中煤

CHINA COAL ENERGY COMPANY LIMITED*

中國中煤能源股份有限公司

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

(Stock Code: 01898)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS:

- In 2014, the Group's revenue amounted to RMB70.664 billion, representing a decrease of RMB11.652 billion or 14.2% as compared with 2013.
- In 2014, the profit attributable to equity holders of the Company amounted to RMB141 million, representing a decrease of RMB3.664 billion or 96.3% as compared with 2013.
- In 2014, the basic earnings per share of the Company was RMB0.01, representing a decrease of RMB0.28 as compared with 2013.
- In 2014, EBIDTA amounted to RMB7.950 billion, representing a decrease of RMB4.135 billion or 34.2% as compared with 2013.
- The Board recommended the payment of final dividends of RMB0.024 per share (inclusive of tax) for the year 2014, which is subject to the approval by the Shareholders at the annual general meeting to be held in 2015.

The Board of China Coal Energy Company Limited is pleased to announce the audited annual results of the Group for the year ended 31 December 2014 prepared by the Group in accordance with the International Financial Reporting Standards ("IFRS"):

A. SELECTED CONSOLIDATED FINANCIAL INFORMATION PREPARED IN ACCORDANCE WITH IFRS

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

		Year ended 31 December	
	Note	**2014** *RMB'000*	2013 *RMB'000*
Revenue	*3*	**70,663,840**	82,316,482
Cost of sales			
Materials used and goods traded		**(31,555,126)**	(35,072,945)
Staff costs		**(4,335,055)**	(4,554,593)
Depreciation and amortisation		**(4,934,651)**	(4,846,380)
Repairs and maintenance		**(834,501)**	(1,134,710)
Transportation costs and port expenses		**(11,834,022)**	(13,015,596)
Sales taxes and surcharges		**(1,078,112)**	(1,293,811)
Others		**(8,896,464)**	(11,002,462)
Cost of sales		**(63,467,931)**	(70,920,497)
Gross profit		**7,195,909**	11,395,985
Selling, general and administrative expenses		**(4,903,538)**	(4,619,512)
Other income/(loss)		**16,298**	(9,778)
Other gains, net		**187,999**	112,726
Profit from operations		**2,496,668**	6,879,421
Finance income	*4*	**763,133**	605,575
Finance costs	*4*	**(2,715,006)**	(1,235,342)
Share of profits of associates and joint ventures		**134,485**	151,567
Profit before income tax		**679,280**	6,401,221
Income tax expense	*5*	**(191,768)**	(1,781,107)
Profit for the year		**487,512**	4,620,114
Profit attributable to:			
Equity holders of the Company		**141,097**	3,805,128
Non-controlling interests		**346,415**	814,986
		487,512	4,620,114
Basic and diluted earnings per share for the profit attributable to the equity holders of the Company (RMB)	*6*	**0.01**	0.29
Dividends distributed	*7*	**1,073,952**	2,784,319
Dividends proposed after the balance sheet date attributable to all shareholders of the Company	*7*	**319,787**	1,072,681

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Profit for the year	**487,512**	4,620,114
Other comprehensive income/(loss):		
Items that may be reclassified to profit or loss		
Fair value changes on available-for-sale financial assets, net of tax	**7,167**	(2,663)
Currency translation differences	**(20,084)**	(16,121)
Total items that may be reclassified to profit or loss	**(12,917)**	(18,784)
Other comprehensive loss for the year, net of tax	**(12,917)**	(18,784)
Total comprehensive income for the year	**474,595**	4,601,330
Total comprehensive income attributable to:		
Equity holders of the Company	**128,180**	3,786,344
Non-controlling interests	**346,415**	814,986
	474,595	4,601,330

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	Group		Company	
		As at 31 December 2014	As at 31 December 2013	**As at 31 December 2014**	As at 31 December 2013
		RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
ASSETS					
Non-current assets					
Property, plant and equipment		**126,367,333**	110,015,200	**703,675**	342,406
Investment properties		**51,154**	44,352	**–**	–
Land use rights		**4,691,349**	4,005,591	**–**	–
Mining and exploration rights		**33,167,714**	32,566,844	**–**	–
Intangible assets		**264,294**	159,104	**83,815**	77,832
Investments in subsidiaries		**–**	–	**72,147,867**	64,822,871
Investments in associates		**10,135,191**	9,560,189	**9,111,866**	7,744,945
Investments in joint ventures		**670,812**	526,300	**213,433**	98,433
Available-for-sale financial assets		**4,340,765**	2,020,603	**3,376,932**	1,887,970
Deferred income tax assets		**1,155,655**	454,687	**327,483**	18,636
Loans to subsidiaries		**–**	–	**20,592,493**	27,892,200
Long-term receivables		**207,675**	40,274	**–**	–
Other non-current assets		**7,179,299**	9,399,141	**1,173,994**	3,959,646
		188,231,241	168,792,285	**107,731,558**	106,844,939
Current assets					
Inventories		**8,622,473**	6,806,493	**1,699,177**	201,272
Trade and notes receivables	*8*	**13,459,490**	12,895,477	**3,105,100**	3,096,338
Prepayments and other receivables		**7,217,133**	7,004,845	**8,719,931**	9,219,320
Restricted bank deposits		**2,534,610**	1,583,835	**–**	–
Term deposits with initial terms of over three months		**5,815,521**	8,204,597	**5,404,987**	7,699,162
Cash and cash equivalents		**18,131,712**	11,232,575	**9,999,485**	7,014,660
		55,780,939	47,727,822	**28,928,680**	27,230,752
TOTAL ASSETS		**244,012,180**	216,520,107	**136,660,238**	134,075,691
EQUITY					
Equity attributable to the equity holders of the Company					
Share capital		**13,258,663**	13,258,663	**13,258,663**	13,258,663
Reserves	*9*	**43,069,928**	43,969,215	**42,665,476**	42,665,476
Retained earnings	*9*				
– Dividends proposed after the balance sheet date		**319,787**	1,072,681	**319,787**	1,072,681
– Others		**30,255,365**	29,510,465	**18,650,065**	19,610,933
		86,903,743	87,811,024	**74,893,991**	76,607,753
Non-controlling interests		**16,025,405**	15,282,116	**–**	–
Total equity		**102,929,148**	103,093,140	**74,893,991**	76,607,753

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2014

		Group		Company	
		As at 31 December 2014	As at 31 December 2013	**As at 31 December 2014**	As at 31 December 2013
	Note	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
LIABILITIES					
Non-current liabilities					
Long-term borrowings		**51,015,961**	29,774,758	**17,936,000**	11,686,000
Long-term bonds		**30,855,018**	29,868,059	**29,869,504**	29,868,059
Deferred income tax liabilities		**7,505,602**	7,744,694	**–**	–
Deferred revenue		**617,942**	412,631	**–**	–
Provision for employee benefits		**56,777**	94,511	**–**	–
Provision for close down, restoration and environmental costs		**1,224,927**	1,154,695	**–**	–
Other long-term liabilities		**877,996**	879,754	**–**	–
		92,154,223	69,929,102	**47,805,504**	41,554,059
Current liabilities					
Trade and notes payables	10	**23,421,126**	22,631,060	**3,400,911**	1,766,535
Accruals, advances and other payables		**11,745,890**	8,742,810	**6,603,715**	12,435,259
Taxes payable		**904,557**	1,784,692	**56,117**	232,085
Short-term borrowings		**6,005,048**	6,776,186	**1,700,000**	–
Current portion of long-term borrowings		**6,831,879**	3,544,019	**2,200,000**	1,480,000
Current portion of provision for close down, restoration and environmental costs		**20,309**	19,098	**–**	–
		48,928,809	43,497,865	**13,960,743**	15,913,879
Total liabilities		**141,083,032**	113,426,967	**61,766,247**	57,467,938
TOTAL EQUITY AND LIABILITIES		**244,012,180**	216,520,107	**136,660,238**	134,075,691
NET CURRENT ASSETS		**6,852,130**	4,229,957	**14,967,937**	11,316,873
TOTAL ASSETS LESS CURRENT LIABILITIES		**195,083,371**	173,022,242	**122,699,495**	118,161,812

B. NOTES TO THE FINANCIAL INFORMATION

1 ORGANISATION

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

The H shares of the Company have been listed on The Main Board of the HKSE since December 2006, while its A shares have been listed on the SSE since February 2008.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets at fair value as disclosed in the accounting policies below.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

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 meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty particularly over (a) the level of demand for the Group's products; and (b) the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

The following standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2014.

- Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group financial statements.

- Amendment to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. It also enhanced the disclosures of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Group has applied the amendment and there has been no significant impact on the Group financial statements as a result.

- IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to the payment a levy and when a liability should be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

3 SEGMENT INFORMATION

1) General information

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

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

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

b. Reportable segments

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

- Coal – Production and sales of coal;
- Coal-chemical products – Production and sales of 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 CODM evaluates performance on the basis of profit or loss before income tax expense. The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices. The amounts of segment information are denominated in RMB, which is consistent with the amounts in the reports used by the CODM.

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

b. Reportable segments' profit, assets and liabilities

	For the year ended and as at 31 December 2014						
	Coal	**Coal-chemical product**	**Machinery**	**Others** *(note)*	**Non operating segment**	**Inter-segment elimination**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue							
Total Revenue	**58,463,860**	**4,284,935**	**6,135,034**	**3,611,673**	**–**	**(1,831,662)**	**70,663,840**
Inter-segment revenue	**(397,145)**	**–**	**(545,287)**	**(889,230)**	**–**	**1,831,662**	**–**
Revenue from external customers	**58,066,715**	**4,284,935**	**5,589,747**	**2,722,443**	**–**	**–**	**70,663,840**
Profit/(loss) from operations	**2,646,512**	**143,118**	**133,431**	**(21,586)**	**(341,234)**	**(63,573)**	**2,496,668**
Profit/(loss) before income tax	**1,269,370**	**(19,909)**	**88,698**	**176,097**	**(782,820)**	**(52,156)**	**679,280**
Interest income	**66,198**	**228,141**	**7,668**	**274,558**	**669,098**	**(482,530)**	**763,133**
Interest expense	**(1,445,699)**	**(395,400)**	**(46,411)**	**(76,693)**	**(1,267,205)**	**498,667**	**(2,732,741)**
Depreciation and amortisation	**(4,434,645)**	**(245,803)**	**(235,031)**	**(508,333)**	**(29,451)**	**–**	**(5,453,263)**
Share of profits/(losses) of associates and joint ventures	**(33,193)**	**14,997**	**(3,443)**	**–**	**156,124**	**–**	**134,485**
Income tax (expense)/credit	**(66,306)**	**6,865**	**(50,370)**	**(102,557)**	**219**	**20,381**	**(191,768)**
Other material non-cash items							
Provision for impairment of property, plant and equipment	**–**	**–**	**(11,309)**	**–**	**–**	**–**	**(11,309)**
Provision for impairment of other assets	**(323,439)**	**(244)**	**(74,641)**	**(97,719)**	**–**	**–**	**(496,043)**
Segment assets and liabilities							
Total assets	**129,599,546**	**47,114,655**	**17,818,074**	**20,676,189**	**32,904,812**	**(4,101,096)**	**244,012,180**
Include: investment in associates and joint ventures	**575,662**	**633,708**	**80,714**	**–**	**9,515,919**	**–**	**10,806,003**
Addition to non-current assets	**12,936,448**	**10,180,976**	**1,606,127**	**302,788**	**598,393**	**–**	**25,624,732**
Total liabilities	**47,559,419**	**22,580,340**	**6,361,641**	**6,015,806**	**62,564,986**	**(3,999,160)**	**141,083,032**

	For the year ended and as at 31 December 2013						
	Coal	Coal-chemical product	Machinery	Others *(note)*	Non operating segment	Inter-segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue							
Total Revenue	68,961,394	4,052,022	7,446,613	3,694,484	–	(1,838,031)	82,316,482
Inter-segment revenue	(351,420)	–	(611,895)	(874,716)	–	1,838,031	–
Revenue from external customers	68,609,974	4,052,022	6,834,718	2,819,768	–	–	82,316,482
Profit/(loss) from operations	7,088,782	9,035	312,593	(76,451)	(450,311)	(4,227)	6,879,421
Profit/(loss) before income tax	6,556,830	(46,200)	311,542	(117,079)	(299,645)	(4,227)	6,401,221
Interest income	169,511	14,200	8,768	5,246	826,033	(418,183)	605,575
Interest expense	(921,809)	(125,477)	(13,980)	(44,844)	(676,471)	418,183	(1,364,398)
Depreciation and amortisation	(4,383,287)	(183,541)	(160,199)	(451,703)	(26,872)	–	(5,205,602)
Share of profits/(losses) of associates and joint ventures	97,956	50,956	7,756	–	(5,101)	–	151,567
Income tax (expense)/credit	(1,699,868)	(2,349)	(53,170)	(25,373)	(2,633)	2,286	(1,781,107)
Other material non-cash items							
Provision for impairment of property, plant and equipment	(1,174)	(660)	(70,179)	–	–	–	(72,013)
(Provision for)/Reversal of impairment of other assets	(26,739)	34	(80,651)	(57,588)	–	–	(164,944)
Segment assets and liabilities							
Total assets	123,504,559	40,249,340	15,717,034	8,697,297	32,282,318	(3,930,441)	216,520,107
Include: investment in associates and joint ventures	567,455	634,896	107,278	–	8,776,860	–	10,086,489
Addition to non-current assets	14,179,218	16,363,178	1,366,152	366,157	3,548,406	–	35,823,111
Total liabilities	30,702,565	22,175,998	5,396,142	4,450,608	54,018,350	(3,316,696)	113,426,967

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

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

3) Geographical information

Analysis of revenue

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Domestic markets	**70,278,983**	81,972,668
Asia Pacific markets	**384,857**	343,814
	70,663,840	82,316,482

Note:

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

Analysis of non-current assets

	31 December 2014	31 December 2013
	RMB'000	*RMB'000*
Domestic markets	**182,526,495**	166,269,407
Overseas markets	**651**	7,314
	182,527,146	166,276,721

Note:

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

4 FINANCE INCOME AND COSTS

	2014	2013
	RMB'000	*RMB'000*
Interest expense:		
– Bank borrowings	**3,437,144**	2,137,061
– Provisions: unwinding of discount	**88,111**	86,453
– Long-term and Short-term bonds	**1,745,251**	1,363,978
Other incidental borrowing costs and charges	**2,945**	13,255
Net foreign exchange gains	**(20,680)**	(142,311)
Finance costs	**5,252,771**	3,458,436
Less: amounts capitalised on qualifying assets	**(2,537,765)**	(2,223,094)
Total finance costs	**2,715,006**	1,235,342
Finance income:		
– interest income on bank deposits	**607,307**	471,856
– interest income on loans receivable	**155,826**	133,719
Total finance income	**763,133**	605,575
Finance costs, net	**1,951,873**	629,767

Note:

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

	2014	2013
Capitalisation rate used to determine the amount of finance costs eligible for capitalisation	**5.42%-7.15%**	5.33%-7.00%

5 INCOME TAX EXPENSE

	2014	2013
	RMB'000	*RMB'000*
Current income tax		
– PRC enterprise income tax *(note (a))*	**776,198**	1,557,467
Deferred income tax	**(584,430)**	223,640
	191,768	1,781,107

Notes:

(a) The provision for PRC enterprise income tax ("EIT") is calculated based on the statutory income tax rate of 25%. The applicable income tax rate in 2014 and 2013 is 25% on 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 15% 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 rates prevailing in the jurisdictions in which the Group operates as follows:

	2014	2013
	RMB'000	*RMB'000*
Profit before income tax	**679,280**	6,401,221
Tax calculated at applicable tax rates	**169,820**	1,600,305
Preferential tax rates on the income of certain subsidiaries	**(17,214)**	(46,563)
Income not subject to taxation	**(55,595)**	(38,368)
Expenses not deductible for taxation purposes	**55,492**	229,995
Utilisation of previously unrecognised tax losses	**(2,525)**	(5,062)
Tax losses for which no deferred income tax asset has been recognised	**54,862**	67,833
Additional expenses allowable for tax deduction	**(13,072)**	(27,033)
Income tax expense	**191,768**	1,781,107

The weighted average applicable tax rate was 28% (2013: 28%).

