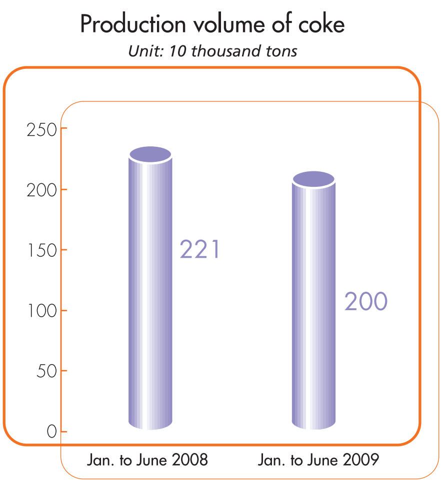
Average export price of self-produced thermal coal was RMB533/ton, representing a decrease of RMB141/ton or 20.9% over the same period last year.

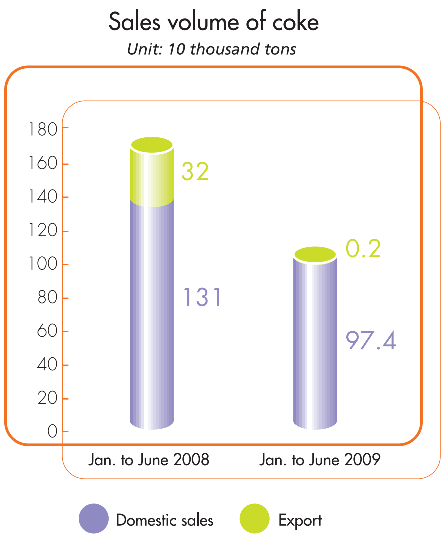
Sales price of the Company's self-produced commercial coal in the first halves of 2007 to 2009



II. COKING OPERATIONS

In the first half of 2009, the coke market experienced a decrease in demand, an increase in inventories and a fall in price due to the continued depression in the domestic and overseas iron and steel markets as well as the sharp reduction in output of iron and steel enterprises. In view of the market changes, the Company flexibly arranged the utilization of its production capacity and scientifically organized its production, supply and sales process.





During the reporting period, the production of coke reached 2.00 million tons, representing a decrease of 9.5% over the same period last year, of which equity production reached 1.40 million tons, representing a decrease of 19.5% over the same period last year. Coke sales amounted to 0.98 million tons, representing a decrease of 0.65 million tons or 39.9% over the same period last year. Sales of self-produced coke amounted to 0.93 million tons and accounted for 94.9% of the total sales of coke, representing an increase of 16.4 percentage points over the same period last year.

The weighted average coke sales price was RMB1,354/ton, representing a decrease of 31.7% over the same period last year, of which the average domestic sales price was RMB1,353/ton and represented a decrease of 23.5% over the same period last year. The average coke export price was RMB1,848/ton, representing a decrease of 35.6% over the same period last year. The average domestic sales price of self-produced coke was RMB1,346/ton, representing a decrease of 23.2% over the same period last year.

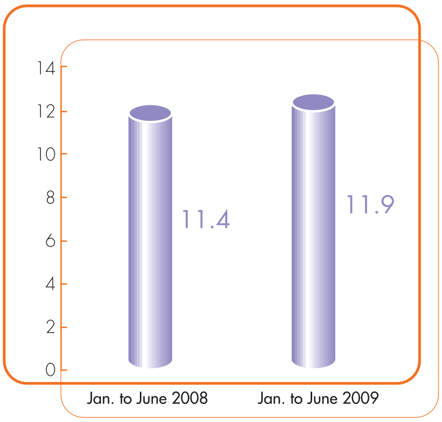
Business Performance

III. COAL MINING EQUIPMENT OPERATIONS

In the first half of 2009, the total production value of the Company's coal mining equipment operations amounted to RMB3.07 billion, representing an increase of RMB0.82 billion or 36.4% over the same period last year. The production volume of coal mining equipments reached 119,000 tons, representing an increase of 4.4% over the same period last year, of which 7,487 units (sets) of major coal mining equipment were produced. In the first half of 2009, the total value of newly signed sales contracts amounted to RMB3.06 billion, representing an increase of 6.9% over the same period last year.

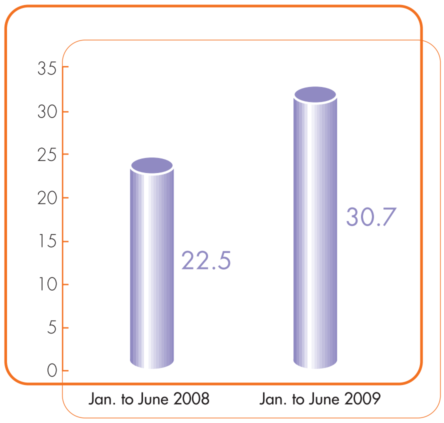
Production volume of coal mining equipment

Unit: 10 thousand tons



Production value of coal mining equipment

Unit: RMB 100 million



IV. DESIGN OF COAL MINES AND OTHER OPERATIONS

In the first half of 2009, the Company newly entered into contracts for prospecting design of coal mines, undertaking projects as general contractor, construction supervision and rock soil projects with a total contract value of RMB620 million. The production volume of primary aluminum was 51,000 tons. Electricity generated was 1.57 billion kwh.

Investor Relations

The Company's investor relationship management is intended to, on the basis of ensuring standardized and sufficient information disclosure, increase investors' recognition of the Company's values through accurate, timely and coherent bilateral communication with investors and analysts in respect of the Company's strategic planning, corporate governance, operating results, financial conditions and prospects, and convey the information derived from the capital market to the management so as to further promote the transparency of our corporate governance, increase investors' recognition of the Company and eventually coordinate the maximization of the interests of our shareholders and the enhancement of our inherent values.

In the first half of 2009, the Company strived to ensure the timely, fair, accurate, true and complete disclosure of information in strict compliance with the information disclosure requirements for listed companies imposed by relevant regulatory authorities. Depending on the types of audience, the Company had sufficient all-round exchange and communication with domestic and overseas investors via flexible and versatile means such as organizing results announcements and roadshows as well as participating in investment fora.

Making efforts in daily maintenance of investor relations. In the first half of 2009, the Company received a total of 229 investors and analysts visiting in 114 batches and communicated with 134 investors through 34 teleconferences. In the meantime, the Company actively established and optimized the electronic network platform for investor relations management, so as to provide information relating to the Company to investors in a convenient and effective manner. The Company discloses on its website monthly operating data, periodic reports and provisional reports, which are major concerns of investors. An investor relations hotline has been initiated to address the concerns of investors. Through the investor email box, the Company can timely get to know various questions raised by investors and provide immediate replies, thus enhancing the information exchange and communication with investors.

Organizing results announcements and roadshows. From 30 to 31 March 2009, the Company's results announcement team, led by Chairman Wang An, held its 2008 annual results announcement briefings and analyst briefings in Shanghai and Hong Kong respectively. A total of 33 mainstream news media in Hong Kong attended the Company's H Share results announcement briefings. In Shanghai and Hong Kong, the senior management of the Company conducted face-to-face meetings with 50 A-share fund managers and analysts and 105 overseas fund managers and analysts to show the favorable operating results and future development prospects of the Company.

In April 2009, the senior management of the Company held global results roadshows in Hong Kong of China, New York of the USA, Dubai of the United Arab Emirates, Edinburgh and London of UK respectively, whereby they had "one-on-one" discussions with 99 fund managers and investment analysts from 50 investment institutions, presented the Company's business performance for 2008 and future development plan and had frank communication on macro-economy and industry trend.

Participating actively in various investment fora. In the first half of 2009, the Company participated in 7 investment fora of various types organized by institutions such as UBS, Deutsche Bank, J.P. Morgan Chase, Credit Lyonnais, Everbright Securities, Great Wall Securities etc. The Company also conducted 60 interviews and seminars on one-on-one or one-to-many basis and had extensive communication with 223 fund managers and analysts of institutional investors.

Investor Relations

Conducting small-scale reverse roadshows and visits. In the first half of 2009, the Company organized small-scale reverse roadshows for two groups of shareholders to visit Pingshuo Mining Area, through which these shareholders have deepened their understanding and knowledge of the Company's current production and operation status, business operation and future development strategy, which in turn improved their investment confidence.

Further systemizing and standardizing the investor communication platform. Since listing, the Company has been committed to establishing and standardizing its fundamental systems so as to provide better services for its investors and ensure lawful, open, fair, timely and effective disclosure of information. On the basis of establishing the Investor Relations Management System and the Information Disclosure Management System, during the reporting period, the Company also formulated and disclosed the Internal Reporting Systems of Material Information and Rules for Reception of Investors, further optimizing the internal information collection mechanism of the Company and standardizing the organization and coordination of investor relations management, internal significant and daily information collection and investors reception.

Strengthening feedback from the capital market. Investor relations management is an all-round interactive communication process. When providing investors with corporate information, the Company also focuses on the collection of feedback from investors, pays special attention to the advice and suggestions of investors and timely reports them to the management of the Company, so as to improve the Company's corporate governance and continuously enhance the inherent value of the Company.

Awards of the Company. The Company has won the 11th Golden Ox of Top 100 Listed Companies in China Contest (2008) organized by China Securities Journal and the 100 Most Valuable Listed Companies in China and the Excellent Management Team of Listed Companies Award for 2008 organized by Secutimes.

In the second half of 2009, the Company will further strengthen its communication and contact with investors, improve the level of investor relations management, build an active, interactive and refined investor relations platform, promote the dynamic consistency of the Company's market value and inherent value, establish a good image for the Company in the capital market and continuously promote the continuous development of our investor relations.

Corporate Governance

I. Corporate Governance

During the reporting period, by striclty complying with overseas and domestic laws and regulations and pertinent listing rules, the Company further improved its corporate governance structure and continuously promoted its corporate governance standard. The Company's corporate governance had been in compliance with the requirements of relevant regulatory documents including the Principles for Corporate Governance of Listed Companies promulgated by China Securities Regulatory Commission.

In making significant decisions on major issues and managing the daily operation of the Company, the Company's governing body, decision-making body, supervisory body and the executive body duly discharged their respective duties and responsibilities, supported, checked and balanced against each other, and were dedicated to creating value for shareholders and society in accordance with the prescribed responsibilities and functions of the Shareholders' General Meeting, the Board of Directors, the Supervisory Committee and the corporate management.

During the reporting period, the Company convened one general meeting, three board meetings and three supervisory committee meetings, at which, the Management Measures for Proceeds Raised through A share Issue by the Company, the Finance Management Measures of the Company, the Internal Control Audit System of the Company and the Accounting Measures of the Company were amended and the Investment Management Measures of the Company and the Material Information Internal Reporting System of the Company were formulated, further improving the internal control system of the Company.

During the reporting period, the Company strictly complied with the "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" (the "**Hong Kong Listing Rules**") and the "Rules Governing the Listing of Shares on the Shanghai Stock Exchange" (the "**SSE Listing Rules**") and the "Information Disclosure Management System" of the Company and by upholding the principle of "being stringent rather than lenient, being abundant rather than scarce", the Company made periodic reports, provisional reports and disclosures in a true, accurate, complete and timely manner.

During the reporting period, the Company issued a total of 108 announcements through its website, disclosed a total of 88 announcements, overseas regulatory announcements, shareholder circulars and notices on the website of the Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"), disclosed a total of 17 provisional reports and regular reports on the website of the Shanghai Stock Exchange (the "**SSE**") and published a total of 9 announcements on newspapers designated by the China Securities Regulatory Commission. Apart from statutory information disclosure, to increase the transparency of corporate governance and subject to compliance with overseas and domestic regulatory requirements and ensuring fairness and openness, the Company also voluntarily disclosed major productional and operational data monthly through its website and the websites of SSE and the Hong Kong Stock Exchange respectively, thereby facilitating investors in understanding the dynamics of corporate operation at any time.

Corporate Governance

II. Compliance with the Code on Corporate Governance Practices

The Company always attaches great importance to corporate governance and to enhancing its corporate governance transparency. It strengthens its internal control continuously to attain legitimate and efficient operations in accordance with the requirements of the regulatory authorities on corporate governance, thereby maximizing shareholder returns from sound corporate governance.

