



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



Diversified Structure
Entails Profitability
2013 Interim Report



Cover Story

Since 2009, with continuous efforts in optimizing its business structure which consists of coal, power and transportation, China Shenhua has been expanding the operation scale of its power business and improving its transportation capacity while maintaining the steady growth of its coal business. Such initiatives effectively improved its value generating capability and anti-risk capability in relation to the coal market.

As at the end of the first half of 2013, the business structure of the Company has become more reasonable and balanced. In accordance with the Accounting Standards for Business Enterprises, the ratio of profit from operations before elimination on consolidation contributed by the coal, power and transportation segments changed from 65% : 15% : 20% for 2009 to 55% : 23% : 22% for the first half of 2013. The increase in profits from the power and transportation segments has partially offset the decrease in profits from the coal segment.

Looking forward, the Company will continue to optimize its business structure in accordance with the strategy of "building itself into a world first-class coal-based integrated energy company with global competitiveness" and give full play to its core competitiveness with an aim to create more value for shareholders of the Company!



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Important Notice

The board of directors, supervisory committee and directors, supervisors and senior management of the Company warrant that this interim report does not contain any misrepresentations, misleading statements or material omissions, and jointly and severally accept full legal responsibility for the authenticity, accuracy and completeness of the information contained in this report.

This report was reviewed and approved at the thirty-ninth meeting of the second session of the board of the Company. nine out of nine eligible directors of the Company were present at the meeting. The Company does not have any plan to declare any interim dividend for the first half of 2013.

Deloitte Touche Tohmatsu has issued a report on the review of condensed consolidated financial statements of the Group prepared under the International Financial Reporting Standard 34 — "Interim Financial Reporting" contained in this report in accordance with the Hong Kong Standard on Review Engagements 2410 — "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The presentation of certain financial statements line items has been changed for better understanding. Accordingly, the comparative amounts have been reclassified to conform with the current accounting period's presentation. These reclassifications have no impact on the Group's results of operation. Please refer to Note 29 to the condensed consolidated financial statements contained in this report for details.

There is no appropriation of the Company's funds for non-operational purpose by any controlling shareholders or its subsidiaries. Also, there is no provision of external guarantees by the Company that violates the required decision-making procedures.

Dr. Zhang Xiwu, Chairman of the Company, Ms. Zhang Kehui, Chief Financial Officer, and Mr. Hao Jianxin, General Manager of the Financial Department of the Company, warrant the authenticity, accuracy and completeness of the condensed consolidated financial statements contained in this report.

There are certain forward-looking statements in this report made on the basis of subjective assumptions and judgments on future policies and economic conditions, which are subject to risks, uncertainties and assumptions. Actual outcome may differ materially from the forward-looking statements. Such statements do not constitute actual commitments to investors. Investors should be aware that undue reliance on or use of such information may lead to risks of investment.

Please refer to the section headed "Definition" of this report for certain defined terms with specific meanings.



Company Profile

(1) Information of the Company

Statutory Chinese Name of the Company	中國神華能源股份有限公司
Abbreviation of Statutory Chinese Name of the Company	中國神華
Statutory English Name of the Company	China Shenhua Energy Company Limited
Abbreviation of Statutory English Name of the Company	CSEC/China Shenhua
Legal Representative	Zhang Xiwu
Authorised Representatives of the Company under the Hong Kong Listing Rules	Ling Wen, Huang Qing

(2) Contacts and Contact Information

	Secretary to the Board of Directors and Company Secretary	Representative of Securities Affairs
Name	Huang Qing	Chen Guangshui
Address	22 Andingmen Xibinhe Road, Dongcheng District, Beijing (Postal Code:100011)	22 Andingmen Xibinhe Road, Dongcheng District, Beijing (Postal Code:100011)
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E-mail	1088@csec.com	1088@csec.com

	Investor Relations Department	Hong Kong Office
Address	22 Andingmen Xibinhe Road, Dongcheng District, Beijing (Postal Code:100011)	Room B, 60th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong
Tel	(8610) 5813 3399/3355/1088	(852) 2578 1635
Fax	(8610) 5813 1804/1814	(852) 2915 0638

(3) Particulars

Registered and Office Address	22 Andingmen Xibinhe Road, Dongcheng District, Beijing (Postal Code: 100011)
Website on the Internet	http://www.csec.com or http://www.shenhuachina.com
E-mail	1088@shenhua.cc
Registration Number of Corporate Business Licence	100000000039286
Tax Registration Number	Jing Shui Zheng Zi No.110101710933024
Organisation Code	71093302-4
Date and Location of the First Business Registration	8 November 2004, Beijing
Date and Location of the Latest Change in Business Registration	8 August 2011, Beijing

(4) Information Disclosure and Location for Document Inspection

Designated Newspapers for Information Disclosure	China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Internet website designated for publishing regular reports	http://www.sse.com.cn and http://www.hkex.com.hk
Regular reports are available at	Investor Relations Department and Hong Kong Office of the Company

(5) Basic Information on Shares of the Company

	A Share/the PRC	H Share/Hong Kong
Listing Place	Shanghai Stock Exchange	The Stock Exchange of Hong Kong Limited
Abbreviation	China Shenhua	China Shenhua
Stock Code	601088	01088
Listing Date	9 October 2007	15 June 2005

(6) Other Related Information

		A Share/the PRC	H Share/Hong Kong
Auditors	Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP	Deloitte Touche Tohmatsu
	Signing Auditor	Cui Jin, Xu Bin	–
	Address	8th Floor, Deloitte Tower, The Towers, Oriental Plaza, 1 East Chang An Avenue, Beijing	35th Floor, One Pacific Place, 88 Queensway, Hong Kong
Legal Advisor	Name	King & Wood Mallesons	Herbert Smith Freehills
	Address	40th Floor, Tower A, Fortune Plaza, 7 Dongsanhuan Zhonglu, Chaoyang District, Beijing	23rd Floor, Gloucester Tower, 15 Queen's Road Central, Hong Kong
Share Registrar and Transfer Office	Name	China Securities Depository and Clearing Corporation Limited Shanghai Branch	Computershare Hong Kong Investor Services Limited
	Address	36th Floor, China Insurance Building, 166 Lu Jia Zui Dong Lu, Pudong New Area, Shanghai	Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

The Sponsors and Sponsor Representatives who are continuously fulfilling supervisory obligations	Name	China International Capital Corporation Limited	China Galaxy Securities Co., Ltd.
	Sponsor Representatives	Fang Baorong, Zhang Lu	Zheng Wei, Lu Yu
	Address	27th and 28th Floor, China World Tower Two, No. 1 Jianguomenwai Avenue, Chaoyang District, Beijing	2-6/Floor, Tower C, Corporate Square, No.35 Financial Street, Xicheng District, Beijing

Continuing supervisory period	October to December of 2007, 2008 and 2009. The proceeds from the initial public offering of A Shares of the Company have not been fully utilized. Pursuant to the relevant regulations, the continuing supervisory period of the above Sponsors and Sponsor Representatives shall continue until the aforesaid proceeds are fully utilized.
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Results Highlights

Operational Data

		For the first half of 2013	For the first half of 2012	Change (%)
Commercial coal production	(Million tonnes)	158.3	155.8	1.6
Coal sales	(Million tonnes)	242.7	222.1	9.3
Of which: Export	(Million tonnes)	1.3	2.2	(40.9)
Import	(Million tonnes)	5.9	2.3	156.5
Turnover of self-owned railway transportation	(Billion tonne km)	101.7	87.0	16.9
Seaborne coal	(Million tonnes)	111.0	97.6	13.7
At Huanghua Port	(Million tonnes)	61.1	43.5	40.5
At Tianjin Coal Dock	(Million tonnes)	15.1	11.7	29.1
Shipping volume	(Million tonnes)	43.3	47.4	(8.6)
Shipment turnover	(Billion tonne nautical miles)	43.3	39.7	9.1
Gross power generation	(Billion kwh)	105.46	102.73	2.7
Total power output dispatch	(Billion kwh)	98.31	95.66	2.8

- Notes: 1. The calculation of "seaborne coal" does not include the seaborne coal for sale in the domestic coal trading.
2. In order to help investors better understand the Company's business, the settlement volume of seaborne coal in Huanghua Port and Tianjin Coal Dock, instead of their loading volume of coal, has been disclosed since the announcement on operational data published in July 2012. The corresponding operational data of the two ports for the first half of 2012 was also restated on that basis.

Financial Data

		For the first half of 2013	For the first half of 2012 (Restated)	Change (%)
Revenue	(RMB million)	127,226	121,468	4.7
Profit for the period	(RMB million)	29,658	30,955	(4.2)
Profit for the period attributable to equity holders of the Company	(RMB million)	24,867	26,741	(7.0)
Basic earnings per share	(RMB per share)	1.250	1.344	(7.0)
Net cash from operating activities	(RMB million)	17,918	35,380	(49.4)

Note: Deducting the effects of implementation of preferential income tax policies, the basic earnings per share of the Group for the first half of 2013 decreased by 1.8% year-on-year. In the first half of 2012, certain subsidiaries (branches) of the Group in Shaanxi and Inner Mongolia obtained the approval to enjoy the preferential income tax policies for developing the western region with effect from the beginning of 2011. The Group adjusted the carrying amounts of income tax payable and deferred tax assets and liabilities for the previous year in the first half of 2012, resulting in reduction in income tax expenses for the first half of 2012. Without considering such effect, the basic earnings per share of the Group for the first half of 2012 was RMB1.273.

		As at 30 June 2013	As at 31 December 2012	Change (%)
Total assets	(RMB million)	476,305	457,367	4.1
Total liabilities	(RMB million)	159,459	150,810	5.7
Total equity	(RMB million)	316,846	306,557	3.4
Equity attributable to equity holders of the Company	(RMB million)	261,687	256,589	2.0
Equity attributable to equity holders per share	(RMB per share)	13.16	12.90	2.0

Differences between Domestic and International Accounting Standards

Unit: RMB million

Items	Net profit attributable to equity holders of the Company		Net assets attributable to equity holders of the Company	
	For the first half of 2013	For the first half of 2012	As at 30 June 2013	As at 31 December 2012
Under Accounting Standards for Business Enterprises	23,979	25,181	258,439	253,101
Adjustment:				
Adjustment to simple production maintenance, production safety and other related expenditures and others	888	1,560	3,248	3,488
Under International Financial Reporting Standards	24,867	26,741	261,687	256,589

Note: Pursuant to the relevant regulations of the related government authorities in the PRC, provisions for simple production maintenance, production safety and other related expenditures are accrued by the relevant entities in profit or loss for the period and separately recorded as a specific reserve in shareholders' equity. On utilisation of the specific reserve as fixed assets within the stipulated scope, the specific reserve is reduced according to the cost of formation of fixed assets, accumulated depreciation of the same amount is recognised, and no provision for impairment of the relevant assets will be made in subsequent periods. Under International Financial Reporting Standards, these expenses on production maintenance and safety facilities are recognised in profit or loss as and when incurred. Relevant capital expenditure is recognised as property, plant and equipment and depreciated according to the relevant depreciation method. The effect on deferred tax arising from such difference is also reflected.

Chairman's Statement



Zhang Xiwu
Chairman

Dear Shareholders,

On behalf of the board of directors, I am delighted to present the 2013 interim report of China Shenhua and to report to all shareholders on the Company's performance for the period.

In the first half of the year, under the proactive fiscal policy and prudent monetary policy implemented by the Central Government, the macro-economy achieved steady development with a year-on-year GDP growth of 7.6%. Affected by the global structural shift in the energy sector and the ongoing increase in coal import volume, the domestic market was faced with oversupply of coal amid exacerbated market competition, persisting decline in coal price and consistently high-level inventory. In the face of drastic changes in the market, China Shenhua responded actively by fully leveraging on its integrated operations, continuing to optimize its business structure, and prioritizing in coal sales, production safety, as well as in cost reduction and efficiency enhancement. As a result, China Shenhua achieved a slight growth in its performance against headwinds despite the huge loss suffered across the coal industry.

On 30 June, the market capitalisation of China Shenhua totalled US\$53.9 billion, ranking top amongst global listed coal companies and the fifth amongst listed integrated mining companies worldwide.

Operation climbed despite cool market and operating results remained stable

- In the first half of the year, the production volume of commercial coal reached 158.3 million tonnes and sales volume reached 242.7 million tonnes, representing a year-on-year growth of 1.6% and 9.3%, respectively.
- The total power output dispatch reached 98.31 billion kwh, representing a year-on-year increase of 2.8%, and the total installed capacity of power generators reached 41,798 MW.
- The transportation turnover of self-owned railway was 101.7 billion tonnes km, representing a year-on-year increase of 16.9%, and the seaborne coal sales volume reached 111.0 million tonnes, representing a year-on-year increase of 13.7%.
- Revenue amounted to RMB127.23 billion, representing a year-on-year increase of 4.7%.
- Profit before income tax reached RMB36.33 billion, representing a year-on-year increase of 0.3%.
- Profit for the period attributable to equity holders of the Company was RMB24.87 billion, representing a year-on-year decrease of 7.0%.
- Basic earnings per share were RMB1.250, representing a year-on-year decrease of 7.0%, or representing a year-on-year decrease of 1.8% when deducting the effects of implementation of preferential income tax policies for developing the western region for the same period of last year and the reduction in income tax expenses.
- Net cash from operating activities was RMB17.92 billion, representing a year-on-year decrease of 49.4%.

Outstanding progress achieved with business structure optimization

Since 2009, the Company has been optimizing its business structure and layout of its coal, power and transportation segments and effectively forged its ability in value creation and risk resistance in the coal market.

Based on steady growth achieved in its coal business, China Shenhua grasped the favourable opportunities to accelerate the development of its power business and press on with the strategic expansion and capacity enhancement of its transportation system. From 2009 to 2012, the capital expenditure under the International Financial Reporting Standards of China Shenhua amounted to RMB146.89 billion, of which the percentage of power and transportation segments increased to 65.2%. The self-initiated adjustment to capital expenditure facilitated the enhancement in China Shenhua's business structure.

As at 30 June 2013, the total installed capacity of power generators of the power segment reached 41,798 MW, representing an increase of 122.4% from the beginning of 2009. In the first half of 2013, the turnover of self-owned railway transportation was up by 49.8% as compared with that of the first half of 2009, seaborne coal in self-owned ports increased by 52.1% as compared with that of the first half of 2009, and the shipment turnover of the shipping business, which started in 2010, reached 43.3 billion tonnes per nm in the first half of 2013.

Calculated based on the profit from operations of each segment before elimination on consolidation according to the International Financial Reporting Standards, the proportion of each of the coal, power and transportation business was adjusted from 66%: 15%: 19% in 2009 to 57%: 22%: 21% in the first half of 2013¹.

¹ Calculated based on the profit from operations of each segment before elimination on consolidation according to the Accounting Standards for Business Enterprises, the proportion of each of the coal, power and transportation segments was 55%:23%:22% in the first half of 2013.

Integration synergy fully actualized by active response to market

In face of the drastic changes in the market, adhering to the principle of profit maximisation, the Company leveraged on its integrated model of coal, power, railways, ports and shipping, and adopted effective measures in a timely manner, and thus achieved satisfactory results.

The coal segment properly adjusted the production portfolio by boosting the coal output in Shendong and Zhunge'er mines with high gross profit margin, leading to an increase of 6.4 million tonnes of output in the two mines year-on-year. At the same time, the coal output in Shengli and Shenbao mines with low gross profit margin was reduced, resulting in a total decline of 5.5 million tonnes of output in the two mines year-on-year. The segment also intensified efforts in coal preparation and increased the coal selection ratio, so as to further improve coal quality. In the first half of the year, the output of commercial coal grew steadily and fulfilled the target for the first half 2013.

Taking a market-oriented approach and pegged to the Bohai Bay Thermal Coal Price Index, the coal segment prioritized the sale of seaborne coal and optimized its product mix. The segment also appropriately adjusted external coal sources, established an online coal trading platform, and further strengthened the sales efforts in the southern areas along the Beijing-Guangzhou Railway, Beijing-Kowloon Railway and Beijing-Shanghai Railway, which extended its market radius and consolidated its market share. In the first half of the year, the Company's sales of commercial coal amounted to 242.7 million tonnes, representing a year-on-year growth of 9.3% despite the cool market.

The power segment strengthened the operational management of generators to strictly prevent abnormal breakdown and raise efficiency. Under the sales strategy of each kwh accounting, the segment actively sought additional power beyond the power generation plan, with average utilization hours of coal-fired generators reaching 2,560 hours, surpassing the national average utilization hours of 2,412 hours by 148 hours over the same period; the segment also brought the effect of "power pool" into full play, further raising the consumption of Shenhua coal to 86.0% of the total consumption of coal. In the first half of the year, the power segment became a critical "economic growth pole" of the Group's profit.

The transportation segment enhanced the coordination of each division along the railways, increased the number of trains with capacity of ten thousand tonnes, and stepped up the turnover efficiency of trains, as a result, the turnover of the transportation of self-owned railways including Shuohuang and Shenshuo witnessed a rapid surge. The construction of the new Bazhun and Zhunchi railways progressed as planned. The segment increased the proportion of seaborne coal in self-owned ports, with 38.0% year-on-year increase in seaborne coal volume of self-owned ports. In the first half of the year, the results of the transportation segment achieved substantial growth while the safe operation of the integrated system was guaranteed at the same time.

Safe production maintained and effective cost control achieved

In the first half of the year, the Company constantly reinforced the safety concept of "seeking zero fatality rate and aiming at zero injury rate" by strengthening responsibilities, enhancing management and pushing forward the establishment of an inherent-safety system. As a result, the Company's fatality rate per million tonnes of raw coal production was 0.0058, and thus continued to hold a leading record worldwide.

The Company strengthened cost control by breaking down, tracking and controlling the annual operating budget on a monthly basis. In the first half of the year, under the International Financial Reporting Standards, the unit cost of self-produced coal was RMB124.2/tonne, representing a year-on-year increase of 6.6%; the unit cost of total power output dispatch and the unit transportation cost of railway business saw a year-on-year decrease of 6.5% and 11.4% respectively; finance cost was RMB1,180 million, representing a year-on-year significant drop of 31.9%. The cost advantage of the Company was further consolidated.

The second half of 2013: overcoming difficulties and striving to achieve the annual targets

Given the weakening demand in the coal market and the low coal price, China Shenhua will prioritize value creation, ensure the optimization of its integrated model, expand markets, bring down cost and boost efficiency in the second half of the year, with particular emphasis on the following:

- **Strive to achieve the annual operating targets.** On the basis of stable and safe integrated operations, the Company will reasonably formulate production schedules, put great emphasis on sales, further optimize the inter-segment coordination among production, transportation and sales, impose stringent cost control, and comprehensively cut the non-production-related expenses, so as to achieve the annual operating targets.
- **Make utmost efforts in coal sales.** Putting benefit first, the Company will make relentless efforts in market exploration, push forward direct-arrival sales and electronic trading business, increase the proportion of high value-added products, enhance the innovation in sales, and constantly improve service quality.
- **Push forward production and construction in a safe and efficient manner.** The Company will continue to push forward the establishment of an inherent-safety system, reinforce the concept of safe production, thus maintaining an advanced standard of safe production. In addition, the Company will optimize the construction progress of key projects, enhance the production capability of each business segment in an orderly manner; and focus on preparation for the completion of Bazhun and Zhunchi railways, so as to provide additional capacity to consolidate the advantage of integrated operations.

Despite the drastic changes in the market, the management and all the employees of China Shenhua will respond proactively to overcome difficulties with strong determination, in a bid to achieve sustainable healthy development of China Shenhua and create greater value for all shareholders.



Zhang Xiwu

Chairman
Beijing, the PRC

23 August 2013



Overview of the Company's Operating Results for the first half of 2013

Business Data Master Table				
		The first half of 2013	The first half of 2012	Percentage change %
Commercial coal production	(million tonnes)	158.3	155.8	1.6
Coal sales	(million tonnes)	242.7	222.1	9.3
Of which: Export	(million tonnes)	1.3	2.2	(40.9)
Import	(million tonnes)	5.9	2.3	156.5
Turnover of self-owned railway transportation	(billion tonne km)	101.7	87.0	16.9
Seaborne coal ⁽¹⁾	(million tonnes)	111.0	97.6	13.7
Coal-loaded volume at Huanghua Port	(million tonnes)	61.1	43.5	40.5
Coal-loaded volume at Tianjin Coal Dock	(million tonnes)	15.1	11.7	29.1
Shipping volume	(million tonnes)	43.3	47.4	(8.6)
Shipment turnover	(billion tonne nm)	43.3	39.7	9.1
Gross power generation ⁽²⁾	(billion kwh)	105.46	102.73	2.7
Total power output dispatch ⁽³⁾	(billion kwh)	98.31	95.66	2.8

Breakdown of Shipping Volume				
		The first half of 2013 million tonnes	The first half of 2012 million tonnes	Percentage change %
Shenhua Zhonghai Shipping Company				
The Group's internal customers		22.6	20.1	12.4
External customers		20.7	27.3	(24.2)
Total of shipping volume		43.3	47.4	(8.6)

Breakdown of Seaborne Coal in Port				
		The first half of 2013 million tonnes	The first half of 2012 million tonnes	Percentage change %
(I) Self-owned ports		76.2	55.2	38.0
Huanghua Port		61.1	43.5	40.5
Tianjin Coal Dock		15.1	11.7	29.1
(II) Third-party ports		34.8	42.4	(17.9)
Total seaborne coal		111.0	97.6	13.7

Breakdown of Coal Resources/Reserve									
Mines	Recoverable coal reserve (under PRC standard)			Marketable coal reserve (under JORC standard)			Coal resources (under PRC standard)		
	As at 30 June 2013	As at 31 December 2012	Percentage change	As at 30 June 2013	As at 31 December 2012	Percentage change	As at 30 June 2013	As at 31 December 2012	Percentage change
	100 million tonnes	100 million tonnes	%	100 million tonnes	100 million tonnes	%	100 million tonnes	100 million tonnes	%
Shendong Mines	81.03	81.14	(0.1)	43.74	44.52	(1.8)	155.62	155.65	(0.0)
Zhunge'er Mines	34.77	35.22	(1.3)	20.94	21.24	(1.4)	42.28	42.57	(0.7)
Shengli Mines	14.12	14.22	(0.7)	7.69	7.78	(1.2)	20.29	20.39	(0.5)
Baorixile Mines	12.99	13.21	(1.7)	13.46	13.62	(1.2)	15.14	15.26	(0.8)
Baotou Mines and others ⁽⁴⁾	5.88	7.44	(21.0)	3.02	3.26	(7.4)	16.48	17.55	(6.1)
Total of China Shenhua	148.79	151.23	(1.6)	88.85	90.42	(1.7)	249.81	251.42	(0.6)

Breakdown of Coal Sales						
		The first half of 2013 million tonnes	Proportion of domestic sales %	The first half of 2012 million tonnes	Percentage change %	
(I) Domestic sales		237.6	100.0	218.9	8.5	
By coal source						
Self-produced coal and purchased coal		202.6	85.3	196.2	3.3	
Coal purchased through domestic trade		29.1	12.2	20.4	42.6	
Imported coal		5.9	2.5	2.3	156.5	
By customers						
External customers		198.7	83.6	179.9	10.5	
Power segment of the Group		38.9	16.4	39.0	(0.3)	
By region						
Northern China		118.7	50.0	113.3	4.8	
Eastern China		73.0	30.7	77.0	(5.2)	
Central China and Southern China		25.9	10.9	23.5	10.2	
Northeast China		18.8	7.9	2.6	623.1	
Others		1.2	0.5	2.5	(52.0)	
By usage						
Thermal coal		179.3	75.5	176.9	1.4	
Metallurgy		3.8	1.6	3.5	8.6	
Chemical (including coal slurry)		2.2	0.9	8.8	(75.0)	
Others		52.3	22.0	29.7	76.1	
(II) Export Sales		1.3	100.0	2.2	(40.9)	
South Korea		0.6	46.1	0.7	(14.3)	
China Taiwan		0.4	30.8	0.5	(20.0)	
Japan		0.3	23.1	1.0	(70.0)	
(III) Foreign sales		3.8		1.0	280.0	
Total sales		242.7		222.1	9.3	

Breakdown of Commercial Coal Production			
	The first half of 2013 million tonnes	The first half of 2012 million tonnes	Percentage change %
Shendong Coal Group	88.4	82.6	7.0
Bulianta	13.4	13.0	3.1
Daliuta-Huojitu	17.3	14.4	20.1
Yujialiang	8.5	8.5	-
Shangwan	7.4	7.2	2.8
Halagou	7.2	6.8	5.9
Baode (Kangjiantan)	5.0	5.2	(3.8)
Shigetai	5.3	5.0	6.0
Wulanmulun	3.7	3.3	12.1
Buer'tai	8.5	6.7	26.9
Wanli No.1 mine (Changhangou)	5.2	5.6	(7.1)
Liuta mine	2.0	2.5	(20.0)
Cuncaota No. 1 mine	2.2	2.0	10.0
Cuncaota No. 2 mine	2.0	1.9	5.3
Others	0.7	0.5	40.0
Zhunge'er Energy	15.3	15.9	(3.8)
Heidaigou	15.3	15.9	(3.8)
Ha'erwusu Branch	15.4	13.6	13.2
Beidian Shengli Energy	9.5	14.1	(32.6)
Jinjie Energy	8.7	9.3	(6.5)
Shenbao Energy Company	15.8	16.7	(5.4)
Baotou Energy Company	3.6	2.2	63.6
Shuiquan Open-cut Mine	1.2	0.9	33.3
Adaohai Mine	0.4	0.4	-
Lijiahao Mine	2.0	0.9	122.2
Chaijiagou Mining	0.6	0.5	20.0
EMM Indonesia	1.0	0.9	11.1
Total production	158.3	155.8	1.6
By Regions			
Inner Mongolia	104.7	105.2	(0.5)
Shaanxi Province	47.6	44.5	7.0
Shanxi Province	5.0	5.2	(3.8)
Overseas	1.0	0.9	11.1