6 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the number of 13,258,663,000 ordinary shares in issue during the year.

As the Company had no dilutive instruments for the years ended 31 December 2014 and 2013, diluted earnings per share are presented equals to basic earnings per share.

7 DIVIDENDS

	2014	2013
	RMB'000	*RMB'000*
Dividends recorded:		
– final dividends for 2012, paid *(note (a))*	**–**	2,784,319
– final dividends for 2013, paid *(note (b))*	**1,073,952**	–

	2014	2013
	RMB'000	*RMB'000*
Dividends proposed after the balance sheet date:		
– final dividend for 2013 *(note (b))*	**–**	1,072,681
– final dividend for 2014 *(note (c))*	**319,787**	–

Notes:

(a) On 13 May 2013, after approval from the annual general meeting of Shareholders, the Company declared 2012 final dividend of RMB0.210 per share, and the Company made dividend payment of approximately RMB2,784,319,000 during 2013.

(b) On 13 May 2014, after approval from the annual general meeting of Shareholders, the Company declared 2013 final dividend of RMB0.081 Yuan per share, and the Company made dividend payment of approximately RMB1,073,952,000 during 2014.

(c) The Board of Directors, in a meeting held on 20 March 2015, proposed to distribute a final dividend for 2014 to equity holders of the Company of RMB319,787,000 (RMB0.024 per share), based on total number of shares which are in issue as at 31 December 2014. Such dividend distribution is subject to the approval of Shareholders' meeting, and is not reflected in these financial statements.

8 TRADE AND NOTES RECEIVABLES

	31 December 2014	31 December 2013
	RMB'000	*RMB'000*
Trade receivables, net *(note (a))*	**8,222,019**	8,268,716
Notes receivables *(note (b))*	**5,237,471**	4,626,761
	13,459,490	12,895,477

Notes:

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

	31 December 2014	31 December 2013
	RMB'000	*RMB'000*
Within 6 months	**5,214,360**	6,152,209
6 months -1 year	**1,607,463**	1,203,275
1 – 2 years	**1,266,055**	880,889
2 – 3 years	**292,017**	170,657
Over 3 years	**290,967**	263,192
Trade receivables, gross	**8,670,862**	8,670,222
Less: Impairment of receivables	**(448,843)**	(401,506)
Trade receivables, net	**8,222,019**	8,268,716

Trade receivables are normally with credit terms up to 30 days, depending on the credit history of the customer and other commercial terms of the sales contract. As at 31 December 2013 and 2014, there are no significant trade receivables that are past due but are not impaired.

(b) Notes receivables are principally bank accepted bills of exchange with maturity of less than one year (2013: less than one year).

9 RESERVES

	Group								
	Capital reserve	Statutory reserve funds	Future development fund	Safety fund	Other funds relevant to coal enterprise	Translation reserve	Other reserves	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2013	30,586,558	3,742,513	54,147	19,467	2,474,076	(31,123)	6,475,620	30,157,421	73,478,679
Profit for the year	–	–	–	–	–	–	–	3,805,128	3,805,128
Other comprehensive loss	–	–	–	–	–	(16,121)	(2,663)	–	(18,784)
Appropriations	–	250,309	21,989	50,857	246,325	–	–	(569,480)	–
Acquisition of a subsidiary under common control	–	–	–	–	–	–	(10,946)	–	(10,946)
Share of change in reserves of associates	–	–	–	–	–	–	45,917	(25,604)	20,313
Contributions	62,290	–	–	–	–	–	–	–	62,290
Dividends *(Note 7)*	–	–	–	–	–	–	–	(2,784,319)	(2,784,319)
Balance at 31 December 2013	30,648,848	3,992,822	76,136	70,324	2,720,401	(47,244)	6,507,928	30,583,146	74,552,361
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**141,097**	**141,097**
Other comprehensive (loss)/income	**–**	**–**	**–**	**–**	**–**	**(20,084)**	**7,167**	**–**	**(12,917)**
Appropriations	**–**	**–**	**(20,109)**	**(56,412)**	**(602,081)**	**–**	**–**	**678,602**	**–**
Acquisition of non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**(1,234)**	**–**	**(1,234)**
Share of change in reserves of associates	**–**	**–**	**–**	**–**	**–**	**–**	**123,485**	**(69,915)**	**53,570**
Contributions	**2,197**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,197**
Dividends *(Note 7)*	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,073,952)**	**(1,073,952)**
Loss of significant influence over an associate	**–**	**–**	**–**	**–**	**–**	**–**	**(332,216)**	**316,174**	**(16,042)**
Balance at 31 December 2014	**30,651,045**	**3,992,822**	**56,027**	**13,912**	**2,118,320**	**(67,328)**	**6,305,130**	**30,575,152**	**73,645,080**

Notes:

(a) Statutory reserve funds

In accordance with the PRC Company Law and the Company's articles of association, the Company is required to allocate 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to PRC companies ("PRC GAAP") and regulations applicable to the Company, to the statutory reserve funds until such reserve reaches 50% of the registered capital of the Company. The appropriation to the reserve must be made before any distribution of dividends to equity holders before reaching 50% threshold mentioned above. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as the Company's share capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the Company.

(b) Future development fund

Pursuant to the relevant PRC regulations, the Group is required to set aside an amount to a future development fund at RMB6 to RMB8 (2013: RMB6 to RMB8) per ton of raw coal mined. The fund can be used for future development of the coal mining operations, and is not available for distribution to Shareholders. Upon incurring qualifying development expenditures, an equivalent amount is transferred from future development fund to retained earnings.

(c) Safety fund

Pursuant to certain regulations issued by the Ministry of Finance (財政部) and the State Administration of Work Safety (國家安全生產監督管理總局) of the PRC, the subsidiaries of the Group which are engaged in coal mining are required to set aside an amount to a safety fund at RMB10 to RMB30 per ton of raw coal mined. The subsidiaries of the Group which are engaged in machinery manufacturing, metallurgy and other relevant business are required to set aside an amount of certain percentage of revenue to a safety fund. The safety fund can be used for safety facilities and environment improvement, and is not available for distribution to Shareholders. Upon incurring qualifying safety expenditure, an equivalent amount is transferred from safety fund to retained earnings.

(d) Other funds relevant to coal enterprise

(i) Transformation and environmental restoration fund

Pursuant to two regulations issued by the Shanxi provincial government on 15 November 2007, both of which are effective from 1 October 2007, mining companies of the Group located in Shanxi Province are required to set aside an amount to a coal mine industry transformation fund and environmental restoration fund at RMB5 and RMB10 per ton of raw coal mined respectively. According to the relevant rules, such funds will be specifically utilised for the transformation costs of the coal mine industry and for the land restoration and environmental cost, and is not available for distribution to Shareholders. Upon incurring qualifying transformation and environmental restoration expenditures, an equivalent amount is transferred from transformation and environmental restoration fund to retained earnings.

Pursuant to a regulation issued by the Shanxi provincial government, transformation and environmental restoration fund have not been set aside for the year ended 31 December 2014.

(ii) Sustainable development fund

Pursuant to a regulation issued by Jiangsu Province Xuzhou municipal government on 20 October 2010, the Company's subsidiary in Xuzhou is required to set aside an amount to a sustainable development fund at RMB10 (2013: RMB10) per ton of raw coal mined. The fund will be used for the transformation costs of the mine, land restoration and environmental cost, and is not available for distribution to Shareholders. Upon incurring qualifying expenditures, an equivalent amount is transferred from sustainable development fund to retained earnings. The sustainable development fund has not been set aside for the year ended 31 December 2014 according to related requirement of the local government.

10 TRADE AND NOTES PAYABLES

	31 December 2014	31 December 2013
	RMB'000	*RMB'000*
Trade payables *(note (a))*	**20,641,683**	19,821,545
Notes payable	**2,779,443**	2,809,515
	23,421,126	22,631,060

Note:

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

	31 December 2014	31 December 2013
	RMB'000	*RMB'000*
Less than 1 year	**16,707,059**	17,849,700
1 – 2 years	**2,951,493**	1,242,016
2 – 3 years	**559,899**	408,844
Over 3 years	**423,232**	320,985
	20,641,683	19,821,545

11 COMMITMENTS

(a) Capital commitments

Capital expenditure of property, plant and equipment authorised by the board of directors which has not been contracted for as of 31 December 2014 amounts to 8,963,000 (2013: RMB564,331,000).

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

	2014	2013
	RMB'000	*RMB'000*
Property, plant and equipment	**6,727,896**	18,161,359
Others	**1,251,629**	545,656
	7,979,525	18,707,015

(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:

	2014	2013
	RMB'000	*RMB'000*
Land and buildings:		
– Within 1 year	**67,193**	128,162
– From 1 year to 5 years	**242,664**	256,769
– Over 5 years	**744,210**	801,060
	1,054,067	1,185,991

(c) Investment commitments

According to the agreement entered into on 16 August 2012, Mengxi-Huazhong Railway Company Limited ("Mengxi-Huazhong") was incorporated by the Company, China Railway Investment Corporation and other 14 companies. As a 10% Shareholder, as at 31 December 2014 the Company has invested RMB1,013 million in Mengxi-Huazhong and is committed to further invest RMB5,684 million by instalments in the future.

According to the agreement entered into on 29 June 2011 between the Company, Yima Coal Industry Group Company Limited and Shanxi Haizi Jiaohua Company Limited ("Haizi Jiaohua"), as at 31 December 2014 the Company has paid RMB 178 million to Haizi Jiaohua as part of the consideration to acquire 51% interests in Jinchang and committed to pay the remaining consideration of RMB 301 million in the future when certain condition is fulfilled.

According to the agreement entered into on 29 June 2011 between the Company and Haizi Jiaohua, as at 31 December 2014 the Company has paid RMB 293 million to Haizi Jiaohua as part of the consideration to acquire 63% interests in Yushuo and committed to pay the remaining consideration of RMB 446 million in the future when certain condition is fulfilled.

According to the agreement entered into on 15 July 2006, Zhongtian Synergetic was incorporated by the Company, China Petroleum & Chemical Corporation and other 3 companies. As a 38.75% Shareholder, as at 31 December 2014 the Company has invested RMB 5,012 million in Zhongtian Synergetic and is committed to further invest RMB1,188 million by instalments in the future.

CHAIRMAN'S STATEMENT

Dear Shareholders,

In 2014, amidst a prolonged correction phase in the world economy after the global financial crisis, developed economies other than the United States showed little signs of recovery, and the international bulk commodity market witnessed a growing imbalance between supply and demand as well as significant price fluctuations. Chinese economy entered into a gear shifting phase with the structural adjustments realising a positive change, whereas it still faced notable downward pressure and overcapacity in certain industries. Owing to the influence from the following elements, including but not limited to, the backdrop of economic growth slowdown, insufficient coal demand and the enhanced intensity in air pollution control, China's coal industry remained in a profound correction scenario. The lingering high coal inventories and declining coal prices led to larger scale of deficit of the industry. In the face of a complicated and grim operating environment, China Coal Energy took the initiative to tackle the difficulties and challenges, earnestly performed its various duties, and managed to fulfil its production and operation tasks in line with the general guidelines of seeking progress while maintaining stability and promoting innovation through reforms.

During the reporting period, the Company rationalised the continuation of production, consolidated coordination between production and sales on a market-oriented basis, and offset the adverse impact from insufficient coal demand. To alleviate the imbalance between supply and demand of coal and stabilise coal prices, the Company and certain large coal enterprises in China voluntarily adopted production cutback in the second half of 2014. With production optimised, the Company's raw coal production volume completed for 2014 was 150 million tonnes, representing a year-on-year decrease of 4.1%. Sticking to the principle of placing profitability as top priority, the Company enhanced coal mining, washing and processing and blending processes, strengthened coal quality management and improved product structure in order to meet differentiated needs of customers. The commercial coal production volume reached 114 million tonnes, representing a year-on-year decrease of 3.6%. To perfect the marketing system, the Company stepped up its penetration into new markets such as central, southern and southwestern China, leading to an expanded coverage of coal sales network. To optimise customer structure, the Company actively explored metallurgical, chemical and construction materials industries in a bid to expand market share. To introduce innovative sales model, the e-commence platform was launched successfully, and the thermal coal futures business was promoted smoothly. In 2014, the Company sold 157 million tonnes of coal, of which the sales volume of self-produced coal amounted to 106 million tonnes.