During the reporting period, the Company has complied with the principles and code provisions set out in the Code on Corporate Governance Practices in Appendix 14 of the Hong Kong Listing Rules.

III. Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Model Code**") as set out in Appendix 10 of the Hong Kong Listing Rules. After having made specific enquiry, the Company confirmed that each director of the Company had complied with the Model Code throughout the first half of 2009.

IV. Board Meetings

During the reporting period, the board of directors of the Company held three meetings.

At the first meeting in 2009 of the First Session of the Board held on 27 February 2009, the following resolutions were considered and approved:

1. "Resolution on Amendments to the Articles of Association of the Company";
2. "Resolution on Amendments to the Management Measures for Proceeds Raised through A Share Issue by the Company";
3. "Resolution on Amendments to the Financial Management Measures of the Company";
4. "Resolution on Amendments to the Internal Control Audit System of the Company";
5. "Resolution on Investment Management Measures of the Company";
6. "Resolution on Material Information Internal Reporting System of the Company";
7. "Resolution on Changes to Accounting Policies and Amendments to Accounting Measures of the Company"; and
8. "Resolution on Guarantee Provided by the Company to Mengji Railway Company Limited".

Corporate Governance

At the second meeting in 2009 of the First Session of the Board held on 27 March 2009, the following resolutions were considered and approved:

1. "Resolution on Annual Report for 2008 of the Company and its summary, Results Announcement for 2008";
2. "Resolution on Directors' Report of the Company for 2008";
3. "Resolution on Final Accounts of the Company for 2008";
4. "Resolution on Proposed Profit Distribution Plan of the Company for 2008";
5. "Resolution on Production and Operating Plans of the Company for 2009";
6. "Resolution on Capital Expenditure Plans of the Company for 2009";
7. "Resolution on Financial Plans of the Company for 2009";
8. "Resolution on Remuneration of Directors, Supervisors of the Company for 2009";
9. "Resolution on Engaging Auditors to Review Interim Financial Report and Audit Annual Report for 2009";
10. "Resolution on Report of the Board on the Self-assessment of Internal Control of the Company for 2008";
11. "Resolution on Social Responsibility Report of the Company for 2008";
12. "Resolution on Suspension of Heilongjiang Project with Annual Production of 10 Million Tonnes of Coal, 1.8 Million Tonnes of Methanol and 0.6 Million Tonnes of Olefin and its Auxiliary Projects of the Company"; and
13. "Resolution on Convening of Annual General Meeting of the Company for 2008".

At the third meeting in 2009 of the First Session of the Board held on 27 April 2009, the following resolutions were considered and approved:

1. "Resolution on the First Quarter Report of the Company for 2009";
2. "Resolution on Performance Targets for Senior Management of the Company for 2009";
3. "Resolution on Amendments to Provisional Rules for Performance Assessment for Senior Management of the Company"; and
4. "Resolution on Amendments to Provisional Rules for Management of Remuneration of Senior Management of the Company".

During the reporting period, all relevant matters (such as the number of board meetings, quorum, board meeting procedures, board meeting minutes and documentation) complied with the relevant provisions of "Code on Corporate Governance Practices". All directors were diligent and responsible, and dedicated to promoting the interests of the Company and shareholders as a whole.

Corporate Governance

V. Meetings of Board Committees

(1) Audit Committee

During the reporting period, the audit committee of the Board held two meetings. At the first meeting held on 27 February 2009, the following resolutions were considered and approved:

1. "Resolution on Amendments to the Internal Control Audit System of the Company";
2. "Resolution on Amendments to the Management Measures for Proceeds Raised through A Share Issue by the Company";
3. "Resolution on Amendments to the Financial Management Measures of the Company";
4. "Resolution on Changes of Accounting Policies and Amendments to Accounting Measures of the Company";
5. "Resolution on Guarantee Provided by the Company to Mengji Railway Company Limited"; and
6. The report of PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian CPAs Limited Company on the Preliminary Findings on the Audit of Financial Accounts of the Company for 2008 was reviewed at the meeting.

At the second meeting held on 26 March 2009, the following resolutions were considered and approved:

1. "Resolution on Annual Report for 2008 of the Company and its summary, Results Announcement for 2008";
2. "Resolution on Final Accounts of the Company for 2008";
3. "Resolution on Proposed Profit Distribution Plan of the Company for 2008";
4. "Resolution on Production and Operation Plans of the Company for 2009";
5. "Resolution on Financial Plans of the Company for 2009";
6. "Resolution on Engaging Auditors to Review Interim Financial Report and Audit Annual Report for 2009";
7. "Resolution on Report of the Board on the Self-assessment of Internal Control of the Company for 2008"; and
8. The report of PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian CPAs Limited Company on the Audit of Financial Statements of the Company for 2008 was reviewed at the meeting.

The audit committee of the Board has reviewed the interim report of the Company. In addition, the Company's external auditor, PricewaterhouseCoopers, has performed an independent review of the unaudited condensed consolidated interim financial information of the Company for the six months ended 30 June 2009 in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. On the basis of their review, which does not constitute an audit, PricewaterhouseCoopers confirmed in writing that nothing has come to their attention which would cause them to believe that the interim financial information has not, in any material aspect, been properly prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting".

(2) Remuneration Committee

During the reporting period, the remuneration committee of the Board held two meetings.

At the first meeting held on 27 February 2009, the "Resolution on Remuneration of Directors, Supervisors of the Company for 2009" was considered and approved.

At the second meeting held on 26 March 2009, the following resolutions were considered and approved:

1. "Resolution on Performance Targets for Senior Management of the Company for 2009";
2. "Resolution on Amendments to Provisional Rules for Performance Assessment for Senior Management of the Company"; and
3. "Resolution on Amendments to Provisional Rules for Management of Remuneration of Senior Management of the Company".

(3) Strategic Planning Committee

During the reporting period, the strategic planning committee of the Board held two meetings.

At the first meeting held on 27 February 2009, the "Resolution on Investment Management Measures of the Company" was considered and approved.

At the second meeting held on 26 March 2009, the following resolutions were considered and approved:

1. "Resolution on Capital Expenditure Plans of the Company for 2009"; and
2. "Resolution on Suspension of Heilongjiang Project with Annual Production of 10 Million Tonnes of Coal, 1.8 Million Tonnes of Methanol and 0.6 Million Tonnes of Olefin and its Auxiliary Projects of the Company".

(4) Safety, Health and Environmental Protection Committee

During the reporting period, the safety, health and environmental protection committee of the Board held one meeting on 26 March 2009, at which the "Resolution on Social Responsibility Report of the Company for 2008" was considered and approved.

(5) Nomination Committee

During the reporting period, the Nomination Committee of the Board did not convene any meeting.

Corporate Governance

(6) Supervisory Committee

During the reporting period, the supervisory committee of the Board held three meetings.

At the first meeting in 2009 of the First Session of the Supervisory Committee held on 27 February 2009, the following resolutions were considered and approved:

1. "Resolution on Changes of Accounting Policies and Amendments to Accounting Measures of the Company"; and
2. "Resolution on Amendments to the Internal Control Audit System of the Company".

At the second meeting in 2009 of the First Session of the Supervisory Committee held on 27 March 2009, the following resolutions were considered and approved:

1. "Resolution on Annual Report for 2008 of the Company and its summary, Results Announcement for 2008";
2. "Resolution on Report of the Supervisory Committee of the Company";
3. "Resolution on Final Accounts of the Company for 2008";
4. "Resolution on Proposed Profit Distribution Plan of the Company for 2008";
5. "Resolution on Report of the Board on the Self-assessment of Internal Control of the Company for 2008";
6. "Resolution on Social Responsibility Report of the Company for 2008"; and
7. "Resolution on Suspension of Heilongjiang Project with Annual Production of 10 Million Tonnes of Coal, 1.8 Million Tonnes of Methanol and 0.6 Million Tonnes of Olefin and its Auxiliary Projects of the Company ".

At the third meeting in 2009 of the First Session of the Supervisory Committee held on 27 April 2009, the "Resolution on the First Quarter Report of the Company for 2009" was considered and approved.

During the reporting period, each supervisor of the Company had properly performed his supervisory functions with due diligence and in compliance with Company Law, the Articles of Association and related provisions.

VII. Management of Connected Transactions

To fully protect the interests of medium and minority shareholders, the Company entered into a "Non-competition agreement" with China National Coal Group Corporation to set up a strategic mechanism to avoid conflict of interests. In December 2008, the Company entered into Framework Agreements for Continuing Connected Transaction with relevant connected persons. The Company also formulated the "Management Measures on Connected Transactions of the Company" to set up detailed procedures and requirements for the review, decision-making, implementation and management of connected transactions. The Company established a team directly led by the Board Secretary to manage the connected transactions; all affiliates also established corresponding internal bodies to manage their respective connected transactions, creating an effective connected transaction management and control mechanism.

During the reporting period, the Company further strengthened connected transaction management, strictly observed the various agreements signed with the connected parties and managed connected transactions in accordance with the requirements of the Hong Kong Listing Rules and the SSE Listing Rules and the "Management Measures on Connected Transactions" of the Company.

The Company continued to improve its management over continuing connected transactions and ensure the cap for each type of continuing connected transaction was not exceeded. First, the Company and its all units were required to review the necessity and rationality of each proposed continuing connected transaction. All necessary continuing connected transactions were performed, priced, and conducted by the Company in strict compliance with the framework agreements signed with relevant connected parties in December 2008, in accordance with the price determination principles and on an arm's length basis. Secondly, the gross value of continuing connected transactions were controlled and budgeted in advance, through which caps on the continuing connected transactions of all affiliates of the Company for the full year were established. A monthly reporting system and an early warning mechanism were implemented for each type of continuing connected transactions budgeted. All affiliates contemplating an unbudgeted continuing connected transaction must report such transaction to the connected transaction management team prior to its occurrence, whereupon the internal control and approval procedure and the information disclosure procedure of the Company will be followed after consideration and approval by the connected transaction management team.

Through optimizing the organizational structure and strategic staffing, as well as the adoption of various other management and control measures, the Company further improved the connected transaction management and control system, enhanced internal control and ensured its compliance with legal and regulatory requirements for all connected transactions during the reporting period.

Disclosure of Major Events

I. SHARE CAPITAL STRUCTURE

As at 30 June 2009, China Coal Hong Kong Limited ("**China Coal Hong Kong**"), a wholly-owned subsidiary of the controlling shareholder of the Company, China National Coal Group Corporation ("**China Coal Group**"), held 114,832,000 H Shares of the Company through HKSCC Nominees Limited. Thus, the share capital structure of the Company was changed as to 7,634,177,114 A Shares held by China Coal Group, 114,832,000 H Shares held by China Coal Hong Kong, 3,991,831,000 H Shares held by other holders of H Shares and 1,517,823,286 A Shares held by other holders of A Shares, representing 57.58%, 0.87%, 30.10% and 11.45% of the Company's total share capital respectively.

The Company's share capital structure as at 30 June 2009 was as follows:

Name of shareholder	Class of shares	Number of shares held (Shares)	Percentage (%)
China National Coal Group Corporation	A Shares	7,634,177,114	57.58
China Coal Hong Kong Limited	H Shares	114,832,000	0.87
Other shareholders of H Shares	H Shares	3,991,831,000	30.10
Other shareholders of A Shares	A Shares	1,517,823,286	11.45
Total	**—**	**13,258,663,400**	**100.00**

II. DISTRIBUTION OF FINAL DIVIDENDS FOR 2008

The distribution plan of profits of the Company for 2008 was considered and approved by the Company's 2008 Annual General Meeting on 26 June 2009. Net profits attributable to shareholders of the Company in the Company's consolidated financial statements prepared under the PRC GAAP amounted to RMB6,811,863,000 (the lower of the profits after tax stated in the financial statements prepared under the PRC GAAP and the IFRS), 30% of which (totaling RMB2,043,558,900) were distributed to the shareholders as cash dividends. The dividends distributed was RMB0.15413 per share based on the Company's total issued share capital of 13,258,663,400 shares.