Breakdown of Power Generation Business											
Power plants	Regional grid	Location	Gross power generation 100 million kwh	Total power output dispatch 100 million kwh	Average utilisation hours	Standard coal consumption rate for power output dispatch g/kwh	Power tariff RMB/rwh	Total installed capacity as at 31 December 2012 MW	Increase/(decrease) in installed capacity for the first half of 2013 MW	Total installed capacity as at 30 June 2013 MW	Equity installed capacity as at 30 June 2013 MW
Cangdong Power	North China Power Grid	Hebei	69.7	66.3	2,766	312	360	2,520	-	2,520	1,285
Sanhe Power	North China Power Grid	Hebei	35.3	32.7	2,712	305	371	1,300	-	1,300	501
Dingzhou Power	North China Power Grid	Hebei	69.3	63.8	2,749	326	344	2,520	-	2,520	1,021
Panshan Power	North China Power Grid	Tianjin	25.3	23.7	2,454	326	405	1,030	-	1,030	469
Zhunge'er Power	North China Power Grid	Inner Mongolia	21.0	18.8	2,188	372	254	960	-	960	554
Shendong Power	Northwest/ North China/ Shaanxi Provincial Local Power Grid	Inner Mongolia	104.8	95.3	2,515	358	260	4,167	-	4,167	3,657
Guohua Zhunge'er	North China Power Grid	Inner Mongolia	27.7	25.2	2,098	318	264	1,320	-	1,320	639
Guohua Hulunbeier	Northeast Power Grid	Inner Mongolia	23.2	20.8	1,933	337	272	1,200	-	1,200	960
Beijing Thermal	North China Power Grid	Beijing	10.6	9.3	2,654	248	433	400	-	400	280
Suizhong Power	Northeast Power Grid	Liaoning	68.0	63.8	1,889	318	355	3,600	-	3,600	1,800
Zheneng Power	East China Power Grid	Zhejiang	130.4	124.1	2,963	303	418	4,400	-	4,400	2,640
Taicang Power	East China Power Grid	Jiangsu	35.1	33.5	2,785	304	352	1,260	-	1,260	630
Jinjie Energy	North China Power Grid	Shaanxi	69.5	63.9	2,895	329	316	2,400	-	2,400	1,680
Shenmu Power	Northwest Power Grid	Shaanxi	6.3	5.6	2,850	378	349	220	-	220	112
Taishan Power	South China Power Grid	Guangdong	127.0	119.8	2,541	312	441	5,000	-	5,000	4,000
Huizhou Thermal	South China Power Grid	Guangdong	18.8	17.1	2,842	325	452	660	-	660	660
Mengjin Power	Central China Power Grid	Henan	30.0	28.2	2,498	317	378	1,200	-	1,200	612
Chenjiagang Power	East China Power Grid	Jiangsu	39.9	38.0	3,023	295	353	1,320	-	1,320	726
Shenwan Energy ⁽⁵⁾	East China Power Grid	Anhui	70.8	66.8	2,722	327	369	2,600	-	2,600	1,326
Shenhua Sichuan Energy ⁽⁶⁾	Sichuan Power Grid	Sichuan	30.0	27.3	2,381	337	408	1,260	-	1,260	604
Fujian Energy ⁽⁷⁾	East China Power Grid	Fujian	25.1	23.6	2,024	349	398	1,240	-	1,240	481
EMM Indonesia	PLN (Perusahaan Listrik Negara)	Indonesia	8.8	7.7	2,927	386	434	300	-	300	210
Total for coal-fired power plants/Weighted average			1,046.6	975.3	2,560	322	364	40,877	-	40,877	24,847
Other power plants											
Zhuhai Wind	South China Power Grid	Guangdong	0.2	0.2	1,036	-	593	16	-	16	12
Yuyao Power ⁽⁸⁾	East China Power Grid	Zhejiang	5.2	5.1	673	235	640	780	-	780	624
Shenhua Sichuan Energy ⁽⁹⁾	Sichuan Power Grid	Sichuan	2.6	2.5	2,050	-	252	125	-	125	47

Breakdown of Railway Transportation Turnover				
	The first half of 2013 billion tonne km	The first half of 2012 billion tonne km	Percentage change %	
(I) Self-owned railways	101.7	87.0	16.9	
Shenshuo Railway	24.5	21.1	16.1	
Shuohuang-Huangwan Railway	62.7	52.7	19.0	
Dazhun Railway	9.7	8.9	9.0	
Baoshen Railway	4.8	4.3	11.6	
(II) State-owned railways	22.4	21.8	2.8	
Total Transportation turnover	124.1	108.8	14.1	

Other Assets		
Name	Length km	Commencement Date
Watermark Coal Project in Australia (initial stage)		
Xinjie Taigemiao Exploration Area (applying for permits)		
Ganquan Railway (under trial operation)		
Zhuhai Coal Dock (under trial operation)		
Railways		
Bazhun Railway (under construction)	128	December 2010
Zhunchi Railway (under construction)	180	October 2011

- Notes:
- (1) The calculation of "seaborne coal" has ceased the inclusion of the seaborne coal for sale in the domestic coal trading.
 - (2) The figures include the power generation and power output dispatch of coal-fired power generation business and other power generation businesses.
 - (3) The data of Lijiahao Mine, Adaohai Mine, Shuiquan Open-cut Mine and Chaijiagou Mine are consolidated into "Baotou Mines and others".
 - (4) The power plants operated by Shenwan Energy Company include Anqing Wanjiang Power Plant, Chizhou Jihua Power Plant and Ma'anshan Wan'nengda Power Plant.
 - (5) Shenhua Sichuan Energy operates thermal power generation and hydropower generation businesses.
 - (6) The power plants operated by Fujian Energy Company include Longyan Power Plant, Yanshi Power Plant and Jinjiang Thermal Power.
 - (7) The standard coal consumption for power output dispatch of Yuyao Power is a converted amount.

Overview of Consolidated Operating Results for the first half of 2013

	The first half of 2013	The first half of 2012	Percentage change
	RMB million	(Restated) RMB million	
Revenue	127,226	121,468	4.7
Cost of sales	(86,030)	(80,520)	6.8
Gross profit	41,196	40,948	0.6
Selling, general and administrative expenses	(4,156)	(3,724)	11.6
Other gains and losses	(188)	27	(796.3)
Other income	180	286	(37.1)
Other expenses	(122)	(197)	(38.1)
Interest income	329	444	(25.9)
Finance cost	(1,176)	(1,728)	(31.9)
Share of results of associates	265	174	52.3
Profit before income tax	36,328	36,230	0.3
Income tax	(6,670)	(5,275)	26.4
Profit for the period	29,658	30,955	(4.2)
Equity holders of the Company	24,867	26,741	(7.0)
Non-controlling interests	4,791	4,214	13.7
Basic earnings per share (RMB/share)⁽¹⁾	1.250	1.344	(7.0)

Breakdown of revenue

	The first half of 2013	The first half of 2012	Percentage change
	RMB million	(Restated) RMB million	
Revenue			
Coal revenue	83,528	81,151	2.9
Power revenue	36,463	35,412	3.0
Transportation revenue	2,399	2,710	(11.5)
Sub-total	122,390	119,273	2.6
Other revenue	4,836	2,195	120.3
Total revenue	127,226	121,468	4.7

Breakdown of cost of sales

	The first half of 2013	The first half of 2012	Percentage change
	RMB million	(Restated) RMB million	
Coal purchased	36,023	33,829	6.5
Materials, fuel and power	9,470	9,676	(2.1)
Personnel expenses	5,329	5,081	4.9
Depreciation and amortisation	8,046	8,496	(5.3)
Repairs and maintenance	3,829	3,391	12.9
Transportation charges	8,181	8,287	(1.3)
Taxes and surcharges	2,383	2,429	(1.9)
Others	12,769	9,331	36.8
Total cost of sales	86,030	80,520	6.8

Breakdown of coal sales price

	The first half of 2013			The first half of 2012			Change	
	Sales volume million tonnes	Percentage to total sales volume %	Price RMB/tonne	Sales volume million tonnes	Percentage to total sales volume %	Price RMB/tonne	Change in sales volume %	Change in sales price %
I. Domestic sales	237.6	97.9	400.6	218.9	98.5	437.0	8.5	(8.3)
(I) Self-produced coal and purchased coal	202.6	83.5	385.4	196.2	88.3	420.5	3.3	(8.3)
1. Direct arrival	92.9	38.3	280.4	100.8	45.3	292.1	(7.8)	(4.0)
2. Seaborne	109.7	45.2	474.3	95.4	43.0	556.3	15.0	(14.7)
(II) Sales of domestic trading coal	29.1	12.0	486.0	20.4	9.2	571.0	42.6	(14.9)
(III) Sales of imported coal	5.9	2.4	501.5	2.3	1.0	659.1	156.5	(23.9)
II. Export sales	1.3	0.5	634.5	2.2	1.0	775.6	(40.9)	(18.2)
III. Overseas coal sales	3.8	1.6	663.0	1.0	0.5	223.4	280.0	196.8
1. EMM Indonesia	1.0	0.4	65.6	0.9	0.4	75.0	11.1	(12.5)
2. Re-export trade	2.8	1.2	871.1	0.1	0.1	1,184.1	2,700.0	(26.4)
Total sales volume/weighted average price	242.7	100.0	406.0	222.1	100.0	439.4	9.3	(7.6)

Statement of cash flows from operating activities

	The first half of 2013	The first half of 2012	Percentage change
	RMB million	(Restated) RMB million	
Profit before income tax	36,328	36,230	0.3
Adjustments for: Depreciation and amortisation	8,887	8,909	(0.2)
Loss (gain) on disposal of property, plant and equipment	226	(26)	(969.2)
Impairment of loans receivable	109	-	N/A
Reversal of impairment of accounts and other receivables	(11)	-	N/A
Write-down of inventories	16	-	N/A
Gain on disposal of an associate	(152)	-	N/A
Interest income	(329)	(444)	(25.9)
Share of results of associates	(265)	(174)	52.3
Interest expense	1,656	1,792	(7.6)
Fair value loss (gain) on derivative financial instruments and trading debts securities	136	(1)	(13,700.0)
Unrealised foreign exchange gain	(616)	(144)	327.8
Operating cash flow before movements in working capital	45,985	46,142	(0.3)
Increase in inventories	(3,491)	(4,339)	(19.5)
Increase in accounts and bills receivable	(6,587)	(4,295)	53.4
Increase in prepaid expenses and other assets	(8,410)	(2,286)	267.9
(Decrease) increase in accounts and bills payable	(753)	1,184	(163.6)
Increase in accrued expenses and other payables	701	8,554	(91.8)
Cash generated from operations	27,445	44,960	(39.0)
Income tax paid	(9,527)	(9,580)	(0.6)
Net cash from operating activities	17,918	35,380	(49.4)

Cost of sales – Breakdown of others

	The first half of 2013	The first half of 2012	Percentage change
	RMB million	(Restated) RMB million	
Coal selection and minery fees	4,788	3,518	36.1
Taxes and fees	449	442	1.6
Dredging expenses	204	190	7.4
Relocation compensation expenses	794	431	84.2
Operating lease charges	107	175	(38.9)
Resources compensation fees	300	293	2.4
Environmental related expenses	1,953	1,942	0.6
Cost of sale of ancillary materials and other goods, and provision of other services	3,716	1,403	164.9
Others	458	937	(51.1)
Total cost of sales-others	12,769	9,331	36.8

Note: (1) Deducting the effects of implementation of preferential income tax policies, the basic earnings per share of the Group for the first half of 2013 decreased by 1.8% year-on-year. In the first half of 2012, certain subsidiaries (branches) of the Group in Shaanxi and Inner Mongolia obtained the approval to enjoy the preferential income tax policies for developing the western region with effect from the beginning of 2011. The Group adjusted the carrying amounts of income tax payable and deferred tax assets and liabilities for the previous year in the first half of 2012, resulting in reduction in income tax expenses for the first half of 2012. Without considering such effect, the basic earnings per share of the Group for the first half of 2012 was RMB1.273.

Overview of Operating Conditions by Business Segment for the first half of 2013

Segment results																
	Coal		Power		Railway		Port		Shipping		Unallocated items		Eliminations		Total	
	The first half of 2013	The first half of 2012 (Restated)	The first half of 2013	The first half of 2012 (Restated)	The first half of 2013	The first half of 2012 (Restated)	The first half of 2013	The first half of 2012 (Restated)	The first half of 2013	The first half of 2012 (Restated)	The first half of 2013	The first half of 2012 (Restated)	The first half of 2013	The first half of 2012 (Restated)	The first half of 2013	The first half of 2012 (Restated)
	RMB million	RMB million														
Revenue from external customers	87,474	82,484	36,868	35,768	1,557	1,491	81	72	948	1,282	298	371	-	-	127,226	121,468
Revenue from inter-segment transactions	16,767	16,847	232	259	12,860	10,821	1,728	1,464	822	869	239	60	(32,648)	(30,320)	-	-
Segment revenue	104,241	99,331	37,100	36,027	14,417	12,312	1,809	1,536	1,770	2,151	537	431	(32,648)	(30,320)	127,226	121,468
Segment cost of sales	(81,062)	(72,521)	(27,736)	(28,744)	(6,939)	(6,610)	(900)	(955)	(1,666)	(1,808)	(68)	(49)	32,341	30,167	(86,030)	(80,520)
Segment profit (loss) from operations ⁽¹⁾	21,130	24,956	8,298	6,390	(6,945)	5,237	752	442	67	291	(31)	34	(236)	(126)	36,925	37,224
	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012
	RMB million	RMB million														
Segment total assets	284,908	259,595	166,047	153,240	88,616	83,411	18,156	16,442	5,628	5,394	311,297	291,291	(398,347)	(352,006)	476,305	457,367
Segment total liabilities	(126,079)	(124,916)	(102,383)	(99,668)	(45,489)	(43,349)	(9,660)	(8,161)	(1,308)	(1,082)	(199,309)	(170,639)	324,769	297,005	(159,459)	(150,810)

Cost of sales of coal segment							
	The first half of 2013			The first half of 2012 (Restated)			Percentage change in unit cost %
	Cost RMB million	Volume million tonnes	Unit cost RMB/tonne	Cost RMB million	Volume million tonnes	Unit cost RMB/tonne	
Production cost of self-produced coal	18,789	151.3	124.2	17,458	149.9	116.5	6.6
Materials, fuel and power	3,579	151.3	23.6	3,525	149.9	23.5	0.4
Personnel expenses	2,143	151.3	14.2	2,087	149.9	13.9	2.2
Repairs and maintenance	1,200	151.3	7.9	1,120	149.9	7.5	5.3
Depreciation and amortisation	2,722	151.3	18.0	2,995	149.9	20.0	(10.0)
Others	9,145	151.3	60.5	7,731	149.9	51.6	17.2
Cost of coal purchased	36,023	91.4		33,829	72.2		
Taxes and surcharges	1,457	242.7	6.0	1,627	222.1	7.3	(17.8)
Cost of coal transportation ⁽²⁾	19,761	242.7		17,958	222.1		
Other operating costs	5,032			1,649			
Total cost of sales of coal segment	81,062			72,521			

Cost of sales of power segment							
	The first half of 2013			The first half of 2012 (Restated)			Percentage change of unit cost %
	Cost RMB million	Power output dispatch 100 million kwh	Unit cost RMB/mwh	Cost RMB million	Power output dispatch 100 million kwh	Unit cost RMB/mwh	
Cost of power output dispatch	26,990	983.1	274.5	28,100	956.6	293.7	(6.5)
Materials, fuel and power	19,693	983.1	200.3	21,398	956.6	223.7	(10.5)
Personnel expenses	1,571	983.1	16.0	1,316	956.6	13.8	15.9
Repairs and maintenance	1,137	983.1	11.6	907	956.6	9.4	23.4
Depreciation and amortisation	3,768	983.1	38.2	3,818	956.6	39.9	(4.3)
Others	821	983.1	8.4	661	956.6	6.9	21.7
Taxes and surcharges	333			280			
Other operating costs	413			364			
Total cost of sales of power segment	27,736			28,744			

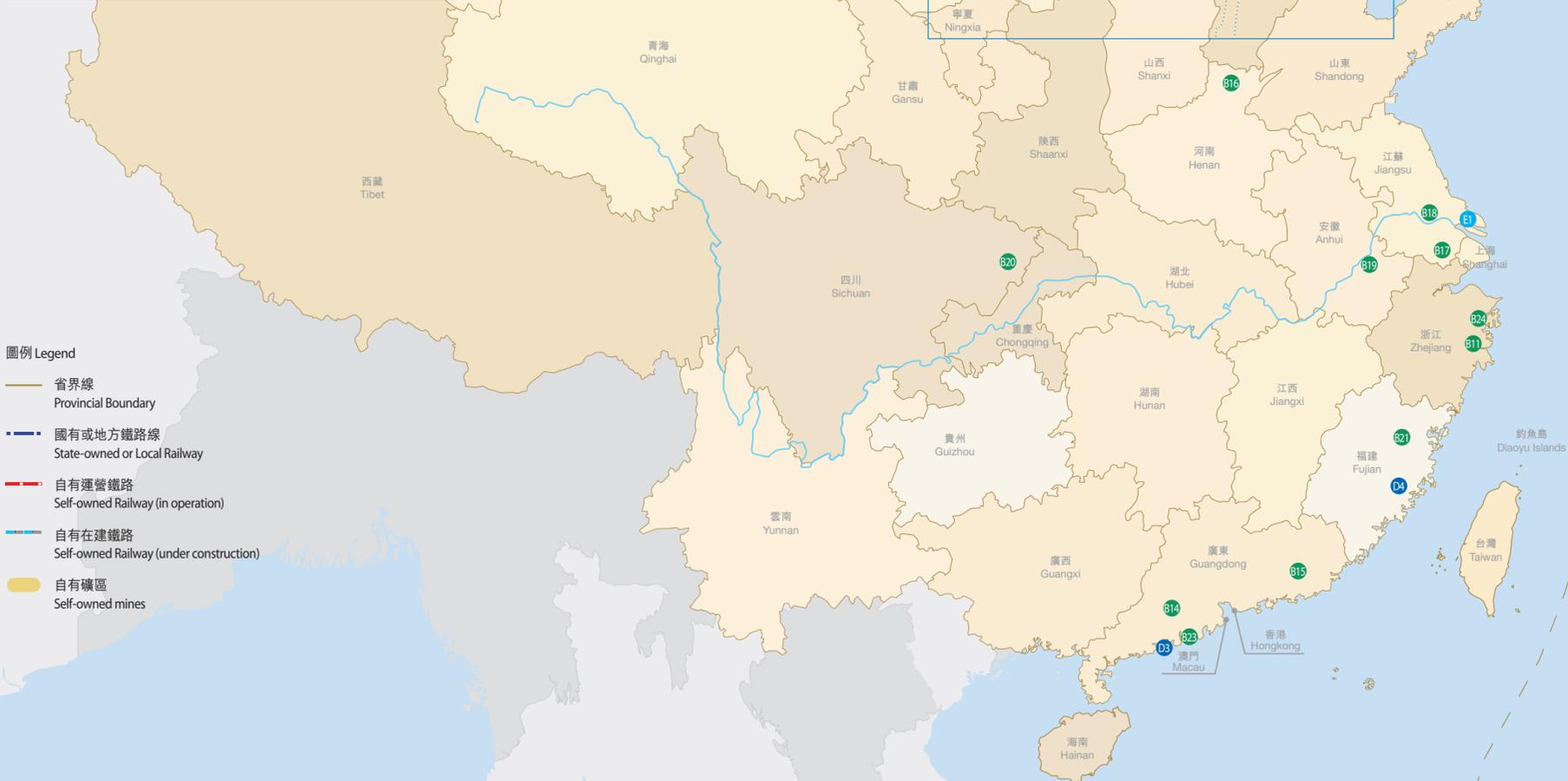
Cost of sales of railway segment			
	The first half of 2013	The first half of 2012 (Restated)	Percentage change
	RMB million	RMB million	%
Cost of internal transportation business	5,552	5,302	4.7
Materials, fuel and power	1,342	1,214	10.5
Personnel expenses	1,184	1,218	(2.8)
Repairs and maintenance	1,254	1,126	11.4
Depreciation and amortisation	994	1,025	(3.0)
External transportation charges	152	156	(2.6)
Others	626	563	11.2
Cost of external transportation business	748	810	(7.7)
Sub-total	6,300	6,112	3.1
Taxes and surcharges	471	415	13.5
Other operating costs	168	83	102.4
Total cost of sales of railway segment	6,939	6,610	5.0

Cost of sales of port segment			
	The first half of 2013	The first half of 2012 (Restated)	Percentage change
	RMB million	RMB million	%
Cost of internal transportation business	800	855	(6.4)
Materials, fuel and power	118	151	(21.9)
Personnel expenses	90	96	(6.3)
Repairs and maintenance	52	50	4.0
Depreciation and amortisation	227	299	(24.1)
Others	313	259	20.8
Cost of external transportation business	41	42	(2.4)
Sub-total	841	897	(6.2)
Taxes and surcharges	52	51	2.0
Other operating costs	7	7	-
Total cost of sales of port segment	900	955	(5.8)

Cost of sales of shipping segment			
	The first half of 2013	The first half of 2012 (Restated)	Percentage change
	RMB million	RMB million	%
Cost of internal transportation business	733	668	9.7
Materials, fuel and power	121	111	9.0
Personnel expenses	18	20	(10.0)
Repairs and maintenance	12	12	-
Depreciation and amortisation	42	41	2.4
External transportation charges	489	436	12.2
Others	51	48	6.3
Cost of external transportation business	931	1,133	(17.8)
Sub-total	1,664	1,801	(7.6)
Taxes and surcharges	2	7	(71.4)
Total cost of sales of shipping segment	1,666	1,808	(7.9)

Notes: (1) Segment profit (loss) from operations represents the revenue less cost of sales, selling, general and administrative expenses and impairment of assets.
(2) Cost of coal transportation refers to the transportation cost before elimination on consolidation.

主要資產分佈圖 Assets Distribution Map



煤礦
Coal Mine

- A1. 神東礦區
Shendong Mines
- A2. 准格爾礦區
Zhunge'er Mines
- A3. 勝利礦區
Shengli Mines
- A4. 寶日希勒礦區
Baorixile Mines
- A5. 包頭礦區
Baotou Mines
- A6. 澳大利亞沃特馬克煤礦項目 (項目前期)
Watermark Coal Project in Australia (initial stage)
- A7. 新街台格爾勘查區 (探礦權申請中)
Xinjietalgemiao Exploration Area (applying for exploration license)



電廠
Power

- B1. 滄東電力
Cangdong Power
- B2. 三河電力
Sanhe Power
- B3. 定州電力
Dingzhou Power
- B4. 盩厔電力
Panshan Power
- B5. 准能電力
Zhunge'er Power
- B6. 神東電力
Shendong Power
- B7. 國華准格爾
Guohua Zhunge'er
- B8. 國華呼電
Guohua Hulunbeier Power
- B9. 北京熱電
Beijing Thermal
- B10. 綏中電力
Suizhong Power
- B11. 浙能電力
Zheneng Power
- B12. 錦界能源
Jinjie Energy
- B13. 神木電力
Shenmu Power
- B14. 台山電力
Taishan Power
- B15. 惠州熱電
Huizhou Thermal
- B16. 孟津電力
Mengjin Power
- B17. 太倉電力
Taicang Power
- B18. 陳家港電力
Chenjia gang Power
- B19. 神皖能源
Shenwan Energy
- B20. 神華四川能源
Shenhu Sichuan Energy
- B21. 神福能源
Shenfu Energy
- B22. 印尼煤電
EMM Indonesia
- B23. 珠海風能
Zhuhai Wind
- B24. 余姚電力
Yuyao Power



鐵路
Railway

- C1. 神朔鐵路
Shenshuo Railway
- C2. 朔黃鐵路
Shuohuang Railway
- C3. 黃萬鐵路
Huangwan Railway
- C4. 大准鐵路
Dazhun Railway
- C5. 包神鐵路
Baoshen Railway
- C6. 巴准鐵路 (在建)
Bazhun Railway (under construction)
- C7. 准池鐵路 (在建)
Zhunchi Railway (under construction)
- C8. 甘泉鐵路 (試運行)
Ganquan Railway (under trial operation)



港口
Port

- D1. 黃驊港
Huanghua Port
- D2. 天津煤碼頭
Tianjin Coal Dock
- D3. 珠海煤碼頭 (試運行)
Zhuhai Coal Dock (under trial operation)
- D4. 羅源灣項目 (籌備中)
Luoyuan Wan Project (under preparation)



航運
Shipping

- E1. 神華中海航運
Shenhu Zhonghai Shipping Company

- 圖例 Legend
- 省界線
Provincial Boundary
 - 國有或地方鐵路線
State-owned or Local Railway
 - 自有運營鐵路
Self-owned Railway (in operation)
 - 自有在建鐵路
Self-owned Railway (under construction)
 - 自有礦區
Self-owned mines

註：於2013年8月23日之分佈圖，僅做示意。
Note: This map as at 23 August 2013 is for illustrative purpose only.



Assets Distribution Map



Management Discussion and Analysis

▼ Discussion and Analysis on Operations during the Reporting Period

Summary of operations

In the first half of 2013, against the backdrop of a sluggish macro-economy and extending loss suffered across the coal industry, the management of China Shenhua responded proactively by taking full advantage of its integrated operations to further optimize its business structure and strengthen its internal management to improve effectiveness, to mitigate the headwinds arising from changes in the operation environment, and thus achieved growth in both business and results despite adverse market conditions.

In the first half of the year, the Company's commercial coal production volume reached 158.3 million tonnes (first half of 2012: 155.8 million tonnes), representing a year-on-year increase of 1.6% and accomplishing 50.3% of the annual target. Coal sales volume reached 242.7 million tonnes (first half of 2012: 222.1 million tonnes), representing a year-on-year increase of 9.3% and accomplishing 52.2% of the annual target. The Company's total power output dispatch was 98.31 billion kwh (first half of 2012: 95.66 billion kwh), representing a year-on-year increase of 2.8% and accomplishing 48.0% of the annual target. The transportation turnover of self-owned railway reached 101.7 billion tonne km (first half of 2012: 87.0 billion tonne km), representing a year-on-year increase of 16.9%; and shipment turnover reached 43.3 million tonnes (first half of 2012: 47.4 million tonnes), representing a year-on-year decrease of 8.6%.

In accordance with the International Financial Reporting Standards, the Group's revenue for the first half of 2013 was RMB127,226 million (first half of 2012: RMB121,468 million), representing a year-on-year increase of 4.7%. The Group's profit before income tax was RMB36,328 million (first half of 2012: RMB36,230 million), representing a year-on-year increase of 0.3%. Profit for the period attributable to equity holders of the Company was RMB24,867 million (first half of 2012: RMB26,741 million), representing a year-on-year decrease of 7.0%. Basic earnings per share¹ were RMB1.250 (first half of 2012: RMB1.344 per share), representing a year-on-year decrease of 7.0%, or representing a year-on-year decrease of 1.8% when deducting the effects of implementation of preferential income tax policies for developing the western region for the same period of last year and the reduction in income tax expenses.

As at 30 June 2013, equity per share attributable to equity holders of the Group was RMB13.16, representing an increase of 2.0% from RMB12.90 as at 31 December 2012. As at 30 June 2013, the Group's return on total assets² was 6.23%. Return on net assets³ as at the end of the period was 9.50% (first half of 2012: 10.42%), representing a year-on-year decrease of 0.92 percentage point. EBITDA⁴ was RMB45,797 million (first half of 2012: RMB46,248 million), representing a year-on-year decrease of 1.0%. As at 30 June 2013, the Group's total liabilities to total assets ratio (total liabilities/total asset) was 33.5%, representing an increase of 0.5 percentage point from 33.0% as at 31 December 2012. Total debt to equity ratio⁵ was 16.2%, representing a decrease of 2.0 percentage points as compared to 18.2% as at 31 December 2012.

1 Basic earnings per share are calculated on the basis of profit for the period attributable to equity holders of the Company and the number of shares in issue during the period.

2 Return on total assets is calculated on the basis of the total of the profit for the period and the assets at the end of the period.

3 Return on net assets is calculated on the basis of the profit for the period attributable to equity holders of the Company and the equity attributable to equity holders of the Company.

4 EBITDA is a method for the management to assess the performance of the Company. It is defined as profit for the current period plus finance costs, income tax and depreciation and amortisation, and excluding interest income and share of results of associates. The EBITDA presented herein by the Company is used as extra reference for investors with regard to business performance, as the management of the Company considers EBITDA is popularly used by securities analysts, investors and other parties concerned as a criterion for the evaluation of the performance of mining companies, which is believed to be helpful to investors. EBITDA is not yet an item acknowledged by the Accounting Standards for Business Enterprises. It should not be taken as an alternative indicator of profit for the relevant accounting period to evaluate achievements or performances, nor shall it be taken as an alternative indicator for cash flows generated from operating activities to evaluate liquidity. The calculation of EBITDA by the Company may be different from that of other companies, therefore comparability may be limited. In addition, EBITDA is not intended to be the basis for free cash flows that may be used by the management at their discretion, because it does not reflect requirements for cash such as interest expenses, tax payment and repayment of debts, etc.