The Company adhered to the established strategy to expedite industrial transformation and upgrades. During the reporting period, a number of coal chemical projects commenced production and operation. The Yulin Methanol Acetic Acid Deep Processing and Comprehensive Utilisation Project completed a successful test run in one attempt, setting several new records for investment and management of similar projects in China, and accumulatively produced 174,000 tonnes of polyolefin which was highly recognised in market since its rollout. The production load of the Mengda Coal-Based Methanol Project was increased steadily with continuous optimisations of process parameters, and accumulatively produced 450,000 tonnes of methanol and quickly built up the sales channels. The Tuke fertiliser project in Ordos accumulatively produced 828,000 tonnes of urea which was mainly sold to South America with brand influence continuously being increased. The coke oven gas-based fertiliser project in Lingshi of Shanxi completed technological upgrade and achieved long-cycle safe and stable operation, with operating performance improved significantly. These coal chemical projects of olefin, methanol and fertiliser came on stream as new growth drivers, allowing the Company to further rationalise its industrial structure and enhance the risk resistance capacity.

During 2014, the Company continued to consolidate its low-cost competitive advantage and upgraded lean management to a new level. Technological innovations resulted in optimised production processes and lower production unit consumption, expanding the headroom for higher efficiency and lower cost. The persistence on objective management and the emphasis on budget constraint led to a substantial drop of controllable costs. Investment scale and pace were rationally controlled to greatly cut down non-production expenses. The scope of centralised procurement and consignment purchase was expanded to minimise procurement costs. Finance Company drew upon its role as a funding pool and financing vehicle, allowing the Company to increase capital efficiency and expand financing channels, thus effectively meeting the funding needs from operation and construction. Furthermore, the Company revitalised the existing assets and sped up the disposal of inefficient and ineffective assets to improve asset quality. Meanwhile, the Company strengthened control over the size of trade receivables and inventories and enhanced management on cash flows to bring operational risks under strict control. During the reporting period, the Company's unit cost of sales of self-produced commercial coal decreased by 6.6% year-on-year, and profit before tax reached RMB680 million.

The Company strengthened preliminary preparation to expedite key projects in an orderly way. New achievements were made for a series of coal, power and supporting projects. With approvals obtained, coal mines at Menkeqing in Ordos and Hulusu, Yilan No. 3 Coal Mine in Heilongjiang and dedicated railway for Hujierte Mining Area in Ordos progressed steadily. Wangjialing Coal Mine in Shanxi completed the acceptance inspection, Huaning Coal Mine started joint trial operation, and the main work of Xiaohuigou Coal Mine advanced smoothly. The Company actively developed the layout of power business. Shanghai Energy Company obtained an approval for its cogeneration project, and positive progresses were made in preliminary preparation for Pingshuo low calorific value coal power generation project and Zhundong Power Plant in Xinjiang, with approvals expected to obtain in the near future. Coal chemical projects under construction developed smoothly. Mengda Engineering Plastics Project in Ordos and Pingshuo Inferior Coal Comprehensive Utilisation Project in Shanxi will be set to commission test run in the fourth quarter of 2015.

As China's economy has entered a new normal with a shift of economy development mode from the scale and speed-oriented extensive growth model to the quality and efficiency-based intensive model, and a shift of the economic structure from the previous bias to volume and capacity expansion to a mode of streamlining the existing capacity and optimising the additions. The coal industry needs to ford through a period characterised by slower demand growth, de-capacity and de-stocking, stricter environmental constraints, key challenges in transformation and restructuring, and compliance in laws and regulations. On the other hand, resources tax levied on the ad valorem basis has come into effect, and the change from administrative fees into tax is steadily promoted across China, which can mitigate the cost pressure of coal enterprises to some extent. The initiatives, including nationwide supervision on illegal construction and over-capacity production of coal mines, gradual elimination of backward production capacity, strict implementation of commercial coal quality management regulations, reduction of coal export tariffs, intensification of industry self-discipline, and voluntary production cutback of key coal enterprises, will bring positive impact on the alleviation of the imbalance between domestic supply and demand and the reasonable recovery of the coal prices. China's coal industry is and will be in a critical period for its restructuring, transformation and upgrades, with new opportunities ahead and grim challenges as well.

The year of 2015 is the final year for our "Twelfth Five-year Plan". We will focus on "production stabilisation, structure adjustment, sales expansion, quality enhancement and efficiency improvement" to improve our operation and management adhering to the overarching principle of forging through unfavourable conditions and progressing while maintaining stability. We will rationally arrange the coal production on a demand-oriented basis, accelerate test run of the coal chemical projects under construction while stabilising and increasing production load of the projects in operation, enhance innovations in the mining equipment manufacturing segment to release its production capacity of equipment manufacturing, integrate the coal marketing system and accelerate the establishment in logistics network to continuously innovate sales models, establish a centralised marketing system for coal chemical products to improve the pricing mechanism, strengthen cost control and capital management with strict control over non-production expenses, rationalise investment scale and paces to speed up the construction of key projects steadily, promote the establishment of safety-assured enterprise thoroughly and strengthen the safety responsibility to improve the long-term mechanism for safety production, and implement the innovation-driven strategy to create technological innovation-based competitiveness for reducing costs technically and supporting our transformation and upgrades.

Whilst the new cycle brings new challenges, the new normal also presents new opportunities. Addressing the extended recession in coal market, the management and all staff will adhere to the established strategy with keen risk awareness and an unchanged confidence. We will strive to seize opportunities, overcome the difficulties, improve our business performance, realize sustainable development, and create new value for Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND OPERATING RESULTS

The following discussion 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 the International Financial Reporting Standards ("IFRS").

I. OVERVIEW

In 2014, the Group spared no efforts in addressing the tremendous impacts arising from insufficient coal demand by arranging the continuation of production in a reasonable manner, improving the coordination between production and sales and strengthening cost reduction and potentiality-tapping. For the year ended 31 December 2014, the Group's total revenue (net of inter-segmental sales) amounted to RMB70.664 billion, representing a year-on-year decrease of 14.2%; profit before income tax amounted to RMB679 million, representing a year-on-year decrease of 89.4%; profit attributable to equity holders of the Company amounted to RMB141 million, representing a year-on-year decrease of 96.3%; net cash generated from operating activities per share was RMB0.38, representing a year-on-year decrease of RMB0.34; and basic earnings per share amounted to RMB0.01, representing a year-on-year decrease of RMB0.28.

Unit: RMB100 million

	For the year ended 31 December 2014	For the year ended 31 December 2013 (Restated)	**Increase/decrease**	
			Increase/ decrease in amount	Increase/ decrease (%)
Revenue	**706.64**	823.16	-116.52	-14.2
Profit before income tax	**6.79**	64.01	-57.22	-89.4
EBIDTA	**79.50**	120.85	-41.35	-34.2
Profit attributable to equity holders of the Company	**1.41**	38.05	-36.64	-96.3
Net cash generated from operating activities*	**50.84**	94.91	-44.07	-46.4

* In order to mitigate inconsistency across different capital markets, the Group reclassified interest paid and interest income received (other than those related to current deposits) from operating activities to financing activities and investing activities respectively in the current period. Prior period figure is reclassified accordingly.

As at 31 December 2014, the gearing ratio (total interest-bearing debts/(total interest-bearing debts + equity)) of the Group was 48.1%, representing an increase of 7.7 percentage points from the beginning of 2014.

Unit: RMB100 million

	As at 31 December 2014	As at 31 December 2013	**Increase/decrease** Increase/ decrease in amount	Increase/ decrease (%)
Assets	**2,440.12**	2,165.20	274.92	12.7
Liabilities	**1,410.83**	1,134.27	276.56	24.4
Interest-bearing debts	**952.08**	699.63	252.45	36.1
Equity	**1,029.29**	1,030.93	-1.64	-0.2
Equity attributable to the equity holders of the Company	**869.04**	878.11	-9.07	-1.0

II. OPERATING RESULTS

1) Combined Operating Results

1. Revenue

For the year ended 31 December 2014, the Group's total revenue (net of inter-segmental sales) decreased from RMB82.316 billion for the year ended 31 December 2013 to RMB70.664 billion, representing a decrease of 14.2%. The Group recorded a year-on-year decrease in production and sales price of self-produced commercial coal, which was mainly attributable to the market conditions, resulting in a year-on-year decrease of RMB10.543 billion in the external sales revenue of coal operations segment; external sales revenue of coal mining equipment operations segment recorded a year-on-year decrease of RMB1.245 billion due to the year-on-year decrease in sales volume of coal mining equipment products; and phase 1 of Tuke Fertiliser Project in Ordos of Inner Mongolia and Mengda Coal-Based Methanol Project were put into operation during the reporting period, resulting in a year-on-year increase of RMB233 million in the revenue from external sales of coal chemical operations segment.

Changes in revenue net of inter-segmental sales from the Group's four operating segments of coal, coal chemical, coal mining equipment and other operations for the year ended 31 December 2014 in comparison with the year ended 31 December 2013 are set out as follows:

Unit: RMB100 million

	Revenue net of inter-segmental sales		**Increase/decrease**	
	For the year ended 31 December 2014	For the year ended 31 December 2013	Increase/ decrease in amount	Increase/ decrease (%)
Coal operations	**580.67**	686.10	-105.43	-15.4
Coal chemical operations	**42.85**	40.52	2.33	5.8
Coal mining equipment operations	**55.90**	68.35	-12.45	-18.2
Other operations	**27.22**	28.19	-0.97	-3.4
Total	**706.64**	823.16	-116.52	-14.2

The proportion of revenue net of inter-segmental sales generated by each operating segment of the Group for the year ended 31 December 2014 and the year ended 31 December 2013 in the Group's total revenue are set out as follows:

	Proportion of revenue net of inter-segmental sales (%)		
	For the year ended 31 December 2014	For the year ended 31 December 2013	Increase/ decrease in (percentage point(s))
Coal operations	**82.2**	83.4	-1.2
Coal chemical operations	**6.1**	4.9	1.2
Coal mining equipment operations	**7.9**	8.3	-0.4
Other operations	**3.8**	3.4	0.4

2. Cost of sales

For the year ended 31 December 2014, the Group's cost of sales decreased from RMB70.920 billion for the year ended 31 December 2013 to RMB63.468 billion, representing a decrease of 10.5%.

Material costs decreased by 10.0% from RMB35.073 billion for the year ended 31 December 2013 to RMB31.555 billion, accounting for 49.7% of the cost of sales. The decrease was mainly attributable to a year-on-year decrease in the sales volume of self-produced commercial coal and purchase price of proprietary coal trading and the reduction in the purchase price of materials through long-term purchasing contracts by coal production enterprises which led to a decrease of RMB2.178 billion in the material costs of coal business. The sales of coal mining equipment decreased as compared with the year ended 31 December 2013, resulting in a decrease in material costs of RMB995 million.

Staff costs decreased by 4.8% from RMB4.555 billion for the year ended 31 December 2013 to RMB4.335 billion, accounting for 6.8% of the cost of sales. The decrease was mainly attributable to the reduction in performance-based salary by the Group's subsidiaries according to their business performance, and further enhancement of labour dispatch management and reduction of total employment to reduce labor costs.

Depreciation and amortisation expenses increased 1.8% year-on-year from RMB4.846 billion for the year ended 31 December 2013 to RMB4.935 billion, accounting for 7.8% of the cost of sales. The increase was mainly attributable to the transfer of the Group's construction-in-progress projects to fixed assets and an increase in production equipment and facilities purchased for production and operation, thus resulting in a corresponding year-on-year increase in provision for depreciation and amortisation expenses.

Repairs and maintenance costs decreased by 26.4% from RMB1.135 billion for the year ended 31 December 2013 to RMB835 million, accounting for 1.3% of the cost of sales. The decrease was mainly attributable to the decrease in repair outsourcing through making full use of own repair capability by the Group's subsidiaries, and the enhancement in daily repair and maintenance of equipment, thus resulting in a corresponding year-on-year decrease of incurred repair expenses.

Transportation costs and port expenses decreased by 9.1% from RMB13.016 billion for the year ended 31 December 2013 to RMB11.834 billion, accounting for 18.6% of the cost of sales. The decrease was mainly attributable to a year-on-year decrease in the sales of coal, for which freight and port charges had to be borne.

Sales taxes and surcharges decreased by 16.7% from RMB1.294 billion for the year ended 31 December 2013 to RMB1.078 billion, accounting for 1.7% of the cost of sales. The decrease was mainly attributable to a year-on-year decrease in profit of the Group, which led to a year-on-year reduction in urban maintenance and construction tax and education surcharge.

Other costs decreased by 19.1% from RMB11.001 billion for the year ended 31 December 2013 to RMB8.896 billion, accounting for 14.1% of the cost of sales. This was mainly attributable to the decrease in the production volume of the Group's subordinate coal production enterprises in Shanxi Province and the reduction of standard levy of coal sustainable development fund by RMB3/tonne in Shanxi Province with effect from 1 January 2014 (the coal sustainable development fund in Shanxi Province has been canceled since the reform of coal resource tax featured by price-based tax calculation and collection with effect from 1 December 2014), resulting in the decrease in costs of RMB732 million. The reduction of costs of outsourcing by subsidiaries and year-on-year decreases in outsourced stripping volume and roadheading length, which led to a decrease of RMB416 million in costs. A year-on-year decrease in revenue and the rate of mineral resources compensation fee of coal lowered to zero since 1 December 2014, leading to a decrease of RMB120 million in such fee which was calculated and collected in proportion to the total revenue. In addition, there was a year-on-year decrease in routine sporadic project expenditure such as environmental restoration and land subsidence treatment.

3. Gross profit and gross profit margin

For the year ended 31 December 2014, the Group's gross profit decreased from RMB11.396 billion for the year ended 31 December 2013 to RMB7.196 billion, representing a decrease of 36.9%, and gross profit margin decreased from 13.8% for the year ended 31 December 2013 to 10.2%, representing a decrease of 3.6 percentage points.

The gross profit and gross profit margin of each operating segment of the Group for the year ended 31 December 2014 and for the year ended 31 December 2013 are as follows:

Unit: RMB100 million

	Gross profit			Gross profit margin (%)		
	For the year ended 31 December 2014	For the year ended 31 December 2013	Increase/ decrease (%)	**For the year ended 31 December 2014**	For the year ended 31 December 2013	Increase/ decrease (percentage point(s))
Coal operations	**56.13**	97.79	-42.6	**9.6**	14.2	-4.6
Self-produced commercial coal	**53.86**	96.35	-44.1	**13.7**	19.7	-6.0
Proprietary coal trading	**1.84**	1.01	82.2	**1.0**	0.5	0.5
Coal chemical operations	**3.22**	1.73	86.1	**7.5**	4.3	3.2
Coal mining equipment operations	**10.41**	13.27	-21.6	**17.0**	17.8	-0.8
Other operations	**2.98**	1.86	60.2	**8.3**	5.0	3.3
Group	**71.96**	113.96	-36.9	**10.2**	13.8	-3.6

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

(2) Operating Results of Segments

1. Coal segment

- **Revenue**

The Group's revenue from the coal operations was mainly generated from sales of coal produced from our own coal mines and coal washing plants (sales of self-produced commercial coal) to domestic and overseas customers. In addition, the Group also purchased coal from external coal enterprises for resale to customers (sales of proprietary coal trading) and was engaged in coal import and export and domestic agency services.