Pursuant to the "Notice Regarding Questions on Withholding Enterprise Income Tax When PRC Resident Enterprises Distribute Dividend to Foreign Non-resident Enterprise Shareholders of H Shares" (Guo Shui Han [2008] No. 897) issued by the State Administration of Taxation of the PRC, the Company should withhold enterprise income tax at a tax rate of 10% on cash dividends paid to foreign non-resident enterprises as shareholders of H shares. Pursuant to the provisions regarding individual income tax on dividends and bonuses from listed companies of the State Administration of Taxation and the Ministry of Finance of the PRC, cash dividends paid to natural person shareholders of A shares of the Company should also be subject to withholding of individual income tax at a tax rate of 10%.

As at the date of this report, all final dividends for 2008 had been paid to the shareholders of the Company.

III. INTERIM PROFITS DISTRIBUTION PLAN FOR 2009

The Company does not distribute interim dividends for 2009.

IV. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

During the reporting period, the Company amended its Articles of Association in accordance with the changes of relevant laws and regulations. The amendments were as follows:

1) Pursuant to the amended provisions in Clause 9.11 of "The Listing Rules of Shanghai Stock Exchange(《上海證券交易所股票上市規則》)" (2008) relating to decision making systems for external guarantee of listed companies, Article 66 of the Articles of Association was amended;

2) Pursuant to the latest amended provisions of the Hong Kong Listing Rules relating to electronic means of communication between the listed company and its shareholders, Article 288 of the Articles of Association was amended;

3) Pursuant to the "Decision of China Securities Regulatory Commission regarding Amendment to Certain Provisions for Cash Bonus of Listed Companies(《中國證監會關於修改上市公司現金分紅若干規定的決定》)", Article 249 of the Articles of Association was amended; and

4) In addition, in consideration of the reasonableness of the provisions in the Articles of Association, certain reduplicate contents in the Articles of Association were deleted, including Article 149 Clause 3 and the last clause of Article 160.

The above-mentioned amendments to the Articles of Association were approved at the 2008 annual general meeting of the Company held on 26 June 2009 and were approved by the competent department authorized by the State Council on 14 August 2009. For the details of the amendments, please see the "Announcement of the Resolutions of the 2008 Annual General Meeting of China Coal Energy Company Limited" dated 27 June 2009.

V. ASSETS ACQUISITION

There is no material assets acquisition by the Company during the reporting period.

VI. PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

For the six months ended 30 June 2009, the Company and its subsidiaries had not purchased, sold or redeemed any securities (the term "securities" has the meaning ascribed to it under the Hong Kong Listing Rules) of the Company.

Disclosure of Major Events

VII. SUBSTANTIAL INTERESTS AND SHORT POSITIONS

As at 30 June 2009, the interests or short positions of persons (other than directors or supervisors of the Company) who are entitled to exercise or control the exercise of 5% or more of the voting rights at the Company's general meetings in the Company's shares or underlying shares of the Company's equity derivatives as recorded in the register of interests required to be kept by the Company pursuant to section 336 of the Securities and Futures Ordinance were as follows:

Name	Number of Shares	Class of Shares	Nature of interests	Capacity	Percentage of the issued Shares of the same class (%)	Percentage of the total issued Shares (%)
China National Coal Group Corporation	7,634,177,114	A Shares	N/A	Beneficial owner	83.42	57.58
National Council for Social Security Fund	373,333,000	H Shares	Long positions	Beneficial owner	9.09	2.82
JPMorgan Chase & Co.	324,130,029	H Shares	Long positions	Beneficial owner	7.89	2.44
	45,520,000		Short positions	Investment manager	1.11	0.34
	99,499,800		Lending pool	Custodian - Corporation/approved lending agent	2.42	0.75
Barclays Global Investors UK Holdings Limited	295,230,500	H Shares	Long positions	Interests in corporations controlled by major shareholders	7.19	2.23
	5,875,440		Short positions	Interests in corporations controlled by major shareholders	0.14	0.04
Barclays PLC	295,230,500	H Shares	Long positions	Interests in corporations controlled by major shareholders	7.19	2.23
	5,875,440		Short positions	Interests in corporations controlled by major shareholders	0.14	0.04
UBS AG	272,662,067	H Shares	Long positions	210,888,848 shares were held in the capacity as beneficial owner, 1,843,219 shares were held in the capacity as person having a security interest in shares and 59,930,000 shares were held in the capacity as interests in corporations controlled by major shareholders.	6.64	2.06
	60,520,445		Short positions	Beneficial owner	1.47	0.46
Davis Selected Advisers, L.P. (d/b/a: Davis Advisors)	248,098,000	H Shares	Long positions	Investment manager	6.04	1.87
AMCI Capital GP Limited	239,995,000	H Shares	Long positions	Interests in corporations controlled by major shareholders	5.84	1.81
AMCI Capital L.P.	239,995,000	H Shares	Long positions	Interests required to be disclosed under Rule 317 (1)(a) and 318 by any party entering into an agreement for the purpose of securing interests in certain listed corporation	5.84	1.81

Name	Number of Shares	Class of Shares	Nature of interests	Capacity	Percentage of the issued Shares of the same class (%)	Percentage of the total issued Shares (%)
AMCI H&F (Cayman) Ltd	239,995,000	H Shares	Long positions	Interests in corporations controlled by major shareholders	5.84	1.81
First Reserve Corporation	239,995,000	H Shares	Long positions	Interests required to be disclosed under Rule 317 (1)(a) and 318 by any party entering into an agreement for the purpose of securing interests in certain listed corporation	5.84	1.81
FR XI Offshore AIV, L.P.	239,995,000	H Shares	Long positions	Interests in corporations controlled by major shareholders	5.84	1.81
FR XI Offshore GP Limited	239,995,000	H Shares	Long positions	Interests in corporations controlled by major shareholders	5.84	1.81
FR XI Offshore GP, L.P.	239,995,000	H Shares	Long positions	Interests in corporations controlled by major shareholders	5.84	1.81

Note: The information disclosed above was based on the information provided by the website of the Hong Kong Stock Exchange (www.hkex.com.hk).

Save as disclosed above, as at 30 June 2009, there were no any other persons who had any interests or held short positions in the Company's shares or underlying shares of equity derivatives of the Company as recorded in the register of interests required to be kept pursuant to section 336 of the Securities and Futures Ordinance.

VIII. DIRECTORS' AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2009, none of the directors or supervisors of the Company had any interests or short positions in shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) as recorded in the register of interests required to be kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise shall be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

As at 30 June 2009, the Company had not granted any rights to any directors, supervisors of the Company or their spouses or children under 18 years of age to acquire shares or debentures of the Company or its associated corporations nor did they exercise any such rights to acquire the aforesaid shares or debentures.

Disclosure of Major Events

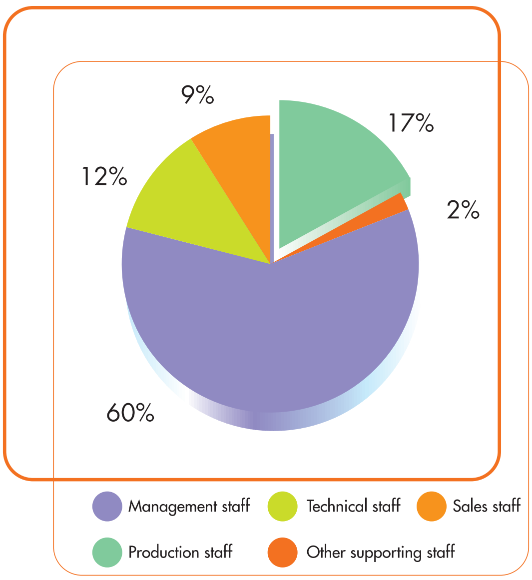
IX. EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2009, the Company had a total of 52,394 employees, which was 1,589 more than that of 31 December 2008. Of these employees, 4,506 were management staff, 8,996 were technical staff, 869 were sales staff, 31,683 were production staff and 6,340 were other supporting staff.

An annual remuneration package and a corresponding appraisal and incentive scheme have been implemented for the directors and senior management members of the Company. The annual remuneration for senior management members consists of base salary and performance bonus. The base salary is determined based on the operational scale of the Company, with reference to the prevailing market wages and the income of employees. The performance bonus is determined based on the actual operational results of the Company. The base salary for the directors and senior management of the Company is paid on a monthly basis whereas the performance bonus is paid after an annual performance appraisal.

The Company actively optimizes the allocation of human resources. Through recruiting management and technical staff from the society, cooperating with higher education institutions through training programs to foster talents for the Company, and creating new recruiting, training and deploying mechanism, sufficient human resources can be ensured for the production, operation and sustainable development of the Company.

Staff Composition



X. FORWARD-LOOKING STATEMENTS

The Company would also like to caution readers about the forward-looking nature of certain statements above. These forward-looking statements are subject to risks and uncertainties and assumptions, which are beyond the Company's control. Such potential risks and uncertainties include those concerning the market conditions of coal and coking operations in China, the changes of the regulatory environment and the Company's ability to successfully execute its business strategies. In addition, these forward-looking statements only reflect the Company's current views with respect to future events but do not serve as a guarantee of the Company's future performance. The Company does not intend to update these forward-looking statements. Actual results of the Company's performance may differ from the forward-looking statements as a result of a number of factors.

Report of Independent Auditor

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TO THE BOARD OF DIRECTORS OF CHINA COAL ENERGY COMPANY LIMITED
(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 46 to 91, which comprises the condensed consolidated balance sheet of China Coal Energy Company Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2009 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 14 August 2009

Condensed Consolidated Interim Balance Sheet

As at 30 June 2009
(Amounts expressed in thousands of RMB)

	Note	30 June 2009 Unaudited	31 December 2008 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	5	31,610,322	28,847,672
Investment properties		33,107	33,725
Land use rights		698,842	591,408
Mining rights	6	4,098,611	3,680,836
Intangible assets		37,175	41,374
Investments in associates		1,363,097	1,301,783
Investments in jointly controlled entities		356,825	596,109
Available-for-sale financial assets		696,724	557,168
Deferred income tax assets	14	401,074	780,949
Long-term receivables		667,789	701,022
Total non-current assets		39,963,566	37,132,046
Current assets			
Inventories	7	4,664,579	4,170,512
Trade and note receivables	8	6,162,724	5,582,365
Prepayments and other receivables	9	3,392,015	3,609,748
Financial assets at fair value through profit or loss	10	—	300,000
Restricted bank deposits	11	2,853,686	2,121,593
Term deposits with initial terms of over three months	11	28,127,277	27,383,030
Cash and cash equivalents	11	9,156,895	7,884,873
Total current assets		54,357,176	51,052,121
TOTAL ASSETS		94,320,742	88,184,167
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital	12	13,258,663	13,258,663
Reserves		37,225,369	36,458,034
Retained earnings			
– Dividends proposed after the balance sheet date		—	2,043,559
– Others		10,321,369	6,781,338
		60,805,401	58,541,594
Minority interests		5,036,772	4,228,695
Total equity		65,842,173	62,770,289

Condensed Consolidated Interim Balance Sheet

As at 30 June 2009
(Amounts expressed in thousands of RMB)

	Note	30 June 2009 Unaudited	31 December 2008 Audited
LIABILITIES			
Non-current liabilities			
Long-term borrowings	13	**11,269,611**	10,193,510
Long-term payables		**225,850**	336,432
Deferred income tax liabilities	14	**917,747**	875,725
Deferred revenue		**48,022**	29,099
Provision for employee benefits		**162,786**	180,304
Provision for close down, restoration and environmental costs	17	**951,231**	1,054,703
Total non-current liabilities		**13,575,247**	12,669,773
Current liabilities			
Trade and note payables	15	**5,947,927**	6,706,777
Accruals and other payables	16	**7,344,253**	3,940,294
Tax payables		**985,018**	1,278,011
Short-term borrowings	13	**17,896**	268,296
Current portion of long-term borrowings	13	**576,175**	518,715
Current portion of provision for close down, restoration and environmental costs	17	**32,053**	32,012
Total current liabilities		**14,903,322**	12,744,105
Total liabilities		**28,478,569**	25,413,878
TOTAL EQUITY AND LIABILITIES		**94,320,742**	88,184,167
NET CURRENT ASSETS		**39,453,854**	38,308,016
TOTAL ASSETS LESS CURRENT LIABILITIES		**79,417,420**	75,440,062

This condensed consolidated interim financial information has been approved for issue by the Board of Directors on 14 August 2009.

