中煤

CHINA COAL ENERGY COMPANY LIMITED*

中國中煤能源股份有限公司

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

(Stock Code: 01898)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

Financial highlights:

- Revenue of the Group for 2009 was RMB53.187 billion, representing an increase of RMB1.434 billion (2.8%) over 2008.
- Profit attributable to equity holders of the Company for 2009 was RMB7.834 billion, representing an increase of RMB0.703 billion (9.9%) over 2008.
- Basic earnings per Share was RMB0.59.
- EBITDA for 2009 was RMB13.448 billion, representing an increase of RMB0.467 billion (3.6%) over 2008.
- The Board decides to recommend payment of a final dividend of RMB0.14984 per Share for the year 2009, and such proposal is subject to approval by the shareholders of the Company at the annual general meeting to be held on 25 June 2010.

The board of directors of China Coal Energy Company Limited is pleased to announce the audited annual results of the Company and its subsidiaries for the financial year ended 31 December 2009 prepared in accordance with the International Financial Reporting Standards:

A. SELECTED CONSOLIDATED FINANCIAL INFORMATION PREPARED IN ACCORDANCE WITH IFRS

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Year ended 31 December 2009 RMB'000	2008 RMB'000 (restated)
Revenue	4	53,187,027	51,753,092
Cost of sales			
Materials		(21,551,324)	(21,200,215)
Staff costs		(3,171,833)	(2,550,093)
Depreciation and amortisation		(1,888,017)	(1,386,034)
Repairs and maintenance		(550,549)	(671,396)
Transportation costs		(6,905,137)	(7,022,177)
Sales taxes and surcharges		(918,900)	(1,253,126)
Others		(5,710,208)	(4,104,471)
Cost of sales		(40,695,968)	(38,187,512)
Gross profit		12,491,059	13,565,580
Selling, general and administrative expenses		(2,887,198)	(2,867,267)
Loss from fair value changes of other financial assets		—	(1,406,400)
Other income	5	1,418,895	1,671,433
Other gains, net		249,165	435,208
Profit from operations		11,271,921	11,398,554
Finance costs, net	6	(445,117)	(1,006,317)
Share of profits of associates and jointly controlled entities		89,935	106,142
Profit before income tax		10,916,739	10,498,379
Income tax expense	7	(2,535,718)	(2,493,950)
Profit for the year		8,381,021	8,004,429
Profit attributable to:			
Equity holders of the Company		7,834,332	7,131,007
Minority interests		546,689	873,422
		8,381,021	8,004,429
Basic and diluted earnings per share for the profit attributable to the equity holders of the Company (RMB)	8	0.59	0.54
Dividends distributed	9	2,043,559	825,484
Dividends proposed after the balance sheet date attributable to all shareholders of the Company	9	1,986,651	2,043,559

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	Year ended 31 December	
	2009	**2008**
	RMB'000	*RMB'000*
		(restated)
Profit for the year	8,381,021	8,004,429
Other comprehensive income:		
Fair value gains on available-for-sale financial assets, net of tax	10,147	5,762
Disposal of available-for-sale financial assets, net of tax	(5,219)	—
Currency translation differences	(129)	(12,975)
Other comprehensive income/(expense) for the year, net of tax	4,799	(7,213)
Total comprehensive income for the year	8,385,820	7,997,216
Total comprehensive income attributable to:		
Equity holders of the Company	7,839,131	7,123,794
Minority interests	546,689	873,422
	8,385,820	7,997,216

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2009

	Note	2009 *RMB'000*	2008 *RMB'000* *(restated)*
ASSETS			
Non-current assets			
Property, plant and equipment		36,729,099	29,010,371
Investment properties		32,403	33,725
Land use rights		711,189	615,268
Mining rights		12,176,414	3,680,836
Intangible assets		42,388	41,374
Investments in associates		2,029,934	1,301,783
Investments in jointly controlled entities		412,305	596,109
Available-for-sale financial assets		936,787	558,268
Deferred income tax assets		251,077	787,781
Long-term receivables		626,894	701,022
Total non-current assets		53,948,490	37,326,537
Current assets			
Inventories		4,978,327	4,239,638
Trade and notes receivables	10	4,963,537	5,635,129
Prepayments and other receivables		3,679,013	3,617,690
Derivative financial instruments and other financial assets at fair value through profit or loss		—	300,000
Restricted bank deposits		1,844,098	2,121,593
Term deposits with initial terms of over three months		22,813,484	27,383,030
Cash and cash equivalents		12,628,413	7,888,283
Total current assets		50,906,872	51,185,363
TOTAL ASSETS		104,855,362	88,511,900
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		13,258,663	13,258,663
Reserves		37,299,283	36,544,532
Retained earnings			
- Dividends proposed after the balance sheet date		1,986,651	2,043,559
- Others		11,683,897	6,730,449
		64,228,494	58,577,203
Minority interests		9,214,509	4,250,125
Total equity		73,443,003	62,827,328

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2009

	Note	**2009** *RMB'000*	**2008** *RMB'000* *(restated)*
LIABILITIES			
Non-current liabilities			
Long-term borrowings		11,286,700	10,193,510
Long-term payables		192,302	336,432
Deferred income tax liabilities		2,744,873	875,725
Deferred revenue		237,779	29,099
Provision for employee benefits		275,990	202,331
Provision for close down, restoration and environmental costs		1,155,530	1,054,703
Total non-current liabilities		15,893,174	12,691,800
Current liabilities			
Trade and notes payables	11	6,801,448	6,813,713
Accruals and other payables		7,085,494	3,963,052
Taxes payable		610,177	1,296,984
Short-term borrowings		386,981	368,296
Current portion of long-term borrowings		602,658	518,715
Current portion of provision for close down, restoration and environmental costs		32,427	32,012
Total current liabilities		15,519,185	12,992,772
Total liabilities		31,412,359	25,684,572
TOTAL EQUITY AND LIABILITIES		104,855,362	88,511,900
NET CURRENT ASSETS		35,387,687	38,192,591
TOTAL ASSETS LESS CURRENT LIABILITIES		89,336,177	75,519,128

B. NOTES TO THE FINANCIAL INFORMATION

1 ORGANISATION

The Company was established in the People's Republic of China (the "PRC") on 22 August 2006 as a joint stock company with limited liability under the Company Law of the PRC as a result of a group restructuring of China National Coal Group Corporation ("China Coal Group" or the "Parent Company").

The 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 PRESENTATION

(a) Acquisition of Xi'an Coal Mining Machinery Company Limited in 2009

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

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

(b) Acquisition of Ordos Yihua Mining Resources Company Limited in 2009

On 10 December 2009, the Company entered into a share purchase agreement with a third-party company, Ordos Yihua Industrial Company Limited ("Yihua Industrial Company"), pursuant to which Yihua Industrial Company transferred its 37.45% equity interest in Ordos Yihua Mining Resources Company Limited ("Yihua Mining") to the Company for a total consideration of RMB1,101,184,000. Up to 31 December 2009, RMB605,651,200 has been paid and the remaining consideration will be paid within year 2010. In addition, according to the share purchase agreement, the Company contributed RMB813,000,000 to Yihua Mining as additional capital, resulting in an increase in the Company's total shareholdings in Yihua Mining to 51%. The contribution of RMB813,000,000 has been fully paid by 31 December 2009. The acquisition date was 31 December 2009, the date that the Company was able to govern the financial and operating policies of Yihua Mining. Yihua Mining is principally engaged in coal mining and manufacture and sale of chemical products.

(c) Acquisition of Wushenqi Mengda Mining Company Limited in 2009

On 10 December 2009, the Company entered into a share purchase agreement with third-party companies, Inner Mongolia Yuan Xing Energy Company Limited ("Yuan Xing Energy Company") and Shanghai Zendai Investment Management Company Limited ("Zendai Company"), pursuant to which the two companies together transferred 51% equity interest in Wushenqi Mengda Mining Company Limited ("Mengda Mining") to the Company for a total consideration of RMB1,495,361,900. Up to 31 December 2009, RMB975,784,700 has been paid and the remaining consideration will be paid within year 2010. In addition, according to the share purchase agreement, the Company and other shareholders contributed RMB341,400,000 to Mengda Mining as additional capital in proportion to their respective equity interests. The Company's proportion of RMB174,114,000 has been fully paid by 31 December 2009. The acquisition date was 31 December 2009, the date that the Company was able to govern the financial and operating policies of Mengda Mining. Mengda Mining is principally engaged in coal mining and manufacture and sale of chemical products.

(d) Acquisition of Inner Mongolia Mengda New Energy Chemical Base Development Company Limited in 2009

On 10 December 2009, the Company entered into a share purchase agreement with third-party companies, Yuan Xing Energy Company and Zendai Company, pursuant to which these two companies transferred 56.915% equity interest in Inner Mongolia Mengda New Energy Chemical Base Development Company Limited ("Mengda New Energy Company") to the Company for a total consideration of RMB569,150,000. The consideration has been fully paid by 31 December 2009. In addition, according to the share purchase agreement, the Company contributed RMB231,000,000 to Mengda New Energy Company as additional capital, resulting in the Company's total shareholdings in Mengda New Energy Company to 65%. The contribution has been fully paid by 31 December 2009. The acquisition date was 31 December 2009, the date that the Company was able to govern the financial and operating policies of Mengda New Energy Company. Mengda New Energy Company is principally engaged in methanol production.

(e) Acquisition of Xuzhou Sifang Aluminium Group Company Limited in 2009

On 10 September 2009, Shanghai Datun Energy Resources Company Limited ("Shanghai Datun") entered into a share purchase agreement with Datun Coal & Electricity Company Limited ("DTCE Company"), pursuant to which DTCE Company transferred its 100% equity interest in Xuzhou Sifang Aluminium Group Company Limited ("Sifang Aluminium") to Shanghai Datun for a cash consideration of RMB93,197,000. The acquisition was approved by the shareholders' meeting of Shanghai Datun held on 10 September 2009 and by the relevant government authority on 19 October 2009. The consideration has been fully paid by 31 December 2009. Sifang Aluminium is principally engaged in manufacturing and processing of aluminium related products.

The Company holds a 62.43% equity interest in Shanghai Datun, while DTCE Company is a wholly-owned subsidiary of China Coal Group. Hence, this transaction does not affect the ultimate control of Shanghai Datun, DTCE Company and Sifang Aluminium by China Coal Group, and that control is not transitory. As such this acquisition was considered as a common control combination, and the Company had accounted for it in a manner similar to uniting of interests.

The Group's comparative information for the year ended 31 December 2008 has been restated as if the operations of Sifang Aluminium had been under the control of the Company since the day that Sifang Aluminium was first acquired by China Coal Group.

The effects of the acquisition of Sifang Aluminium to the Group's financial information are as follows:

	As at 31 December 2008 (as previously reported)	Acquisition of Sifang Aluminium	As at 31 December 2008 (restated)
Non-current assets	37,132,046	194,491	37,326,537
Current assets	51,052,121	133,242	51,185,363
	88,184,167	327,733	88,511,900
Non-current liabilities	12,669,773	22,027	12,691,800
Current liabilities	12,744,105	248,667	12,992,772
	25,413,878	270,694	25,684,572
Net assets	62,770,289	57,039	62,827,328

	Year ended 31 December 2008 (as previously reported)	Acquisition of Sifang Aluminium	Year ended 31 December 2008 (restated)
Revenue	50,992,807	760,285	51,753,092
Profit/(loss) from operations	11,399,229	(675)	11,398,554
Net Profit/(loss)	8,020,173	(15,744)	8,004,429

(f) Disposal of China Coal Xi'an Design Engineering Company Limited and China Coal Handan Design Engineering Company Limited in 2009

On 4 December 2009, the Company entered into a share purchase agreement with China Coal Group, pursuant to which the Company transferred its 100% equity interest in China Coal Xi'an Design Engineering Company Limited and China Coal Handan Design Engineering Company Limited to China Coal Group for a total consideration of RMB472,279,100. Such disposal was approved by the Board of Directors of the Company on 4 December 2009 and by the relevant governmental authority on 24 December 2009. The consideration has been fully received on 31 December 2009, being the disposal date.