For the year ended 31 December 2014, the total revenue from coal operations of the Group decreased from RMB68.961 billion for the year ended 31 December 2013 to RMB58.464 billion, representing a decrease of 15.2%; revenue net of other inter-segmental sales decreased from RMB68.610 billion for the year ended 31 December 2013 to RMB58.067 billion, representing a decrease of 15.4%.

For the year ended 31 December 2014, revenue from sales of self-produced commercial coal of the Group decreased from RMB49.016 billion for the year ended 31 December 2013 to RMB39.245 billion, representing a decrease of 19.9%. After offsetting the revenue from inter-segmental sales, the revenue decreased from RMB48.693 billion for the year ended 31 December 2013 to RMB38.900 billion, representing a decrease of 20.1%; of which, revenue from thermal coal was RMB35.533 billion, representing a year-on-year decrease of RMB9.457 billion; revenue from coking coal was RMB3.367 billion, representing a year-on-year decrease of RMB336 million. For the year ended 31 December 2014, the Group's sales of self-produced commercial coal was 106.09 million tonnes, representing a year-on-year decrease of 9.22 million tonnes and decreasing revenue by RMB3.891 billion; the weighted average sales price was RMB367/tonne, representing a year-on-year decrease of RMB55/tonne and reducing revenue by RMB5.902 billion.

Revenue from sales of proprietary trading coal decreased from RMB19.498 billion for the year ended 31 December 2013 to RMB18.750 billion, representing a decrease of 3.8%.

Revenue from agency services decreased from RMB33 million for the year ended 31 December 2013 to RMB18 million, representing a decrease of 45.5%.

Changes in the Group's coal sales volume and selling price for the year ended 31 December 2014 in comparison with the year ended 31 December 2013 are set out as follows:

		For the year ended 31 December 2014		For the year ended 31 December 2013		Increase/decrease in amount		Increase/decrease	
		Sales volume (10,000 tonnes)	**Selling price (RMB/ tonne)**	Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (%)	Selling price (%)
I. Self-produced commercial coal	Total	**10,609**	**367**	11,531	422	-922	-55	-8.0	-13.0
	(I) Thermal coal	**9,991**	**356**	11,073	406	-1,082	-50	-9.8	-12.3
	1. Domestic sale	**9,939**	**355**	11,030	406	-1,091	-51	-9.9	-12.6
	(1) Long-term contract	**8,247**	**368**	6,911	425	1,336	-57	19.3	-13.4
	(2) Spot trading	**1,692**	**287**	4,119	373	-2,427	-86	-58.9	-23.1
	2. Export	**52**	**545**	43	596	9	-51	20.9	-8.6
	(1) Long-term contract	**52**	**545**	43	596	9	-51	20.9	-8.6
	(2) Spot trading	☆	☆	☆	☆	–	–	–	–
	(II) Coking coal	**618**	**545**	458	811	160	-266	34.9	-32.8
	1. Domestic sale	**618**	**545**	458	811	160	-266	34.9	-32.8
	(1) Long-term contract	☆	☆	☆	☆	–	–	–	–
	(2) Spot trading	**618**	**545**	458	811	160	-266	34.9	-32.8
	2. Export	☆	☆	☆	☆	–	–	–	–
II. Proprietary trading	Total	**4,634**	**405**	4,119	473	515	-68	12.5	-14.4
	(I) Domestic resale	**4,416**	**399**	3,995	471	421	-72	10.5	-15.3
	(II) Import trading	**215**	**494**	94	484	121	10	128.7	2.1
	(III) Transshipment trading	☆	☆	27	523	-27	–	-100.0	–
	(IV) Self-operated exports*	**3**	**1,967**	3	2,177	–	-210	–	-9.6
III. Import and export and domestic agency★	Total	**446**	**4**	451	7	-5	-3	-1.1	-42.9
	(I) Import agency	**66**	**9**	146	11	-80	-2	-54.8	-18.2
	(II) Export agency	**214**	**5**	196	8	18	-3	9.2	-37.5
	(III) Domestic agency	**166**	**1**	109	1	57	–	52.3	–

☆: N/A for the period.

★: Selling price is agency service fee.

* : Briquette export.

- **Cost of sales**

For the year ended 31 December 2014, cost of sales for the Group's coal operations decreased from RMB59.182 billion for the year ended 31 December 2013 to RMB52.851 billion, representing a decrease of 10.7%. Changes in major cost items are set out as follows:

Unit: RMB100 million

Item	**For the year ended 31 December 2014**	For the year ended 31 December 2013	Increase/decrease: Increase/ decrease in amount	Increase/decrease: Increase/ decrease (%)
Materials costs (excluding cost of external purchases of raw coal for washing purpose and proprietary coal trading cost)	**50.85**	63.60	-12.75	-20.0
Cost of external purchases of raw coal for washing purpose	**12.27**	12.32	-0.05	-0.4
Proprietary coal trading cost★	**183.09**	192.07	-8.98	-4.7
Staff costs	**32.53**	33.88	-1.35	-4.0
Depreciation and amortisation	**42.27**	42.33	-0.06	-0.1
Repairs and maintenance	**7.86**	11.35	-3.49	-30.7
Transportation costs and port expenses	**112.87**	125.16	-12.29	-9.8
Coal sustainable development fund (reserve)	**14.10**	21.42	-7.32	-34.2
Outsourcing mining engineering fee	**28.05**	32.21	-4.16	-12.9
Sales taxes and surcharges	**10.25**	12.25	-2.00	-16.3
Other costs*	**34.37**	45.23	-10.86	-24.0
Total cost of sales for coal operations	**528.51**	591.82	-63.31	-10.7

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

* : Other costs mainly include environmental restoration expenses incurred in relation to coal mining operation and expenses for small and medium projects etc. incurred in direct correlation with coal production.

For the year ended 31 December 2014, the Group's cost of sales of self-produced commercial coal was RMB33.859 billion, representing a year-on-year decrease of RMB5.522 billion or 14.0%; the unit cost of sales of self-produced commercial coal was RMB319.15/tonne, representing a year-on-year decrease of RMB22.38/tonne or 6.6%; the cost of proprietary coal trading was RMB18.566 billion, representing a year-on-year decrease of RMB831 million or 4.3%; and the unit cost of sales of proprietary coal trading was RMB400.67/tonne, representing a year-on-year decrease of RMB70.25/tonne or 14.9%.

Changes of major items of the Group's unit cost of sales of self-produced commercial coal are as follows:

Unit: RMB/tonne

Item	**For the year ended 31 December 2014**	For the year ended 31 December 2013	Increase/decrease	
			Increase/ decrease in amount	Increase/ decrease (%)
Materials costs (excluding cost of external purchases of raw coal for washing purpose)	**47.93**	55.15	-7.22	-13.1
Cost of external purchases of raw coal for washing purpose	**11.57**	10.69	0.88	8.2
Staff costs	**30.66**	29.38	1.28	4.4
Depreciation and amortisation	**39.84**	36.71	3.13	8.5
Repairs and maintenance	**7.41**	9.85	-2.44	-24.8
Transportation costs and port expenses	**103.97**	107.11	-3.14	-2.9
Sales taxes and surcharges	**9.66**	10.62	-0.96	-9.0
Coal sustainable development fund (reserve)	**13.29**	18.57	-5.28	-28.4
Outsourcing mining engineering fee	**26.44**	27.94	-1.50	-5.4
Other costs	**28.38**	35.51	-7.13	-20.1
Unit cost of sales of self-produced commercial coal	**319.15**	341.53	-22.38	-6.6

The year-on-year change in the Group's unit cost of sales of self-produced commercial coal for the year ended 31 December 2014 was mainly attributable to:

Unit material costs decreased by RMB7.22/tonne, which was mainly attributable to the reduction in purchase price of materials by the Group's subsidiaries through long-term purchasing contracts, increase in the proportion of accessories made in China and further improvement of material requisition, consumption management and maintenance and recycling, resulting in the year-on-year decrease of material costs.

Unit staff costs increased by RMB1.28/tonne, which was mainly attributable to the decrease in the Group's production volume of self-produced commercial coal, resulting in the increase in unit staff costs.

Unit depreciation and amortisation increased by RMB3.13/tonne, which was mainly attributable to the transfer of construction-in-progress projects to fixed assets and an increase in procurement of equipment and facilities for production and a year-on-year decrease in the production volume of self-produced commercial coal, resulting in an increase in the provision for unit depreciation and amortisation.

Unit repair and maintenance costs decreased by RMB2.44/tonne, which was mainly due to the decrease in repair outsourcing by making full use of the own repair capability of the coal producing enterprises of the Group and the strengthening of routine repair and maintenance of equipment, resulting in the decrease of repair costs.

Unit transportation costs and port expenses decreased by RMB3.14/tonne, mainly due to the decrease in the sales of the Group's self-produced commercial coal, for which railway freight and port charges had to be borne.

Unit costs for coal sustainable development fund (reserve) decreased by RMB5.28/tonne. This was mainly due to the reduction of standard levy of coal sustainable development fund by RMB3/tonne in Shanxi Province with effect from 1 January 2014 and the cancellation of coal sustainable development fund in Shanxi Province since the reform of coal resource tax featured by price-based tax calculation and collection with effect from 1 December 2014, resulting in a year-on-year decrease in related costs.

Unit outsourcing mining engineering expenses decreased by RMB1.50/tonne. This was mainly due to the Group's subsidiaries' efforts in the further strengthening of management of outsourced business and the reduction of costs of outsourced business, and the year-on-year decreases in outsourced stripping volume and roadheading length, resulting in the corresponding year-on-year decrease of outsourcing mining engineering costs.

Other costs per unit decreased by RMB7.13/tonne. This was mainly attributable to the decrease in the Group's revenue and the rate of mineral resources compensation fee of coal lowered to zero since 1 December 2014, leading to a decrease of RMB120 million in such fee which was calculated and collected in proportion to the total revenue. In addition, the Group's subsidiaries reduced non-production related sporadic projects, resulting in a year-on-year decrease of other costs.

- **Gross profit and gross profit margin**

  For the year ended 31 December 2014, the Group's gross profit from coal operations decreased from RMB9.779 billion for the year ended 31 December 2013 to RMB5.613 billion, representing a decrease of 42.6%; and gross profit margin decreased by 4.6 percentage points from 14.2% for the year ended 31 December 2013 to 9.6%.

2. Coal chemical operations

- **Revenue**

  For the year ended 31 December 2014, the Group's revenue from coal chemical operations increased from RMB4.052 billion for the year ended 31 December 2013 to RMB4.285 billion (generated entirely from revenue of external transactions), representing an increase of 5.8%. This was mainly attributable to an increase in revenue of RMB662 million due to the commencement of operation of Phase 1 of Tuke Fertiliser Project in Ordos of Inner Mongolia and Mengda Coal-Based Methanol Project during the reporting period, as well as a year-on-year revenue increase of RMB149 million resulting from the increases in production and sales volume of urea of the coke oven gas-based chemical fertiliser project in Lingshi of Shanxi. The sales price of coke decreased year-on-year, resulting in a year-on-year decrease of RMB555 million in sales revenue of coke.

  For the year ended 31 December 2014, the Group's sales revenue of methanol increased by RMB347 million from RMB365 million for the year ended 31 December 2013 to RMB712 million. This was mainly attributable to an increase of RMB348 million in methanol revenue arising from the commencement of operation of Mengda Coal-Based Methanol Project in Ordos of Inner Mongolia. Sales revenue of urea increased by RMB432 million from RMB183 million for the year ended 31 December 2013 to RMB615 million. This was mainly attributable to an increase of RMB283 million in urea revenue arising from the commencement of operation of Phase 1 of Tuke Fertiliser Project in Ordos of Inner Mongolia, as well as an revenue increase of RMB149 million arising from the increased production volume of the coke oven gas-based chemical fertiliser project in Lingshi of Shanxi. The Company's sales revenue of coke decreased by RMB555 million from RMB2.899 billion for the year ended 31 December 2013 to RMB2.344 billion.

Changes in the sales volume and selling price of major chemical products of the Group are set out in the table below:

	For the year ended 31 December 2014		For the year ended 31 December 2013		Increase/decrease in amount		Increase/decrease	
	Sales volume (10,000 tonnes)	**Selling price (RMB/ tonne)**	Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/ tonne)	Sales volume (%)	Selling price (%)
I. Methanol◆	**36.3**	**1,959**	17.9	2,035	18.4	-76	102.8	-3.7
II. Urea	**39.2**	**1,566**	12.2	1,506	27.0	60	221.3	4.0
III. Coke								
1. Self-produced	**200.4**	**907**	192.6	1,186	7.8	-279	4.0	-23.5
2. Proprietary trading	**51.4**	**1,021**	47.7	1,290	3.7	-269	7.8	-20.9
3. Export agency✻	**0.4**	**12**	2.0	12	-1.6	–	-80.0	–

◆: including sales of methanol produced by Heilongjiang Coal Chemical Group, a subsidiary of China Coal Group with 56,300 tonnes in 2014 and 48,400 tonnes in 2013.

✻: Selling price is agency service fee.

- **Cost of sales**

For the year ended 31 December 2014, the Group's cost of sales of coal chemical operations increased from RMB3.879 billion for the year ended 31 December 2013 to RMB3.963 billion, representing an increase of 2.2%. The details are set out below:

Unit: RMB100 million

Item	**For the year ended 31 December 2014**	For the year ended 31 December 2013	**Increase/decrease** Increase/ decrease in amount	Increase/ decrease (%)
Material costs	**30.72**	31.85	-1.13	-3.5
Staff costs	**1.14**	0.76	0.38	50.0
Depreciation and amortisation	**2.33**	1.70	0.63	37.1
Repairs and maintenance	**0.45**	0.31	0.14	45.2
Transportation costs and port expenses	**4.19**	3.45	0.74	21.4
Sales taxes and surcharges	**0.10**	0.11	-0.01	-9.1
Other costs	**0.70**	0.61	0.09	14.8
Total cost of sales for coal chemical operations	**39.63**	38.79	0.84	2.2

For the year ended 31 December 2014, the Group's cost of sales of methanol increased by RMB290 million from RMB351 million for the year ended 31 December 2013 to RMB641 million, representing an increase of 82.6%, and the unit cost of sales decreased by RMB193.81/tonne from RMB1,956.35/tonne for the year ended 31 December 2013 to RMB1,762.54/tonne, representing a decrease of 9.9%. This was mainly attributable to the commencement of operation of Mengda Coal-Based Methanol Project in Ordos of Inner Mongolia, which achieved methanol sales of 189,100 tonnes with unit cost of sales of RMB1,296.42/tonne, driving down the overall unit cost of sales of methanol products.