Wang'an
Chairman of the Board
Executive Director

Weng Qing'an
Vice Chief Financial Officer
Manager of Finance Department

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Income Statement

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB, except per share data)

	Note	Six months ended 30 June 2009 Unaudited	2008 Unaudited and restated
Revenue	4	**22,564,654**	25,609,189
Cost of sales			
Materials		**(7,385,291)**	(9,219,349)
Staff costs		**(1,505,389)**	(1,318,111)
Depreciation and amortisation		**(801,590)**	(664,652)
Repair and maintenance		**(316,474)**	(383,603)
Transportation costs		**(3,260,119)**	(3,609,629)
Sales taxes and surcharges		**(443,416)**	(586,521)
Others		**(2,254,123)**	(1,959,214)
Cost of sales		**(15,966,402)**	(17,741,079)
Gross profit		**6,598,252**	7,868,110
Selling, general and administrative expenses		**(1,226,711)**	(1,330,144)
Loss from fair value changes of financial assets		**—**	(916,400)
Other income	19	**809,575**	700,316
Other gains, net		**69,772**	319,454
Profit from operations		**6,250,888**	6,641,336
Finance costs, net	20	**(164,983)**	(432,559)
Share of profits of associates and jointly controlled entities		**14,032**	135,573
Profit before income tax		**6,099,937**	6,344,350
Income tax expense	21	**(1,492,298)**	(1,520,184)
Profit for the period		**4,607,639**	4,824,166
Profit attributable to:			
Equity holders of the Company		**4,347,791**	4,218,741
Minority interests		**259,848**	605,425
		4,607,639	4,824,166
Basic and diluted earnings per share for the profit attributable to the equity holders of the Company (RMB)	22	**0.33**	0.32
Dividends distributed	23	**2,043,559**	825,484
Dividends proposed after the balance sheet date	23	**—**	—

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB)

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
Profit for the period	**4,607,639**	4,824,166
Other comprehensive income:		
Fair value gains on available-for-sale financial assets, net of tax	**10,405**	13,954
Currency translation differences	**(1,047)**	14,310
Other comprehensive income for the period, net of tax	**9,358**	28,264
Total comprehensive income for the period	**4,616,997**	4,852,430
Total comprehensive income attributable to:		
Equity holders of the Company	**4,357,149**	4,246,323
Minority interests	**259,848**	606,107
	4,616,997	4,852,430

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB)

	Attributable to the equity holders of the Company					
	Share capital	Reserves	Retained earnings	Subtotal	Minority interests	Total equity
Unaudited						
Balance at 1 January 2008 (as previously reported)	11,733,330	11,400,959	4,197,306	27,331,595	2,954,375	30,285,970
Business combination under common control	—	718,880	—	718,880	—	718,880
Balance at 1 January 2008 (restated)	11,733,330	12,119,839	4,197,306	28,050,475	2,954,375	31,004,850
Profit for the period	—	—	4,218,741	4,218,741	605,425	4,824,166
Other comprehensive income	—	27,582	—	27,582	682	28,264
Issuance of new A shares (Note 12)	1,525,333	23,794,577	—	25,319,910	—	25,319,910
Appropriations	—	658,239	(658,239)	—	—	—
Dividends (Note 23)	—	—	(825,484)	(825,484)	(37,618)	(863,102)
Acquisition of a subsidiary (Note 2(c))	—	—	—	—	214,600	214,600
Others	—	1,848	—	1,848	—	1,848
Balance at 30 June 2008 (restated)	13,258,663	36,602,085	6,932,324	56,793,072	3,737,464	60,530,536
Unaudited						
Balance at 1 January 2009	**13,258,663**	**36,458,034**	**8,824,897**	**58,541,594**	**4,228,695**	**62,770,289**
Profit for the period	**—**	**—**	**4,347,791**	**4,347,791**	**259,848**	**4,607,639**
Other comprehensive income	**—**	**9,358**	**—**	**9,358**	**—**	**9,358**
Appropriations	**—**	**807,760**	**(807,760)**	**—**	**—**	**—**
Dividends (Note 23)	**—**	**—**	**(2,043,559)**	**(2,043,559)**	**(39,825)**	**(2,083,384)**
Purchase of minority interest	**—**	**(49,783)**	**—**	**(49,783)**	**(1,417)**	**(51,200)**
Acquisition of a subsidiary (Note 2(b))	**—**	**—**	**—**	**—**	**267,556**	**267,556**
Capital contribution by minority interests	**—**	**—**	**—**	**—**	**320,000**	**320,000**
Others	**—**	**—**	**—**	**—**	**1,915**	**1,915**
Balance at 30 June 2009	**13,258,663**	**37,225,369**	**10,321,369**	**60,805,401**	**5,036,772**	**65,842,173**

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Cash Flow Statement

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB)

	Note	Six months ended 30 June 2009 Unaudited	2008 Unaudited and restated
Cash flows from operating activities			
Cash generated from operations	24	**4,801,285**	6,052,293
Interest paid		**(289,409)**	(312,146)
Interest income received		**1,712,695**	392,682
Income tax paid		**(1,852,852)**	(668,752)
Net cash generated from operating activities		**4,371,719**	5,464,077
Cash flows from investing activities			
Purchases of property, plant and equipment		**(3,567,078)**	(3,147,812)
Proceeds from disposal of property, plant and equipment		**6,415**	68,141
Purchase of land use rights, mining rights and intangible assets		**(375,124)**	—
Proceeds from disposal of derivative financial instruments and other financial assets at fair value through profit or loss		**465,367**	355,998
Proceeds from disposal of available-for-sale financial assets		**4,642**	—
Purchase of available-for-sale financial assets		**(225,753)**	(21,844)
Purchase of minority interest in a subsidiary		**(51,200)**	—
Net cash inflow from acquisition of certain subsidiaries		**171,008**	7,990
Increase in investments in associates		**(62,215)**	(391,807)
Dividends received		**477**	—
Increase in term deposits with initial terms of over three months		**(744,247)**	(21,145,217)
Net cash used in investing activities		**(4,377,708)**	(24,274,551)

Condensed Consolidated Interim Cash Flow Statement

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB)

	Note	Six months ended 30 June 2009 Unaudited	2008 Unaudited and restated
Cash flows from financing activities			
Proceeds from short-term borrowings		—	459,001
Repayments of short-term borrowings		**(250,400)**	(56,401)
Proceeds from long-term borrowings		**1,520,000**	405,000
Repayments of long-term borrowings		**(281,777)**	(451,122)
Dividends paid to minority interests		**(31,768)**	(33,759)
Capital contributed by minority interests		**320,000**	—
Net proceeds from issuance of new A shares	12(b)	—	25,319,910
Net cash generated from financing activities		**1,276,055**	25,642,629
Net increase in cash and cash equivalents		**1,270,066**	6,832,155
Cash and cash equivalents, at beginning of the period		**7,884,873**	4,277,958
Net foreign exchange gains/(losses)		**1,956**	(46,098)
Cash and cash equivalents at end of the period		**9,156,895**	11,064,015

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

1 ORGANISATION AND PRINCIPAL ACTIVITIES

China Coal Energy Company Limited (the "Company") was established in the People's Republic of China (the "PRC") on 22 August 2006 as a joint stock company with limited liability under the Company Law of the PRC as a result of a group restructuring of China National Coal Group Corporation ("China Coal Group" or the "Parent Company"). The Company and its subsidiaries (collectively the "Group") are principally engaged in mining and processing of coal, sales of coal and coke products and manufacturing and sales of coal mining machinery. The address of the Company's registered office is 1 Huang Si Da Jie, Chaoyang District, Beijing, the PRC.

The H shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited in December 2006, and the A shares of the Company were listed on the Shanghai Stock Exchange in February 2008.

This condensed consolidated interim financial information was approved for issue on 14 August 2009.

This condensed consolidated interim financial information has been reviewed, not audited by the independent auditors.

2 BASIS OF PRESENTATION

(a) This condensed consolidated interim financial information for the six months ended 30 June 2009 has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Acquisition of Xi'an Coal Mining Machinery Company Limited in the six months ended 30 June 2009

Prior to 1 January 2009, the Company's subsidiary, China National Coal Mining Equipment Company Limited ("China Coal Equipment"), held 50% of the total shareholdings of Xi'an Coal Mining Machinery Company Limited ("Xi'an Mining Machinery") and accounted for it as a jointly controlled entity by using equity method. Effective from 1 January 2009, China Coal Equipment obtained effective control over Xi'an Mining Machinery, and as such Xi'an Mining Machinery became a subsidiary of the Group.

The assets and liabilities of Xi'an Mining Machinery were adjusted to their fair values on 1 January 2009 based on the valuation report issued by a qualified independent valuer.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

2 BASIS OF PRESENTATION (continued)

(b) Acquisition of Xi'an Coal Mining Machinery Company Limited in the six months ended 30 June 2009 (continued)

Summary of the assets, liabilities, net assets and the relevant fair value adjustments, at the date of commencement of accounting for Xi'an Mining Machinery as a subsidiary, are set out below, and the negative goodwill of RMB22,614,000 resulted from this change in accounting has been recognized in "other gains" for the six months ended 30 June 2009:

	Book value Unaudited	Fair value adjustment Unaudited	Fair value Unaudited
Cash and cash equivalents	171,008	—	171,008
Trade and other receivables	258,406	—	258,406
Inventories	346,569	31,692	378,261
Property, plant and equipment	57,236	21,209	78,445
Land use rights	66,085	4,406	70,491
Deferred income tax assets / (liabilities)	4,317	(12,079)	(7,762)
Trade and other payables	(413,014)	—	(413,014)
Tax payables	(723)	—	(723)
	489,884	45,228	535,112
Attributable to minority interests	244,942	22,614	267,556
Attributable to the equity holders of the Company	244,942	22,614	267,556
	489,884	45,228	535,112
Cash and cash equivalents acquired from accounting for as a subsidiary			171,008
Net cash inflow from accounting for Xi'an Mining Machinery as a subsidiary			171,008

(c) Acquisition of Shijiazhuang Coal Mining Machinery Company Limited in April 2008

On 1 April 2008, the Group acquired additional shares issued by Shijiazhuang Coal Mining Machinery Company Limited ("Shijiazhuang Coal Mining Machinery") for a total consideration of RMB185,000,000, which results in the Group's holding 50% of the enlarged equity of Shijiazhuang Coal Mining Machinery. As at 30 June 2008, RMB120,000,000 has been paid and the remaining balance was paid by 31 December 2008. As the Group is able to govern the financial and operating policies of Shijiazhuang Coal Mining Machinery, it is accounted for as a subsidiary of the Group.

(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

2 BASIS OF PRESENTATION (continued)

(c) The acquisition of Shijiazhuang Coal Mining Machinery Company Limited in April 2008 (continued)

The assets and liabilities of Shijiazhuang Coal Mining Machinery at the date of acquisition are as follows:

	Book value Audited	Fair value Audited
Cash and cash equivalents	127,990	127,990
Trade and other receivables	194,720	194,720
Inventories	154,648	161,605
Available-for-sale financial assets	7,720	7,771
Property, plant and equipment	43,089	57,678
Land use rights	95,235	139,195
Deferred income tax assets / (liabilities)	3,539	(11,111)
Trade and other payables	(260,275)	(260,275)
Tax payables	(17,973)	(17,973)
Net assets acquired	348,693	399,600
Attributable to minority interests		214,600
Attributable to the equity holders of the Company		185,000
		399,600
Cash paid for the acquisition		(120,000)
Cash and cash equivalents acquired from the acquisition		127,990
Net cash inflow from the acquisition		7,990

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

2 BASIS OF PRESENTATION (continued)

(d) Acquisition of Shanxi China Coal Dongpo Coal Industry Company Limited in 2008

On 25 April 2008, the Company entered into a share purchase agreement with China Coal Import and Export Company ("CCIE Company"), a wholly-owned subsidiary of China Coal Group, pursuant to which CCIE Company transferred its 100% equity interest in Shanxi China Coal Dongpo Coal Industry Company Limited ("Dongpo Coal") to the Company for a cash consideration of RMB1,331,510,000. The acquisition was approved by the shareholders' meeting held on 20 June 2008 and by the relevant government authority on 9 July 2008. The consideration has been fully paid by 23 July 2008. Dongpo Coal is principally engaged in coal production, and it was still in construction phase in 2008.

