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

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 01088)

THIRD 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 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 nine months ended 30 September 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 representation, misleading statement or material omission, and shall jointly and severally accept legal liability.
- 1.2 This report was adopted at the tenth meeting of the third session of the Board of the Company. All directors of the Company attended the meeting.

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

1.4 The financial statements of this report, which are prepared in accordance with IFRSs, have not been audited or reviewed. Please refer to section 2.3 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.

1.5 Unless otherwise specified, the figures in this report are presented in Renminbi (“RMB”).

2. COMPANY PROFILE

2.1 Major financial indicators prepared in accordance with IFRSs

	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	Change %
Basic earnings per share (RMB/share)	0.925	1.580	(41.5)
Net cash generated from operating activities per share (RMB/share)	1.82	3.15	(42.2)
Revenue (RMB million)	131,446	190,442	(31.0)
Profit before income tax (RMB million)	31,811	48,625	(34.6)
Profit for the period (RMB million)	24,973	38,787	(35.6)
Profit attributable to equity holders of the Company for the period (RMB million)	18,390	31,423	(41.5)
Net cash generated from operating activities (RMB million)	36,142	62,570	(42.2)
Net cash generated from operating activities excluding the impact of Shenhua Finance Company (RMB million)	31,523	54,225	(41.9)
	As at 30 September 2015	As at 31 December 2014	Change %
Total assets (RMB million)	558,455	538,897	3.6
Total liabilities (RMB million)	191,371	177,298	7.9
Total equity (RMB million)	367,084	361,599	1.5
Equity attributable to equity holders of the Company (RMB million)	300,929	297,244	1.2
Shareholders' equity per share (RMB/share)	15.13	14.94	1.2

2.2 Major operational data

Operational indicators	Unit	2015		2014		Change %	
		For the three months ended 30 September	For the nine months ended 30 September	For the three months ended 30 September	For the nine months ended 30 September	For the three months ended 30 September	For the nine months ended 30 September
(I) Coal							
1. Commercial coal production	million tonnes	71.2	210.6	79.0	234.0	(9.9)	(10.0)
2. Coal sales	million tonnes	101.1	278.9	106.7	341.3	(5.2)	(18.3)
Including: Export	million tonnes	0.2	0.8	0.3	1.2	(33.3)	(33.3)
Import	million tonnes	0.1	0.1	1.2	5.6	(91.7)	(98.2)
(II) Power generation							
1. Gross power generation	billion kwh	53.27	153.69	53.93	160.45	(1.2)	(4.2)
2. Total power output dispatch	billion kwh	49.46	143.08	49.96	149.34	(1.0)	(4.2)
(III) Coal chemical							
1. Sales volume of polyethylene	kilo tonnes	80.2	243.4	67.9	220.4	18.1	10.4
2. Sales volume of polypropylene	kilo tonnes	75.9	229.1	67.4	222.4	12.6	3.0
(IV) Transportation							
1. Turnover of self-owned railway transportation	billion tonne km	50.2	148.7	57.7	167.2	(13.0)	(11.1)
2. Seaborne coal	million tonnes	55.5	153.4	58.2	177.7	(4.6)	(13.7)
Including: Seaborne coal at Huanghua Port	million tonnes	31.6	83.0	31.5	99.3	0.3	(16.4)
Seaborne coal at Shenhua Tianjin Coal Dock	million tonnes	9.7	29.7	9.1	26.4	6.6	12.5
3. Shipment volume	million tonnes	20.9	60.7	21.4	66.9	(2.3)	(9.3)
4. Shipment turnover	billion tonne nautical miles	16.2	49.0	17.3	55.5	(6.4)	(11.7)

2.3 Major differences between financial statements prepared under different accounting standards

Items	Net profit		Net assets	
	attributable to shareholders of the Company		attributable to shareholders of the Company	
	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	As at 30 September 2015	As at 31 December 2014
Under the Accounting Standards for Business Enterprises	16,555	29,632	295,651	291,789
Adjustment: Adjustments for simple production maintenance, production safety and other related expenditures	1,835	1,791	5,278	5,455
Under IFRSs	18,390	31,423	300,929	297,244

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 Group in profit or loss for the current period and separately recorded as a specific reserve in shareholders' equity. On utilization of the specific reserve for formation of fixed assets within the stipulated scope, the cost of the relevant assets and the full amount of accumulated depreciation should be accounted for at the same time. Under IFRSs, these expenses are recognized as and when incurred. Relevant capital expenditure is recognized as property, plant and equipment when incurred and depreciated according to the relevant depreciation method. The effect on deferred tax arising from such difference is also reflected.