The Group's cost of sales of urea increased by RMB374 million from RMB160 million for the year ended 31 December 2013 to RMB534 million, representing an increase of 233.8%, and the unit cost of sales increased by RMB43.79/tonne from RMB1,317.50/tonne for the year ended 31 December 2013 to RMB1,361.29/tonne, representing an increase of 3.3%, of which, Phase 1 of Tuke Fertiliser Project in Ordos of Inner Mongolia was put into operation during 2014, achieving urea sales of 165,500 tonnes and unit cost of sales of RMB1,329.22/tonne.

The Group's cost of sales of coke decreased by RMB473 million from RMB2.925 billion for the year ended 31 December 2013 to RMB2.452 billion, representing a decrease of 16.2%, and the unit cost of sales decreased by RMB243.75/tonne from RMB1,217.42/tonne for the year ended 31 December 2013 to RMB973.67/tonne, representing a decrease of 20.0%. This was mainly attributable to a year-on-year decrease in purchase price of raw coal.

- Gross profit and gross profit margin

For the year ended 31 December 2014, the gross profit of the Group's coal chemical segment increased by RMB149 million from RMB173 million for the year ended 31 December 2013 to RMB322 million, and the gross profit margin increased from 4.3% for the year ended 31 December 2013 to 7.5%, representing an increase of 3.2 percentage points. This was mainly attributable to the commencement of operation of Phase 1 of Tuke Fertiliser Project and Mengda Coal-Based Methanol Project in Ordos of Inner Mongolia, resulting in an increase in gross profit and gross profit margin in the coal chemical segment.

3. Coal mining equipment operations

- Revenue

For the year ended 31 December 2014, the Group's revenue from coal mining equipment operations decreased from RMB7.447 billion for the year ended 31 December 2013 to RMB6.135 billion, representing a decrease of 17.6%, of which the revenue after netting of other inter-segmental sales decreased from RMB6.835 billion for the year ended 31 December 2013 to RMB5.590 billion, representing a decrease of 18.2%. This was mainly due to market supply and demand, resulting in a year-on-year decrease in the sales volume of coal mining equipment.

- Cost of sales

For the year ended 31 December 2014, the Group's cost of sales of coal mining equipment operations decreased from RMB6.120 billion for the year ended 31 December 2013 to RMB5.094 billion, representing a decrease of 16.8%. The decrease was mainly attributable to the drop in sales, resulting in a decrease in material costs. The details are set out below:

Unit: RMB100 million

Item	**For the year ended 31 December 2014**	For the year ended 31 December 2013	**Increase/decrease** Increase/ decrease in amount	Increase/ decrease (%)
Materials costs	**35.42**	45.37	-9.95	-21.9
Staff costs	**5.67**	6.10	-0.43	-7.0
Depreciation and amortisation	**1.71**	1.04	0.67	64.4
Repairs and maintenance	**0.78**	0.62	0.16	25.8
Transportation costs	**1.10**	1.39	-0.29	-20.9
Sales taxes and surcharges	**0.19**	0.35	-0.16	-45.7
Other costs	**6.07**	6.33	-0.26	-4.1
Total cost of sales of coal mining equipment operations	**50.94**	61.20	-10.26	-16.8

- Gross profit and gross profit margin

For the year ended 31 December 2014, the gross profit of the Group's coal mining equipment operations decreased from RMB1.327 billion for the year ended 31 December 2013 to RMB1.041 billion, representing a decrease of 21.6%, and the gross profit margin decreased from 17.8% for the year ended 31 December 2013 to 17.0%, representing a decrease of 0.8 percentage point.

4. **Other operations**

For the year ended 31 December 2014, the Group's revenue from other operations such as power generation and sales of aluminium decreased from RMB3.694 billion for the year ended 31 December 2013 to RMB3.612 billion, representing a decrease of 2.2%, of which the revenue after netting of other inter-segmental sales decreased from RMB2.819 billion for the year ended 31 December 2013 to RMB2.722 billion, representing a decrease of 3.4%. Cost of sales decreased from RMB3.508 billion for the year ended 31 December 2013 to RMB3.314 billion, representing a decrease of 5.5%. Gross profit increased from RMB186 million for the year ended 31 December 2013 to RMB298 million, representing an increase of 60.2%, and gross profit margin increased from 5.0% for the year ended 31 December 2013 to 8.3%, representing an increase of 3.3 percentage points.

(3) Selling, general and administrative expenses

For the year ended 31 December 2014, the Group's selling, general and administrative expenses increased from RMB4.620 billion for the year ended 31 December 2013 to RMB4.904 billion, representing an increase of 6.1%. This was mainly attributed to the provision for bad debts in accounts receivables of RMB403 million based on the aging and recovery of accounts of the Group's subsidiaries, representing an increase of RMB333 million as compared to RMB70 million of 2013.

(4) Other net gains

For the year ended 31 December 2014, other net gains of the Group increased from RMB113 million for the year ended 31 December 2013 to RMB188 million, representing an increase of 66.4%. This was mainly attributable to the increase in government grants received by the subsidiaries of the Group during the reporting period.

(5) Profit from operations

For the year ended 31 December 2014, the Group's profit from operations decreased by 63.7% from RMB6.879 billion for the year ended 31 December 2013 to RMB2.497 billion. The decrease was primarily attributable to the decrease in profit from coal operations of RMB4.441 billion due to the year-on-year decrease in sales volume and decrease in prices of the Group's self-produced commercial coal as affected by market conditions. While the decrease in sales volume of coal mining equipment led to a decrease in profit from coal mining equipment operations of RMB179 million, the Phase 1 of Tuke Fertiliser Project and Mengda Coal-Based Methanol Project in Ordos of Inner Mongolia commenced operations, contributing to an increase of RMB134 million in the profits from coal chemical operations on a year-on-year basis.

Changes in profit from operations for each operating segment are as follows:

Unit: RMB100 million

	For the year ended 31 December 2014	For the year ended 31 December 2013	Increase/decrease Increase/ decrease in amount	Increase/ decrease (%)
The Group	**24.97**	68.79	-43.82	-63.7
Of which: Coal operations	**26.47**	70.88	-44.41	-62.7
Coal chemical operations	**1.43**	0.09	1.34	1,488.9
Coal mining equipment	**1.33**	3.12	-1.79	-57.4
Other operations	**-0.22**	-0.76	0.54	-71.1

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

(6) Finance income and finance costs

For the year ended 31 December 2014, the Group's net finance costs increased by 209.8% from RMB630 million for the year ended 31 December 2013 to RMB1.952 billion. Finance income increased by 25.9% from RMB606 million for the year ended 31 December 2013 to RMB763 million. The increase was mainly due to an increase in interest income from interbank deposits resulting from the establishment and commencement of operation of the Finance Company. Finance costs increased by 119.8% from RMB1.235 billion for the year ended 31 December 2013 to RMB2.715 billion, which was mainly due to the increase in debt financing according to the needs of production, operations and capital expenses, the gradual transfer to fixed assets of projects under construction, the decrease in cash inflow from operating activities of the Company as affected by the market conditions, and the increase in the debt capital used for working capital and equity investment which led to an increase in interest expenses from RMB1.358 billion to RMB2.736 billion on a year-on-year basis. Furthermore, the Japanese Yen borrowings by Pingshuo Company brought a foreign exchange net gain of RMB21 million, a decrease of RMB121 million as compared to RMB142 million in the previous year.

(7) Share of profits of associates and jointly controlled entities

For the year ended 31 December 2014, the Group's share of profits of associates and jointly controlled entities decreased from RMB152 million for the year ended 31 December 2013 to RMB134 million, representing a decrease of 11.8%. This was mainly attributable to the decreased investment gains of the Group recognised in proportion to the shareholding resulting from the decreased profits of the associates and jointly controlled entities of the Group during the reporting period.

(8) Profit before income tax

For the year ended 31 December 2014, the profit of the Group before income tax decreased from RMB6.401 billion for the year ended 31 December 2013 to RMB679 million, representing a decrease of 89.4%.

(9) Income tax expenses

For the year ended 31 December 2014, the Group's income tax expenses decreased from RMB1.781 billion for the year ended 31 December 2013 to RMB192 million, representing a decrease of 89.2%.

(10) Profit attributable to the equity holders of the Company

For the year ended 31 December 2014, profit attributable to the equity holders of the Company decreased from RMB3.805 billion for the year ended 31 December 2013 to RMB141 million, representing a decrease of 96.3%.

III. CASH FLOW

As at 31 December 2014, the balance of the Group's cash and cash equivalents amounted to RMB18.132 billion, representing an increase of RMB6.899 billion as compared to RMB11.233 billion as at 31 December 2013.

Net cash generated from operating activities decreased by 46.4% from RMB9.491 billion for the year ended 31 December 2013 to RMB5.084 billion. This was mainly due to the year-on-year decrease of RMB5.722 billion in the Group's profit before income tax and after deducting non-cash costs such as depreciation and amortization, and items which reduced profit but had no impact on the cash flow generated from operating activities such as impairment losses and finance costs, items affecting profit and loss resulted in a year-on-year decrease in cash inflow from operating activities of RMB3.682 billion; and the Group's inventories, notes receivables and trade payables attributable to operating activities increased by RMB871 million year-on-year. Cash inflow for changes in operating restricted deposits decreased by RMB1.596 billion year-on-year. In addition, due to the decrease in profit year-on-year, cash outflow for income tax payment decreased by RMB1.642 billion year-on-year.

Net cash used in investing activities decreased by 38.2% from RMB28.736 billion for the year ended 31 December 2013 to RMB17.767 billion. This was mainly due to the year-on-year decrease of RMB5.680 billion in cash used for activities such as project construction, equipment purchase and resource reserves. A prepayment of RMB2.730 billion was made for the establishment of the Finance Company at the end of 2013. During the reporting period, the consolidation of the Finance Company into the Group led to an increase in cash inflow of RMB2.730 billion and a decrease of cash outflow of RMB5.460 billion. The movement of fixed term deposits with initial terms exceeding three months led to a year-on-year increase of RMB1.122 billion in cash inflow. In addition, prepayments for investments, additional investments in associates and joint ventures and cash used in equity investments such as available-for-sale financial assets increased by RMB1.542 billion.

Net cash generated from financing activities increased from RMB17.260 billion for the year ended 31 December 2013 to RMB19.585 billion, representing an increase of 13.5%. This was mainly attributable to the year-on-year increase of RMB10.266 billion in net cash inflow generated from the increase in debt financing and bank borrowings according to the capital requirement for construction and development; the year-on-year decrease of RMB8.505 billion in cash received from the issuance of bonds; the year-on-year decrease of RMB1.959 billion in cash payment for dividends distribution, and the year-on-year increase of RMB1.835 billion in cash used for interest payment. In addition, subsidiaries of the Group received government grants of RMB369 million, thus increasing the cash inflow for financing activities.

IV. LIQUIDITY AND SOURCES OF CAPITAL

For the year ended 31 December 2014, the Group's funds were mainly derived from the proceeds generated from business operations, bank borrowings and net proceeds generated from funds raised in capital markets. The Group's funds were mainly used for investments in production facilities and equipment for coal, coal chemical and coal mining equipment operations, repayment of debts payable by the Group, and the Group's working capital and general recurring expenditures.

The cash generated from the Group's operation, 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 for future production and operating activities as well as project construction.

V. ASSETS AND LIABILITIES

(1) Property, plant and equipment

As at 31 December 2014, the net value of property, plant and equipment of the Group amounted to RMB126.367 billion, representing a net increase of RMB16.352 billion or 14.9% as compared to RMB110.015 billion as at 31 December 2013. This was mainly attributable to an increase in property, plant and equipment as a result of the increase in project investment from the Group's subsidiaries and the need for additional equipment and facilities for production and operation.

As at 31 December 2014 and 31 December 2013, the composition of the Group's property, plant and equipment (net value) is set out below:

Unit: RMB100 million

	As at 31 December 2014	**Percentage (%)**	As at 31 December 2013	Percentage (%)
Buildings	**228.29**	**18.1**	173.95	15.8
Mining structures	**135.83**	**10.7**	122.12	11.1
Plant, machinery and equipment	**332.91**	**26.3**	228.71	20.8
Railway structures	**26.85**	**2.1**	4.19	0.4
Motor vehicles, fixtures and others	**14.12**	**1.1**	13.76	1.3
Construction in progress	**525.67**	**41.7**	557.42	50.6
Total	**1,263.67**	**100.0**	1,100.15	100.0

(2) Mining and exploration rights

As at 31 December 2014, the net value of the Group's mining and exploration rights amounted to RMB33.168 billion, representing a net increase of RMB601 million or 1.8% as compared to RMB32.567 billion as at 31 December 2013. This was mainly attributable to the increase of RMB783 million for mining right as a result of the acquisition of companies such as Yuquan Coal Company by Shanghai Energy Company, a subsidiary of the Group, during the reporting period. In addition, there was an increase of RMB157 million in exploration rights and the amortisation of mining rights amounted to RMB339 million.

(3) Available-for-sale financial assets

As at 31 December 2014, the net value of the Group's available-for-sale financial assets amounted to RMB4.341 billion, representing a net increase of RMB2.320 billion or 114.8% as compared to RMB2.021 billion as at 31 December 2013. This was mainly attributable to the increase of RMB913 million and RMB208 million for investments in Mengxi-Huazhong Railway Company and Hohhot-Zhungeer-Ordos Railway Company, respectively during the reporting period. In addition, the Company ceased to exercise significant influence over Huajin Coking Coal Company and therefore ceased to use the equity method of accounting for the investment in this Company since 1 October 2014. Such investment of RMB1.076 billion was recognized as available-for-sale financial asset.