The gains on disposal of China Coal Xi'an Design Engineering Company Limited and China Coal Handan Design Engineering Company Limited amounting to RMB217,872,000 were recorded as other income in the consolidated income statement (Note 5) and disclosed as gains and expenses of corporate function in segment information.

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

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

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

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

On 1 April 2008, the Group acquired additional shares issued by Shijiazhuang Coal Mining Machinery Company Limited ("Shijiazhuang Coal Mining Machinery") for a consideration of RMB185,000,000, resulting in the Group holding 50% of the enlarged equity of Shijiazhuang Coal Mining Machinery. The consideration has been fully paid by 31 December 2008. As the Group was able to govern the financial and operating policies of Shijiazhuang Coal Mining Machinery, it was accounted for as a subsidiary of the Group.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at fair value as disclosed in the accounting policies below.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The Group has adopted the following new and amended IFRSs as of 1 January 2009.

- IAS 1 (revised). 'Presentation of financial statements' — effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income.

  As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, while non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. As the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

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

  The Group's current policy is to capitalise eligible borrowings costs, including borrowing costs of funds borrowed generally and used for the purpose of obtaining a qualifying asset. Therefore the revised standard will have no impact on the presentation of the Group's consolidated financial statement.

- IFRS 7 (amendment), 'Financial instruments — Disclosures' (effective 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by levels under a fair value measurement hierarchy. As this change in accounting policy only results in additional disclosures, there is no impact on earnings per share. The Group has accordingly made such additional disclosures in its financial statements for the year ended 31 December 2009.

- IFRS 8, 'Operating segments' (effective 1 January 2009). IFRS 8 replaces IAS 14, 'Segment reporting', and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Applying IFRS 8 did not result in significant changes in the Group's disclosure of segment information, as such information were previously presented in a manner consistent with the basis used for internal reporting purpose.

  The segment information is reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM has been identified as the President Office (總裁辦公會) that makes strategic decisions, comprising the president and all the vice presidents of the Company. There is no impact on the measurement of the Group's profits, assets and liabilities. Comparatives for 2008 segment information have been restated according to the requirements of IFRS 8.

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

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

4 SEGMENT INFORMATION

1) General information

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

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

The Group's reportable segments are entities or group of entities that offer different products and services, which is the basis by which the CODM makes decisions about resources to be allocated to the segment and assesses its performance. They are 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. *Types of products and services from which each reportable segment derives its revenues*

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

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

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

2) Information about reportable segment profit, assets and liabilities

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

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

b. *Reportable segments' profit, assets and liabilities*

	For the year ended and as at 31 December 2009				
	Coal	**Coke and coal-chemical product**	**Machinery**	**Others (note (a))**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue					
Total Revenue	41,175,385	3,589,970	5,949,127	4,197,519	54,912,001
Inter-segment revenue	(265,919)	—	(694,097)	(764,958)	(1,724,974)
Revenue from external customers	40,909,466	3,589,970	5,255,030	3,432,561	53,187,027
Profit from operations	9,693,904	83,995	447,387	142,227	10,367,513
Profit before tax expense	9,435,421	25,532	399,571	81,341	9,941,865
Interest revenue	73,861	55,040	5,378	4,424	138,703
Interest expense	(207,479)	(1,641)	(5,366)	(7,666)	(222,152)
Depreciation and amortisation	(1,749,461)	(116,359)	(110,984)	(281,390)	(2,258,194)
Share of profits of associates and jointly controlled entities	24,710	68,662	6,853	—	100,225
Income tax expense	(2,447,884)	4,141	(35,677)	(38,276)	(2,517,696)
Other material non-cash items					
Reversal of/(provision for) impairment of assets	1,402	(8,005)	(20,813)	(2,423)	(29,839)
Segment assets and liabilities					
Segment assets	58,081,775	6,633,475	7,202,438	5,398,766	77,316,454
Include: investment in associates and jointly controlled entities	420,013	510,376	44,592	—	974,981
Expenditures for non-current assets	8,052,225	396,441	276,839	1,029,578	9,755,083
Segment liabilities	20,383,955	836,849	3,420,181	3,444,578	28,085,563

	For the year ended and as at 31 December 2008 (restated)				
	Coal	**Coke and coal-chemical product**	**Machinery**	**Others (note (a))**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue					
Total Revenue	38,009,916	6,653,252	4,633,497	4,244,284	53,540,949
Inter-segment revenue	(657,478)	—	(499,905)	(630,474)	(1,787,857)
Revenue from external customers	37,352,438	6,653,252	4,133,592	3,613,810	51,753,092
Profit/(loss) from operations	11,284,843	283,660	340,842	(261,593)	11,647,752
Profit/(loss) before tax expense	10,489,222	191,779	299,603	(290,602)	10,690,002
Interest revenue	44,131	16,246	3,044	5,702	69,123
Interest expense	(237,708)	(8,524)	(768)	(574)	(247,574)
Depreciation and amortisation	(1,210,786)	(112,257)	(73,975)	(246,811)	(1,643,829)
Share of profits of associates and jointly controlled entities	19,882	89,543	1,895	—	111,320
Income tax expense	(2,370,922)	(54,748)	(62,374)	(5,906)	(2,493,950)
Other material non-cash items					
Reversal of/(provision for) impairment of assets	(13,283)	(11,470)	5,461	(194,871)	(214,163)
Segment assets and liabilities					
Segment assets	34,989,237	4,848,639	5,979,545	6,179,761	51,997,182
Include: investment in associates and jointly controlled entities	360,281	243,519	283,056	16,799	903,655
Expenditures for non-current assets	6,752,329	880,276	331,984	842,908	8,807,497
Segment liabilities	17,064,994	605,938	2,596,976	3,031,192	23,299,100

note:

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

3) *Reconciliations of reportable segments' revenue, profit or loss, assets and liabilities*

a. Revenue

	Year ended 31 December	
	2009	**2008**
	RMB'000	*RMB'000*
		(restated)
Total revenue for reportable segments	54,912,001	53,540,949
Elimination of inter-segment revenue	(1,724,974)	(1,787,857)
Entity's revenue	53,187,027	51,753,092

b. Profit from operations

	Year ended 31 December	
	2009	**2008**
	RMB'000	*RMB'000*
		(restated)
Total profit from operations for reportable segments	10,367,513	11,647,752
Elimination of inter-segment profits	(96,145)	(55,950)
Other corporate income/(expense)	1,000,553	(193,248)
Profit from operations	11,271,921	11,398,554

c. Profit before tax

	Year ended 31 December	
	2009	**2008**
	RMB'000	*RMB'000*
		(restated)
Total profit before tax expense for reportable segments	9,941,865	10,690,002
Elimination of inter-segment profits	(96,145)	(55,950)
Other corporate income/(expense)	1,071,019	(135,673)
Profit before tax expense	10,916,739	10,498,379

d. Assets

	31 December 2009 *RMB'000*	31 December 2008 *RMB'000* *(restated)*
Total assets for reportable segments	77,316,454	51,997,182
Elimination of inter-segment accounts	(2,855,969)	(2,478,580)
Other unallocated amounts	30,394,877	38,993,298
Entity's assets	104,855,362	88,511,900

e. Liabilities

	31 December 2009 *RMB'000*	31 December 2008 *RMB'000* *(restated)*
Total liabilities for reportable segments	28,085,563	23,299,100
Elimination of inter-segment accounts	(2,379,564)	(2,108,522)
Other unallocated amounts	5,706,360	4,493,994
Entity's liabilities	31,412,359	25,684,572

f. Other material items

	Year ended 31 December 2009		
	Reportable segment totals *RMB'000*	**Others (note a)** *RMB'000*	**Entity's totals** *RMB'000*
Interest revenue	138,703	760,248	898,951
Interest expense	(222,152)	(185,777)	(407,929)
Depreciation and amortisation	(2,258,194)	—	(2,258,194)
Share of profits/(losses) of associates and jointly controlled entities	100,225	(10,290)	89,935
Income tax expense	(2,517,696)	(18,022)	(2,535,718)
Provision for impairment of assets	(29,839)	—	(29,839)
Investment in associates and jointly controlled entities	974,981	1,467,258	2,442,239
Expenditures for non-current assets	9,755,083	562	9,755,645

	Year ended 31 December 2008 (restated)		
	Reportable segment totals	**Others (note a)**	**Entity's totals**
	RMB'000	*RMB'000*	*RMB'000*
Interest revenue	69,123	1,475,151	1,544,274
Interest expense	(247,574)	(310,665)	(558,239)
Depreciation and amortisation	(1,643,829)	(100)	(1,643,929)
Share of profits/(losses) of associates and jointly controlled entities	111,320	(5,178)	106,142
Income tax expense	(2,493,950)	—	(2,493,950)
Provision for impairment of assets	(214,163)	—	(214,163)
Investment in associates and jointly controlled entities	903,655	994,237	1,897,892
Expenditures for non-current assets	8,807,497	3,194	8,810,691

note:

(a) Amounts represent: (i) other items from non-reportable segments which included assets, liabilities, gains and expenses of corporate function; and (ii) items that eliminated on a group basis.

4) *Geographical information*

Analysis of revenue

	Year ended 31 December	
	2009	**2008**
	RMB'000	*RMB'000* *(restated)*
Domestic markets	52,446,952	42,737,015
Asia Pacific markets	739,945	8,704,030
Other overseas markets	130	312,047
	53,187,027	51,753,092

note:

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

Analysis of non-current assets

	31 December 2009 *RMB'000*	31 December 2008 *RMB'000* *(restated)*
Domestic markets	52,694,816	35,908,397
Asia Pacific markets	8,568	8,764
Other overseas markets	57,242	63,327
	52,760,626	35,980,488

5) *Information about major customers*

Revenue from the top five customers of the Group for the year ended 31 December 2009 represents approximately 24% of the Group's total revenue (for the year ended 31 December 2008: 21%).

5 OTHER INCOME

	2009 *RMB'000*	2008 *RMB'000* *(restated)*
Dividend income	636	10,003
Gains on disposal of investments	398,935	294
Interest income		
- Term deposits with initial term of over three months	752,378	1,439,474
- Other bank deposits	146,573	104,800
Government grants and subsidies	130,800	98,772
(Losses)/gains on futures	(10,427)	18,090
	1,418,895	1,671,433

6 FINANCE COSTS, NET

	2009	2008
	RMB'000	*RMB'000*
		(restated)
Interest expense:		
Bank loans and loans from other financial institutions		
- wholly repayable within five years	141,224	71,702
- not wholly repayable within five years	504,747	666,498
Loans from related parties		
- wholly repayable within five years	34	34
	646,005	738,234
Less: Amounts capitalized in construction in progress (note (a))	(238,076)	(179,995)
	407,929	558,239
Interest charge on unwinding of discounts	33,110	34,114
Interest charge on early retirement benefits	6,391	1,689
Interest charge on long-term payable of discounts	60,681	—
Net foreign exchange transaction (gains)/losses	(67,215)	426,033
Less: Gains from derivative financial instruments	—	(24,826)
Other incidental borrowing costs and charges	4,221	11,068
	445,117	1,006,317

note:

(a) Finance costs capitalized in construction in progress are related to funds borrowed for the purpose of obtaining a qualifying asset. Capitalization rates on such borrowings were as follows:

	2009	2008
		(restated)
Capitalisation rate used to determine the amount of finance costs eligible for capitalization	4.50% - 7.83%	4.50% - 8.32%

7 INCOME TAX EXPENSE

	2009	2008
	RMB'000	*RMB'000*
		(restated)
Current income tax		
- PRC enterprise income tax (note (a))	1,999,499	2,353,151
Deferred income tax	536,219	140,799
	2,535,718	2,493,950

notes:

(a) The provision for PRC enterprise income tax ("EIT") is calculated based on the statutory income tax rate of 25%. On 16 March 2007, The National People's Congress of the People's Republic of China announced a reduction of the statutory income tax rate from 33% to 25% commencing 1 January 2008. As such, the applicable income tax rate in 2009 and 2008 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 rates ranging from 12.5% to 20% based on the relevant PRC tax laws and regulations.

