

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



# **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)**

### **FIRST QUARTERLY REPORT FOR THE YEAR 2015**

Pursuant to the rules and regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange, China Shenhua Energy Company Limited (the “Company” and together with its subsidiaries, collectively the “Group”) is required to announce this quarterly report.

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

The board of directors of the Company (the “Board”) is pleased to announce the results of the Group for the three months ended 31 March 2015 prepared in accordance with the International Financial Reporting Standards (“IFRSs”). Such results have not been audited or reviewed by the independent auditors.

#### **1. IMPORTANT NOTICE**

- 1.1 The Board and the supervisory committee of the Company together with the directors, supervisors and the senior management of the Company guarantee that the contents of the quarterly report are true, accurate and complete and do not contain any false representations, misleading statements or material omissions, and shall jointly and severally accept legal liability.
- 1.2 This report was adopted at the 7th meeting of the third session of the Board of the Company. Eight out of the eight eligible directors of the Company attended the meeting.

1.3 The financial statements of this report, which are prepared in accordance with IFRSs, have not been audited or reviewed. Please refer to section 2.2 of this report for the major differences between financial statements prepared in accordance with the Accounting Standards for Business Enterprises and those prepared in accordance with IFRSs.

1.4 Dr. Zhang Yuzhuo, Chairman of the Board of the Company, Dr. Zhang Kehui, Chief Financial Officer of the Company and Mr. Hao Jianxin, General Manager of Finance Department of the Company, guarantee the truthfulness, accuracy and completeness of the financial statements contained in this report.

## 2. MAJOR FINANCIAL AND OPERATING DATA AND CHANGES IN SHAREHOLDERS OF THE COMPANY

### 2.1 Major Financial Data

	<i>Unit: RMB million</i>		
	<b>31 March 2015</b>	31 December 2014	Percentage change (%)
Total assets	<b>551,463</b>	538,897	2.3
Total liabilities	<b>183,049</b>	177,298	3.2
Total equity	<b>368,414</b>	361,599	1.9
Equity attributable to equity holders of the Company	<b>303,530</b>	297,244	2.1
Equity attributable to equity holders per share	<b>15.26</b>	14.94	2.1
	<b>For the three months ended 31 March 2015</b>	For the three months ended 31 March 2014	Percentage change (%)
Revenue	<b>39,911</b>	60,929	(34.5)
Profit before income tax	<b>10,468</b>	16,200	(35.4)
Profit for the period	<b>8,498</b>	13,396	(36.6)
Profit attributable to equity holders of the Company	<b>6,445</b>	11,079	(41.8)
Basic earnings per share (RMB/share)	<b>0.324</b>	0.557	(41.8)
Net cash generated from operating activities	<b>9,995</b>	6,035	65.6
Net cash generated from operating activities excluding the impact of Shenhua Finance Company	<b>8,260</b>	7,582	8.9
Net cash generated from operating activities per share (RMB/share)	<b>0.50</b>	0.30	65.6

## 2.2 Major differences of financial statements prepared under different accounting standards

Item	<i>Unit: RMB million</i>			
	Net profit attributable to equity holders of the Company		Net assets attributable to equity holders of the Company	
	For the three months ended 31 March 2015	For the three months ended 31 March 2014	As at 31 March 2015	As at 31 March 2014
Under the Accounting Standards for Business Enterprises	5,690	10,373	297,975	291,789
Adjustment: Adjustments for simple production maintenance, production safety and other related expenditures	<u>755</u>	<u>706</u>	<u>5,555</u>	<u>5,455</u>
Under IFRSs	<u><u>6,445</u></u>	<u><u>11,079</u></u>	<u><u>303,530</u></u>	<u><u>297,244</u></u>

Note: Pursuant to the relevant regulations of the related government authorities in the PRC, provisions for simple production maintenance, safe production and other related expenditures are accrued by the relevant entities in profit or loss for the current period and separately recorded as a specific reserve in shareholders' equity. On utilization 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 recognized, and no provision for depreciation of the relevant assets will be made in subsequent periods. Under IFRSs, these expenses are recognized in profit or loss as and when incurred. Relevant capital expenditure is recognized 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.