(4) Other non-current assets

As at 31 December 2014, other non-current assets of the Group amounted to RMB7.179 billion, representing a net decrease of RMB2.220 billion or 23.6% as compared to RMB9.399 billion as at 31 December 2013. This was mainly attributable to the Group's prepayment of a capital of RMB2.730 billion for Finance Company at the end of 2013 and such amount was transferred to investment in subsidiaries during this reporting period due to the establishment of Finance Company, which was then eliminated in the consolidated financial statements

(5) Trade and notes receivables

As at 31 December 2014, the net amount of the Group's trade and notes receivables was RMB13.459 billion, representing an increase of RMB564 million or 4.4% as compared with RMB12.895 billion as at 31 December 2013, of which the net amount of trade receivables was RMB8.222 billion, representing a decrease of RMB47 million or 0.6% as compared with RMB8.269 billion as at 31 December 2013. This was primarily attributable to the methods of accelerating the loan recovery taken by the Group resulting in a decrease in trade receivables from the sales of coal as compared to the beginning of 2014. Notes receivables was RMB5.237 billion, representing an increase of RMB610 million or 13.2% as compared with RMB4.627 billion as at 31 December 2013. This was mainly attributable to the increase in the settlement amount of bank acceptance during the process of product sales of the Group.

(6) Borrowings

As at 31 December 2014, the balance of borrowings of the Group amounted to RMB63.853 billion, representing a net increase of RMB23.758 billion or 59.3% as compared to RMB40.095 billion as at 31 December 2013. This was mainly attributable to an increase in bank borrowings used as working capital for project construction of the subsidiaries of the Group, of which the balance of long-term borrowings (including the portion due within one year) was RMB57.848 billion, representing a net increase of RMB24.529 billion as compared to RMB33.319 billion as at 31 December 2013, and the balance of short-term borrowings amounted to RMB6.005 billion, representing a net decrease of RMB771 million as compared to RMB6.776 billion as at 31 December 2013.

(7) Long-term Bonds

As at 31 December 2014, the balance of long-term bonds of the Group amounted to RMB30.855 billion, representing a net increase of RMB987 million or 3.3%, from RMB29.868 billion as at 31 December 2013.The increase was mainly attributable to the issuance of RMB1 billion medium-term notes by Shanghai Energy Company, a subsidiary of the Group, during 2014.

VI. SIGNIFICANT PLEDGE OF ASSETS

The Group did not have significant pledge of assets for the year ended 31 December 2014.

VII. SIGNIFICANT INVESTMENTS

During the reporting period, the Company made investment in Dahaize Coal Mine and Coal Preparation Plant of Shaanxi Company and the construction of Tuke Gasification Island and related facilities. For details, please refer to the section headed "Significant Events" – "V. Other significant events" of this announcement.

VIII. MATERIAL ACQUISITIONS AND DISPOSALS

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

IX. REGISTRATION AND ISSUANCE OF MEDIUM-TERM NOTES AND SHORT-TERM FINANCING BONDS

During the reporting period, Shanghai Energy Company, a subsidiary of the Group, issued the medium-term notes of RMB1 billion and short-term financing bonds of RMB500 million.

X. OPERATIONAL RISKS

(I) Risks of fluctuation in macro economy

The coal industry is a fundamental sector of the Chinese economy, which is closely linked to the macro economy and significantly affected by other relevant industries including electricity, metallurgy, construction materials and chemical industry. With the current world's major developed economies remaining in deep adjustment phase, it shows a downward trend of bulk commodity prices and the growth of China's economy. There remain myriad elements of instabilities and uncertainties affecting the macro economy in 2015, which may significantly affect the operating results of the Company.

(II) Risks of oversupply of coal

Affected by the rapid growth of investments in the coal industry after the "11th Five-Year Plan", the newly developed production capacity has continued to be released in recent years, highlighting the imbalance from the structural oversupply of coal. Factors including the sluggish demand from major developed economies, the low international coal prices and low ocean freight rates as well as the cost advantages of imported coal lead to the continuing relatively high level of volume of coal import. The situation of oversupply of coal is expected to persist longer in the future.

(III) Risks of fluctuation in product price

Due to various factors such as demand and supply, characteristics of products, transportation capacity and weather, it remains difficult to determine the trend of prices of coal and coal chemical products accurately. The recent sharp decline in international crude oil prices significantly affects the prices of domestic coal-to-olefins products, which further poses a great impact on the profit margin of the coal chemical products. The Company will strengthen its judgment of the market situation, flexibly adjust its marketing strategy and increase the profitability of its products.

(IV) Risks of safe production

Restricted by factors such as natural conditions and characteristics of production, the production process of coal mining and coal chemical products involves higher safety risks, making safety management more difficult. The Company continues to perfect its safety management and risk precontrol system, advances significantly safe and efficient coal mine construction, upgrades the level of automatic production, puts emphasis on enhancing system protection capacity and undertakes special treatment work for major disasters periodically, as so to ensure the safe operation in every aspect during production.

(V) Risks of project investment

New investment project normally requires longer time from conducting feasibility study to effective production. Since the time required for obtaining government approval is uncertain and there may be changes in the industry and related industries of the project, the timing of completion of the project and the actual yield of the project after putting into operation may differ from expectation to a certain extent. The Company will strengthen preliminary work by shortening the time for application of certificates and licences and procedures, and rationally controlling investment scale and pace, timing and investment costs in a reasonable manner so as to avoid investment risks.

(VI) Risks of environmental protection

The production of coal and coal chemicals will inevitably affect the environment to a certain extent. The Company has strictly complied with the laws and regulations on energy conservation and emission reduction and continued to promote "Green China Coal" construction. The Company has increased investment in technological and environmental protection and strived to strike a balance between coal mining development and environmental protection. The Company is actively committed to social responsibility, strongly promotes land subsidence treatment and reclamation work in mining areas, developing circular economy in mining areas and sparing no efforts in establishing a resource saving and environmental friendly enterprise.

(VII) Risks of rising costs

In recent years, the pressure of coal cost control has been relatively greater attributable to factors including complex conditions of coal mining, increasing investments in the maintenance of large-scale equipment, safety and environmental friendliness, and decrease in the production of certain mines. The Company will continue to exert more efforts in cost control, optimise production layout, enhance production efficiency and reduce material purchase costs and unit consumption through adopting new technologies, new working processes and equipment to control the growth of costs.

(VIII) Risks of foreign exchange

The Company's export sales are generally settled with US dollars and the Group has liabilities denominated in foreign currencies, including Japanese Yen and US dollars. Meanwhile, the Company needs foreign currencies, mainly US dollars, to pay for imported equipment and spare parts. The changes in foreign exchange rates of Renminbi to any other foreign currencies will have bilateral compound effects on the operating results of the Company. The Company will proactively study the trend of the global exchange market, and control and avoid the risks of foreign exchange by using different kinds of financial instruments in a comprehensive manner.

XI. CONTINGENT LIABILITIES

(1) Bank guarantees

As at 31 December 2014, the Group provided guarantees for a total amount of RMB15.165 billion, of which RMB5.776 billion were guarantees provided in proportion to the Group's shareholdings for the bank borrowings of the Group's equity investment entities.

(2) Environmental protection responsibilities

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

(3) Contingent legal liabilities

For the year ended 31 December 2014, the Group was not involved in any material litigation or arbitration, and to the knowledge of the Group, there is no material litigation or arbitration pending or threatened against or involving the Group.

BUSINESS PERFORMANCE

I. PRINCIPAL BUSINESS OPERATIONS OF THE COMPANY IN 2014

(I) Coal operations

Affected by various factors such as the decelerated rate of growth in macro economy, energy restructuring and increased environmental pressure in the PRC in 2014, no significant improvement was made to the domestic coal overcapacity while coal prices continued to fall and coal stockpiles across the country remained high.

1. Coal production

The Company organised coal production in a scientific manner, optimized production continuity and made every effort to cope with the complex and challenging market conditions. During the reporting period, coal output declined slightly after the Company adopted measures to cutback coal production. The production volume of raw coal amounted to 150.24 million tonnes (including 3.63 million tonnes of engineering coal), representing a year-on-year decrease of 6.36 million tonnes or a fall of 4.1%. The production volume of commercial coal was 114.40 million tonnes, representing a year-on-year decrease of 4.28 million tonnes or a fall of 3.6%, of which the output of thermal coal was 106.39 million tonnes and coking coal was 8.01 million tonnes.

The Company placed great emphasis on the management of production safety, improvement of the accountability system construction, consolidation of the base for safe development, reinforcement of on-site management and control as well as continuous enhancement of safety assurance capability. The Company continued to raise the level of safety technology and effectively facilitated the construction of safe and efficient mines. During the reporting period, the raw coal production efficiency of the Company reached 40.8 tonnes/worker-shift, continuing to maintain a leading level within the industry.

Pingshuo Company continued to uphold the principle of "stabilising quantity, increasing quality, taking a market-oriented approach, optimizing structure and prioritizing efficiency" to give full play to productivity advantages of all mines, optimize production processes as well as raise the proportion and washing recovery ratio of premium coal. Pingshuo Company completed roadheading length of 23,983 metres in 2014 and a commercial coal output of 84.59 million tonnes, representing a year-on-year decrease of 7.4%. The entire Wangjialing Coal Mine Project of China Coal Huajin Company passed completion acceptance, the dedicated railway line officially commenced operation and transportation and 15,296 metres of roadheading length were completed in 2014; and China Coal Huajin Company achieved commercial coal output of 6.97 million tonnes, representing a year-on-year increase of 25.6%. Shanghai Energy Company actively proceeded with the construction of key projects, upgraded and modified coal preparation technology, accelerated the relocation of villages where coal mines were located and rationalised production continuity. Shanghai Energy Company completed roadheading length of 37,594 metres in 2014 and a commercial coal output of 8.08 million tonnes, representing a year-on-year increase of 3.2%. Nanliang Company further strengthened the organization of production, continued to optimize product design, carried out in-depth research on lump coal technology, improved product quality and completed a commercial coal output of 2.61 million tonnes, representing a year-on-year increase of 27.9%.

Commercial Coal Production Volume (10 thousand tonnes)	**2014**	2013	Change (%)
Pingshuo Company	**8,459**	9,134	-7.4
Shanghai Energy Company	**808**	783	3.2
China Coal Huajin Company	**697**	555	25.6
Dongpo Company	**614**	653	-6.0
Nanliang Company	**261**	204	27.9
Tang Shan Gou Company	**133**	137	-2.9
Shuozhong Company	**535**	522	2.5
Dazhong Company	**317**	318	-0.3
Shaanxi Company	**256**	154	66.2
Total	**11,440**	11,868	-3.6

Notes: 1. 6.40 million tonnes of internal transaction were eliminated from the total commercial coal production volume in 2014, while 5.92 million tonnes of internal transaction were eliminated in 2013.

2. As the Hecaogou Coal Mine of Shaanxi Company has not been consolidated into the Company, the commercial coal production volume of Shaanxi Company was calculated based on management statistics.

2. Coal sales

The Company continued to uphold the guiding principle for "maintaining the market, pursuing share and enhancing efficiency" so as to give full play to the advantages of integrated marketing and sales. The Company expanded sales channels and enhanced the capacity to cope with the market by taking various comprehensive measures such as the timely adjustment of marketing strategy, proactive exploration of new markets, adoption of innovative marketing models, optimization of product mix and improvement of service quality. However, sales volume of commercial coal fell slightly due to inadequate demand from the domestic market. During the reporting period, the sales volume of commercial coal reached 156.89 million tonnes, representing a year-on-year decrease of 4.12 million tonnes or 2.6%.

Sales volume of coal (10 thousand tonnes)		**2014**	2013	Change (%)
(I) Domestic sales of self-produced coal		**10,557**	**11,488**	**-8.1**
By region:	North China	**5,347**	4,596	16.3
	East China	**3,433**	4,633	-25.9
	South China	**1,553**	1,270	22.3
	Others	**224**	989	-77.4
By coal type:	Thermal coal	**9,939**	11,030	-9.9
	Coking coal	**618**	458	34.9
By contract:	Long-term contract	**8,247**	6,911	19.3
	Spot trading	**2,310**	4,577	-49.5
By transportation:	Seaborne	**7,616**	8,521	-10.6
	Direct arrival	**1,828**	1,580	15.7
	Local sales	**1,113**	1,387	-19.8
(II) Self-produced coal export		**52**	43	20.9
By region:	Taiwan, China	**52**	43	20.9
By coal type:	Thermal coal	**52**	43	20.9
By contract:	Long-term contract	**52**	43	20.9
(III) Proprietary trading		**4,634**	4,119	12.5
Of which:	Domestic resale	**4,416**	3,995	10.5
	Import trading	**215**	94	128.7
	Transshipment trading	☆	27	-100.0
	Self-operated exports	**3**	3	–
(IV) Agency sales		**446**	451	-1.1
Of which:	Import agency	**66**	146	-54.8
	Export agency	**214**	196	9.2
	Domestic agency	**166**	109	52.3
Total		**15,689**	16,101	-2.6

The Company comprehensively strengthened coal quality management, with a focus on quality control through the whole process from production, transportation, port loading and discharging to customer service. In addition, the Company proactively organized the blending of low-sulphur coal purchased externally with coal at mining areas, transshipment ports and forefront ports, so as to improve the quality of its self-produced coal and stabilise its market share. Due to the insufficient demand from domestic market, both railway transportation volume and sales volume of self-produced commercial coal declined to a certain extent. During the reporting period, railway transportation volume of commercial coal reached 88.59 million tonnes, representing a year-on-year decrease of 3.93 million tonnes. Sales volume of self-produced coal reached 106.09 million tonnes, representing a year-on-year decrease of 9.22 million tonnes or 8.0%, of which sales volume of self-produced commercial coal of Pingshuo Company reached 84.37 million tonnes, representing a year-on-year decrease of 7.1%; sales volume of self-produced commercial coal of Shanghai Energy Company reached 7.20 million tonnes, representing a year-on-year increase of 2.7%; and sales volume of self-produced commercial coal of China Coal Huajing Company reached 6.56 million tonnes, representing a year-on-year increase of 24.2%.

During the reporting period, the volume of proprietary coal trading reached 46.34 million tonnes, representing a year-on-year increase of 5.15 million tonnes or 12.5%, of which domestic sales volume reached 44.16 million tonnes, representing a year-on-year increase of 10.5%; import volume reached 2.15 million tonnes, representing a year-on-year increase of 128.7%. In addition, the Company's import agency sales volume reached 0.66 million tonnes, representing a year-on-year decrease of 54.8%; and export agency sales volume reached 2.14 million tonnes, representing a year-on-year increase of 9.2%.