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

Unit: shares

Total number of shareholders	253,412
Including: number of registered holders of A shares	251,026
number of registered holders of H shares	2,386

Shareholding of top ten shareholders

Name of shareholder (in full)	Number of shares held at the end of the period	Percentage (%)	Number of shares held subject to selling restrictions	Shares pledged or frozen		Nature of shareholder
				Status of shares	Number	
Shenhua Group Corporation Limited	14,530,574,452	73.06	0	Nil	N/A	State
HKSCC NOMINEES LIMITED	3,390,176,309	17.04	0	Unknown	N/A	Foreign legal person
China Securities Finance Corporation Limited	563,542,455	2.83	0	Nil	N/A	State
Central Huijin Investment Ltd.	110,027,300	0.55	0	Nil	N/A	State
Bank of China Limited – China Merchants Fengqing Flexible Configuration Hybrid Initiated Securities Investment Fund	25,159,394	0.13	0	Nil	N/A	Others
Hong Kong Securities Clearing Company Limited	19,982,845	0.10	0	Nil	N/A	Foreign legal person
National Social Security Fund 503 Portfolio	16,880,000	0.08	0	Nil	N/A	State
Industrial & Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund	15,438,333	0.08	0	Nil	N/A	Others
National Social Security Fund 504 Portfolio	15,000,000	0.08	0	Nil	N/A	State
Industrial & Commercial Bank of China Limited –China Southern Consumption Vitality Flexible Allocation Hybrid Initiated Securities Investment Fund	14,014,887	0.07	0	Nil	N/A	Others

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	14,530,574,452	RMB ordinary shares	14,530,574,452
HKSCC NOMINEES LIMITED	3,390,176,309	Overseas listed foreign shares	3,390,176,309
China Securities Finance Corporation Limited	563,542,455	RMB ordinary shares	563,542,455
Central Huijin Investment Ltd.	110,027,300	RMB ordinary shares	110,027,300
Bank of China Limited – China Merchants Fengqing Flexible Configuration Hybrid Initiated Securities Investment Fund	25,159,394	RMB ordinary shares	25,159,394
Hong Kong Securities Clearing Company Limited	19,982,845	RMB ordinary shares	19,982,845
National Social Security Fund 503 Portfolio	16,880,000	RMB ordinary shares	16,880,000
Industrial & Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund	15,438,333	RMB ordinary shares	15,438,333
National Social Security Fund 504 Portfolio	15,000,000	RMB ordinary shares	15,000,000
Industrial & Commercial Bank of China Limited – China Southern Consumption Vitality Flexible Allocation Hybrid Initiated Securities Investment Fund	14,014,887	RMB ordinary shares	14,014,887

Statements on the connected relationships of shareholders and whether they are parties acting in concert

National Social Security Fund is the de facto controller of National Social Security Fund 503 Portfolio and National Social Security Fund 504 Portfolio; Industrial & Commercial Bank of China Limited is the custodian bank of Industrial & Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund and Industrial & Commercial Bank of China Limited – China Southern Consumption Vitality Flexible Allocation Hybrid Initiated Securities Investment Fund; and HKSCC Nominees Limited and Hong Kong Securities Clearing Company Limited are both wholly-owned subsidiaries of Hong Kong Exchanges and Clearing Limited. Save as the information disclosed above, the Company is not aware of whether any connected relationship existing among the top ten shareholders not subject to selling restrictions and the top ten shareholders, and whether they are parties acting in concert under the “Measures for the Administration of Acquisition of Listed Companies”.

Details of holders of preference shares whose voting rights have been restored and their relevant shareholding

N/A.

Note: H shares held by HKSCC Nominees Limited are held on behalf of a number of its clients; and A shares held by Hong Kong Securities Clearing Company Limited are held on behalf of a number of its clients.

2.5 Total number of holders of preference shares, and shareholdings of the top 10 holders of preference shares and top 10 holders of preference shares not subject to selling restrictions as at the end of the reporting period

Applicable Not applicable

3. SIGNIFICANT EVENTS

3.1 Material changes in major items of accounting statements and financial indicators of the Company and the underlying reasons

For the nine months ended 30 September 2015, revenue of the Group under the IFRSs was RMB131,446 million (for the nine months ended 30 September 2014: RMB190,442 million), representing a year-on-year decrease of 31.0%. Profit before income tax was RMB31,811 million (for the nine months ended 30 September 2014: RMB48,625 million), representing a year-on-year decrease of 34.6%. Profit attributable to equity holders of the Company for the period was RMB18,390 million (for the nine months ended 30 September 2014: RMB31,423 million), representing a year-on-year decrease of 41.5%.