## 2.3 Major operating data

Operational indicator	Unit	For the three months ended 31 March 2015	For the three months ended 31 March 2014	Change (%)
<b>(I) Coal</b>				
1. Commercial coal production	million tonnes	<b>69.3</b>	79.9	(13.3)
2. Coal sales	million tonnes	<b>72.8</b>	109.5	(33.5)
of which: Export	million tonnes	<b>0.3</b>	0.6	(50.0)
Import	million tonnes	<b>0.0</b>	1.1	(100.0)
<b>(II) Power generation</b>				
1. Gross power generation	billion kwh	<b>47.65</b>	51.56	(7.6)
2. Total power output dispatch	billion kwh	<b>44.40</b>	48.04	(7.6)
<b>(III) Coal chemical</b>				
1. Sales of polyethylene	kilo tonnes	<b>83.4</b>	83.4	0.0
2. Sales of polypropylene	kilo tonnes	<b>72.3</b>	86.3	(16.2)
<b>(IV) Transportation</b>				
1. Turnover of self-owned railway	billion tonne km	<b>43.4</b>	50.1	(13.4)
2. Seaborne coal	million tonnes	<b>33.8</b>	53.3	(36.6)
of which: At Huanghua Port	million tonnes	<b>17.0</b>	28.9	(41.2)
At Shenhua Tianjin Coal Dock	million tonnes	<b>7.3</b>	7.8	(6.4)
3. Shipment volume	million tonnes	<b>19.4</b>	23.3	(16.7)
4. Shipment turnover	billion tonne nautical miles	<b>15.6</b>	20.0	(22.0)

*Note:* For the three months ended 31 March 2015, the sales volume of imported coal amounted to 31.5 thousand tonnes. It was recorded as 0 million tonnes after adjusting the unit to “million tonnes”

In the first quarter of 2015, the coal sales of the Company decreased by 33.5% year-on-year, being mainly attributed to: first, continuing weak downstream demand due to the slowdown in domestic economic growth in the first quarter; second, industrial activities had not fully recovered in March due to the late Chinese New Year; third, higher volume of coal transported by automobiles in some regions; and fourth, relative competitiveness of imported coal in the eastern coastal markets. The total power output dispatch decreased by 7.6% year-on-year, being mainly attributed to: first, continuing sluggish growth in electricity demand in society; second, effects of replacement by hydropower and other new energies; and third, impacts on the coastal markets of the Company in the south-eastern regions arising from transmission of electricity from the western regions to the eastern regions.

## 2.4 Total number of shareholders, shareholding of top ten shareholders and top ten circulating shares shareholders (or shareholders not subject to selling restrictions) at the end of the reporting period

*Unit: number of shares*

Total number of shareholders	319,922
Including: number of holders of A shares	317,446
number of registered holders of H shares	2,476

### Shareholding of top ten shareholders

Name of shareholder	Number of shares held at the end of the period	Percentage (%)	Pledged or frozen		Nature of shareholder
			Status	Number of shares	
Shenhua Group Corporation Limited	14,521,846,560	73.01	Nil	0	RMB ordinary shares State
HKSCC NOMINEES LIMITED	3,390,216,530	17.05	Unknown	Unknown	Overseas listed foreign shares Foreign legal person
Account No. 1 of National Council for Social Security Fund	63,000,000	0.32	Nil	0	RMB ordinary shares State
China Construction Bank – Penghua Value Advantage Equity Securities Investment Fund	31,067,277	0.16	Nil	0	RMB ordinary shares Others
Yangjiang Xizhilang Pudding Manufacturing Co., Ltd.	16,164,042	0.08	Nil	0	RMB ordinary shares Unknown
CSOP Asset Management Limited – CSOP FTSE China A50 ETF	13,530,843	0.07	Nil	0	RMB ordinary shares Others
Industrial & Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund	13,348,497	0.07	Nil	0	RMB ordinary shares Others
Industrial and Commercial Bank of China Limited – Harvest Cyclic Select Equity Securities Investment Fund	13,000,000	0.07	Nil	0	RMB ordinary shares Others
Bosera Value Growth Securities Investment Fund	12,502,795	0.06	Nil	0	RMB ordinary shares Others
Baosteel Group Corporation Limited	10,792,665	0.05	Nil	0	RMB ordinary shares State-owned legal person