This transaction does not affect the ultimate control of the Company, CCIE Company and Dongpo Coal by China Coal Group, and that control is not transitory. Hence this acquisition is considered as a common control combination, and the Company had accounted for it in a manner similar to a uniting of interests.

Comparative information for the six months ended 30 June 2008 has been restated as if the operations of Dongpo Coal had been under the control of the Company since the day when Dongpo Coal was first acquired by China Coal Group. As Dongpo Coal is still under construction by 30 June 2008, this restatement does not affect the operating results of the Group for the six months ended 30 June 2008.

(e) Change in accounting policy for jointly controlled entities

The Group has changed its accounting policy for jointly controlled entities. Previously, the Group accounted for jointly controlled entities using proportionate consolidation. Since 2008 the management adopted a new base to prepare budget, perform operation analysis and make administrative decision by accounting for jointly controlled entities using equity accounting. As such the Group changed its accounting policy for accounting of jointly controlled entities by using equity method since 2008. Management believes this new accounting policy can provide reliable and more relevant information on the Group's financial position and financial performance. This change in accounting policy has been applied retrospectively, and the comparative information has been restated as if this new accounting policy had been applied since the beginning of the period. The change in accounting policy has no impact on the Group's net profit and net assets in the condensed consolidated interim financial statement for each period presented.

(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

2 BASIS OF PRESENTATION (continued)

(f) Comparative figures

Comparative information has been restated to reflect the impact of the acquisition of Dongpo Coal as such acquisition is considered as a common control combination (Note 2(d)) and change in accounting policy for jointly controlled entities (Note 2(e)).

The effect of the restatement on the Group's operating results for the six months ended 30 June 2008 are as follows:

	For the six months ended 30 June 2008 (As previously reported) Unaudited	Acquisition of Dongpo Coal	Change in accounting policy for jointly controlled entities	For the six months ended 30 June 2008 (Restated) Unaudited
Revenue	26,408,216	—	(799,027)	25,609,189
Profit from operations	6,785,123	—	(143,787)	6,641,336
Net Profit	4,824,166	—	—	4,824,166
Basic and diluted earnings per share (RMB)	0.32	—	—	0.32

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

3 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those annual financial statements.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009.

- IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

  Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

  The Group has elected to present two performance statements: the income statement and statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

- IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Appling IFRS 8 did not result in significant changes in the Group's segment information to be presented, as segment information are previously presented in a manner consistent with the basis used for internal reporting purpose.

  Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM has been identified as the President Office（總裁辦公會）that makes strategic decisions, which comprised the president and all the vice presidents of the Company.

  There has been no impact on the measurement of the Group's profits, assets and liabilities. Comparatives for 2008 have been restated according to the requirements of IFRS 8.

- Amendment to IFRS 7, 'Financial instruments: disclosures'. The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk, primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. The Group will make such additional disclosures in its financial statements ending 31 December 2009.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

- IAS 23 (amendment), 'Borrowing costs' (effective from 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs is removed.

  The Group's current policy is to capitalise such borrowings costs, therefore the revised standard will have no impact on the presentation of the Group's condensed consolidated interim financial statement.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the Group.

- IFRS 2 (amendment), 'Share-based payment'.
- IAS 32 (amendment), 'Financial instruments: presentation'.
- IFRIC 9 (amendment), 'Reassessment of embedded derivatives' and IAS 39 (amendment), 'Financial instruments: recognition and measurement'.
- IFRIC 13, 'Customer loyalty programmes'.
- IFRIC 15, 'Agreements for the construction of real estate'.
- IFRIC 16, 'Hedges of a net investment in a foreign operation'.
- IAS 39 (amendment), 'Financial instruments: recognition and measurement'.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

- Amendment to IAS 39, 'Financial instruments: recognition and measurement' on eligible hedged items, effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it does not have any hedged items.

- IFRS 3 (revised), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates' and IAS 31, 'Interests in joint ventures', effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Management is assessing the impact of the new requirements regarding acquisition accounting, consolidation, joint ventures and associates on the Group.

  The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the minority interest in the acquiree either at fair value or at the minority interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply IFRS 3 (revised) to all business combinations from 1 January 2010.

- IFRIC 17, 'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group as no such non-cash distributions have been made.

- IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This is not relevant to the Group, as it has not received such assets from customers.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

IASB's annual improvements project published in April 2009:

- Amendment to IFRS 2 'Share-based payments', effective for periods beginning on or after 1 July 2009. This clarification confirms that IFRS 3 (revised) does not change the scope of IFRS 2. This is not currently relevant for the Group as no such transaction have been taken place of issuing equity instruments for business combination under common control or for the formation of a joint venture.

- Amendment to IFRS 5 'Non-current Assets held for sale and discontinued operations', effective for periods beginning on or after 1 January 2010. Disclosures in standards other than IFRS 5 do not apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations unless those IFRSs specifically require disclosures for them. Additional disclosures about these assets or discontinued operations may be necessary to comply with the general requirements of IAS 1 'Presentation of financial statements'. This is not relevant to the Group, as it does not have non-current assets which are classified as held for sale and discontinued operations.

- Amendment to IFRS 8 'Operating segments', effective for periods beginning on or after 1 January 2010. Disclosure of information about total assets and liabilities for each reportable segment is required only if such amounts are regularly provided to the chief operating decision maker. The Group will apply IFRS 8 (amendment) from 1 January 2010.

- Amendment to IAS 1 'Presentation of financial statements', effective for periods beginning on or after 1 January 2010. Current / non-current classification of the liability component of convertible instruments is not affected by the holder's option which will result in the settlement by the issuance of equity instruments. This is not relevant to the Group, as it does not have any convertible instruments.

- Amendment to IAS 7 'Statement of cash flows', effective for periods beginning on or after 1 January 2010. Only expenditures that result in a recognised asset are eligible for classification as investing activities. The Group will apply IAS (amendment) from 1 January 2010.

- Amendment to IAS 17 'Leases', effective for periods beginning on or after 1 January 2010. The amendment removes the specific guidance on the classification of long-term leases of land as operating leases when classifying land leases, the general principles applicable to the classification of leases should be applied. The classification of land leases has to be reassessed on adoption of the amendment on the basis of information existing at inception of the leases. The Group will apply IAS 17 (amendment) from 1 January 2010.

- Amendment to IAS 36 'Impairment of assets', effective for periods beginning on or after 1 January 2010. This clarifies that the largest unit permitted for the goodwill impairment test is the lowest level of operating segment before any aggregation as defined in IFRS. The Group will apply IAS 36 (amendment) from 1 January 2010.

- Amendment to IAS 38 'Intangible assets', effective for periods beginning on or after 1 July 2009. This clarifies the description of the valuation techniques commonly used to measure intangible assets acquired in a business combination when they are not traded in an active market. In addition, an intangible asset acquired in a business combination might be separable but only together with a related contract, identifiable asset or liability. In such cases, the intangible asset is recognised separately from goodwill but together with the related item. The Group will apply IAS 38 (amendment) from 1 January 2010.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

- Amendment to IAS 39 'Financial instruments: recognition and measurement', effective for periods beginning on or after 1 January 2010. Loan prepayment penalties are treated as closely related embedded derivatives, only if the penalties are payments that compensate the lender for loss of interest by reducing the economic loss from reinvestment risk. In addition, the scope exemption to business combination contracts only applies to forward contracts that are firmly committed to be completed between the acquirer and a selling shareholder to buy or sell an acquiree in a business combination at a future acquisition date. Therefore option contracts are not in this scope exemption. This amendment also clarifies that in a cash flow hedge of a forecast transaction a reclassification of the gains or losses on the hedged item from equity to profit or loss is made during the period the hedged forecast cash flows affect profit or loss. The Group will apply IAS (amendment) from 1 January 2010.

- Amendment to IFRIC 9 'Reassessment of embedded derivatives', effective for periods beginning on or after 1 July 2009. This amendment aligns the scope of IFRIC 9 to the scope of IFRS 3 (revised): the interpretation does not apply to embedded derivatives in contracts acquired in a business combination, a common control combination or the formation of a joint venture. This is not relevant to the Group, as it does not have such embedded derivatives.

- Amendment to IFRIC 16 'Hedges of a net investment in a foreign operation', effective for periods beginning on or after 1 July 2009. This amendment removes the restriction on the entity that can hold hedging instruments in a net investment hedge. The hedging instruments can be held by the foreign operation that itself is being hedged. This is not currently relevant for the Group as it does not have such hedge.

4 SEGMENT INFORMATION

1) General information

a. Factors that management used to identify the entity's reportable segments

The CODM has been identified as the President Office (總裁辦公會). It reviews the Group's internal reports in order to assess performance and allocate resources.

The Group's reportable segments are entity or group of entities that offer different products and services, which is the basis by which the CODM makes decisions about resources to be allocated to the segment and assesses its performance. They are so managed according to different nature of products and services, production process and the environment in which they are operating. Most of these entities engaged in just single business, except a few entities deal with diversified operation. Financial information of these entities has been separated to present discrete segment information to be reviewed by CODM.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

4 SEGMENT INFORMATION (continued)

1) General information (continued)

b. Types of products and services from which each reportable segment derives its revenues

The CODM assesses performance of three reportable segments: coal, coke and coal-chemical product and mining machinery.

Types of products from which each reportable segment derives its revenues are as follow:

- Coal - Production and sales of coal;
- Coke and coal-chemical products - Production and sales of coke and coal-chemical products;
- Mining machinery - Manufacturing and sales of mining machinery

Turnover consists of sales from coal, coke and coal-chemical products and mining machinery, which are RMB17,238,190,000, RMB1,394,858,000 and RMB2,563,137,000 for the six months ended 30 June 2009 and RMB18,371,451,000, RMB3,780,519,000 and RMB2,069,605,000 for the six months ended 30 June 2008 respectively.

2) Information about reportable segment profit, assets and liabilities

a. Measurement of operating segment profit or loss, assets and liabilities

The measurement of profit or loss, assets and liabilities of the operating segments are the same as those described in the summary of significant accounting policies. The CODM evaluates performance on the basis of profit or loss before income tax expense. The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices. The amounts of segment information are denominated in RMB, which is consistent with the amounts in the reports used by the CODM.