(b) The taxation of the Group's profit before taxation differs from the theoretical amount that would arise using the weighted average of the rates prevailing in the jurisdictions in which the Group operates as follows:

	2009	**2008**
	RMB'000	*RMB'000*
		(restated)
Profit before income tax	10,916,739	10,498,379
Tax calculated at applicable tax rates	2,729,185	2,624,595
Preferential tax rates on the income of certain subsidiaries	(144,169)	(184,003)
Income not subject to taxation	(30,922)	(13,348)
Expenses not deductible for taxation purposes	21,588	99,217
Utilisation of previously unrecognised tax losses	(1,312)	(15,441)
Tax losses for which no deferred income tax asset has been recognised	49,926	25,494
Additional expenses allowable for tax purposes	(88,578)	(42,564)
Income tax expense	2,535,718	2,493,950

8 EARNINGS PER SHARE

Basic earnings per share for the year ended 31 December 2009 is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of approximately 13,258,663,000 ordinary shares in issue during the year.

The comparative basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of approximately 13,129,468,000 ordinary shares in issue during the year.

As the Company had no dilutive instruments for the year ended 31 December 2009 and 2008, no diluted earnings per share is presented.

9 DIVIDENDS

	2009	2008
	RMB'000	*RMB'000*
Dividends recorded:		
- final dividends for 2008, paid (note (b))	2,043,559	—
- final dividends for 2007, paid (note (a))	—	825,484

	2009	2008
	RMB'000	*RMB'000*
Dividends proposed after the balance sheet date:		
- final dividend for 2008(note (b))	—	2,043,559
- final dividend for 2009(note (c))	1,986,651	—

notes:

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

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

(c) The Board of Directors, in a meeting held on 22 April 2010, proposed to distribute a final dividend for 2009 to equity holders of the Company of RMB1,986,651,000(RMB0.14984 per share), based on total number of shares which are in issue as at 31 December 2009. Such dividend distribution is still subject to the approval of shareholders' meeting, and is not reflected in these financial statements.

10 TRADE AND NOTES RECEIVABLES

	2009	2008
	RMB'000	*RMB'000*
		(restated)
Trade receivables, net (note (a))	3,254,693	4,472,808
Notes receivables (note (b))	1,708,844	1,162,321
	4,963,537	5,635,129

notes:

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

	2009	2008
	RMB'000	*RMB'000*
		(restated)
Within 6 months	2,755,968	4,056,411
6 months - 1 year	290,107	263,804
1 - 2 years	213,102	147,391
2 - 3 years	57,117	64,933
Over 3 years	238,032	173,571
Trade receivables, gross	3,554,326	4,706,110
Less: Impairment of receivables	(299,633)	(233,302)
Trade receivables, net	3,254,693	4,472,808

(b) Trade receivables are with credit terms of six months. For receivables that are more than 180 days past due, impairment provision is assessed. The individually impaired receivables relate to customers which are in unexpected difficult economic situations.

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 in accordance with the relevant contract entered into between the Group and the related parties.

(c) Notes receivable are principally bank accepted bills of exchange with maturity of less than one year.

11 TRADE AND NOTES PAYABLES

	2009	2008
	RMB'000	*RMB'000*
		(restated)
Trade payables (note(a))	6,341,696	6,178,725
Notes payable	459,752	634,988
	6,801,448	6,813,713

note:

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

	2009	**2008**
	RMB'000	*RMB'000*
		(restated)
Less than 1 year	5,580,010	5,652,933
1 - 2 years	526,226	362,455
2 - 3 years	106,727	98,881
Over 3 years	128,733	64,456
	6,341,696	6,178,725

12 COMMITMENTS

(a) **Capital commitments**

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

	2009	**2008**
	RMB'000	*RMB'000*
Property, plant and equipment	3,036,720	3,055,670
Others	358,585	212,722
	3,395,305	3,268,392

(b) **Operating lease commitments — where the Group is the lessee**

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

	2009	**2008**
	RMB'000	*RMB'000*
Land and buildings:		
- Within 1 year	78,896	11,206
- From 1 year to 5 years	149,974	44,824
- Over 5 years	135,156	79,608
	364,026	135,638

	2009	2008
	RMB'000	*RMB'000*
Plant and machinery:		
- Within 1 year	6,000	3,615
- From 1 year to 5 years	14,400	14,400
- Over 5 years	36,000	39,600
	56,400	57,615

13 SUBSEQUENT EVENTS

(a) In March 2010, the Company signed comprehensive credit agreements and strategic cooperation agreements with five state-owned banks and one non-state-owned commercial bank, marking the establishment of a long-term strategic cooperation relationship between the Company and these banks. According to these agreements, these banks will provide credit facilities of no more than RMB165 billions to the Group within the next 5 years.

(b) A coal mine flooding accident happened on 28 March 2010 at Wangjialing coal mine which affiliated to the Huajin Coking Coal Company Limited. This coal mine is at construction stage and has not commenced commercial production. Up to the report date, the investigation of this accident is still in progress.

(c) Subsequent to 31 December 2009, the Group has acquired from certain independent third parties 55% equity interest in Shanxi Xiaohuigou Coal Industry Company Limited, a company principally engaged in coal mining in Shanxi province. The total consideration for this acquisition is RMB1,160 million, and up to the date of this report, the Group has paid RMB580 million.

CHAIRMAN'S STATEMENT

Dear Shareholders,

2009 was the most difficult year for economic development in China since entering the new century. 2009 was also a year full of challenges for the domestic coal industry where there are significant fluctuations in market demand and supply. Under the leadership of the Board, China Coal Energy actively coped with the serious impact arising from the international financial crisis. By adjusting the strategic structure and firmly implementing management reforms, the Company achieved satisfactory operation results despite of the market crisis. A number of the Company's operation indicators recorded historically best levels. The Company has made remarkable contributions to the national economy of China and stepped into a new development stage. During the reporting period, the revenue from operations of the Company was RMB53.187 billion, representing an increase of 2.8% over 2008. The profit attributable to equity holders of the Company was RMB7.834 billion, representing an increase of 9.9% over 2008. The basic earnings per Share amounted to RMB0.59, representing an increase of 9.3% over 2008.

As a leading large-scale coal company in China, China Coal Energy adhered to the development approach of pursuance of economies of scale in production, modernization in technology and equipment, specialization of professional teams and computerization of management. In 2009, the raw coal production of the Company amounted to 108.56 million tons, representing an increase of 8.2% over 2008. The Company maintained its rapid growth rate, achieving a remarkable record by doubling the production volume within 4 years. The production volume of major mining areas of the Company has grown rapidly. Pingshuo Mining Area, known as the experiment plot for the opening-up and reform policy of China, continued to set new benchmarks for the coal industry by achieving an annual raw coal production of 87.02 million tons, which indicated its rapid progress to become a mine production base of 100 million tons. Anjialing No.1 Underground Mine set a historically high record nationwide by having a monthly production of 1.70 million tons from fully mechanized top caving method. The Company has always considered production safety of high importance and all of the Company's 11 underground mines in operation recorded zero fatality during the reporting period. In 2009, the Company optimized its coal production layout, maintained a balanced production, accelerated the construction speed for projects under construction, and laid down a solid foundation for rapid growth in production volume.

While increasing coal production, the Company established the "market-oriented and customer-focused" operation philosophy through continuously optimizing market structure, diversifying product categories, adjusting marketing strategies, improving service quality and actively improving the sales network building. The implementation of plans for key economic regions was accelerated and an efficient and centralized sales system compatible with coal production was established by the Company. The Company planned in advance for coal sales by signing framework agreements with key customers for the purchase of coal for the period 2010-2014 with a total amount of 750 million tons, broadening the further growth prospect of the Company's production volume. In 2009, despite of the continuous shrinkage of coal export volume caused by the decline in international demand for coal, the volume of coal sales completed by the Company amounted to 97.25 million tons, representing an increase of 9.6% over 2008.

The Company actively implemented the resources expansion strategy by reinforcing its cooperation with local enterprises in the key coal production areas and locations with rich resources, making mergers and acquisitions as well as actively participating in the integration of local coal mines. The additional coal resources obtained by the Company amounted to 6.041 billion tons in 2009. The Company successfully acquired controlling stakes in Mengda Mining and Yihua Mining, by which top quality coal resources were obtained, and the Company's future production capacity will be increased by 14 million tons. The local mines of Xiaohuigou Coal Mine and Mingzhu Coal Mine in Shanxi Province were successfully integrated by the Company and an additional production capacity of 5 million tons will be added after reconstruction. As at the end of the reporting period, the coal reserves owned by the Company amounted to 15.822 billion tons, of which the recoverable coal reserves amounted to 8.7 billion tons, which enabled the Company to maintain a leading position among the Chinese listed coal mining companies.

The Company made an effort to strengthen strategic management and control, to continue to implement management reforms, to improve the governance structure with scientific decisions, standardized management, efficient operation and effective balance. During the past year, China Coal Energy formulated the development plans for the next five years scientifically, optimized the allocation of authorities and business flow processes, established an overall and multi-dimensional appraisal mechanism, adjusted the coal sales system and implemented centralized purchasing for bulk materials, so as to support the development of all business operations effectively in the aspects of strategic positioning, allocation of authorities and operation of the Company.

In 2010, recovery will be the theme for global economy. After tackling the financial crisis with successful staged results, the economy of China is currently stable and improving. The development environment in China is better than the previous year with stronger drive for development and clear improvement in market confidence. The PRC government has confirmed that the focus of economic development in 2010 is to maintain a stable and fast development of the economy and to facilitate the transition of development approach. The implementation of proactive fiscal policy and moderate monetary policy of China will continue in order to maintain the continuity and stability of the macroeconomic policies. Currently, coal consuming industries such as coal-fired power generation, iron and steel, chemical industry and construction materials are growing steadily, with a rebounding trend in market demand. It is expected that in 2010, the coal production and consumption in China will maintain fast growth and the overall market demand and supply will be generally balanced, while in certain periods or some specific areas, the coal supply may be tightened and the annual demand for coal in China will probably reach 3.36 billion tons.

However, the impact of global financial crisis has not receded completely. There are still many uncertainties in economic developments which should not be overlooked by the coal industry: (1) the production capacity of local mines after integration and reconstruction will be released gradually and will further increase the market supply of coal; (2) the adjustment to taxation policies of the industry may increase the tax burden of coal enterprises; (3) the cost control pressure will increase with the expectation of rebounding CPI and PPI. China Coal Energy will be attentive to the operational difficulties and risks faced by the Company. Operational management of the Company will continue to be strengthened, risk control will be enhanced and effective measures will be adopted timely to tackle market changes in an active manner so as to strive to increase raw coal production volume by 15 million tons in 2010 and achieve further growth in the operating results of the Company.

For the next few years, the Company has established new strategic development targets on the basis of the coal industry, the Company determined to steadily improve the coal chemical and power industries, to strengthen and refine the coal mining equipment industry, and to develop the new energy resources industry in an appropriate manner. In light of the above, an industry environment focused on the coal production industry supported by the coal chemical, power and coal mining equipment industries is proposed to be established, and Shanxi, Inner Mongolia-Shaanxi, Jiangsu, Xinjiang and Heilongjiang will become the five largest coal production and processing bases of the Company. The Company's target by the end of 2014 is to achieve 200 million tons in raw coal production, 200 million tons in sales of commercial coal, over RMB100 billion of revenue from operations and double the total amounts of economic volumes of China Coal Energy, with a view to accelerating the realization of a large-scale energy company equipped with international competitiveness.

