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CHINA COAL ENERGY COMPANY LIMITED*

中國中煤能源股份有限公司

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

(Stock code: 01898)

POSITIVE PROFIT ALERT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board hereby informs the Company's shareholders and potential investors that based on preliminary estimates of the unaudited consolidated management accounts of the Group in accordance with Chinese Accounting Standards for Business Enterprises, the net profit attributable to shareholders of the listed company for the six months ended 30 June 2016 of the Group is expected to range from RMB350 million to RMB520 million, whereas the net loss attributable to shareholders of the listed company for the same period of 2015 was RMB965.205 million.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Coal Energy Company Limited (the "**Company**") and, together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the "**Board**") hereby informs the Company's shareholders and potential investors that based on preliminary estimates of the unaudited consolidated management accounts of the Group in accordance with Chinese Accounting Standards for Business Enterprises, the net profit attributable to shareholders of the listed company for the six months ended 30 June 2016 of the Group is expected to range from RMB350 million to RMB520 million, whereas the net loss attributable to shareholders of the listed company for the same period of 2015 was RMB965.205 million.

The Board considers that the expected turnaround to net profit for the six months ended 30 June 2016 from net loss for the same period of 2015 is due to the Company's scientific arrangements of coal production, optimization of product structure, strict control over costs and expenses, proactive disposal of certain assets not closely related to the principal business thereof with low profitability, as well as the steady recovery of coal price under the impacts of national policies including de-capacity and supply-side reform during the reporting period. As calculated according to Chinese Accounting Standards for Business Enterprises, the accumulated net profit attributable to the shareholders of the listed company in the first half of 2016 is estimated to increase by a large margin on a year-on-year basis, turning loss into profit.

As the Company is still in the process of finalizing the results of the Group for the six months ended 30 June 2016, the information in this announcement is based on preliminary estimates by the management of the Company with reference to the consolidated management accounts of the Group in accordance with Chinese Accounting Standards for Business Enterprises which are neither audited nor reviewed, therefore the actual results of the Group for the six months ended 30 June 2016 in accordance with International Financial Reporting Standards (“IFRS”) may differ from what is disclosed in this announcement. Detailed financial information in accordance with IFRS will be disclosed in the interim results announcement of the Company for the six months ended 30 June 2016 to be published before the end of August of 2016.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Beijing, the PRC

11 July 2016

As at the date of this announcement, the executive directors of the Company are Li Yanjiang and Gao Jianjun; the non-executive directors of the Company are Peng Yi, Liu Zhiyong and Xiang Xujia; and the independent non-executive directors of the Company are Zhang Ke, Zhao Pei, and Ngai Wai Fung.

** For identification purpose only*