



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 **2015**

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Note: In this report, unless otherwise indicated, all financial indicators are presented in RMB.

Overview of Key Business Data

Item	January to June 2015	January to June 2014 (Restated)	Change (%)
I. Coal operations (10 thousand tonnes)			
1. Production volume of commercial coal	4,627	5,936	-22.1
2. Sales volume of commercial coal	6,412	7,512	-14.6
Of which: Sales volume of self-produced commercial coal	4,642	5,526	-16.0
II. Coal chemical operations (10 thousand tonnes)			
(I) Olefin			
1. Production volume of polyethylene	17.8	☆	–
Sales volume	17.3	☆	–
2. Production volume of polypropylene	16.8	☆	–
Sales volume	15.9	☆	–
(II) Urea			
1. Production volume	88.9	36.2	145.6
2. Sales volume	85.0	30.2	181.5
(III) Methanol			
1. Production volume	35.6	21.2	67.9
2. Sales volume	39.0	22.5	73.3
(IV) Coke			
1. Production volume	96.2	95.6	0.6
2. Sales volume	109.0	120.5	-9.5
Of which: Sales volume of self-produced coke	96.6	95.3	1.4
III. Coal mining equipment operations			
1. Production value of coal mining equipment (RMB100 million)	22.5	32.2	-30.1
2. Sales volume of coal mining equipment (10 thousand tonnes)	12.6	13.5	-6.7

- Notes:
- The production volume of commercial coal for the reporting period and the corresponding period of 2014 does not include the volume of commercial coal produced by Hecaogou Coal Mine of Shaanxi Company (same as below).
 - ☆: N/A for the period (same as below).
 - The methanol sales volume of the Company includes sales of all proprietary methanol products produced by Heilongjiang Coal Chemical Group, a subsidiary of China Coal Group.
 - The sales volumes of urea and methanol for January to June 2014 comprised those for the trial production period.

Production volume of commercial coal (10 thousand tonnes)	January to June 2015	January to June 2014 (Restated)	Change (%)
Total	4,627	5,936	-22.1
Of which: Pingshuo Company	3,185	4,568	-30.3
Shanghai Energy Company	392	401	-2.2
China Coal Huajin Company	461	363	27.0

Overview of Key Business Data

	January to June 2015	January to June 2014 (Restated)	Change (%)
Sales volume of commercial coal (10 thousand tonnes)			
(I) Domestic sales of self-produced coal	4,624	5,501	-15.9
By region:			
North China	1,499	1,161	29.1
East China	2,304	3,033	-24.0
South China	748	799	-6.4
Others	73	508	-85.6
By coal type:			
Thermal coal	4,238	5,187	-18.3
Coking coal	386	314	22.9
By contract:			
Long-term contract	3,551	4,288	-17.2
Spot trading	1,073	1,213	-11.5
(II) Self-produced coal export	18	25	-28.0
By region:			
Taiwan, China	18	25	-28.0
By coal type:			
Thermal coal	18	25	-28.0
(III) Proprietary trading	1,572	1,790	-12.2
Of which:			
Domestic resale	1,491	1,624	-8.2
Import trading	79	165	-52.1
Self-operated exports	1.8	1.4	28.6
(IV) Agency sales	198	196	1.0
Of which:			
Import agency	2	53	-96.2
Export agency	97	113	-14.2
Domestic agency	99	30	230.0
Total	6,412	7,512	-14.6
Production value of coal mining equipment (RMB100 million)	January to June 2015	January to June 2014	Change (%)
Conveyor equipment	10.3	12.9	-20.2
Support equipment	5.6	10.1	-44.6
Road header	1.9	3.0	-36.7
Shearer	2.6	3.2	-18.8
Electric mining motor	2.1	3.0	-30.0
Total	22.5	32.2	-30.1

Overview of Key Financial Data

SUMMARY OF CONSOLIDATED BALANCE SHEET

Item	<i>Unit: RMB100 million</i>			
	As at 30 June 2015	As at 31 December 2014	Percentage change (%)	Notes to financial statements
Assets	2,604.11	2,440.12	6.7	
Of which: Property, plant and equipment	1,273.83	1,263.67	0.8	7
Mining and exploration rights	329.71	331.68	-0.6	8
Investment in associates	105.14	101.35	3.7	
Inventories	78.35	86.22	-9.1	11
Trade and notes receivables	149.07	134.59	10.8	12
Term deposits with initial terms of over 3 months	119.98	58.16	106.3	14
Cash and cash equivalents	235.72	181.32	30.0	14
Equity	1,017.29	1,029.29	-1.2	
Of which: Equity attributable to the equity holders of the Company	854.97	869.04	-1.6	
Non-controlling interests	162.32	160.25	1.3	
Liabilities	1,586.82	1,410.83	12.5	
Of which: Long-term borrowings	601.23	510.16	17.9	16
Long-term bonds	408.50	308.55	32.4	17
Provision for close down, restoration and environmental costs	12.66	12.45	1.7	21
Trade and notes payables	201.22	234.21	-14.1	19
Short-term borrowings	51.11	60.05	-14.9	16

Overview of Key Financial Data

SUMMARY OF CONSOLIDATED INCOME STATEMENT

Item	<i>Unit: RMB100 million</i>			Notes to financial statements
	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Percentage change (%)	
Revenue	297.47	354.35	-16.1	6
Cost of sales	271.50	311.06	-12.7	
Gross profit	25.97	43.29	-40.0	
Profit from operations	5.97	22.91	-73.9	
(Loss)/Profit before income tax	-11.70	14.88	-178.6	
(Loss)/Profit for the period	-8.46	10.57	-180.0	
(Loss)/Profit attributable to the equity holders of the Company	-10.72	7.80	-237.4	
Basic (loss)/earnings per share attributable to the equity holders of the Company (RMB/Share)	-0.08	0.06	-233.3	25

SUMMARY OF THE OPERATING RESULTS OF THE SEGMENTS (FOR THE SIX MONTHS ENDED 30 JUNE 2015 AND AS AT 30 JUNE 2015)

Item	<i>Unit: RMB100 million</i>						Total
	Coal operations	Coal chemical operations	Coal mining equipment operations	Other operations	Non-operating segments	Inter-segment Elimination	
Revenue	204.81	61.33	26.76	15.74	-	-11.17	297.47
Of which: Revenue from external sales	199.59	61.31	24.95	11.62	-	-	297.47
(Loss)/Profit from operations	-7.20	14.07	0.85	-0.36	-1.58	0.19	5.97
(Loss)/Profit before income tax	-14.20	7.67	0.42	1.57	-7.29	0.13	-11.70
Assets	1,351.28	500.62	173.58	188.79	440.81	-50.97	2,604.11
Liabilities	467.34	299.34	60.11	46.44	764.85	-51.26	1,586.82

Overview of Key Financial Data

SUMMARY OF CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB100 million

Item	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Net cash generated from operating activities	3.62	5.34
Net cash used in investing activities	-132.28	-84.70
Net cash generated from financing activities	183.05	121.42

RECONCILIATION OF (LOSS)/ PROFIT BEFORE INCOME TAX FOR THE PERIOD TO CASH GENERATED FROM OPERATIONS

Unit: RMB100 million

Item	For the six months ended 30 June 2015	For the six months ended 30 June 2014
(Loss)/Profit before income tax	-11.70	14.88
Adjustments for		
Depreciation and amortisation	34.81	27.97
Net Losses from disposal of property, plant and equipment	0.15	0.08
Provision for impairment of receivables and inventories	1.18	1.70
Share of profits of associates and jointly controlled entities	-1.88	-0.92
Net (gains)/losses in foreign exchange	-0.11	0.30
Gains from loss of significant influence over associates	-0.11	-
Interest and dividend income	-2.39	-2.09
Interest expense	23.90	11.09
Changes in working capital	-35.86	-38.27
Decrease in provision for employee benefits	-0.11	-0.15
(Decrease)/Increase in provision for close down, restoration and environmental costs	-0.01	0.05
Cash generated from operations	7.87	14.64

Chairman's Statement

Dear Shareholders,

I would like to extend my sincere gratitude to all of you for your long-term interest in and support for China Coal Energy. On behalf of the Board, I hereby present the 2015 interim report to all Shareholders.

During the first half of 2015, domestic coal demand continued to shrink due to various factors, among others, the decelerated growth of macro economy, the decline of international energy prices and the adjustment to domestic energy composition, which resulted in decrease in both the production volume and the sales volume of coal as well as high level of coal inventories. The Bohai-Rim Steam-Coal Price Index (5,500Kcal/kg) continuously dropped from RMB520/tonne at the beginning of 2015 to RMB418/tonne by the end of June 2015, representing a decrease of 19.6%. The production and operation of coal enterprises encountered serious challenges which led to lacklustre sales arising from sluggish coal demand, severely constrained production, increasing pressure on costs and decreasing profitability. The weighted average selling prices of the Company's self-produced thermal coal and coking coal recorded a decrease of RMB76/tonne and RMB96/tonne respectively as compared to the same period of 2014. Meanwhile, the price of olefin products recorded a decrease of over RMB1,000/tonne as compared to the same period of 2014, as the sharp drop in global oil prices made a significant impact on the prices of chemical products, thus imposing greater pressure on the operations of the Company.

Confronted with multiple pressure and challenges on sales, production and prices, the Company exerted itself to overcome all difficulties and steadfastly accomplish various tasks. In particular, the Company timely adjusted its operation strategies and took immediate measures to deal with changes in the market since the second quarter. Firstly, to focus on coal sales. The Company adopted the flexible sales strategy to stabilise the sales channels and secure the market share while vigorously exploring new markets. During the second quarter, the sales volume of self-produced coal recorded a significant increase as compared to that of the first quarter, thus effectively lowering inventory level and facilitating production. Secondly, to focus on product quality. The Company scheduled coal production in a scientific manner, rationally arranged coal seam mining, optimised production structure and strengthened coal quality management, thus reducing penalties on sulphur content, and achieving growth in the proportion of premium coal and improvement in the quality of commercial coal as compared to the same period of 2014. Thirdly, to focus on cost reduction and efficiency improvement. The Company adhered to the bottom-line thinking, strengthened the awareness of increasing revenue and reducing costs; optimised production techniques and pursued to reduce costs through technology enhancements; reinforced equipment and material management, and strengthened to repair the obsolete and utilise the waste; disposed outsourcing projects and reduced outsourcing expenses; deepened three reforms on labour, human resource and income distribution and cut down total labour costs. During the first half of 2015, the Company's unit cost of sales of self-produced commercial coal decreased by 5.8% as compared to the same period of 2014. Fourthly, to focus on the stable operation of coal chemical projects. The Company stepped up equipment servicing to reduce unscheduled maintenance and maintained the long-term, heavy-duty and stable operation of coal chemical facilities, which gradually demonstrated economic benefits. The coal chemical products sales centre was established to gradually expand sales channels and build brand awareness. Against the scenario of significant drop in prices of major products, the coal chemical projects in Inner Mongolia-Shaanxi base which recorded profit before income tax of RMB821 million during the first half of 2015 became the new profit growth driver of the Company, making a major breakthrough in the transformation and upgrading of the Company. Fifthly, to focus on the management of operating cash flow, fund raising and financing. The Company enhanced the control of trade receivables and inventory control under the extreme unfavourable market sales condition, and realised net operating cash inflow of RMB362 million. Through various fund raising channels at low cost, the Company successfully issued RMB10 billion medium-term notes, which optimised the debt structure and provided solid funding for the stable production operation and the acceleration of project construction. Sixthly, to focus on safe production. The Company stepped up safety measures by highlighting risk prevention and control and strengthening safety accountability so as to achieve the zero fatality in coal production.

Chairman's Statement

Undergoing the complex and volatile market environment, the Company encountered the unprecedented operational difficulties during the first half of 2015. All employees of the Company made concerted effort to exploit business potential and enhance efficiency against the scenario of over RMB3 billion gross profit reduction of the Company arising from the decline in coal price and approximate RMB0.6 billion gross profit reduction arising from the decrease in the sales volume of coal as compared to the same period of 2014, effectively curbing the loss and alleviating operational pressure to some extent. Under the challenging circumstances, the spirits and confidence of all employees of the Company were stipulated and enhanced, and the safety and stability of production and operations were maintained.

In the second half of 2015, it shall be hard for the coal price to recover from the trough in the near future due to the challenging supply and demand situation in the coal market. However comprehensively analysing all aspects, we are of the opinion that the pressure of coal industry decline will be gradually alleviated and the foundation of the stabilisation of the Company's production and operations will be further reinforced. From the perspective of macro economy, the trend towards solidness in the overall moderate national economy and the pursuit to growth in stability, coupled with measures implemented by the Chinese government to maintain stable economic growth since the beginning of 2015, such as the strategies of "One Belt, One Road", Yangtze River economic belt and the synergistic development of Beijing, Tianjin and Hebei Province, as well as the consecutive construction of major projects, will facilitate the growth in power consumption and demand for steel and cement, and sustain a moderate increase in energy consumption demand. From the perspective of industry, the role of coal as the national primary energy and the major source of energy will not be changed within a short time. Meanwhile, the positive effects of multiple measures implemented by the Chinese government, including controlling coal production volume, maintaining stable coal price and changing from administrative fees into tax, are emerging gradually. From the perspective of the Company, the Company has to adopt strategies of accelerating structural adjustment and pushing forward transformation and upgrading to fundamentally address the predicament of the industry in the long run. Up till now, the Company has achieved sound progress in the adjustment of industrial structure, as demonstrated by the whole-system, whole-process and high-duty operations of new coal chemical projects such as Yulin Olefin Project, Tuke Fertiliser Project and Mengda Methanol Project. Mengda engineering plastics project and Pingshuo inferior coal comprehensive utilisation project have proceeded in an orderly way. The construction of coal mine projects with high productivity and efficiency in Inner Mongolia-Shaanxi base has been accelerated. Pingshuo 2×660MW and 2×350MW low calorific value coal power generation project, Datun 2×350MW thermal power project and the project of the second power plant 2×660MW located in the north of Wucai Bay, Zhundong, Xinjiang have commenced full-scale construction after obtaining approval. The effects of structural adjustment and transformational development will gradually emerge.

Chairman's Statement

At present, the Company is focusing on the annual targets for production and operations, exerting the courage required for reform and innovation, exercising real practice and solid work, taking the initiative to concentrate on promotion of the coordination among production, transportation and sales, and striving to expand the sales volume; strengthening control over trade receivables and inventories and cash flow management; continuing to enhance cost reduction and efficiency improvement; speeding up the disposal of inefficient and ineffective assets to further reduce losses or achieve a turnaround; stringently implementing the responsibility for safe production and enforcing project construction management. Against the challenging market conditions and unprecedented operational pressure, the management and all employees of the Company will brave all difficulties and accomplish various tasks with firm confidence and steadfast efforts, with an aim to achieve the long-term goals of the Company.



Wang An
Chairman

Beijing, the PRC
21 August 2015

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 interim financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

I. OVERVIEW

Witnessing the challenging conditions of extended downturn in the coal market and the sharp decrease in prices since the beginning of 2015, the Company effectively withstood the impact from the market's downward trend by organising production in a scientific manner, reinforcing market sales, expediting industrial transformation and enhancing the efforts to reduce cost and explore potentials. For the six months ended 30 June 2015, the Group's total revenue (net of inter-segmental sales) amounted to RMB29.747 billion, representing a decrease of 16.1% as compared to the same period of 2014; profit before income tax amounted to RMB-1.170 billion, representing a decrease of 178.6% as compared to the same period of 2014; profit attributable to the equity holders of the Company amounted to RMB-1.072 billion, representing a decrease of 237.4% as compared to the same period of 2014; basic earnings per share were RMB-0.08, representing a decrease of RMB0.14 as compared to the same period of 2014; and net cash generated from operating activities per share was RMB0.03, representing a decrease of RMB0.01 as compared to the same period of 2014.

	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Unit: RMB100 million Increase/decrease	
			Increase/ decrease in amount	Increase/ decrease (%)
Revenue	297.47	354.35	-56.88	-16.1
(Loss)/Profit before income tax	-11.70	14.88	-26.58	-178.6
EBITDA	40.78	50.88	-10.10	-19.9
(Loss)/Profit attributable to the equity holders of the Company	-10.72	7.80	-18.52	-237.4
Net cash generated from operating activities	3.62	5.34	-1.72	-32.2

As at 30 June 2015, the gearing ratio (total interest-bearing debts/(total interest-bearing debts + equity)) of the Group was 53.2%, representing an increase of 5.1 percentage points from 48.1% at the beginning of 2015.

	As at 30 June 2015	As at 31 December 2014	Unit: RMB100 million Increase/decrease	
			Increase/ decrease in amount	Increase/ decrease (%)
Assets	2,604.11	2,440.12	163.99	6.7
Liabilities	1,586.82	1,410.83	175.99	12.5
Interest-bearing debts	1,155.78	952.08	203.70	21.4
Equity	1,017.29	1,029.29	-12.00	-1.2
Equity attributable to the equity holders of the Company	854.97	869.04	-14.07	-1.6

Management Discussion and Analysis of Financial Conditions and Operating Results

II. OPERATING RESULTS

(1) Consolidated Operating Results

1. Revenue

For the six months ended 30 June 2015, the Group's total revenue (net of inter-segmental sales) decreased from RMB35.435 billion for the six months ended 30 June 2014 to RMB29.747 billion, representing a decrease of RMB5.688 billion or 16.1%. Mainly due to the impact from the coal market situation, sales volumes and selling prices of the Group's self-produced commercial coal and proprietary coal trading decreased as compared to the same period of 2014, resulting in the decrease of revenue from external sales of coal operations by RMB9.236 billion as compared to the same period of 2014. However, revenue from external sales of coal chemical operations increased by RMB4.288 billion as compared to the same period of 2014 owing to the reason that the Group expedited industrial transformation and the major coal chemical projects at Inner Mongolia-Shaanxi base gradually commenced operation since the second half of 2014.

Revenue net of inter-segmental sales from each operating segment of the Group for the six months ended 30 June 2015 and the changes as compared to the same period of 2014 are set out as follows:

Unit: RMB100 million

	Revenue net of inter-segmental sales		Increase/decrease	
	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Increase/decrease in amount	Increase/decrease (%)
Coal operations	199.59	291.95	-92.36	-31.6
Coal chemical operations	61.31	18.43	42.88	232.7
Coal mining equipment operations	24.95	29.87	-4.92	-16.5
Other operations	11.62	14.10	-2.48	-17.6
Total	297.47	354.35	-56.88	-16.1

The proportion of revenue net of inter-segmental sales generated by each operating segment of the Group in the Group's total revenue for the six months ended 30 June 2015 and the changes as compared to the same period of 2014 are set out as follows:

	Proportion of revenue net of inter-segmental sales (%)		
	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Increase/decrease in (percentage point(s))
Coal operations	67.1	82.4	-15.3
Coal chemical operations	20.6	5.2	15.4
Coal mining equipment operations	8.4	8.4	-
Other operations	3.9	4.0	-0.1

Management Discussion and Analysis of Financial Conditions and Operating Results

2. *Cost of sales*

For the six months ended 30 June 2015, the Group's cost of sales decreased from RMB31.106 billion for the six months ended 30 June 2014 to RMB27.150 billion, representing a decrease of 12.7%.