5 Total debt to equity ratio = long-term interest bearing debts + short-term interest bearing debts (including bills payable) / [long-term interest bearing debts + short-term interest bearing debts (including bills payable) + total equity].

Review on Consolidated Operating Results

1. Consolidated operating results

(1) Items of condensed consolidated statement of profit or loss

No.	Item	First half of 2013	First half of 2012 (Restated)	Percentage change	Main reasons for changes
		RMB million	RMB million	%	
1	Revenue	127,226	121,468	4.7	Increase in coal sales volume, power output dispatch, as well as railway transportation volume. Increase in re-export volume in Asia Pacific market due to expansion of various selling methods by the Company
2	Of which: Domestic market	123,853	119,591	3.6	
3	Other Asia Pacific markets	3,373	1,877	79.7	
4	Cost of sales	(86,030)	(80,520)	6.8	Higher costs due to the increase in self-produced coal output, volume of purchased coal, trading coal volume and railway transportation volume
5	Selling, general and administrative expenses	(4,156)	(3,724)	11.6	Increase in administrative organizations, mergers and acquisitions and wages arising from expansion of business scale
6	Other gains and losses	(188)	27	(796.3)	Increased loss from disposal of property, plant and equipment
7	Other income	180	286	(37.1)	Decrease in refund of value added tax
8	Other expenses	(122)	(197)	(38.1)	Decrease in donation expenses
9	Interest Income	329	444	(25.9)	Decrease in average balance of bank deposits
10	Finance costs	(1,176)	(1,728)	(31.9)	Increase in foreign exchange gains arising from borrowings denominated in Japanese Yen
11	Share of results of associates	265	174	52.3	Increase in profit from investment of the Company in power-related associates
12	Income tax	(6,670)	(5,275)	26.4	Due to the gradual implementation of the preferential tax policies for the Grand Development of the Western Region, certain subsidiaries of the Group adjusted the income tax payable for 2011 and the corresponding carrying amounts of deferred tax assets and liabilities during the first half of 2012. The average income tax rates applicable to the Group for the first half of 2012 and 2013 were 14.6% and 18.4%, respectively

(2) Research and development expenditure

		First half of 2013	First half of 2012	Percentage change (%)
Expensed research and development expenditure in the period	RMB million	138	70	97.1
Capitalised research and development expenditure in the period	RMB million	166	153	8.5
Total research and development expenditure	RMB million	304	223	36.3
Percentage of total research and development expenditure to revenue	%	0.24	0.18	Increased by 0.06 percentage point

In the first half of 2013, the total research and development expenditure of the Group was RMB304 million, representing a year-on-year increase of 36.3%, which was mainly used to facilitate the research on improving safe production protection technique in mines, the experiment on industrialised comprehensive use of coal ash after combustion, the research on comprehensive treatment for ecological and environmental protection of mine areas, as well as the research on the complete technologies to improve heavy-haul railways and clean coal firing. The increase in research and development expenditure is in line with the Group's strategic principle of leveraging on technological advancement to secure safe and efficient production, which allows the Group to enhance its core competitiveness and its ability to maintain sustainable growth.

2. Consolidated assets and liabilities

(1) Items of condensed consolidated statement of financial position

No.	Item	As at 30 June 2013		As at 31 December 2012 (Restated)		Percentage Change	Main reasons for changes
		Amount	Percentage to total assets	Amount	Percentage to total assets		
		RMB million	%	RMB million	%		
1	Construction in progress	69,055	14.5	61,142	13.4	12.9	Increased investments in construction of new railways in Bazhun and Zhunchi, mining equipment of coal mines and expansion of power plants
2	Exploration and evaluation assets	2,278	0.5	2,722	0.6	(16.3)	Decrease in carrying amount of exploration license of Watermark Coal Project in Australia due to depreciation in Australian dollars
3	Other non-current assets	31,942	6.7	25,382	5.5	25.8	Increase in prepayments for construction works and purchases of large-scale equipment
4	Inventories	18,646	3.9	15,171	3.3	22.9	Increase in coal inventory and ancillary materials and equipment associated with coal and power operations
5	Accounts and bills receivable	26,618	5.6	20,028	4.4	32.9	Increase in receivables from coal business and bank acceptance bills
6	Prepaid expenses and other current assets	22,008	4.6	14,480	3.2	52.0	More loans granted by Finance Company
7	Cash and cash equivalents	40,701	8.5	51,627	11.3	(21.2)	Less deposits in and more loans granted by Finance Company, as well as repayments of short-term borrowings
8	Borrowings	19,767	4.2	28,093	6.1	(29.6)	Repayments of short-term borrowing during the period
9	Accrued expenses and other payables	60,075	12.6	41,423	9.1	45.0	As at the end of the reporting period, the Company had not paid the final dividend for 2012. The dividend mentioned above was paid before 2 August 2013
10	Non-controlling interests	55,159	11.6	49,968	10.9	10.4	The profits from the business of power, railway and ports in which non-controlling shareholders have a relatively high proportion of interests increased during the reporting period.

(2) Charge over assets of the Group

For the six months ended 30 June 2013, the Group has not placed any significant charges over its assets.

3. Condensed consolidated statement of cash flows

No	Item	First half of 2013	First half of 2012 (Restated)	Percentage change	Main reasons for changes
		RMB million	RMB million	%	
1	Net cash from operating activities	17,918	35,380	(49.4)	Less deposits in and more loans granted by Finance Company
2	Net cash used in investing activities	(19,844)	(18,994)	4.5	Increase in cash paid for acquisition of property, plant and equipment
3	Net cash used in financing activities	(8,953)	(26,048)	(65.6)	As at the end of the reporting period, the Company had not paid the final dividend for 2012. The dividend mentioned above was paid before 2 August 2013.

Review on Operating Results by Business Segments

The Company continued to strengthen the adjustment of its business structure and optimize its industrial layout in recent years, leading to a more reasonable integrated operation chain and showcasing its outstanding anti-risk capability. During the first half of 2013, the Company fully capitalised the advantages of resource sharing, in-depth cooperation, synergy and low-cost operations brought about by the integrated operations of coal, power, railways, ports and shipping to effectively hedge the risks arising from declining coal price, to facilitate the development and to achieve stable returns for shareholders despite the cool market.

In the first half of 2013, profit from operations of the coal segment of the Company before elimination on consolidation amounted to RMB21,130 million (first half of 2012: RMB24,956 million (restated)), representing a year-on-year decrease of 15.3%; profit from operations of the power segment before elimination on consolidation amounted to RMB8,298 million (first half of 2012: RMB6,390 million (restated)), representing a year-on-year growth of 29.9%; profit from operations of the railway segment before elimination on consolidation amounted to RMB6,945 million (first half of 2012: RMB5,237 million (restated)), representing a year-on-year increase of 32.6%; profit from operations of port segment before elimination on consolidation amounted to RMB752 million (first half of 2012: RMB442 million (restated)), representing a year-on-year increase of 70.1%; profit from operations of shipping segment before elimination on consolidation amounted to RMB67 million (first half of 2012: RMB291 million (restated)), representing a year-on-year decrease of 77.0%.

Since 2009, the adjustment of business structure of the Company has achieved remarkable results. The proportion of profit from operations before elimination on consolidation among coal, power and transportation businesses calculated under the International Financial Reporting Standards were adjusted from 66%: 15%: 19% for the year 2009 to 57%: 22%: 21% for the first half of 2013¹.

¹ In terms of profit from operations (before elimination on consolidation under Accounting Standards for Business Enterprises) contributed by different business segments, the ratio of contribution for the first half of 2013 among the coal, power and transportation segments was 55%:23%:22%.

I. Coal Segment

1. Coal production and mining operation

Commercial coal production volume of the Company for the first half of the year reached 158.3 million tonnes, representing a year-on-year increase of 1.6%. The market competitiveness in coal product of the Company was further enhanced by reasonably adjusting product portfolio, appropriately raising the production volume of coal mines with high gross profit margin while reducing the production volume of coal mines with low gross profit margin; as well as improving the quality of coal with enhanced efforts in coal washing and selection.

Shendong Mines achieved balanced, stable and high output through refined production management. In the first half of the year, commercial coal production volume reached 97.1 million tonnes, representing a year-on-year growth of 5.7%. The increase is mainly contributed by Daliuta Mine and Bu'ertai Mine with a year-on-year increase in production volume of 20.1% and 26.9% respectively.

Zhunge'er Mines recorded commercial coal production volume of 30.7 million tonnes, representing a year-on-year increase of 4.1%. The Company made timely adjustments to product portfolio according to market demands, strengthened the management of coal quality and expedited the construction of capacity expansion for coal preparation plants, which resulted in a year-on-year increase in the thermal value of coal and profit from sales of the two open-cut mines, namely Heidaigou Mine and Ha'erwusu Mine.

Shengli Mines and Shenbao Mines reduced their production volume, in particular, the commercial coal production volume of Shengli Mines and Shenbao Mines amounted to 9.5 million tonnes and 15.8 million tonnes, representing a year-on-year decrease of 32.6% and 5.4% respectively.

The overseas coal mine projects of the Company were in stable operation. The PT.GH EMM Indonesia Project recorded commercial coal production volume of 1.0 million tonnes for the first half of the year. Shenhua Watermark Coal Project in Australia has completed the environmental assessment report available for public opinion and the optimisation and preparation work for coal mine design of the project progressed smoothly.

2. Coal sales

In the first half of 2013, competition was gradually intensified due to declining coal price. By proactively responding to market conditions, taking advantage of its integrated operations as well as stepping up its effort in coal sales, China Shenhua adopted a flexible and effective sales strategy in a timely manner, to improve its sales models, start its electronic transaction business, expand its sales channels and actively participate in international coal markets, resulting in an increase in coal sales against headwinds. In the first half of the year, the Company realised sales volume of commercial coal of 242.7 million tonnes (first half of 2012: 222.1 million tonnes), representing a year-on-year increase of 9.3% and accomplishing 52.2% of the annual target.

(1) By sales types

	First half of 2013			First half of 2012			Change	
	Sales volume	Proportion to total sales	Sales price	Sales volume	Proportion to total sales	Sales price	Change in sales volume	Change in sales price
	million tonnes	%	RMB/tonne	million tonnes	%	RMB/tonne	%	%
I. Domestic sales	237.6	97.9	400.6	218.9	98.5	437.0	8.5	(8.3)
(1) Self-produced coal and purchased coal	202.6	83.5	385.4	196.2	88.3	420.5	3.3	(8.3)
1. Direct arrival	92.9	38.3	280.4	100.8	45.3	292.1	(7.8)	(4.0)
2. Seaborne	109.7	45.2	474.3	95.4	43.0	556.3	15.0	(14.7)
(2) Sales of domestic trading coal	29.1	12.0	486.0	20.4	9.2	571.0	42.6	(14.9)
(3) Sales of imported coal	5.9	2.4	501.5	2.3	1.0	659.1	156.5	(23.9)
II. Export Sales	1.3	0.5	634.5	2.2	1.0	775.6	(40.9)	(18.2)
III. Overseas sales	3.8	1.6	663.0	1.0	0.5	223.4	280.0	196.8
1. EMM Indonesia	1.0	0.4	65.6	0.9	0.4	75.0	11.1	(12.5)
2. Re-export trade	2.8	1.2	871.1	0.1	0.1	1,184.1	2,700.0	(26.4)
Total sales volume/ weighted average price	242.7	100.0	406.0	222.1	100.0	439.4	9.3	(7.6)

Implementation of market-oriented pricing policy

The Chinese government revoked the key thermal coal contract mechanism and adopted a market-oriented thermal coal pricing policy in 2013. The Company confirmed its pricing policy pegging to the Bohai Bay Thermal Coal Price Index. In the first half of the year, the Company closely monitored the market conditions and adjusted the coal sales price in a timely manner to gain a reasonable sales price by leveraging on the advantages of customer resource, transportation network and sales channels. In the first half of 2013, the weighted average coal sales price of the Company was RMB406.0/tonne (first half of 2012: RMB439.4/tonne), representing a year-on-year decrease of 7.6%.

Demand-oriented and efficient organisation of coal source

In the first half of 2013, having sales as the ultimate priority and guiding force for arranging coal production in line with the market trend in a demand-oriented manner, the Company leveraged on its transportation network to purchase from mines along the railways at reasonable price while capturing the opportunities to increase the marketable types of coal products in a bid to stabilise the market share. Self-produced coal and purchased coal for domestic sales of the Company amounted to 202.6 million tonnes in the first half of the year (first half of 2012: 196.2 million tonnes), representing a year-on-year growth of 3.3%.

Flexible organization of sales method, with efficiency as priority

In order to ensure the efficiency of coal sales, the Company strived to increase the percentage of seaborne coal sales. In the first half of 2013, the sales volume of self-produced coal and purchased coal in the Company's domestic seaborne coal sale amounted to 109.7 million tonnes (first half of 2012: 95.4 million tonnes), representing a year-on-year growth of 14.3 million tonnes, while the coal shipment transfer for domestic coal sales through domestic ports was 312.7 million tonnes. The seaborne coal sales volume of the seven northern coal ports recorded a year-on-year growth of 14.7 million tonnes, based on which the market share of China Shenhua in coastal coal markets was estimated at approximately 35.1% and the increase of the Company's seaborne coal accounted for 97.3% of the growth of seaborne coal sales volume of the seven northern coal ports.

The Company pushed forward the establishment of a logistics system along the self-owned railways and put greater efforts in promoting sales along the railways. The Company realised direct arrival sales of 92.9 million tonnes in self-produced coal and purchased coal.

Expand market share by strengthening trading cooperation

With an aim to advance steady growth in domestic trading, the Company consolidated the port trade and actively entered into trading cooperation by capitalising on market and brand strengths and innovative trading models. In the first half of 2013, the domestic trading coal sales volume of the Company amounted to 29.1 million tonnes (first half of 2012: 20.4 million tonnes), representing a year-on-year growth of 42.6%.

Innovative mode of transaction with lower transaction costs

Shenhua Coal Trading Network, the electronic coal trading platform of the Company, is officially put into full operation, providing services such as online bidding and bidding transaction. The effective coordination among the production, transportation and sales of coal enabled the Company to reduce transaction costs, thus paving a new way to capture market price, explore sales markets and improve sales efficiency. During the first half of the year, Shenhua Coal Trading Network realized 10.3 million tonnes of sales in various types of coal.

(2) By internal and external customers

	First half of 2013			First half of 2012			Change in sales price
	Sales volume	Percentage to total sales volume	Price	Sales volume	Percentage to total sales volume	Price	
	million tonnes	%	RMB/tonne	million tonnes	%	RMB/tonne	
Sales to external customers	202.8	83.6	411.8	182.2	82.0	445.5	(7.6)
Sales to internal power segment	39.9	16.4	376.4	39.9	18.0	411.8	(8.6)
Total coal sales volume/weighted average sales price	242.7	100.0	406.0	222.1	100.0	439.4	(7.6)

In order to effectively mitigate risks from the coal market, the Company capitalised on its competitive edge in integrated coal and power operations and stabilised its coal consumption from self-owned power plants. In the first half of 2013, the Company sold 39.9 million tonnes of coal to the power segment of the Group.

The Company adopted identical pricing policy for the sales of coal to internal power segment and external customers.

3. Coal mine production safety

During the first half of 2013, the Company continued to enhance its safety concept of "seeking for zero fatality rate" and "striving for zero injury rate" through systems improvement, responsibility and management enhancement, project inspection and hidden hazards identification, so as to fully build up an advanced safety system. The fatality rate per million tonnes of raw coal production of the Company was 0.0058 for the first half of 2013, maintaining a stable level of production safety.

4. Coal resources¹

As at 30 June 2013, the Group had coal resources amounting to 24.981 billion tonnes and recoverable coal reserve amounting to 14.879 billion tonnes under the PRC Standard; the Group's marketable coal reserve amounted to 8.885 billion tonnes under the JORC Standard.

In the first half of 2013, the Company's exploration expenses amounted to approximately RMB14 million (first half of 2012: RMB134 million), which was mainly attributable to the decrease in exploration expenses relating to the Watermark Coal Project in Australia which has completed the environmental assessment report available for public opinion.

In the first half of 2013, the Company's relevant capital expenditure of mining development and exploration amounted to approximately RMB3,843 million (first half of 2012: RMB3,265 million), which was mainly attributable to the mining expenses of Shendong Mines and Zhunge'er Mines.

¹ Exploration expenses, which occurred before the conclusion of feasibility study was made, represent the expenses related to exploration and evaluation of coal resources.

Characteristics of the commercial coal produced by the Company's major mines are as follows:

No.	Mines	Major types of coal	Calorific value range of major commercial coal products (kal/kg)	Sulphur content range
1	Shandong Mines	Long flame coal/non-caking coal	>5,250	0-0.6%
2	Zhunge'er Mines	Long flame coal	>4,500	0-0.6%
3	Shengli Mines	Lignite	>3,200	0-0.8%
4	Baorixile Mines	Lignite	>3,600	0-0.8%
5	Baotou Mines	Long flame coal/non-caking coal	>4,300	0-0.8%

Note: The calorific value range relates to major commercial coal products produced by each mine, which may be inconsistent with the characteristics of the commercial coal products produced by individual mine and those of the commercial coal products sold by the Company due to such factors as geological conditions, mining area, coal washing and preparation, transportation loss and coal blending ratio.

5. Operating results

(1) *The operating results of the coal segment of the Group before elimination on consolidation in the first half of 2013 were as follows:*

		First half of 2013	First half of 2012 (Restated)	Changes (%)	Main reasons for changes
Revenue	RMB million	104,241	99,331	4.9	Increase in coal sales volume
Cost of sales	RMB million	81,062	72,521	11.8	Increasing coal production volume, higher unit costs and increasing volume of domestically-purchased coal and trading coal
Of which:					
1. Production cost of self-produced coal	RMB million	18,789	17,458	7.6	–
2. Cost of coal purchased from third parties	RMB million	36,023	33,829	6.5	–
Gross profit margin	%	22.2	27.0	Decreased by 4.8 percentage points	–
Profit from operations	RMB million	21,130	24,956	(15.3)	–
Margin of profit from operations	%	20.3	25.1	Decreased by 4.8 percentage points	–

(2) *Unit production cost of self-produced coal*

In the first half of 2013, unit production cost of self-produced coal in the coal segment was RMB124.2/tonne (first half of 2012: RMB116.5/tonne), representing a year-on-year increase of 6.6%. The main reasons affecting the unit production cost are:

1. Costs of raw materials, fuel and power were RMB23.6/tonne (first half of 2012: RMB23.5/tonne), representing a year-on-year increase of 0.4%.

2. Personnel expenses were RMB14.2/tonne (first half of 2012: RMB13.9/tonne), representing a year-on-year increase of 2.2%, which was mainly attributable to the increase in the payment base of surcharge on wages and the number of employees;
3. Repairs and maintenance expenses were RMB7.9/tonne (first half of 2012: RMB7.5/tonne), representing a year-on-year increase of 5.3%. The increase was mainly due to the increase in repairs of stripping equipment and coal-washing and selecting equipment of certain open-cut mines;
4. Depreciation and amortisation were RMB18.0/tonne (first half of 2012: RMB20.0/tonne), representing a year-on-year decrease of 10.0%, which was mainly attributable to the closer correlation between the depreciable life and estimated useful life of the fixed assets¹ as a result of the improvement in management standardisation of fixed assets of the Company and adjustments in depreciable life of certain fixed assets;
5. Cost of others were RMB60.5/tonne (first half of 2012: RMB51.6/tonne), representing a year-on-year increase of 17.2%. The increase was mainly due to the increases in mining engineering expenses, coal washing and preparation fee and land requisition and relocation compensation. Cost of others consist of the following three components: (1) expenses directly related to production, including safety-related production expenses, coal washing and preparation expenses and mining engineering expenses, etc., accounting for 57%; (2) auxiliary production expenses, accounting for 9%; (3) land requisition and surface subsidence compensation, environmental protection expenses, fees levied by local governments, etc., accounting for 34%.

(3) *Cost of non self-produced coal*

The non self-produced coal of the Company included coal procurement near its mines and along the railways, coal purchase through domestic trade, import and re-export trade.

In the first half of the year, costs of non self-produced coal were RMB36,023 million (first half of 2012: RMB33,829 million), representing a year-on-year increase of 6.5%. In the first half of the year, the sales volume of non self-produced coal amounted to 91.4 million tonnes (first half of 2012: 72.2 million tonnes), representing a year-on-year increase of 19.2 million tonnes or 26.6%. Proportion of non self-produced coal to total coal sales volume of the Company increased to 37.7% from 32.5% in the same period of last year.

¹ Such changes will have no impact on the disclosed financial statements of the Company and, after proper evaluation, it is believed that there will be no material impact on the Group's overall business performance and financial position for the current accounting period.

II. Power segment

1. Business operations

Synergy effects resulting from the integration of the Group has been fully reflected in the power segment during the first half of 2013. In face of the weakening coal market, the Company actively boosted its power generation volume by exploring the power market, hence achieving a total power output dispatch of 98.31 billion kwh, representing a year-on-year increase of 2.8%. By fully capitalising on its "power pool", the power segment consumed 41.1 million tonnes of the Group's coal, accounting for 86.0% of 47.8 million tonnes of the thermal coal consumption of the power segment of the Group in the first half of the year, increasing by 0.6 percentage point as compared to 85.4% of the same period of last year.

In the first half of 2013, the coal-fired generators of the Company operated in high loading ratio, with power generation and power output dispatch of 104.66 billion kwh and 97.53 billion kwh respectively. The average utilisation hours of which amounted to 2,560 hours, 148 hours above the average of 2,412 hours¹ among thermal power plants in the PRC.

Leveraging on top quality construction and refined management, the Company further enhanced the competitive edge of its coal-fired generators. Four units of generators of the Group obtained the title of Reliable Golden Units for 600MW and another two units obtained the title of Reliable Golden Units for 1,000MW in the 2012 National Golden Units Assessment on Reliability of Coal-fired Generators, which was organised by the National Energy Bureau.

The new power generating projects of the Company progressed steadily. The 2x660MW power generation project in Dianta Power Plant of Shenhua Shendong Power is scheduled to put into trial operation by the end of 2013. Phase I of Shenhua Chongqing Wanzhou Port and Power Integration Project (construction of 2x1,000 MW power generating units and 10 million tonnes coal transit bases and ports) commenced construction in January 2013.

¹ Source: Website of the National Energy Bureau

2. Operating results

The operating results of the power segment of the Group before elimination on consolidation in the first half of 2013 were as follows:

		First half of 2013	First half of 2012 (Restated)	Changes (%)	Main reasons for changes
Revenue	RMB million	37,100	36,027	3.0	Increase in power output dispatch
Cost of sales	RMB million	27,736	28,744	(3.5)	Decrease in cost of fuel
Gross profit margin	%	25.2	20.2	Increased by 5.0 percentage points	–
Profit from operations	RMB million	8,298	6,390	29.9	–
Margin of profit from operations	%	22.4	17.7	Increased by 4.7 percentage points	–

Benefiting from the decrease in fuel costs of power plants due to the declined thermal coal price, the power segment recorded a remarkable growth in operating profitability. In the first half of 2013, the unit cost of power output dispatch of the Company was RMB274.5/mwh (first half of 2012: RMB293.7/mwh), representing a year-on-year decrease of 6.5%. The average power tariff amounted to RMB365.4/mwh (first half of 2012: RMB366.2/mwh), representing a year-on-year decrease of 0.2%.

III. Railway Segment

1. Business operations

In the first half of 2013, the Company strived to increase the number of trains with capacity of ten thousand tonnes and step up efforts in putting newly-acquired trains into operation through seamless coordination among transportation, production and sales under refined management of the railway segment, thus effectively safeguarding stable operations of the integrated industrial chain and realizing growth in operational performance. The transportation turnover of self-owned railway of the Company for the first half of the year was 101.7 billion tonne km, representing a year-on-year increase of 16.9%, which accounted for 82.0% of the total turnover, an increase of 2.0 percentage points as compared to the same period of last year. Meanwhile, the Company proactively pushed ahead the operation of reverse transportation in a bid to further optimize the transportation capacity and hence to increase revenue.

In order to ensure the growth in coal transportation volume in Shendong Mines, the Company expanded the loading capacity of Baoshen Railway and rolled out additional trains with capacity of ten thousand tonnes for Shenshuo and Shuohuang Railways to enhance synergy. The Company accelerated the capacity expansion and reform construction of Shuohuang Railway and the R&D and application of heavy-haul technology to improve the transportation capacity. The newly constructed Ganquan Railway has been put into trial operation while the construction of Bazhun Railway and Zhunchi Railway are progressing as scheduled and are expected to be in operation in the second half of the year. The Company has begun to reform the transportation dispatch management system in advance by setting up a transportation dispatch office at the headquarters to prepare for the dispatch of trains under the Shenhua railway network which is expected to be completed in the second half of the year.

2. Operating results

The operating results of the railway segment of the Group before elimination on consolidation in the first half of 2013 were as follows:

		First half of 2013	First half of 2012 (Restated)	Changes (%)	Main reasons for changes
Revenue	RMB million	14,417	12,312	17.1	Increase in turnover of railway transportation
Cost of sales	RMB million	6,939	6,610	5.0	Increase in turnover of railway transportation
Gross profit margin	%	51.9	46.3	Increased by 5.6 percentage points	–
Profit from operations	RMB million	6,945	5,237	32.6	–
Margin of profit from operations	%	48.2	42.5	Increased by 5.7 percentage points	–

In the first half of the year, the revenue generated from the internal transportation service provided by the railway segment for the Group amounted to RMB12,860 million (first half of 2012: RMB10,821 million), representing a year-on-year increase of 18.8%, accounting for 89.2% of the operating revenue of the railway segment. Certain railway lines of the Group provided transportation services to third parties with surplus capacity, which also generated transportation revenue.

In the first half of 2013, the unit transportation cost of the railway segment was RMB0.062/tonne km (first half of 2012: RMB0.070/tonne km), representing a year-on-year decrease of 11.4%. The decrease was mainly due to the diluted fixed costs as a result of the increase in railway transportation turnover.

IV. Port Segment

1. Business operations

In the first half of 2013, the port segment further enhanced coordination with the coal sales, railway and shipping segments. Huanghua Port pushed forward two-way navigation, optimized the stock management of the coal yard and accelerated the commencement of the supervised operation of the Phase III Project, thus achieving safe and efficient operation. In the first half of the year, Huanghua Port completed seaborne coal of 61.1 million tonnes, representing a year-on-year increase of 40.5% and Tianjin Coal Dock completed seaborne coal of 15.1 million tonnes, representing a year-on-year increase of 29.1%. The seaborne coal sales through the self-owned ports of the Company accounted for 68.6% of the total seaborne coal sales, representing an increase of 12.0 percentage points as compared to 56.6% of the same period of last year.

The preliminary work of the Phase IV Project of Huanghua Port and Phase II Project of Tianjin Coal Dock progressed smoothly. Phase I Construction Project of Shenhua Coal Storage and Transportation Center in Gaolan Port Area of Zhuhai Port has been put into trial operation, and is gradually becoming the coal transportation and sales hub of the Company in southern China.