**Shareholding of top ten shareholders not subject to selling restrictions**

Name of shareholder	Number of tradable shares held not subject to selling restrictions	Type and number of shares	
		Type	Number
Shenhua Group Corporation Limited	14,521,846,560	RMB ordinary shares	14,521,846,560
		Overseas listed foreign	
HKSCC NOMINEES LIMITED	3,390,216,530	shares	3,390,216,530
Account No. 1 of National Council for Social Security Fund	63,000,000	RMB ordinary shares	63,000,000
China Construction Bank – Penghua Value Advantage Equity Securities Investment Fund	31,067,277	RMB ordinary shares	31,067,277
Yangjiang Xizhilang Pudding Manufacturing Co., Ltd.	16,164,042	RMB ordinary shares	16,164,042
CSOP Asset Management Limited – CSOP FTSE China A50 ETF	13,530,843	RMB ordinary shares	13,530,843
Industrial & Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund	13,348,497	RMB ordinary shares	13,348,497
Industrial and Commercial Bank of China Limited – Harvest Cyclic Select Equity Securities Investment Fund	13,000,000	RMB ordinary shares	13,000,000
Bosera Value Growth Securities Investment Fund	12,502,795	RMB ordinary shares	12,502,795
Baosteel Group Corporation Limited	10,792,665	RMB ordinary shares	10,792,665
Statements on connected relationship of shareholders or whether they are parties acting in concert	The custodian of both Industrial & Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund and ICBC – Harvest Cycle Selection Equity Securities Investment Fund is Industrial and Commercial Bank of China Limited. Save for the above, the Company is not aware of any connected relationship existing among the top ten shareholders and whether they are parties acting in concert under the Administrative Measures on Acquisition of Listed Companies.		

*Note:* H shares held by HKSCC Nominees Limited are held on behalf of a number of its clients.

**2.5 Total number of holders of preference shares and top ten holders of preference shares and top ten holders of preference shares not subject to selling restrictions at the end of the reporting period**

Applicable     Not applicable

### 3. SIGNIFICANT EVENTS

#### 3.1 Changes in major items of accounting statements of the Company and the underlying reasons

Applicable     Not applicable

For the three months ended 31 March 2015, the revenue of the Group under IFRSs was RMB39,911 million (for the three months ended 31 March 2014: RMB60,929 million), representing a year-on-year decrease of 34.5%. Profit before income tax was RMB10,468 million (for the three months ended 31 March 2014: RMB16,200 million), representing a year-on-year decrease of 35.4%. Profit attributable to equity holders of the Company was RMB6,445 million (for the three months ended 31 March 2014: RMB11,079 million), representing a year-on-year decrease of 41.8%.

Changes in major items of the consolidated financial statements during the reporting period and explanations are set out below:

*Unit: RMB million*

No.	Item of consolidated statement of profit or loss and other comprehensive income	For the three months ended 31 March 2015	For the three months ended 31 March 2014	Percentage change (%)	Major reasons for changes
1	Revenue	<b>39,911</b>	60,929	(34.5)	Decrease in sales volumes and prices of coal and power; decrease in materials trading volume
2	Cost of sales	<b>(26,844)</b>	(41,888)	(35.9)	Decrease in volume of coal and power and materials trading
3	Interest income	<b>191</b>	105	81.9	Increase in interest income from bank deposits
4	Share of results of associates	<b>77</b>	49	57.1	Increase in profit of associates in the power business
5	Income tax expense	<b>(1,970)</b>	(2,804)	(29.7)	Decrease in profit before tax. During the reporting period, the Group's average income tax rate was 18.8%, up 1.5 percentage points from 17.3% for the same period last year, mainly attributable to the lower share of profit from the coal segment which enjoyed more tax benefits