Materials used and goods traded costs decreased from RMB14.406 billion for the six months ended 30 June 2014 to RMB11.946 billion, representing a decrease of 17.1%, of which, the costs of proprietary coal trading and external purchase of raw coal for washing purpose decreased as compared to the same period of 2014, and the material costs of coal operations decreased by RMB2.871 billion as compared to the same period of 2014 due to several measures adopted by the Group such as further strengthening the management of material consumption quota, enhancing the repair of the obsolete and the utilisation of the waste, and centralising procurement of materials; the reduction in orders for coal mining equipment operations affected by market conditions led to a decrease of RMB301 million in material costs as compared to the same period of 2014; and major coal chemical enterprises at Inner Mongolia-Shaanxi base commencing operation since the second half of 2014 led to an increase of RMB1.123 billion in material costs of coal chemical operations as compared to the same period of 2014.

Staff costs decreased from RMB2.209 billion for the six months ended 30 June 2014 to RMB2.123 billion, representing a decrease of 3.9%. The decrease was mainly due to conscientiously implementing the principle which linked remunerations with performance by each enterprise, further enhancing controls over gross salaries, strengthening reduction on labour dispatch workforce and diminution on gross manpower required, and the gradual commencing of operation of major coal enterprises at Inner Mongolia-Shaanxi base since the second half of 2014, which led to a decrease in staff costs as compared to the same period of 2014.

Depreciation and amortisation costs increased from RMB2.495 billion for the six months ended 30 June 2014 to RMB3.183 billion, representing an increase of 27.6%. The increase was mainly attributable to the reason that the major coal chemical projects at Inner Mongolia-Shaanxi base were gradually put into operation during the second half of 2014, leading to an increase of RMB701 million in cost of depreciation and amortisation for coal chemical operations as compared to the same period of 2014.

Repairs and maintenance costs decreased from RMB395 million for the six months ended 30 June 2014 to RMB312 million, representing a decrease of 21.0%. The decrease was mainly attributable to the strengthening of routine equipment repair and maintenance by the subordinate enterprises, full utilisation of their own repair capacities and decrease in outsourced repair, which led to the reduction of repairs and maintenance costs as compared to the same period of 2014.

Transportation costs and port expenses decreased from RMB6.277 billion for the six months ended 30 June 2014 to RMB5.549 billion, representing a decrease of 11.6%. The decrease was mainly due to the decrease in sales volume of the Group's self-produced commercial coal by 8.84 million tonnes as compared to the same period of 2014, resulting in the decrease of transportation costs and port expenses for coal operations by RMB1.035 billion as compared to the same period of 2014. The major coal chemical projects at Inner Mongolia-Shaanxi base were gradually put into operation during the second half of 2014, which resulted in an increase of RMB325 million in transportation costs and port expenses for coal chemical operations as compared to the same period of 2014.

Management Discussion and Analysis of Financial Conditions and Operating Results

Outsourcing mining engineering fees for coal mines decreased from RMB1.543 billion for the six months ended 30 June 2014 to RMB676 million, representing a decrease of 56.2%. The decrease in outsourcing mining engineering fees as compared to the same period of 2014 was mainly due to the fact that all coal producing enterprises further reduced their outsourcing workforce and strictly controlled the outsourcing unit price, as well as the reduction in outsourcing stripping volume which was affected by the progress of land requisition and village relocation as compared to the same period of 2014.

Sales taxes and surcharges increased from RMB622 million for the six months ended 30 June 2014 to RMB828 million, representing an increase of 33.1%. The increase was mainly attributable to the reform of coal resource tax featured by price-based tax calculation and collection, resulting in an increase of RMB314 million in resource tax as compared to the same period of 2014.

Other costs decreased from RMB3.159 billion for the six months ended 30 June 2014 to RMB2.533 billion, representing a decrease of 19.8%. The decrease was mainly attributable to the decrease in costs by RMB814 million as compared to the same period of 2014 due to the reason that the coal enterprises in Shanxi Province no longer made provision for coal sustainable development fund since the reform of coal resource tax featured by price-based tax calculation and collection with effect from 1 December 2014.

3. Gross profit and gross profit margin

For the six months ended 30 June 2014, gross profit of the Group decreased from RMB4.329 billion for the six months ended 30 June 2014 to RMB2.597 billion, representing a decrease of 40.0%; and gross profit margin decreased from 12.2% for the six months ended 30 June 2014 to 8.7%, representing a decrease of 3.5 percentage points.

The gross profit and gross profit margin of each of the Group's operating segments for the six months ended 30 June 2015 and the changes as compared to the same period of 2014 are as follows:

	Gross profit			Gross profit margin (%)		
	For the	For the	Increase/ decrease (%)	For the	For the	Increase/ decrease (Percentage point(s))
	six months ended 30 June 2015	six months ended 30 June 2014		six months ended 30 June 2015	six months ended 30 June 2014	
Coal operations	3.76	35.13	-89.3	1.8	11.9	-10.1
Self-produced commercial coal	2.96	34.45	-91.4	2.0	16.2	-14.2
Proprietary coal trading	0.06	0.76	-92.1	0.1	1.0	-0.9
Coal chemical operations	16.09	0.12	13,308.3	26.2	0.7	25.5
Coal mining equipment operations	4.53	5.77	-21.5	16.9	18.4	-1.5
Other operations	1.45	2.07	-30.0	9.2	11.3	-2.1
Group	25.97	43.29	-40.0	8.7	12.2	-3.5

Note: The above gross profit and gross profit margin of each operating segment are figures before netting of inter-segmental sales.

Management Discussion and Analysis of Financial Conditions and Operating Results

(2) Operating results of segments

1. Coal segment

- Revenue

Revenue from the coal operations of the Group was mainly generated from sales of coal produced from our 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 resale to customers (sales of proprietary coal trading) and was engaged in coal import and export and domestic agency services.

For the six months ended 30 June 2015, the total revenue from coal operations of the Group decreased from RMB29.425 billion for the six months ended 30 June 2014 to RMB20.481 billion, representing a decrease of 30.4%; revenue net of inter-segmental sales decreased from RMB29.195 billion for the six months ended 30 June 2014 to RMB19.959 billion, representing a decrease of 31.6%.

For the six months ended 30 June 2015, revenue from sales of self-produced commercial coal of the Group decreased from RMB21.328 billion for the six months ended 30 June 2014 to RMB14.451 billion, representing a decrease of 32.2%. Revenue net of inter-segmental sales decreased from RMB21.101 billion for the six months ended 30 June 2014 to RMB14.378 billion, representing a decrease of 31.9%; of which, revenue from thermal coal was RMB12.517 billion, representing a decrease of RMB6.772 billion as compared to the same period of 2014; revenue from coking coal was RMB1.861 billion, representing an increase of RMB49 million as compared to the same period of 2014. For the six months ended 30 June 2015, the Group's weighted average sales price of self-produced commercial coal recorded a decrease of RMB72/tonne as compared to the same period of 2014, reducing sales revenue by RMB3.342 billion; sales of self-produced commercial coal recorded a decrease of 8.84 million tonnes as compared to the same period of 2014, decreasing sales revenue by RMB3.381 billion.

Revenue from sales of proprietary coal trading decreased from RMB7.948 billion for the six months ended 30 June 2014 to RMB5.794 billion, representing a decrease of 27.1%; revenue net of inter-segmental sales decreased from RMB7.948 billion for the six months ended 30 June 2014 to RMB5.357 billion, representing a decrease of 32.6%.

Revenue from agency services decreased from RMB11 million for the six months ended 30 June 2014 to RMB6 million, representing a decrease of 45.5%.

Management Discussion and Analysis of Financial Conditions and Operating Results

The Group's coal sales volume and selling price for the six months ended 30 June 2015 and the changes as compared to the same period of 2014 are set out as follows:

		For the six months ended 30 June 2015		For the six months ended 30 June 2014		Increase/decrease in amount		Increase/decrease	
		Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (%)	Selling price (%)
1. Self-produced	Total	4,642	310	5,526	382	-884	-72	-16.0	-18.8
commercial	(I) Thermal coal	4,256	294	5,212	370	-956	-76	-18.3	-20.5
coal	1. Domestic sale	4,238	293	5,187	369	-949	-76	-18.3	-20.6
	(1) Long-term contract	3,551	305	4,288	383	-737	-78	-17.2	-20.4
	(2) Spot trading	687	232	899	303	-212	-71	-23.6	-23.4
	2. Export	18	467	25	565	-7	-98	-28.0	-17.3
	(1) Long-term contract	18	467	25	565	-7	-98	-28.0	-17.3
	(2) Spot trading	☆	☆	☆	☆	-	-	-	-
	(II) Coking coal	386	482	314	578	72	-96	22.9	-16.6
	1. Domestic sale	386	482	314	578	72	-96	22.9	-16.6
	(1) Long-term contract	☆	☆	☆	☆	-	-	-	-
	(2) Spot trading	386	482	314	578	72	-96	22.9	-16.6
	2. Export	☆	☆	☆	☆	-	-	-	-
2. Proprietary coal	Total	1,572	341	1,790	444	-218	-103	-12.2	-23.2
Trading	(I) Domestic resale	1,491	335	1,624	436	-133	-101	-8.2	-23.2
	(II) Self-operated exports*	1.8	1,700	1.4	2,099	0.4	-399	28.6	-19.0
	(III) Import trading	79	423	165	506	-86	-83	-52.1	-16.4
3. Agency	Total	198	3	196	6	2	-3	1.0	-50.0
services★	(I) Import agency	2	7	53	9	-51	-2	-96.2	-22.2
	(II) Export agency	97	4	113	5	-16	-1	-14.2	-20.0
	(III) Domestic agency	99	1	30	1	69	-	230.0	-

☆ : N/A for the period.

★ : Selling price is agency service fee.

* : Briquette export.

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- *Cost of sales*

For the six months ended 30 June 2015, cost of sales for the Group's coal operations decreased from RMB25.912 billion for the six months ended 30 June 2014 to RMB20.105 billion, representing a decrease of 22.4%. The major cost items and the changes as compared to the same period of 2014 are set out as follows:

Unit: RMB100 million

	For the six months ended 30 June 2015		For the six months ended 30 June 2014		Increase/ decrease in amount	Increase/ decrease (%)
	Percentage (%)	Percentage (%)	Percentage (%)	Percentage (%)		
Materials costs (excluding cost of external purchase of raw coal for washing purpose and proprietary coal trading cost)	19.93	9.9	22.80	8.8	-2.87	-12.6
Cost of external purchase of raw coal for washing purpose	2.86	1.4	7.57	2.9	-4.71	-62.2
Proprietary coal trading cost ☆	56.58	28.1	77.71	30.0	-21.13	-27.2
Staff costs	14.52	7.2	16.74	6.5	-2.22	-13.3
Depreciation and amortisation	20.85	10.4	21.49	8.3	-0.64	-3.0
Repairs and maintenance*	2.55	1.3	4.22	1.6	-1.67	-39.6
Transportation costs and port expenses	49.94	24.8	60.29	23.3	-10.35	-17.2
Outsourcing mining engineering fees	6.76	3.4	15.43	6.0	-8.67	-56.2
Sales taxes and surcharges	7.26	3.6	6.00	2.3	1.26	21.0
Other costs ★	19.80	9.9	26.87	10.3	-7.07	-26.3
Total costs of sales for coal operations	201.05	100.0	259.12	100.0	-58.07	-22.4

☆: This cost does not include transportation costs and port expenses and provision for impairment of inventories that are related to proprietary coal trading.

*: For the six months ended 30 June 2014, repairs and maintenance expenses include inter-segmental repairs and maintenance expenses which are eliminated upon consolidation.

★: Other costs include environmental restoration expenses incurred in relation to coal mining operation and expenses for small and medium projects etc. incurred that are directly related to coal production (including the provision of RMB814 million for coal sustainable development fund by coal enterprises in Shanxi Province for the six months ended 30 June 2014).

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For the six months ended 30 June 2015, the Group's cost of sales of self-produced commercial coal was RMB14.155 billion, representing a decrease of RMB3.728 billion or 20.8% as compared to the same period of 2014. The unit cost of sales of self-produced commercial coal was RMB304.98/tonne, representing a decrease of RMB18.64/tonne or 5.8% as compared to the same period of 2014. The cost of sales of proprietary coal trading was RMB5.788 billion, representing a decrease of RMB2.084 billion or 26.5% as compared to the same period of 2014. The unit cost of sales of proprietary coal trading was RMB368.22/tonne, representing a decrease of RMB71.56/tonne or 16.3% as compared to the same period of 2014.

The Group's unit cost of sales of self-produced commercial coal for the six months ended 30 June 2015 and the changes as compared to the same period of 2014 are set out as follows:

Item	<i>Unit: RMB/tonne</i>					
	For the six months ended		For the six months ended		Increase/decrease in amount	Increase/decrease (%)
	30 June 2015	Percentage (%)	30 June 2014	Percentage (%)		
Materials costs (excluding the cost of external purchase of raw coal for washing purpose)	42.94	14.1	41.27	12.8	1.67	4.0
Cost of external purchase of raw coal for washing purpose	6.17	2.0	13.69	4.2	-7.52	-54.9
Staff costs	31.29	10.3	30.29	9.4	1.00	3.3
Depreciation and amortisation	44.92	14.7	38.89	12.0	6.03	15.5
Repairs and maintenance	5.49	1.8	7.64	2.4	-2.15	-28.1
Transportation costs and port expenses	104.79	34.4	107.79	33.3	-3.00	-2.8
Sales taxes and surcharges	15.65	5.1	10.86	3.4	4.79	44.1
Outsourcing mining engineering fees	14.56	4.8	27.93	8.6	-13.37	-47.9
Other costs	39.17	12.8	45.26	13.9	-6.09	-13.5
Total unit cost of sales of self-produced commercial coal	304.98	100.0	323.62	100.0	-18.64	-5.8

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Unit materials costs increased by RMB1.67/tonne as compared to the same period of 2014, which was mainly attributable to the reason that the Group further strengthened management of consumption quota, enhanced its effort to repair the obsolete and utilise the waste, and increased the centralised procurement proportion of materials during the reporting period, which led to a decrease in total materials costs by RMB287 million as compared to the same period of 2014. However, the production volume of self-produced commercial coal decreased by 13.09 million tonnes as compared to the same period of 2014, comprehensively resulting in an increase in unit materials costs by RMB1.67/tonne.

Unit cost of external purchase of raw coal for washing purpose decreased by RMB7.52/tonne as compared to the same period of 2014. The decrease was mainly attributable to the decrease in volume and unit purchase price of externally purchased raw coal for washing purpose as compared to the same period of 2014, which led to a decrease in total cost of external purchase of raw coal for washing purpose by RMB471 million as compared to the same period of 2014.

Unit staff costs increased by RMB1.00/tonne as compared to the same period of 2014, which was mainly attributable to conscientiously implementing the principle which linked remunerations with performance by each coal producing enterprise during the reporting period, further enhancing controls over gross salaries as well as strengthening reduction on labour dispatch workforce and gross manpower required, thus leading to a decrease in total staff costs by RMB222 million as compared to the same period of 2014. However, the production volume of self-produced commercial coal decreased by 13.09 million tonnes as compared to the same period of 2014, comprehensively resulting in an increase in unit staff costs by RMB1.00/tonne as compared to the same period of 2014.

Unit depreciation and amortisation costs increased by RMB6.03/tonne as compared to the same period of 2014, which was mainly attributable to the adjustment in depreciation periods of some fixed assets at coal production enterprises by the Group during the reporting period, resulting in a decrease in depreciation and amortisation costs by RMB64 million as compared to the same period of 2014. However, the unit depreciation and amortisation costs increased due to the reason that the production volume of self-produced commercial coal decreased by 13.09 million tonnes as compared to the same period of 2014, resulting in an increase in unit depreciation and amortisation costs by RMB6.03/tonne as compared to the same period of 2014.

Unit repairs and maintenance costs decreased by RMB2.15/tonne as compared to the same period of 2014. The decrease was mainly attributable to the strengthening of routine repair and maintenance of coal mining equipment of the coal producing subordinate enterprises, full utilisation of their own repair capacities and decrease in fewer outsourced repair, thus leading to a decrease in repairs and maintenance costs by RMB167 million as compared to the same period of 2014.

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Unit transportation costs and port expenses decreased by RMB3.00/tonne as compared to the same period of 2014. The decrease was mainly attributable to the decrease in the sales of the Group's self-produced commercial coal, for which freight and port charges had to be borne, resulting in a decrease in transportation costs and port expenses of RMB1.092 billion as compared to the same period of 2014.

Unit sales taxes and surcharges increased by RMB4.79/tonne as compared to the same period of 2014. The increase was mainly attributable to the reform of coal resource tax featured by price-based tax calculation and collection with effect from 1 December 2014, resulting in an increase of RMB314 million in resource tax as compared to the same period of 2014.

Unit outsourcing mining engineering fee decreased by RMB13.37/tonne as compared to the same period of 2014, which was mainly attributable to the reason that all coal producing enterprises further strengthened reduction on outsourcing workforce, strictly controlled over outsourcing unit price, and reduced in outsourcing stripping volume which was affected by the progress of land requisition and village relocation, resulting in a decrease in total outsourcing mining engineering fee by RMB867 million as compared to the same period of 2014.

Unit other costs decreased by RMB6.09/tonne as compared to the same period of 2014, which was mainly attributable to the reason that the coal enterprises in Shanxi Province no longer made provision for coal sustainable development fund since the reform of coal resource tax featured by price-based tax calculation and collection with effect from 1 December 2014, resulting in a decrease in costs by RMB814 million as compared to the same period of 2014.

- *Gross profit and gross profit margin*

For the six months ended 30 June 2015, gross profit of the Group's coal operations segment decreased from RMB3.513 billion for the six months ended 30 June 2014 to RMB376 million, representing a decrease of 89.3%; and gross profit margin decreased by 10.1 percentage points from 11.9% for the six months ended 30 June 2014 to 1.8%. The decrease was mainly attributable to the reason that affected by market condition, the coal sales price continuously dropped and the decrease of the sales price of the self-produced commercial coal of the Group was higher than that of cost, resulting in a decrease in gross profit and gross profit margin of the coal operations.

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2. Coal chemical segment

- Revenue

For the six months ended 30 June 2015, the Group's revenue from coal chemical operations increased from RMB1.843 billion for the six months ended 30 June 2014 to RMB6.133 billion, representing an increase of 232.8%; revenue net of inter-segmental sales increased from RMB1.843 billion for the six months ended 30 June 2014 to RMB6.131 billion, representing an increase of 232.7%; of which, Yulin Olefin Project commenced production at the beginning of 2015, generating a revenue from olefin of RMB2.566 billion in the first half of 2015; Tuke Fertiliser Project commenced operation since December 2014, resulting in an increase by RMB1.375 billion to RMB1.502 billion in revenue from urea as compared to the same period of 2014; Mengda Methanol Project commenced operation since October 2014, resulting in an increase of RMB420 million to RMB599 million in revenue from methanol as compared to the same period of 2014; the sales price and volume of coke decreased as compared to the same period of 2014, resulting in a decrease of RMB340 million to RMB861 million in revenue from coke as compared to the same period of 2014.

The sales volume and selling price of the major chemical products of the Group for the six months ended 30 June 2015 and the changes as compared to the same period of 2014 are set out as follows:

	For the six months ended 30 June 2015		For the six months ended 30 June 2014		Increase/decrease in amount		Increase/decrease	
	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (%)	Selling price (%)
I. Olefin	33.2	7,728	☆	☆	33.2	-	-	-
1. Polyethylene	17.3	8,104	☆	☆	17.3	-	-	-
2. Polypropylene	15.9	7,318	☆	☆	15.9	-	-	-
II. Methanol◆	39.0	1,538	8.2	2,197	30.8	-659	375.6	-30.0
III. Urea	85.0	1,766	9.0	1,422	76.0	344	844.4	24.2
IV. Coke	109.0	790	120.2	998	-11.2	-208	-9.3	-20.8
1. Self-produced	96.6	780	95.3	952	1.3	-172	1.4	-18.1
2. Proprietary trading	12.4	867	24.9	1,177	-12.5	-310	-50.2	-26.3

◆: Including sales of methanol produced by Heilongjiang Coal Chemical Group, a subsidiary of China Coal Group with 16,000 tonnes for the period and 31,300 tonnes for the same period of 2014.