2. Operating results

The operating results of the port segment of the Group before elimination on consolidation in the first half of 2013 were as follows:

		First half of 2013	First half of 2012 (Restated)	Changes (%)	Main reasons for changes
Revenue	RMB million	1,809	1,536	17.8	Increase in seaborne coal volume
Cost of sales	RMB million	900	955	(5.8)	Year-on-year decrease in cost of depreciation and amortisation
Gross profit margin	%	50.2	37.8	Increased by 12.4 percentage points	–
Profit from operations	RMB million	752	442	70.1	–
Margin of profit from operations	%	41.6	28.8	Increased by 12.8 percentage points	–

In the first half of 2013, the revenue generated from the internal transportation service provided by the port segment for the Group amounted to RMB1,728 million (first half of 2012: RMB1,464 million), representing a year-on-year increase of 18.0% and accounting for 95.5% of the operating revenue of the port segment. Cost of internal transportation service provided for the Group amounted to RMB800 million.

V. Shipping Segment

1. Business operations

In the first half of 2013, the shipping market remained sluggish given the insufficient seaborne coal demand in domestic coal trading along the coastal markets and the oversupply of transportation capacity. Drawing upon Shenhua's strength in integrated operation, Shipping Company actively coordinated with the coal consumption units of the Group such as coal sales and power plants by flexibly arranging vessels and improving coal-loading efficiency, thus maintaining steady development. In the first half of the year, the shipping volume amounted to 43.3 million tonnes, representing a year-on-year decrease of 8.6%. The shipment turnover amounted to 43.3 billion tonne nautical miles, representing a year-on-year increase of 9.1%.

2. Operating results

The operating results of the shipping segment of the Group before elimination on consolidation in the first half of 2013 were as follows:

		First half of 2013	First half of 2012 (Restated)	Changes (%)	Main reasons for changes
Revenue	RMB million	1,770	2,151	(17.7)	Lower freight and shipping volume given the sluggish shipping market
Cost of sales	RMB million	1,666	1,808	(7.9)	Decreased intermodal transportation costs
Gross profit margin	%	5.9	15.9	Decreased by 10.0 percentage points	–
Profit from operations	RMB million	67	291	(77.0)	–
Margin of profit from operations	%	3.8	13.5	Decreased by 9.7 percentage points	–

In the first half of 2013, the unit transportation cost in the shipping segment was RMB0.038/tonne nautical mile (first half of 2012: RMB0.045/tonne nautical mile), representing a year-on-year decrease of 15.6%.

Changes in Core Competitiveness

The Company principally engages in the production and sales of coal, production and sales of power, railway, port and shipping transportation etc. The Company also has a team of professional management, technical staff, facilities, patents and land use rights, all of which are relevant to the businesses engaged by the Company. Currently, its core competitiveness are manifested in: (1) deepened cooperation, shared resources, synergy, integration of coal, power, railway, port and shipping into one unified operation chain with low-cost operation; (2) an abundant pool of high-quality coal resources; (3) management team and operating principle focusing on coal-based integrated energy business; (4) the industrial technology and technological innovation in coal exploitation, production safety, clean energy power and heavy-loaded transportation with a leading position in both domestic and global markets; (5) the option and pre-emptive right to acquire retained businesses and certain future businesses from Shenhua Group under the Non-Competition Agreement signed between the Company and its controlling shareholder Shenhua Group Corporation.

There were no material changes in the core competitiveness of the Company during the reporting period.

The Company's investments

1. Capital expenditure plan and status of accomplishment

	Accomplishment in the first half of 2013 (RMB100 million)	Plan for 2013 (RMB100 million)	Percentage of accomplishment (%)
Coal segment	49.10	176.7	27.8
Power segment	37.84	127.4	29.7
Transportation segment	73.43	350.9	20.9
Of which: Railway	44.65	266.8	16.7
Port	25.03	52.4	47.8
Shipping	3.75	31.7	11.8
Others	5.60	19.5	28.7
Total	165.97	674.5	24.6

The Company's capital expenditure in 2013 was mainly used in the capacity expansion project in Shendong Mines, the construction of the new Bazhun and Zhunchi railways, the Phase I project of Shenhua Coal Storage and Shipping Centre at Zhuhai Gaolan Port, construction of ships, the capacity expansion projects in the Shuohuang and Dazhun railways and construction of new generators, etc.

In the first half of 2013, the Company achieved a capital expenditure of RMB16,597 million. In the second half of the year, the Company will optimize the construction progress of projects and capitalise the production capacity from all business segments in a systematic manner.

The current plans of the Company in relation to capital expenditures in 2013 are subject to development of business plans, progress of investment projects, market conditions, outlook for future operation conditions and the obtaining of the requisite permissions and regulatory approvals. Unless required by laws, the Company shall not assume any responsibilities for updating the data of its capital expenditure plans. The Company intends to finance capital expenditures by cash generated from operating activities, short-term and long-term borrowings, part of the proceeds from the initial public offering and other debt and equity financing (if necessary).

2. External equity investments

The equity investments of the Company in the first half of 2013 amounted to RMB5,760 million, representing a decrease of RMB3,770 million or 40% from RMB9,530 million of the same period last year. Equity investments in the reporting period mainly included the capital increase in Finance Company, Guohua Chenjiagang Power Generation Company, Shendong Power Company, Baoshen Railway Company and Geological Exploration Company, etc.

The Company did not engage in any securities investment and did not hold equity of other listed companies. Apart from directly and indirectly controlling the entire equity of Finance Company, the Company did not hold equity from other finance companies.

3. Use of raised proceeds

As for the use of raised proceeds from the Company's initial public offering of A shares in September 2007 during the reporting period, please refer to "Special Report on Deposit and Use of Proceeds" which was disclosed on the website of the Shanghai Stock Exchange on 24 August 2013.

4. Significant investments using funds other than proceeds

For the six months ended 30 June 2013, the Group had no significant investment using funds other than proceeds, which has a total investment amount exceeding 10% of the Group's latest audited net assets.

5. Asset management on trust, entrusted loans and derivative transactions

As at 30 June 2013, the Group was not involved in any asset management on trust.

As at 30 June 2013, the Group had not granted entrusted loans with an amount exceeding 10% of the Group's latest audited net assets to any individual party. The Company did not utilize the proceeds raised to grant entrusted loans, nor were there any entrusted loans that were involved in litigations.

As at the end of the reporting period, the balance of entrusted loans that the Company granted to its non-wholly owned subsidiaries amounted to RMB34,529 million. The relevant interest income generated by aforesaid entrusted loans during the reporting period was RMB827 million.

In order to centralize the capital management of the Group, the entrusted loans of the Company were provided to subsidiaries which were short of funds to meet operating and development needs. During the reporting period, among the aforesaid entrusted loans, except for a entrusted loan to EMM Indonesia with a principal amount of RMB275 million and a 2-year maturity period, that could be extended for two years on the condition that the borrower is able to duly repay interest according to the prescribed schedule, all other borrowers of the entrusted loans are capable of repaying and are repaying the principal with interest on schedule.

The entrusted loans provided by the Company to its non-wholly owned subsidiaries are set out as follows:

No.	Name of borrower	Amount of entrusted loans	Maturity	Interest	Affiliated relations	Collateral or guarantor	Expected income	Gain or loss from investment during the reporting period
		(RMB million)					(RMB million)	(RMB million)
1	Shenhua Baoshen Railway Co., Ltd	893	1 year	5.40%	Controlling subsidiary	Nil	24.5	20.9
2	Shenhua Baoshen Railway Co., Ltd	85	6-8 years	5.20%-5.43%	Controlling subsidiary	Nil	3.4	3.7
3	Shenhua Xinzhun Railway Co., Ltd.	2,000	3 years	5.54%	Controlling subsidiary	Nil	278.2	52.8
4	Shenhua Zhunchi Railway Co., Ltd	100	6 months	5.04%	Controlling subsidiary	Nil	0	35.4
5	Shenhua Ganquan Railway Co., Ltd.	150	1 year	6.56%	Controlling subsidiary	Nil	0	10.1
6	Tianjin Coal Dock Co., Ltd.	97	1 year	5.40%	Controlling subsidiary	Nil	1.6	2.4
7	Shenhua Bayannur Energy Co., Ltd.	40	3 year	5.54%	Controlling subsidiary	Nil	5.2	1.1
8	Shenhua Bayannur Energy Co., Ltd.	20	3 year	5.54%	Controlling subsidiary	Nil	3.0	0.3
9	Shenhua Bayannur Energy Co., Ltd.	150	1 year	5.40%	Controlling subsidiary	Nil	4.8	3.2
10	Hulunbeier Shenhua Clean Coal Co., Ltd.	230	3 years	0.00%	Controlling subsidiary	Nil	-	-
11	Hulunbeier Shenhua Clean Coal Co., Ltd.	40	1 year	0.00%	Controlling subsidiary	Nil	-	-
12	Hulunbeier Shenhua Clean Coal Co., Ltd.	220	1 year	0.50%	Controlling subsidiary	Nil	0.6	0.5
13	Shenhua Sichuan Energy Company Ltd.	400	1 year	0.50%	Controlling subsidiary	Nil	1.0	1.0
14	PT.GH EMM INDONESIA	275	2 years	libor+400bps	Controlling subsidiary	Nil	23.9	9.0
15	PT.GH EMM INDONESIA	200	2 years	libor+280bps	Controlling subsidiary	Nil	8.0	

No.	Name of borrower	Amount of entrusted loans	Maturity	Interest	Affiliated relations	Collateral or guarantor	Expected income	Gain or loss from investment during the reporting period
		(RMB million)					(RMB million)	(RMB million)
16	18 subsidiaries of the Company including Taishan Power and Zheneng Power	1,630	6 months	5.04%	Controlling subsidiary	Nil	39.5	2.5
17	18 subsidiaries of the Company including Taishan Power and Zheneng Power	22,299	1 year	5.40%	Controlling subsidiary	Nil	592.8	525.7
18	18 subsidiaries of the Company including Taishan Power and Zheneng Power	197	1 year	5.68%	Controlling subsidiary	Nil	0.1	41.5
19	Suizhong Power Co., Ltd., Inner Mongolia Hulunbeier Power Generation Co., Ltd., Shenhua Guohua Mengjiing Power Generation Co., Ltd.	3,565	1 year	5.10%	Controlling subsidiary	Nil	94.5	70.5
20	Suizhong Power Co., Ltd.	1,400	3 years	5.19%	Controlling subsidiary	Nil	53.4	36.5
21	Shenwan Energy Company Limited	537	1 year	5.40%	Controlling subsidiary	Nil	18.5	10.0

Note: The entrusted loans that the Company granted to PT.GH EMM INDONESIA are denominated in USD. The relevant amounts presented in the table above are expressed in RMB.

As at 30 June 2013, the aggregate amount of swap contracts of the Company was RMB474 million. Loss from swap contracts for the reporting period amounted to RMB135 million. The swap transactions conducted by the Company targeted at borrowings denominated in Japanese Yen and aimed at hedging borrowings denominated in Japanese Yen instead of gaining from investment. The specific measures adopted were in line with the nature of hedging, with risks under control. Further, borrowings denominated in Japanese Yen with swap transactions conducted only represented a portion of all the Company's borrowings denominated in Japanese Yen. The swap transactions of the Company were not involved in any litigations.

6. Major subsidiaries and associated companies

No.	Name of subsidiary	Total assets	Net assets	Net profit attributable to shareholders of the parent
		RMB million	RMB million	RMB million
1	Shenhua Shendong Coal Group Co., Ltd.	74,978	68,229	10,223
2	Shuohuang Railway Development Co., Ltd.	27,386	21,195	3,303
3	Shenhua Trading Group Ltd.	42,006	13,388	2,215
4	Shaanxi Guohua Jinjie Energy Co., Ltd.	11,040	8,432	1,382
5	Shenhua Zhunge'er Energy Co., Ltd.	24,519	18,635	1,101
6	Zhejiang Guohua Zheneng Power Generation Co., Ltd.	14,809	6,475	1,064
7	Guangdong Guohua Yudean Taishan Power Co., Ltd.	15,366	4,937	1,043
8	Shenhua Baorixile Energy Industrial Co., Ltd.	5,727	3,362	768
9	Yulin Shenhua Energy Co., Ltd.	4,355	2,585	413
10	Hebei Guohua Cangdong Power Co., Ltd.	7,804	2,922	371

Note: 1. Shendong Coal Group Corporation recorded operating income of RMB31,267 million and operating profit of RMB12,020 million in the first half of 2013.
2. Shuohuang Railway Company recorded operating income of RMB7,015 million and operating profit of RMB4,607 million in the first half of 2013.

The financial information above was prepared in accordance with the Accounting Standards for Business Enterprises and has not been audited or reviewed.

The Company did not derive any investment income from any single associated company that exceeded 10% of the net profit of the Company during the reporting period.

During the reporting period, China Shenhua acquired 0.71% equity interest in Finance Company held by China Xinhua Airlines Group Company Limited, resulting in an increase in its direct shareholding from 80.72% to 81.43%. Shuohuang Railway Company, Zhunge'er Energy Company and Baoshen Railway Company, all of which are subsidiaries of China Shenhua, hold 7.14%, 7.14% and 4.29% equity interest in Finance Company respectively. As at 30 June 2013, China Shenhua directly and indirectly controlled 100% equity interest in Finance Company.

On 25 March 2011, the 12th meeting of the second session of the Board of China Shenhua approved the following resolutions: (1) China Shenhua currently had no intention or plan to change the existing operation policies and strategies of Finance Company; (2) the deposits placed by China Shenhua and its subsidiaries and branches with Finance Company would be used solely for the credit business of China Shenhua and its subsidiaries and branches, and would be deposited in the People's Bank of China and the five major commercial banks (namely, Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank and Bank of Communications), and would not be invested in the public market/private equity market and real estate, etc.

During the reporting period, Finance Company strictly implemented the above resolutions passed at the 12th meeting of the second session of the Board of China Shenhua and no violation of such resolutions had occurred.

▼ Discussion and Analysis in relation to Future Development of the Company

Review and Prospect of Business Environment¹

(I) Macroeconomic conditions

In the first half of 2013, the Chinese government followed the overall principle of “Making Progress While Maintaining Stability” in its work. With a focus on raising the quality and benefits of economic development, the Chinese government emphasised the deepening of reforms, accelerating structural adjustments, transformations and upgrades, and the economy maintained a stable growth. In the first half of the year, the GDP growth was 7.6% on a year-on-year basis, representing a decrease of 0.2 percentage point on a year-on-year basis, of which the first quarter and the second quarter recorded an increase of 7.7% and 7.5% respectively.

Looking into the second half of 2013, the central government will adhere to the principle of “Making Progress While Maintaining Stability”, focusing on raising the quality and benefits of economic development, the continuity and stability in macroeconomic policies. It will enhance applicability and coordination, and conduct timely and appropriate advanced tuning and fine-tuning of macroeconomic policies according to changes in the economic conditions so as to remain stable, yet promising. The economy is expected to maintain the momentum of steady development. Stable macroeconomic development is conducive to demand for coal and other basic energies.

(II) Market environment of the coal industry

1. Thermal coal market in China

Review of the first half of 2013

In the first half of 2013, due to factors such as slower growth in energy demand, continued increase in imported coal, high inventory and increase in hydropower output, the coal market continued to have a surplus in supply. In the first half of 2013, domestic coal price declined at a slow pace, with an increase in the extent of single-month decline in coal price in late June. As at the end of June 2013, the Bohai Bay Thermal Coal Price Index (5,500 kcal/kg) fell to RMB603 per tonne, decreasing by approximately 5% as compared with RMB634 per tonne at the beginning of the year.

Due to the decrease in coal price, some coal mines cut back or suspended production. In the first half of 2013, the PRC produced a total of 1.79 billion tonnes of raw coal, representing a year-on-year decrease of 3.7%, of which Shanxi and Shaanxi produced raw coal of 460 million tonnes and 220 million tonnes respectively, representing a year-on-year growth of 1.0% and 4.6% respectively; while Inner Mongolia produced raw coal of 450 million tonnes, representing a year-on-year decrease of 12.3%.

¹ (1) This section is for reference only and does not constitute any investment advice. The Company has used its best endeavors to ensure the accuracy and reliability of information in this section, but does not assume any liability or provide any form of guarantee for the accuracy, completeness or validity of all or part of its content. If there is any error or omission, the Company does not assume any liability. The content in this section may contain certain forward-looking statements based on subjective assumptions and judgments of future political and economic developments; therefore there may exist uncertainties in these statements. The Company does not undertake any responsibility in updating the information or correcting any subsequent error that may appear. The opinions, estimates and other data set out herein can be amended or withdrawn without further notice. (2) The data contained in this section are mainly derived from sources such as the National Bureau of Statistics, China Coal Market Network, China Coal Resource Network and China Electricity Council, etc.

In the first half of 2013, the volume of the PRC's coal import continued to increase, with net import amounting to 154 million tonnes, representing a year-on-year increase of 15%, of which 22.36 million tonnes were imported in June, representing a month-on-month decrease of 18.9% and a year-on-year decrease of 17.9%.

In the first half of 2013, growth in demand for coal continued to slow down. China's coal consumption was 1.93 billion tonnes, representing a year-on-year increase of 1.8%. The growth was 1.0 percentage point and 7.6 percentage points lower than that of 2012 and 2011 respectively. In the first half of 2013, power generation in the PRC was 2,434.2 billion kwh, representing a year-on-year growth of 4.4%, of which hydropower generation posted a year-on-year growth of 11.8%, and thermal power generation 2.6%, remaining unchanged year-on-year. The increase in the percentage of hydropower generation suppressed part of the demand for coal-fired power generation.

In the first half of 2013, there was a relative surplus in the capacity for coal transportation, substantially easing the bottleneck in coal transportation. As at the end of June, coal transportation through railways was 1.14 billion tonnes, representing a year-on-year decrease of 2.6%.

In the first half of 2013, major domestic coal inventory indicators remained at a high level. As at 30 June, the coal inventory in China was approximately 298 million tonnes, representing a year-on-year increase of 7.1%.

Prospect for the second half of 2013

Looking ahead into the second half of 2013, the central government will continue to implement its macro policies of "stabilising growth, adjusting structure, promoting reform". The economic growth in the second half of 2013 is expected to be stable and the annual GDP growth target of 7.5% could be achieved.

Due to the decrease in coal price, some coal mines with high cost, poor quality and high association with road transportation has cut back or suspended production. Coal supply in the second half of 2013 is expected to further decrease; and the possibility for a bottleneck in railway transportation capacity is low.

International coal price is currently at a low level and its relatively competitive edge against domestic coal price is gradually weakened. As there is no substantial increase in demand, the volume of imported coal in the second half of 2013 is expected to decrease when compared with that of the first half of 2013.

With the economy developing steadily, and taking into account seasonal factors of having peaks in demand to cater for needs for keeping cool in summer and keeping warm in winter, the demand for coal in the PRC is expected to maintain a slow growth in the second half of 2013.

In view of factors such as stable growth in the national economy, support from rigid production cost and diminishing competitive edge of imported coal, the demand for and supply of coal in the second half of 2013 are expected to maintain an equilibrium in general, with a possibility of regional or occasional coal surplus or deficit.

2. Thermal coal market in Asia Pacific region

Review of the first half of 2013

In the first half of 2013, the international coal market saw an oversupply due to the weak global demand for energy. As at the end of June 2013, the spot price of 6,000 kcal thermal coal at Newcastle Port, Australia (FOB) dropped to USD79 per tonne, representing a decrease of 17% when compared with that at the beginning of the year.

Europe's demand for energy decreased in the first half of 2013. Countries such as Indonesia and Australia continued to maintain their sales in the Asia Pacific region, while countries such as South Africa and Russia increased their sales in the same region. In the first half of 2013, Russia's coal export amounted to 66.7 million tonnes, representing a year-on-year increase of 11.2%. Thermal coal export of Australia was 165.2 million tonnes, representing a year-on-year increase of 11.5%.

In the first half of 2013, China and India continued to increase coal import, while Japan and South Korea maintained a relatively stable level of import. As at the end of June, Japan imported 91.9 million tonnes of coal, representing a year-on-year increase of 3.4%; South Korea imported 62.9 million tonnes of coal, representing a year-on-year increase of 1.5%; and India imported 86.2 million tonnes of coal, representing a year-on-year increase of 34.5%.

Prospect for the second half of 2013

Looking ahead into the second half of 2013, due to the slow recovery of the global economy and the gradual adjustment to the energy structure, there may be a possibility of regional or temporary oversupply of coal. The international thermal coal price is expected to remain at a low level in the second half of 2013.

On the supply side, Indonesia and Australia are expected to remain the major countries of supply in the Asia Pacific region, while countries such as the United States and South Africa will maintain growth in exports. The export levels of major production countries, including Australia, will be constrained by cost rigidity. In the second half of 2013, coal supply in the Asia Pacific region is expected to remain unchanged or have a slight increase when compared with that in the first half of 2013. As there is no obvious improvement in the global economy, sea freight will fluctuate at a low level.

On the demand side, as there is still uncertainty in the global economic growth, the overall demand for coal is not expected to have a substantial growth. China and India will remain the major countries in the Asia Pacific region with a demand for coal, and the growth in demand will depend on the magnitude of domestic economic growth and the gap between domestic coal prices and overseas coal prices.

(III) Market environment of the power industry

Review of the first half of 2013

In the first half of 2013, power consumption in China was 2,496.1 billion kwh, representing a year-on-year growth of 5.1% and 0.4 percentage point lower than that of the same period of last year; of which power consumption of the secondary industry was 1,841.9 billion kwh, representing a growth of 4.9%, slightly higher on a year-on-year basis, power consumption of the tertiary industry was 292.5 billion kwh, representing a growth of 9.3%, lower on a year-on-year basis, and power consumption of urban and rural residents was 315.6 billion kwh, representing a growth of 3.9%, decreasing substantially by 8.8 percentage points when compared with the same period of last year.

In the first half of 2013, power generation from large-scale power plants in the PRC was 1,995.5 billion kwh, representing a year-on-year growth of 2.6%, with the growth remaining unchanged when compared with the same period of last year. The utilisation hours of thermal power equipment were 2,412 hours, representing a year-on-year decrease of 83 hours.

From January to June, the average utilisation hours of hydropower generators increased by 76 hours year-on-year to 1,532 hours, and power generation was 329.1 billion kwh, representing a year-on-year growth of 11.8%.

As at the end of June, the nationwide capacity of power generation equipment of power plants with capacity of 6,000 kW and above reached 1,142.11 million kW, representing a year-on-year growth of 9.3%, of which the thermal power installed capacity was 834.18 million kW, representing a year-on-year growth of 7.7% or an increase of 0.5 percentage point year-on-year.

Prospect for the second half of 2013

Due to the low base in the second half of last year, electricity consumption growth in the second half of 2013 is expected to improve slightly.

Industry-wise, given the economic restructuring and the regular growth in electricity consumption by residents in the third quarter, electricity consumption growth of the tertiary industry and that of residents in the second half of 2013 are expected to be better than those in the first half of 2013, while the overall growth of industrial electricity consumption will basically remain the same as the first half of 2013, thus boosting the growth in overall demand for electricity consumption.

The annual growth of thermal power generation is expected to be better than the first half of 2013; and in view of the growth in thermal power installed capacity, the annual utilisation hours of thermal power are expected to decline slightly when compared with that of last year.

As an overall judgment, the supply of and demand for electricity will be in equilibrium in the second half of 2013, with a slight surplus.

Status of accomplishment of 2013 business targets

Item	Unit	Accomplishment in the first half of 2013	Targets of 2013	Percentage of accomplishment (%)
Commercial coal production	million tonnes	158.3	315.0	50.3
Coal sales	million tonnes	242.7	464.6	52.2
Electricity sold	billion kwh	98.31	205.0	48.0
Revenue	RMB100 million	1,272.26	2,714	46.9
Cost of sales	RMB100 million	860.30	1,852	46.5
Total of selling, general and administrative expenses and net finance costs	RMB100 million	50.03	178	28.1

- Note:
1. After making revisions to the items of the financial statements of the Group, net finance costs are calculated by deducting interest income from the finance costs.
 2. The above business targets are forward-looking statements made on the basis of subjective assumptions and judgments on future policy and economy. These statements are subject to risks, uncertainties and assumptions. Actual outcome may differ materially from the forward-looking statements. Such statements do not constitute actual commitments to investors. Investors should be aware that undue reliance on or use of such information may lead to risks of investment.

The Company strives to accomplish the 2013 business targets. Due to factors such as demand for coal and thermal electricity and changes in coal price, the realisation of the above business targets are subject to a certain extent of uncertainties. Investors should pay attention to announcements on monthly major operational data and results announcements of the Company in a timely manner.

Changes in profit attributable to equity holders of the Company for the nine months ended 30 September 2013

Based on a number of factors, including the current conditions of the coal market and the operation of the Company, the management of the Company expects that the Group will not experience changes in profit attributable to equity holders of the Company of over 50% for the nine months ended 30 September 2013.

Implementation of Profit Distribution Policy

On 21 June 2013, the Company's Annual General Meeting of 2012 approved the distribution of a final dividend for the year 2012 of RMB0.96 per share (inclusive of tax), totalling approximately RMB19,094 million (inclusive of tax), to all of the shareholders. The abovementioned final dividend for A Shares and H Shares had been distributed on 12 July 2013 and 2 August 2013 respectively.

The Company does not have plans for declaring any interim dividend for 2013.

Changes in Equity and Shareholdings of Substantial Shareholders

Changes in equity

	Equity structure as at 30 June 2013	Number (shares)	Percentage (%)
I.	Total number of shares with selling restrictions	180,000,000	0.90
	1. State-owned shares	180,000,000	0.90
	2. Domestic legal person shares	–	–
II.	Total number of shares without selling restrictions	19,709,620,455	99.10
	1. RMB ordinary shares	16,311,037,955	82.01
	2. Overseas-listed foreign shares	3,398,582,500	17.09
III.	Total number of shares	19,889,620,455	100.00

During the reporting period, there were no changes in the total number of shares and the shareholding structure of the Company as well as the number of shares without selling restrictions of the Company; and the Company did not issue any convertible corporate bonds nor were there any outstanding convertible corporate bonds.

For the six months ended 30 June 2013, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's securities as defined under the Hong Kong Listing Rules.

The Resolution on Granting a General Mandate to the Board of Directors to Repurchase A shares and H shares of the Company was considered and approved at the annual general meeting for the year 2012, the 2013 first class meeting of the holders of A shares and the 2013 first class meeting of the holders of H shares of the Company held on 21 June 2013. For details, please refer to the Announcement on Resolutions of the 2012 Annual General Meeting (Lin 2013-022) and the Announcement on Resolutions of the 2013 First Class Meeting of the Holders of A Shares and the 2013 First Class Meeting of the Holders of H shares (Lin 2013-023) dated 22 June 2013.

Shareholders

▼ Total number of shareholders and minimum public float requirement

	Unit: accounts
	As at 30 June 2013
Total number of shareholders	312,498
Of which: Registered holders of A shares (including Shenhua Group Corporation)	309,930
Registered holders of H shares	2,568

The Company has fulfilled the minimum public float requirement under Rule 8.08 of the Hong Kong Listing Rules.

Changes in Equity and Shareholdings of Substantial Shareholders

▼ Top ten shareholders, top ten shareholders without selling restrictions and top ten shareholders with selling restrictions

A shares of the Company are underlying securities listed on the Shanghai Stock Exchange issued for margin trading. In accordance with the requirements of disclosure for securities, the Company has consolidated ordinary securities accounts and credit securities accounts of holders of A shares based on the shareholders' registration records provided by China Securities Depository and Clearing Corporation Limited for the purpose of calculating the number of shares held by them. Change in shareholdings during the reporting period was calculated based on the aggregate number of shares held by shareholders in ordinary securities accounts and credit securities accounts as at the end of 2012.