(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

4 SEGMENT INFORMATION (continued)

2) Information about reportable segment profit, assets and liabilities (continued)

b. Reportable segments' profit, assets and liabilities

	For the six months ended and as at 30 June 2009 (unaudited)				
	Coal	Coke and coal -chemical product	Machinery	Others (note (a))	Total
Revenue					
Total Revenue	17,356,883	1,394,858	2,802,884	1,768,906	23,323,531
Inter-segment revenue	(118,693)	—	(239,747)	(400,437)	(758,877)
Revenue from external customers	17,238,190	1,394,858	2,563,137	1,368,469	22,564,654
Profit from operations	5,326,405	36,391	254,799	103,925	5,721,520
Profit/(loss) before tax expense	5,209,166	(13,036)	226,896	91,119	5,514,145
Interest revenue	32,702	28,088	2,664	2,519	65,973
Interest expense	(179,552)	(71,189)	(30,617)	(205)	(281,563)
Depreciation and amortisation	(675,335)	(57,421)	(52,097)	(135,500)	(920,353)
Share of profits/(losses) of associates and jointly controlled entities	(4,513)	21,862	3,455	—	20,804
Income tax expense	(1,430,039)	(21,279)	(23,823)	(17,157)	(1,492,298)
Other material non-cash items					
Reversal of/(provision for) impairment of assets	7,813	1,570	(18,479)	85,156	76,060
Segment assets and liabilities					
Segment assets	58,133,038	5,407,535	7,158,827	5,369,465	76,068,865
Include: investment in associates and jointly controlled entities	313,330	265,381	41,569	56,000	676,280
Expenditures for non-current assets	3,881,843	187,346	168,246	115,402	4,352,837
Segment liabilities	25,695,817	3,772,737	4,017,978	3,134,825	36,621,357

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For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

4 SEGMENT INFORMATION (continued)

2) Information about reportable segment profit, assets and liabilities (continued)

b. Reportable segments' profit, assets and liabilities (continued)

	For the six months ended 30 June 2008 (unaudited and restated) and as at 31 December 2008 (audited)				
	Coal	Coke and coal -chemical product	Machinery	Others (note (a))	Total
Revenue					
Total Revenue	18,678,405	3,780,519	2,241,529	1,617,533	26,317,986
Inter-segment revenue	(306,954)	—	(171,924)	(229,919)	(708,797)
Revenue from external customers	18,371,451	3,780,519	2,069,605	1,387,614	25,609,189
Profit/(loss) from operations	6,299,951	497,154	194,977	(25,486)	6,966,596
Profit/(loss) before tax expense	6,005,727	520,719	178,376	(43,246)	6,661,576
Interest revenue	58,297	4,920	930	3,178	67,325
Interest expense	(213,603)	(78,152)	(16,778)	(571)	(309,104)
Depreciation and amortisation	(531,205)	(53,062)	(45,634)	(111,541)	(741,442)
Share of profits of associates and jointly controlled entities	14,557	118,420	816	—	133,793
Income tax expense	(1,374,743)	(101,675)	(30,999)	(12,767)	(1,520,184)
Other material non-cash items					
Reversal of/(Provision for) impairment of assets	(9,539)	(1,790)	4,468	(4,387)	(11,248)
Segment assets and liabilities					
Segment assets	47,720,570	5,421,340	6,178,140	6,059,342	65,379,392
Include: investment in associates and jointly controlled entities	360,281	243,519	283,056	16,799	903,655
Expenditures for non-current assets	2,252,061	546,287	144,312	313,767	3,256,427
Segment liabilities	26,000,702	3,705,528	3,586,002	3,689,640	36,981,872

(a) Revenue from segments below the quantitative thresholds are attributable to five operating segments of the Group. Those segments include an aluminium factory, two power generating plants, two coal mining design institutes, an equipment purchase agency and a tendering service provider. None of those segments has ever met any of the quantitative thresholds for determining reportable segments.

(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

4 SEGMENT INFORMATION (continued)

3) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

a. Revenue

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited and restated
Total revenue for reportable segments	**21,554,625**	24,700,453
Revenue for other segments	**1,768,906**	1,617,533
Elimination of inter-segment revenue	**(758,877)**	(708,797)
Entity's revenue	**22,564,654**	25,609,189

b. Profit from operations

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited and restated
Total profit from operations for reportable segments	**5,617,595**	6,992,082
Profits/(losses) from operations for other segments	**103,925**	(25,486)
Elimination of inter-segment profits	**(33,130)**	(16,848)
Other corporate income/(expense)	**562,498**	(308,412)
Profit from operations	**6,250,888**	6,641,336

c. Profit before tax

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited and restated
Total profit before tax expense for reportable segments	**5,423,026**	6,704,822
Profits/(losses) for other segments	**91,119**	(43,246)
Elimination of inter-segment profits	**(22,312)**	(16,848)
Other corporate income/(expense)	**608,104**	(300,378)
Profit before tax expense	**6,099,937**	6,344,350

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

4 SEGMENT INFORMATION (continued)

3) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (continued)

d. Assets

	30 June 2009 Unaudited	31 December 2008 Audited
Total assets for reportable segments	70,699,400	59,320,050
Assets for other segments	5,369,465	6,059,342
Elimination of inter-segment accounts	(29,053,941)	(30,127,061)
Other unallocated amounts	47,305,818	52,931,836
Entity's assets	94,320,742	88,184,167

e. Liabilities

	30 June 2009 Unaudited	31 December 2008 Audited
Total liabilities for reportable segments	33,486,532	33,292,232
Liabilities for other segments	3,134,825	3,689,640
Elimination of inter-segment accounts	(28,667,388)	(29,757,002)
Other unallocated amounts	20,524,600	18,189,008
Entity's liabilities	28,478,569	25,413,878

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

4 SEGMENT INFORMATION (continued)

3) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (continued)

f. Other material items

	Six months ended 30 June 2009 (Unaudited)		
	Reportable segment totals	**Adjustments**	**Entity's totals**
Interest revenue	**63,454**	**489,987**	**553,441**
Interest expense	**(281,358)**	**52,454**	**(228,904)**
Depreciation and amortisation	**(784,853)**	**(135,685)**	**(920,538)**
Share of profits/(losses) of associates and jointly controlled entities	**20,804**	**(6,772)**	**14,032**
Income tax expense	**(1,475,141)**	**(17,157)**	**(1,492,298)**
(Provision for)/reversal of impairment of assets	**(9,096)**	**85,156**	**76,060**
Investment in associates and jointly controlled entities	**620,280**	**1,099,642**	**1,719,922**
Expenditures for non-current assets	**4,237,435**	**115,402**	**4,352,837**

	Six months ended 30 June 2008 (Unaudited and restated)		
	Reportable segment totals	Adjustments	Entity's totals
Interest revenue	64,147	599,018	663,165
Interest expense	(308,533)	38,871	(269,662)
Depreciation and amortisation	(629,901)	(111,541)	(741,442)
Share of profits of associates and jointly controlled entities	133,793	1,780	135,573
Income tax expense	(1,507,417)	(12,767)	(1,520,184)
Impairment of assets	(6,861)	(4,387)	(11,248)
Investment in associates and jointly controlled entities	886,856	1,011,036	1,897,892
Expenditures for non-current assets	2,942,660	313,767	3,256,427

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

4 SEGMENT INFORMATION (continued)

4) Geographical information

Analysis of revenue

	Six months ended 30 June 2009 Unaudited	2008 Unaudited and restated
Domestic markets	**21,874,501**	23,429,575
Asia Pacific markets	**670,658**	1,975,771
Other overseas markets	**19,495**	203,843
	22,564,654	25,609,189

note:

(a) Revenue is attributed to countries on the basis of the customer's location.

Analysis of non-current assets

	30 June 2009 Unaudited	31 December 2008 Audited
Domestic markets	**38,857,926**	35,785,073
Asia Pacific markets	**7,766**	8,764
Other overseas markets	**76**	92
	38,865,768	35,793,929

5) Information about major customers

Revenue from top five customers of the Group for the six months ended 30 June 2009 represents approximately 38% of the Group's total revenue (for the six months ended 30 June 2008: 35%).

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

5 PROPERTY, PLANT AND EQUIPMENT

	30 June 2009 Unaudited	31 December 2008 Audited
Opening net book amount	**28,847,672**	22,002,618
Acquisition of subsidiaries (Note 2(b) and 2(c))	**78,445**	57,678
Additions	**3,674,724**	8,470,479
Transfer to investment property	**—**	(34,949)
Disposals	**(3,775)**	(74,077)
Depreciation	**(986,744)**	(1,574,077)
Closing	**31,610,322**	28,847,672

As at 30 June 2009, bank borrowings of the Group were secured by certain property, plant and equipment with a net book amount of RMB5,618,000 (31 December 2008: RMB6,406,000).

6 MINING RIGHTS

	30 June 2009 Unaudited	31 December 2008 Audited
Opening net book amount	**3,680,836**	3,511,426
Additions	**442,900**	207,612
Amortisation	**(25,125)**	(38,202)
Closing net book amount	**4,098,611**	3,680,836

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

7 INVENTORIES

	30 June 2009 Unaudited	31 December 2008 Audited
Coal	**954,690**	585,955
Coke	**200,938**	197,218
Machinery for sale	**1,502,654**	1,301,671
Auxiliary materials, spare parts and tools	**2,006,297**	2,085,668
	4,664,579	4,170,512

8 TRADE AND NOTE RECEIVABLES

	30 June 2009 Unaudited	31 December 2008 Audited
Trade receivables, net (note (a))	**4,490,242**	4,458,491
Note receivables (note (b))	**1,672,482**	1,123,874
	6,162,724	5,582,365

notes:

(a) Aging analysis of trade receivables on each balance sheet date is as follows:

	30 June 2009 Unaudited	31 December 2008 Audited
Within 6 months	**3,768,095**	4,042,575
7 – 12 months	**506,443**	263,600
1 – 2 years	**219,172**	147,120
2 – 3 years	**44,643**	64,932
Over 3 years	**247,130**	173,062
Trade receivables, gross	**4,785,483**	4,691,289
Less: Impairment of receivables	**(295,241)**	(232,798)
Trade receivables, net	**4,490,242**	4,458,491

Trade receivables are with credit terms of six months.

(b) Note receivables are bills of exchange with maturity of less than one year.

(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

9 PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2009 Unaudited	31 December 2008 Audited
Advances to suppliers	1,900,097	1,429,237
Interest receivable	170,185	1,329,439
Dividends receivable	22,544	13,745
Loan to jointly controlled entities	12,713	12,713
Amounts due from related parties, gross	466,409	407,107
Prepayment for investments	146,096	317,626
Prepayment for exploration license	335,000	—
Amounts due from third parties, gross	702,056	470,466
	3,755,100	3,980,333
Less: Impairment of other receivables	(363,085)	(370,585)
Prepayments and other receivables, net	3,392,015	3,609,748

Notes to the Condensed Consolidated Interim Financial Information

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10 DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Derivative financial instruments *(note (a))*	Other financial assets at fair value through profit or loss *(note (b))*	Total
Unaudited			
Opening balance at 1 January 2009	—	**300,000**	**300,000**
Increase in fair value through profit or loss	—	**165,367**	**165,367**
Disposals	—	**(465,367)**	**(465,367)**
Closing balance at 30 June 2009	—	—	—
Audited			
Opening balance at 1 January 2008	331,172	1,706,400	2,037,572
Additions	39,862	—	39,862
Increase/(decrease) in fair value through profit or loss	42,916	(1,406,400)	(1,363,484)
Settled	(413,950)	—	(413,950)
Closing balance at 31 December 2008	—	300,000	300,000

notes:

(a) Derivative financial instruments mainly represent forward foreign exchange contracts held by the Company. The Company raised net listing proceeds of approximately HKD14.5 billion through its initial public offering on The Stock Exchange of Hong Kong Limited in December 2006. In early 2007, in order to manage the foreign exchange risk related to its bank deposit denominated in HKD, management entered into several forward foreign exchange contracts with various banks in the PRC, which enable the Company to exchange certain amount of HKD deposits into RMB at a fixed rate at the maturity date. The total original notional principal amount under the contracts amounted to approximately HKD10.1 billion, and the maturity period ranges from 6 months to 12 months from the contracting date, and at 31 December 2007, the total notional principal amount under the contract was approximately HKD6.6 billion and all due in January 2008. The Company accounted for those contracts as financial assets at fair value through profit or loss at the date of the transaction, and the gains in the fair value of the contracts are recorded as an offsetting item of finance costs (Note 20) in the income statement.

(b) Other financial assets at fair value through profit and loss mainly represent the Company's investment in listed securities in the PRC. In May 2007, the Company subscribed for 40 million shares, as a strategic investor, of China COSCO Holdings Company Limited ("COSCO") prior to COSCO's A share public offering, at the cost of RMB8.48 per share and the total cost of approximately RMB339,200,000. According to the subscription agreement, there is a lock-up period starting from COSCO listing date on Shanghai Stock Exchange for the Company to sell those shares. The Company designated the investment as financial assets at fair value through profit or loss at the date of the transaction, and the change in the fair value of the shares is recorded in the income statement. In February 2009, the Company disposed all these shares. Net receipts from this disposal amounted to RMB465,367,000, resulting a profit of RMB165,367,000 (after tax: RMB124,025,000) against the fair value at 31 December 2008.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
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11 CASH AND BANK

	30 June 2009 Unaudited	31 December 2008 Audited
Restricted bank deposits (note (a))	2,853,686	2,121,593
Term deposits with initial terms of over three months	28,127,277	27,383,030
Cash and cash equivalents		
– Cash on hand	1,674	1,208
– Deposits with banks and other financial institutions	9,155,221	7,883,665
	40,137,858	37,389,496

note:

(a) Restricted bank deposits mainly include the deposits set aside for the transformation fund and environmental restoration fund as required by related regulations and deposits pledged for note payables.