☆: N/A for the period.

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- *Cost of sales*

For the six months ended 30 June 2015, cost of sales for the Group's coal chemical operations increased from RMB1.831 billion for the six months ended 30 June 2014 to RMB4.524 billion, representing an increase of 147.1%, which was mainly attributable to the reason that the major coal chemical projects at Inner Mongolia-Shaanxi base which were gradually put into operation since the second half of 2014 led to an increase in cost as compared to the same period of 2014. However the sales volume of coke and purchase price of raw coal required for producing coke decreased as compared to the same period of 2014, resulting in a decrease in cost of coke as compared to the same period of 2014. The major cost items and the changes as compared to the same period of 2014 are set out as follows:

Unit: RMB100 million

Item	For the six months ended 30 June 2015		For the six months ended 30 June 2014		Increase/decrease in amount	Increase/decrease (%)
	2015	Percentage (%)	2014	Percentage (%)		
Materials used and goods traded costs	25.81	57.1	14.58	79.6	11.23	77.0
Staff costs	2.10	4.6	0.44	2.4	1.66	377.3
Depreciation and amortisation	8.03	17.7	1.02	5.6	7.01	687.3
Repairs and maintenance	0.77	1.7	0.19	1.0	0.58	305.3
Transportation costs and port expenses	5.14	11.4	1.89	10.3	3.25	172.0
Sales taxes and surcharges	2.60	5.7	0.03	0.2	2.57	8,566.7
Other costs	0.79	1.8	0.16	0.9	0.63	393.8
Total costs of sales of coal chemical operations	45.24	100.0	18.31	100.0	26.93	147.1

The Group's unit cost of sales of the major chemical products of the Group for the six months ended 30 June 2015 and the changes as compared to the same period of 2014 are set out as follows:

	Cost of sales (RMB100 million)			Unit cost of sales (RMB/tonne)		
	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Increase/decrease in amount	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Increase/decrease in amount
Olefin	14.64	☆	14.64	4,409.46	☆	-
Methanol	5.15	1.71	3.44	1,323.01	2,098.36	-775.35
Urea	9.82	1.21	8.61	1,154.32	1,347.66	-193.34
Coke	9.03	12.70	-3.67	828.45	1,053.17	-224.72

☆: N/A for the period.

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Yulin Olefin Project of the Group was put into operation at the beginning of 2015. Cost of sales of olefin was RMB1.464 billion, and unit cost of sales was RMB4,409.46/tonne. Cost of sales of methanol and urea increased as compared to the same period of 2014, while unit cost of sales decreased as compared to the same period of 2014, mainly due to the commencement of operation of Tuke Fertiliser Project and Mengda Methanol Project in the second half of 2014, resulting in a lower unit cost. Cost of sales and unit cost of sales of coke decreased as compared to the same period of 2014 as a result of the decrease in sales of coke and purchase price of raw coal required for coke production as compared to the same period of 2014.

- *Gross profit and gross profit margin*

For the six months ended 30 June 2015, the gross profit of the Group's coal chemical operations increased by RMB1.597 billion from RMB12 million for the six months ended 30 June 2014 to RMB1.609 billion, and the gross profit margin increased from 0.7% for the six months ended 30 June 2014 to 26.2%, representing an increase of 25.5 percentage points. This was mainly due to accelerated business transformation of the Group and putting into production of major coal chemical projects of the Inner Mongolia-Shaanxi base since the second half of 2014, resulting in increased gross profit and higher gross profit margin of the coal chemical business.

3. *Coal mining equipment segment*

- *Revenue*

For the six months ended 30 June 2015, the Group's revenue from the coal mining equipment operations decreased from RMB3.132 billion for the six months ended 30 June 2014 to RMB2.676 billion, representing a decrease of 14.6%, of which the revenue net of inter-segmental sales decreased from RMB2.987 billion for the six months ended 30 June 2014 to RMB2.495 billion, representing a decrease of 16.5%. This was mainly due to the reason that affected by the market condition, the sales volume of major coal mining equipment decreased as compared to the same period of 2014.

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- *Cost of sales*

For the six months ended 30 June 2015, the Company's cost of sales for the coal mining equipment operations decreased from RMB2.555 billion for the six months ended 30 June 2014 to RMB2.223 billion, representing a decrease of 13.0%. The major cost items and the changes as compared to the same period of 2014 are set out as follows:

Unit: RMB100 million

Item	For the six months ended 30 June 2015		For the six months ended 30 June 2014		Increase/decrease in amount	Increase/decrease (%)
	30 June 2015	Percentage (%)	30 June 2014	Percentage (%)		
Materials used and goods traded costs	16.36	73.6	19.37	75.8	-3.01	-15.5
Staff costs	2.69	12.1	2.86	11.2	-0.17	-5.9
Depreciation and amortisation	1.45	6.5	0.81	3.2	0.64	79.0
Repairs and maintenance	0.17	0.8	0.34	1.3	-0.17	-50.0
Transportation costs	0.35	1.6	0.56	2.2	-0.21	-37.5
Sales taxes and surcharges	0.13	0.6	0.10	0.4	0.03	30.0
Other costs	1.08	4.8	1.51	5.9	-0.43	-28.5
Total costs of sales of coal mining equipment operations	22.23	100.0	25.55	100.0	-3.32	-13.0

- *Gross profit and gross profit margin*

For the six months ended 30 June 2015, the gross profit of the Group's coal mining equipment operations segment decreased from RMB577 million for the six months ended 30 June 2014 to RMB453 million, representing a decrease of 21.5%; and the gross profit margin decreased from 18.4% for the six months ended 30 June 2014 to 16.9%, representing a decrease of 1.5 percentage points.

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4. Other operating segments

For the six months ended 30 June 2015, the Group's total revenue from other operations such as power generation and aluminium decreased from RMB1.835 billion for the six months ended 30 June 2014 to RMB1.574 billion, representing a decrease of 14.2%, of which the revenue net of inter-segmental sales decreased from RMB1.410 billion for the six months ended 30 June 2014 to RMB1.162 billion, representing a decrease of 17.6%. Cost of sales decreased from RMB1.628 billion for the six months ended 30 June 2014 to RMB1.429 billion, representing a decrease of 12.2%. Gross profit decreased by 30.0% from RMB207 million for the six months ended 30 June 2014 to RMB145 million, and gross profit margin decreased from 11.3% for the six months ended 30 June 2014 to 9.2%, representing a decrease of 2.1 percentage points.

(3) Selling, general and administrative expenses

For the six months ended 30 June 2015, the Group's selling, general and administrative expenses decreased from RMB2.102 billion for the six months ended 30 June 2014 to RMB2.096 billion, representing a decrease of 0.3%.

(4) Other net gains

For the six months ended 30 June 2015, the other net gains of the Group increased from RMB63 million for the six months ended 30 June 2014 to RMB87 million, representing an increase of 38.1%. This was mainly attributable to the increase in government grants as compared to the same period of 2014.

(5) Profit from operations

For the six months ended 30 June 2015, the Group's profit from operations decreased from RMB2.291 billion for the six months ended 30 June 2014 to RMB0.597 billion, representing a decrease of 73.9%. Profits from operations for major operating segments and the changes as compared to the same period of 2014 are as follows:

Item	<i>Unit: RMB100 million</i>			
	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Increase/ decrease in amount	Increase/ decrease (%)
The Group	5.97	22.91	-16.94	-73.9
Of which: Coal operations	-7.20	23.62	-30.82	-130.5
Coal chemical operations	14.07	-0.52	14.59	-
Coal mining equipment operations	0.85	1.26	-0.41	-32.5
Other operations	-0.36	0.53	-0.89	-167.9

Note: The above profits from operations for each operating segment are figures before netting of inter-segmental sales.

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(6) Finance income and finance costs

For the six months ended 30 June 2015, the Group's net finance costs increased from RMB894 million for the six months ended 30 June 2014 to RMB1.955 billion, representing an increase of RMB1.061 billion, while interest expenses increased RMB1.281 billion to RMB2.390 billion as compared to the same period of 2014. This was mainly due to the increase of RMB711 million as compared to the same period of 2014 in expensed interest expenses as a result of putting into operation of major coal chemical projects of the Inner Mongolia-Shaanxi base successively since the second half of 2014. In addition, interest bearing debts as at 30 June 2015 stood at RMB115.578 billion, representing a net increase of RMB31.105 billion over RMB84.473 billion as at 30 June 2014; and due to the impact of market condition, cash inflow generated from operating activities decreased and cash used for working capital and equity investment increased as compared to the same period of 2014, resulting in a corresponding increase in interest expenses. Interest income increased RMB183 million to RMB430 million as compared to the same period of 2014, mainly due to the increase in interest income resulting from interbank deposits placed with Finance Company. Foreign exchange net gains stood at RMB11 million, as compared with a foreign exchange net loss of RMB30 million in the same period of 2014, which resulted in the decrease of finance costs by RMB41 million as compared to the same period of 2014.

(7) Share of profits of associates and joint ventures

For the six months ended 30 June 2015, the Group's share of profits of associates and joint ventures increased from RMB92 million for the six months ended 30 June 2014 to RMB188 million, representing an increase of 104.3%. This was mainly attributable to the increase of RMB96 million in the Group's share of profits of associates and joint ventures recognised in proportion to its shareholding as compared to the same period of 2014 resulting from the increase in profits by using the equity method of accounting for investees of the Group, including power plants and terminals during the reporting period.

(8) Profit before income tax

For the six months ended 30 June 2015, the profit of the Group before income tax decreased from RMB1.488 billion for the six months ended 30 June 2014 to RMB-1.170 billion, representing a decrease of 178.6%.

(9) Income tax expenses

For the six months ended 30 June 2015, the Group's income tax expenses decreased from RMB431 million for the six months ended 30 June 2014 to RMB-324 million, representing a decrease of 175.2%.

(10) Profit attributable to equity holders of the Company

For the six months ended 30 June 2015, profit attributable to equity holders of the Company decreased from RMB780 million for the six months ended 30 June 2014 to RMB-1.072 billion, representing a decrease of 237.4%.

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III. CASH FLOW

As at 30 June 2015, the balance of the Group's cash and cash equivalents amounted to RMB23.572 billion, representing a net increase of RMB5.440 billion as compared to that as at 31 December 2014.

Net cash generated from operating activities decreased by RMB172 million from RMB534 million for the six months ended 30 June 2014 to RMB362 million, which was mainly attributable to the impact of market condition in the coal industry. The Group's profit decreased as compared to the same period of 2014 while its profit before income tax recorded a decrease of RMB2.658 billion as compared to the same period of 2014. Non-cash costs such as provision for impairment of assets, depreciation and amortisation increased by RMB630 million as compared to the same period of 2014. Cash items other than those generated from operating activities which affected profit before income tax, including interest expense and share of profits of associates and joint ventures, posted an increase of RMB1.109 billion as compared to the same period of 2014. The amount of utilised working capital decreased by RMB241 million as compared to the same period of 2014 while cash outflow for income tax payment recorded a decrease of RMB506 million as compared to the same period of 2014. The combined effect of the above movements led to a decrease of RMB172 million in net cash generated from operating activities as compared to the same period of 2014.

Net cash used in investing activities increased from RMB8.470 billion for the six months ended 30 June 2014 to RMB13.228 billion, representing an increase of RMB4.758 billion. The increase was mainly attributable to a decrease of RMB3.957 billion in cash payment for acquisition of property, plant and equipment as compared to the same period of 2014, a decrease of RMB635 million in cash payment for acquisition of land use rights, mining rights and intangible assets as compared to the same period of 2014, and the cash outflow of RMB6.183 billion incurred by movements in term deposits with an initial term of more than 3 months (cash inflow of RMB781 million for the same period 2014 was generated). In addition, the inclusion of Finance Company into the scope of consolidation upon its establishment during the same period of 2014 increased cash inflow by RMB2.730 billion.

Net cash generated from financing activities increased from RMB12.142 billion for the six months ended 30 June 2014 to RMB18.305 billion, representing an increase of RMB6.163 billion. This was mainly attributable to an increase of RMB5.897 billion in net cash inflow generated from debt financing as compared to the same period of 2014, a decrease of RMB478 million in cash outflow for dividends distribution and interest payment as compared to the same period of 2014. Moreover, during the same period of 2014, cash inflow from financing activities increased by RMB270 million due to the capital contribution of RMB270 million by China Coal Group for the establishment of Finance Company.

IV. SOURCES OF CAPITAL

For the six months ended 30 June 2015, the Group's funds were mainly derived from the proceeds generated from business operations, bank borrowings and net proceeds raised in capital markets. The Group's funds were mainly used for investments in production facilities and equipment for coal, coal chemical and coal mining equipment operations, repayment of debts payable by the Group, and the Group's working capital and general recurring expenditures.

The cash generated from the Group's operation, net proceeds from share offering in the global and domestic capital markets and relevant banking facilities obtained will provide sufficient capital funds for future production and operating activities as well as project construction.

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V. ASSETS AND LIABILITIES

(1) Property, plant and equipment

As at 30 June 2015, the net value of property, plant and equipment of the Group amounted to RMB127.383 billion, representing a net increase of RMB1.016 billion or 0.8% as compared to RMB126.367 billion as at 31 December 2014. This was mainly attributable to an increase in property, plant and equipment as a result of the increase in project investment from the Group's subordinate enterprises and the need for additional equipment and facilities for production and operation.

(2) Mining and exploration rights

As at 30 June 2015, the net value of the Group's mining and exploration rights amounted to RMB32.971 billion, representing a decrease of RMB197 million or 0.6% as compared to RMB33.168 billion as at 31 December 2014. This was mainly attributable to the amortisation of exploration rights for the reporting period.

(3) Available-for-sale financial assets

As at 30 June 2015, the net value of the Group's available-for-sale financial assets amounted to RMB5.584 billion, representing an increase of RMB1.243 billion or 28.6% as compared to RMB4.341 billion as at 31 December 2014. This was mainly attributable to the fact that the Group ceased to exercise significant influence over Coal Gasification Longquan Company and therefore the investment of RMB702 million in it was presented as available-for-sale financial assets instead of investments in associate. In addition, the Group increased its investment in Mengxi-Huazhong Railway Company by RMB400 million in proportion to shareholding ratio.

(4) Other non-current assets

As at 30 June 2015, the net value of other non-current assets of the Group amounted to RMB5.976 billion, representing a net decrease of RMB1.203 billion or 16.8% as compared to RMB7.179 billion as at 31 December 2014. This was mainly attributable to presenting Shaanxi Company's prepayment of investment capital of RMB1.20 billion for Hecaogou Company as investment in joint venture upon the establishment of the latter.

(5) Trade and notes receivables

As at 30 June 2015, the net amount of the Group's trade and notes receivables was RMB14.907 billion, representing an increase of RMB1.448 billion or 10.8% as compared to RMB13.459 billion as at 31 December 2014. This was mainly due to the fact that the net amount of trade receivables increased by RMB2.325 billion or 28.3% from RMB8.222 billion as at 31 December 2014 to RMB10.547 billion, which was mainly attributable to the extension of credit period for sales of major products such as coal and coal mining equipment and the increases in trade receivables arising from coal and coal mining equipment operations by RMB1.551 billion and RMB466 million respectively as compared to those as at the beginning of 2015, in response to the market circumstances. In addition, the Group's subordinate enterprises increased the amount of endorsement transfer of bank acceptance bills received during the process of product sales, and some bank acceptance bills were accepted upon maturity, which resulted in a decrease of RMB877 million in the amount of notes receivables as at 31 December 2014.

Management Discussion and Analysis of Financial Conditions and Operating Results

(6) Borrowings

As at 30 June 2015, the balance of borrowings of the Group amounted to RMB74.227 billion, representing a net increase of RMB10.374 billion or 16.2% as compared to RMB63.853 billion as at 31 December 2014. This was mainly attributable to an increase in bank borrowings used for project construction and production operation of subordinate enterprises of the Group, of which the balance of long-term borrowings (including the portion due within one year) was RMB69.116 billion, representing a net increase of RMB11.268 billion as compared to RMB57.848 billion as at 31 December 2014, and the balance of short-term borrowings was RMB5.111 billion, representing a net decrease of RMB0.894 billion as compared to RMB6.005 billion as at 31 December 2014.

(7) Long-term Bonds

As at 30 June 2015, the balance of long-term bonds of the Group amounted to RMB40.850 billion, representing a net increase of RMB9.995 billion or 32.4% as compared to RMB30.855 billion as at 31 December 2014. This was mainly attributable to the issuance of RMB10 billion medium-term notes by the Group during the reporting period.

VI. SIGNIFICANT PLEDGE OF ASSETS

The Group did not have significant pledge of assets during the reporting period.

VII. SIGNIFICANT INVESTMENT

For details of significant investment of the Group during the reporting period, please refer to the paragraph “XI. Other Significant Events” under the section headed “Disclosure of Major Events” in this report. Save as disclosed in this report, the Board did not approve other proposals related to significant investment during the reporting period.

VIII. MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have material acquisitions and disposals during the reporting period.

IX. RISKS OF EXCHANGE RATE

The business operations of the Group are subject to the impact of fluctuations in the exchange rate of RMB. The export sales of the Group are primarily settled in US Dollars and the Group has liabilities denominated in foreign currencies, including Japanese Yen and US Dollars. Meanwhile, the Group needs foreign currencies, mainly US Dollars, to pay for imported equipment and accessories. As such, the fluctuations in foreign exchange rates against RMB will have bilateral compound effects on the operating results of the Group.

X. RISKS OF COMMODITY VALUE

The Group is also exposed to risks of commodity value arising from the changes in product prices and material costs of the Group.

Management Discussion and Analysis of Financial Conditions and Operating Results

XI. INDUSTRY RISKS

Like other coal companies and coal chemical companies in China, the Group's operational activities are subject to regulation by the Chinese government in terms of industry policies, project approvals, granting of permits, industry specific taxes and surcharges, environmental protection and safety standards, etc.. As a result, the Group may be subject to restrictions in business expansion or profitability enhancement. Certain future policies of the Chinese government regarding the coal and coal chemical related industries may have an impact on the operational activities of the Group.