In order to realize the aforementioned strategic targets, the Company has laid down the lines of development for various business segments:

— Strengthen the fundamental and core position of the coal industry, increase resources acquisition efforts, accelerate the construction of five major bases, increase the scale of local resources integration and overseas resources development, improve marketing network building and enhance the comprehensive competitiveness of the coal industry.

— Develop new types of coal chemical industry from a high starting point in accordance with the national industry policies, taking into consideration the characteristics of the coal chemical industry, and focus on the development of new types of coal chemicals such as coal-based olefin and coal-based natural gas, optimize the development of coking industry and develop other specific coal chemicals as appropriate.

— Uphold the principles of connecting coal with power industries and the development of recycling economy with the priority on the development of power plants utilizing resources comprehensively and large-scale pit mouth power plants, and actively promote coal and power joint operations to enhance overall economic benefits and improve the risk resistance of the coal industry.

— Develop a strong and refined coal mining equipment business by enhancing technology innovation, integrating equipment capability and extending the product value chain in order to enhance influence and leadership in the industry.

— Capture the opportunities of developing new energy resources, enhancing energy conservation and emission reduction by the state to develop new energy industries in due course.

Looking forward, the Board is of the view that the fundamental scenario of a continuous uptrend in the economic growth of China, the trend of growing demand for energy and the dominance of coal in the energy structure will continue. China Coal Energy will carry on scientific development, production safety, stable operations, positive performance of social responsibilities and enhance the capability of sustainable development continuously, as well as strive to achieve the strategic aim of doubling the total amounts of economic volumes within 5 years and the creation of new value for Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND OPERATING RESULTS

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

I. OVERVIEW

In 2009, under the challenging and complicated economic conditions, the Group firmly established the "market-oriented and customer-focused" operation philosophy, scientifically organized production, strictly controlled costs and expenses and achieved satisfactory operating results with a few major financial indicators, including revenue from operations and profit before tax, recording historically new high levels. For the year ended 31 December 2009, the Group's total revenue (net of inter-segmental sales) amounted to RMB53.187 billion, representing an increase of 2.8% over 2008; the profit before tax amounted to RMB10.917 billion, representing an increase of 4.0% over 2008; the profit attributable to equity holders of the Company amounted to RMB7.834 billion, representing an increase of 9.9% over 2008; the net cash generated from operating activities per Share was RMB0.88, representing an increase of RMB0.14 over 2008; and the basic earnings per Share was RMB0.59, representing an increase of RMB0.05 over 2008.

	For the year ended 31 December 2009	**For the year ended 31 December 2008**	**Increase**	
	RMB100 million	RMB100 million (restated)	RMB100 million	%
Revenue	531.87	517.53	14.34	2.8
Profit before tax	109.17	104.98	4.19	4.0
EBIDTA	134.48	129.81	4.67	3.6
Profit attributable to equity holders of the Company	78.34	71.31	7.03	9.9
Net cash generated from operating activities	116.88	96.74	20.14	20.8

As at 31 December 2009, the gearing ratio (total interest-bearing debts/(total interest-bearing debts + equity)) was 14.3%, representing a decrease of 0.7 percentage point over 2008.

	As at 31 December 2009	**As at 31 December 2008**	**Increase**	
	RMB100 million	RMB100 million (restated)	RMB100 million	%
Assets	1,048.55	885.12	163.43	18.5
Liabilities	314.12	256.85	57.27	22.3
Interest bearing debts	122.76	110.81	11.95	10.8
Equity	734.43	628.27	106.16	16.9
Equity attributable to equity holders of the Company	642.28	585.77	56.51	9.6

II. OPERATING RESULTS

1. Revenue

(1) Consolidated Revenue

For the year ended 31 December 2009, the Group's total revenue net of inter-segmental sales increased by 2.8% to RMB53.187 billion from RMB51.753 billion for the year ended 31 December 2008. The revenue from coal and coal mining equipment operations of the Group continued to record some growth, and there was a relatively large decrease in revenue from coking operations due to the effects of changing market conditions.

Changes in revenue net of inter-segmental sales from the Group's four operating segments of coal, coking, coal mining equipment and other operations for the year ended 31 December 2009 in comparison with the year ended 31 December 2008 were set out as follows:

	Revenue net of inter-segmental sales			
	For the year ended 31 December 2009	**For the year ended 31 December 2008**	**Increase/decrease**	
	RMB100 million	RMB100 million (restated)	RMB100 million	%
Coal operations	409.09	373.52	35.57	9.5
Coking operations	35.90	66.53	-30.63	-46.0
Coal mining equipment operations	52.55	41.34	11.21	27.1
Other operations	34.33	36.14	-1.81	-5.0
Total	531.87	517.53	14.34	2.8

The proportion of revenue net of inter-segmental sales generated by various operating segments of the Group in the Group's total revenue for the year ended 31 December 2009 and 31 December 2008 were set out as follows:

	Proportion of revenue net of inter-segmental sales		
	For the year ended 31 December 2009	**For the year ended 31 December 2008 (restated)**	**Increase/ decrease (percentage points)**
	%	%	
Coal operations	76.9	72.2	4.7
Coking operations	6.7	12.8	-6.1
Coal mining equipment operations	9.9	8.0	1.9
Other operations	6.5	7.0	-0.5

(2) **Segmental Revenue**

- Coal operations

  The major coal products of the Group were thermal coal and coking coal, the revenue from the coal operations was mainly derived from the revenue of selling coal produced from the Company's 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 from proprietary coal trading) as well as engaged in coal import and export agency services.

  For the year ended 31 December 2009, the total revenue from coal operations of the Group increased by 8.3% to RMB41.175 billion from RMB38.010 billion for the year ended 31 December 2008; and the revenue net of other inter-segmental sales increased by 9.5% to RMB40.909 billion from RMB37.352 billion for the year ended 31 December 2008, of which the revenue from domestic sales of self-produced commercial coal was RMB32.141 billion, representing an increase of RMB3.696 billion or 13.0% over 2008; whereas the sales revenue from proprietary coal trading was RMB8.035 billion, representing an increase of RMB3.908 billion or 94.7% over 2008; the revenue from export sales of self-produced commercial coal was RMB704 million, representing a decrease of RMB3.957 billion or 84.9% over 2008; the revenue from the coal import and export agency services was RMB29 million, representing a decrease of RMB90 million or 75.6% over 2008.

Changes in the Group's coal sales volume and selling prices for the year ended 31 December 2009 in comparison with the year ended 31 December 2008 were set out as follows:

			For the year ended 31 December 2009		**For the year ended 31 December 2008**		**Increase/decrease**	
			Sales volume (10,000 tons)	**Selling price** (RMB/ ton)	**Sales volume** (10,000 tons)	**Selling price** (RMB/ ton)	**Sales volume** (10,000 tons)	**Selling price** (RMB/ ton)
1.	Self-produced commercial coal	Total	7,897	416	7,410	447	487	-31
		(I) Thermal coal	7,746	408	7,216	432	530	-24
		1. Export	130	522	656	694	-526	-172
		(1) Long-term contract	130	522	654	692	-524	-170
		(2) Spot trading	☆	☆	2	1,771	-2	—
		2. Domestic sales	7,616	406	6,560	405	1,056	1
		(1) Long-term contract	5,559	402	5,484	365	75	37
		(2) Spot trading	2,057	417	1,076	612	981	-195
		(II) Coking coal	151	829	194	1,011	-43	-182
		1. Export	3	770	5	1,954	-2	-1,184
		2. Domestic sales	148	830	189	984	-41	-154
2.	Proprietary coal trading	Total	1,529	525	541	763	988	-238
		(I) Self-operated exports	1	2,932	18	1,593	-17	1,339
		(1) Long-term contract	☆	☆	3	606	-3	—
		(2) Spot trading	1	2,932	15	1,794	-14	1,138
		(II) Domestic resale	1,344	518	521	736	823	-218
		(1) Long-term contract	115	590	57	563	58	27
		(2) Spot trading	1,229	511	464	757	765	-246
		(III) Import trading	184	565	2	614	182	-49
		(1) Long-term contract	45	456	☆	☆	45	—
		(2) Spot trading	139	600	2	614	137	-14
3.	Import and export agency	Total	299	10	919	13	-620	-3
		(I) Import agency	7	1	☆	☆	7	—
		(II) Export agency	292	10	919	13	-627	-3

☆: Nil

- Coking operations

For the year ended 31 December 2009, the revenue from coking operations of the Group decreased by 46.0% to RMB3.590 billion (derived entirely from revenue of external sales) from RMB6.653 billion for the year ended 31 December 2008. This was mainly due to the significant drops in both the selling price of coke and the export sales volume compared to 2008 owing to changes in market conditions, details of which were set out in the table below:

	For the year ended 31 December 2009		**For the year ended 31 December 2008**		**Increase/decrease**	
	Sales volume (10,000 tons)	**Selling price** (RMB/ton)	**Sales volume** (10,000 tons)	**Selling price** (RMB/ton)	**Sales volume** (10,000 tons)	**Selling price** (RMB/ton)
Coke sales*	242	1,407	285	2,220	-43	-813
Self-produced	215	1,386	220	1,881	-5	-495
Domestic sales	215	1,386	204	1,730	11	-344
Exports	☆	☆	16	3,833	-16	—
Proprietary trading	27	1,571	65	3,360	-38	-1,789
Domestic sales	27	1,571	19	2,195	8	-624
Exports	☆	☆	46	3,841	-46	—

☆: Nil

* The equity production volume of China Coal and Coke Xuyang Limited is not included in coke sales.

- Coal mining equipment operations

For the year ended 31 December 2009, the revenue from coal mining equipment operations of the Group increased by 28.4% to RMB5.949 billion from RMB4.633 billion for the year ended 31 December 2008. The revenue net of other inter-segmental sales increased by 27.1% to RMB5.255 billion from RMB4.134 billion for the year ended 31 December 2008, which was mainly attributable to an increase in the production and sales volume of coal mining equipment products and the increase in the selling price due to the increase in the proportion of high-end products.

- Other operations

  For the year ended 31 December 2009, the Group's total revenue from operations such as sales of primary aluminum and electricity decreased by 1.1% to RMB4.198 billion from RMB4.244 billion for the year ended 31 December 2008. The revenue net of other inter-segmental sales decreased by 5.0% to RMB3.433 billion from RMB3.614 billion for the year ended 31 December 2008.

2. **Cost of sales**

(1) **Consolidated cost of sales**

For the year ended 31 December 2009, the Group's cost of sales increased by 6.6% to RMB40.696 billion from RMB38.188 billion for the year ended 31 December 2008. Changes in major items of cost of sales were set out as follows:

Material costs increased by 1.7% to RMB21.551 billion from RMB21.200 billion for the year ended 31 December 2008. The increase was mainly attributable to the corresponding increase in materials consumption as a result of the Group's expansion of production and the increase in the sales from proprietary coal trading.

Staff costs increased by 24.4% to RMB3.172 billion from RMB2.550 billion for the year ended 31 December 2008. The increase was mainly attributable to the increase in the number of employees as a result of the Group's expansion of production, the corresponding adjustment to staff wages in line with the operation growth, as well as the increase in social insurance and employee benefits in line with the relevant rules and the gradual improvements of the National Social Security System.

Depreciation and amortisation expenses increased by 36.2% to RMB1.888 billion from RMB1.386 billion for the year ended 31 December 2008. The increase was mainly attributable to an increase in the utilization of new production equipments and facilities as a result of the Group's expansion of production.

Repairs and maintenance expenses decreased by 17.9% to RMB551 million from RMB671 million for the year ended 31 December 2008. The decrease was mainly attributable to the Group's utilization of new production equipments and facilities resulting in a decrease in the relevant maintenance expenses accordingly.

Transportation expenses decreased by 1.7% to RMB6.905 billion from RMB7.022 billion for the year ended 31 December 2008, which was mainly attributable to a decrease in the Group's export coke sales due to changes in the market conditions resulting in a decrease in transportation expenses accordingly.