Statement on the connected relationships of shareholders or whether they are parties acting in concert are as follows: China Life Insurance Company Limited – Dividend – Individual Dividend – 005L – FH002 Hu and China Life Insurance Company Limited – Conventional – General Insurance Product – 005L – CT001 Hu are both investment products of China Life Insurance Company Limited. Other than the above, the Company is not aware of whether any connected relationship exists among the top ten shareholders, and whether they are parties acting in concert as stipulated under the “Measures for the Administration of Acquisition of Listed Companies”.

(1) Shares held by top ten registered shareholders

Unit: Shares

No.	Name of shareholder	Increase(+)/ decrease(-) during the reporting period	Number of shares held at the end of the period	Percentage (%)	Number of shares with selling restrictions	Number of shares subject to pledge or lock-up	Nature of shareholder
1	Shenhua Group Corporation	–	14,521,846,560	73.01	–	Nil	State-owned
2	HKSCC NOMINEES LIMITED	-168,864	3,390,541,253	17.05	–	Unknown	Overseas corporate
3	Account No. 1 of National Council for Social Security Fund	–	180,000,000	0.90	180,000,000	Nil	State-owned
4	China Life Insurance Company Limited – Dividend – Individual Dividend – 005L – FH002 Hu	+9,501,644	81,683,024	0.41	–	Unknown	Others
5	China Construction Bank – Great Wall Brand Merit-chosen Equity Securities Investment Fund	+6,478,810	34,240,175	0.17	–	Unknown	Others
6	Industrial & Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund	+5,657,333	32,097,515	0.16	–	Unknown	Others
7	China Life Insurance Company Limited – Conventional – General Insurance Product – 005L – CT001 Hu	+4,503,200	22,195,105	0.11	–	Unknown	Others
8	Bank of Communications – E Fund 50 Index Securities Investment Fund	-3,750,000	21,658,283	0.11	–	Unknown	Others
9	Bank of China Limited – Jia Shi Hu Shen 300 Trading Open-end Index Securities Investment Fund	-6,117,409	20,023,127	0.10	–	Unknown	Others
10	Shenzhen City Dragon No. 1 Investment Co., Ltd.	+5,197,537	19,997,537	0.10	–	Unknown	Unknown

Note: 1. H shares held by HKSCC Nominees Limited are held on behalf of a number of its account participants.
2. The shares of the Company held by Shenzhen City Dragon No. 1 Investment Co., Ltd. are held through the client account of collateral securities for margin trading of China Merchants Securities Co. Ltd.

Changes in Equity and Shareholdings of Substantial Shareholders

(2) Shares held by top ten registered shareholders without selling restrictions

Unit: Shares

No.	Name of shareholder	Number of shares without selling restrictions held at the end of the period	Type of shares
1	Shenhua Group Corporation	14,521,846,560	RMB ordinary shares
2	HKSCC NOMINEES LIMITED	3,390,541,253	Overseas-listed foreign shares
3	China Life Insurance Company Limited – Dividend – Individual Dividend– 005L – FH002 Hu	81,683,024	RMB ordinary shares
4	China Construction Bank – Great Wall Brand Merit-chosen Equity Securities Investment Fund	34,240,175	RMB ordinary shares
5	Industrial & Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund	32,097,515	RMB ordinary shares
6	China Life Insurance Company Limited – Conventional – General Insurance Product – 005L – CT001 Hu	22,195,105	RMB ordinary shares
7	Bank of Communications – E Fund 50 Index Securities Investment Fund	21,658,283	RMB ordinary shares
8	Bank of China Limited – Jia Shi Hu Shen 300 Trading Open-end Index Securities Investment Fund	20,023,127	RMB ordinary shares
9	Shenzhen City Dragon No. 1 Investment Co., Ltd.	19,997,537	RMB ordinary shares
10	China Pacific Life Insurance Co., Ltd.– Dividend – Individual Dividend	17,437,039	RMB ordinary shares

(3) Number of shares held by top ten shareholders with selling restrictions and selling restrictions

Unit: Shares

No.	Name of shareholder with selling restrictions	Number of shares with selling restrictions held at the end of the period	Listing and trading of shares with selling restrictions		Selling restrictions
			Date on which trading is permitted	Increase in the number of tradable shares	
1	Account No. 1 of National Council for Social Security Fund	180,000,000	9 October 2013	180,000,000	Article 13 of the “Implementation Measure for the Transfer of Part of the State-owned Shares to the National Social Security Fund in Domestic Securities Market”

Changes in Equity and Shareholdings of Substantial Shareholders

▼ Substantial shareholders' interests and short positions in the shares of the Company

As at 30 June 2013, the persons as shown in the table below had an interest and/or short position in the shares or underlying shares of the Company which is required to be recorded in the register of equity interests and/or short positions to be kept under section 336 of Part XV of the Securities and Futures Ordinance (the "SFO", Chapter 571 of the Laws of Hong Kong):

No.	Name of shareholder	Capacity	H Shares/ Domestic shares	Nature of interest	Number of H shares/ domestic shares held	Percentage of H shares/ domestic shares over total issued H shares/ domestic shares respectively	Percentage of total share capital of the Company
						%	%
1	Shenhua Group Corporation	Beneficial owner	Domestic shares	N/A	14,521,846,560	89.03	73.01
2	JPMorgan Chase & Co.	Beneficial owner; Investment Manager Custodian – corporation/ Approved lending agent	H Shares	Long position	409,605,031	12.05	2.06
				Short position	51,490,970	1.52	0.26
				Lending pool	235,174,984	6.92	1.18
3	BlackRock, Inc.	Interest of corporation controlled by the substantial shareholder	H Shares	Long position	285,572,656	8.40	1.44
				Short position	28,837,250	0.84	0.14

Note: Information disclosed above is based on information available on the website of the Hong Kong Stock Exchange (www.hkex.com.hk).

Save as disclosed above, as at 30 June 2013, there was no other interest and/or short position held by any person in the shares or underlying shares of the Company which is required to be recorded in the register to be kept under section 336 of Part XV of the SFO, or was otherwise a substantial shareholder of the Company.

Controlling shareholder and beneficial controller

There was no change in the controlling shareholder and the beneficial controller of the Company during the reporting period.

Directors, Supervisors, Senior Management and Employees

Changes in shareholding of directors, supervisors and senior management and disclosure of interests

During the reporting period, there were no changes in shareholding in the Company of the directors, supervisors and senior management of the Company that were required to be disclosed pursuant to the “Rules on the Management of Shares Held by Directors, Supervisors and Senior Management of Listed Companies and the Changes Thereof” promulgated by the CSRC.

After inquiries, all the directors and supervisors have confirmed that they have fully complied with the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Hong Kong Listing Rules adopted by the Company for the six months ended 30 June 2013.

As at 30 June 2013, none of the directors, supervisors or senior management of the Company had any interest or short position in the shares or underlying shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong), as recorded in the register required to be kept under Section 352 of the SFO or which was otherwise required to be notified by directors and supervisors to the Company and the Hong Kong Stock Exchange under the Model Code for Securities Transactions by Directors of Listed Issuers.

For the period ended 30 June 2013, the Company did not grant any equity securities or warrants to its directors, supervisors and senior management or their respective spouses or children under the age of 18.

Redesignation of directors, supervisors and senior management

During the reporting period, there were no appointments or removals of directors, supervisors and senior management of the Company.



Employees of the Company

As at 30 June 2013, the Company had 90,566 employees in total. The total number of retired employees in respect of which the Group had to bear costs was 8,258. The Company adopts an employee remuneration policy which is competitive in the industry. The composition of the employees of the Group was as follows:

No.	By function	As at	As at	Changes
		30 June 2013	31 December 2012	
		Number	Number	%
1	Operation and maintenance	60,440	59,813	1.05
2	Management and administration	12,521	12,613	(0.73)
3	Finance and accounting	1,506	1,416	6.36
4	R&D and technical support	9,118	8,044	13.35
5	Sales and marketing	2,311	2,331	(0.86)
6	Others	4,670	4,927	(5.22)
	Total	90,566	89,144	1.60

No.	By educational level	As at	As at	Changes
		30 June 2013	31 December 2012	
		Number	Number	%
1	Postgraduate or above	2,222	2,071	7.29
2	University graduate	23,779	22,140	7.40
3	College graduate	23,637	23,025	2.66
4	Specialised secondary school graduate	14,524	16,971	(14.42)
5	Technical school graduate, high school graduate or below	26,404	24,937	5.88
	Total	90,566	89,144	1.60

Corporate Governance

During the reporting period, the Company further improved its level of corporate governance by establishing a standardised and comprehensive corporate governance structure in strict compliance with the Companies Law, Securities Law and other laws and regulations as well as the domestic and foreign regulatory requirements. There is no material difference between the corporate governance of the Company and the relevant rules and requirements under the Companies Law and the CSRC.

The board of directors is responsible for the corporate governance of the Company. The Company has adopted the corporate governance policies as set out in Appendix 14 of the Hong Kong Listing Rules, and established its own system of corporate governance. As at 30 June 2013, the Company and its directors have been in full compliance with the principles and provisions and most of the recommended best practices as specified therein. For the terms of the scope of the role and authority of the board of directors and the Board Committees to perform duties under the Corporate Governance Code, please refer to the Articles of Association, Rules of Procedure of Meetings of the Board of Directors and rules of procedure of the Board Committees, which have been published on the website of the stock exchange of the areas where the Company are listed and on the Company's website.

The Company has appointed independent non-executive directors and established an Audit Committee in accordance with the Hong Kong Listing Rules. As at the end of the reporting period, the Audit Committee of the board comprises Mr. Gong Huazhang (chairman of the Audit Committee of the board of directors, with professional qualifications and experience in accounting and other fields of financial management), Mr. Guo Peizhang and Mr. Chen Hongsheng. On 19 August 2013, the Audit Committee reviewed the Group's condensed consolidated financial statements for the six months ended 30 June 2013 and approved the submission of the same to the board of directors for consideration and approval.

China Shenhua has an independent and complete business system as well as a market-oriented self-operation capability. The Company is independent from its controlling shareholder in terms of business, personnel, assets, organisation and finance. As a transitional arrangement for the listing of the whole Shenhua Group, the Company was entrusted by Shenhua Group Corporation to provide daily operation management services for the assets and businesses of Shenhua Group pending listing upon the completion of relevant procedures. At the end of the reporting period, the Company appointed seven deputy general managers of Shenhua Group Corporation as the president and senior vice presidents of the Company. While preserving its independent and complete business system and its market-oriented self-operation capability, the Company shall push forward the listing of the whole Shenhua Group, further regulate related party transactions, reduce potential competition and strive to maximise the interest of the shareholders.

Material Litigation, Arbitration and Major Events Commonly Questioned by the Media

As at the end of the reporting period, the Group was not involved in any material litigation or arbitration. As far as the Group was aware, the Group had no material litigation or claim against it which was pending, imminent or ongoing. As at 30 June 2013, the Group was the defendant of certain non-material litigations, and also a party to certain litigations arising from the ordinary course of business. The likely outcome of these contingent liabilities, litigations or other legal proceedings cannot be ascertained at present. However, the management of the Group believes that any possible legal liability which may arise from the aforesaid cases will not have any material adverse impact on the financial position of the Group.

During the reporting period, the Group was not involved in any major events commonly questioned by the media.

Insolvency or Restructuring

During the reporting period, the Group did not have any insolvency or restructuring related matters.

Acquisition and Disposal of Major Assets and Merger

During the reporting period, the Group did not have any matters related to acquisition and disposal of major assets and merger.

Equity Incentives

During the reporting period, the Company did not implement any equity incentive plan which would involve the issue of new shares of the Company or which would have an impact on the shareholding structure of the Company.

Material Related Party Transactions

▼ Non-competition agreement

The Company entered into a non-competition agreement with Shenhua Group Corporation on 24 May 2005. Pursuant to this agreement, Shenhua Group Corporation has undertaken not to compete with the Group with respect to the principal businesses of the Group both domestically and overseas, and granted to the Group the options and pre-emptive rights to acquire from Shenhua Group any potential business in competition.

During the reporting period, the board of directors (including independent non-executive directors) of the Company did not make any decision to exercise such options and pre-emptive rights.

▼ New Transactions and Revision of Caps

(1) Non-exempt connected transactions

During the reporting period, the Company did not have any disclosable non-exempt connected transactions.

(2) Non-exempt continuing connected transactions

Upon approval by the 36th meeting of the second session of the board of the Company on 22 March 2013, the Company and Taiyuan Railway Bureau renewed the Transportation Service Framework Agreement for 2014 to 2016, and confirmed the amounts of the annual caps of the Transportation Service Framework Agreement for 2014 to 2016.

Upon approval by the 2012 Annual General Meeting of the Company on 21 June 2013: (1) the Company adjusted the 2013 annual cap for the coal sales by the Group to Shenhua Group under the Mutual Coal Supply Agreement; (2) the Company and Shenhua Group Corporation entered into the Supplementary Agreement to the Financial Services Agreement for 2011 to 2013; (3) the Company and Shenhua Group Corporation renewed the Mutual Coal Supply Agreement, Mutual Supplies and Services Agreement and Financial Services Agreement for 2014 to 2016, and confirmed the amounts of the annual caps of such daily related party transactions for 2014 to 2016.

Further details are set out in the Announcement on Entering into Transportation Service Framework Agreement published on the Hong Kong Stock Exchange on 22 March 2013, Announcement on Daily Related Party Transactions (Lin 2013-012) published on the Shanghai Stock Exchange on 23 March 2013, Voting Results of 2012 Annual General Meeting, 2013 First Class Meeting of the Holders of A Shares and 2013 First Class Meeting of the Holders of H Shares published on the Hong Kong Stock Exchange on 21 June 2013, and Announcement on Resolutions of the 2012 Annual General Meeting published on the Shanghai Stock Exchange on 22 June 2013 (Lin 2013-022).

▼ Implementation of the Transaction Caps

For details of the contents of the agreements in respect of the following major continuing connected transactions, please refer to the 2012 Annual Report and the Supplementary Agreement to the Financial Services Agreement approved at the 2012 Annual General Meeting of the Company.

Transaction caps and execution of the major continuing connected transactions

No.	Execution Basis	Provision of products and services by the Group to related parties and other inflows			Purchase of products and services from related parties by the Group and other outflows		
		Prevailing transaction cap	Transaction amount during the reporting period	Percentage of amount to similar transactions	Prevailing transaction cap	Transaction amount during the reporting period	Percentage of amount to similar transactions
		RMB million	RMB million	%	RMB million	RMB million	%
1	Mutual Coal Supply Agreement between the Company and Shenhua Group	17,500	2,789.32	3.3	16,000	3,459.88	9.6
2	Mutual Supplies and Services Agreement between the Group and Shenhua Group	10,400	2,072.15	28.6	10,400	1,788.06	6.3
	Including: (1) Products	–	985.92	51.9	–	1,220.36	10.0
	(2) Services	–	1,086.23	20.4	–	567.70	3.5
3	Coal Supply Framework Agreement between the Company and Jinneng Investment	4,800	545.53	0.7	–	–	–
4	Transportation Service Framework Agreement between the Company and Taiyuan Railway Bureau	–	–	–	9,300	2,442.64	30.0

The total amount of transactions for sale of products and provision of services by the Group to Shenhua Group Corporation and its subsidiaries during the reporting period amounted to RMB4,913.63 million.

During the reporting period, the implementation of the Financial Services Agreement between the Company and Shenhua Group Corporation is as follows:

No.	Execution basis	Prevailing transaction cap	Implementation during the reporting period	Percentage to similar transactions
		RMB million	RMB million	%
1	Financial Services Agreement between the Company and Shenhua Group			
	1. guarantee provided to Shenhua Group Corporation and its subsidiaries and associates (except for the Company and its subsidiaries)	2,500	–	–
	2. annual total transaction amount of bill acceptance and discount services handled for Shenhua Group Corporation and its subsidiaries and associates (except for the Company and its subsidiaries)	15,000	–	–
	3. daily balance of deposits accepted from Shenhua Group Corporation and its subsidiaries and associates (except for the Company and its subsidiaries)	45,000	15,721.78	–
	4. balance of loans, consumption credit, buyer's credit and financial leasing (including relevant accrued interests incurred) granted to Shenhua Group Corporation and its subsidiaries and associates (except for the Company and its subsidiaries) at any point of time	28,000	14,247.00	–
	5. sum of agency fee, handling fee or other service charges in respect of the financial services (including but not limited to rendering services such as consulting, agency, settlement, account transfer, investment, financial leasing, letter of credit, online banking and entrusted loans) rendered to Shenhua Group Corporation and its subsidiaries and associates (except for the Company and its subsidiaries)	290	51.61	37.4
	6. daily balance of entrusted loans (including relevant accrued interests incurred) granted by Shenhua Group Corporation and its subsidiaries through Shenhua Finance Company to the Company and/or its subsidiaries	19,500	610.86	–

The above-mentioned transactions were carried out in the ordinary course of business of the Company and were subject to strict procedures of review, approval and disclosure by independent directors and independent shareholders. The Company's business did not become reliant on its controlling shareholder as a result of those transactions.

Significant Events

▼ Related party transactions regarding acquisition and disposal of assets

During the reporting period, the Company did not enter into any related party transactions regarding acquisition and disposal of assets.

▼ Material related party transactions regarding joint external investment

During the reporting period, the Company did not enter into any material related party transactions regarding joint external investment.

▼ Debts and liabilities due from/to related parties

Related parties	Affiliated relations	Funds provided to related parties		Funds provided by related parties to the Company	
		Amount of change	Balance	Amount of change	Balance
		RMB million	RMB million	RMB million	RMB million
Shenhua Group Corporation and its subsidiaries	Holding company and its subsidiaries	–	–	(13.00)	600.00
Other related parties	–	(20.00)	763.28	–	–
Total	–	(20.00)	763.28	(13.00)	600.00

The amount and balance of the above debts and liabilities only include other receivables, other payables, short-term loans, long-term loans due within one year, long-term loans, other current assets and other non-current assets of a non-operational nature between the Group and related parties.

The above debts and liabilities due from/to related parties mainly represent entrusted loans provided by the Group to associated companies of subsidiaries of the Company, as well as long-term and short-term loans borrowed by the Group from Shenhua Group Corporation and its subsidiaries. The Group performed its internal decision-making procedures in accordance with the relevant requirements. Please refer to the section “Directors’ Report” of this report for the current repayment situation of the abovementioned entrusted loans and loans.

Provision for impairment has been made for RMB86.72 million out of the balance of the above debts and liabilities.

Material contracts and performance thereof

▼ Trust, contract and lease

During the reporting period, the Company has not established any material trust arrangement on, acted as contractor for or leased assets of other companies and no other company has established any material trust arrangement on, acted as contractor for or leased any of the Company’s assets. Further, no such arrangement subsisted in the reporting period.

▼ Guarantee

(1) Material guarantees

Unit: RMB million

A. Guarantee provided by the Company to external parties (excluding guarantee given by the Company for the benefit of its subsidiaries)								
Guarantor	Relationship between the guarantor party and the listed company	Guaranteed party	Date of provision of guarantee (execution date of agreement)	Guaranteed amount	Type of guarantee	Period	Whether performance has been completed	Whether the guarantee is for the benefit of related parties (Yes or No)
Shenbao Energy Company	Subsidiary (guarantor is controlling shareholder)	Hulunbeier Liangyi Railway Company Limited	30 August 2008	117.45	Joint and several liability guarantee	20 years	No	No
Shenhua Sichuan Energy	Subsidiary (guarantor is controlling shareholder)	Sichuan Baima Circulating Fluidized Bed Demonstration Power Plant Co., Ltd.	16 May 2003	30.70	Joint and several guarantee on a pro-rata basis	11-20 years	No	Yes
Total guaranteed amount provided during the reporting period								(4.08)
Total guaranteed balance at the end of the reporting period								148.15
B. Guarantee given by the Company for the benefit of its subsidiaries								
Total guaranteed amount provided to the Company's subsidiaries during the reporting period								(151.00)
Total guaranteed balance given to the Company's subsidiaries at the end of the reporting period								215.00
C. Aggregated guaranteed amount given by the Company (including guarantee given by the Company for the benefit of its subsidiaries)								
Total guaranteed amount								363.15
Percentage of total guaranteed amount to net assets of the Company								0.08%
Including:								
Amount of guarantees provided for the benefit of shareholders, de facto controller and their related parties								30.70
Amount of guarantees directly or indirectly provided for the benefit of parties with over 70% in gearing ratio								148.15
Portion of the total guaranteed amount in excess of 50% of net assets								-
Aggregated amount of the above three guaranteed amount (double counting discounted)								148.15

Notes: 1. Of the total guaranteed balance, the guaranteed balance provided by the Company's subsidiaries (of which the Company is a controlling shareholder) to external parties at the end of the reporting period refers to the guaranteed amount provided by such subsidiary to external parties multiplies the Company's shareholding in such subsidiary.

2. Percentage of total guaranteed amount to net assets of the Company = Total guaranteed amount/Equity attributable to equity holders of the Company under Accounting Standards for Business Enterprises.

(2) Details of material guarantees

At the end of the reporting period, the sum of the guaranteed amount provided by the Company for the benefit of its subsidiaries (of which the Company is a controlling shareholder) and the guaranteed balance of the Company and its subsidiaries (of which the Company is a controlling shareholder) to external parties amounted to RMB363.15 million, including:

- The Company has provided guarantee for and has accepted joint and several liability on three bank loans of Huanghua Harbour Administration Company, a 70% owned subsidiary of the Company, amounting to RMB215.00 million. During the reporting period, the guaranteed amount decreased by RMB151.00 million due to repayment of loans. Agreements for the abovesaid loans were entered into prior to the establishment of the Company and the original guarantor was Shenhua Group Corporation. When the Company was established as part of the restructuring in November 2004, the guarantor was changed to the Company pursuant to relevant reorganization arrangement and at the requests of the relevant banks. Huanghua Harbour Administration Company is an important member of the Company responsible for seaborne coal transportation, with a sound financial condition and good profitability. There was no indication that the Company might be required to perform its joint and several liabilities for repayment under the above guarantee.

Significant Events

2. At the end of the reporting period, the guarantee provided by Shenbao Energy Company, a subsidiary owned as to 56.61% by the Company, to external parties was: prior to the acquisition of Shenbao Energy Company by the Company in 2011 and pursuant to the “Guarantee Agreement on the Syndicated Loan in RMB for the Cooperative Railway Project Connecting Yimin and Yiershi Newly Constructed by Hulunbeier Liangyi Railway Company Limited”, Shenbao Energy Company, as one of the guarantors, provided joint and several liability guarantee in 2008 to Hulunbeier Liangyi Railway Company Limited (hereinafter referred to as the “Liangyi Railway Company”), a company owned by Shenbao Energy Company as to 14.22%, for the syndicated loans. The major liability guaranteed was the debts due to the lender with a maximum balance of RMB207.47 million from 2008 to 2027, regardless of whether the debt is due when the above period expires.

Liangyi Railway Company failed to pay the interests on loans in a timely manner due to the deterioration in operation. As resolved by the shareholders’ general meeting of Liangyi Railway Company, capital would be injected into Liangyi Railway Company by its shareholders (including Shenbao Energy Company); Shenbao Energy Company has injected a cumulative amount of RMB11.82 million into Liangyi Railway Company. The accounting treatment adopted by Shenbao Energy Company on its 14.22% equity interests in Liangyi Railway Company was to make full provision for impairment. Shenbao Energy Company and other shareholders will work together to supervise the rectification of the operations of Liangyi Railway Company on an on-going basis with an aim to improve its solvency. The gearing ratio of Liangyi Railway Company was 91% as at 30 June 2013.

3. At the end of the reporting period, the guarantee provided by Shenhua Sichuan Energy (formerly known as Bashu Power Company), owned as to 51.0% by the Company, was: prior to the acquisition of Bashu Power Company in 2012, on 16 May 2003, Bashu Power Company and other shareholders of that company provided joint and several liability guarantee for the benefit of Sichuan Baima Circulating Fluidized Bed Demonstration Power Plant Co., Ltd. (“Baima Power Plant Company”, owned as to 20% by Bashu Power Company) on a pro-rata basis for a loan with an aggregate amount of RMB770.7 million. As agreed in the maximum guarantee contract, the guarantee period shall be a two-year period from the next day after the due date of each loan specified in its respective loan agreement. The due date of the last loan is 14 May 2021.

As of 30 June 2013, the balance of loan of Baima Power Plant Company under the guarantee contract was RMB301 million, decreased by RMB40 million compared with that at the beginning of the year. The pro-rata amount guaranteed by Sichuan Power Energy was RMB60.2 million. As of 30 June 2013, the gearing ratio of Baima Power Plant Company was 79%, and its operations were running normally.

4. At the end of the reporting period, the counter-guarantee provided by the Company for loans of no more than US\$231.70 million to EMM Indonesia, a subsidiary of which the Company is a controlling shareholder, was expired. During the period of counter-guarantee, there was no matter giving rise to the assumption of guarantee liability by the Company.
5. On 22 February 2013, the 35th meeting of the second session of the board of directors of the Company considered and approved the issue of a letter of undertaking by the Company in favour of Industrial Bank Financial Leasing Co., Ltd. in relation to the potential equity transfers arising from the facilities totalling RMB1.0 billion as applied by Ordos State-owned Assets Investment Holdings Group Co., Ltd. and Ordos City Construction Investment Holdings Limited. As of the end of the reporting period, the Company revoked the letter of undertaking as the facilities had not been utilised. The Company did not provide any guarantee for the facilities.

Material Investments

For details please refer to the section headed “The Company’s investments” of the “Directors’ Report”.

Commitments by the Shareholders

The commitments made by Shenhua Group Corporation, the controlling shareholder of the Company, during or subsisting in the reporting period and the performance of such commitments are as follows:

Commitment Background	Type of Commitment	Committed Parties	Commitment	Time and Duration of Commitment	Any Time Limit for Commitment	Timely Performance of Commitment
Commitment in relation to initial public offering	Non-competition undertaking	Shenhua Group Corporation	The Company entered into a non-competition agreement with Shenhua Group Corporation on 24 May 2005. Pursuant to this agreement, Shenhua Group Corporation has undertaken not to compete with the Group with respect to the principle businesses of the Group both domestically and overseas, and granted to the Group the options and pre-emptive rights to acquire from Shenhua Group any potential business in competition.	24 May 2005, Long-term	Yes	Yes

Appointment and removal of accounting firms

Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu were appointed as the domestic and international auditors of the Company respectively at the Company's 2012 annual general meeting held on 21 June 2013.

Sanctions and Rectifications

During the reporting period, neither the Company nor its directors, supervisors, senior management and shareholders with 5% or more shareholding were subject to any investigations conducted by any competent authorities, mandatory measures imposed by any judicial or discipline inspection departments, judicial authority proceedings, or charged for any criminal liabilities, examinations conducted by the CSRC, administrative sanctions imposed by CSRC, denial of admission to any stock market, regarded as improper person by the CSRC, sanctions imposed by other administrative authorities, or public censure by any stock exchange.

Other Material Matters

The foreign exchange risks that the Company was exposed to were under control. There was no material change during the reporting period in foreign exchange risks from those disclosed in the latest annual report. The Company has taken various measures such as Japanese Yen swap transactions.

During the reporting period, the changes in scope of consolidation of the Group are: 1 newly established primary subsidiary.

During the reporting period, there was no material change in the Company's major accounting policies and accounting estimates. For details, please refer to note 3 to the condensed consolidated financial statements "Principal accounting policies".