XII. CONTINGENT LIABILITIES

(1) Bank guarantees

As at 30 June 2015, the Group provided guarantees for a total amount of RMB15.138 billion, of which guarantees of RMB5.901 billion were provided to the equity investment entities in proportion to the Group's shareholdings. The details are set out below:

Unit: RMB10 thousand

Guarantor	Relationship between guarantor and listed company	Guarantee	Guaranteed amount	The Company's external guarantees (excluding guarantees for controlling subsidiaries)			Type of the guarantee	Completed or not	Overdue or not	Overdue amount	Counter guarantee available or not	Provided to the related party or not	Related party relationship
				Date of execution of guarantee (the date of signing agreement)	Commencement date of guarantee	Expiry date of guarantee							
China Coal Energy Company Limited	Company headquarters	Shanxi Pingshuo Gangue-fired Power Generation Company Limited	6,000	19 December 2008	19 December 2008	18 December 2020	Joint and several liability guarantee	No	No	-	Yes	No	-
China Coal Energy Company Limited	Company headquarters	Shanxi Pingshuo Gangue-fired Power Generation Company Limited	28,600	24 December 2008	24 December 2008	23 December 2020	Joint and several liability guarantee	No	No	-	Yes	No	-
China Coal Energy Company Limited	Company headquarters	Huajin Coking Coal Company Limited	7,475	28 March 2008	28 March 2008	20 December 2022	Joint and several liability guarantee	No	No	-	No	No	-
China Coal Energy Company Limited	Company headquarters	Huajin Coking Coal Company Limited	32,575.5	28 March 2008	28 March 2008	20 December 2023	Joint and several liability guarantee	No	No	-	No	No	-
China Coal Energy Company Limited	Company headquarters	Huajin Coking Coal Company Limited	9,981.1	28 March 2008	28 March 2008	20 December 2023	Joint and several liability guarantee	No	No	-	No	No	-
China Coal Energy Company Limited	Company headquarters	Huajin Coking Coal Company Limited	6,500	21 November 2012	21 November 2012	20 November 2027	Joint and several liability guarantee	No	No	-	No	No	-
China Coal Energy Company Limited	Company headquarters	Taiyuan Coal Gasification Longquan Energy Development Company Limited	58,300	29 October 2012	29 October 2012	31 January 2021	Joint and several liability guarantee	No	No	-	No	No	-
China Coal Energy Company Limited	Company headquarters	Shaanxi Yanchang China Coal Yulin Energy Chemical Company Limited	438,873	28 April 2013	28 April 2013	28 April 2025	Joint and several liability guarantee	No	No	-	Yes	No	-
China Coal and Coke Holdings Limited	Wholly-owned Subsidiary	Hebei Sinocoal Risun Coking Company	1,125	23 August 2012	23 August 2012	31 August 2017	Joint and several liability guarantee	No	No	-	Yes	No	-
Shanghai Datum Energy Resources Company Limited	Holding Subsidiary	Fenpepei Railway Company Limited	716.95	21 November 2013	21 November 2013	20 April 2024	Joint and several liability guarantee	No	No	-	Yes	No	-
Total guarantee incurred during the reporting period (excluding those provided to subsidiaries)													12,525.25
Total balance of guarantee as at the end of the reporting period (A) (excluding those provided to subsidiaries)													590,146.55
Guarantee provided by the Company to its subsidiaries													
Total guarantee to subsidiaries incurred during the reporting period													-
Total balance of guarantee to subsidiaries as at the end of the reporting period (B)													923,657.50
Total guarantee of the Company (including those to subsidiaries)													
Total guarantee (A+B)													1,513,804.05
Percentage of total guarantee to net assets of the Company (%)													17.7
Of which:													
Amount of guarantee provided to shareholders, de facto controllers and their related parties (C)													-
Balance of debts guarantee directly or indirectly provided to guaranteed parties with gearing ratio of over 70% (D)													570,496.60
Excess amount of total guarantee over 50% of net assets (E)													-
Total amount of the above three categories (C+D+E)													570,496.60

Management Discussion and Analysis of Financial Conditions and Operating Results

(2) Environmental protection responsibilities

Environmental protection laws and regulations have been fully implemented in China. However, the management of the Group is of the opinion that other than those that have been accounted for in the financial statements, there are currently no other environmental protection responsibilities that may have a material adverse impact on the financial position of the Group.

(3) Contingent legal liabilities

For the six months ended 30 June 2015, the Group was not involved in any material litigation or arbitration, and to the knowledge of the Group, there was no material litigation or arbitration pending or threatened against or involving the Group.

XIII. ANALYSIS OF PRINCIPAL SUBSIDIARIES AND EQUITY INVESTMENT COMPANIES

(1) Operation and result of principal subsidiaries

Unit: RMB100 million

Company name	Nature of business	Principal products or services	Registered Capital	Total assets	Net assets attributable to the equity holders of the Company	Revenue	Net profit attributable to the equity holders of the Company
China Coal Pingshuo Group Company Limited	Coal production	Coal	160.78	647.88	260.91	85.66	-14.52
Shanghai Datun Energy Resources Company Limited	Coal production	Coal and Primary aluminium, etc.	7.23	150.37	84.34	25.18	-0.25
Shanxi China Coal Huajin Energy Company Limited	Coal production	Coal	28.66	142.65	49.73	18.28	4.08
China Coal Shaanxi Yulin Energy & Chemical Company Limited	Coal chemical products production	Olefin	88.69	255.97	93.84	28.74	5.36

Management Discussion and Analysis of Financial Conditions and Operating Results

(2) Operation and result of principal equity investment companies

Unit: RMB100 million

Company name	Nature of business	Share-holding (%)	Registered capital	Total assets	Revenue	Net profit attributable to the equity holders of the Company
Hebei Sinocoal Risun Coking Company	Coke production	45.0	1.00	42.12	18.68	0.36
Zhejiang Zheneng China Coal Zhoushan Coal & Electricity Company Limited	Coal wholesale operation, electric power production, etc.	27.0	23.44	112.95	18.73	2.66
Datong Zhongxin Energy Company Limited	Coal production	42.0	1.61	1.43	0.96	-0.16
Guotou China Coal Tongmei Jingtang Port Company Limited	Coal quay Construction	21.0	9.66	29.02	4.85	1.91
Tianjin Port China Coal Huaneng Coal Terminal Company Limited	Port logistics	24.5	11.25	18.44	2.98	0.13
Zhongtian Synergetic Energy Company Limited	Coal and coal chemical products production	38.8	160.00	335.24	-	-
Shaanxi Yanchang China Coal Yulin Energy Chemical Company Limited	Coal chemical products production	30.0	70.00	262.55	0.06	0.01

Business Performance

I. COAL OPERATIONS

In the first half of 2015, the domestic coal market sustained adverse situation of serious imbalance between supply and demand, resulting in more fierce market competition and continuously increasing operating pressure for coal enterprises. The Company actively responded to the challenging situation by strengthening market development, optimising production scheduling, strengthening quality control of coal, improving product mix as well as continuing to promote cost reduction and efficiency improvement. In the second quarter of 2015, the coordination of coal production and sales of the Company were relatively smooth as coal inventory dropped from its high level and coal production and sales showed a steady upward trend.

• Coal production

Amid the adverse situation of sharp decrease in national coal production and sales, the Company spared no efforts in responding to the market impact by optimising production scheduling of various mines, striving to increase production volume of mines with good coal quality and favourable mining conditions, as well as making appropriate cuts and setting limits to the production of mines with relatively weak market competitiveness. During the reporting period, the production volume of commercial coal reached 46.27 million tonnes, representing a decrease of 13.09 million tonnes or 22.1% as compared to the same period of 2014, of which the production volume of thermal coal amounted to 42.18 million tonnes and coking coal amounted to 4.09 million tonnes.

By accelerating land requisition and village relocation, striving to balance production scheduling and market demand, making timely adjustment to the production, preparation, loading and blending plans as well as constantly optimising product mix, Pingshuo Company achieved a roadheading length of 11,419 metres in the first half of 2015, and recorded a commercial coal production volume of 31.85 million tonnes, representing a decrease of 30.3% as compared to the same period of 2014. Wangjialing Coal Mine of China Coal Huajin Company maintained stable production with high efficiency. Yaping Mine with annual capacity of 3 million tonnes completed its technical renovation and was put into production. China Coal Huajin Company achieved a roadheading length of 7,164 metres in the first half of 2015; and recorded a commercial coal production volume of 4.61 million tonnes, representing an increase of 27.0% as compared to the same period of 2014, of which clean coking coal amounted to 2.87 million tonnes, representing an increase of 16.2% as compared to the same period of 2014. In line with the actual situation of deep mining of coal mines, Shanghai Energy Company made reasonable arrangements for production continuity, continued to optimise production systems and techniques of mines and achieved a roadheading length of 17,886 metres in the first half of 2015. With reasonable adjustment of preparation techniques and development of marketable products to meet the diverse needs of customers, Shanghai Energy Company achieved commercial coal production volume of 3.92 million tonnes, remaining basically flat as compared to the same period of 2014.

Commercial Coal Production Volume (10 thousand tonnes)	January to June 2015	January to June 2014 (restated)	Change (%)
Total	4,627	5,936	-22.1
Of which: Pingshuo Company	3,185	4,568	-30.3
Shanghai Energy Company	392	401	-2.2
China Coal Huajin Company	461	363	27.0

Note: The production volume of commercial coal for the reporting period and the corresponding period of 2014 does not include the volume of commercial coal produced by Hecaogou Coal Mine of Shaanxi.

Business Performance

- **Coal sales**

Under unprecedented challenging sales pressure in the market, the Company spared no efforts to strengthen market expansion, made timely adjustment to sales strategy, actively developed new markets and customers; continuously optimised product mix to meet the diverse demands of new and existing customers; constantly improved service standard, strived to maintain market share. Mainly due to the impact of factors such as downstream coal-consuming industries with insufficient production capacity and the continued decrease of coal consumption, the Company recorded accumulated commercial coal sales volume of 64.12 million tonnes during the reporting period, representing a decrease of 14.6% as compared to the same period of 2014.

Sales volume of commercial coal (10 thousand tonnes)		January to June 2015	January to June 2014	Change (%)
(I) Domestic sales of self-produced coal		4,624	5,501	-15.9
By region:	North China	1,499	1,161	29.1
	East China	2,304	3,033	-24.0
	South China	748	799	-6.4
	Others	73	508	-85.6
By coal type:	Thermal coal	4,238	5,187	-18.3
	Coking coal	386	314	22.9
By contract:	Long-term contract	3,551	4,288	-17.2
	Spot trading	1,073	1,213	-11.5
(II) Self-produced coal export		18	25	-28.0
By region:	Taiwan, China	18	25	-28.0
By coal type:	Thermal coal	18	25	-28.0
(III) Proprietary trading		1,572	1,790	-12.2
Of which:	Domestic resale	1,491	1,624	-8.2
	Import trading	79	165	-52.1
	Self-operated exports	1.8	1.4	28.6
(IV) Agency sales		198	196	1.0
Of which:	Import agency	2	53	-96.2
	Export agency	97	113	-14.2
	Domestic agency	99	30	230.0
Total		6,412	7,512	-14.6

Business Performance

Making full use of its advantages of economy scale and relatively sound logistics network, the Company exercised control over its product mix and product quality throughout the entire process. By separate mining, loading and shipping in the production process, the quality at the source stage was guaranteed. Through external purchase of low-sulphur raw coal for washing purpose, blending and loading of clean coal and blending at ports, the quality at the logistical stage was improved. Through regular visits to customers and timely understanding clients requirements, the quality at the service stage was enhanced. Meanwhile, the feedback was communicated to various segments in production, transportation and sales, forming closed-loop management. The Company constantly improved its marketing pattern which was in line with its actual situations and customers' needs, and continuously built the price-performance ratio advantage of its products, which eased the sales pressure to some extent. However, due to the inadequate overall demand, both railway transportation volume and sales volume of self-produced commercial coal of the Company dropped sharply as compared to the same period of 2014. During the reporting period, railway transportation volume of self-produced commercial coal amounted to 36.67 million tonnes, representing a decrease of 11.15 million tonnes or 23.3% as compared to the same period of 2014. Sales volume of self-produced coal amounted to 46.42 million tonnes, representing a decrease of 16.0% as compared to the same period of 2014, of which the sales volume of self-produced commercial coal of Pingshuo Company reached 33.01 million tonnes, representing a decrease of 22.6% as compared to the same period of 2014; the sales volume of self-produced commercial coal of Shanghai Energy Company reached 3.37 million tonnes, representing a decrease of 5.6% as compared to the same period of 2014; and the sales volume of self-produced commercial coal of China Coal Huajin Company reached 4.32 million tonnes, representing an increase of 30.9% as compared to the same period of 2014.

II. COAL CHEMICAL OPERATIONS

During the first half of 2015, the Company's newly-commissioned coal chemical projects achieved smooth operation in general, while the costs of products were effectively controlled and the marketing network of coal chemical products was gradually improved. Despite the plunge of international oil prices which adversely impacted the chemical product prices in the domestic market, the coal chemical segment still realised positive economic benefits and mitigated the operating pressure arising from the sluggish performance of the coal operations.

Yulin Olefin Project scientifically organised production, with installed load increasing steadily. During the reporting period, the production volume and sales volume of polyolefin reached 346 thousand tonnes and 332 thousand tonnes respectively, ensuring continuous market expansion. By strengthening the maintenance of equipment, striving to expand the export volume and proactively developing the layout for the Northeastern region, Tuke Fertiliser Project recorded accumulated production volume and sales volume of granular urea of 788 thousand tonnes and 747 thousand tonnes respectively, reflecting the emergence of the economy of scale. With enhanced organisation of production and optimised equipment parameter, Mengda Methanol Project achieved accumulated production volume of methanol of 279 thousand tonnes. Focusing on regional market and grasping the business opportunity brought by the recovering methanol price in the second quarter, the above project realised accumulated sales volume of methanol of 298 thousand tonnes.

Business Performance

Production and sales volume of coal chemical products (10 thousand tonnes)	January to June 2015	January to June 2014	Change (%)
(1) Olefin			
1. Polyethylene: Production volume	17.8	☆	–
Sales volume	17.3	☆	–
2. Polypropylene: Production volume	16.8	☆	–
Sales volume	15.9	☆	–
(2) Urea			
1. Production volume	88.9	36.2	145.6
2. Sales volume	85.0	30.2	181.5
(3) Methanol			
1. Production volume	35.6	21.2	67.9
2. Sales volume	39.0	22.5	73.3
(4) Coke			
1. Production volume	96.2	95.6	0.6
2. Sales volume	109.0	120.5	-9.5
Of which: Sales volume of self-produced coke	96.6	95.3	1.4

- Notes:
1. The methanol sales volume of the Company includes sales of all proprietary methanol products produced by Heilongjiang Coal Chemical Group, a subsidiary of China Coal Group.
 2. ☆ :N/A for the period.
 3. The sales volumes of urea and methanol for January to June 2014 comprised those for the trial production period.

III. COAL MINING EQUIPMENT OPERATIONS

Due to the continued sharp decrease of fixed asset investment in the coal industry, the coal mining equipment market contracted, which restrained the production capacity and heightened competition in the industry. Adhering to the innovation-driven strategy, the Company spared no efforts to expand markets, strengthened management in an all-round manner and extended the industrial chain so as to proactively cope with the unfavourable downward trend of the coal mining equipment market. During the reporting period, the Company achieved RMB2.25 billion of production value of coal mining equipment, representing a decrease of 30.1% as compared to the same period of 2014. The total production volume of coal mining equipment reached 119 thousand tonnes, representing a decrease of 23.6% as compared to the same period of 2014, of which 4,813 units (sets) were major coal mining equipment.

Business Performance

Coal mining equipment	Production value (RMB100 million)			Sales revenue (RMB100 million)	
	January to June 2015	January to June 2014	Change (%)	January to June 2015	Percentage of operating revenue of the coal mining equipment segment (%)
Conveyor equipment	10.3	12.9	-20.2	3.5	13.1
Support equipment	5.6	10.1	-44.6	5.2	19.4
Road header	1.9	3.0	-36.7	0.6	2.2
Shearer	2.6	3.2	-18.8	1.4	5.2
Electric mining motor	2.1	3.0	-30.0	1.7	6.3
Total	22.5	32.2	-30.1	26.8	-

Notes:

1. The revenue of the products in the table represents the sales revenue of the coal mining equipment segment before elimination.
2. The total sales revenue of RMB2.68 billion included revenues generated from accessories, services and trading.

IV. PROGRESS OF OPERATING PLANS

During the first half of 2015, witnessing more challenging market environment, the Company focused on the annual production and operation targets, accelerated adjustment to the structure of operational layout, scientifically organised production, strengthened the coordination among production, transportation and sales, as well as enhanced cost and expense control and strived to improve the business operation of the Company. During the reporting period, mainly affected by the sluggish demand of downstream industries and continuous decrease of coal prices, the Company recorded commercial coal production volume of 46.27 million tonnes, representing a decrease of 22.1% as compared to the same period of 2014; and the Company's operating income decreased by 16.1% to RMB29.75 billion as compared to the same period of 2014. The Company vigorously pushed forward cost reduction and efficiency improvement, stringently controlled non-production expenses, and the unit cost of sales of self-produced commercial coal decreased by 5.8% as compared to the same period of 2014.

Investor Relations

In the first half of 2015, witnessing the sharp fluctuations in the capital market, China Coal Energy kept constant in-depth communication with its domestic and overseas investors through various methods under the guidelines of “taking the initiative to contact, enhancing feedback and caring for the Shareholders”, and held 54 investor meetings of various kinds with 262 attendees in total. These activities included 14 presentations of results and road-show meetings with 114 attendees, 20 day-to-day receptions of investor visits and telephone conferences with 74 participants and attendees, and 20 forums organised by 7 domestic and overseas securities firms with 74 attendees.

China Coal Energy continuously enhanced the transparency of its corporate governance and further improved its disclosure of information. Changes in share price of the Company were closely monitored in accordance with regulatory requirements. Announcement for unusual movements in stock trading was promptly published so as to reassure investors. Forecast for interim results was published voluntarily, and production and operation data of China Coal Energy were disclosed monthly to facilitate coal industry analysts and the large number of corporate investors of the Company to keep abreast of the operating dynamics of the Company. Clarification announcement was published immediately after material untrue media report appeared so as to promptly eliminate the impact caused by such rumours on the Company.

China Coal Energy attached great importance to investor communications and continued to expand the depth and breadth of information disclosure. The Company’s management attended the presentations of 2014 annual results in person, delivered a detailed briefing about the latest business results of the Company, patiently answered the questions raised by investors, and achieved positive effects of communication. Meanwhile, the Company actively participated in various investment forums and adhered to the practice of receiving investors on every Tuesday and Thursday. The Company informed investors in a timely manner of its various measures for making prompt response to the in-depth adjustments in the coal industry to tide over difficulties and striving to cut cost and enhance efficiency to improve operation results. Making full use of the well-established database of investors and analysts, the Company actively enhanced the communication with key investors and provided timely updates about the progress of the transformation and development of the Company so as to understand the dynamics of investors and catch up with the market trends.

On the basis of building up extensive communication with investors, China Coal Energy earnestly collected the concerns and feedback in the capital market and provided the Company with more opinions and suggestions of the Shareholders. The Company focused on enhancing the dynamic tracking of valuation of share price, analysts’ reports and media comments, while tracing hot topics in the capital market, and providing the Company’s management with the response in the capital market in a timely manner to facilitate their decision-making. The Company earnestly arranged the Q&A session in the general meeting so that the voices of minority Shareholders were understood and the Shareholders’ opinions and suggestions could be adopted reasonably. Following the disclosure of the Company’s results, the Company carried out investor surveys, actively enquired as to the views and comments of coal industry analysts on the Company’s operation results, information disclosure and investor relations management, and solicited suggestions from the capital market for the Company’s business development.

China Coal Energy continued to strengthen the awareness of serving the Shareholders and ensured the smooth bilateral information exchange with investors through the communication platform. Through the E-interactive Platform of the Shanghai Stock Exchange, the Company continued to respond to the public about their questions of the Company’s development strategies, business operations, etc., and strived to uplift the coverage and effectiveness of the communication with investors. The Company also appointed dedicated staff to answer the calls from the investor hotline and to deal with emails and faxes, provided minority investors with timely reply, so as to effectively safeguard stakeholders’ right to information.

In the second half of 2015, China Coal Energy will continue to improve its investor relations management mechanism, further enhance the quality of investor communication, and look forward to obtaining more support and attention from investors.