(II) Coal chemical operations

The Company accelerated industrial restructuring and steadily proceeded with the construction and production of coal chemical projects. The Tuke Fertiliser Project in Ordos operated steadily since trial production, and commenced formal operation in December. Its total production volume of urea amounted to 828,000 tonnes, which was primarily marketed in South America where the reputation and influence of China Coal's urea brand were continuously rising. The Company continued to optimize the production processes of the Mengda Coal-Based Methanol Project so that the production load was raised steadily. The project commenced formal operation in October, reaching a total production volume of 450,000 tonnes of methanol, the sales of which went smoothly. Yulin Methanol Acetic Acid Deep Processing and Comprehensive Utilisation Project conducted a successful test run in one attempt in July, setting a number of new records in the operation and management of similar projects in the PRC. In the second half of 2014, production volume of polyolefin amounted to 174,000 tonnes and a stable sales channel was set up quickly. The coke oven gas-based fertiliser project in Lingshi of Shanxi realised long-period safe and stable operation upon completion of technological innovation. Total production volume of urea amounted to 228,000 tonnes, representing a year-on-year increase of 40.7% and indicating that the operating conditions of the project improved significantly.

Production and sales volume of coal chemical products (10 thousand tonnes)	**2014**	2013	Change (%)
Production volume of urea	**105.6**	16.2	551.9
Of which: Production volume for the trial production period	**69.6**	3.7	–
Sales volume of urea	**85.8**	15.8	443.0
Of which: Sales volume for the trial production period	**46.6**	3.6	–
Production volume of methanol	**57.7**	12.4	365.3
Of which: Production volume for the trial production period	**27.6**	☆	–
Sales volume of methanol	**58.6**	17.9	227.4
Of which: Sales volume for the trial production period	**22.3**	☆	–
Production volume of polyethylene	**9.7**	☆	–
Of which: Production volume for the trial production period	**9.7**	☆	–
Sales volume of polyethylene	**8.9**	☆	–
Of which: Sales volume for the trial production period	**8.9**	☆	–
Production volume of polypropylene	**7.7**	☆	–
Of which: Production volume for the trial production period	**7.7**	☆	–
Sales volume of polypropylene	**6.8**	☆	–
Of which: Sales volume for the trial production period	**6.8**	☆	–
Production volume of coke	**194.4**	190.6	2.0
Sales volume of coke	**252.2**	242.3	4.1
Of which: Sales volume of self-produced coke	**200.4**	192.6	4.0

Note: 1. ☆: N/A for the period (same as below).

2. The Company is concurrently responsible for the sales of all methanol products produced by Heilongjiang Coal Chemical Group, a subsidiary of China Coal Group.

(III) Coal mining equipment operations

In 2014, product prices fell due to the impact of the continuously sluggish coal market and intensified competition in the market for coal mining equipment. The Company made every effort to cope with these difficulties and challenges by launching proactively more mining professional services, promoting services to transform and upgrade, improving product design and quality control of the entire manufacturing process, increasing product competitiveness, striving to open up domestic and overseas markets as well as stabilising and expanding the leading position of its major coal equipment in the PRC. During the reporting period, the Company achieved RMB5.56 billion of production value of coal mining equipment, representing a year-on-year decrease of 14.2%. The total production volume of coal mining equipment reached 273,000 tonnes, representing a year-on-year decrease of 18.5%, of which 12,135 units (sets) were major coal mining equipment.

	Production value (RMB100 million)			**Sales revenue (RMB100 million)**	
Coal mining equipment	**2014**	2013	Change (%)	**2014**	Percentage of operating revenue of the coal mining equipment segment (%)
Conveyor equipment	**23.1**	25.8	-10.5	**12.0**	19.5
Support equipment	**16.5**	19.1	-13.6	**11.9**	19.4
Road header	**5.1**	6.8	-25.0	**1.1**	1.8
Shearer	**5.6**	6.9	-18.8	**2.8**	4.6
Electric mining motor	**5.3**	6.2	-14.5	**3.8**	6.2
Total	**55.6**	64.8	-14.2	**61.4**	–

Note: 1. The revenue of the products in the table represents the sales revenue of the coal mining equipment segment before elimination.

2. The total revenue of RMB6.14 billion in total included revenues generated from accessories, services and trade.

Product type	**Percentage of sales of the product (%)**	**Market share (%)**
Medium and high-end armoured face conveyors	75	57
Medium and high-end hydraulic roof supports	80	21
Medium and high-end shearers	94	32
Medium and high-end electric motors	65	69
Medium and high-end road headers and drilling machines	73	10

The Company's technological innovation capability for coal mining equipment was enhanced steadily. During the reporting period, the project of the "Research on Complete Technologies and Equipment for fully-mechanised Top Coal Caving for Extra-thick Coal Seam with Large Mining Height", the implementation of which was participated by the Company, was awarded the first prize in national scientific and technological progress for 2014. The project constructing the "National Energy Coal Mining Machinery and Equipment Research and Development (Experiment) Centre" was inspected and accepted upon completion. The "National Energy Centre for the Assessment of Coal Mine Roadheading and Transportation Technology and Equipment" and the "National Energy Centre for the Assessment of Coal Mine Support and Mining Shaft Technology and Equipment" were examined and approved by the National Energy Administration. Moreover, the Company is organizing and implementing a number of research topics under the Schemes of National 863 and National 973.

II. ANALYSIS OF CORE COMPETITIVENESS

The Company is the second largest coal producer and supplier in the PRC with core business segments focusing on coal, coal chemical and coal mining equipment. Leveraging on the top five bases located in Shanxi, Inner Mongolia-Shaanxi, Jiangsu, Heilongjiang and Xinjiang, the Company is dedicated to becoming a globally competitive modern energy conglomerate.

The Company boasts abundant and diversified coal resources, premium coal products as well as modern technologies and techniques in coal mining, washing and blending. Mining areas in Pingshuo, Shanxi and Hujierte, Odors of Inner Mongolia, primarily developed by the Company, are the most important thermal coal production bases in the PRC. The coking coal in the mining area in Xiangning, Shanxi, is of high quality with low sulphur and extra low phosphorus content. The major coal production bases of the Company are equipped with easily accessible transportation channels which are connected with coal ports, creating favourable conditions for the Company to bolster competitive edges and achieve sustainable development.

The Company is also one of the largest coal traders in the PRC with branches in major coal consumption regions, transshipment ports and major coal import regions. By capitalizing on its constructed network of coal sales and logistics, well-established port service facilities and high-calibre professional teams, the Company is able to quickly adapt to coal market changes by leveraging on its excellent capabilities for market exploration and distribution.

In strengthening its leading position in the core coal business, the Company has been proactively developing the coal chemical industry, the electric power industry, the coal equipment manufacturing industry and other related industries, and has become the largest coal mining equipment manufacturer in the PRC. The Company's coal-based fertiliser project constructed in the base in Inner Mongolia-Shaanxi is the largest single urea plant project in the PRC, which has officially commenced operation and opened up export channels, with favourable advantages in terms of size and cost. The coal-based olefin project produced certified products following a test run, having created records in terms of the shortest construction period and test run for similar facilities in the PRC. The products were widely recognized by the market. Other projects such as engineering plastics and inferior coal comprehensive utilization have entered into the final construction phase and will, upon commencement of operation, further push forward the Company's comprehensive utilization of the classification of coal as well as enhance product value and efficiency. The Company is vigorously pushing forward the construction of low calorific value coal and pit mouth power generation bases in the Pingshuo mining area, Datun mining area and Zhundong of Xinjiang, etc. Official replies have been obtained on the approval of a number of power plant projects and the commencement of preliminary work. The Company's advantages in a complete industrial chain covering coal, coal chemical and power generation businesses can effectively broaden the range of products and services, enhance the Company's coal production and marketing capabilities as well as reinforce the Company's risk resistance capability and core competitiveness.

Following the rapid economic development and the rapid growth in energy demand in the PRC in recent years, the Company has seized the opportunity to carry out external expansion, decrease costs and improve efficiency so as to maintain a sound financial structure and substantially enhance financial strength and risk resistance capability, thus having effectively assured the rapid development of the core businesses.

III. COMPETITIVE LANDSCAPE IN THE INDUSTRY

In 2014, the imbalance of supply and demand in the Chinese coal market remained prominent, complicated by high coal stockpiles across the country, falling coal prices, declining economic benefits of the industry and increasing scale of loss. Under the impact of an array of national support policies in the fourth quarter, the market experienced some positive changes as the price of coal began to pick up, but the oversupply situation did not improve substantially.

Nationwide coal production and sales volume fell year-on-year while social coal stockpiles remained high for a long period of time. According to data from the National Bureau of Statistics and the China National Coal Association, total nationwide coal output amounted to 3.87 billion tonnes in 2014, down 2.5% year-on-year. Consumption of standard coal amounted to 2.81 billion tonnes, down 2.9% year-on-year. Social coal stockpiles remained at more than 300 million tonnes for over 30 consecutive months. Primarily due to the inadequate demand and the policy for production limitation, total output from state-owned key coal mines in 2014 amounted to 1.97 billion tonnes, down 3.7% year-on-year.

Profits from the coal industry continued to decline with increased operational risks. The statistics from the China National Coal Association indicated that there were losses across the coal sector in a number of provinces across the country in 2014, with more than 70% of coal enterprises nationwide expected to incur losses and industry-wide total profit having declined substantially year-on-year. With increased difficulty of coal sales as well as of sales and payment recovery by coal enterprises, the accounts receivable and inventory of some coal enterprises rose with gradually increasing operating risks.

Under the situation of a buyer's market, some new changes have taken place in the competition in the coal industry. Customers' requirements for coal quality were further raised because of the impact of national environmental policies. To keep their market shares stabilised, coal enterprises have modified the marketing methods, stepped up marketing efforts and improved product quality so that competition among coal enterprises have intensified. Coal enterprises with poor coal quality, high cost and heavy burden saw their operating pressure increasing and benefits falling significantly, while those with good coal quality and efficient mines achieved relatively good economic benefits and further improved market competitiveness. To cope with this market situation, some coal enterprises have accelerated industrial restructuring as well as carried out transformation and upgrade towards integration of coal and power businesses and coal deep processing, etc.

IV. INDUSTRY DEVELOPMENT TRENDS OF THE BUSINESS OF THE COMPANY

(I) Coal demand

Coupled with the high-speed growth in the Chinese economy in recent years, the domestic demand for coal has been growing rapidly for many years. However, following the decelerated rate of growth in the Chinese economy, energy restructuring and reinforced treatment of air pollution, the rate of growth in nationwide coal consumption is expected to slow down substantially, and this slowdown may become a new normal scene in the next period to come.

(II) Coal supply

According to the statistics from the China National Coal Association, fixed asset investment in the coal mining and processing sector since the "Eleventh Five-Year Plan" was close to RMB3 trillion, making excessive capacity-building a prominent issue. According to the investment progress, coal production capacity is expected to be gradually released in recent years. Given the slackened demand for coal consumption, it will be a long process to digest the existing coal inventory and the excessive coal capacity.

(III) Railway transportation capacity

Following the successive entry into operation of the major domestic coal trunk railways in the PRC, the long-standing tension in the "west-east" and "north-south" coal transportation will be gradually relieved. The future railway transportation is expected to be no longer a major restraining factor regarding the regional tension in coal consumption.

(IV) Coal import

Despite the rapid growth in coal import by China in recent years, the volume of coal import declined year-on-year to some extent in 2014, but the coal import yet amounted to 291 million tonnes. Considering various factors such as the cost advantages of imported coal and the rigid demand from coastal power plants, coal imports in 2015 is expected to remain of relevant high scale, which will curb domestic coal prices.

(V) Coal price

Considering various factors such as domestic coal supply and demand, transportation and imported coal, the oversupply situation in the coal market is anticipated to continue in 2015, and it will take a long time to fully improve the overall supply and demand imbalance. Coal prices will tend to be subject to seasonal fluctuations at low levels throughout 2015, but the range of such fluctuations is expected to be smaller than that of 2014.

V. PRODUCTION AND OPERATION PLANS OF THE COMPANY IN 2015

Faced with the challenging market conditions in 2014, the Company focused on the annual production and operation targets, strengthened the coordination between production and sales, optimized product mix, enhanced product quality, vigorously improved cost efficiency and strived to maintain the stable running of production and operations. To proactively cope with the overcapacity and falling prices in the domestic coal market, the Company modified the coal production plan in a timely manner by reducing its raw coal production volume by about 10% of the original annual target (see the “Announcement Regarding Adjustment of Planned Raw Coal Production Volume for 2014” published on the SSE Website and the HKSE Website as well as on the Company Website on 12 August 2014 for details). During the reporting period, the Company completed production volume of 150 million tonnes of raw coal, down 4.1% year-on-year. Unit cost of sales for self-produced commercial coal fell 6.6% year-on-year. However, the Company’s operating income fell by 14.2% year-on-year, primarily attributable to the continuing coal prices decline and the Company’s voluntary initiative to limit production.

In 2015, the Company will stick to the general requirement for braving difficulties and making progress while maintaining stability by continuing to strengthen the control of costs and expenses; rationalizing production schedule; reinforcing connection between production, transportation and marketing; optimizing product mix; accelerating the restructuring of overall arrangements; and proactively coping with the challenging market conditions. Based on the estimation under the PRC Accounting Standards for Business Enterprises, the Company will stabilise raw coal production volume (including engineering coal) for 2015 at around 150 million tonnes, and strive to achieve operating revenue of more than RMB70 billion, and make great efforts to control the unit cost of sales for self-produced commercial coal below RMB195/tonne, and continue to keep increase of periodic expenses under stringent control.

Firstly, to organize output from coal mines in a scientific, demand-oriented and efficiency-focused approach. The Company will proactively adapt to market changes, strengthen the quality control of coal and strive to customize production according to customer requirements.

Secondly, to strengthen the organization and management of production, co-ordinate and arrange inspection and maintenance of facilities at chemical plants, step up staff training and strive to keep chemical production load stabilised for maximizing capacity.

Thirdly, to continue integrating the coal marketing system, strengthen planning for the coal logistics network, promote online sales on the e-commerce platform and steadily launch the thermal coal futures business. The Company will accelerate the establishment of a centralized marketing system for coal chemical products and strive to expand market space for coal machinery and equipment.

Fourthly, to carry out comprehensive budget management further, strengthen budget constraints, highlight the process control and screw up management by objectives and performance appraisal. The Company will carry out refined production, improve efficiency, reduce unit consumption and keep cost and expense increase under stringent control.

Fifthly, to timely steer the pace of investment, control the scale of investment, accelerate key projects and auxiliary works in the bases in Inner Mongolia-Shaanxi, vigorously develop pit mouth power generation and the coal chemical business, and constantly improve industrial structure and product mix for increasing the Company's core competitiveness.