Save for the disclosed information, there was no other material matter of the Company that would require disclosure.

Investor Relations

Strengthening Investor Relations

In the first half of 2013, China Shenhua communicated extensively and candidly with investors and analysts via multiple channels such as result announcements and roadshows. The events registered more than 600 persons between the Company and the analysts and fund managers, among which more than 200 persons were from roadshows, more than 200 persons were from investment forums and more than 200 persons were from company visits and telephone conferences.

Emphasis on the Investment Image of the Company and Rebuilding the Investment Value of the Company

Against the backdrop of the declining coal price, sluggish downstream demand of coal and pessimistic market sentiment, priority was given by the Company to restore market confidence and sharpen the edge of integrated operations of the Company in terms of the work in investor relations for the first half of 2013.

Through systematic research on the integrated business model of China Shenhua, lateral comparison with other companies in the industry, and longitudinal comparison of the operating results of China Shenhua since its listing were made. On the one hand, the Investor Relations Department started with the capital market's selection of the Company's valuation method and building of the valuation model by providing the analysts with all the necessary information for the valuation model. On the other hand, the Investor Relations Department focused on providing systematic investor education on value investment highlights such as risk prevention and performance stability arising from integrated operations of the Company. Through completely examining the investment value of China Shenhua, China Shenhua's image as a high-cap blue chip company has been sustained and strengthened. In addition, the actual performance of the Company is a proof to demonstrate that investors have rediscovered China Shenhua's investment value, thus establishing the investment confidence of the capital market on China Shenhua.

Enhancement of investor relations services

In the first half of the year, the Company placed enhancement of investor relations services as a focus of refined management. Based on the principle of "providing investors with unprecedented quality service" as a starting point, the Investor Relations Department of the Company enhanced its refined management in the first half of the year through implementing the philosophy of "professional operations, systematic services and quality attitudes". Under the premise of strict compliance with regulatory rules, the Company compiled professional information kits based on the information disclosed in announcements to systematically enhance investors' understanding. Meanwhile, in the midst of a lack of investor confidence in the first half of the year, the Investor Relations Department stepped up its efforts in proactively communicating with investors through various channels of communication such as telephone and email and earnestly responded to investors' enquiries to boost investor confidence in the Company, especially for individual investors.

With its professional investor relations services, China Shenhua was awarded the Best Investor Relations Company Award in the coal industry by Institutional Investor in New York.

Index to Information Disclosure

No.	Event	Date of publication	Website of publication
1	Overseas Regulatory Announcement	2013-1-3	Website of Hong Kong Stock Exchange
2	"China Shenhua Energy Company Limited" (the Company)– Announcement on Implementation of Plan for Shareholding Increase by Controlling Shareholder	2013-1-4	Website of Shanghai Stock Exchange
3	Overseas Regulatory Announcement	2013-1-4	Website of Hong Kong Stock Exchange
4	"China Shenhua Energy Company Limited" (the Company)– Announcement on Obtaining Approval of Shenhua Meander Low Heating Value Coal Power Generation Project upon Examination and Verification	2013-1-5	Website of Shanghai Stock Exchange
5	Overseas Regulatory Announcement	2013-1-11	Website of Hong Kong Stock Exchange
6	"China Shenhua Energy Company Limited" (the Company)– Announcement on Obtaining Approval of the New Construction Project of Xinjiang Shenhua Wucai Bay Thermal Power Plant Upon Verification	2013-1-12	Website of Shanghai Stock Exchange
7	"China Shenhua Energy Company Limited" (the Company) – Announcement on Winning Bid for Project of Remising of Shale Gas Exploration Right by China Shenhua Geological Survey Co., Ltd.	2013-1-12	Website of Shanghai Stock Exchange
8	Announcement on the Major Operational Data December of 2012	2013-1-21	Website of Hong Kong Stock Exchange
9	"China Shenhua Energy Company Limited" (the Company) – Announcement on Major Operational Data in December 2012	2013-1-22	Website of Shanghai Stock Exchange
10	Overseas Regulatory Announcement	2013-1-24	Website of Hong Kong Stock Exchange
11	"China Shenhua Energy Company Limited" (the Company) – Announcement on Legal Opinion from King & Wood Mallesons, Beijing, in relation to the Increase of Shareholding in China Shenhua Energy Company Limited by Shenhua Group Corporation Limited	2013-1-25	Website of Shanghai Stock Exchange
12	Monthly Return of Equity Issuer on Movements in Securities for the month ended 31 January 2013	2013-1-31	Website of Hong Kong Stock Exchange
13	Announcement on the Major Operational Data January of 2013	2013-2-22	Website of Hong Kong Stock Exchange
14	Overseas Regulatory Announcement	2013-2-22	Website of Hong Kong Stock Exchange
15	"China Shenhua Energy Company Limited" (the Company) – Announcement on Major Operational Data in January 2013	2013-2-23	Website of Shanghai Stock Exchange
16	"China Shenhua Energy Company Limited" (the Company) – Announcement on Issuing Commitment Letter	2013-2-23	Website of Shanghai Stock Exchange
17	Monthly Return of Equity Issuer on Movements in Securities for the month ended 28 February 2013	2013-3-1	Website of Hong Kong Stock Exchange
18	Date of Board Meeting	2013-3-11	Website of Hong Kong Stock Exchange
19	Announcement on the Major Operational Data February of 2013	2013-3-15	Website of Hong Kong Stock Exchange
20	"China Shenhua Energy Company Limited" (the Company) – Announcement on Major Operational Data in February 2013	2013-3-16	Website of Shanghai Stock Exchange
21	Continuing Connected Transactions Revision of Annual Cap under the Current Mutual Coal Supply Agreement	2013-3-22	Website of Hong Kong Stock Exchange
22	Continuing Connected Transactions Entering into The Supplementary Agreement to the Current Financial Services Agreement	2013-3-22	Website of Hong Kong Stock Exchange

Index to Information Disclosure

No.	Event	Date of publication	Website of publication
23	Continuing Connected Transactions Entering into Mutual Coal Supply Agreement	2013-3-22	Website of Hong Kong Stock Exchange
24	Continuing Connected Transactions Entering into Financial Services Agreement	2013-3-22	Website of Hong Kong Stock Exchange
25	Continuing Connected Transactions Entering into Mutual Supplies And Services Agreement	2013-3-22	Website of Hong Kong Stock Exchange
26	Continuing Connected Transactions Entering into Transportation Service Framework Agreement	2013-3-22	Website of Hong Kong Stock Exchange
27	Announcement of Annual Results for the Year Ended 31 December 2012	2013-3-22	Website of Hong Kong Stock Exchange
28	"China Shenhua Energy Company Limited" (the Company) – 2012 Special Report on Deposit and Actual Use of Proceeds	2013-3-23	Website of Shanghai Stock Exchange
29	"China Shenhua Energy Company Limited" (the Company) – Audit Report	2013-3-23	Website of Shanghai Stock Exchange
30	"China Shenhua Energy Company Limited" (the Company) – Special Explanations on the Appropriation of Non-operational Funds and Inflows and Outflows of Other Related Funds for the Year 2012	2013-3-23	Website of Shanghai Stock Exchange
31	"China Shenhua Energy Company Limited" (the Company) – Audit Report on Internal Control	2013-3-23	Website of Shanghai Stock Exchange
32	"China Shenhua Energy Company Limited" (the Company) – Work Report of the Independent Directors for the year 2012	2013-3-23	Website of Shanghai Stock Exchange
33	"China Shenhua Energy Company Limited" (the Company) – Special Explanations and Independent Opinion from Independent Non-executive Directors in relation to Guarantee Provided by the Company to External Parties	2013-3-23	Website of Shanghai Stock Exchange
34	"China Shenhua Energy Company Limited" (the Company) – 2012 Special Audit Report on Deposit and Use of Proceeds	2013-3-23	Website of Shanghai Stock Exchange
35	"China Shenhua Energy Company Limited" (the Company) – 2012 Special Report on Deposit and Actual Use of Proceeds	2013-3-23	Website of Shanghai Stock Exchange
36	"China Shenhua Energy Company Limited" (the Company) – 2012 Assessment Report on Internal Control	2013-3-23	Website of Shanghai Stock Exchange
37	"China Shenhua Energy Company Limited" (the Company): Audit Opinion from China International Capital Corporation Limited and China Galaxy Securities Co., Ltd. in relation to the Change of Use of Partial Proceeds from Initial Public Offering of A Shares by China Shenhua Energy Company Limited	2013-3-23	Website of Shanghai Stock Exchange
38	"China Shenhua Energy Company Limited" (the Company) – Announcement on Daily Related Party Transactions	2013-3-23	Website of Shanghai Stock Exchange
39	"China Shenhua Energy Company Limited" (the Company) – Announcement on Changing Investment Project Financed by Raised Funds	2013-3-23	Website of Shanghai Stock Exchange
40	"China Shenhua Energy Company Limited" (the Company) – Announcement on Resolutions of 15th meeting of 2nd Session of Board of Supervisors	2013-3-23	Website of Shanghai Stock Exchange
41	"China Shenhua Energy Company Limited" (the Company) – Announcement on Resolutions of 36th meeting of 2nd Session of Board of Directors	2013-3-23	Website of Shanghai Stock Exchange

No.	Event	Date of publication	Website of publication
42	"China Shenhua Energy Company Limited" (the Company)–2012 CSR Report	2013-3-23	Website of Shanghai Stock Exchange
43	"China Shenhua Energy Company Limited" (the Company) – Annual Report	2013-3-23	Website of Shanghai Stock Exchange
44	"China Shenhua Energy Company Limited" (the Company)– Summary of Annual Report	2013-3-23	Website of Shanghai Stock Exchange
45	Overseas Regulatory Announcement	2013-3-24	Website of Hong Kong Stock Exchange
46	Overseas Regulatory Announcement	2013-3-24	Website of Hong Kong Stock Exchange
47	Overseas Regulatory Announcement	2013-3-24	Website of Hong Kong Stock Exchange
48	Overseas Regulatory Announcement	2013-3-24	Website of Hong Kong Stock Exchange
49	2012 CSR Report	2013-3-24	Website of Hong Kong Stock Exchange
50	2012 Annual Report	2013-3-24	Website of Hong Kong Stock Exchange
51	Monthly Return of Equity Issuer on Movements in Securities for the month ended 31 March 2013	2013-4-1	Website of Hong Kong Stock Exchange
52	Overseas Regulatory Announcement	2013-4-8	Website of Hong Kong Stock Exchange
53	Notification Letter and Request form to Registered Holder	2013-4-9	Website of Hong Kong Stock Exchange
54	Notification Letter and Request form to Non Registered Holder	2013-4-9	Website of Hong Kong Stock Exchange
55	Revision of Annual Caps for continuing connected transactions under the Current Mutual Coal Supply Agreement Entering into the Supplementary Agreement to the Current Financial Services Agreement Entering into Mutual Coal Supply Agreement Entering into Mutual Supplies and Services Agreement Entering into Financial Services Agreement Appointment of Auditors for 2013 Amendments to the Articles of Association Change of Use of a Portion of the Proceeds From the A Share Offering in Financing Investment Projects and Proposal for General Mandate to Repurchase A Shares and H Shares	2013-4-9	Website of Hong Kong Stock Exchange
56	"China Shenhua Energy Company Limited" (the Company) – Sponsor Opinion on the Use of a Portion of Idle Raised Funds for Temporarily Supplementing Current Capital	2013-4-9	Website of Shanghai Stock Exchange
57	"China Shenhua Energy Company Limited" (the Company)– Announcement on Repaying Idle Raised Funds Used for Temporarily Supplementing Current Capital upon Expiration and Supplementing Current Capital Again	2013-4-9	Website of Shanghai Stock Exchange
58	"China Shenhua Energy Company Limited" (the Company) – H Shares Circular	2013-4-10	Website of Shanghai Stock Exchange
59	Notice of Board Meeting	2013-4-16	Website of Hong Kong Stock Exchange
60	Announcement on the Major Operational Data March of 2013	2013-4-17	Website of Hong Kong Stock Exchange
61	"China Shenhua Energy Company Limited" (the Company) – Announcement on Major Operational Data in March 2013	2013-4-18	Website of Shanghai Stock Exchange
62	First Quarterly Report for the Year 2013	2013-4-26	Website of Hong Kong Stock Exchange
63	Notice of 2013 First Class Meeting of the Holders of H Shares	2013-4-26	Website of Hong Kong Stock Exchange
64	Notice of Annual General Meeting	2013-4-26	Website of Hong Kong Stock Exchange
65	Overseas Regulatory Announcement	2013-4-26	Website of Hong Kong Stock Exchange
66	Notification Letter and Request form to Registered Holder	2013-4-26	Website of Hong Kong Stock Exchange

Index to Information Disclosure

No.	Event	Date of publication	Website of publication
67	Notification Letter and Request form to Non Registered Holder	2013-4-26	Website of Hong Kong Stock Exchange
68	Reply Slip Annual General Meeting	2013-4-26	Website of Hong Kong Stock Exchange
69	Form of Proxy for Annual General Meeting	2013-4-26	Website of Hong Kong Stock Exchange
70	Reply Slip 2013 First Class Meeting of the Holders of H Shares	2013-4-26	Website of Hong Kong Stock Exchange
71	Form of proxy for 2013 First Class Meeting of the Holder of H Shares	2013-4-26	Website of Hong Kong Stock Exchange
72	"China Shenhua Energy Company Limited" (the Company) – First Quarterly Report	2013-4-27	Website of Shanghai Stock Exchange
73	"China Shenhua Energy Company Limited" (the Company) – Notice of Convening 1st Shareholders' Meetings of A Shares of 2013	2013-4-27	Website of Shanghai Stock Exchange
74	"China Shenhua Energy Company Limited" (the Company) – Notice of Convening Annual General Meeting of 2012	2013-4-27	Website of Shanghai Stock Exchange
75	Monthly Return of Equity Issuer on Movements in Securities for the month ended 30 April 2013	2013-5-2	Website of Hong Kong Stock Exchange
76	Announcement on the Major Operational Data April of 2013	2013-5-15	Website of Hong Kong Stock Exchange
77	"China Shenhua Energy Company Limited" (the Company) – Announcement on Major Operational Data in April 2013	2013-5-16	Website of Shanghai Stock Exchange
78	Monthly Return of Equity Issuer on Movements in Securities for the month ended 31 May 2013	2013-5-31	Website of Hong Kong Stock Exchange
79	Overseas Regulatory Announcement	2013-5-31	Website of Hong Kong Stock Exchange
80	Overseas Regulatory Announcement	2013-5-31	Website of Hong Kong Stock Exchange
81	"China Shenhua Energy Company Limited" (the Company) – Particulars on 2013 First Class Meeting of the Holders of A Shares	2013-6-1	Website of Shanghai Stock Exchange
82	"China Shenhua Energy Company Limited" (the Company) – Particulars on the 2012 Annual General Meeting	2013-6-1	Website of Shanghai Stock Exchange
83	"China Shenhua Energy Company Limited" (the Company) – Measures on the Use of Proceeds (2013 Revision)	2013-6-1	Website of Shanghai Stock Exchange
84	"China Shenhua Energy Company Limited" (the Company) – Audit Opinion on the Use of the Remaining Idle Raised Funds for Temporarily Supplementing Current Capital	2013-6-1	Website of Shanghai Stock Exchange
85	"China Shenhua Energy Company Limited" (the Company) – Announcement on Using Idle Raised Funds to Temporarily Supplement Current Capital	2013-6-1	Website of Shanghai Stock Exchange
86	"China Shenhua Energy Company Limited" (the Company) – Announcement on Resolutions of 17th meeting of 2nd Session of Board of Supervisors	2013-6-1	Website of Shanghai Stock Exchange
87	"China Shenhua Energy Company Limited" (the Company) – Announcement on Resolutions of 38th meeting of 2nd Session of Board of Directors	2013-6-1	Website of Shanghai Stock Exchange
88	Announcement on the Major Operational Data May of 2013	2013-6-17	Website of Hong Kong Stock Exchange
89	China Shenhua Energy Company Limited" (the Company) – Announcement on Major Operational Data in May 2013	2013-6-18	Website of Shanghai Stock Exchange
90	Voting Results of 2012 Annual General Meeting, 2013 First Class Meeting of the Holders of A Shares and 2013 First Class Meeting of the Holders of H Shares	2013-6-21	Website of Hong Kong Stock Exchange

No.	Event	Date of publication	Website of publication
91	Announcement Notice to Creditors in relation to a General Mandate to Repurchase of Shares of the Company	2013-6-21	Website of Hong Kong Stock Exchange
92	Overseas Regulatory Announcement	2013-6-21	Website of Hong Kong Stock Exchange
93	Articles of Association	2013-6-21	Website of Hong Kong Stock Exchange
94	"China Shenhua Energy Company Limited" (the Company)–Notice to Creditors on Obtaining General Authorization of Shares Repurchase by Directorate	2013-6-22	Website of Shanghai Stock Exchange
95	"China Shenhua Energy Company Limited" (the Company) – Legal Opinion on 2012 Annual General Meeting and 2013 First Class Meeting of the Holders of A Shares and H Shares	2013-6-22	Website of Shanghai Stock Exchange
96	"China Shenhua Energy Company Limited" (the Company) – Articles of Association (2013 Revision)	2013-6-22	Website of Shanghai Stock Exchange
97	"China Shenhua Energy Company Limited" (the Company)– Announcement on Resolution of 1st Shareholders' Meeting of A Shares of 2013 and 1st Shareholders' Meeting of H Shares of 2013	2013-6-22	Website of Shanghai Stock Exchange
98	"China Shenhua Energy Company Limited" (the Company) – Announcement on Resolutions of Annual General Meeting of 2012	2013-6-22	Website of Shanghai Stock Exchange
99	Overseas Regulatory Announcement	2013-6-27	Website of Hong Kong Stock Exchange
100	"China Shenhua Energy Company Limited" (the Company) – Announcement on Final Dividend Distribution for 2012	2013-6-28	Website of Shanghai Stock Exchange

Note: Website of Hong Kong Stock Exchange: www.hkex.com.hk; Website of Shanghai Stock Exchange: www.sse.com.cn.

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

To the Board of Directors of China Shenhua Energy Company Limited

(Incorporated in The People's Republic of China with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of China Shenhua Energy Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 63 to 95, which comprise the condensed consolidated statement of financial position as at 30 June 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

23 August 2013

Condensed Consolidated Financial Statements

Condensed consolidated statement of profit or loss and other comprehensive income

for the six months ended 30 June 2013

	NOTES	Six months ended 30 June	
		2013 RMB million (Unaudited)	2012 RMB million (Unaudited) (Restated)
Revenue	4	127,226	121,468
Cost of sales	5	(86,030)	(80,520)
Gross profit		41,196	40,948
Selling, general and administrative expenses		(4,156)	(3,724)
Other gains and losses		(188)	27
Other income		180	286
Other expenses		(122)	(197)
Interest income		329	444
Finance costs	6	(1,176)	(1,728)
Share of results of associates		265	174
Profit before income tax		36,328	36,230
Income tax	7	(6,670)	(5,275)
Profit for the period	8	29,658	30,955
Other comprehensive expense for the period, net of tax, that may be subsequently reclassified to profit or loss:			
Exchange differences		(526)	(18)
Total comprehensive income for the period		29,132	30,937
Profit for the period attributable to:			
Equity holders of the Company		24,867	26,741
Non-controlling interests		4,791	4,214
		29,658	30,955
Total comprehensive income for the period attributable to:			
Equity holders of the Company		24,340	26,729
Non-controlling interests		4,792	4,208
		29,132	30,937
Earnings per share (RMB)	10		
– Basic		1.250	1.344

Condensed consolidated statement of financial position

at 30 June 2013

	NOTES	At 30 June 2013 RMB million (Unaudited)	At 31 December 2012 RMB million (Audited) (Restated)
Non-current assets			
Property, plant and equipment	11	234,830	236,048
Construction in progress	11	69,055	61,142
Exploration and evaluation assets		2,278	2,722
Intangible assets		302	291
Interest in associates		4,837	4,689
Available-for-sale investments		960	960
Other non-current assets	12	31,942	25,382
Lease prepayments	13	13,607	13,667
Deferred tax assets		1,404	1,106
Total non-current assets		359,215	346,007
Current assets			
Inventories	14	18,646	15,171
Accounts and bills receivable	15	26,618	20,028
Prepaid expenses and other current assets	16	22,008	14,480
Restricted bank deposits		6,361	6,082
Time deposits with original maturity over three months		2,756	3,972
Cash and cash equivalents	17	40,701	51,627
Total current assets		117,090	111,360
Current liabilities			
Borrowings	18	19,767	28,093
Accounts and bills payable	19	30,319	31,072
Accrued expenses and other payables	20	60,075	41,423
Current portion of long-term payables	21	238	283
Income tax payable		2,671	4,686
Total current liabilities		113,070	105,557
Net current assets		4,020	5,803
Total assets less current liabilities		363,235	351,810
Non-current liabilities			
Borrowings	18	40,754	39,624
Long-term payables	21	2,551	2,558
Accrued reclamation obligations	22	1,977	1,921
Deferred tax liabilities		1,107	1,150
Total non-current liabilities		46,389	45,253
Net assets		316,846	306,557
Equity			
Share capital	23	19,890	19,890
Reserves		241,797	236,699
Equity attributable to equity holders of the Company		261,687	256,589
Non-controlling interests		55,159	49,968
Total equity		316,846	306,557

These condensed consolidated financial statements on page 63 to 95 were approved and authorised for issue by the Board of Directors on 23 August 2013, and signed on its behalf by:

Zhang Xiwu
Chairman

Ling Wen
Director and President

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2013

	Attributable to equity holders of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Exchange reserve	Statutory reserves	Other reserves	Retained earnings			
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
	(Note 23)	(note (i))	(note (ii))		(note (iii))					
At 1 January 2012	19,890	85,001	3,612	660	16,013	(4,457)	107,480	228,199	39,915	268,114
Profit for the period	-	-	-	-	-	-	26,741	26,741	4,214	30,955
Other comprehensive expense for the period	-	-	-	(12)	-	-	-	(12)	(6)	(18)
Total comprehensive income for the period	-	-	-	(12)	-	-	26,741	26,729	4,208	30,937
Dividend declared (Note 9)	-	-	-	-	-	-	(17,901)	(17,901)	-	(17,901)
Appropriation of maintenance and production funds (note (iii))	-	-	-	-	2,047	-	(2,047)	-	-	-
Utilisation of maintenance and production funds (note (iii))	-	-	-	-	(839)	-	839	-	-	-
Appropriation of general reserve (note (iii))	-	-	-	-	58	-	(58)	-	-	-
Contributions from then shareholders in relation to the acquisitions from Shenhua Group in 2012 ("2012 Acquisitions")	-	-	-	-	-	150	-	150	-	150
Distributions to then shareholders in relation to the 2012 Acquisitions	-	-	-	-	-	-	(81)	(81)	(81)	(162)
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	3,073	3,073
Distributions to non-controlling shareholders	-	-	-	-	-	-	-	-	(2,169)	(2,169)
Consideration for the 2012 Acquisitions	-	-	-	-	-	(2,710)	-	(2,710)	-	(2,710)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	1,465	1,465
At 30 June 2012 (Unaudited)	19,890	85,001	3,612	648	17,279	(7,017)	114,973	234,386	46,411	280,797

Condensed consolidated statement of changes in equity (continued)

for the six months ended 30 June 2013

	Attributable to equity holders of the Company							Non-controlling interests		Total equity RMB million
	Share capital RMB million (Note 23)	Share premium RMB million (note (i))	Capital reserve RMB million (note (ii))	Exchange reserve RMB million	Statutory reserves RMB million (note (iii))	Other reserves RMB million	Retained earnings RMB million	Total RMB million	RMB million	
At 1 January 2013	19,890	85,001	3,612	734	16,538	(7,017)	137,831	256,589	49,968	306,557
Profit for the period	-	-	-	-	-	-	24,867	24,867	4,791	29,658
Other comprehensive expense for the period	-	-	-	(527)	-	-	-	(527)	1	(526)
Total comprehensive income for the period	-	-	-	(527)	-	-	24,867	24,340	4,792	29,132
Dividend declared (Note 9)	-	-	-	-	-	-	(19,094)	(19,094)	-	(19,094)
Appropriation of maintenance and production funds (note (iii))	-	-	-	-	2,360	-	(2,360)	-	-	-
Utilisation of maintenance and production funds (note (iii))	-	-	-	-	(1,232)	-	1,232	-	-	-
Acquisition of additional interest in a subsidiary	-	-	-	-	2	1	-	3	(18)	(15)
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	910	910
Distributions to non-controlling shareholders	-	-	-	-	-	-	-	-	(493)	(493)
Others	-	-	-	-	-	(151)	-	(151)	-	(151)
At 30 June 2013 (Unaudited)	19,890	85,001	3,612	207	17,668	(7,167)	142,476	261,687	55,159	316,846

Condensed consolidated statement of changes in equity (continued)

for the six months ended 30 June 2013

Notes:

- (i) Share premium represents the difference between the total amount of the par value of shares issued and the amount of net proceeds received upon the global initial public offering of H shares in 2005 and A shares in 2007.
- (ii) The capital reserve represents the difference between the total amount of the par value of shares issued and the amount of the net assets, net of other reserves, transferred from Shenhua Group Corporation Limited (“Shenhua Group”) in connection with the Restructuring (as defined in Note 1).
- (iii) Statutory reserves

Statutory surplus reserve

According to the PRC Company Law and the Company’s Articles of Association, the Company is required to transfer 10% of its net profit as determined in accordance with the China Accounting Standards for Business Enterprises (“China Accounting Standards”) to its statutory surplus reserve until the reserve balance reaches 50% of the registered capital of the Company. The transfer to statutory surplus reserve must be made before distribution of dividends to shareholders.

The statutory surplus reserve has reached 50% of the registered capital in 2009. Accordingly, no appropriation of net profit to the statutory surplus reserve has been proposed since 1 January 2010.

Statutory surplus reserve can be used to make up losses, if any, or to expand the Company’s business, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital of the Company. The statutory surplus reserve is not distributable.

Specific reserve for production and maintenance funds

Pursuant to the relevant PRC regulations, the Group is required to transfer the maintenance and production funds at fixed rates based on production volume to a specific reserve account. The maintenance and production funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of maintenance and production funds utilised would be transferred from the specific reserve account to retained earnings.

General reserve

Pursuant to relevant regulations issued by the Ministry of Finance of the PRC, the Group’s subsidiary, Shenhua Finance Co., Ltd., is required to set aside a general reserve by the end of the financial year through appropriation of profit after tax as determined in accordance with China Accounting Standards at a certain ratio of the ending balance of gross risk-bearing assets to cover potential losses against such assets.

The directors of the Company (the “Directors”) have not proposed any appropriation to the general reserve for the six months ended 30 June 2013 (six months ended 30 June 2012: RMB58 million).

Discretionary surplus reserve

The appropriation to the discretionary surplus reserve is subject to the shareholders’ approval. The utilisation of the reserve is similar to that of the statutory surplus reserve.

The Directors have not proposed any appropriation to the discretionary surplus reserve for the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).