Corporate Governance

I. OVERVIEW OF CORPORATE GOVERNANCE

During the reporting period, the Company regulated its operations in compliance with domestic and overseas regulatory requirements. In accordance with the requirements of the Articles of Association, relevant laws and regulations and the securities regulatory rules of the places where the Company's Shares are listed, etc., and taking into account of its actual circumstances, the Company continued to formulate, improve and effectively execute the various working mechanisms and relevant working procedures of the Board and its various special committees. During the reporting period, through the coordinated operation and effective check and balance among general meeting, the Board, the relevant special committees, the supervisory committee and the corporate management, as well as implementation of an effective internal control system, the internal management and operations of the Company were further regulated with continuous enhancement in management standards.

The 2014 annual general meeting which was convened by the Company on 16 June 2015 elected the executive Directors, the non-executive Directors and the independent non-executive Directors of the third session of the Board, and the shareholder representative supervisors of the third session of the supervisory committee of the Company. Among those elected, Mr. Wang An, Mr. Li Yanjiang and Mr. Gao Jianjun were elected as the executive Directors of the third session of the Board; Mr. Peng Yi, Mr. Liu Zhiyong, Mr. Xiang Xujia were elected as the non-executive Directors of the third session of the Board; Mr. Zhang Ke, Mr. Zhao Pei, Mr. Ngai Wai Fung were elected as the independent non-executive Directors of the third session of the Board. Mr. Zhou Litao and Mr. Zhao Rongzhe were elected as shareholder representative supervisors of the third session of the supervisory committee of the Company. On 16 June 2015, the employee representative meeting of the Company elected Mr. Zhang Shaoping as the employee representative supervisor of the third session of the supervisory committee of the Company.

On 16 June 2015, the Company convened the first meeting of the third session of the Board in 2015, during which the chairman of the Board and the vice chairman of the Board were elected and the senior management of the Company were appointed. Mr. Wang An was elected as the chairman of the Board and Mr. Li Yanjiang was elected as the vice chairman of the Board; Mr. Gao Jianjun was appointed as the president of the Company, and Mr. Qi Hegang, Mr. Niu Jianhua and Mr. Pu Jin were appointed as the vice presidents of the Company; Mr. Weng Qing'an was appointed as the chief financial officer of the Company, and Mr. Zhou Dongzhou was appointed as the secretary to the Board and company secretary of the Company.

The Board currently comprises nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. Five special committees, namely the strategic planning committee, the audit committee, the remuneration committee, the nomination committee, and the safety, health and environmental protection committee, were set up under the Board to assist the Board in making decisions regarding and monitoring the Company's strategic planning, auditing, employees' remuneration, nomination and safety production, etc., respectively. During the reporting period, the Company convened one general meeting, four meetings of the Board and two meetings of the supervisory committee. In strict compliance with the requirements of relevant rules including the Rules of Procedures of Shareholders' General Meetings, the Rules of Procedures of the Board of Directors, and the Provisional Measures on Management of Resolutions of the Board of Directors, the Company continued its efforts in standardising the work flow and improving work quality to ensure rational decision-making and efficient operation.

Corporate Governance

During the reporting period, the management team of the Company, while further defining the rights and responsibilities, enhancing operating and management efficiency as a starting point, and ensuring the pre-condition of standardised operation, sorted out the rules and regulations of the Company once again to advance the “establishment, amendment and abolition” of such rules and regulations. The Company completed the amendment of the manual for functions and powers allocation of the Company, optimised the work flow, and actively promoted the marketisation reform, thereby effectively lowering management costs, broadening the sources of growth for corporate profit and enhancing the competitiveness of the Company.

During the reporting period, the Company and its controlling shareholder, China Coal Group, were independent of each other in respect of business, staff, assets and financial affairs. Save for the internal working relationship in the Company, the Directors, the supervisors and the senior management of the Company were not related to each other in respect of financial affairs, business, family members and other material aspects. Save for the service agreements entered into with the Company, the Directors and the supervisors of the Company had no personal interests, directly or indirectly, in any material contracts entered into by the Company and its subsidiaries in the first half of 2015.

II. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company always attaches great importance to corporate governance and the enhancement of its transparency, complies with the requirements on corporate governance prescribed by domestic and overseas regulatory institutions and makes constant efforts to improve the internal control of the Company, so as to facilitate more standardised and efficient operation of the Company and ensure maximum returns for the Shareholders through excellent corporate governance.

During the reporting period, the Company had complied with the principles and code provisions under the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Hong Kong Listing Rules.

III. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix 10 of the Hong Kong Listing Rules. After the Company made specific enquiries, all Directors and supervisors of the Company confirmed that they had fully complied with the Model Code for Securities Transactions by Directors of Listed Issuers during the reporting period.

IV. AUDIT COMMITTEE

The audit committee under the Board has reviewed the interim report of the Company. In addition, PricewaterhouseCoopers, the external auditor of the Company, performed an independent review on the unaudited condensed consolidated interim financial information of the Company for the six months ended 30 June 2015 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 did not constitute an audit, PricewaterhouseCoopers confirmed in writing that nothing came to their attention which would cause them to believe that the interim financial information was not, in any material aspect, properly prepared in accordance with the International Accounting Standard 34 “Interim Financial Reporting”.

Disclosure of Major Events

I. SHARE CAPITAL STRUCTURE

As at 30 June 2015, the Company's share capital structure was as follows:

Type of Shares	Number of Shares	Unit: share Percentage of the total issued share capital %
A Shares	9,152,000,400	69.03
Of which: A Shares held by China Coal Group	7,605,207,608	57.36
H Shares	4,106,663,000	30.97
Of which: H Shares held by China Coal Hong Kong Limited	132,351,000	1.00
Total	13,258,663,400	100.00
Of which: Shares held by China Coal Group and parties acting in concert with it	7,737,558,608	58.36

II. DISTRIBUTION OF FINAL DIVIDENDS FOR 2014

The Company's plan of profit distribution for the year of 2014 was considered and approved at the Company's 2014 annual general meeting held on 16 June 2015. Cash dividends of RMB319,787,400 were distributed to the Shareholders, representing 30% of the distributable profits which was RMB1,065,958,000 for the year of 2014 as set out in the consolidated financial statements of 2014 prepared in accordance with the International Financial Reporting Standards. The proposed dividend distribution was made based on the Company's entire issued share capital of 13,258,663,400 Shares, representing a dividend of RMB0.024 per share (tax inclusive). The aforesaid final dividends were duly paid to the Shareholders in July 2015.

III. INTERIM PROFIT DISTRIBUTION PLAN FOR 2015

The Company will not distribute any interim profit for 2015.

IV. ASSETS TRANSACTIONS

During the reporting period, the Company had no significant assets transactions.

V. INVESTMENT OF THE COMPANY DURING THE REPORTING PERIOD

(1) Performance of Capital Expenditure Budget during the Reporting Period

In 2015, the Company's capital expenditure budget closely focused on four major business segments, namely coal, coal chemical, coal mining equipment and power generation, and consisted of three categories, namely infrastructure projects, acquisition and maintenance of fixed assets and equity investment. The total capital expenditure budgeted for 2015 was RMB16.832 billion. During the reporting period, the actual investment amount was RMB5.190 billion, representing 30.83% of the annual budget.

Disclosure of Major Events

During the reporting period, certain major projects such as coal mines and power plants were still undergoing approval procedures and their construction was yet to start. As such, the completion rate of capital expenditure was lower as compared to the same period of 2014. Approvals have been granted to four power plant projects recently, and the Company will speed up the construction of the major projects.

Performance of Capital Expenditure Budgeted for the First Half of 2015 (By items)

Unit: RMB100 million

Items of capital expenditure	Actual investment from January to June 2015	Budgeted investment in 2015	Actual investment ratio %
Total	51.90	168.32	30.83
Infrastructure projects	30.06	101.42	29.64
Acquisition and maintenance of fixed assets	6.07	25.14	24.14
Equity investment	15.77	41.76	37.76

Performance of Capital Expenditure Budgeted for the First Half of 2015 (By business segments)

Unit: RMB100 million

Business segments	Actual investment from January to June 2015	Budgeted investment in 2015	Actual investment ratio %
Total	51.90	168.32	30.83
Coal	23.94	91.92	26.04
Coal chemical	21.10	57.25	36.86
Coal mining equipment	0.21	1.71	12.28
Power generation	6.31	16.23	38.88
Others	0.34	1.21	28.10

Disclosure of Major Events

(2) Overall Analysis of External Equity Investments

In the first half of 2015, the Company completed external equity investment of RMB1,577 million. Major equity investment projects included: the contribution of RMB581 million for capital increase in Zhongtian Synergetic Company, the contribution of RMB400 million for capital increase in Mengxi-huazhong Railway Company Limited, the contribution of RMB535 million for equity investment in Ezhou Power Generation Company and the payment of RMB60 million as consideration for acquisition of equity interest in Yuquan Coal Company.

Name of the investee	Principal activities	Percentage of the equity interest in the investee
Zhongtian Synergetic Company	Coal production and coal chemical	38.75%
Mengxi-huazhong Railway Company Limited	Railway transportation	10%
Ezhou Power Generation Company	Power generation	10%
Yuquan Coal Company	Coal production and coal chemical	70%

(3) Use of Proceeds

1. General Use of Proceeds

Unit: RMB100 million

Year of proceeds-raising	Method	Net proceeds	Total amount of proceeds used during the year	Total amount of proceeds used accumulatively	Balance of unutilised proceeds	Intended use and whereabouts of unutilised proceeds
2006	Initial Public Offering of H Shares	144.66	-	144.66	-	-
2008	Initial Public Offering of A Shares	253.20	-	216.14	37.06	Deposited as term deposit with the bank in which the special account for proceeds was maintained.
Total	/	397.86	-	360.80	37.06	/

2. Use of proceeds from H Share issuance

After deducting related expenses, the net proceeds from H Share issuance of the Company amounted to RMB14.466 billion. For the year ended 31 December 2009, all the net proceeds were used in the way disclosed in the prospectus of H Shares. Up till now, among the investment projects funded by the H Share proceeds, Antaibao underground coal mine, Heilongjiang methanol project (with a production capacity of 250,000 tonnes/year), Pingshuo East Open Pit Mine, along with its auxiliary coal preparation plant and designated railway line have been completed and put into production as well as generated revenue.

Disclosure of Major Events

3. Use of proceeds from A Share issuance

As at 30 June 2015, the actual application of proceeds from A Share issuance of the Company amounted to RMB21.614 billion in total, representing approximately 85.4% of the net proceeds from A Share issuance. Details of which are listed below:

Unit: RMB100 million

Committed projects	Any change in project	Proposed investment financed by proceeds	Actual investment financed by proceeds for the year	Actual accumulated investment financed by proceeds	Meet the planned schedule or not	Project progress	Estimated return (Internal rate of return of the project investment after taxation)	Status of return generated	Meets the planned return or not	Explanation on failure to meet the planned schedule and return	Reasons for changes and explanation on the procedures for changes in the use of proceeds
Coal Deep Processing Demonstration Project in Ordos	No	41.58	0	41.58	No	Approval for phase 1 of the coal and chemical segments of the project has been obtained and construction has commenced and preliminary work for phase 2 is in progress	13.94%	—	—	The project is under construction	Please refer to the prospectus of A Shares of China Coal Energy Company Limited
Heilongjiang project and ancillary engineering facilities with an annual production capacity of 10 million tonnes of coal, 1.8 million tonnes of methanol and 0.6 million tonnes of olefin	No	—	0	0.12	—	—	—	—	—	—	Please refer to the announcement in relation to the change in certain investment projects financed by the proceeds from the A share offering of China Coal Energy Company Limited. Announcement No. 2010-019
Supplementing the working capital of the Company for general corporate purpose or for the acquisitions of assets related to core business	No	41.33	0	41.33	Yes	—	—	—	—	—	—
Nalin River No. 2 Coal Mine Project developed by Wushenji Mengda Mining Company Limited with an annual production capacity of 8 million tonnes of coal	Yes	16.69	0	16.19	No	Preliminary work for the project is in progress	18.37%	—	—	The project is pending approval	—
Muduchaideng Coal Mine Project developed by Ordos Yitua Mining Resources Company Limited with an annual production capacity of 6 million tonnes of coal	Yes	44.64	0	16.94	No	Preliminary work for the project is in progress	19.59%	—	—	The project is pending approval	—
Xiaohugou Coal Mine Project developed by Shanxi China Coal Pingshuo Xiaohugou Coal Industry Company Limited with an annual production capacity of 3 million tonnes of coal	Yes	28.06	0	14.98	No	The project has been approved and construction has commenced	34.20%	—	—	The project is under construction	—
Hecaogou Coal Mine Project developed by Shaanxi Yan'an Hecaogou Coal Mine Company Limited with an annual production capacity of 3 million tonnes of coal	Yes	12.00	0	12.00	Yes	The project has passed completion acceptance and been officially put into production	30.57%	Profit of RMB13 million was achieved during the reporting period	No	Sharp decrease in the coal price	Please refer to the announcement in relation to the change in certain investment projects financed by the proceeds from the A share offering of China Coal Energy Company Limited. Announcement No. 2010-019
The Zhangjiakou Coal Machinery Equipment Industrial Park Project developed by China Coal Zhangjiakou Coal Mining Machinery Company Limited	Yes	23.62	0	23.62	Yes	The project has passed completion acceptance and been officially put into production	11.60%	Profit of RMB18 million was achieved during the reporting period	No	Insufficiency of market orders due to market downturn	—
Energy and Chemical Comprehensive Utilisation Project developed by Shaanxi Yanchang China Coal Yulin Energy Chemical Company Limited with an annual production capacity of 0.6 million tonnes of polyethylene and 0.6 million tonnes of polypropylene	Yes	21.00	0	21.00	Yes	The project has been completed and has entered into the stage of trial production	15.51%	—	—	—	—
Supplementing the general working capital of the Company or for the acquisitions of core business related assets	Yes	28.38	0	28.38	Yes	—	—	—	—	—	—
Total	/	257.30	0	216.14	/	/	—	/	/	/	/

Disclosure of Major Events

(4) Status of Investment Projects with Funds not Raised through the Issuance of Shares

The status of major investment projects with funds not raised through the issuance of Shares in the first half of 2015 is set out below:

Unit: RMB100 million

Name of project	Amount involved in the project	Progress of the project	Amount of investment during the reporting period	Accumulated actual amount of investment	Revenue generated from the project
Dahaize Coal Mine of China Coal Shaanxi Yulin Energy & Chemical Company Limited	170.32	Under construction	1.08	21.90	Currently, the project is not completed and no revenue is generated.
Mengda 500,000 tonnes/year Engineering Plastics Project in Inner Mongolia	104.48	Under construction	7.17	81.72	Currently, the project is not completed and no revenue is generated.
Pingshuo Inferior Coal Comprehensive Utilisation Project in Shanxi	43.37	Under construction	2.43	38.08	Currently, the project is not completed and no revenue is generated.
Pingshuo low calorific value coal power generation project in Shanxi	69.32	Under construction	0.12	3.5	Currently, the project is not completed and no revenue is generated.
A newly constructed project of Datun Thermal Power in Jiangsu under the “building large-scale ones and decommissioning small-scale ones” initiative	34.52	Preliminary work in progress	0.07	0.42	Currently, the project is not completed and no revenue is generated.
A newly constructed project of Pingshuo Antaibao low calorific value coal power generation in Shanxi	33.48	Preliminary work in progress	0.01	0.10	Currently, the project is not completed and no revenue is generated.
The second power plant 2×660MW located in the north of Wucai Bay, Zhundong, Xinjiang	48.99	Preliminary work in progress	0.03	0.03	Currently, the project is not completed and no revenue is generated.

Disclosure of Major Events

VI. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

For the six months ended 30 June 2015, 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 Group.

VII. SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2015, to the best knowledge of the Directors, supervisors and chief executive of the Company and as recorded in the register of interests required to be maintained pursuant to section 336 of the Securities and Futures Ordinance, the interests or short positions of the following persons (excluding Directors, supervisors and chief executive of the Company) in the Company’s shares or underlying shares were as follows:

Name of shareholders	Number of shares	Class of shares	Nature of Interest	Capacity	<i>Unit: Share</i>	
					Percentage of the respective class of the total shares in issue (%)	Percentage of the total shares in issue (%)
China National Coal Group Corporation	7,605,207,608	A Shares	N/A	Beneficial owner	83.10	57.36
Funde Sino Life Insurance Co., Ltd.	1,601,827,000	H Shares	Long position	Interest of controlled corporation by substantial shareholders	39.01	12.08
BlackRock, Inc.	260,507,073	H Shares	Long position	Interest of controlled corporation by substantial shareholders	6.34	1.96
	18,063,000		Short position	Interest of controlled corporation by substantial shareholders	0.44	0.14

Note: The information disclosed is based on the information provided on HKSE Website.

Save as disclosed above, as at 30 June 2015, to the best knowledge of the Directors, supervisors and chief executive of the Company, there were no other persons who had interests and/or short positions in the shares or underlying shares of the Company as recorded in the register required to be maintained under section 336 of the Securities and Futures Ordinance.

Disclosure of Major Events

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

As at 30 June 2015, none of the Directors, supervisors or chief executive of the Company had any interests and/or short positions in shares, underlying shares of equity derivatives or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) which are required to be recorded in the register of interests kept by the Company under section 352 of the Securities and Futures Ordinance, or which are required to be notified to the Company and HKSE under the Model Code for Securities Transactions by Directors of Listed Issuers.

As at 30 June 2015, the Company had not granted any rights to any of Directors, supervisors or chief executive of the Company or any of their spouses or children under 18 years of age to subscribe for the Shares or debentures of the Company or its associated corporations, nor did any of the above-mentioned individuals exercise any such rights to subscribe for the aforesaid Shares or debentures.

IX. EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2015, the Company had a total of 53,329 on-the-job employees, including 35,546 production personnel, 983 sales personnel, 8,990 technical personnel, 819 financial personnel, 3,761 administrative personnel and 3,230 other personnel.

According to its development goals, the Company formulated human resources plan and established the corresponding target, principle and methodology, based on which methods and routes were worked out to ensure talent supply and the balance between manpower supply and demand of new bases, enterprises and projects across the business segments. The Company adhered to strict control on total number of employees and optimisation of staff structure, resulting in orderly withdrawal, entrance, deployment and recruitment of staff.

On top of technology improvement and staff skill enhancement, the Company adhered to the strategy of “precision with efficacy” to secure its competitive advantages by enhancing employees’ calibre and optimising talent mix through a variety of effective means. With talented management and technical staff actively recruited through open recruitment, the Company continuously enhanced its level in business management and technology management. The Company built up its innovative platform for high-calibre talents to demonstrate their capabilities and skills and fully capitalised on their functions in solving difficulties in production technology, tackling technological problems, and passing on skills and techniques. To strengthen the training system, the Company attached importance to enhancing the basic skills of front-line staff as well as the competence of mid-level and senior management. The Company continuously reinforced its safe and efficient production foundation while efficiency was promoted by improvement of staff quality.

Disclosure of Major Events

In terms of remuneration strategy for employees, the Company upheld the basic principal of “salary rises as efficiency rises, salary drops as efficiency drops” and constructed a dynamic allocation system linking salaries to corporate earnings, job value and individual performance. The Company further strengthened the reform of internal income distribution mechanism through strict execution of performance-oriented principle of distribution, broadening the boundary of salary control and strict control over total labour costs in order to enhance management efficiency.

In terms of remunerations of the senior management, the Board implemented annual remuneration packages and corresponding appraisal and incentive schemes for the senior management. The annual remuneration for senior management consists of basic salary and performance-based compensation. The basic salary is determined by the production and operation scales of the Company with reference to the prevailing market level and income level of employees. The performance-based compensation is determined in line with the actual operational results of the Company. The basic salary for the senior management of the Company is paid on a monthly basis whereas the payment of performance-based compensation is made after annual performance appraisal.