Unit: RMB million

No.	Item of consolidated statement of financial position	For the three months ended 31 March 2015	For the three months ended 31 March 2014	Percentage change (%)	Major reasons for changes
1	Inventories	19,035	15,790	20.6	Increase in the inventory of coal
2	Restricted bank deposits	7,235	6,271	15.4	Increase in security deposit of bank acceptance bills
3	Cash and cash equivalents	46,385	35,956	29.0	Increase in the amount of debt financing and deposits placed with Shenhua Finance Company
4	Borrowings	13,105	17,330	(24.4)	Decrease in bank loans due
5	Accounts and bills payable	31,866	38,286	(16.8)	Decrease in materials and engineering costs payable
6	Accrued expenses and other payables	47,086	40,354	16.7	Increase in accrued expenses, deposits placed with Shenhua Finance Company and dividend payable

Unit: RMB million

No.	Item of the consolidated statement of cash flows	For the three months ended 31 March 2015	For the three months ended 31 March 2014	Percentage change (%)	Major reasons for changes
1	Net cash generated from operating activities	9,995	6,035	65.6	Increase in deposits placed with and decrease in loans granted by Shenhua Finance Company
	Net cash generated from (used in) operating activities of Shenhua Finance Company	1,735	(1,547)	(212.2)	
	Net cash generated from operating activities excluding the impact of Shenhua Finance Company	8,260	7,582	8.9	Decrease in the year-on-year increase of items of accounts receivable from operations
2	Net cash used in investing activities	(5,150)	(5,020)	2.6	Increase in the security deposit of bank acceptance bills
3	Net cash generated from financing activities	5,583	6,212	(10.1)	Increase in net repayment of loans and bonds

## 3.2 Analysis on key operational indicators of the coal segment

### 1. Coal sales volume and price:

	For the three months ended			For the three months ended			Change	
	31 March 2015			31 March 2014				
	Percentage to		Price	Percentage to		Price	Sales volume	Price
Sales volume	total sales	Sales volume		total sales				
	Million tonnes	%	RMB/tonne	Million tonnes	%	RMB/tonne	%	%
<b>I. Domestic sales</b>	<b>71.6</b>	<b>98.4</b>	<b>329.0</b>	106.0	96.8	362.7	(32.5)	(9.3)
(I) Self-produced coal and purchased coal								
1. Direct arrival	67.8	93.1	326.0	97.2	88.8	359.8	(30.2)	(9.4)
2. Seaborne	34.3	47.1	250.9	44.5	40.6	267.3	(22.9)	(6.1)
(II) Sales of domestic trading coal	33.5	46.0	402.9	52.7	48.2	437.7	(36.4)	(8.0)
(III) Sales of imported coal	3.8	5.3	383.6	7.7	7.0	388.4	(50.6)	(1.2)
(II) Sales of domestic trading coal	0.0	0.0	212.0	1.1	1.0	442.3	(100.0)	(52.1)
II. Export sales	0.3	0.4	507.7	0.6	0.6	579.3	(50.0)	(12.4)
III. Overseas sales	0.9	1.2	215.5	2.9	2.6	600.6	(69.0)	(64.1)
(I) EMM Indonesia	0.5	0.7	61.0	0.5	0.5	126.8	0.0	(51.9)
(II) Re-export trade	0.4	0.5	396.9	2.4	2.1	696.3	(83.3)	(43.0)
Total sales volume/weighted average price	72.8	100.0	328.4	109.5	100.0	370.1	(33.5)	(11.3)

*Note:* (1) The above coal prices were exclusive of value-added tax and the weighted average prices were affected by sales mode, product quality and various sales type.