Sales tax and surcharges decreased by 26.7% to RMB919 million from RMB1.253 billion for the year ended 31 December 2008, which was mainly attributable to a decrease in the Group's export coke sales resulting in lower amounts of export tariff accordingly.

Other costs increased by 39.1% to RMB5.710 billion for the year ended 31 December 2009 from RMB4.106 billion for the year ended 31 December 2008. The increase was mainly attributable to the corresponding increase in the environmental restoration expenses and mining engineering expenses incurred in relation to coal mining, as well as the corresponding increase in sustainable development fund, mining resources compensation charges and water resources compensation charges as a result of the increase of coal mining works or in the production and sales volumes.

(2) **Segmental cost of sales**

- **Coal operations**

For the year ended 31 December 2009, the cost of sales of the Group's coal operations increased by 17.9% to RMB30.192 billion from RMB25.613 billion for the year ended 31 December 2008. Changes in the major cost items were set out as follows:

	For the year ended 31 December 2009	**For the year ended 31 December 2008**	**Increase/decrease**	
	RMB100 million	RMB100 million	RMB100 million	%
Materials	136.18	112.62	23.56	20.9
Staff costs	22.23	17.94	4.29	23.9
Depreciation and amortisation	14.42	10.01	4.41	44.1
Repairs and maintenance	4.83	5.85	-1.02	-17.4
Transportation expenses	66.29	65.47	0.82	1.3
Sales tax and surcharges	8.32	8.11	0.21	2.6
Sustainable development fund	11.53	10.51	1.02	9.7
Mining resources compensation charges	2.15	1.56	0.59	37.8
Water resources compensation charges	1.85	1.42	0.43	30.3
Other costs*	34.12	22.64	11.48	50.7
Cost of coal sales	301.92	256.13	45.79	17.9

Note: Other costs mainly include environmental restoration expenses and mining engineering expenses incurred directly in relation to coal production during the coal mining operation.

For the year ended 31 December 2009, the cost of sales of the Group's self-produced commercial coal was RMB22.335 billion, representing an increase of RMB661 million or 3.0% over 2008. The unit sales cost of self-produced commercial coal was RMB282.82/ton, representing a decrease of RMB9.68/ton or 3.3% over 2008.

The major items in the unit sales cost of the Group's self-produced commercial coal for the year ended 31 December 2009 in comparison with the year ended 31 December 2008 were set out as follows:

	For the year ended 31 December 2009	**For the year ended 31 December 2008**	**Increase/decrease**	
	RMB/ton	RMB/ton	RMB/ton	%
Materials	72.96	98.83	-25.87	-26.2
Staff costs	28.15	24.22	3.93	16.2
Depreciation and amortisation	18.26	13.51	4.75	35.2
Transportation expenses	83.95	88.35	-4.40	-5.0
Repairs and maintenance	6.12	7.90	-1.78	-22.5
Sales tax and surcharges	10.54	10.94	-0.40	-3.7
Sustainable development fund	14.60	14.19	0.41	2.9
Mining resources compensation charges	2.73	2.11	0.62	29.4
Water resources compensation charges	2.34	1.92	0.42	21.9
Other costs	43.17	30.53	12.64	41.4
Unit sales cost of self-produced commercial coal	282.82	292.50	-9.68	-3.3

The Group's unit cost of materials for self-produced commercial coal decreased by RMB25.87/ton over 2008, which was mainly attributable to the effects of a decrease in the total cost of external purchases of raw coal for washing purpose by the independent coal washing plant and the self-owned coal washing plant of the Group, lower purchasing cost of raw materials such as diesel and spare parts due to more centralized management of purchases and tenders, and lower unit consumption of materials by enhancing controls on the collection and consumption of materials. Unit staff cost increased by RMB3.93/ton over 2008, which was mainly due to an increase in the number of employees as a result of expansion in production scale and the appropriate adjustment of wages according to the growth of results performance. Unit depreciation and amortisation expenses increased by RMB4.75/ton over 2008, which was mainly due to that more equipments and facilities were used during the current period. Unit cost of repairs and maintenance expenses decreased by RMB1.78/ton over 2008, which was mainly due to the commencement of new equipment operation during the current period resulting in a corresponding decrease in repairs expenses. Unit cost of transportation expenses decreased by RMB4.40/ton over 2008, which was mainly due to a decrease in the sales volume of seaborne coal bearing shipping and port expenses in the seaborne coal sales.

In response to the pressure of cost increases, the Group continued to effectively control the cost of coal through strengthening process management and exercising strict control over material consumption.

- Coking operations

  For the year ended 31 December 2009, the cost of sales of coking operations decreased by 44.8% to RMB3.408 billion from RMB6.179 billion for the year ended 31 December 2008, which was mainly attributable to the decrease in the coke sales volume and lower purchasing prices of coal as raw materials for producing coke.

- Coal mining equipment operations

  For the year ended 31 December 2009, the cost of sales of coal mining equipment operations increased by 25.4% to RMB4.869 billion from RMB3.884 billion for the year ended 31 December 2008, which was mainly attributable to the increase in the sales volume of coal mining equipments and the increase in the proportion of high-end products resulting in a corresponding increase in imported materials and spare parts of higher purchasing prices.

3. **Gross profit**

For the year ended 31 December 2009, the Group's gross profit decreased by 7.9% to RMB12.491 billion from RMB13.566 billion for the year ended 31 December 2008, and the gross profit margin decreased by 2.7 percentage points to 23.5% from 26.2% for the year ended 31 December 2008.

The gross profit and gross profit margins of the Group's various operating segments for the year ended 31 December 2009 in comparison with the year ended 31 December 2008 were set out as follows:

	Gross Profit			**Gross Profit Margin**		
	For the year ended 31 December 2009 RMB100 million	**For the year ended 31 December 2008** RMB100 million (restated)	**Increase/ decrease** RMB100 million	**For the year ended 31 December 2009** %	**For the year ended 31 December 2008** (restated) %	**Increase/ decrease in percentage points**
Coal operations	109.83	123.97	-14.14	26.7	32.6	-5.9
Of which: Self-produced commercial coal	107.76	120.90	-13.14	32.5	35.8	-3.3
Proprietary coal trading	1.78	1.88	-0.10	2.2	4.6	-2.4
Coking operations	1.82	4.74	-2.92	5.1	7.1	-2.0
Coal mining equipment operations	10.80	7.49	3.31	18.2	16.2	2.0
Other operations	3.43	0.06	3.37	8.2	0.1	8.1
The Group	124.91	135.66	-10.75	23.5	26.2	-2.7

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

4. **Selling, general and administrative expenses**

For the year ended 31 December 2009, the Group's selling, general and administrative expenses increased by 0.7% to RMB2.887 billion from RMB2.867 billion for the year ended 31 December 2008.

5. **Loss from fair value changes of other financial assets**

For the year ended 31 December 2009, the Group had sold its entire shareholding of A shares in China COSCO Holdings Company Limited ("**COSCO**"), and therefore there was no gain or loss from fair value changes of other financial assets. For the year ended 31 December 2008, the Group recognized losses of RMB1.406 billion from fair value changes due to the falling price of such shares.

6. **Other income**

For the year ended 31 December 2009, other income of the Group decreased by 15.1% to RMB1.419 billion from RMB1.671 billion for the year ended 31 December 2008, which was mainly attributable to the decrease in interest income by RMB646 million over 2008 and the increase in investment income of RMB399 million over 2008 from the disposal of the COSCO A shares and the shareholding in Xi'an Design Company.

7. **Other gains, net**

For the year ended 31 December 2009, the other net gains of the Group decreased by 42.8% to RMB249 million from RMB435 million for the year ended 31 December 2008, which was mainly attributable to the gains realized from debt restructuring of RMB199 million by subsidiaries of the Group with relevant creditors during the previous year, which did not occur during the current year.

8. **Profit from operations**

For the year ended 31 December 2009, the Group's profit from operations decreased by 1.1% to RMB11.272 billion from RMB11.399 billion for the year ended 31 December 2008. Changes in profit from operations attributable to various operating segments were set out as follows:

	For the year ended 31 December 2009	**For the year ended 31 December 2008**	**Increase/decrease**	
	RMB100 million	RMB100 million (restated)	RMB100 million	%
Coal operations	96.94	112.85	-15.91	-14.1
Coking operations	0.84	2.84	-2.00	-70.4
Coal mining equipment operations	4.47	3.41	1.06	31.1
Other operations	1.42	-2.62	4.04	—

Note: The profit from operations of all the above operating segments was before inter-segmental sales.

9. **Financial costs, net**

For the year ended 31 December 2009, the Group's net finance costs decreased by 55.8% to RMB445 million from RMB1.006 billion for the year ended 31 December 2008. The decrease was mainly due to net foreign exchange gains of RMB67 million derived from the Group's Japanese Yen borrowings as a result of the depreciation of Japanese Yen against RMB during the current year, whereas exchange losses of RMB426 million were incurred from the Group's foreign currency assets and liabilities in the previous year.

10. **Profit before tax**

For the year ended 31 December 2009, the Group's profit before tax increased by 4.0% to RMB10.917 billion from RMB10.498 billion for the year ended 31 December 2008.

11. **Income tax**

For the year ended 31 December 2009, the Group's income tax expenses increased by 1.7% to RMB2.536 billion from RMB2.494 billion for the year ended 31 December 2008.

12. **Profit attributable to equity holders of the Company**

For the year ended 31 December 2009, the profit attributable to equity holders of the Company increased by 9.9% to RMB7.834 billion from RMB7.131 billion for the year ended 31 December 2008.

III. CASH FLOW

As at 31 December 2009, the Group's cash and cash equivalents amounted to RMB12.628 billion, representing a net increase of RMB4.740 billion as compared to the cash and cash equivalents of RMB7.888 billion as at 31 December 2008.

The net cash generated from operating activities increased by 20.8% from RMB9.674 billion for the year ended 31 December 2008 to RMB11.688 billion for the year ended 31 December 2009. This was mainly attributable to the year-on-year increase of RMB1.357 billion in net cash inflow from operations due to the expanding of operations and strengthening the management of trade receivables, a year-on-year increase of RMB1.439 billion in cash inflow from interest income, and the year-on-year increase of RMB857 million in cash outflow from the payment of income tax.

The net cash outflow from investing activities decreased by 79.2% from RMB31.320 billion for the year ended 31 December 2008 to RMB6.530 billion for the year ended 31 December 2009. This was mainly attributable to the decrease of funds by RMB25.907 billion for term deposits with initial terms of over three months.

The net cash outflow from financing activities amounted to RMB416 million for the year ended 31 December 2009, and a net inflow from financing activities was RMB25.352 billion for the year ended 31 December 2008. This was mainly attributable to the net inflow of RMB25.320 billion as proceeds raised from the issue of A Shares in 2008, while dividends and loan repayment contributed to the net outflow in 2009.

IV. LIQUIDITY AND SOURCES OF CAPITAL

For the year ended 31 December 2009, the Group's funds was mainly derived from proceeds generated from business operations, bank loans and net amounts of funds raised in capital markets. The Group's capital was mainly used for investments in production facilities and equipments for coal, coking and coal mining equipment operations, repayment of debts owed by the Group, and used as the Group's working capital and general recurring expenditures.

The cash generated from the Group's self-operated business, the net proceeds from share offering in the global and domestic capital markets, and the relevant banking facilities obtained will ensure the sufficiency of capital funds available for future production and operation activities as well as project construction.

V. ASSETS AND LIABILITIES

1. Property, plant and equipment

As at 31 December 2009, the net value of property, plant and equipment of the Group was RMB36.729 billion, representing an increase of 7.719 billion or 26.6% as compared to RMB29.010 billion as at 31 December 2008.