X. UPDATE ON DIRECTORS’ AND SUPERVISORS’ INFORMATION

Mr. Wang An ceased to be the Dean of the School of Management of China University of Mine and Technology since February 2015.

XI. OTHER SIGNIFICANT EVENTS

(I) Change in Accounting Estimate of the Company

On 24 April 2015, the second meeting of the second session of the Board in 2015 considered and passed the “proposal on the adjustment of depreciation periods of certain fixed assets” and approved the adjustment of the depreciation periods of certain fixed assets of major coal production enterprises by the Company in accordance with the requirements of relevant laws and policies including the Accounting Standards for Business Enterprises.

For details, please refer to the announcements of the Company published on the SSE Website, the HKSE Website and the Company Website on 24 April 2015 and 28 April 2015.

(II) Provision of Guarantee for Hecaogou Company

On 25 May 2015, the third meeting of the second session of the Board in 2015 considered and passed the “proposal on provision of guarantee for bank borrowings of Yan’an Hecaogou Coal Company Limited by China Coal Shaanxi Yulin Energy & Chemical Company Limited in accordance with shareholding ratio” and agreed to submit the proposal to the general meeting of the Company for consideration.

For details, please refer to the announcements of the Company published on the SSE Website, the HKSE Website and the Company Website on 25 May 2015.

Disclosure of Major Events

(III) Investment in Ezhou Power Generation Company

On 24 April 2015, the second meeting of the second session of the Board of the Company in 2015 considered and passed the “proposal on equity investment in the Hubei Energy Group Ezhou Power Generation Company Limited” and approved China Coal Sales and Transportation Company Limited, a subsidiary of the Company, to invest RMB535 million in Ezhou Power Generation Company and hold 10% equity interest in Ezhou Power Generation Company Limited by way of capital and share increase. Up till now, the capital injection of China Coal Sales and Transportation Company Limited has been completed.

For details, please refer to the announcements of the Company published on the SSE Website, the HKSE Website and the Company Website on 24 April 2015.

(IV) Issuance of Medium-Term Notes

On 17 June 2015, the Company issued the first batch of medium-term notes in 2015. The total actual amount of the issuance was RMB10 billion, with a par value of RMB100 for each note, with coupon rate of 4.95% and a term of 7 years. On 18 June 2015, the proceeds raised were fully credited to the account of the Company.

For details, please refer to the announcements of the Company published on the SSE Website, the HKSE Website and the Company Website on 18 June 2015.

XII. SUBSEQUENT EVENTS

(I) External Guarantee

On 21 August 2015, the Board passed the proposal on provision of guarantee for the syndicated loan facility amounting to no more than RMB17.05 billion to Zhongtian Synergetic Company, an associate of the Company. The proposal will be put forward to the general meeting of the Company for consideration, and the formal agreement has not been executed.

(II) Issuance of Bonds

On 4 August 2015, Pingshuo Company, a subsidiary of the Company, issued the short-term financing bonds amounting to RMB1 billion, with a term of one year and annual interest rate of 3.87%.

On 15 July 2015, Shanghai Energy Company, a subsidiary of the Company, issued the short-term financing bonds amounting to RMB500 million, with a term of one year and annual interest rate of 4.14%.

XIII. FORWARD-LOOKING STATEMENTS

The Company would like to caution readers about the forward-looking nature of certain of the above statements. These forward-looking statements are subject to various risks, uncertainties and assumptions, which are beyond the Company’s control. Potential risks and uncertainties include those concerning the market conditions of coal, coal mining equipment and coal chemical industry 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 are not a guarantee of future performance. The Company does not intend to update these forward-looking statements. Actual results of the Company may differ from the information contained in the forward-looking statements as a result of a number of factors.

Report on Review of Interim Financial Information



羅兵咸永道

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 50 to 84, which comprises the interim condensed consolidated balance sheet of China Coal Energy Company Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2015 and the related interim condensed consolidated 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 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, 21 August 2015

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Interim Condensed Consolidated Balance Sheet

As at 30 June 2015

		30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	7	127,382,780	126,367,333
Investment properties		50,130	51,154
Land use rights		4,694,777	4,691,349
Mining and exploration rights	8	32,971,054	33,167,714
Intangible assets	9	1,235,390	264,294
Investments in associates		10,514,167	10,135,191
Investments in joint ventures		1,917,269	670,812
Available-for-sale financial assets		5,583,855	4,340,765
Deferred income tax assets	18	1,863,418	1,155,655
Long-term receivables		234,097	207,675
Other non-current assets	10	5,976,247	7,179,299
Total non-current assets		<u>192,423,184</u>	<u>188,231,241</u>
Current assets			
Inventories	11	7,834,726	8,622,473
Trade and notes receivables	12	14,907,072	13,459,490
Prepayments and other receivables	13	7,198,689	7,217,133
Restricted bank deposits	14	2,476,631	2,534,610
Term deposits with initial terms of over three months	14	11,998,115	5,815,521
Cash and cash equivalents	14	23,572,255	18,131,712
Total current assets		<u>67,987,488</u>	<u>55,780,939</u>
TOTAL ASSETS		<u><u>260,410,672</u></u>	<u><u>244,012,180</u></u>
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital	15	13,258,663	13,258,663
Reserves		42,987,314	43,069,928
Retained earnings			
– Dividends proposed after the balance sheet date		–	319,787
– Others		29,250,601	30,255,365
		<u>85,496,578</u>	<u>86,903,743</u>
Non-controlling interests		<u>16,232,182</u>	<u>16,025,405</u>
Total equity		<u><u>101,728,760</u></u>	<u><u>102,929,148</u></u>

Interim Condensed Consolidated Balance Sheet

As at 30 June 2015

		30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
	<i>Note</i>		
LIABILITIES			
Non-current liabilities			
Long-term borrowings	16	60,123,163	51,015,961
Long-term bonds	17	40,850,475	30,855,018
Deferred income tax liabilities	18	7,424,166	7,505,602
Deferred revenue		695,130	617,942
Provision for employee benefits		48,587	56,777
Provision for close down, restoration and environmental costs	21	1,237,395	1,224,927
Other long-term liabilities		809,612	877,996
Total non-current liabilities		111,188,528	92,154,223
Current liabilities			
Trade and notes payables	19	20,122,273	23,421,126
Accruals, advance and other payables	20	12,281,052	11,745,890
Taxes payables		957,529	904,557
Short-term borrowings	16	5,111,048	6,005,048
Current portion of long-term borrowings	16	8,993,284	6,831,879
Current portion of provision for close down, restoration and environmental costs	21	28,198	20,309
Total current liabilities		47,493,384	48,928,809
Total liabilities		158,681,912	141,083,032
TOTAL EQUITY AND LIABILITIES		260,410,672	244,012,180
NET CURRENT ASSETS		20,494,104	6,852,130
TOTAL ASSETS LESS CURRENT LIABILITIES		212,917,288	195,083,371

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

Wang An
Chairman of the Board
Executive Director

Weng Qing'an
Chief Financial Officer

Chai Qiaolin
Manager of Finance Department

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2015

	Note	Six months ended 30 June	
		2015 Unaudited RMB'000	2014 Unaudited RMB'000
Revenue	6	<u>29,746,556</u>	<u>35,434,584</u>
Cost of sales			
Materials used and goods traded		(11,946,370)	(14,406,057)
Staff costs		(2,123,085)	(2,208,959)
Depreciation and amortisation		(3,182,866)	(2,494,984)
Repair and maintenance		(312,193)	(395,436)
Transportation costs and port expenses		(5,549,251)	(6,276,563)
Sales taxes and surcharges		(827,539)	(622,101)
Others		(3,209,017)	(4,701,551)
Cost of sales		<u>(27,150,321)</u>	<u>(31,105,651)</u>
Gross profit		2,596,235	4,328,933
Selling, general and administrative expenses		(2,095,903)	(2,101,698)
Other income/(loss)		9,522	(157)
Other gains, net		<u>87,166</u>	<u>63,468</u>
Profit from operations		<u>597,020</u>	<u>2,290,546</u>
Finance income	23	430,172	246,873
Finance costs	23	(2,385,580)	(1,141,353)
Share of profits of associates and joint ventures		<u>188,208</u>	<u>92,262</u>
(Loss)/profit before income tax		(1,170,180)	1,488,328
Income tax credit/(expense)	24	<u>324,057</u>	<u>(431,246)</u>
(Loss)/profit for the period		<u>(846,123)</u>	<u>1,057,082</u>
(Loss)/profit attributable to:			
Equity holders of the Company		(1,072,102)	780,224
Non-controlling interests		<u>225,979</u>	<u>276,858</u>
		<u>(846,123)</u>	<u>1,057,082</u>
Basic and diluted (loss)/earnings per share(based on the (loss)/profit attributable to the equity holders of the Company) (RMB Yuan)	25	<u>(0.08)</u>	<u>0.06</u>
Dividends distributed	26	<u>319,787</u>	<u>1,073,952</u>
Dividends proposed after the balance sheet date	26	<u>–</u>	<u>–</u>

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

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	RMB'000	RMB'000
(Loss)/profit for the period	(846,123)	1,057,082
Other comprehensive (loss)/income:		
Items that may be reclassified subsequently to profit or loss		
Fair value changes on available-for-sale financial assets, net of tax	3,485	97
Currency translation differences	(11,517)	12,764
	<u>(8,032)</u>	<u>12,861</u>
Total items that may be reclassified subsequently to profit or loss		
	<u>(8,032)</u>	<u>12,861</u>
Other comprehensive (loss)/income for the period, net of tax	(8,032)	12,861
	<u>(854,155)</u>	<u>1,069,943</u>
Total comprehensive (loss)/income for the period	(854,155)	1,069,943
Total comprehensive (loss)/income attributable to:		
Equity holders of the Company	(1,080,134)	793,085
Non-controlling interests	225,979	276,858
	<u>(854,155)</u>	<u>1,069,943</u>

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

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Attributable to the equity holders of the Company				Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Reserves RMB'000	Retained earnings RMB'000	Subtotal RMB'000		
Unaudited						
Balance at 1 January 2014	13,258,663	43,969,215	30,583,146	87,811,024	15,282,116	103,093,140
Total comprehensive income for the six months ended 30 June 2014	–	12,861	780,224	793,085	276,858	1,069,943
Total transactions with owners, recognised directly in equity						
Appropriations	–	150,078	(150,078)	–	–	–
Share of changes in equity of associates	–	39,456	(34,765)	4,691	(420)	4,271
Acquisition of a subsidiary	–	–	–	–	178,500	178,500
Dividends (Note 26)	–	–	(1,073,952)	(1,073,952)	(12,890)	(1,086,842)
Contributions	–	64	–	64	270,136	270,200
Total transactions with owners, recognised directly in equity	–	189,598	(1,258,795)	(1,069,197)	435,326	(633,871)
Balance at 30 June 2014	<u>13,258,663</u>	<u>44,171,674</u>	<u>30,104,575</u>	<u>87,534,912</u>	<u>15,994,300</u>	<u>103,529,212</u>
Unaudited						
Balance at 1 January 2015	<u>13,258,663</u>	<u>43,069,928</u>	<u>30,575,152</u>	<u>86,903,743</u>	<u>16,025,405</u>	<u>102,929,148</u>
Total comprehensive (loss)/income for the six months ended 30 June 2015	–	(8,032)	(1,072,102)	(1,080,134)	225,979	(854,155)
Total transactions with owners, recognised directly in equity						
Appropriations	–	(59,125)	59,125	–	–	–
Disposal of a subsidiary	–	–	–	–	(26,700)	(26,700)
Share of changes in equity of associates	–	19,154	(19,154)	–	–	–
Dividends (Note 26)	–	–	(319,787)	(319,787)	(9,251)	(329,038)
Contributions	–	1,010	–	1,010	19,500	20,510
Loss of significant influence over associates	–	(35,621)	27,367	(8,254)	(2,751)	(11,005)
Total transactions with owners, recognised directly in equity	–	(74,582)	(252,449)	(327,031)	(19,202)	(346,233)
Balance at 30 June 2015	<u>13,258,663</u>	<u>42,987,314</u>	<u>29,250,601</u>	<u>85,496,578</u>	<u>16,232,182</u>	<u>101,728,760</u>

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

Interim Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2015

	<i>Note</i>	Six months ended 30 June	
		2015	2014
		Unaudited RMB'000	Unaudited RMB'000
Cash flows from operating activities			
Cash generated from operations	27	786,508	1,464,373
Income tax paid		(424,209)	(929,885)
		<hr/>	<hr/>
Net cash generated from operating activities		362,299	534,488
Cash flows from investing activities			
Purchases of property, plant and equipment		(5,947,419)	(9,904,168)
Proceeds from disposals of property, plant and equipment		4,143	14,874
Purchases of land use rights, mining rights and intangible assets		(89,189)	(724,395)
Purchases of available-for-sale financial assets		(400,000)	(10,000)
Decrease in prepayment for investments		–	2,730,000
Increase in prepayment for investments		(164,645)	(80,036)
Acquisition of a subsidiary		–	(47,269)
Payment of prior year's acquisition consideration		(25,000)	(62,905)
Disposal of a subsidiary		(8,058)	–
Dividends received		83,220	80,775
Increase in investments in associates		(1,116,250)	(40,000)
Increase in investments in joint ventures		–	(1,546,404)
Interest income on loan receivables		86,278	74,450
Interest income on term deposits		131,699	264,342
Loan repayment from a joint venture		400,000	–
(Increase)/decrease in placement of term deposits with initial terms of over three months		(6,182,594)	781,183
		<hr/>	<hr/>
Net cash used in investing activities		(13,227,815)	(8,469,553)

Interim Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	Unaudited RMB'000	Unaudited RMB'000
	<i>Note</i>	
Cash flows from financing activities		
Proceeds from short-term borrowings	3,947,700	5,922,314
Repayments of short-term borrowings	(4,841,700)	(3,468,300)
Proceeds from long-term borrowings	14,587,885	12,922,909
Repayments of long-term borrowings	(3,319,278)	(923,556)
Contributions from the Company's shareholders	1,010	64
Contributions from non-controlling interests	19,500	270,136
Dividends paid to the Company's shareholders	–	(1,073,952)
Dividends paid to non-controlling interests	(8,075)	(26,692)
Bond issuance costs	(48,300)	(27,750)
Net proceeds from issuance of bonds	9,976,000	–
Interest paid	(2,009,655)	(1,395,538)
Others	–	(58,254)
	<hr/>	<hr/>
Net cash generated from financing activities	18,305,087	12,141,381
	<hr/>	<hr/>
Net increase in cash and cash equivalents	5,439,571	4,206,316
Cash and cash equivalents, at beginning of the period	18,131,712	11,232,575
Net foreign exchange gains/(losses)	972	(173)
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	<u>23,572,255</u>	<u>15,438,718</u>

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

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

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”) in preparing for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Restructuring”). The Company and its subsidiaries (collectively the “Group”) is principally engaged in mining and processing of coal, sales of coal and coal-chemical 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 have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since December 2006, while its A shares have been listed on the Shanghai Stock Exchange since February 2008.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2015 has been prepared in accordance with International Accounting Standard (“IAS”) 34, ‘Interim Financial Reporting’. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

Amendments to IFRSs effective for the financial year ending 31 December 2015 do not have a material impact on the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on this Group.

4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

4 ESTIMATES (CONTINUED)

- **Change in accounting estimate**

In January 2015, the Group has reassessed and adjusted the useful lives of certain machinery and equipment in the coal segment. The effect of this change in accounting estimate was recognised prospectively from 1 January 2015. As a result of this change, depreciation expense for the period ended 30 June 2015 and the net carrying value of property, plant and equipment as at 30 June 2015 is decreased and increased by RMB183 million and RMB183 million, respectively. Annual depreciation expense for the year ending 31 December 2015 and 2016 is expected to be decreased by RMB338 million and RMB207 million, respectively.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group historically has no fixed policy to use derivatives for hedging purposes. The majority of the financial instruments held by the Group are for purposes other than trading.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2014.

There have been no changes in the risk management since year end.

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities, except for a long-term bond of RMB10,000,000,000 issued on 17 June 2015 with maturity date 18 June 2022.

The table below analyses the undiscounted cash outflow of the bond into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 30 June 2015					
Long-term bonds	519,000	519,000	1,557,000	11,014,000	13,609,000

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

5.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 30 June 2015, the Group has the following assets measured at fair value which we defined as level 1:

	As at 30 June 2015 Unaudited RMB'000	As at 31 December 2014 Audited RMB'000
Available-for-sale financial assets		
– Equity securities (level 1)	26,599	21,953

The fair value of financial instruments traded in active market is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

5.4 Fair value of financial assets and liabilities measured at amortised cost

The fair value of borrowings and long-term bonds are as follows:

	As at 30 June 2015 Unaudited RMB'000	As at 31 December 2014 Audited RMB'000
Borrowings		
Non-current	60,166,286	51,288,821
Current	8,993,284	6,831,879
	<u>69,159,570</u>	<u>58,120,700</u>
Long-term bonds	<u>41,660,468</u>	<u>31,268,770</u>

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and notes receivables
- Other receivables
- Restricted bank deposits
- Term deposits with initial terms of over three months
- Cash and cash equivalents
- Long-term receivables
- Trade and notes payables
- Other payables
- Short-term borrowings
- Other long-term liabilities

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

6 SEGMENT INFORMATION

6.1 General information

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

The chief operating decision maker (“CODM”) has been identified as the President Office (總裁辦公會).

The Group's reportable segments are entities or group of entities that offer different products and services. The following reportable segments are presented in a manner consistent with the way in which information is reported internally to the Group's CODM for the purpose of resource allocation and performance assessment. They are managed according to different nature of products and services, production process and the environment in which they are operating. Most of these entities engage in just one single business, except for a few entities dealing with a variety of operations. Financial information of these entities has been separately presented as discrete segment information for CODM's review.

b. Reportable segment

The Group's reportable segments are coal, coal-chemical product and mining machinery:

- Coal – Production and sales of coal;
- Coal-chemical product – Production and sales of coal-chemical products;
- Mining machinery – Manufacturing and sales of mining machinery.

6.2 Information about reportable segment profit, assets and liabilities

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

The CODM evaluates performance on the basis of profit or loss before income tax expense. The Group accounts for inter-segment 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.