(2) “Sales of domestic trading coal” refers to the business of the domestic purchase and sales of coal, except for the self-produced coal of the Group in the PRC and the coal purchased from third parties in the surrounding areas of the self-owned mines and railways of the Group which are shipped with the Group’s transportation system.

(3) “Re-export trade” refers to a trading mode under which coal purchased internationally is directly resold to other countries or regions.

(4) For the three months ended 31 March 2015, the sales volume of imported coal amounted to 31.5 thousand tonnes. It was recorded as 0 million tonnes after adjusting the unit to “million tonnes”.

2. Unit production cost of self-produced coal of the coal segment:

	<b>For the three months ended 31 March 2015</b>	For the three months ended 31 March 2014	Change %
	<i>RMB/tonne</i>	<i>RMB/tonne</i>	
<b>Unit production cost of self-produced coal</b>	<b>116.6</b>	126.9	(8.1)
Raw materials, fuel and power	<b>19.7</b>	24.0	(17.9)
Personnel expenses	<b>18.1</b>	14.6	24.0
Repairs and maintenance	<b>8.9</b>	7.3	21.9
Depreciation and amortisation	<b>19.8</b>	18.1	9.4
Others	<b>50.1</b>	62.9	(20.3)

For the three months ended 31 March 2015, the unit production cost of self-produced coal was RMB116.6/tonne (for the three months ended 31 March 2014: RMB126.9/tonne), representing a year-on-year decrease of 8.1%. The main factors are as follows:

- (1) raw materials, fuel and power costs declined by 17.9% year-on-year mainly due to the decrease in footage, and lower fuel prices and electricity tariff;
- (2) labour costs increased by 24.0% year-on-year due to the decrease in the sales volume of coal, which led to an increase in unit labour costs;
- (3) repairs and maintenance expenses increased by 21.9% year-on-year due to the increase in equipment repairs;
- (4) depreciation and amortisation increased by 9.4% year-on-year due to the decrease in the sales volume of coal, which led to an increase in unit depreciation and amortisation costs; and
- (5) other costs decreased by 20.3% year-on-year, mainly due to the fact that price adjustment fund and mineral resources compensation fee were accounted for in taxes and surcharges as resource tax as a result of the resource tax reform, and the drops in mining engineering expenses and open-cut mine stripping expenses.

Other costs comprise the following three parts: ①approximately 64% was from the cost directly related to production, including selecting and processing cost and mining engineering cost, etc.; ②approximately 18% was from ancillary production cost; and ③approximately 18% was from compensation for land requisition and collapse, cost on environmental protection and fees levied by local governments, etc.

Excluding the influence of resource tax reform, the unit production cost of self-produced coal of the Company increased by 0.9% year-on-year.

### 3.3 Analysis on key operational indicators of the power segment

For the three months ended 31 March 2015, the Company's average power tariff of the power segment was RMB354.5/MWh (for the three months ended 31 March 2014: RMB362.5/MWh), representing a year-on-year decrease of 2.2%, with average cost of power output dispatch of RMB246.3/MWh (for the three months ended 31 March 2014: RMB262.0/MWh), representing a year-on-year decrease of 6.0%. The decrease was mainly attributable to the decrease in cost of fuels. Average utilization hours of coal-fired generators were 1,134 hours (for the three months ended 31 March 2014: 1,246 hours), representing a decrease of 9.0% year-on-year. During the reporting period, the Company's coal-fired generators with a total of 2,000 MW commenced operation, including Generator No. 1 of the Wanzhou Port and Power Integration Project in Chongqing and Generator No. 3 of Phase II of Hongshan Thermal Power Plant of Shenhua (Fujian) Energy Co., Ltd.

### 3.4 Overview of the industry

The growth of China's economy further slowed down in the first quarter of 2015, with gross domestic product (GDP) growing by 7.0% year-on-year, representing a decrease of 0.4 percentage point year-on-year.