Sixthly, to further push for safety and quality standardization, improve the safety management and risk pre-control system, resolutely prevent relatively major or severer accidents and strive to control sporadic accidents. The Company will impel the management of the annual target for energy conservation and environmental protection, and strengthen day-to-day supervision and evaluation.

Seventhly, to constantly improve various special technology management systems, carry out major scientific and technological projects in an orderly manner, and effectively support the construction of new bases as well as the upgrade and transformation of old bases, with "safety, economicalness and development" as the theme of technology management and technological innovation.

SIGNIFICANT EVENTS

I. Share capital structure

As at 31 December 2014, the structure of the share capital of the Company was as follows:

Unit: share

Type of Shares	Number of Shares	Percentage (%)
A Shares	9,152,000,400	69.03
Of which: A Shares held by China Coal Group	7,605,207,608	57.36
H Shares	4,106,663,000	30.97
Of which: H Shares held by China Coal Hong Kong Limited, a wholly-owned subsidiary of China Coal Group	132,351,000	1.00
Total	13,258,663,400	100.00
Of which: shares held by China Coal Group and parties acting in concert with it	7,737,558,608	58.36

II. Distribution of final dividends for 2013

The Company's 2013 profit distribution plan was considered and approved at the Company's 2013 annual general meeting held on 13 May 2014. In the year 2013, cash dividends of RMB1,072,680,600 were distributed to the Shareholders, representing 30% of the RMB3,575,602,000 of net profit attributable to the equity holders of the Company presented in the consolidated financial statements prepared under the PRC Accounting Standards for Business Enterprises. The distribution was based on the Company's total issued share capital of 13,258,663,400 shares, representing a dividend of RMB0.081 per share (inclusive of tax). The final dividends were duly paid to Shareholders before 30 June 2014.

III. Amendment to the Articles of Association

On 13 May 2014, as required by No. 3 Guideline for the Supervision of Listed Companies – Cash Dividends Distribution of Listed Companies released by CSRC and the Guidelines of the Shanghai Stock Exchange on Cash Dividends Distribution of Listed Companies, the Resolution on Amendment to the Articles of Association was considered and approved at the Company's 2013 annual general meeting, setting out that the Company might distribute dividends in cash, in shares or in a combination of both cash and shares, and shall give priority to cash dividends.

For details, please refer to relevant announcements published on the websites of SSE, HKSE and the Company on 13 May 2014.

IV. Transaction of assets

During the reporting period, no transaction of material assets was made by the Company.

V. Other significant events

1. Investment in and construction of Dahaize Coal Mine and Coal Preparation Plant of Shaanxi Company

On 10 January 2014, the first meeting of the second session of the Board of the Company in 2014 considered and passed the Resolution on Investment in and Construction of Dahaize Coal Mine and Coal Preparation Plant of China Coal Shaanxi Yulin Energy & Chemical Company Limited. On 13 May 2014, the 2013 annual general meeting of the Company considered and approved the above resolution. Currently, upon the approval by the National Energy Administration for commencing the preliminary preparation works, the project is progressing steadily as scheduled.

For details, please refer to relevant announcements published on the websites of SSE, HKSE and the Company on 10 January and 13 May 2014.

2. Investment in and the construction of Tuke Gasification Island and related facilities

On 18 March 2014, the second meeting of the second session of the Board of the Company in 2014 considered and passed the Resolution on Investment in and Construction of Tuke Gasification Island and Related Facilities. On 13 May 2014, the 2013 annual general meeting of the Company considered and approved the above resolution.

For details, please refer to relevant announcements published on the websites of SSE, HKSE and the Company on 18 March and 13 May 2014.

3. Increase in shareholding in the Company by Sino Life Insurance Company

On 4 March 2014, the Company received a notice from its Shareholder, Sino Life Insurance Company, that through trading on secondary market, its interest in voting rights of the A Shares and H Shares in aggregate reached 5% as at 4 March 2014. On behalf of Sino Life Insurance Company, the Company disclosed the Condensed Statement of Changes in Equity of China Coal Energy on 6 March 2014. On 3 September 2014, the Company received a notice from its Shareholder, Sino Life Insurance Company, that through trading on secondary market, its interest in voting rights of the A Shares and H Shares in aggregate reached 10% as at 3 September 2014. On behalf of Sino Life Insurance Company, the Company disclosed the Condensed Statement of Changes in Equity of China Coal Energy on 4 September 2014. According to the share register provided by China Securities Depository and Clearing Corporation Limited Shanghai Branch, Sino Life Insurance Company held 119,523,827 A Shares as at 31 December 2014. According to the disclosure of interests published on the HKSE Website, Sino Life Insurance Company held long position in 1,356,110,000 H Shares as at 31 December 2014. The changes in equity above will not result in any change in the Company's controlling shareholder or de facto controller.

For details, please refer to relevant announcements published on the websites of SSE, HKSE and the Company on 4 March, 6 March, 3 September and 4 September 2014.

4. Occurrence of accidents in coal mines under construction by the subsidiaries

On 14 May 2014, an accident occurred in Dahaize Coal Mine, which is under construction by Shaanxi Company, a wholly-owned subsidiary of the Company, during the construction process, resulting in 13 casualties of the construction party. Currently, the relevant remedial work has been completed. For details, please refer to relevant announcements published on the websites of SSE, HKSE and the Company on 15 May, 16 May and 20 May 2014.

On 13 October 2014, a roof falling accident occurred in No. 106 coal mine, which is under construction by China Coal Xinjiang Tianshan Coal Electricity Company Limited attached to Shanghai Datun Energy Resources Company Limited, a controlling subsidiary of the Company, during the construction process, resulting in 9 casualties. Currently, the relevant remedial work has been basically completed. For details, please refer to relevant announcements published on the websites of SSE, HKSE and the Company on 14 October and 16 October 2014.

5. Progress in Methanol Acetic Acid Series Deep Processing and Comprehensive Utilisation Project of the Shaanxi Company

After consideration by the board of directors and the shareholders' general meeting, it was approved that Shaanxi Company would act as the entity for investing in the construction of the Methanol Acetic Acid Series Deep Processing and Comprehensive Utilisation Project ("Methanol Acetic Acid Deep Processing Project" or the "Project"). The Project involves a total investment of RMB19,335,350,000 with a production capacity of 600,000 tonnes/year of engineering plastics as the final products. On 29 July 2014, the Company made an announcement disclosing that the Methanol Acetic Acid Deep Processing Project of the Shaanxi Company has successfully completed the commissioning test run for the whole production process, and produced polyethylene and polypropylene products smoothly. The project has entered normal production and operation in January 2015.

For details, please refer to relevant announcements published on the websites of SSE, HKSE and the Company on 29 July 2014.

EMPLOYEES

As at 31 December 2014, the Group had 54,150 employees in total (2013: 55,261 employees in total).

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

The Company was dedicated in enhancing the quality of its corporate governance. As at 31 December 2014, the Company strictly complied with the "Corporate Governance Code" and "Corporate Government Report" set out in Appendix 14 of the Hong Kong Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Company's annual results for the year ended 31 December 2014.

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 for the year ended 31 December 2014. The Company, having made a specific enquiry, confirmed that all Directors and supervisors of the Company had complied with the Model Code for the year ended 31 December 2014.

REMUNERATION OF DIRECTORS AND SUPERVISORS

For the year ended 31 December 2014, 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 and is subject to approval by the Board and Shareholders at the forthcoming annual general meeting. To determine the remuneration package, the remuneration committee and the Board will take into consideration a number of factors, such as directors' duties, responsibilities and performance as well as the operating results of the Group and so on.

DISTRIBUTABLE PROFITS, DIVIDENDS AND CLOSURE OF SHARE REGISTER

For the year ended 31 December 2014, the distributable profits amounted to RMB1,065,958,000 and RMB1,270,642,000 as set out in the audited consolidated financial statements of the year 2014 of the Company prepared in accordance with the IFRS and the PRC Accounting Standards for Business Enterprises, respectively. To provide better rewards to the Shareholders of the Company as well as improve corporate and Shareholders' values, taking into consideration of the Company's cash dividends policy and the cash dividends distribution record for the last three years, the Board of the Company recommended the payment of cash dividends of RMB319,787,400 to shareholders of the Company, representing 30% of the distributable profits, which was RMB1,065,958,000 for the year of 2014 as set out in the consolidated financial statements of 2014 prepared in accordance with the IFRS. 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 RMB0.024 per share (inclusive of tax).

The above proposed profit distribution plan is subject to the approval of Shareholders at the 2014 annual general meeting. Cash dividends will be distributed to all Shareholders registered at the relevant record date upon approval.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China which came into effect on 1 January 2008 and its implementing rules and other relevant rules, the Company is required to withhold enterprise income tax at a rate of 10% before distributing the final dividend to non-resident enterprise Shareholders whose names appear on the Company's H Share register of members. Any shares registered in the name of the non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organisations, will be treated as being held by non-resident enterprise Shareholders and therefore an enterprise income tax shall be withheld for their dividends receivables.

Pursuant to The Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 issued by the State Administration of Taxation on 28 June 2011, the dividend received by the overseas resident individual Shareholders from the stocks issued by domestic non-foreign invested enterprises in Hong Kong is subject to individual income tax at a rate of 10% in general. However, the tax rates for respective overseas resident individual Shareholders may vary, depending on the relevant tax agreements between those countries where the overseas resident individual Shareholders reside and China.

An announcement containing information in relation to the latest registration date and the period of closure of share register for attending the 2014 annual general meeting of the Company to be held in 2015 and for receiving the final dividend for the year ended 31 December 2014, as well as the dividend distribution date will be published separately when the date of the 2014 annual general meeting of the Company is fixed.

Under relevant regulations of China Securities Depository and Clearing Corporation Limited Shanghai Branch and in line with the market practice regarding dividend distribution for A Shares, the Company will publish a separate announcement in respect of its dividend distribution to holders of A Shares after the Company's annual general meeting for 2014, which, among other things, will set out the record date and ex-rights date of dividend distribution for A Shares.

As of 31 December 2014, no arrangement was reached pursuant to which the Shareholders waived or agreed to waive their dividends.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

For the year ended 31 December 2014, 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 ISSUANCE

After deducting related expenses, the net proceeds from H Share issuance of the Company amounted to RMB14.466 billion. For the year ended 31 December 2009, all the net proceeds were used in the way disclosed in the prospectus of H Shares. As at 31 December 2014, among the investment projects funded by the H Share proceeds, Pingshuo East Open Pit coal mine, Antaibao underground coal mine and Heilongjiang methanol projects (with a production capacity of 250,000 tonnes/year) were completed and put into production as well as generated revenue.

AUDITORS

The Company has appointed PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian as its international and domestic auditor, respectively, for the year ended 31 December 2014. The financial statements of the Company prepared in accordance with IFRS have been audited by PricewaterhouseCoopers and an unqualified opinion has been issued.

ANNOUNCEMENT OF ANNUAL REPORT ON THE HKSE WEBSITE

Pursuant to the requirements of the Hong Kong Listing Rules regarding the reporting period, the 2014 annual report of the Company will set out all information disclosed in the annual results announcement for 2014 and will be disclosed on the Company Website and the HKSE Website on or before 30 April 2014.

DEFINITIONS

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

Company/China Coal Energy/ the Group/the Company	China Coal Energy Company Limited, unless otherwise indicated, also includes all of its subsidiaries
Board of the Company/Board	the board of directors of China Coal Energy Company Limited
Director(s)	the director(s) of the Company, including all the executive directors, non-executive directors and independent non-executive directors
China Coal Group	China National Coal Group Corporation, the controlling shareholder of the Company
Shanghai Energy Company	Shanghai Datun Energy Resources Company Limited

Pingshuo Mining Area	the coal mining area in Shanxi Province, mainly comprising the Antaibao Open Pit Mine and Underground Mine, the Anjialing Open Pit Mine and Underground Mine, the Jingdong Mine and Pingshuo East Open Pit Mine
Datun Mining Area	the coal mining area in Jiangsu Province operated by Shanghai Energy Company, comprising the Yaoqiao, Kongzhuang, Xuzhuang and Longdong mines
Dongpo Company	Shanxi China Coal Dongpo Coal Industry Company Limited
Nanliang Company	Shaanxi Nanliang Coal Company Limited
Yilan No.3 Coal Mine	an underground coal mine in Heilongjiang Province operated by China Coal Heilongjiang Coal Chemical Company Limited
Pingshuo Company	China Coal Pingshuo Group Company Limited
Huajin Coking Coal Company	Huajin Coking Coal Company Limited
China Coal Huajin Company	Shanxi China Coal Huajin Energy Company Limited
Sino Life Insurance Company	Sino Life Insurance Co., Ltd.
Tang Shan Gou Company	Shanxi Zhongxin Tangshangou Coal Industry Company Limited
Heilongjiang Coal Chemical Group	China Coal Heilongjiang Coal Chemical Engineering (Group) Company Limited
Shuozhong Company	Shuozhou China Coal Pingshuo Energy Company Limited
Dazhong Company	Datong China Coal Export Base Development Company Limited
Finance Company	China Coal Finance Co., Ltd.
Shaanxi Company	China Coal Shaanxi Yulin Energy & Chemical Company Limited
Yuquan Coal Company	Shanxi Yangquan Yuxian Yuquan Coal Company Limited
CSRC	China Securities Regulatory Commission

HKSE	The Stock Exchange of Hong Kong Limited
HKSE Website	www.hkexnews.hk
SSE	the Shanghai Stock Exchange
SSE Website	www.sse.com.cn
Company Website	www.chinacoalenergy.com
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
A Share(s)	the ordinary share(s) issued to domestic investors in China with approval from CSRC, which are listed on the SSE and traded in RMB
H Share(s)	the overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company, which are listed on the HKSE for subscription in Hong Kong dollars
PricewaterhouseCoopers Zhong Tian	PricewaterhouseCoopers Zhong Tian LLP
PricewaterhouseCoopers	PricewaterhouseCoopers
Share(s)	the ordinary shares of the Company, including A Share(s) and H Share(s)
Shareholder(s)	the shareholder(s) of the Company, including holder(s) of A Shares and holder(s) of H Shares
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
RMB	RMB yuan

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

Beijing, the PRC, 20 March 2015

As at the date of this announcement, the executive directors of the Company are Wang An and Yang Lieke; the non-executive directors of the Company are Li Yanjiang, Li Yanmeng and Peng Yi, and the independent non-executive directors of the Company are Zhang Jiaren, Zhao Pei and Ngai Wai Fung.

* *For identification purpose only*