The composition of the Group's property, plant and equipment (net) as at 31 December 2009 and 31 December 2008 were set out as follows:

	As at 31 December 2009	**Percentage**	**As at 31 December 2008**	**Percentage**
	RMB100 million	%	RMB100 million (restated)	%
Buildings	70.31	19.1	54.99	19.0
Mining structures	56.40	15.4	43.82	15.1
Plant, machinery and equipment	133.06	36.2	96.10	33.1
Railway	3.30	0.9	3.77	1.3
Motor vehicles, fixtures and others	6.25	1.7	6.85	2.4
Construction in progress	97.97	26.7	84.57	29.1
Total	367.29	100.0	290.10	100.0

2. **Mining rights**

As at 31 December 2009, the net value of the Group's mining rights amounted to RMB12.176 billion, increased by RMB8.495 billion or 230.8% as compared to RMB3.681 billion as at 31 December 2008. This was mainly due to the increase in the value of the mining rights by RMB7.906 billion after acquisition of Mengda Mining and Yihua Mining during the year and the increase of RMB626 million by the subsidiary of the Company.

3. **Trade receivables and notes receivables**

As at 31 December 2009, the net amount of trade receivables and notes receivables of the Group was RMB4.964 billion, representing a decrease of RMB671 million or 11.9% as compared to RMB5.635 billion as at 31 December 2008. The net amount of trade receivables was RMB3.255 billion, representing a decrease of RMB1.218 billion as compared to RMB4.473 billion as at 31 December 2008.

4. **Borrowings**

As at 31 December 2009, the balance of borrowings of the Group amounted to RMB12.276 billion, representing an increase of RMB1.195 billion as compared to RMB11.081 billion as at 31 December 2008. The balance of long-term borrowings (including the portion due within one year) was RMB11.889 billion, representing an increase of RMB1.177 billion as compared to the balance of RMB10.712 billion as at 31 December 2008. The balance of short-term borrowings amounted to RMB387 million, representing an increase of RMB19 million as compared to the balance of RMB368 million as at 31 December 2008.

VI. SIGNIFICANT INVESTMENT

For the year ended 31 December 2009, no new significant investment was made by the Group.

VII. EXCHANGE RATE RISK

The business operations of the Group are affected by changes in the exchange rate of RMB. The Group mainly accepts payments for export sales in US Dollars, with liabilities denominated in foreign currencies, including Japanese Yen and US Dollar. Meanwhile, the Group also needs to make payments for imported equipment and spare parts in foreign currencies, mainly in US Dollars. Therefore, exchange rate fluctuations of foreign currencies against RMB may have favorable or adverse impact on the operating results of the Group. The appreciation of RMB will lead to a decline in the revenue derived by the Group from exports, but will also lower the cost of equipment and spare parts imported by the Group, as well as lowering the costs for the repayment of foreign debts.

VIII. COMMODITY PRICE RISK

The Group is also exposed to commodity price risk arising from the movements in the prices of its products and the costs of materials.

IX. INDUSTRY RISK

Similar to the operations of other coal companies and coking companies in China, the Group's operating activities are regulated by the Chinese government in the aspects of industry policy, project approval, granting of permits, industry specific tax and levy, environmental protection and safety standards and so on. Therefore, the Group may be restricted in expanding its business or increasing its earnings. Certain future policies adopted by the Chinese government in relevant industries relating to coal and coal chemicals may have an impact on the Group's operating activities.

X. CONTINGENT LIABILITIES

1. Bank guarantee

As at 31 December 2009, the Group provided, in accordance with the proportion of its shareholding, a guarantee of RMB550 million for a bank loan extended to its associated company, Shanxi Pingshuo Gangue-fired Power Generation Co., Ltd.

2. Environmental protection liabilities

Environmental protection laws and regulations have been fully implemented in China. The management of the Group considers that, save for those amounts accounted for in the financial statements, no other environmental protection responsibilities which are currently in existence may impose a material adverse effect on the financial conditions of the Group.

3. Contingent legal liabilities

For the year ended 31 December 2009, the Group was not involved in any material litigation or arbitration. And to the best knowledge of the Group, there is no material litigation or arbitration pending, threatening or commenced against the Group. As at 31 December 2009, the Group was named as a party to certain non-material lawsuits, however, the management of the Group believes that none of these cases would have any material adverse effect on the financial conditions of the Group.

BUSINESS PERFORMANCE

In 2009, China Coal Energy proactively coped with market changes, endeavoured to reinforce various management works, expedited the readjustment of business operations, continuously identified opportunities amid crises, strove to make breakthroughs amid challenges and dared to innovate during development. The business segments such as coal and coal mining equipment continued to maintain fast development momentum and remarkable operating results were achieved.

I. COAL OPERATIONS

1. Coal production

Production volume of coal continued to grow fast. In 2009, the Company's raw coal production volume reached 108.56 million tons, representing an increase of 8.19 million tons or 8.2% over 2008. The production volume of self-produced raw coal amounted to 100.80 million tons, representing an increase of 9.31 million tons or 10.2% over 2008 and accounting for 92.9% of the Company's production volume of raw coal.

The Pingshuo Mining Area was well on the track of achieving the objective of a production capacity of 100 million tons and achieved a production volume of raw coal of 87.02 million tons, representing an increase of 10.8% over 2008. The Antaibao Underground Mine was completed and came into operation, and it achieved a production volume of 6.74 million tons of raw coal in 2009. The Jingdong Mine integrated and reconstructed by Pingshuo Coal Industry Company achieved a production volume of 5.7 million tons in 2009. The Company speeded up the open pit mine stripping and the construction of the ancillary coal preparation plant of the Pingshuo East Open Pit Mine. The Company proactively implemented the production capacity expansion and efficiency enhancement of Datun Mining Area, and such mining area achieved raw coal production volume of 8.61 million tons for the full year, representing an increase of 10.4% over 2008. The reconstruction and expansion of the Kongzhuang Mine is in continuous process. The Company strengthened the gas control of, optimized the mining layout of and steadily accelerated the construction of the coal mine project of the Liliu Mining Area. The Dongpo Coal and Nanliang Coal significantly increased the production volume of raw coal through the implementation of technological reforms.

Industry-leading position in respect of production safety in China. The Company proactively established a long-term mechanism for production safety and strove to construct intrinsically safe mines. The Company had 9 safe and highly efficient mines, of which 6 were industry super first class safe and highly efficient mines. The fatality rate of raw coal production per million tons for 2009 was 0.009, which fell to the lowest level ever recorded in the history of the Company. The raw coal production efficiency of the Company was 31.2 tons/worker-shift, representing an increase of 2 tons/worker-shift over 2008.

Effective cost control. The Company continued to strengthen cost management and on the basis of implementing fixed amount for cost items of product, strictly controlling the unit consumption level, optimizing the relation between mining and drivage (stripping), placed more emphasis on implementing whole-process, total-factor and all-round cost control regarding mining design and working face layout, and reduced the coal cost through improving the production efficiency. In 2009, the unit cost of sales of self-produced commercial coal of the Company was RMB282.82/ton, representing a decrease of RMB9.68/ton or 3.3% over 2008.

Self-produced raw coal production (10,000 tons)		**2009**	**2008**	**% of Change**
Pingshuo Mining Area		8,702	7,854	10.8
Of which:	Antaibao Open Pit Mine	2,272	2,417	-6.0
	Anjialing Open Pit Mine	2,028	1,970	2.9
	Anjialing No.1 Underground Mine	1,604	1,698	-5.5
	Anjialing No.2 Underground Mine	1,554	1,769	-12.2
	Antaibao Underground Mine	674	☆	-
	Jingdong Mine	570	☆	-
Datun Mining Area		861	780	10.4
Of which:	Yaoqiao Mine	410	380	7.9
	Kongzhuang Mine	143	130	10.0
	Xuzhuang Mine	175	150	16.7
	Longdong Mine	133	120	10.8
Liliu Mining Area		165	245	-32.7
	Shaqu Mine	165	245	-32.7
Dongpo Coal		186	150	24.0
Nanliang Coal		166	120	38.3
Total		10,080	9,149	10.2

☆: Nil

2. **Coal sales**

The Company adhered to the "market-oriented and customer-centered" operation philosophy, and achieved satisfactory results of coal sales by optimizing the market structure, diversifying the product mix and adjusting the sales strategy in 2009, during which period the domestic thermal coal market first eased and then became tight as well as that the supply and demand experienced significant fluctuations. In 2009, the sales volume of commercial coal of the Company was 97.25 million tons, representing an increase of 8.55 million tons or 9.6% over 2008.

			2009	2008	% of Change
Sales volume of commercial coal (10,000 tons)			9,725	8,870	9.6
(1)	Domestic sales of self-produced coal		7,764	6,749	15.0
	By region:	North China	2,392	1,703	40.5
		East China	3,210	2,954	8.7
		South China	832	961	-13.4
		Northeast China	27	159	-83.0
		Other	1,303	972	34.1
	By coal type:	Thermal coal	7,616	6,560	16.1
		Coking coal	148	189	-21.7
	By contract:	Long-term contract	5,597	5,484	2.1
		Spot trading	2,167	1,265	71.3
	By transportation:	Seaborne	5,775	4,402	31.2
		Direct arrival	1,036	1,503	-31.1
		Local sales	953	844	12.9
(2)	Self-produced coal export		133	661	-79.9
	By region:	Taiwan, China	76	507	-85.0
		Korea	37	91	-59.3
		Japan	20	45	-55.6
		Other	☆	18	-100.0
	By coal type:	Thermal coal	130	656	-80.2
		Coking coal	3	5	-40.0
	By contract:	Long-term contract	130	654	-80.1
		Spot trading	3	7	-57.1
(3)	Proprietary coal trading		1,529	541	182.6
	By contract:	Long-term contract	160	60	166.7
		Spot trading	1,369	481	184.6
(4)	Import & export agency sales		299	919	-67.5
	Of which:	Export agency	292	919	-68.2
		Import agency	7	☆	—

☆: Nil

In terms of market strategy. On the basis of strengthening relationship with traditional key customers, the Company increased the number of contracts signed with local power enterprises other than the five leading power generation groups. Meanwhile, the Company actively explored new industries such as metallurgy, construction materials, cement, paper making and ceramics, and established long-term partnership with a number of key users. As a result, the Company further enhanced its ability to resist market risks.

In terms of product strategy. The Company aims at satisfying the clients needs and continuously enriched the product range to satisfy various requirements of users. The Company endeavoured to add the types of products with strong sales and high profits, newly developed high value-added lump coal and reconstructed and operated lump coal processing systems in the mining area, which led to the sales of almost 100,000 tons of lump coal in 2009. While enlarging the users base, the Company received considerable additional revenue. By blending low sulphur coal purchased from the market with self-produced products, the Company optimized its product structure, improved product quality and achieved better economic benefits.

In terms of sales strategy. Facing the tough situation of delayed orders by the five major power generation groups early in 2009, the Company increased the number of contracts entered into with local power enterprises and other coal consuming enterprises in relevant industries, achieved the order target of ensuring the 100% sales of the Company's self-produced coal with a sufficient number of contracts and ensured the normal coal production and sales of the Company amid fluctuations in the thermal coal market. The Company planned in advance the sales of coal and entered into coal supply framework agreements for year 2010-2014 with various key users with a total supply coal volume of 750 million tons, which opened up a vast market stage for the growth of the Company's production volume.

In terms of channel strategy. The Company fully leveraged on the location advantage of its subsidiaries in southeastern coastal ports to strengthen cooperation with users and ports, consolidated and continued to develop the distribution business. The Company established distribution platforms in the Yangtze River Delta Region and the Pearl River Delta Region with concentrated demand for coal to continuously improve the sales network. Meanwhile, the Company made a corresponding adjustment to the functions of regional subsidiaries and enhanced functions such as the operation of the distribution business, coal blending at the ports, product upgrade, after-sales services and market development.

(1) Self-produced coal sales

The sales volume of the Company's self-produced coal for 2009 was 78.97 million tons, representing an increase of 4.87 million tons or 9.6% over 2008. In particular, the domestic sales volume increased substantially and reached 77.64 million tons for the full year, representing an increase of 15.0% over 2008. The percentage of spot sales increased. The percentage of spot sales was 27.5% during the reporting period, representing an increase of 10.3 percentage points over 2008.