Segment assets and liabilities are those operating assets and liabilities that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets and liabilities exclude deferred income tax assets, deferred income tax liabilities, taxes payable or tax advance payment.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

6 SEGMENT INFORMATION (CONTINUED)

6.2 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 2015 (unaudited)						Total RMB'000
	Coal RMB'000	Coal- chemical product RMB'000	Machinery RMB'000	Others (Note) RMB'000	Non operating Segment RMB'000	Inter- segment Elimination RMB'000	
Revenue							
Total Revenue	20,481,324	6,133,414	2,675,601	1,573,985	-	(1,117,768)	29,746,556
Inter-segment revenue	(522,572)	(2,864)	(180,643)	(411,689)	-	1,117,768	-
Revenue from external customers	19,958,752	6,130,550	2,494,958	1,162,296	-	-	29,746,556
(Loss)/profit from operations	(720,039)	1,406,984	85,301	(36,099)	(157,865)	18,738	597,020
(Loss)/profit before income tax	(1,419,893)	766,719	42,221	156,720	(728,972)	13,025	(1,170,180)
Interest income	43,632	82,832	2,840	277,536	603,290	(579,958)	430,172
Interest expense	(790,201)	(747,221)	(41,951)	(83,576)	(1,307,038)	579,958	(2,390,029)
Depreciation and amortisation	(2,208,964)	(821,812)	(178,849)	(252,848)	(18,245)	-	(3,480,718)
Share of profits/(loss) of associates and joint ventures	37,700	23,848	(408)	-	127,068	-	188,208
Income tax credit/(expense)	592,470	(197,129)	(12,808)	(51,966)	-	(6,510)	324,057
Other material non-cash items							
Reversal of/(provision for) impairment of other assets	(62,273)	100	(9,496)	(46,709)	-	-	(118,378)
Segment assets and liabilities							
Total assets	135,128,423	50,061,705	17,357,644	18,878,900	44,081,344	(5,097,344)	260,410,672
Include: investment in associates and joint ventures	2,361,522	491,798	101,044	-	9,477,072	-	12,431,436
Addition to non-current assets	3,848,468	1,330,824	329,556	70,115	2,753	-	5,581,716
Total liabilities	46,734,381	29,933,736	6,010,931	4,644,233	76,485,208	(5,126,577)	158,681,912

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

6 SEGMENT INFORMATION (CONTINUED)

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

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

	For the six months ended 30 June 2014 (unaudited) and as at 31 December 2014 (audited)						Total RMB'000
	Coal RMB'000	Coal- chemical product RMB'000	Machinery RMB'000	Others (Note) RMB'000	Non operating Segment RMB'000	Inter- segment Elimination RMB'000	
Revenue							
Total Revenue	29,425,497	1,843,420	3,131,588	1,834,716	–	(800,637)	35,434,584
Inter-segment revenue	(230,970)	–	(144,518)	(425,149)	–	800,637	–
Revenue from external customers	29,194,527	1,843,420	2,987,070	1,409,567	–	–	35,434,584
Profit/(loss) from operations	2,361,999	(52,778)	126,438	53,163	(222,394)	24,118	2,290,546
Profit/(loss) before income tax	1,726,201	(93,335)	111,412	34,449	(314,517)	24,118	1,488,328
Interest income	97,024	5,161	3,467	2,291	335,657	(196,727)	246,873
Interest expense	(663,283)	(125,870)	(17,533)	(20,543)	(478,417)	196,727	(1,108,919)
Depreciation and amortisation	(2,298,098)	(109,377)	(121,834)	(252,851)	(14,446)	–	(2,796,606)
Share of profits of associates and joint ventures	21,889	15,531	323	–	54,519	–	92,262
Income tax expense	(392,957)	(412)	(26,573)	(4,654)	(174)	(6,476)	(431,246)
Other material non-cash items							
Reversal of/(provision for) impairment of other assets	(51,546)	–	(40,168)	(78,974)	–	593	(170,095)
Segment assets and liabilities							
Total assets	129,599,546	47,114,655	17,818,074	20,676,189	32,904,812	(4,101,096)	244,012,180
Include: investment in associates and joint ventures	575,662	633,708	80,714	–	9,515,919	–	10,806,003
Addition to non-current assets	12,936,448	10,180,976	1,606,127	302,788	598,393	–	25,624,732
Total liabilities	47,559,419	22,580,340	6,361,641	6,015,806	62,564,986	(3,999,160)	141,083,032

Note:

These activities are excluded from the reportable operating segments, as these activities are not reviewed by the CODM.

Other segments primarily relate to finance, aluminium, electricity generating, equipment trading agency services, tendering services and other insignificant manufacturing businesses.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

6 SEGMENT INFORMATION (CONTINUED)

6.3 Geographical information

Analysis of revenue

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	<i>RMB'000</i>	<i>RMB'000</i>
Domestic markets	28,915,759	35,233,986
Asia-Pacific markets	303,323	200,598
Other overseas markets	527,474	—
	<u>29,746,556</u>	<u>35,434,584</u>

Note:

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

Analysis of non-current assets

	30 June	31 December
	2015	2014
	Unaudited	Audited
	<i>RMB'000</i>	<i>RMB'000</i>
PRC	184,741,278	182,526,495
Australia	536	651
	<u>184,741,814</u>	<u>182,527,146</u>

Note:

The non-current assets above exclude financial instruments and deferred income tax assets.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

7 PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 June	
	2015	2014
	Unaudited RMB'000	Unaudited RMB'000
Opening net book amount	126,367,333	110,015,200
Acquisition of a subsidiary	–	113,099
Disposal of a subsidiary	(9,662)	–
Transfer from mining and exploration rights	12,946	–
Additions	5,354,359	10,750,418
Transfer to land use right	(53,724)	–
Transfer to intangible assets	(1,000,167)	–
Transfer to investment properties	–	(13,471)
Disposals	(18,715)	(24,118)
Depreciation charge	(3,269,590)	(2,632,464)
	<u>127,382,780</u>	<u>118,208,664</u>
Closing net book amount	<u>127,382,780</u>	<u>118,208,664</u>

8 MINING AND EXPLORATION RIGHTS

	Mining rights	Exploration	Total
	<i>RMB'000</i>	<i>rights RMB'000</i>	<i>RMB'000</i>
Unaudited			
Balance at 1 January 2015	13,357,604	19,810,110	33,167,714
Additions	–	195	195
Transfer to property, plant and equipment	(12,946)	–	(12,946)
Amortisation	(183,909)	–	(183,909)
	<u>13,160,749</u>	<u>19,810,305</u>	<u>32,971,054</u>
Balance at 30 June 2015	<u>13,160,749</u>	<u>19,810,305</u>	<u>32,971,054</u>
Unaudited			
Balance at 1 January 2014	12,913,939	19,652,905	32,566,844
Additions	770,549	–	770,549
Amortisation	(186,349)	–	(186,349)
	<u>13,498,139</u>	<u>19,652,905</u>	<u>33,151,044</u>
Balance at 30 June 2014	<u>13,498,139</u>	<u>19,652,905</u>	<u>33,151,044</u>

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

9 INTANGIBLE ASSETS

	Technical know-how RMB'000	Others RMB'000	Total RMB'000
Unaudited			
Balance at 1 January 2015	–	264,294	264,294
Additions	826,836	189,443	1,016,279
Disposal of a subsidiary	–	(8,875)	(8,875)
Disposals	–	(135)	(135)
Amortisation	(20,407)	(15,766)	(36,173)
	<u>806,429</u>	<u>428,961</u>	<u>1,235,390</u>
Balance at 30 June 2015			
Unaudited			
Balance at 1 January 2014	–	159,104	159,104
Additions	–	22,303	22,303
Disposals	–	(99)	(99)
Amortisation	–	(10,997)	(10,997)
	<u>–</u>	<u>170,311</u>	<u>170,311</u>
Balance at 30 June 2014			

10 OTHER NON-CURRENT ASSETS

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Prepayments for long-term investments (<i>Note (a)</i>)	2,393,868	3,484,655
Prepayments for mining and exploration rights (<i>Note (b)</i>)	1,882,715	1,882,715
Prepayments for constructions in progress and equipment	215,572	227,266
Deductible value added tax	904,182	821,612
Others	579,910	763,051
	<u>5,976,247</u>	<u>7,179,299</u>
Total		

Note:

- (a) In line with the Group's strategy of expanding its coal resources, the Group has entered into a series of agreements for the acquisitions and restructuring of several local coal mines. In this regard, as at 30 June 2015, the Group has paid RMB2,393,868,000 (31 December 2014: RMB3,484,655,000) according to the signed agreements. As the relevant legal procedures are still in process, such balances are recorded as other non-current assets.
- (b) As at 30 June 2015, the Group has paid RMB1,882,715,000 (31 December 2014: RMB1,882,715,000) for the acquisitions of mining and exploration rights. As the relevant legal procedures related to mining and exploration licenses are still in process, such balances are recorded as other non-current assets. These prepayments will be transferred to mining and exploration rights upon completion of related legal procedures.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

11 INVENTORIES

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Coal	1,795,745	2,286,610
Machinery for sale	2,892,123	2,844,838
Coal chemical products	340,027	393,342
Auxiliary materials, spare parts and tools	2,806,831	3,097,683
	<u>7,834,726</u>	<u>8,622,473</u>

The provisions for impairment of inventories of the Group amounted to RMB243,751,000 as at 30 June 2015 (31 December 2014: RMB176,041,000).

12 TRADE AND NOTES RECEIVABLES

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Trade receivables, net (<i>Note (a)</i>)	10,547,374	8,222,019
Notes receivables (<i>Note (b)</i>)	4,359,698	5,237,471
	<u>14,907,072</u>	<u>13,459,490</u>

Notes:

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

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Within 6 months	6,939,270	5,214,360
6 months – 1 year	2,162,053	1,607,463
1 – 2 years	1,247,776	1,266,055
2 – 3 years	364,466	292,017
Over 3 years	297,737	290,967
	<u>11,011,302</u>	<u>8,670,862</u>
Trade receivables, gross	11,011,302	8,670,862
Less: Impairment of receivables	(463,928)	(448,843)
	<u>10,547,374</u>	<u>8,222,019</u>

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

12 TRADE AND NOTES RECEIVABLES (CONTINUED)

Notes: (continued)

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

Trade receivables are normally with credit terms up to 30 days, depending on the credit history of the customer and other commercial terms of the sales contract. As at 30 June 2015 and 31 December 2014, there are no significant trade receivables that are past due but are not impaired.

The individually impaired receivables primarily relate to customers who are in financial difficulty.

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, domestically and internationally dispersed.

The Group does not hold any collateral as security.

Trade receivables from related parties are unsecured, interest free and repayable on demand in accordance with the relevant contract entered into between the Group and the related parties.

(b) Notes receivables are principally bank accepted bills of exchange with maturity of less than one year (31 December 2014: less than one year).

13 PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Advances to suppliers	1,985,778	1,438,188
Entrusted loans	1,700,000	2,100,000
Interest receivable	142,646	131,008
Dividends receivable	20,781	29,490
Loan to a fellow subsidiary	297,000	300,000
Other amounts due from related parties, gross	153,826	48,283
Other amounts due from third parties, gross	<u>3,494,166</u>	<u>3,772,149</u>
	7,794,197	7,819,118
Less: Impairment of prepayment and other receivables	<u>(595,508)</u>	<u>(601,985)</u>
Prepayments and other receivables, net	<u><u>7,198,689</u></u>	<u><u>7,217,133</u></u>

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

14 CASH AND BANK DEPOSITS

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Term deposits with initial terms of over three months	11,998,115	5,815,521
Restricted bank deposits (<i>Note (a)</i>)	2,476,631	2,534,610
Cash and cash equivalents		
– Cash on hand	52,253	1,715
– Deposits with banks and other financial institutions	23,520,002	18,129,997
	23,572,255	18,131,712

Note:

- (a) Restricted bank deposits mainly include the deposits set aside for the transformation fund and the environmental restoration fund as required by the regulations, deposits pledged for issuance of notes payable and the mandatory reserve deposits in the People's Bank of China.

15 SHARE CAPITAL

	30 June 2015 (Unaudited)		31 December 2014 (Audited)	
	Number of shares (thousands)	Nominal value RMB'000	Number of shares (thousands)	Nominal value RMB'000
Registered, issued and fully paid:				
Domestic shares ("A shares") of RMB1.00 each				
– held by China Coal Group	7,605,208	7,605,208	7,605,208	7,605,208
– held by other shareholders	1,546,792	1,546,792	1,546,792	1,546,792
H shares of RMB1.00 each				
– held by a wholly-owned subsidiary of China Coal Group	132,351	132,351	132,351	132,351
– held by other shareholders	3,974,312	3,974,312	3,974,312	3,974,312
	13,258,663	13,258,663	13,258,663	13,258,663

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

16 BORROWINGS AND BANKING FACILITIES

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Long-term borrowings		
Bank loans and loans from other financial institutions		
– Secured	6,710,268	5,314,761
– Guaranteed	2,695,285	2,819,185
– Unsecured	59,710,894	49,713,894
	69,116,447	57,847,840
Less: Amount due within one year under current liabilities	(8,993,284)	(6,831,879)
	60,123,163	51,015,961
Short-term borrowings		
Bank loans and loans from other financial institutions		
– Secured	36,000	250,000
– Unsecured	5,074,448	5,754,448
	5,110,448	6,004,448
Other unsecured loans from		
– Non-controlling interests of certain subsidiaries	600	600
	5,111,048	6,005,048

Notes:

(a) The movements in borrowings are analysed below:

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	RMB'000	RMB'000
Opening balance	63,852,888	40,094,963
Additions	18,535,585	18,845,223
Payments	(8,160,978)	(4,391,856)
Exchange loss	–	15,656
Ending balance	74,227,495	54,563,986

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

16 BORROWINGS AND BANKING FACILITIES (CONTINUED)

Notes: (continued)

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

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Bank loans and loans from other financial institutions		
– Within one year	8,993,284	6,831,879
– In the second year	14,763,074	12,670,732
– In the third to fifth year	26,634,662	23,607,251
– After the fifth year	18,725,427	14,737,978
	<u>69,116,447</u>	<u>57,847,840</u>

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

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Floating rates		
– Expiring within one year	169,274,000	164,587,000
– Expiring beyond one year	10,462,000	25,390,000
	<u>179,736,000</u>	<u>189,977,000</u>

17 LONG-TERM BONDS

	Group	
	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Bonds payable	40,598,475	30,723,018
Commission payable – non-current	252,000	132,000
	<u>40,850,475</u>	<u>30,855,018</u>

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

17 LONG-TERM BONDS (CONTINUED)

The bonds are initially recognised at the amount of the total proceeds net of the commission paid on the date of issuance. The accrued interest and the current portion of commission payable are recorded in interest payable and accruals, advance and other payables as follows.

	Group	
	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Bonds interest payable	1,469,537	591,179
Commission payable – current	97,650	121,950
	<u>1,567,187</u>	<u>713,129</u>

18 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movements in deferred tax assets and liabilities during the period, without taking into account the offsetting of balances within the same tax jurisdiction, are as follows:

	Deferred income tax assets RMB'000	Deferred income tax liabilities RMB'000	Total RMB'000
Unaudited			
Opening balance at 1 January 2015	1,247,513	(7,597,460)	(6,349,947)
Credited to income statement	693,749	96,611	790,360
Charge to other comprehensive income	–	(1,161)	(1,161)
	<u>1,941,262</u>	<u>(7,502,010)</u>	<u>(5,560,748)</u>
Ending balance at 30 June 2015	<u>1,941,262</u>	<u>(7,502,010)</u>	<u>(5,560,748)</u>
Unaudited			
Opening balance at 1 January 2014	806,208	(8,096,215)	(7,290,007)
Credited to income statement	184,737	591,007	775,744
Acquisition of a subsidiary	–	(157,559)	(157,559)
Charge to other comprehensive income	–	(32)	(32)
	<u>990,945</u>	<u>(7,662,799)</u>	<u>(6,671,854)</u>
Ending balance at 30 June 2014	<u>990,945</u>	<u>(7,662,799)</u>	<u>(6,671,854)</u>

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

19 TRADE AND NOTES PAYABLES

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Trade payables (<i>Note (a)</i>)	18,210,638	20,641,683
Notes payables	1,911,635	2,779,443
	<u>20,122,273</u>	<u>23,421,126</u>

Note:

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

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Less than 1 year	14,921,676	16,707,059
1 – 2 years	2,085,616	2,951,493
2 – 3 years	624,405	559,899
Over 3 years	578,941	423,232
	<u>18,210,638</u>	<u>20,641,683</u>

20 ACCRUALS, ADVANCE AND OTHER PAYABLES

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Customer deposits and receipts in advance	1,541,388	1,416,512
Payable for acquisition of subsidiaries	882,864	907,864
Payable for compensation for local mining companies	287,047	286,994
Dividends payable	637,234	316,271
Payables for site restoration	215,157	234,704
Salaries and staff welfare payable	721,682	784,636
Interest payable	1,710,729	691,841
Payables for mining rights	285,218	212,676
Advance from a non-controlling interest of a subsidiary	334,172	325,147
Contractor deposits	993,903	1,045,139
Short-term bonds	500,000	500,000
Deposits from fellow subsidiaries	1,456,279	2,138,685
Other amounts due to related parties	313,392	221,858
Other amounts due to third parties	2,401,987	2,663,563
	<u>12,281,052</u>	<u>11,745,890</u>

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

21 PROVISION FOR CLOSE DOWN, RESTORATION AND ENVIRONMENTAL COSTS

	Six months ended 30 June	
	2015	2014
	Unaudited RMB'000	Unaudited RMB'000
Opening balance	1,245,236	1,173,793
Unwinding of discount	21,221	20,852
Provisions	5,255	6,123
Payments	(6,119)	(837)
	<hr/>	<hr/>
Ending balance	1,265,593	1,199,931
Less: current portion	(28,198)	(26,360)
	<hr/>	<hr/>
	1,237,395	1,173,571
	<hr/> <hr/>	<hr/> <hr/>

22 EXPENSES BY NATURE

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

	Six months ended 30 June	
	2015	2014
	Unaudited RMB'000	Unaudited RMB'000
Depreciation	3,213,439	2,554,898
Amortisation	267,279	241,708
Materials used and goods traded	11,946,370	14,406,057
Transportation costs and port expenses	5,549,251	6,276,563
Sales tax and surcharges	827,539	622,101
Auditors' remuneration	2,000	2,000
Net losses on disposal of property, plant and equipment	14,572	7,636
Repair and maintenance	317,041	410,040
Operating lease rentals	112,005	93,011
Provision for impairment of inventories	106,260	104,330
Provision for impairment of receivables	12,118	65,765
Employee benefit expense (including directors' emoluments)	3,199,054	3,330,562
Mineral and water resource compensation fees	52,993	320,900
Sustainable development charge	–	814,337
Other expenses	3,626,303	3,957,441
	<hr/>	<hr/>
Total cost of sales, selling, general and administrative expenses	29,246,224	33,207,349
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

23 FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2015	2014
	Unaudited RMB'000	Unaudited RMB'000
Interest expense:		
– Bank borrowings	2,188,772	1,408,509
– Long-term bonds	883,228	864,466
– Unwinding of discount	47,978	40,571
Other incidental borrowing costs and charges	6,355	2,275
Net foreign exchange (gains)/losses	<u>(10,804)</u>	<u>30,159</u>
Finance costs	3,115,529	2,345,980
Less: amounts capitalised on qualifying assets	<u>(729,949)</u>	<u>(1,204,627)</u>
Total finance costs	<u><u>2,385,580</u></u>	<u><u>1,141,353</u></u>
Finance income:		
– interest income on bank deposits	343,894	242,894
– interest income on loans to related parties	<u>86,278</u>	<u>3,979</u>
Total finance income	<u><u>430,172</u></u>	<u><u>246,873</u></u>
Finance costs, net	<u><u>1,955,408</u></u>	<u><u>894,480</u></u>

Note:

- (a) Finance costs capitalised on qualifying assets are related to funds borrowed for the purpose of obtaining a qualifying asset. Capitalisation rates on such borrowings were as follows:

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
Capitalisation rate used to determine the amount of finance costs eligible for capitalisation	<u><u>5.25%-6.92%</u></u>	<u><u>5.90%-6.77%</u></u>

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

24 INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	RMB'000	RMB'000
Current income tax		
– PRC enterprise income tax (<i>Note (a)</i>)	466,307	1,206,990
Deferred income tax (<i>Note 18</i>)	(790,360)	(775,744)
	<u>(324,057)</u>	<u>431,246</u>

Note:

- (a) The provision for PRC enterprise income tax (“EIT”) is calculated based on the statutory income tax rate of 25%. The applicable income tax rate in 2015 and 2014 is 25% of the assessable income of each of the companies now comprising the Group, determined in accordance with the relevant PRC income tax rules and regulations, except for certain subsidiaries which are taxed at preferential tax rate 15% based on the relevant PRC tax laws and regulations.