Condensed consolidated statement of cash flows

for the six months ended 30 June 2013

Six months ended 30 June

	2013 RMB million (Unaudited)	2012 RMB million (Unaudited) (Restated)
OPERATING ACTIVITIES		
Profit before income tax	36,328	36,230
Adjustments for:		
Depreciation and amortisation	8,887	8,909
Loss (gain) on disposal of property, plant and equipment	226	(26)
Impairment of loans receivable	109	–
Reversal of impairment of accounts and other receivables	(11)	–
Write-down of inventories	16	–
Gain on disposal of an associate	(152)	–
Interest income	(329)	(444)
Share of results of associates	(265)	(174)
Interest expense	1,656	1,792
Fair value loss (gain) on derivative financial instruments and trading debt securities	136	(1)
Unrealised foreign exchange gain	(616)	(144)
Operating cash flows before movements in working capital	45,985	46,142
Increase in inventories	(3,491)	(4,339)
Increase in accounts and bills receivable	(6,587)	(4,295)
Increase in prepaid expenses and other assets	(8,410)	(2,286)
(Decrease) increase in accounts and bills payable	(753)	1,184
Increase in accrued expenses and other payables	701	8,554
Cash generated from operations	27,445	44,960
Income taxes paid	(9,527)	(9,580)
NET CASH FROM OPERATING ACTIVITIES	17,918	35,380
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, intangible assets, exploration and evaluation assets, and additions to construction in progress	(15,751)	(15,800)
Deposits paid for acquisition of property, plant and equipment	(5,545)	–
Increase in lease prepayments	(116)	(267)
Proceeds from disposal of property, plant and equipment, intangible assets and lease prepayments	44	90
Payment for 2012 Acquisitions and acquisitions from Shenhua Group in 2011	–	(4,324)
Payment for acquisition of subsidiaries in prior years	–	(414)
Proceeds from disposal of an associate	229	–
Investments in associates	(185)	(298)
Purchase of available-for-sale investments	–	(4)
Dividend received from associates	214	106
Interest received	292	405
Interest received on trading debt securities	37	39
Proceeds from trading debt securities	–	73
Net increase in restricted bank deposits	(279)	(1,522)
Increase in time deposits with original maturity over three months	(565)	(505)
Withdrawal of time deposits with original maturity over three months	1,781	3,427
NET CASH USED IN INVESTING ACTIVITIES	(19,844)	(18,994)

Condensed consolidated statement of cash flows (continued)

for the six months ended 30 June 2013

	Six months ended 30 June	
	2013 RMB million (Unaudited)	2012 <i>RMB million</i> <i>(Unaudited)</i> <i>(Restated)</i>
FINANCING ACTIVITIES		
Interest paid	(1,899)	(1,902)
Proceeds from borrowings	14,625	4,583
Repayments of borrowings	(21,191)	(13,595)
Contributions from non-controlling shareholders	910	3,073
Distributions to non-controlling shareholders	(1,383)	(3,046)
Dividend paid to equity holders of the Company	–	(15,149)
Contributions from then shareholders in relation to the 2012 Acquisitions	–	150
Distributions to then shareholders in relation to the 2012 Acquisitions	–	(162)
Acquisition of additional interest in a subsidiary	(15)	–
NET CASH USED IN FINANCING ACTIVITIES	(8,953)	(26,048)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,879)	(9,662)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	51,627	61,652
Effect of foreign exchange rate changes	(47)	(2)
CASH AND CASH EQUIVALENTS AT 30 JUNE, represented by bank balances and cash	40,701	51,988

Notes to the condensed consolidated financial statements

for the six months ended 30 June 2013

1. Principal activities and organisation

Principal activities

China Shenhua Energy Company Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in: (i) the production and sale of coal; and (ii) the generation and sale of power in the People’s Republic of China (the “PRC”). The Group operates coal mines as well as an integrated railway network and seaports that are primarily used to transport the Group’s coal. The primary customers of the Group’s coal sales include power plants and metallurgical producers in the PRC. The Group also operates power plants in the PRC, which are engaged in the generation and sale of coal-based power to provincial/regional electric grid companies.

Organisation

The Company was established in the PRC on 8 November 2004 as a joint stock limited company as part of the Restructuring (as defined below) of Shenhua Group, a state-owned enterprise under the direct supervision of the State Council of the PRC. Effective on 31 December 2003, the coal production and power generation operations previously operated by various entities wholly-owned or controlled by Shenhua Group were restructured and managed separately (the “Restructuring”).

Pursuant to the Restructuring, assets and liabilities related to the operations and businesses that were transferred to the Company were revalued by China Enterprise Appraisal Co., Ltd., independent valuers registered in the PRC, as at 31 December 2003 as required by the PRC rules and regulations.

On 8 November 2004, in consideration for Shenhua Group transferring the coal mining and power generating assets and liabilities to the Company, the Company issued 15,000,000,000 domestic state-owned ordinary shares with a par value of RMB1.00 each to Shenhua Group. The shares issued to Shenhua Group represented the entire registered and paid-up share capital of the Company at that date.

In 2005, the Company issued 3,089,620,455 H shares with a par value of RMB1.00 each, at a price of HKD7.50 per H share by way of a global initial public offering. In addition, 308,962,045 domestic state-owned ordinary shares of RMB1.00 each owned by Shenhua Group were converted into H shares. A total of 3,398,582,500 H shares are listed on The Stock Exchange of Hong Kong Limited.

In 2007, the Company issued 1,800,000,000 A shares with a par value of RMB1.00 each, at a price of RMB36.99 per A share in the PRC. The A shares are listed on the Shanghai Stock Exchange.

2. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board (“IASB”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

3. Principal accounting policies

The condensed consolidated financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, the following new and revised International Financial Reporting Standards ("IFRSs") issued by IASB:

IFRS 10 *Consolidated Financial Statements*;

IFRS 11 *Joint Arrangements*;

IFRS 12 *Disclosure of Interests in Other Entities*;

Amendments to IFRS 10, IFRS 11 and IFRS 12 *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*;

IFRS 13 *Fair Value Measurement*;

IAS 19 (as revised in 2011) *Employee Benefits*;

IAS 27 (as revised in 2011) *Separate Financial Statements*;

IAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*;

Amendment to IAS 1 *Presentation of Items of Other Comprehensive Income*;

Amendments to IFRSs *Annual Improvements to IFRSs 2009-2011 Cycle*;

Amendments to IFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*; and

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*.

Saved as discussed below, the application of the above new and revised IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied for the first time, IFRS 10, IFRS 11, IFRS 12 and IAS 28 (as revised in 2011) together with the amendments to IFRS 10, IFRS 11, IFRS 12 regarding the transitional guidance. IAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

Impact of the application of IFRS 10

IFRS 10 replaces the parts of IAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and SIC 12 "Consolidation – Special Purpose Entities". IFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee, and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

3. Principal accounting policies (continued)

New and revised standards on consolidation, joint arrangements, associates and disclosures (continued)

Impact of the application of IFRS 10 (continued)

The Directors made an assessment as at the date of initial application of IFRS 10 (i.e. 1 January 2013) as to whether the introduction of the new definition of control under IFRS 10 has resulted in a change of control over the existing entities treated as subsidiaries of the Company. Previously, the Directors concluded that the Group has control over the existing subsidiaries because the Group has power to govern the financial and operating policies of these subsidiaries so as to obtain benefits from their activities. The power existed because the Group owned more than half of the voting power by virtue of these subsidiaries, and/or has power to cast majority votes at the board of directors meeting. Additionally, the Group has the power over these entities including but not limited to power to appoint, reassign, remove the key management personnel such as executive director of an entity, who has ability to direct relevant activities of that entity which include primarily the sale and purchase, working capital, investments and financing activities. The Directors also made the assessment on whether there is a change in control over the existing entities accounted for as associates of the Group and concluded that the Group continues to exercise significant influences over these associates but has no power to direct the relevant activities of these associates.

Accordingly, the Directors concluded that the adoption of IFRS 10 has had no material impact on the Group's condensed consolidated financial statements for the current or prior periods because the Group's control over the existing subsidiaries and the Group's significant influences over the existing associates remained unchanged in accordance with the new definition of control under IFRS 10.

Impact of the application of IFRS 11

IFRS 11 replaces IAS 31 "Interests in Joint Ventures", and the guidance contained in a related Interpretation. SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers", has been incorporated in IAS 28 (as revised in 2011). IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under IFRS 11, there are two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under IFRS 11 is determined based on the rights and obligations of the parties to the arrangements, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, IAS 31 had three types of joint arrangements – jointly controlled entities, jointly controlled assets and jointly controlled operations. The classification of joint arrangements under IAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenue and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The Group had not entered into any arrangement with other parties where two or more parties have joint control during the current or prior periods. Accordingly, the adoption of IFRS 11 has had no material impact on the Group's condensed consolidated financial statements for the current or prior periods.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

3. Principal accounting policies (continued)

IFRS 13 Fair Value Measurement

The Group has applied IFRS 13 for the first time in the current interim period. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements, and replaces those requirements previously included in various IFRSs. Consequential amendments have been made to IAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

IFRS 13 applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. IFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under the current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosures requirements.

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are set out in Note 25.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine ("production stripping costs"). Under the interpretation, the costs from this waste removal activity ("stripping") which provide improved access to ore is recognised as a non-current asset ("stripping activity asset") when certain criteria are met, whereas the costs of normal on-going operational stripping activities are accounted for in accordance with IAS 2 "Inventories". The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part. In the previous years, the Group's accounting treatment for the stripping costs is consistent with the requirements under IFRIC 20.

Accordingly, the adoption of IFRIC 20 has had no material impact on the Group's condensed consolidated financial statements for the six months ended 30 June 2013.

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, a 'statement of comprehensive income' is renamed as a 'statement of profit or loss and other comprehensive income' and an 'income statement' is renamed as a 'statement of profit or loss'. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

3. Principal accounting policies (continued)

Amendments to IAS 34 Interim Financial Reporting (as part of the Annual Improvements to IFRSs 2009-2011 Cycle)

The Group has applied the amendments to IAS 34 as part of the Annual Improvements to IFRSs 2009 – 2011 Cycle for the first time in the current interim period. The amendments to IAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker (CODM) and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Details of total assets and total liabilities for each of the reportable segments are set out in Note 28.

4. Revenue

The Group is principally engaged in the production and sale of coal, generation and sale of power and the provision of transportation services in the PRC. Revenue represents the aggregate of the invoiced value of goods sold and services provided.

	Six months ended 30 June	
	2013	2012
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Coal revenue	83,528	81,151
Power revenue	36,463	35,412
Transportation revenue	2,399	2,710
	122,390	119,273
Other revenue	4,836	2,195
	127,226	121,468

5. Cost of sales

	Six months ended 30 June	
	2013	2012
	RMB million	RMB million
	(Unaudited)	(Unaudited)
		(Restated)
Coal purchased	36,023	33,829
Materials, fuel and power	9,470	9,676
Personnel expenses	5,329	5,081
Depreciation and amortisation	8,046	8,496
Repairs and maintenance	3,829	3,391
Transportation charges	8,181	8,287
Taxes and surcharges	2,383	2,429
Others	12,769	9,331
	86,030	80,520

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

6. Finance costs

	Six months ended 30 June	
	2013	2012
	RMB million	RMB million
	(Unaudited)	(Unaudited)
		(Restated)
Interest on borrowings	2,063	1,932
Less: amount capitalised	(407)	(140)
	1,656	1,792
Exchange gain, net	(616)	(63)
Fair value changes on financial instruments	136	(1)
	1,176	1,728

7. Income tax

	Six months ended 30 June	
	2013	2012
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Provision for PRC income tax	7,011	5,641
Deferred tax	(341)	(366)
	6,670	5,275

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate applicable for PRC group entities is 25% (six months ended 30 June 2012: 25%) except for certain group entities which are entitled to a concessionary tax rate as disclosed below.

In accordance with the relevant documents issued by the state and local tax bureau of the PRC in 2011 and 2012, certain of the Group's branches and subsidiaries operating in the western developing region of the PRC are entitled to a preferential tax rate of 15% from 2011 to 2020.

The applicable tax rates of the Group's overseas subsidiaries are as follows:

	Six months ended 30 June	
	2013	2012
	%	%
Australia	30.0	30.0
Indonesia	25.0	25.0
Russia	20.0	20.0
Hong Kong	16.5	16.5

No provision for income tax was made for these overseas subsidiaries as there were no assessable profits during the current and prior periods.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

8. Profit for the period

	<i>Six months ended 30 June</i>	
	2013 RMB million (Unaudited)	2012 RMB million (Unaudited)
Personnel expenses, including	8,803	7,635
– contributions to retirement plans	1,200	987
– fair value gain on revaluation of share appreciation rights	–	(1)
Depreciation and amortisation	8,887	8,909
Loss (gain) on disposal of property, plant and equipment	226	(26)
Gain on disposal of an associate	(152)	–
Operating lease in respect of properties and equipment	189	244
Impairment of loans receivable	109	–
Reversal of impairment of accounts and other receivables	(11)	–
Write-down of inventories	16	–
Exchange gain, net	(616)	(63)

9. Dividends

A final dividend of RMB0.96 per share totalling RMB19,094 million in respect of the year ended 31 December 2012 was approved at the annual general meeting held on 21 June 2013 and was subsequently paid in July and August 2013.

Pursuant to the shareholders' approval at the annual general meeting held on 25 May 2012, a final dividend of RMB0.90 per share totalling RMB17,901 million in respect of the year ended 31 December 2011 was approved and paid in June and July 2012.

10. Earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2013 was based on the profit attributable to equity holders of the Company of RMB24,867 million (six months ended 30 June 2012: RMB26,741 million) and the number of shares in issue during the six months ended 30 June 2013 of 19,890 million (six months ended 30 June 2012: 19,890 million) shares.

No diluted earnings per share is presented as there were no potential ordinary shares outstanding during both periods.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

11. Property, plant and equipment and construction in progress

During the six months ended 30 June 2013, the additions of property, plant and equipment (excluding transferred from construction in progress) and construction in progress were amounting to RMB706 million (six months ended 30 June 2012: RMB7,541 million) and RMB15,019 million (six months ended 30 June 2012: RMB13,837 million), respectively.

The Directors reviews the estimated useful lives of the assets annually based on the Group's historical experience with similar assets and taking into account anticipated technological changes. As a result, the Directors revised the estimated useful lives of different classes of the Group's property, plant and equipment with effect from 1 January 2013 and the Directors considered the effect on the Group's profit for the current and future periods is not material.

The Group is in the process of applying for the title certificates of certain of its properties with an aggregate carrying amount of RMB4,224 million as at 30 June 2013 (31 December 2012: RMB5,536 million). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use the above mentioned properties.

As of 30 June 2013, the Group is in the process of obtaining requisite permits for certain of its power plants, coal mines and railway from the relevant government authorities. The Directors are of the opinion that the Group will be able to obtain the requisite permits in due course.

No impairment loss was recognised by the Group during the six months ended 30 June 2013 and 2012.

As of 30 June 2013, the Group has early repaid certain long-term borrowing secured by property, plant and equipment, and accordingly the pledge of related property, plant and equipment was released. During the current interim period, the Group obtained new bank loans to be secured by certain of the Group's assets under construction. As of 30 June 2013, the related pledge registration is still under progress.

12. Other non-current assets

	At 30 June 2013 RMB million (Unaudited)	<i>At 31 December 2012 RMB million (Audited) (Restated)</i>
Prepayments in connection with construction work, equipment purchases and others	17,204	11,659
Prepayment for mining projects	9,500	9,500
Loans to Shenhua Group and fellow subsidiaries	3,504	2,469
Long-term entrusted loans to an associate of the Group	637	657
Goodwill	951	951
Others	146	146
	31,942	25,382

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

13. Lease prepayments

Lease prepayments represent amounts paid to the PRC's government authorities for land use rights held by the Group. The Group is in the process of applying certain land use rights certificates with an aggregate carrying amount of RMB1,688 million as at 30 June 2013 (31 December 2012: RMB2,681 million). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use the above mentioned lands.

14. Inventories

	At 30 June 2013 RMB million (Unaudited)	<i>At 31 December 2012 RMB million (Audited)</i>
Coal	5,566	4,697
Materials and supplies	11,690	9,190
Others (note)	1,390	1,284
	18,646	15,171

Note: Others mainly represent properties held for sale and properties under development.

15. Accounts and bills receivable

	At 30 June 2013 RMB million (Unaudited)	<i>At 31 December 2012 RMB million (Audited)</i>
Accounts receivable		
Shenhua Group and fellow subsidiaries	2,235	1,226
Associates	200	7
Third parties	22,937	17,980
	25,372	19,213
Less: allowance for doubtful debts	(90)	(93)
	25,282	19,120
Bills receivable	1,336	908
	26,618	20,028

Bills receivable were issued by PRC banks and are expiring within one year.

The Group allows an average credit period up to 60 days to its customers with established trading history, otherwise sales on cash terms are required.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

15. Accounts and bills receivable (continued)

The following is an analysis of accounts and bills receivable by age, net of allowance for doubtful debts, presented based on invoice date, which approximated revenue recognition date.

	At 30 June 2013 RMB million (Unaudited)	<i>At 31 December 2012 RMB million (Audited)</i>
Less than one year	26,447	19,926
One to two years	105	67
Two to three years	31	20
More than three years	35	15
	26,618	20,028

16. Prepaid expenses and other current assets

	At 30 June 2013 RMB million (Unaudited)	<i>At 31 December 2012 RMB million (Audited)</i>
Fair value of derivative financial instruments	155	324
Trading debt securities	394	395
Prepaid expenses and deposits	3,159	3,989
Loans and advances to Shenhua Group and fellow subsidiaries	11,352	5,120
Amounts due from associates	357	341
Advances to staff	73	65
Other receivables	6,518	4,246
	22,008	14,480

17. Cash and cash equivalents

Cash and cash equivalents in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows comprise cash on hand, cash at banks and time deposits with original maturity within three months.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

18. Borrowings

An analysis of the Group's current borrowings and non-current borrowings are as follows:

	At 30 June 2013 RMB million (Unaudited)	<i>At 31 December 2012 RMB million (Audited)</i>
Current borrowings:		
Short-term banks and other borrowings	15,158	21,844
Current portion of long-term bank borrowings	4,609	6,249
	19,767	28,093
Non-current borrowings:		
Long-term bank borrowings, less current portion	40,754	39,624
	60,521	67,717
Secured	9,426	11,456
Unsecured	51,095	56,261
	60,521	67,717
Carrying amount repayable:		
Within one year	19,767	28,093
More than one year, but not exceeding two years	5,342	8,882
More than two years, but not exceeding five years	14,285	10,607
More than five years	21,127	20,135
	60,521	67,717

19. Accounts and bills payable

	At 30 June 2013 RMB million (Unaudited)	<i>At 31 December 2012 RMB million (Audited)</i>
Accounts payable		
Shenhua Group, an associate of Shenhua Group and fellow subsidiaries	1,512	1,067
Associates	560	251
Third parties	27,383	29,231
	29,455	30,549
Bills payable	864	523
	30,319	31,072

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

19. Accounts and bills payable (continued)

The following is an aging analysis of accounts and bills payable, presented based on the invoice date.

	At 30 June 2013 RMB million (Unaudited)	<i>At 31 December 2012 RMB million (Audited)</i>
Less than one year	27,267	27,437
One to two years	1,914	2,924
Two to three years	816	444
More than three years	322	267
	30,319	31,072

20. Accrued expenses and other payables

	At 30 June 2013 RMB million (Unaudited)	<i>At 31 December 2012 RMB million (Audited)</i>
Accrued staff wages and welfare benefits	5,151	3,908
Accrued interest payable	439	367
Taxes payable other than income tax	3,730	6,137
Dividends payable	20,616	2,510
Receipts in advances	5,123	4,569
Deposits from Shenhua Group and fellow subsidiaries	15,723	18,944
Other accrued expenses and payables	9,293	4,988
	60,075	41,423

21. Long-term payables

Long-term payables mainly represent payables for acquisition of mining rights which are to be settled over the period of production or under fixed payment schedules set out in the contracts on an annual basis. The annual payment is determined by fixed rates on a per tonne basis with reference to the annual production volume of the acquired mines or annual fixed amounts stipulated in the acquisition agreements.

22. Accrued reclamation obligations

The accrual for reclamation costs has been determined based on management's best estimates. However, so far as the effect on the land from current mining activities becomes apparent in future periods, the estimate of the associated costs may be subject to change in the near future. Accordingly, the actual costs and cash flows may differ from estimates. The Directors believe that the accrued reclamation obligations at 30 June 2013 are adequate and appropriate.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

23. Share capital

	At 30 June 2013 RMB million (Unaudited)	<i>At 31 December 2012 RMB million (Audited)</i>
Registered, issued and fully paid:		
16,491,037,955 domestic listed A shares of RMB1.00 each	16,491	16,491
3,398,582,500 H shares of RMB1.00 each	3,399	3,399
	19,890	19,890

The Company was incorporated on 8 November 2004 with a registered share capital of 15,000,000,000 domestic state-owned ordinary shares with a par value of RMB1.00 each. Such shares were issued to Shenhua Group in consideration for the assets and liabilities transferred from Shenhua Group.

In 2005, the Company issued 3,089,620,455 H shares with a par value of RMB1.00 each, at a price of HKD7.50 per H share by way of a global initial public offering. In addition, 308,962,045 domestic state-owned ordinary shares of RMB1.00 each owned by Shenhua Group were converted into H shares.

In 2007, the Company issued 1,800,000,000 A shares with a par value of RMB1.00 each at a price of RMB36.99 per A share in the PRC.

Pursuant to CaiQi 2009 No.94 "Policy regarding transfer of certain state-owned shares to Social Security Fund in domestic securities market" and Pronouncement of 2009 No.63 "Notice of implementation of transfer of state-owned shares in domestic securities market" issued by the relevant government authorities on 19 June 2009, 180,000,000 A shares of the Company previously held by Shenhua Group have been transferred to the National Council for Social Security Fund.

All A shares and H shares rank pari passu in all material aspects.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

24. Commitments and contingent liabilities

(a) Capital commitments

As at 30 June 2013, the Group had capital commitments for land and buildings, equipment and investments as follows:

	At 30 June 2013	<i>At 31 December 2012</i>
	RMB million (Unaudited)	<i>RMB million (Audited)</i>
Authorised and contracted for		
– Land and buildings	33,132	31,127
– Machinery and others	34,011	32,399
– Investment in an associate	–	44
	67,143	63,570
Authorised but not contracted for		
– Land and buildings	205,934	193,727
– Machinery and others	102,372	118,670
	308,306	312,397
	375,449	375,967

(b) Operating lease commitments – the Group as lessee

As at 30 June 2013, the Group had commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	At 30 June 2013	<i>At 31 December 2012</i>
	RMB million (Unaudited)	<i>RMB million (Audited)</i>
Within one year	45	90
After one year but within five years	21	72
After five years	–	56
	66	218

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

24. Commitments and contingent liabilities (continued)

(c) Financial guarantees issued

At 30 June 2013, the Group had issued certain guarantees in respect of certain banking facilities granted to an entity which the Group held less than 20% equity interest and an associate of the Group. The maximum amount guaranteed are RMB207 million (31 December 2012: RMB207 million) and RMB60 million (31 December 2012: RMB68 million) respectively.

(d) Legal contingencies

The Group is the defendant in certain lawsuits as well as the plaintiff in other proceedings arising in the ordinary course of business. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, management believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group.

(e) Environmental contingencies

To date, the Group has not incurred any significant expenditure for environmental remediation, is currently not involved in any environmental remediation, and apart from the provision for land reclamation costs, has not accrued any further amounts for environmental remediation relating to its operations. Under the existing legislation, management believes that there are no probable liabilities that will have a material adverse effect on the financial position or operating results of the Group. The regulatory bodies, however, have moved, and may move further towards the adoption of more stringent environmental standards. Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include (i) the exact nature and extent of the contamination at various sites including, but not limited to coal mines and land development areas, whether operating, closed or sold; (ii) the extent of required cleanup efforts; (iii) varying costs of alternative remediation strategies; (iv) changes in environmental remediation requirements; and (v) the identification of new remediation sites. The amount of such future cost is indeterminable due to such factors as the unknown magnitude of possible contamination and the unknown timing and extent of the corrective actions that may be required. Accordingly, the outcome of environmental liabilities under future environmental legislation cannot reasonably be estimated at present, and could be material.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

25. Fair value measurement of financial instruments

As of 30 June 2013, the Group has trading debt securities and interest rate and cross currency interest rate swaps (all classified as held for trading financial instruments) measured at fair value of RMB394 million and RMB155 million, respectively. The different levels of fair value measurements have been defined as follows:

- Level 1 are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Level 1 fair value of trading debt securities is measured at quoted bid prices in the relevant active market.

The Level 2 fair value of the cross currency interest rate swaps is measured using discounted cash flow method where the future cash flows are estimated based on forward foreign currency and interest rates from observable yield curves at the end of the reporting period and contracted exchange rate and interest rate, discounted at a rate that reflects the credit risk of various relevant counterparties.

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values:

	At 30 June 2013		<i>At 31 December 2012</i>	
	Carrying amount	Fair value	<i>Carrying amount</i>	<i>Fair value</i>
	RMB million	RMB million	<i>RMB million</i>	<i>RMB million</i>
	(Unaudited)	(Unaudited)	<i>(Audited)</i>	<i>(Audited)</i>
Financial liabilities:				
Fixed rate bank loans	15,661	13,314	14,196	12,114

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

26. Related party transactions

(a) Transactions with Shenhua Group, an associate of Shenhua Group, fellow subsidiaries and associates of the Group

The Group had the following transactions with Shenhua Group, an associate of Shenhua Group, fellow subsidiaries and associates of the Group that were carried out in the normal course of business:

		Six months ended 30 June	
		2013	2012
		RMB million	RMB million
		(Unaudited)	(Unaudited)
Interest income	(i)	297	243
Income from entrusted loans	(ii)	23	26
Interest expense	(iii)	166	129
Purchases of ancillary materials and spare parts	(iv)	930	583
Ancillary and social services	(v)	47	19
Transportation service income	(vi)	298	253
Transportation service expense	(vii)	36	35
Sale of coal	(viii)	2,793	2,253
Purchase of coal	(ix)	3,460	2,146
Property leasing	(x)	9	10
Repairs and maintenance service expense	(xi)	22	16
Coal export agency expense	(xii)	18	13
Purchase of equipment and construction work	(xiii)	891	813
Other income	(xiv)	2,115	643
Granting of loans	(xv)	8,180	6,423
Repayments of loans	(xvi)	894	4,808
Deposits (paid) received	(xvii)	(3,221)	4,082

- (i) Interest income represents interest earned from loans to Shenhua Group and fellow subsidiaries and is included in "revenue-other revenue" of the Group (Note 4). The applicable interest rate is determined in accordance with the prevailing borrowings rates published by the People's Bank of China ("PBOC").
- (ii) Income from entrusted loans represents interest earned from entrusted loans to an associate of the Group. The applicable interest rate is determined in accordance with the prevailing bank interest rates published by PBOC.
- (iii) Interest expense represents interest incurred from deposits placed by Shenhua Group and fellow subsidiaries and is included in "cost of sales-others" of the Group (Note 5). The applicable interest rate is determined in accordance with the prevailing interest rates published by PBOC.
- (iv) The balance represents purchases of ancillary materials and spare parts from fellow subsidiaries.
- (v) The balance represents expenditures for social welfare and support services such as property management, water and electricity supply, and canteen expense paid to fellow subsidiaries.
- (vi) Transportation service income represents income earned from fellow subsidiaries in respect of coal transportation services.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

26. Related party transactions (continued)

(a) Transactions with Shenhua Group, an associate of Shenhua Group, fellow subsidiaries and associates of the Group (continued)

- (vii) Transportation service expense represents expense related to coal transportation service provided by a fellow subsidiary.
- (viii) Sale of coal represents income from sale of coal to fellow subsidiaries and an associate of the Group.
- (ix) Purchase of coal represents coal purchased from fellow subsidiaries and an associate of Shenhua Group.
- (x) Property leasing represents rental paid or payable in respect of properties leased from fellow subsidiaries.
- (xi) Repairs and maintenance service expense represents expense related to machinery repairs and maintenance services provided by fellow subsidiaries.
- (xii) Coal export agency expense represents expense related to coal export agency services provided by a fellow subsidiary.
- (xiii) Purchase of equipment and construction work represents expenditure related to equipment and construction service provided by fellow subsidiaries.
- (xiv) Other income includes agency income, repairs and maintenance service income, sales of ancillary materials and spare parts, management fee income, sale of water and electricity, financial service income, etc.
- (xv) Granting of loans represents loans granted by Shenhua Finance Co., Ltd. ("Shenhua Finance") to Shenhua Group and fellow subsidiaries.
- (xvi) Repayment of loans represents loans repaid by Shenhua Group and fellow subsidiaries to Shenhua Finance.
- (xvii) Deposits (paid) received represents net deposits received or paid to Shenhua Finance from Shenhua Group and fellow subsidiaries.