During the first quarter, coal prices continued to trend down with an oversupply as a result of the macro-economic landscape and higher temperature in winter, leading to depressed coal demand. As at the end of March, the Bohai Bay Thermal Coal Price Index dropped by 9.9% to RMB473/tonne from RMB525/tonne at the end of 2014. China produced 850 million tonnes of raw coal, representing a year-on-year decrease of 3.5%; and imported 32 million tonnes of coal, representing a year-on-year decrease of 45.3%. The sales of coal reached 800 million tonnes, representing a year-on-year decrease of 4.7%. Coal-fired power generation from large scale power plants in the PRC was 1,046.9 billion kwh, representing a year-on-year decrease of 3.7%. Hydropower generated was 171.5 billion kwh, representing a year-on-year growth of 17.0%.

Coal demand is expected to be further depressed in the second quarter, given the increasing efforts of the Chinese government in energy restructuring, warming weather and an increase in hydropower output. Due to the implementation of scale control policies such as code-compliant coal production and stricter management on coal quality as well as overhaul of major coal transportation arteries, coal supply should see a shrinkage which however should be slower than the decline in demand. As a result, it is less likely to see a turnaround in oversupply.

Looking into the second half of the year, the oversupply is expected to mitigate to some extent, given the drivers to coal demand from gradual implementation of the government's policies on stabilizing growth and the coming peak season for coal consumption in the fourth quarter.

*Note:* This section is for reference only and does not constitute any investment advice. The information in this section was derived from sources such as the National Bureau of Statistics, China Coal Market Network, China Coal Resource Network and China Electricity Council, etc. The Company has used its best endeavours 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.

### 3.5 Progress of significant events and the impact thereof as well as the analysis and explanations for the solutions

Applicable     Not applicable

1. In early 2015, China Shenhua received sovereign rating from three international credit rating agencies, namely Standard & Poor's, Moody's and Fitch, highlighting its credit standing in the international capital market. On 20 January 2015, China Shenhua Overseas Capital Company Limited, a wholly-owned subsidiary of the Company's subsidiary Shenhua Hong Kong Limited, completed issuance of bonds with principal amount of US\$1.5 billion which were listed on the Stock Exchange of Hong Kong Limited. The net proceeds from the bonds issue amounting to approximately US\$1,483.77 million will be mainly used for repayment of loans of overseas subsidiaries, approved overseas projects and other uses in compliance with applicable rules.
2. On 10 March 2015, Mr. Xue Jilian resigned from the post of senior vice president of the Company as he has reached the retirement age.

### 3.6 Commitments by the Company and shareholders with shareholding of 5% or above and the performance thereof

Applicable     Not applicable

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

	Type of Commitment	Committed Parties	Committed Commitment	Time and Duration of Commitment	Any Time Limit for Commitment	Timely and Strict Performance of Commitment
Commitment in relation to initial public offer	Non-competition undertaking	Shenhua Group Corporation	The Company and Shenhua Group entered into a "Non-competition Agreement" on 24 May 2005. Pursuant to such agreement, Shenhua Group has committed not to compete with the Company in respect of the Company's principal businesses whether in or outside of the PRC, and granted the Company an option and pre-emptive right to acquire from Shenhua Group any potential business and assets in competition.	24 May 2005, long-term	Yes. China Shenhua will commence the acquisition (to submit the asset acquisition proposal to relevant internal authorities of China Shenhua for approval) of 14 assets of Shenhua Group and its subsidiaries prior to 30 June 2019.	Yes. On 22 August 2014, the Company started the acquisition of equity interests in certain power generation subsidiaries of Shenhua Group. Currently, the acquisition is in smooth progress.