(2) Proprietary coal trading

In 2009, the proprietary coal trading of the Company amounted to 15.29 million tons, representing an increase of 9.88 million tons or 182.6% over 2008. Of the 15.29 million tons, spot sales amounted to 13.69 million tons, representing an increase of 8.88 million tons over 2008.

(3) Export and import agency sales

In 2009, the Company provided agency services for exporting coal of 2.92 million tons, representing a decrease of 6.27 million tons or 68.2% over 2008 while providing agency services for importing coal of 70,000 tons.

II. COKING OPERATIONS

Coke production enterprises of the Company	**Location**	**Product type**	**Production capacity** (10,000 tons)
China Coal and Coke Jiuxin Limited	Lingshi, Shanxi	Metallurgical coke	200
China Coal and Coke Jingda Limited	Taigu, Shanxi	Foundry coke, metallurgical coke	50
China Coal and Coke Mudanjiang Limited	Mudanjiang, Heilongjiang	Metallurgical coke	40
China Coal and Coke Longquan Limited	Fenyang, Shanxi	Foundry coke	40

In 2009, the coke market experienced frequent fluctuations during short cycles with weak demand and continuously tight supply of coking coal. Domestic coke market prices remained at low levels, resulting in the coking industry facing consistent high operating pressure. By adopting the strategy of keeping abreast to the market and making timely adjustments to production, the Company reduced the purchasing cost of coking coal, expediting the cash flow and increasing the sales profit, the Company overcame the unfavourable situation of suffering from an operating loss in the first half of 2009 and achieved better economic results amid a general loss suffered by the coking industry. In response to market changes, the Company will adopt such measures as controlling upstream coking coal resources and increasing the recycling rate of by-products in the future to increase the Company's comprehensive income and further reinforce the ability of the coking operations to resist market risks.

In 2009, the production of coke of the Company reached 4.43 million tons, representing an increase of 20.7% over 2008, of which the equity production reached 3.17 million tons, representing an increase of 12.0% over 2008. The total coke sales amounted to 2.42 million tons (the equity production volume of China Coal and Coke Xuyang Limited is not included in the sales of coke), representing a decrease of 430,000 tons or 15.1% over 2008. Among the above, the sales of self-produced coke amounted to 2.15 million tons and accounted for 88.8% of the total sales of coke of the Company, representing an increase of 11.6 percentage points over 2008; while the weighted average selling price of coke for the full year was RMB1,407/ton, representing a decrease of 36.6% over 2008, of which, the average selling price of self-produced coke was RMB1,386/ton, representing a decrease of 26.3% over 2008.

III. COAL MINING EQUIPMENT OPERATIONS

Coal mining equipment manufacturers of the Company	**Location**	**Product portfolio**
China Coal Beijing Coal Mining Machinery Company Limited	Beijing	Hydraulic roof support
China Coal Zhangjiakou Coal Mining Machinery Company Limited	Zhangjiakou, Hebei	Armoured face conveyor, stage loader, crusher
Shijiazhuang Coal Mining Machinery Company Limited	Shijiazhuang, Hebei	Road header
Xi'an Coal Mining Machinery Company Limited	Xian, Shaanxi	Shearer
Fushun Coal Mine Electrical Machinery Company Limited	Fushun, Liaoning	Electric mining motor
China Coal Handan Coal Mining Machinery Company Limited	Handan, Hebei	Light roof support, pillar

Market structure tilted in the high-end, heavy-duty and complete-set direction. China National Coal Mining Equipment Co., Ltd., a subsidiary of the Company, ranked first in the PRC coal mining equipment industry in 2009. The production value of coal mining equipment in 2009 was RMB5.83 billion, representing an increase of RMB1.34 billion or 29.8% over 2008. The production volume of coal mining equipment was 241,000 tons, representing an increase of 28,000 tons or 13.1% over 2008. Among the above, the production volume of major coal mining equipment products was 15,759 units (sets). The market share of the Company continued to maintain a leading position for some products including heavy-duty armoured face conveyors and explosion-proof electric mining motors in China.

Product type of coal mining equipments of the Company	**Percentage of sales of the product in the Company** %	**Domestic market share** %
Medium and high-end armoured face conveyors	59	65
Medium and high-end hydraulic roof supports	84	18
Medium and high-end shearers	67	25
Medium and high-end electric mining motors	46	66

Continuously enhanced scientific research and development capability. The Company has scientific research institutes representing the highest level of coal mining equipment research and development level in China, including one national technology centre, one national accredited laboratory, two post-doctoral scientific research stations and three provincial and municipal enterprise technology centres. The Company has 117 patents and 79 patent under applications, of which 22 are invention patents. In 2009, the Company made remarkable scientific achievements. In particular, the development of the prototype for SGZ1350/3x1200KW intelligent armoured face conveyor with a coal transportation capacity of 5,000 tons per hour elevated the technological standard of similar products in China. The SGZ1000/3x1000(855)KW armoured face conveyor complete set equipment created the highest coal mining record of a monthly production of 1.01 million tons and a daily production of 46,000 tons for domestically manufactured equipment with the overall technology reaching international advanced standards.

SIGNIFICANT EVENTS

I. SHARE CAPITAL STRUCTURE

China Coal Group, the controlling shareholder of the Company, increased its shareholdings in the Company by 7,510,114 A Shares through the Shanghai Stock Exchange during the period between 23 September 2008 and 22 September 2009. The overseas wholly-owned subsidiary of China Coal Group, China Coal Hong Kong Limited, increased its shareholding in the Company by 120,000,000 H Shares through the trading of securities on the Hong Kong Stock Exchange.

Pursuant to the provisions of the "Implementing Measures for the Transfer of Some State-owned Shares from the Domestic Securities Market to the National Social Security Fund" (Cai Qi[2009]No.94), China Coal Group transferred a total of 152,533,340 state-owned Shares held by it, equivalent to 10% of the actual number of China Coal Energy A Shares issued, to National Council for Social Security Fund for holding and has completed the corresponding transfer registration procedure.

As at 31 December 2009, the structure of the share capital of the Company was as follows:

Type of Shares	Number of Shares	Percentage %
A Shares	9,152,000,400	69.03
Inclusive of A Shares held by China Coal Group	7,481,643,774	56.43
H Shares	4,106,663,000	30.97
Total	13,258,663,400	100.00

II. DISTRIBUTION OF FINAL DIVIDENDS FOR 2008

The Company's 2008 final profit distribution plan was considered and approved by the Company's 2008 annual general meeting on 26 June 2009. The total profits of the Company available for distribution as at 31 December 2008 were RMB2,043,558,900. Dividends were distributed based on the Company's total issued share capital of 13,258,663,400 Shares, with a dividend of RMB0.15413 per Share. The amount of distributed dividends for 2008 was RMB2,043,984,249.75 in total.

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

III. PROFITS AVAILABLE FOR DISTRIBUTION

On 22 April 2010, pursuant to the relevant laws and regulations of the PRC, the Board recommended the payment of cash dividends of RMB1,986,650,700 for 2009 to the shareholders of the Company, equal to 30% of the net profit attributable to equity holders of the Company as of 31 December 2009, which was RMB6,622,169,000 as set out in the consolidated financial statement of dividends prepared in accordance with the PRC Accounting Standards of business enterprises. The distribution will be made based on the Company's entire issued share capital of 13,258,663,400 Shares, representing a dividend of RMB0.14984 per Share.

IV. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

During the reporting period, the Company made two amendments to the Articles of Association with details as follows:

First amendment to the Articles of Association in 2009:

Whereas:

1. "The Shanghai Stock Exchange Listing Rules " (revised in 2008) newly promulgated by the Shanghai Stock Exchange in 2008 added two external guarantee items requiring consideration and approval by the general meeting.

2. Rule 2.07A of the Hong Kong Listing Rules newly revised by the Hong Kong Stock Exchange stipulates that a listed company may provide newsletters to its shareholders by way of electronic notification or disseminating information on the Company's web site provided that it obtains the prior explicit or implicit consent from the relevant shareholders;

3. The "Decision regarding Amendment to Certain Provisions for Cash Dividend of Listed Companies" promulgated by China Securities Regulatory Commission in October 2008 requires a listed company to clarify its cash dividend policy in the articles of association and to maintain a consistent and stable profit distribution policy ;

   The Company made corresponding amendments to Articles 66, 249 and 288 of the Articles of Association and made certain text amendments to Articles 149 and 160 of the Articles of Association so as to ensure the compliance with the Articles of Association and the listing rules of both domestic and overseas listing places and the requirements of the relevant regulatory authorities. The above amendments to the Articles of Association were approved at the 2008 Annual General Meeting of the Company held on 26 June 2009 and were approved by SASAC on 14 August 2009.

Second amendment to the Articles of Association in 2009:

Whereas:

1. The old "qualification certificate of coal business" of the Company has expired and needs to be renewed and extended. The Company is required to specify the effective term of the new "qualification certificate of coal business" in the Articles of Association;

2. China National Coal Group Corporation (中國中煤能源集團公司), the controlling shareholder of the Company, has changed its name to "China National Coal Group Corporation (中國中煤能源集團公司)" and the name of the controlling Shareholder in the Articles of Association has to be amended accordingly;

3. Pursuant to the Hong Kong Listing Rules and the relevant clauses of the "Guiding Opinions on Establishing the Independent Director System in Listed Companies" of China Securities Regulatory Commission, the provisions regarding the composition of the board of directors in the Articles of Association shall be amended accordingly;

4. Pursuant to the relevant provisions of the "Mandatory Provisions for the Articles of Association of Companies Listed Overseas", the vice-chairman shall be elected and removed by the majority of all directors and shall no longer be elected by the general meeting.

5. The Shanghai Stock Exchange Listing Rules revised in 2008 amended the rules regarding the appointment of independent directors;

The Company made corresponding amendments to Articles 2, 13, 19, 139, 140 and 154 of the Articles of Association. The above amendments to the Articles of Association were approved at the 2009 First Extraordinary General Meeting of the Company held on 18 December 2009 and were approved by SASAC prior to the date of this announcement.

V. ASSETS TRANSACTIONS

1. Asset acquisitions:

(1) The acquisition of the 100% equity interest in Xuzhou Sifang Aluminum Group Company Limited by Shanghai Datun Energy Resources Co., Limited

On 10 September 2009, Shanghai Datun, a subsidiary of the Company, and Datun Group, a wholly-owned subsidiary of China Coal Group, entered into an equity transfer agreement. The equity value of Sifang Aluminum as appraised by China United Appraisal and filed with SASAC was RMB93,197,600. Shanghai Datun acquired the 100% equity interest in Sifang Aluminum for RMB93,197,600. The transaction has been approved by SASAC, and the consideration for the equity transfer was fully paid on 19 October 2009, and the procedures for the change of business registration in respect of the equity transfer were completed on 27 October 2009.

(2) The acquisition of the 51% equity interest in Wushenqi Mengda Mining Company Limited by the Company

On 10 December 2009, the Company and Yuan Xing Energy Company as well as Shanghai Zendai Investment and Development Co., Ltd. entered into an agreement of equity transfer and share subscription by way of capital increase. The equity value of Mengda Mining as appraised by Pan-China Appraisal as at the valuation date of 30 June 2009 was RMB2,932,082,100. The Company acquired the 51% equity interest in Mengda Mining for RMB1,495,361,900 and issued shares proportionally with other shareholders. The Company paid the first installment of equity transfer consideration of RMB975,784,700 on 24 December 2009 and paid the share issue consideration of RMB174,114,000. The procedures for the change of business registration were completed on 31 December 2009. Following the completion of this acquisition, the Company will have an additional coal resources of 1.231 billion tons.