The Directors are of the opinion that the above transactions with related parties were conducted in the ordinary course of business and in accordance with the agreements governing such transactions.



Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

26. Related party transactions (continued)

(a) Transactions with Shenhua Group, an associate of Shenhua Group, fellow subsidiaries and associates of the Group (continued)

The amounts due from/to Shenhua Group, an associate of Shenhua Group, fellow subsidiaries and associates of the Group are as follows:

	Shenhua Group, an associate of Shenhua Group and fellow subsidiaries		Associates of the Group	
	At 30 June 2013 RMB million (Unaudited)	<i>31 December 2012 RMB million (Audited)</i>	At 30 June 2013 RMB million (Unaudited)	<i>31 December 2012 RMB million (Audited)</i>
Accounts receivable	2,235	1,226	200	7
Prepaid expenses and other current assets	11,746	5,515	357	341
Other non-current assets	3,517	2,545	637	657
	17,498	9,286	1,194	1,005
Borrowings	600	613	–	–
Accounts payable	1,512	1,067	560	251
Accrued expenses and other payables	16,811	19,810	–	–
	18,923	21,490	560	251

Other than that disclosed in Notes 26(a)(i), 26(a)(ii) and 26(a)(iii) above, the amounts due from/to Shenhua Group, an associate of Shenhua Group, fellow subsidiaries and associates of the Group bear no interest, are unsecured and repayable in accordance with the terms of the agreements or on demand.

(b) Compensation of key management personnel

The remuneration of Directors and other members of key management personnel during the period was as follows:

	Six months ended 30 June	
	2013 RMB million (Unaudited)	<i>2012 RMB million (Unaudited)</i>
Short-term employee benefits	4	3
Post-employment benefits	1	1
	5	4
Fair value gain on revaluation of share appreciation rights	–	(1)

The above remuneration is included in “personnel expenses” as disclosed in Note 8.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

26. Related party transactions (continued)

(c) Contributions to post-employment benefit plans

The Group participates in various defined contribution post-employment benefit plans organised by municipal and provincial governments for its employees. Further details of the Group's post-employment benefit plans are disclosed in Note 27.

(d) Transactions with other government-related-entities in the PRC

The Company is ultimately controlled by the PRC government and the Group operates in an economic environment currently predominated by entities controlled, jointly controlled or significantly influenced by the PRC government ("government-related-entities").

Other than those transactions with Shenhua Group, an associate of Shenhua Group, fellow subsidiaries and associates of the Group as disclosed above, the Group conducts business with other government-related-entities which include but are not limited to the following:

- Power sales;
- Sales and purchases of coal;
- Transportation services;
- Construction work;
- Purchases of ancillary materials and spare parts;
- Ancillary and social services; and
- Financial services arrangements.

These transactions are conducted in the ordinary course of the business on terms comparable to those with other entities that are not government-related. The Group has established its pricing policies in respect of sale of goods and provision of services, and approval process for purchases of products and services. Such policies and approval process apply to all counter-parties regardless of whether the counterparty is government-related or not.

Having considered the potential impact of the Group's pricing strategy and approval process on the transaction with the government-related-entities, the Directors are of the opinion that the disclosure of the following information are required:



Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

26. Related party transactions (continued)

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

- (i) Transactions with other government-related entities, including state-controlled banks in the PRC

	<i>Six months ended 30 June</i>	
	2013 RMB million (Unaudited)	2012 RMB million (Unaudited)
Coal revenue	54,531	53,829
Power revenue	35,478	34,547
Transportation costs	7,026	6,538
Interest income	318	367
Interest expenses	1,488	1,707

- (ii) Balances with other government-related entities, including state-controlled banks in the PRC

	At 30 June 2013 RMB million (Unaudited)	At 31 December 2012 RMB million (Audited)
	Accounts receivable	15,681
Cash and time deposits at banks	30,285	55,347
Restricted bank deposits	6,085	6,068
Borrowings	46,573	65,648
Accrued expenses and other payables	1,136	–

27. Employee benefits plan

As stipulated by the regulations of the PRC, the Group participates in various defined contribution retirement plans organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans at 20% of the salaries, bonuses and certain allowances of the employees. A member of the plan is entitled to a pension equal to a fixed proportion of the salary prevailing at the member's retirement date. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above. The Group's contributions for the six months ended 30 June 2013 were RMB1,200 million (six months ended 30 June 2012: RMB987 million).

On 19 November 2005, the Company's Board of Directors approved a scheme of share appreciation rights for the senior management of the Group with a term of 10 years with effect from 15 June 2005. No shares will be issued under this scheme. The rights were granted in units with each unit representing one H share of the Company.

The rights to the units will have an exercise period of six years from the date of grant and can be exercised after the second, third and fourth anniversary of the date of grant and the total number of the rights exercised by an individual may not in aggregate exceed one-third, two-thirds and 100% respectively, of the total rights granted to the individual.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

27. Employee benefits plan (continued)

Upon exercise of the said rights, the exercising participant will, subject to the restrictions under the scheme, receive a payment in RMB, after deducting any applicable withholding tax, equal to the product of the number of rights exercised and the difference between the exercise price and market price of the H shares of the Company at the time of exercise. The exercise price of granted share appreciation rights as approved by the Board of Directors outstanding as at 30 June 2013 was HKD33.80 (31 December 2012: HKD33.80).

The number of granted share appreciation rights outstanding is set out below:

	At 30 June 2013	<i>At 31 December 2012</i>
	Million shares	<i>Million shares</i>
At the beginning of the period/year	1.5	2.0
Exercised during the period/year	–	(0.3)
Forfeited during the period/year	–	(0.2)
At the end of the period/year	1.5	1.5

28. Segment and other information

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

- (1) Coal operations – which produces coal from surface and underground mines, and the sale of coal to external customers and the power segment. The Group sells its coal under long-term coal supply contracts and at spot market. The long-term coal supply contracts typically allow the parties to make annual price adjustments.
- (2) Power operations – which uses coal, sourced from the coal segment and purchased from external suppliers, to generate electric power for sale to external power grid companies and to the coal segment. Electric power is sold to the power grid companies in accordance with planned power output at the tariff rates as approved by the relevant government authorities. Electric power produced in excess of the planned power output is sold at the tariff rate as agreed upon with the respective power grid companies which are generally lower than the tariff rates for planned power output.
- (3) Railway operations – which provides railway transportation services to the coal segment and external customers. The rates of freight charges billed to the coal segment and external customers are consistent and do not exceed the maximum amounts approved by the relevant government authorities.
- (4) Port operations – which provides loading, transportation and storage services to the coal segment and external customers. The Group charges service fees and other expenses, which are reviewed and approved by the relevant government authorities.
- (5) Shipping operations – which provides shipment transportation services to the power segment, the coal segment and external customers. The rates of freight charges billed to the power segment, the coal segment and external customers are consistent.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

28. Segment and other information (continued)

(a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment based on profit before income tax ("reportable segment profit"). Segment profit represents the profit earned by each segment without allocation of head office and corporate items. Inter-segment sales are charged at prevailing market rate which are the same as those charged to external customers.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2013 and 2012 is set out below.

	Six months ended 30 June											
	Coal		Power		Railway		Port		Shipping		Segment total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
	million	million	million	million	million	million	million	million	million	million	million	million
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Revenue from												
external customers	87,474	82,484	36,868	35,768	1,557	1,491	81	72	948	1,282	126,928	121,097
Inter-segment revenue	16,767	16,847	232	259	12,860	10,821	1,728	1,464	822	869	32,409	30,260
Reportable segment revenue	104,241	99,331	37,100	36,027	14,417	12,312	1,809	1,536	1,770	2,151	159,337	151,357
Reportable segment profit	21,091	24,965	7,611	5,067	7,216	5,136	709	345	72	360	36,699	35,873
Including:												
Finance costs	(211)	(269)	(1,059)	(1,418)	422	(111)	(71)	(101)	(9)	(11)	(928)	(1,910)
Depreciation and amortisation	(2,795)	(3,287)	(4,456)	(3,981)	(1,228)	(1,186)	(297)	(343)	(45)	(47)	(8,821)	(8,844)
Share of results of associates	59	105	192	54	-	-	5	5	-	-	256	164

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

28. Segment and other information (continued)

(b) Reconciliations of reportable segment revenue and profit or loss

	Six months ended 30 June	
	2013 RMB million (Unaudited)	2012 RMB million (Unaudited)
Revenue:		
Reportable segment revenue	159,337	151,357
Elimination of inter-segment revenue	(32,409)	(30,260)
Unallocated head office and corporate items	298	371
Consolidated revenue	127,226	121,468
Profit before income tax:		
Reportable segment profit	36,699	35,873
Elimination of inter-segment profits	(158)	(282)
Unallocated head office and corporate items	(213)	639
Consolidated profit before income tax	36,328	36,230

(c) Reconciliations of finance costs, depreciation and amortisation and share of results of associates

	Six months ended 30 June	
	2013 RMB million (Unaudited)	2012 RMB million (Unaudited) (Restated)
Finance costs:		
Reportable segment finance costs	(928)	(1,910)
Elimination of inter-segment finance costs	589	254
Unallocated head office and corporate items	(837)	(72)
Consolidated finance costs	(1,176)	(1,728)
Depreciation and amortisation:		
Reportable segment depreciation and amortisation	(8,821)	(8,844)
Unallocated head office and corporate items	(66)	(65)
Consolidated depreciation and amortisation	(8,887)	(8,909)
Share of results of associates:		
Reportable segment share of results of associates	256	164
Unallocated head office and corporate items	9	10
Consolidated share of results of associates	265	174

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

28. Segment and other information (continued)

(d) Other information

Certain other information of the Group's reportable segments for the six months ended 30 June 2013 and 2012 is set out below:

		Six months ended 30 June																	
		Coal		Power		Railway		Port		Shipping		Segment total		Unallocated items		Eliminations		Consolidated	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
		RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
		million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million
		(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Coal purchased		36,023	33,829	-	-	-	-	-	-	-	-	36,023	33,829	-	-	-	-	36,023	33,829
Cost of coal production		20,247	19,085	-	-	-	-	-	-	-	-	20,247	19,085	-	-	(4,878)	(5,521)	15,369	13,564
Cost of coal transportation		19,761	17,958	-	-	6,021	5,669	851	904	774	708	27,407	25,239	-	-	(20,411)	(18,395)	6,996	6,844
Power cost		-	-	27,323	28,380	-	-	-	-	-	-	27,323	28,380	-	-	(7,052)	(6,251)	20,271	22,129
Others		5,031	1,649	413	364	918	941	49	51	892	1,100	7,303	4,105	68	49	-	-	7,371	4,154
Total cost of sales		81,062	72,521	27,736	28,744	6,939	6,610	900	955	1,666	1,808	118,303	110,638	68	49	(32,341)	(30,167)	86,030	80,520
Profit (loss) from operations (note (i))		21,130	24,956	8,298	6,390	6,945	5,237	752	442	67	291	37,192	37,316	(31)	34	(236)	(126)	36,925	37,224
		Coal		Power		Railway		Port		Shipping		Segment total		Unallocated items		Eliminations		Consolidated	
		At 30	At 31	At 30	At 31	At 30	At 31	At 30	At 31	At 30	At 31	At 30	At 31	At 30	At 31	At 30	At 31	At 30	At 31
		June	December	June	December	June	December	June	December	June	December	June	December	June	December	June	December	June	December
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
		RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
		million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million
Segment assets (note (ii))		284,908	259,595	166,047	153,240	88,616	83,411	18,156	16,442	5,628	5,394	563,355	518,082	311,297	291,291	(398,347)	(352,006)	476,305	457,367
Segment liabilities (note (iii))		(126,079)	(124,916)	(102,383)	(99,668)	(45,489)	(43,349)	(9,660)	(8,161)	(1,308)	(1,082)	(284,919)	(277,176)	(199,309)	(170,639)	324,769	297,005	(159,459)	(150,810)

Notes:

- Profit (loss) from operations represents the revenue less cost of sales, selling, general and administrative expenses, and impairment losses on current and non-current assets, net.
- Unallocated items of total assets include deferred tax assets and other unallocated corporate assets. Unallocated items of total liabilities include deferred tax liabilities and other unallocated corporate liabilities.

Notes to the condensed consolidated financial statements (continued)

for the six months ended 30 June 2013

29. Restatement of comparative figures

The presentation of certain financial statements line items has been changed for better understanding. Accordingly, the comparative amounts have been reclassified to conform with the current period's presentation. These reclassifications have no impact to the Group's results of operation, and are mainly as follows:

- (i) Business taxes and surcharges are reclassified from selling, general and administrative expenses to cost of sales.
- (ii) Exploration rights and long-term deferred expenses are reclassified from intangible assets to exploration and evaluation assets and other non-current assets, respectively.
- (iii) Interest received and interest paid are reclassified from operating activities to investing and financing activities, respectively.

	<i>As previously stated</i> RMB million	<i>Reclassifications</i> RMB million	<i>Restated</i> RMB million
Condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2012:			
Cost of sales	(78,505)	(2,015)	(80,520)
Selling, general and administrative expenses	(5,739)	2,015	(3,724)
Interest income	–	444	444
Finance costs	(1,284)	(444)	(1,728)
Condensed consolidated statement of financial position as at 31 December 2012:			
Intangible assets	3,781	(3,490)	291
Other non-current assets	24,614	768	25,382
Exploration and evaluation assets	–	2,722	2,722
Condensed consolidated statement of cash flows for the six months ended 30 June 2012:			
Net cash generated from (used in):			
Operating activities	33,922	1,458	35,380
Investing activities	(19,438)	444	(18,994)
Financing activities	(24,146)	(1,902)	(26,048)

Documents Available for Inspection

1. The financial statements signed and sealed by the legal representative, the Chief Financial Officer and the General Manager of the Financial Department;
2. The original copy of the review report sealed by the accounting firm and signed and sealed by the certified public accountant;
3. The original copies of all documents and announcements of the Company publicly disclosed on the website designated by the CSRC during the reporting period;
4. The interim report for the year 2013 published on the website of The Stock Exchange of Hong Kong Limited.

Zhang Xiwu

Chairman

China Shenhua Energy Company Limited

23 August 2013

Signing Page for Opinions

Written Confirmation to the 2013 Interim Report

Article 68 of the Securities Law of the People's Republic of China requires that the directors of a listed company shall sign a written confirmation to its regular report, and guarantee the truthfulness, accuracy and completeness of the information disclosed by the listed company.

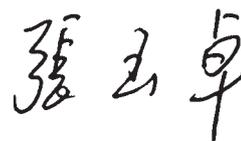
Article 11 of the Standards Concerning the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 3 – The Contents and Formats of Interim Report (Revised edition 2013) requires that the board of directors of a listed company and its directors shall guarantee the truthfulness, accuracy and completeness of the content of its interim report and warrant that the report does not contain any false representation, misleading statement or material omission, and shall jointly and severally accept full legal responsibility for this warrant. If there is any director who disagrees with the content of the interim report or is unable to guarantee the truthfulness, accuracy and completeness of the interim report, his reasons shall be stated separately.

Having fully understood and reviewed the 2013 Interim Report of the Company, the board of directors and all directors guarantee that the information in the 2013 Interim Report is true, accurate and complete, does not contain any false representation, misleading statement or material omission, and jointly and severally accept full responsibility.

Signature of all directors of the Company:



(Zhang Xiwu)



(Zhang Yuzhuo)



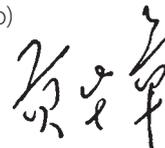
(Ling Wen)



(Han Jianguo)



(Fan Hsu Lai Tai)



(Gong Huazhang)



(Guo Peizhang)



(Kong Dong)



(Chen Hongsheng)

China Shenhua Energy Company Limited

23 August 2013

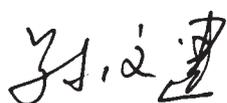
Written Confirmation to the 2013 Interim Report

Article 68 of the Securities Law of the People's Republic of China requires that the supervisory committee of a listed company shall sign a written confirmation to its regular report, and guarantee the truthfulness, accuracy and completeness of the information disclosed by the listed company.

Article 11 of the Standards Concerning the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 3 – The Contents and Formats of Interim Report (Revised edition 2013) requires that the supervisory committee of a listed company and its supervisors shall guarantee the truthfulness, accuracy and completeness of the content of its interim report and warrant that the report does not contain any false representation, misleading statement or material omission, and shall jointly and severally accept full legal responsibility for this warrant. If there is any supervisor who disagrees with the content of the interim report or is unable to guarantee the truthfulness, accuracy and completeness of the interim report, his reasons shall be stated separately.

Having fully understood and reviewed the 2013 Interim Report of the Company, the supervisory committee and all supervisors guarantee that the information in the 2013 Interim Report is true, accurate and complete, does not contain any false representation, misleading statement or material omission, and jointly and severally accept full responsibility.

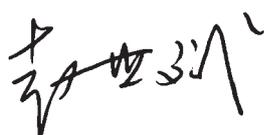
Signature of all supervisors of the Company:



(Sun Wenjian)



(Tang Ning)



(Zhao Shibin)

China Shenhua Energy Company Limited

23 August 2013

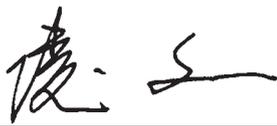
Written Confirmation to the 2013 Interim Report

Article 68 of the Securities Law of the People's Republic of China requires that the senior management of a listed company shall sign a written confirmation to its regular report, and guarantee the truthfulness, accuracy and completeness of the information disclosed by the listed company.

Article 11 of the Standards Concerning the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 3 – The Contents and Formats of interim Report (Revised edition 2013) requires that the senior management of a listed company shall guarantee the truthfulness, accuracy and completeness of the content of its interim report and warrant that the report does not contain any false representation, misleading statement or material omission, and shall jointly and severally accept full legal responsibility for this warrant. If there is any senior management member who disagrees with the content of the interim report or is unable to guarantee the truthfulness, accuracy and completeness of the interim report, his reasons shall be stated separately.

Having fully understood and reviewed the 2013 Interim Report of the Company, all senior management members of the Company guarantee that the information in the 2013 Interim Report is true, accurate and complete, does not contain any false representation, misleading statement or material omission, and jointly and severally accept full responsibility.

Signature of all senior management members of the Company:



(Ling Wen)



(Han Jianguo)



(Wang Xiaolin)



(Li Dong)



(Hao Gui)



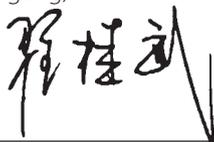
(Xue Jilian)



(Wang Pingang)



(Wang Jinli)



(Zhai Guiwu)



(Huang Qing)



(Zhang Kehui)

Definition

No.	Abbreviation	Full name
1	Shenhua Group Corporation	Shenhua Group Corporation Limited
2	Shenhua Group	Shenhua Group Corporation Limited and its controlling subsidiaries
3	China Shenhua or the Company	China Shenhua Energy Company Limited
4	The Group	the Company and its subsidiaries
5	Branches and Subsidiaries	Branches and subsidiaries of the Company
6	Shendong Coal Group Corporation	Shenhua Shendong Coal Group Co., Ltd.
7	Shendong Coal Group	the corporation conglomerate consisting of Shenhua Shendong Coal Group Co., Ltd. and its subsidiaries
8	Shendong Coal Group	China Shenhua Energy Company Limited Shendong Coal Branch
9	Guohua Power Branch	Guohua Power Branch of the Company
10	Guohua Power	Beijing Guohua Power Company Limited
11	Shenhua Guoneng Group	Shenhua Guoneng Group Co., Ltd.
12	Shendong Power Company	Shenhua Shendong Power Co., Ltd.
13	Coal Liquefaction and Chemical Company	China Shenhua Coal Liquefaction and Chemical Co., Ltd.
14	Zhunge'er Energy Company	Shenhua Zhunge'er Energy Co., Ltd.
15	Ha'erwusu Branch	Ha'erwusu Coal Branch of the Company
16	Zhunge'er Power	Power-generating arm controlled and operated by Zhunge'er Energy Company
17	Zhunchi Railway	Shenhua Zhunchi Railway Company Limited
18	Shuohuang Railway Company	Shuohuang Railway Development Co., Ltd.
19	Shenhua Trading Group	Shenhua Trading Group Limited
20	Coal Trading Company	Shenhua Coal Trading Company Limited
21	Shenshuo Railway Branch	Shenshuo Railway Branch of the Company
22	Huanghua Harbour Administration Company	Shenhua Huanghua Harbour Administration Co., Ltd.
23	Baoshen Railway Company	Shenhua Baoshen Railway Co., Ltd.
24	Xinzhun Railway Company	Shenhua Xinzhun Railway Co., Ltd.
25	Baotou Energy Company	Shenhua Baotou Energy Co., Ltd.
26	Shenbao Energy Company	Shenhua Baorixile Energy Co., Ltd.
27	Rolling Stock Branch	Rolling Stock Branch of the Company
28	Beidian Shengli Energy	Shenhua Beidian Shengli Energy Co., Ltd.
29	Shengli Energy Branch	Shengli Energy Branch of the Company
30	Tianjin Coal Dock	Shenhua Tianjin Coal Dock Co., Ltd.
31	Zhuhai Coal Dock	Shenhua Yudean Zhuhai Port Coal Dock Co., Ltd.
32	Overseas Company	China Shenhua Overseas Development & Investment Co., Ltd.
33	Yu Shen Energy Company	Yulin Shenhua Energy Co., Ltd.
34	Xinjie Energy Company	Shenhua Xinjie Energy Co., Ltd.

No.	Abbreviation	Full name
35	Bayannur Company	Shenhua Bayannur Energy Co., Ltd.
36	Shipping Company	Shenhua Zhonghai Shipping Co., Ltd.
37	Ganquan Railway Company	Shenhua Ganquan Railway Co., Ltd.
38	Shenwan Energy Company	Shenwan Energy Company Limited
39	Fujian Energy Company	Shenhua Fujian Energy Co., Ltd.
40	Shenhua Sichuan Energy Company or Bashu Power	Shenhua Sichuan Energy Company Limited, formerly known as Shenhua Bashu Power Co., Ltd.
41	Shenwei Branch	Railway Track Mechanical Maintenance Branch of the Company
42	Logistics Group	Shenhua Logistics Group Corporation Limited
43	Finance Company	Shenhua Finance Co., Ltd.
44	Shenhua HK Company	Shenhua International (Hong Kong) Company Limited
45	Geological Exploration Company	Shenhua Geological Exploration Co., Ltd.
46	Information Company	Shenhua Hollysys Information Technology Co., Ltd.
47	Australia Pty	Shenhua Australia Holdings Pty Limited
48	Watermark	Shenhua Watermark Coal Pty Limited
49	Chaijiagou Mining	Shaanxi Jihua Chaijiagou Mining Co., Ltd.
50	Clean Coal Company	Hulunbeier Shenhua Clean Coal Co., Ltd.
51	EMM Indonesia	PT.GH EMM INDONESIA
52	Beijing Thermal	Shenhua Guohua International Power Company Limited Beijing Thermal Power Branch
53	Panshan Power	Tianjin Guohua Panshan Power Generation Co., Ltd.
54	Sanhe Power	Sanhe Power Co., Ltd.
55	Guohua Zhunge'er	Inner Mongolia Guohua Zhunge'er Power Generation Co., Ltd.
56	Ninghai Power or Zheneng Power	Zhejiang Guohua Zheneng Power Generation Co., Ltd.
57	Shenmu Power	CLP Guohua Shenmu Power Co., Ltd.
58	Taishan Power	Guangdong Guohua Yudean Taishan Power Co., Ltd.
59	Huanghua Power or Cangdong Power	Hebei Guohua Cangdong Power Co., Ltd.
60	Suizhong Power	Suizhong Power Co., Ltd.
61	Jinjie Energy	Shaanxi Guohua Jinjie Energy Co., Ltd.
62	Dingzhou Power	Hebei Guohua Dingzhou Power Generation Co., Ltd.
63	Guohua Hulunbeier Power	Inner Mongolia Guohua Hulunbeier Power Generation Co., Ltd.
64	Taicang Power	Guohua Taicang Power Generation Co., Ltd.
65	Mengjin Power	Shenhua Guohua Mengjin Power Generation Co., Ltd.
66	Yuyao Power	Zhejiang Guohua Yuyao Gas-fired Power Co., Ltd.
67	Zhuhai Wind Energy	Zhuhai Guohua Huidafeng Wind Energy Development Co., Ltd.
68	Huizhou Thermal	Guohua Huizhou Thermal Power Branch of the Company
69	Zhunge'er Coal Gangue Power	Inner Mongolia Zhunge'er Coal Gangue Power Co., Ltd.



Definition

No.	Abbreviation	Full name
70	A Share(s)	Ordinary shares that are issued to domestic investors with the approval of CSRC and listed in the domestic stock exchanges, and denominated, subscribed and transacted in Renminbi
71	H Share(s)	Ordinary shares that are issued to foreign investors with the approval of CSRC and listed on the Hong Kong Stock Exchange, and denominated in Renminbi and subscribed and transacted in Hong Kong dollar
72	JORC	Australasian Code for Reporting of Mineral Resources and Ore Reserves sets out the standards, recommendations and guidelines for public reporting in Australasia of exploration results, mineral resources and ore reserves, a widely accepted code for reserve reporting purpose
73	Companies Law	Companies Law of the People's Republic of China
74	Securities Law	Securities Law of the People's Republic of China
75	SASAC	Stated-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China
76	NDRC	National Development and Reform Commission of the People's Republic of China
77	CSRC	China Securities Regulatory Commission
78	CSRC Beijing Bureau	China Securities Regulatory Commission Beijing Bureau
79	NSSF	National Council for Social Security Fund
80	SERC	State Electricity Regulatory Commission of the People's Republic of China
81	Shanghai Stock Exchange	Shanghai Stock Exchange
82	Hong Kong Stock Exchange or Stock Exchange	The Stock Exchange of Hong Kong Limited
83	Shanghai Listing Rules	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
84	Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
85	Accounting Standards for Business Enterprises	Accounting Standards for Business Enterprises – Basic Standard and 38 specific accounting standards issued by the Ministry of Finance of the People's Republic of China on 15 February 2006 and the Application Guidance to Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other related requirements subsequently issued
86	Articles of Association	Articles of Association of China Shenhua Energy Company Limited
87	Designated Newspapers for Information Disclosure	China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
88	RMB	Renminbi, unless otherwise specified