12 SHARE CAPITAL

	30 June 2009 (Unaudited)		31 December 2008 (Audited)	
	Number of shares (thousands)	Nominal Value	Number of shares (thousands)	Nominal Value
Registered, issued and fully contributed:				
Domestic shares of RMB1.00 each				
– held by China Coal Group	7,634,177	7,634,177	7,634,177	7,634,177
– held by other A share shareholders	1,517,823	1,517,823	1,517,823	1,517,823
H shares of RMB1.00 each	4,106,663	4,106,663	4,106,663	4,106,663
	13,258,663	13,258,663	13,258,663	13,258,663

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
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12 SHARE CAPITAL (continued)

A summary of the movement in the Company's issued share capital is tabulated below:

	Domestic shares held by China Coal Group	Domestic shares held by other A share shareholders	H shares (note (d))	Total
At 31 December 2007	7,626,667	—	4,106,663	11,733,330
Issue of new A shares (note (b))	—	1,525,333	—	1,525,333
Share transaction (note (c))	7,510	(7,510)	—	—
At 31 December 2008 and 30 June 2009	7,634,177	1,517,823	4,106,663	13,258,663

notes:

(a) The Domestic shares (A shares) rank pari passu, in all material respects, with the H shares. The China Coal Group has promised a lock-up period of 36 months for transfer of approximately 7,626,667 thousand A shares, commencing on the date on which the A shares were listed on the Shanghai stock Exchange.

(b) On 1 February 2008, the Company issued 1,525,333,400 A shares at RMB16.83 per share. Net proceeds generated from this share issuance amounted to approximately RMB25,319,910,000 after deducting the share issuance costs, of which RMB1,525,333,000 is recorded as share capital and RMB23,794,577,000 is recorded as capital reserve. The listing and trading of the A shares on the Shanghai Stock Exchange commenced on 1 February 2008.

(c) In September 2008, China Coal Group purchased 7,510,114 A shares via the Shanghai Stock Exchange, resulting in increase its shareholdings to 57.58%.

(d) As at 30 June 2009, China Coal Hong Kong Limited, a wholly owned subsidiary of China Coal Group, held approximately 114,832 thousand H share of the Company, representing 0.87% of the Company's total share capital.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
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13 BORROWINGS

	30 June 2009 Unaudited	31 December 2008 Audited
Long-term borrowings		
Bank loans and loans from other financial institutions		
– Secured	**846,415**	863,915
– Unsecured	**10,983,363**	9,832,302
	11,829,778	10,696,217
Other unsecured loans from		
– Minority shareholders of certain subsidiaries	**16,008**	16,008
	11,845,786	10,712,225
Less: Amount due within one year under current liabilities	**(576,175)**	(518,715)
	11,269,611	10,193,510
Short-term borrowings		
Bank loans and loans from other financial institutions		
– Unsecured	**17,296**	267,696
Other unsecured loans from		
– Minority shareholders of certain subsidiaries	**600**	600
	17,896	268,296

notes:

(a) The movements in borrowings are analysed below:

	Six months ended 30 June 2009 Unaudited	Year ended 31 December 2008 Audited
Opening balance	**10,980,521**	9,909,364
Additions	**1,520,000**	2,189,200
Payments	**(532,177)**	(1,427,460)
Non-cash movement due to loan restructuring	**—**	21,743
Exchange (gains)/losses	**(104,662)**	287,674
Ending balance	**11,863,682**	10,980,521

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For the six months ended 30 June 2009
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13 BORROWINGS (continued)

(b) The Group's long-term borrowings are repayable as follows:

	30 June 2009 Unaudited	31 December 2008 Audited
Banks loans and loans from other financial institutions		
– Within one year	576,175	518,715
– In the second year	709,630	610,305
– In the third to fifth year	3,705,114	2,343,791
– After the fifth year	6,838,859	7,223,406
	11,829,778	10,696,217
Loans from minority shareholders of certain subsidiaries		
– In the third to fifth year	16,008	16,008
	11,845,786	10,712,225

(c) The Group has the following undrawn borrowing facilities:

	30 June 2009 Unaudited	31 December 2008 Audited
Floating rates		
– Expiring within one year	25,581,390	25,511,540

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
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14 DEFERRED INCOME TAX

	Deferred income tax assets	Deferred income tax liabilities	Total
Unaudited			
Opening balance at 1 January 2009	**1,837,017**	**(1,931,793)**	**(94,776)**
Charged to income statement	**(55,952)**	**(354,715)**	**(410,667)**
Acquisition of a subsidiary (Note 2(b))	**4,317**	**(12,079)**	**(7,762)**
Charged to equity	**—**	**(3,468)**	**(3,468)**
Ending balance at 30 June 2009	**1,785,382**	**(2,302,055)**	**(516,673)**
Audited			
Opening balance at 1 January 2008	1,891,828	(1,833,657)	58,171
Charged to income statement	(58,350)	(81,565)	(139,915)
Acquisition of a subsidiary (Note 2(c))	3,539	(14,650)	(11,111)
Charged to equity	—	(1,921)	(1,921)
Ending balance at 31 December 2008	1,837,017	(1,931,793)	(94,776)

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15 TRADE AND NOTE PAYABLES

	30 June 2009 Unaudited	31 December 2008 Audited
Trade payables (note (a))	5,612,077	6,071,789
Note payables	335,850	634,988
	5,947,927	6,706,777

note:

(a) Aging analysis of trade payables on each balance sheet date is as follows:

	30 June 2009 Unaudited	31 December 2008 Audited
Less than 1 year	5,024,368	5,556,401
1 - 2 years	338,614	361,984
2 - 3 years	135,641	95,723
Over 3 years	113,454	57,681
	5,612,077	6,071,789

16 ACCRUALS AND OTHER PAYABLES

	30 June 2009 Unaudited	31 December 2008 Audited
Customer deposits and receipts in advance	2,225,412	1,523,721
Dividends payable	2,079,428	27,812
Payable for site restoration	159,543	218,574
Mineral resource compensation payable	147,497	107,831
Salaries and staff welfare payable	697,258	384,470
Interest payable	122,717	78,157
Payable for a mining right	295,077	155,853
Amounts due to related parties	891,384	802,120
Amounts due to third parties	725,937	641,756
	7,344,253	3,940,294

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17 PROVISION FOR CLOSE DOWN, RESTORATION AND ENVIRONMENTAL COSTS

	30 June 2009 Unaudited	31 December 2008 Audited
Opening balance	1,086,715	652,085
Interest charge on unwinding of discount on provision	12,435	34,114
Movement	(77,849)	474,807
Payments	(38,017)	(74,291)
Ending balance	983,284	1,086,715
Less: current portion	(32,053)	(32,012)
	951,231	1,054,703

18 EXPENSES BY NATURE

Expenses included in cost of sales and selling, general and administrative expenses are analysed below:

	Six months ended 30 June	
	2009 Unaudited	2008 Unaudited and restated
Depreciation	883,741	710,417
Amortisation	36,179	31,025
Cost of inventories sold	7,385,291	9,219,349
Transportation costs	3,260,119	3,609,629
Sales tax and surcharges	443,416	586,521
Auditors' remuneration	4,800	6,800
Net gains on disposal of property, plant and equipment	(2,640)	(2,405)
Repair and maintenance	331,626	383,603
Operating lease rentals	105,672	27,695
Provision for impairment of receivables	19,887	11,248
Staff costs (including directors' emoluments)	1,973,902	1,941,457
Resource compensation fees	177,248	124,453
Sustainable development charge	563,879	523,043
Other expenses	2,009,993	1,898,388
Total cost of sales, selling, general and administrative expenses	17,193,113	19,071,223

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

19 OTHER INCOME

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited and restated
Gains on disposal of investments	**165,771**	—
Interest income	**553,441**	663,165
Government grants and subsidies	**90,363**	37,151
	809,575	700,316

20 FINANCE COSTS, NET

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited and restated
Interest expense	**333,969**	323,536
Less: Amounts capitalised in construction in progress	**(105,065)**	(53,874)
	228,904	269,662
Interest charge on unwinding of discounts	**56,582**	34,950
Net foreign exchange (gains)/losses	**(127,237)**	143,347
Less: Gains from derivative financial instruments (note 10(a))	**—**	(24,826)
Other incidental borrowing costs and charges	**6,734**	9,426
	164,983	432,559

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

21 INCOME TAX EXPENSE

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited and restated
Current income tax		
– PRC enterprise income tax (note (a))	**1,081,631**	1,519,109
– Overseas taxation	**—**	15,008
Deferred income tax (note 14)	**410,667**	(13,933)
	1,492,298	1,520,184

note:

(a) The provision for PRC enterprise income tax ("EIT") is calculated based on the statutory income tax rate of 25%, except for certain subsidiaries which are taxed at preferential tax rates ranging from 12.5% to 25% based on the applicable PRC tax laws and regulations.

22 EARNINGS PER SHARE

Basic earnings per share for the six months ended 30 June 2009 is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of approximately 13,258,663 thousand ordinary shares in issue during the period.

Basic earnings per share for the six months ended 30 June 2008 is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of approximately 12,998,854 thousand ordinary shares in issue during the period.

As the Company had no dilutive instruments for the six months ended 30 June 2009 and 2008, diluted earnings per share is the same as basic earnings per share.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

23 DIVIDENDS

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
Dividends		
– final dividends for 2007 (note (a))	**—**	825,484
– final dividends for 2008 (note (b))	**2,043,559**	—
	2,043,559	825,484

notes:

(a) The Board of Directors, in a meeting held on 9 April 2008, proposed to distribute a final dividend for 2007 to equity holders of the Company of RMB825,484,000 (RMB0.06226 per share). Dividend per share is calculated based on the number of shares after the new A shares were issued on 1 February 2008 (Note 12). Such dividend distribution was approved by the shareholders' meeting held on 20 June 2008 and has been fully paid to shareholders in July 2008.

(b) The Board of Directors, in a meeting held on 27 March 2009, proposed to distribute a final dividend for 2008 to equity holders of the Company of RMB2,043,559,000 (RMB0.15413 per share), based on total number of shares which are in issue as at 31 December 2008. Such dividend distribution was approved by the shareholders' meeting held on 26 June 2009 and has been fully paid to shareholders in July 2009.

(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

24 NOTES TO THE CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

(a) Reconciliation of profit for the period to cash generated from operations

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited and restated
Profit for the period	4,607,639	4,824,166
Adjustments for:		
Property, plant and equipment – depreciation charge	883,741	710,417
– net gains on disposal	(2,640)	(2,405)
Investment property – depreciation charge	618	—
Land use rights, mining rights and intangible assets – amortisation charge	36,179	31,025
Provision for impairment of receivables	19,887	11,248
Reversal of impairment of inventories	(95,947)	—
Share of profits of associates and jointly controlled entities	(14,032)	(135,573)
Net foreign exchange (gains)/losses	(127,237)	143,347
Gains on disposal of investments	(165,771)	—
Gains from derivative financial instruments	—	(24,826)
Losses from fair value changes of other financial assets	—	916,400
Gains from loan restructuring	—	(199,214)
Negative goodwill	(22,614)	—
Interest income	(553,441)	(663,165)
Interest expense	285,486	304,612
Income tax expense	1,492,298	1,520,184
Changes in working capital: Inventories	83,143	(538,756)
Trade and note receivables	(371,246)	(2,086,215)
Prepayments and other receivables	(686,845)	(160,209)
Trade and note payables	(1,017,602)	685,309
Accruals and other payables	1,315,146	1,310,091
Provision for employee benefits	(17,518)	159,182
Provision for close down, restoration and environmental costs	(115,866)	81,645
Restricted bank deposits	(732,093)	(834,970)
CASH GENERATED FROM OPERATIONS	4,801,285	6,052,293

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

24 NOTES TO THE CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (continued)

(b) Major non-cash transaction

In the six months ended 30 June 2008, Huajin Coking Coal Company Limited, a subsidiary of the Company, entered into a loan restructuring agreement with a state-owned non-bank financial institution, under which RMB199,214,000 of the loan interest payable was waived by the institution and the remaining loan principal and interest payable balance will be paid by stages in the following three years. Accordingly, the balance of the interest payable of the Group has been reduced by RMB199,214,000 and the same amount has been recorded as "other gains" in the Group's condensed consolidated interim income statement and meanwhile, the remaining balance of the loan has been reclassified into current or non-current portion of long-term borrowings in the condensed consolidated interim balance sheet according to the repayment schedule.