(3) The acquisition of the 51% equity interest in Ordos Yihua Mining Resources Company Limited by the Company through purchase and capital increase

On 10 December 2009, the Company and Yihua Industrial Company entered into an agreement of equity transfer and share subscription by way of capital increase. The equity value of Yihua Mining as appraised by Pan-China Appraisal Company as at the valuation date of 30 June 2009 was RMB2,940,302,000. The Company acquired 37.45% equity interests in Yihua Mining for RMB1,101,184,000. On this basis, the Company unilaterally injected capital of RMB813,000,000 into the company. After the share acquisition and capital injection, the Company totally acquired 51% equity interests in Yihua Mining. The Company paid the first installment of equity transfer consideration of RMB605,651,200 on 24 December 2009 and paid the capital increase consideration of RMB813,000,000. The procedures for the change of business registration in respect of the equity transfer and capital increase were completed on 31 December 2009. Following the completion of this acquisition, the Company will have an additional coal resources of 977 million tons.

2. **Disposal of assets**

On 4 December 2009, the Company and China Coal Group entered into an agreement of equity transfer. The market value of all the interests of shareholders of Xi'an Design Company as appraised by Zhongshui Appraisal using the equity method as at the valuation date of 31 July 2009 was RMB472,279,100. The Company transferred the 100% equity interest in Xi'an Design Company to China Coal Group for RMB472,279,100. The transaction was approved by SASAC and all equity transfer consideration was received on 31 December 2009. Up to the present, the procedures for the change of business registration in respect of the disposal of the equity interest in Xi'an Design Company by the Company were completed. Following the completion of the disposal, the Company no longer held any equity interest in Xi'an Design Company.

The premium arising from valuation based on the income approach has been prepared in accordance with the following principal bases and assumptions (the "**Assumptions**"):

1) there will be no material changes in existing political, legal, fiscal, market or economic conditions in the PRC, Hong Kong or any other countries or territories in which Xi'an Design Company currently operates or otherwise are material to Xi'an Design Company's design operations;

2) there will be no changes in laws, regulations or rules of the PRC, Hong Kong or other countries or territories covered or to be covered by the design operations of Xi'an Design Company;

3) there will be no material changes in inflation rate, interest rates or foreign currency exchange rates from those currently prevailing in respect of the design operations of Xi'an Design Company;

4) there will be no material changes in the bases or applicable rates of taxation or other government levies in countries in which the design operations of Xi'an Design Company are located;

5) there will be no wars, military events, epidemics or natural disasters which may have a material impact on the design operations of Xi'an Design Company;

6) there will be no adverse effect on the design operations of Xi'an Design Company as a result of a shortage in the supply of labour and labour disputes or any other factors which are beyond the control of the management of Xi'an Design Company. In addition, Xi'an Design Company will be able to recruit sufficient employees to meet the operating needs of its design operations;

7) the PRC government will continue to adopt macroeconomic policies similar to that adopted in 2009 to maintain steady economic growth; and

8) there will be no material changes in the set design fees, project contracting cost and supervision fees which will have a material adverse impact on the design operations of Xi'an Design Company.

The Company appointed RSM Nelson Wheeler to examine the arithmetic accuracy of the business valuation report on the fair value of the 100% equity interest of Xi'an Design Company as at the reference date of 31 July 2009 prepared by Zhongshui Appraisal on 17 October 2009.

RSM Nelson Wheeler examined the above business valuation report in accordance with the Hong Kong Standard on Assurance Engagement (HKSAE) 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA and with reference to the procedures stipulated in the Auditing Guideline 3.341 on "Accountants' Report on Profit Forecasts" issued by the HKICPA.

After examination, RSM Nelson Wheeler was of the view that the valuation in the business valuation report on the fair value of the 100% equity interest of Xi'an Design Company as at the reference date of 31 July 2009 prepared by Zhongshui Appraisal on 17 October 2009 was made properly in accordance with the Assumptions.

The Board confirmed that the above profit forecast has been prepared by them after making due and careful enquiries.

The acquisition of the 100% equity interest in Sifang Aluminum by Shanghai Datun was considered and approved at the Fourth Meeting of the First Board of Directors for 2009 convened on 14 August 2009. The disposal of the 100% equity interest in Xi'an Design Company by the Company was considered and approved at the seventh meeting of the first Board convened on 4 December 2009. Announcements on the above transactions and the consideration results of the Board were published on the web site of the Hong Kong Stock Exchange, the web site of the Shanghai Stock Exchange, China Securities Journal and Shanghai Securities News.

EMPLOYEES

As at 31 December 2009, the Group had 55,614 employees in total (2008: 50,805 employees in total).

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company was dedicated in enhancing the quality of its corporate governance. As at 31 December 2009, the Company strictly complied with the "Code on Corporate Governance Practices" set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Company's annual results for the year ended 31 December 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Model Code**") as set out in Appendix 10 of the Hong Kong Listing Rules as at 31 December 2009. The Company confirmed that all Directors, following a specific enquiry conducted by the Company, had complied with the Model Code then in force all the time for the year of 2009.

REMUNERATION OF DIRECTORS AND SUPERVISORS

In the year ended 31 December 2009, no directors or supervisors of the Company had agreed to waive any remuneration.

The remuneration package of directors of the Company is determined by the remuneration committee of the Company and is subject to approval by the Board and Shareholders at the forthcoming annual general meeting. When determining the remuneration package, the remuneration committee of the Company and the Board will take into consideration a number of factors, such as directors' duties, responsibilities and performance as well as the operation results of the Group and so on.

DIVIDENDS AND DISTRIBUTABLE PROFITS, CLOSURE OF SHARE REGISTER

On 22 April 2010, pursuant to the relevant PRC laws and regulations, the Board recommended the payment of cash dividends of RMB1,986,650,700, equal to 30% of the net profits attributable to equity holders of the Company which was RMB6,622,169,000 as set out in the consolidated financial statements of the Company prepared in accordance with the PRC Accounting Standards of business enterprises, for the year ended 31 December 2009 to the shareholders of the Company. The proposed dividend distribution will be made based on the Company's entire issued share capital of 13,258,663,400 Shares, representing a dividend of RMB0.14984 per Share (inclusive of tax). The proposal of profit distribution is subject to Shareholders' consideration and approval at the annual general meeting of 2009 to be convened on 25 June 2010. The dividends will be paid to Shareholders whose names appear on the Company's register of members on 27 May 2010. The share registrar of the Company will be closed from 27 May 2010 to 25 June 2010 (both days inclusive). In order to qualify for attending the annual general meeting and receiving the dividends, all transfer in respect of H Shares must be lodged at the Company's share registrar for H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 26 May 2010.

All dividends to be distributed will be denominated and declared in Renminbi and will be paid to holders of H Shares in Hong Kong dollars. The amount of dividends payable in Hong Kong dollars shall be based on the average exchange rate of Renminbi to Hong Kong dollars announced by the People's Bank of China on the date which is five business days prior to 22 April 2010 (Thursday), being the date of dividends declaration. The dividends are expected to be paid on or about 6 August 2010.

Under relevant regulations of China Securities Depository and Clearing Corporation Limited Shanghai Branch and in line with the market practice regarding dividends distribution for A Shares, the Company will publish a separate announcement in respect of its dividends distribution to holders of A Shares, which, among others, will set out the record date and ex-rights date after the annual general meeting of 2009.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE GROUP

For the year ended 31 December 2009, the Company and its subsidiaries had not purchased, sold or redeemed any securities (the term "securities" has the prescribed meaning under the Hong Kong Listing Rules) of the Group.

USE OF PROCEEDS FROM H SHARE ISSUE

After deducting related expenses, the net proceeds from H Shares issue of the Company was RMB14.466 billion. As at 31 December 2009, all net proceeds have been used in accordance with the usage plans disclosed in the prospectus of H Shares of the Company.

AUDITORS

The Company has appointed PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian CPAs Limited Company as its international and domestic auditor, respectively, for the year ended 31 December 2009. The financial statements for the year 2009 prepared by the Company in accordance with International Financial Reporting Standards have been audited by PricewaterhouseCoopers.

ANNOUNCEMENT OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Pursuant to the requirements of the Hong Kong Listing Rules regarding the reporting period, the 2009 annual report of the Company will set out all information disclosed in the annual results announcement for 2009 and will be disclosed on the website of the Company (http://www.chinacoalenergy.com) and the website of the Hong Kong Stock Exchange (http://www.hkex.com.hk) on or before 30 April 2010.

DEFINITIONS

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

A Share(s)	the domestic ordinary share(s) of RMB1.00 each in the share capital of the Company, which are listed on the Shanghai Stock Exchange and traded in RMB
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
Board of the Company / Board	the board of directors of China Coal Energy Company Limited
China Coal Group	China National Coal Group Corporation, the controlling shareholder of the Company
China Coal Mining Equipment	China National Coal Mining Equipment Company Limited, a wholly-owned subsidiary of the Company
China United Appraisal	China United Assets Appraisal Co. Ltd.
Datun Company	Datun Coal & Electricity Company Limited, a wholly-owned subsidiary of China Coal Group
Datun Mining Area	The coal mining area in Jiangsu Province operated by Shanghai Datun, and the coal mining area consists of the Yaoqiao, Kongzhuang, Xuzhuang and Longdong mines
Directors	the directors of the Company, including all the executive directors and independent non-executive directors
Dongpo Coal	a coal mine in Shanxi province which is operated by China Coal Shanxi Dongpo Coal Company Limited

H Share(s)	the overseas listed foreign share(s) of RMB 1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IFRS	the International Financial Reporting Standards
Jingdong Mine	a coal mine of Shanxi Shuozhou Wantongyuan Jingdong Coal Industry Company Limited
Liliu Mining Area	the coal mining area in Shanxi province which consists of the Shaqu Underground Mine and is operated by Huajin Coking Coal Company Limited
Mengda Mining	Wushenqi Mengda Mining Company Limited
Mengda New Energy Company	Inner Mongolia Mengda New Energy Chemical Base Development Company Limited
Nanliang Coal	a coal mine in Shaanxi Province which is operated by Shaanxi Nanliang Coal Company Limited
Pan-China Appraisal Company	Beijing Pan-China Assets Appraisal Co., Ltd.
Pingshuo Mining Area	the coal mining area in Shanxi Province which mainly consists of the Antaibao Open Pit Mine and Underground Mine, the Anjialing Open Pit Mine and Underground Mine, and the Jingdong Mine
PRC or China	the People's Republic of China, but for the purposes of this announcement only, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
RMB	Renminbi, the lawful currency of the PRC
RSM	RSM Nelson Wheeler
SAIC	the State Administration for Industry and Commerce of the People's Republic of China
SASAC	the State-owned Assets Supervision and Administration Commission of the State Council

Shanghai Datun	Shanghai Datun Energy Resources Company Limited, a subsidiary of the Company
Shanghai Stock Exchange	the Shanghai Stock Exchange
Share(s)	the ordinary share(s) of RMB 1.00 each in the share capital of the Company, including A Share(s) and H Share(s)
Shareholders(s)	the shareholder(s) of the Company, including holder(s) of H Shares and holder(s) of A Shares
Sifang Aluminum	Xuzhou Sifang Aluminum Group Company Limited
the Group / the Company / Company / China Coal Energy	China Coal Energy Company Limited. Unless the context otherwise specifies, also includes all of its subsidiaries
Xi'an Design Company	China Coal Xi'an Design Engineering Company Limited
Yihua Industrial Company	Ordos Yihua Industrial Company Limited
Yihua Mining	Ordos Yihua Mining Resources Company Limited
Yuan Xing Energy Company	Inner Mongolia Yuan Xing Energy Company Limited
Zendai Company	Shanghai Zendai Investment Management Company Limited
Zhongshui Appraisal	Zhongshui Assets Appraisal Co., Ltd.

By Order of the Board
China Coal Energy Company Limited
Wang An
Chairman of the Board, Executive Director

Beijing, the PRC, 22 April 2010

As at the date of this announcement, the executive directors of the Company are Wang An and Yang Lieke; and the independent non-executive directors of the Company are Gao Shangquan, Zhang Ke, Peng Ru Chuan, Wu Rongkang and Li Yanmeng.

* *For identification purpose only*