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**中国神华能源股份有限公司**  
CHINA SHENHUA ENERGY COMPANY LIMITED

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

**(Stock Code: 01088)**

**ANNOUNCEMENT**

**POSITIVE PROFIT ALERT FOR THE YEAR 2016**

This announcement is made pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The financial information of China Shenhua Energy Company Limited (the “**Company**”) contained in this announcement are preliminary estimation prepared in accordance with the International Financial Reporting Standards and have not been audited or reviewed by auditors, and may therefore differ from the audited information set out in the financial statements in the 2016 Annual Report of the Company. Investors should be aware of the investment risk.

**I. ESTIMATED RESULTS FOR THE YEAR 2016**

According to the preliminary estimation, profit for the year of the Company and its subsidiaries attributable to the equity holders of the Company in 2016 is estimated to be approximately RMB24.89 billion (2015: RMB17.649 billion), representing a year-on-year increase of approximately 41%.

## II. MAIN REASONS FOR INCREASE

The increase in operating results was mainly due to: in 2016, positive progress has been made in the supply-side structural reform of the China's coal industry, and the supply of coal has been changed from the oversupply to the balance between supply and demand. Given the greater endeavor of the Company in the integration of coal sources, the strengthened sale of coal and electricity and the organization of transportation and the stringent control over costs, during the reporting period, the unit cost of self-produced coal decreased, the sales volume and average selling price of coal increased, the transportation turnover of railways increased, and the unit cost of railway transportation decreased respectively.

By order of the Board  
**China Shenhua Energy Company Limited**  
**Huang Qing**  
*Secretary to the Board of Directors*

Beijing, 25 January 2017

*As at the date of this announcement, the Board comprises the following: Dr. Zhang Yuzhuo, Dr. Ling Wen, Dr. Han Jianguo and Dr. Li Dong as executive directors, Mr. Chen Hongsheng and Mr. Zhao Jibin as non-executive directors, and Ms. Fan Hsu Lai Tai, Mr. Gong Huazhang and Mr. Guo Peizhang as independent non-executive directors.*