25 CONTINGENT LIABILITIES

(a) Bank and other guarantees

As at 31 December 2008 and 30 June 2009, the undiscounted amount of potential future payments under guarantees given to banks in respect of banking facilities extended to the parties below are as follows:

	30 June 2009 Unaudited	31 December 2008 Audited
Associates	**550,000**	250,000

(b) The Group is a defendant in certain lawsuits as well as the plaintiff in other proceedings arising in the ordinary course of business. While the outcomes of such lawsuits or other proceedings cannot be determined at present, management believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group.

(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

26 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	30 June 2009 Unaudited	31 December 2008 Audited
Property, plant and equipment	2,785,076	3,055,670
Others	53,762	212,722
	2,838,838	3,268,392

(b) Operating lease commitments – where the Group is the lessee

The Group has commitments to make the following future minimum lease payments under non-cancelable operating leases:

	30 June 2009 Unaudited	31 December 2008 Audited
Land and buildings:		
– Within 1 year	39,378	11,206
– From 2 year to 5 years	120,246	44,824
– Over 5 years	147,536	79,608
	307,160	135,638
Plant and machinery:		
- Within 1 year	39,396	3,615
- From 2 year to 5 years	68,094	14,400
- Over 5 years	37,800	39,600
	145,290	57,615

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

27 SIGNIFICANT RELATED PARTY TRANSACTIONS

China Coal Group, the immediate parent of the Company, is controlled by the PRC government. The PRC government is the Company's ultimate controlling party. In accordance with IAS 24 (revised 2003), "Related Party Disclosures", enterprises directly or indirectly controlled by the PRC government ("state-owned enterprises") and their subsidiaries, together with China Coal Group companies, are all related parties of the Group. Neither China Coal Group nor the PRC government publishes financial statements available for public use.

The Group has extensive transactions with China Coal Group and other state-owned enterprises. For the purpose of disclosures of related party transactions, to the extent possible, the Group has procedures in placed to assist the identification of the immediate ownership structure of its customers and suppliers as to whether they are state-owned enterprises. Many state-owned enterprises have multi-layered corporate structures and the ownership structures change over time as a result of transfers or privatisation programs. However, management believes that all material related party transactions and balances, of which they are aware of, have been adequately disclosed.

Sales of goods and provision of services to state-owned enterprises are at state-prescribed prices or prices which are also available to other customers. The Group considers that these related party transactions are entered into in the ordinary course of business.

Set out below is a summary of significant related party transactions and balances in the six months ended 30 June 2009 and 2008.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

27 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Related party transactions

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited and restated
Transactions with the Parent Company and fellow subsidiaries:		
Coal Export and Sales (i)		
Charges paid for agency services of coal export	**2,549**	32,796
Integrated Material and Services Mutual Provision (ii)		
Charges paid for production material and ancillary services	**720,471**	691,845
Charges paid for social and support services	**39,865**	13,320
Revenue received from supply of production material and ancillary services	**91,239**	123,337
Revenue received from provision of coal export-related service	**23,953**	15,393
Mine Construction and Design (iii)		
Charges paid for construction services	**504,559**	390,169
Revenue received from construction services	**580**	—
Property Leasing (iv)		
Rental charge paid	**39,006**	18,392
Land Use Rights(v)		
Rental charge paid	**8,965**	5,484

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

27 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Related party transactions (continued)

(i) Under PRC law and regulations, coal exports shall only be made through one of four authorised PRC enterprises including China Coal Group. The Company appointed China Coal Group as its coal export sales agent under a Coal Export and Sales Agency Framework Agreement entered into on 5 September 2006. Pursuant to the agreement, the agency fee for coal exports to countries and territories other than the Taiwan market is 0.7% of the FOB price in respect of each ton of coal products exported; and the agency fee for the coal exports and sales to the Taiwan market is 0.7% of the FOB price, plus USD0.5 per ton of coal products sold. The agency fees are payable on a monthly basis, effective from 22 August 2006.

(ii) The Company and China Coal Group entered into Integrated Materials and Services Mutual Provision Framework Agreement on 5 September 2006, under which the Company provides to China Coal Group and China Coal Group provides to the Company production material supplies and ancillary services, and the Company also provides to China Coal Group export-related services.

(iii) The Company and China Coal Group entered into a Mine Construction and Design Framework Agreement on 5 September 2006, under which the Company provides coal mine design services to China Coal Group and China Coal Group provides construction services to the Company.

(iv) The Company and China Coal Group entered into a Property Leasing Framework Agreement on 5 September 2006, under which the Company leases from China Coal Group certain buildings and properties in the PRC for general business and ancillary purposes.

(v) The Company and China Coal Group entered into a Land Use Rights Leasing Framework Agreement on 5 September 2006, under which the Company leases certain land use rights in the PRC from China Coal Group for general business and ancillary purposes.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

27 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Related party transactions (continued)

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited and restated
Transactions with jointly controlled entities		
Sales and services provided		
Sales of coal	**18,382**	—
Interest income	**—**	9,770
Purchases of goods and services		
Purchases of coal	**1,388**	21,898
Transactions with associates		
Sales and services provided		
Sales of machinery and materials	**16,979**	—
Income from renting property, plant and equipment	**63,853**	62,660
Purchases of goods and services		
Purchases of materials	**65,757**	—
Transportation services	**174,003**	172,853
Transactions with minority shareholders of subsidiaries		
Sales and services provided		
Sales of coal	**1,880**	4,357
Purchases of goods and services		
Purchases of coal	**122,204**	139,040
Interest expense	**21,323**	—

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2009
(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

27 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Related party transactions (continued)

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited and restated
Transactions with other state-owned enterprises		
Sales and services provided		
Sales of coal	**6,145,665**	9,799,507
Sales of machinery and equipment	**884,184**	1,446,959
Sales of materials and spare parts	**122,686**	372,039
Design services	**48,643**	115,958
Railway transportation services	**63,858**	103,061
Construction and technical services	**222,797**	107,868
Public utilities and facilities income	**69,765**	68,211
Agency fee	**5,317**	90,326
Interest income	**395,765**	579,505
Purchases of goods and services		
Purchases of coal	**317,785**	204,530
Purchases of machinery and equipment	**489,537**	87,371
Purchases of labour services	**12,062**	15,886
Purchases of materials and spare parts	**1,149,059**	616,834
Construction and technical services	**164,449**	168,389
Ancillary and social services	**50,343**	63,138
Transportation services	**2,610,174**	1,816,273
Interest expense	**129,145**	338,819
Loan waived (Note 24 (b))	**—**	199,214
Key management compensation		
Salary, allowances and other benefits		
– Directors and supervisors	**1,183**	1,510
– Other key management	**862**	921
Pension costs-defined contribution plans		
– Directors and supervisors	**25**	34
– Other key management	**63**	57

(Amounts expressed in thousands of RMB except per share data or unless otherwise stated)

27 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Related party balances

Balances with state-owned enterprises

	30 June 2009 Unaudited	31 December 2008 Audited
Deposits placed with banks and non-bank financial institutions	30,619,618	28,995,667
Loans from banks and non-bank financial institutions	9,897,075	9,943,913
Interest receivable	133,153	1,090,610
Interest payable	87,513	78,157

Movements on loans from state-owned banks or non-bank financial institutions:

	30 June 2009 Unaudited	31 December 2008 Audited
Opening balance	9,943,913	9,908,764
Additions	340,000	1,135,000
Payments	(282,176)	(1,398,540)
Non-cash movement due to loan restructuring	—	11,015
Exchange (gains)/losses	(104,662)	287,674
Ending balance	9,897,075	9,943,913

The above related party balances, other than deposits placed with, and loans from banks and non-bank financial institutions are unsecured, interest free and generally settled within one year.

Corporate Information

Registered Chinese Name of the Company

中國中煤能源股份有限公司

Registered English Name of the Company

China Coal Energy Company Limited

Registered Office Address

No. 1 Huangsidajie, Chaoyang District, Beijing, China

Principal Place of Business in Hong Kong

Room 2608, 26th Floor, Office Tower Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong

Joint Company Secretaries

Zhou Dongzhou and Wang Yuanheng (Solicitor, Hong Kong and England and Wales)

Authorized Representatives

Zhou Dongzhou

Investor Relations Contacts

Investor Relations Department
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Email: ird@chinacoal.com

Company Website

www.chinacoalenergy.com

Auditor

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11/F., PricewaterhouseCoopers Center
202 Hu Bin Road
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International Auditors
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Certified Public Accountants
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Central, Hong Kong

Legal Advisors

Hong Kong Legal Advisor
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Central, Hong Kong

PRC Legal Advisor
Jia Yuan Law Firm
F407, Ocean Plaza
158 Fuxingmennei Avenue
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Beijing, China

H Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Listing Information

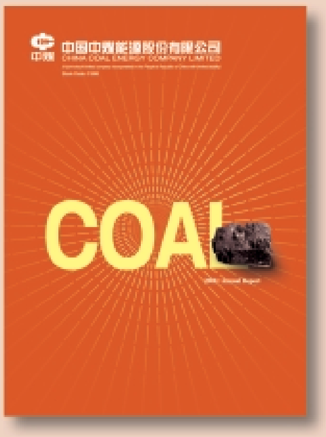
H Shares
The Stock Exchange of Hong Kong Limited
Stock Code: 01898
Listing Date: 19 December 2006

A Shares
Shanghai Stock Exchange
Stock Code: 601898
Listing Date: 1 February 2008

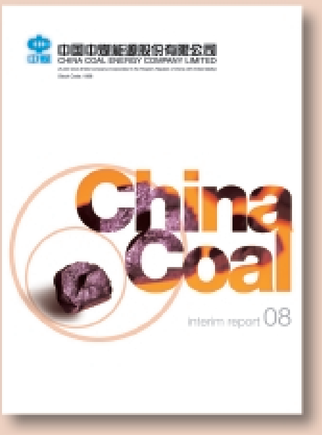
This interim report is printed in English and Chinese language and is available on the Company's website at http://www.chinacoalenergy.com and the website of The Stock Exchange of Hong Kong Limited at http://www.hkex.com.hk.

Shareholders of the Company may choose to receive this interim report in printed form in either the English or Chinese language or both or by electronic means. Shareholders of the Company may have the right at any time by reasonable notice in writing or using email at chinacoal.ecom@computershare.com.hk to the Company c/o the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, to change their choice on these matters. The shareholders of the Company who have chosen (or are deemed to have consented) to receive this interim report using electronic means but for any reason have difficulty in receiving or gaining access to this interim report will promptly upon request be sent this interim report in printed form free of charge.

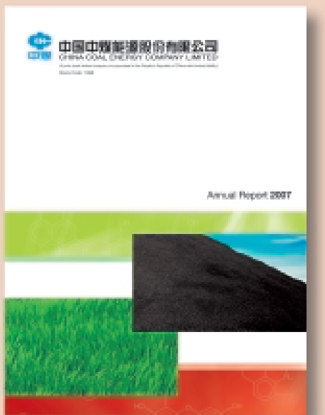
Annual Report 2008



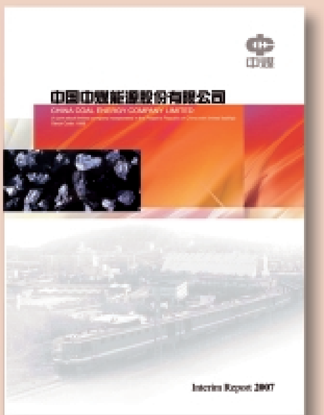
Interim Report 2008



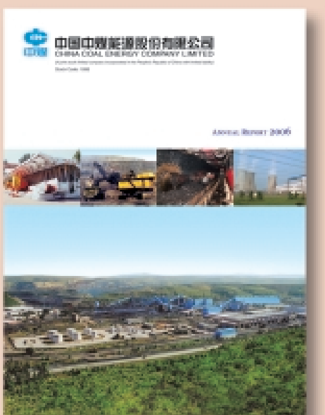
Annual Report 2007



Interim Report 2007



Annual Report 2006



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