25 (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share for the six months ended 30 June 2015 and 2014 is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the number of 13,258,663,000 ordinary shares in issue during the period.

As the Company had no dilutive instruments for the six months ended 30 June 2015 and 2014, diluted (loss)/earnings per share is the same as basic earnings per share.

26 DIVIDENDS

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	RMB'000	RMB'000
Dividends		
– final dividends for 2013 (<i>Note (a)</i>)	–	1,073,952
– final dividends for 2014 (<i>Note (b)</i>)	319,787	–

Notes:

- (a) On 13 May 2014, after approval from the annual general meeting of shareholders, the Company declared 2013 final dividend of RMB0.081 Yuan per share, and the Company made dividend payment of approximately RMB1,073,952,000 for the six months ended 30 June 2014.
- (b) On 16 June 2015, after approval from the annual general meeting of shareholders, the Company declared 2014 final dividend of RMB0.024 Yuan per share, and the Company made dividend payment of approximately RMB319,787,000 in July 2015.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

27 NOTES TO THE INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

a. Reconciliation of (loss)/profit before income tax for the period to cash generated from operations

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	RMB'000	RMB'000
(Loss)/profit before income tax	(1,170,180)	1,488,328
Adjustments for:		
Property, plant and equipment		
– depreciation charge	3,213,439	2,554,898
– net losses on disposals (<i>Note 22</i>)	14,572	7,636
Land use rights, mining rights and intangible assets		
– amortisation charge	267,279	241,708
Provision for impairment of receivables	12,118	65,765
Provision for impairment of inventories	106,260	104,330
Share of profits of associates and joint ventures	(188,208)	(92,262)
Net foreign exchange (gains)/losses	(10,804)	30,159
Gains from losing significant influence over associates	(11,005)	–
Interest income	(229,615)	(209,389)
Interest expense	2,390,029	1,108,919
Dividend income	(9,523)	–
Changes in working capital:		
Inventories	693,038	(1,962,391)
Trade and notes receivables	(1,532,036)	(1,757,595)
Prepayments and other receivables	(844,511)	(916,724)
Trade and notes payables	(2,070,724)	560,732
Accruals, advance and other payables	109,921	611,013
Restricted bank deposits	57,979	(360,547)
Provision for employee benefits	(10,657)	(15,493)
Provision for close down, restoration, and environmental costs	(864)	5,286
Cash generated from operations	786,508	1,464,373

28 CONTINGENT LIABILITIES

The Group is a defendant in a number of lawsuits arising in the ordinary course of business. While the outcomes of such lawsuits 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 the Group.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

29 COMMITMENTS

(a) Capital commitments

Capital expenditure of property, plant and equipment authorised by the board of directors which has not been contracted for as of 30 June 2015 amounts to RMB4,828,000 (31 December 2014: RMB8,963,000).

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

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Property, plant and equipment	13,539,512	6,727,896
Others	<u>1,067,116</u>	<u>1,251,629</u>
	<u>14,606,628</u>	<u>7,979,525</u>

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

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

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Land and buildings:		
– Within 1 year	115,095	67,193
– From 1 year to 5 years	317,012	242,664
– Over 5 years	<u>713,878</u>	<u>744,210</u>
	<u>1,145,985</u>	<u>1,054,067</u>

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

29 COMMITMENTS (CONTINUED)

(c) Investment commitments

According to the agreement entered into on 16 August 2012, Mengxi-Huazhong Railway Company Limited (“Mengxi-Huazhong”) was incorporated by the Company, China Railway Investment Corporation and other 14 companies. As a 10% shareholder, as at 30 June 2015 the Company has invested RMB1,413 million in Mengxi-Huazhong and is committed to further invest RMB5,284 million by instalments in the future.

According to the agreement entered into on 29 June 2011 between the Company, Yima Coal Industry Group Company Limited and Shanxi Haizi Jiaohua Company Limited (“Haizi Jiaohua”), as at 30 June 2015 the Company has paid RMB178 million to Haizi Jiaohua as part of the consideration to acquire 51% interests in Jinchang and committed to pay the remaining consideration of RMB301 million in the future when certain condition is fulfilled.

According to the agreement entered into on 29 June 2011 between the Company and Haizi Jiaohua, as at 30 June 2015 the Company has paid RMB293 million to Haizi Jiaohua as part of the consideration to acquire 63% interests in Yushuo and committed to pay the remaining consideration of RMB446 million in the future when certain condition is fulfilled.

According to the agreement entered into on 15 July 2006, Zhongtian Synergetic Energy Company Limited (“Zhongtian Synergetic”) was incorporated by the Company, China Petroleum & Chemical Corporation and other 3 companies. As a 38.75% shareholder, as at 30 June 2015 the Company has invested RMB5,593 million in Zhongtian Synergetic and is committed to further invest RMB607 million by instalments in the future.

30 SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group has extensive transactions with its parent company, China Coal Group. For the purpose of disclosures of related party transactions, to the extent possible, the Group has procedures in place to assist the identification of the immediate ownership structure of its customers and suppliers as to whether they are related parties. 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 related parties are at state-prescribed prices or prices which are also available to other customers. The Group considers that these sales are activities in the ordinary course of business.

Set out below is a summary of significant related party transactions for the period ended 30 June 2015 and 2014.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

30 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions

	Six months ended 30 June	
	2015 Unaudited RMB'000	2014 Unaudited RMB'000
Transactions with the Parent Company and fellow subsidiaries:		
<i>Coal Export and Sales (i)</i>		
Charges for agency services of coal export	798	585
<i>Integrated Material and Services Mutual Provision (ii)</i>		
Purchase of production material, machinery and equipment	1,178,543	1,215,600
Charges for social and support services	22,899	39,693
Sales of production material, machinery and equipment	253,539	180,525
Revenue of coal export-related services	4,304	6,307
<i>Mine Construction, Design and General Contracting Service (iii)</i>		
Charges for mine construction and design services	1,168,625	1,852,284
<i>Property Leasing (iv)</i>		
Rental fees	38,774	41,793
<i>Land Use Rights Leasing (v)</i>		
Rental fees	30,167	30,810
<i>Coal Supplies (vi)</i>		
Coal purchase	896,086	837,013
<i>Financial services (vii)</i>		
Loans provided	296,976	–
Deposits received	1,568,289	391,892
Interest paid	15,738	381
Interest received	15,886	–

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

30 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions (continued)

	Six months ended 30 June	
	2015 Unaudited RMB'000	2014 Unaudited RMB'000
<i>Fee paid for use of trademark (viii)</i>	RMB1	RMB1
Transactions with joint ventures		
Loans provided to joint ventures	1,802,000	102,000
Interest income on loans to joint ventures	70,392	3,979
Sales of coal	100,473	99,244
<i>Purchases of goods and services</i>		
Purchases of materials and spare parts	–	1,349
Purchases of coal	65,676	–
Transactions with associates		
<i>Sales and services provided</i>		
Sales of machinery and equipment	36,223	7,899
Sales of materials and spare parts	211,452	–
Railway rental income	76,826	61,095
Income from providing labour services	26,396	–
Sales of coal	350,574	444,869
<i>Purchases of goods and services</i>		
Purchases of coal	38,728	–
Purchases of materials and spare parts	8,798	10,605
Transportation services	223,602	228,640
Transactions with primary shareholder of a significant subsidiary		
<i>Sales and services provided (ix)</i>		
Sales of coal	210,606	–
<i>Purchases of goods and services (ix)</i>		
Purchases of coal	71,710	–
Infrastructural Project and Procurement of Coal Mining Facilities Services (ix)		
Charges paid for infrastructural project and procurement of coal mining facilities services	110,903	–

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

30 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions (continued)

Note:

- (i) Under relevant PRC laws 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 China 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 China 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 31 December 2008. The agreement has been renewed to extend the term to 31 December 2017.
- (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. The Company and China Coal Group entered into Supplementary Agreement to Integrated Materials and Services Mutual Provision Framework Agreement on 31 December 2012. Pursuant to the agreement, the service fee is 65% of the actual service fee in respect of each ton of coal products exported. The above two agreements have been renewed to extend the term to 31 December 2017.
- (iii) The Company and China Coal Group entered into Mine Construction and Design Framework Agreement on 5 September 2006, followed with contract renewal under the name of Mine Construction, Mine Design and General Contracting Service Framework Agreement upon its expiry date of 31 December 2008. Subsequently, the Company and China Coal Group extend this contract and change its name to Project Design, Construction and General Contracting Framework Agreement when the contract is due on 31 December 2011. The deal mainly includes:
- China Coal Group provides the Company with engineering design, construction and general contracting;
 - China Coal Group undertakes projects which the Company subcontracts;
 - For engineering design, construction and general contracting, services providers and pricing would be determined in the form of public bidding;
 - The agreement is valid up to 31 December 2014.
- The agreement has been renewed to extend the term to 31 December 2017.
- (iv) The Company and China Coal Group entered into a Property Lease Framework Agreement on 5 September 2006, pursuant to which the Company leases from China Coal Group certain buildings and properties in the PRC for general business and ancillary purposes. The annual lease payment is subject to review and adjustment every three year based on market price. The Company and China Coal Group renewed the Property Leasing Framework Agreement in 2014, which is effective till December 2024, agreeing a cap of annual lease payment of RMB105,000,000 for 2015 to 2017.
- (v) The Company and China Coal Group entered into a Land Use Rights Lease Framework Agreement on 5 September 2006, pursuant to which the Company leases certain land use rights in the PRC from China Coal Group for general business and ancillary purposes. The annual lease payment is subject to review and adjustment every three year based on market price. This agreement is effective for 20 years. The cap of annual lease payment for 2015 to 2017 is RMB 61,000,000.
- (vi) The Company and China Coal Group entered into a Coal Supplies Framework Agreement on 31 December 2008, under which China Coal Group will produce that all coal products produced from the retained mines be supplies exclusively to the Company, and has undertaken not to sell any such coal products to any third party. The agreement has been renewed to extend the term to 31 December 2017.
- (vii) China Coal Finance Co., Ltd and China Coal Group entered into a Financial Services Framework Agreement on 18 March 2014, under which the Company provides financial services to China Coal Group within its business scope. This agreement is valid until 31 December 2014, taking effect from 18 March 2014. The agreement has been renewed to extend the term to 31 December 2017.
- (viii) The Company and China Coal Group entered into a Trademark License Framework Agreement on 5 September 2006, under which the Company is authorised to use partial registered trademarks of companies without use at the cost of RMB1. This agreement is valid for 10 years, taking effect from 22 August 2006.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

30 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions (continued)

Note: (continued)

- (ix) The Company and Shanxi Coking Coal Group Co., Limited (“Shanxi Coking Coal Group”) entered into the Coal and Coal Related Products and Services Supply Agreement on 23 October 2014, under which the Company purchases the coal and coal related products and accepts services from Shanxi Coking Coal Group and Shanxi Coking Coal Group purchases the coal and coal related products and accepts services from the Company. The agreement will be valid until 31 December 2017, taking effect from 23 October 2014.

Pursuant to the Coal and Coal Related Products and Services Supply Agreement, the prices will be based on the following pricing policy and order:

- as for the infrastructural project and procurement of coal mining facilities, the price shall be arrived by bidding process; and
- as for the supply of coal, the price shall be in accordance with the relevant market price.

Transactions with other government related entities in the PRC

Apart from transactions with China Coal Group, fellow subsidiaries, associates and joint ventures, the Group has extensive transactions with other government related entities.

During the period ended 30 June 2015 and 2014, majority of the following Group’s activities are conducted with other state-controlled entities:

- Sales of coal;
- Sales of machinery and equipment;
- Purchases of coal;
- Purchases of materials and spare parts;
- Purchases of transportation services; and
- Bank balances and borrowings.

In addition to the above mentioned, transactions with other state-controlled entities also include but not limited to the following:

- Lease of assets;
- Retirement benefit plans.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2015

30 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions (continued)

Transactions with other government related entities in the PRC (continued)

These transactions are conducted in accordance with the contracts the Group entered into based on market prices.

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	RMB'000	RMB'000
Key management compensation		
Salary, allowances and other benefits		
– Directors and supervisors	753	999
– Other key management	1,303	1,605
Pension costs – defined contribution plans		
– Directors and supervisors	64	56
– Other key management	198	171

(b) Loan guarantees to related parties

	30 June	31 December
	2015	2014
	Unaudited	Audited
	RMB'000	RMB'000
Loan guarantees to related parties		
– Associates	4,776,590	5,114,440
– Joint ventures	56,250	56,250
Total	<u>4,832,840</u>	<u>5,170,690</u>

31 SUBSEQUENT EVENTS

(a) Financial guarantee

The board of directors of the Company has approved a proposed guarantee of no more than RMB17.05 billion by the Company for the syndicated loan facility to Zhongtian Synergetic, an associate of the Company. This proposal is subject to shareholders' approval and the agreement has not been signed.

(b) Issuance of bonds

China Coal Pingshuo Group Company Limited, a subsidiary of the Company, issued a short-term bond of RMB1,000,000,000 on 4 August 2015 with annual interest rate of 3.87% and due in one year.

Shanghai Datun Energy Resources Company Limited, a subsidiary of the Company, issued a short-term bond of RMB500,000,000 on 15 July 2015 with annual interest rate of 4.14% and due in one year.

Company Profile

Statutory Chinese Name of the Company	中國中煤能源股份有限公司
Abbreviated Statutory Chinese Name of the Company	中煤能源股份
Statutory English Name of the Company	China Coal Energy Company Limited
Abbreviated Statutory English Name of the Company	China Coal Energy
Legal Representative of the Company	Wang An

INFORMATION ABOUT SECRETARY TO THE BOARD OF THE COMPANY

Name of Secretary to the Board	Zhou Dongzhou
Contact Address of Secretary to the Board	Secretariat of the Board of Directors, China Coal Energy Company Limited, No. 1 Huangsidajie, Chaoyang District, Beijing, PRC
Contact Telephone Number of Secretary to the Board	(8610)-82236028
Fax Number of Secretary to the Board	(8610)-82256479
E-mail Address of Secretary to the Board	IRD@chinacoal.com

BASIC INFORMATION ABOUT THE COMPANY

Registered Address and Office Address of the Company	No. 1 Huangsidajie, Chaoyang District, Beijing, PRC
Post Code	100120
Internet Website	http://www.chinacoalenergy.com
Email Address	IRD@chinacoal.com
Newspapers Designated for Information Disclosure	Shanghai Securities News, Securities Times
Internet Website Designated by CSRC for Publication of Periodical Reports	http://www.sse.com.cn
Internet Website Designated by the Stock Exchange of Hong Kong Limited for Publication of Periodical Reports	http://www.hkexnews.hk
Location for Inspection of Periodical Reports of the Company	Secretariat of the Board of Directors, China Coal Energy Company Limited, No. 1 Huangsidajie, Chaoyang District, Beijing, PRC

BRIEF INFORMATION ABOUT SHARES OF THE COMPANY

Type of shares	Stock Exchange for listing of share	Short name of stock	Stock code	Short name of stock before change
A Shares	Shanghai Stock Exchange	中煤能源	601898	
H Shares	The Stock Exchange of Hong Kong Limited	China Coal Energy	01898	

Authorised Representatives of the Company	Yang Lieke, Zhou Dongzhou
Company Secretary	Zhou Dongzhou

Company Profile

OTHER RELEVANT INFORMATION

Date of first registration of the Company	22 August 2006
Location of first registration of the Company	No. 1 Huangsidajie, Chaoyang District, Beijing, PRC
Date of change in registration of the Company	28 June 2010
Location of change in registration of the Company	No change
Registration Number of Corporate Business License	100000000040475
Tax Registration Number	Jing Shui Zheng Zi No. 110105710934289
Organisation Code	71093428-9

ACCOUNTING FIRMS OF THE COMPANY

Domestic accounting firm of the Company	PricewaterhouseCoopers Zhong Tian LLP
Office address of the domestic accounting firm of the Company	11/F, PricewaterhouseCoopers Center, Building 2, Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai, PRC
International accounting firm of the Company	PricewaterhouseCoopers
Office address of the international accounting firm of the Company	22/F, Prince's Building, Central, Hong Kong

LEGAL ADVISORS OF THE COMPANY

Legal advisor as to PRC law	Beijing Jiayuan Law Firm
Contact address	R407 Ocean Plaza, 158 Fuxingmennei Avenue, Xicheng District, Beijing, China
Legal advisor as to Hong Kong Law	DLA Piper Hong Kong
Contact address	17/F, Edinburgh Tower, The Landmark, 15 Queen's Road, Central, Hong Kong

SHARE REGISTRARS FOR DOMESTIC AND OVERSEAS LISTED SHARES

A Share Registrar	China Securities Depository and Clearing Corporation Limited Shanghai Branch
Contact Address	36/F, China Insurance Building, 166 Lujiazui East Avenue, Pudong New District, Shanghai, China
H Share Registrar	Computershare Hong Kong Investors Services Limited
Contact Address	Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Definitions

In this report, unless the context otherwise requires, the following expressions have the following meanings:

the Group/the Company/Company/ China Coal Energy	China Coal Energy Company Limited, unless otherwise indicated, also includes all of its subsidiaries
Board of the Company/Board	the board of directors of China Coal Energy Company Limited
Directors	the directors of the Company, including all the executive directors, non-executive directors and independent non-executive directors
China Coal Group	China National Coal Group Corporation, the controlling shareholder of the Company
CSRC	China Securities Regulatory Commission
Articles of Association	the articles of association passed at the inaugural meeting of the Company on 18 August 2006 and approved by the relevant state authorities, as amended and supplemented from time to time
Share(s)	the ordinary shares of the Company, including A Share(s) and H Share(s)
Shareholder(s)	the shareholder(s) of the Company, including holder(s) of A Shares and holder(s) of H Shares
A Share(s)	the ordinary share(s) issued to domestic investors in China with approval from CSRC, which are listed on the SSE and traded in RMB
H Share(s)	the overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company, which are listed on the HKSE for subscription in Hong Kong dollars
SSE	the Shanghai Stock Exchange
SSE Website	www.sse.com.cn
HKSE	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
HKSE Website	www.hkexnews.hk
Company Website	www.chinacoalenergy.com
Pingshuo Company	China Coal Pingshuo Group Company Limited

Definitions

Shanghai Energy Company	Shanghai Datun Energy Resources Company Limited, a controlling subsidiary of the Company
China Coal Huajin Company	Shanxi China Coal Huajin Energy Company Limited
China Coal Equipment Company	China National Coal Mining Equipment Company Limited
Shaanxi Company	China Coal Shaanxi Yulin Energy & Chemical Company Limited
Finance Company	China Coal Finance Co., Ltd.
Zhongtian Synergetic Company	Zhongtian Synergetic Energy Company Limited
Yuquan Coal Company	Shanxi Yangquan Yuxian Yuquan Coal Company Limited
Ezhou Power Generation Company	Hubei Energy Group Ezhou Power Generation Company Limited
Coal Gasification Longquan Company	Taiyuan Coal Gasification Longquan Energy Development Company Limited
Hecaogou Company	Yan'an Hecaogou Coal Mine Company Limited
Heilongjiang Coal Chemical Group	China Coal Heilongjiang Coal Chemical Engineering (Group) Company Limited, a controlling subsidiary of China Coal Group
Mengda Methanol Project	the Mengda coal based methanol project in Ordos of Inner Mongolia
Yulin Olefin Project	the methanol acetic acid series deep processing and comprehensive utilisation project of China Coal Shaanxi Yulin Energy & Chemical Company Limited
Tuke Fertiliser Project	Phase I of the Tuke Fertiliser Project in Ordos of Inner Mongolia
RMB	RMB yuan





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