**3.7 Explanations and warnings in respect of forecast of a probable loss in respect of the accumulated net profits from the beginning of the financial year to the end of the next reporting period or any significant changes as compared to the corresponding period of last year**

Applicable     Not applicable

For the three months ended 31 March 2015, the profit attributable to equity holders of the Company for the period under IFRSs was RMB6,445 million (for the three months ended 31 March 2014: RMB11,079 million), representing a year-on-year decrease of 41.8%. Under the influence of the weak demand for coal and electricity in China, persistent low price of coal and the reduction in on-grid tariff, it is expected that the decrease in the profit attributable to equity holders of the Company in the first half 2015 may reach or exceed 50%.

Under the influence of risks, uncertainties and assumptions, the above representations may significantly differ from the final results. Such representations do not constitute substantive commitment to investors. Investors should be aware that inappropriate reliance on or use of such information may result in risks of investment.

**3.8 The Company does not have any plans to declare or distribute quarterly dividend (including cash dividend) to its shareholders.**

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

Beijing, 24 April 2015

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

**APPENDIX**  
**PREPARED UNDER IFRSS**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

**For the three months ended 31 March 2015**

*Unit: RMB million (unaudited)*  
**For the three months ended**      **For the three months ended**  
**31 March 2015**      **31 March 2014**

<b>Revenue</b>	<b>39,911</b>	60,929
<b>Cost of sales</b>	<b>(26,844)</b>	(41,888)
<b>Gross profit</b>	<b>13,067</b>	19,041
Selling, general and administrative expenses	<b>(2,059)</b>	(2,067)
Other gains and losses	<b>4</b>	(94)
Other income	<b>126</b>	142
Other expenses	<b>(62)</b>	(83)
Interest income	<b>191</b>	105
Finance costs	<b>(876)</b>	(893)
Share of results of associates	<b>77</b>	49
<b>Profit before income tax</b>	<b>10,468</b>	16,200
Income tax expense	<b>(1,970)</b>	(2,804)
<b>Profit for the period</b>	<b>8,498</b>	13,396
Other comprehensive expense for the period, net of income tax, that may be reclassified to profit or loss subsequently		
Exchange differences	<b>(160)</b>	177
<b>Total comprehensive income for the period</b>	<b>8,338</b>	13,573
<b>Profit for the period attributable to:</b>		
Equity holders of the Company	<b>6,445</b>	11,079
Non-controlling interests	<b>2,053</b>	2,317
<b>Total comprehensive income for the period attributable to:</b>		
Equity holders of the Company	<b>6,284</b>	11,254
Non-controlling interests	<b>2,054</b>	2,319
<b>Earnings per share (RMB)</b>		
– Basic	<b>0.324</b>	0.557

Legal Representative:  
Zhang Yuzhuo

Chief Financial Officer:  
Zhang Kehui

General Manager of  
the Financial Department:  
Hao Jianxin

PREPARED UNDER IFRSS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at 31 March 2015

Unit: RMB million (unaudited)

As at  
31 March 2015      As at  
31 March 2014

**Non-current assets**

Property, plant and equipment	287,414	281,514
Construction in progress	73,762	78,924
Exploration and evaluation of assets	2,102	2,212
Intangible assets	1,457	1,509
Interest in associates	5,094	5,016
Available-for-sale investments	1,795	1,795
Other non-current assets	32,031	32,423
Lease prepayments	15,008	14,825
Deferred tax assets	2,345	2,042

**Total non-current assets**

421,008      420,260

**Current assets**

Inventories	19,035	15,790
Accounts and bills receivable	28,821	29,914
Prepaid expenses and other current assets	27,709	29,431
Restricted bank deposits	7,235	6,271
Time deposits with original maturity over three months	1,270	1,275
Cash and cash equivalents	46,385	35,956

**Total current assets**

130,455      118,637

**Current liabilities**

Borrowings	13,105	17,330
Short-term debentures	9,982	9,994
Accounts and bills payable	31,866	38,286
Accrued expenses and other payables	47,086	40,354
Current portion of long-term payables	280	280
Income tax payable	2,055	2,617

**Total current liabilities**

104,374      108,861

**Net current assets**

26,081      9,776

**Total assets less current liabilities**

447,089      430,036

	As at 31 March 2015	As at 31 March 2014
<b>Non-current liabilities</b>		
Borrowings	39,978	38,726
Debentures and notes	34,069	24,933
Long-term payables	1,547	1,546
Accrued reclamation obligations	2,137	2,102
Deferred tax liabilities	944	1,130
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>78,675</b>	68,437
	<hr/>	<hr/>
<b>Net assets</b>	<b>368,414</b>	361,599
	<hr/> <hr/>	<hr/> <hr/>
<b>Equity</b>		
Share capital	19,890	19,890
Reserves	283,640	277,354
	<hr/>	<hr/>
<b>Equity attributable to equity holders of the Company</b>	<b>303,530</b>	297,244
<b>Non-controlling interests</b>	<b>64,884</b>	64,355
	<hr/>	<hr/>
<b>Total equity</b>	<b>368,414</b>	361,599
	<hr/> <hr/>	<hr/> <hr/>

Legal Representative:  
Zhang Yuzhuo

Chief Financial Officer:  
Zhang Kehui

General Manager of  
the Financial Department:  
Hao Jianxin

PREPARED UNDER IFRSS

CONSOLIDATED STATEMENT OF CASH FLOWS  
For the three months ended 31 March 2015

*Unit: RMB million (unaudited)*  
**For the three months ended** For the three months ended  
**31 March 2015** 31 March 2014

**Operating activities**

Cash generated from operations	<b>12,643</b>	8,688
Income tax paid	<b>(2,648)</b>	(2,653)

**Net cash generated from operating activities**

**9,995** 6,035

**Investment activities**

Acquisition of property, plant and equipment, intangible assets, exploration and evaluation of assets, constructions in progress and other non-current assets	<b>(4,498)</b>	(5,723)
Increase in lease prepayments	<b>(294)</b>	(34)
Proceeds from disposal of property, plant and equipment, intangible assets and lease prepayments	<b>22</b>	145
Proceeds from disposal of an associate	<b>2</b>	–
Investment in associates	<b>(3)</b>	–
Dividend received from associates	<b>24</b>	1
Interest received	<b>156</b>	119
Investment income from debt securities	<b>400</b>	–
(Increase)/Decrease in restricted bank deposits	<b>(964)</b>	267
Increase in time deposits with original maturity over three months	<b>(67)</b>	(1)
Maturity of time deposits with original maturity over three months	<b>72</b>	206

**Net cash used in investing activities**

**(5,150)** (5,020)

<b>For the three months ended 31 March 2015</b>	For the three months ended 31 March 2014
---	--

**Financing activities**

Interest paid	<b>(1,316)</b>	(648)
Proceeds from borrowings	<b>3,089</b>	6,236
Repayments of borrowings	<b>(6,038)</b>	(9,406)
Proceeds from issuance of short-term debentures and corporate debentures	<b>19,213</b>	9,975
Repayments of short-term debentures	<b>(10,000)</b>	–
Contributions from non-controlling shareholders	<b>77</b>	93
Contributions from equity holders of the Company	<b>–</b>	55
Distributions to non-controlling shareholders	<b>(138)</b>	(93)
Acquisition of non-controlling interests	<b>(4)</b>	–
Capital funds received	<b>700</b>	–
	<hr/>	<hr/>
<b>Net cash generated from financing activities</b>	<b>5,583</b>	6,212
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	<b>10,428</b>	7,227
Cash and cash equivalents as at the beginning of the period	<b>35,956</b>	38,332
Effect of foreign exchange rate changes	<b>1</b>	8
	<hr/>	<hr/>
Cash and cash equivalents as at the end of the period	<b>46,385</b>	45,567
	<hr/> <hr/>	<hr/> <hr/>

Legal Representative:  
Zhang Yuzhuo

Chief Financial Officer:  
Zhang Kehui

General Manager of  
the Financial Department:  
Hao Jianxin