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

Unit: RMB million

No.	Items of consolidated statement of profit and loss and other comprehensive income	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	Change %	Major reasons for changes
1	Revenue	131,446	190,442	(31.0)	Decrease in sales volume and price of coal and power
2	Cost of sales	(90,233)	(133,745)	(32.5)	Decrease in self-produced commercial coal and power output dispatch; decrease in purchase cost of coal purchased from third parties and sales volume; decrease in transportation volume of coal

No.	Items of consolidated statement of profit and loss and other comprehensive income	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	Change %	Major reasons for changes
3	Selling, general and administrative expenses	(6,820)	(6,238)	9.3	Year-on-year increase of expensed research and development expenditure and the increase in depreciation and amortization resulting from the operation of the self-developed informatization system
4	Other gains and losses	(563)	(254)	121.7	Provisions for impairment loss of the power generation equipment and related machines owned by Beijing Thermal due to its closure
5	Other income	913	553	65.1	Increase in subsidy income
6	Other expenses	(311)	(241)	29.0	Increase in donation expenses
7	Finance costs	(3,583)	(2,748)	30.4	Decrease in foreign exchange gain from borrowings denominated in Japanese Yen and increase in interest expense resulting from the increase in bonds payable
8	Income tax	(6,838)	(9,838)	(30.5)	Year-on-year decrease in total profit. Increase in the average income tax rate for the Group by 1.3 percentage points during the reporting period to 21.5% from 20.2% for the same period last year, mainly attributable to decrease in profit of the coal segment which was entitled to more preferential tax related to the Grand Development of the Western Region

Unit: RMB million

No.	Items of consolidated statement of financial position	As at 30 September 2015	As at 31 December 2014	Change %	Major reasons for changes
1	Property, plant and equipment	318,786	281,514	13.2	Increase in fixed assets due to new investments in transportation and power segments
2	Construction in progress	40,796	78,924	(48.3)	Completed construction assets in transportation and power segments were put into use
3	Intangible assets	2,965	1,509	96.5	The self-built information system was put into use
4	Accounts and bills receivable	40,734	29,914	36.2	Increase in bank's acceptance bills relating to the coal sales business
5	Prepaid expenses and other current assets	24,818	29,431	(15.7)	Decrease in the prepaid expenses of material trading business and purchase of coal; increase in tax advance payment
6	Cash and cash equivalents	47,042	35,956	30.8	Increase in cash inflows from the debt financing of the Company
7	Borrowings	7,708	17,330	(55.5)	The Company issued bonds in place of short-term borrowings
8	Short-term debentures	14,992	9,994	50.0	Increase in net amount of the super short-term commercial paper issued by the Company
9	Accounts and bills payable	30,839	38,286	(19.5)	Decrease in bank acceptance bills payable of the purchase of coal segment
10	Accrued expenses and other payables	49,802	40,354	23.4	Increase in the balance of deposits placed with Shenhua Finance Company
11	Bonds payable	9,405	0	N/A	Issuance of US dollar notes by the Group

Unit: RMB million

No.	Items of the consolidated statement of cash flows	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	Change %	Major reasons for changes
1	Net cash generated from operating activities	36,142	62,570	(42.2)	Decrease in business volume of the Group; and the year-on-year decrease in operating payables, the year-on-year increase in operating receivables; decrease in deposits placed with Shenhua Finance Company
	Of which: Net cash generated from operating activities of Shenhua Finance Company	4,619	8,345	(44.6)	
	Net cash generated from operating activities excluding the impact of Shenhua Finance Company	31,523	54,225	(41.9)	
2	Net cash used in investing activities	(14,978)	(29,802)	(49.7)	Decrease in cash paid to acquire long-term assets
3	Net cash used in financing activities	(10,246)	(8,692)	17.9	Year-on-year decrease in net amount of external debt financing

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

(1) Coal sales volume and price:

	For the nine months ended 30 September 2015			For the nine months ended 30 September 2014			Change	
	Sales volume <i>Million tonnes</i>	Percentage to		Sales volume <i>Million tonnes</i>	Percentage to		Sales volume <i>%</i>	Price <i>%</i>
		total sales <i>%</i>	Price <i>RMB/tonne</i>		total sales <i>%</i>	Price <i>RMB/tonne</i>		
I. Domestic sales	275.2	98.7	301.6	331.8	97.2	348.5	(17.1)	(13.5)
(I) Self-produced coal and purchased coal	265.2	95.1	300.0	305.4	89.5	343.9	(13.2)	(12.8)
1. Direct arrival	112.8	40.4	226.5	128.9	37.8	249.8	(12.5)	(9.3)
2. Seaborne	152.4	54.7	354.3	176.5	51.7	412.7	(13.7)	(14.2)
(II) Sales of domestic trading coal	9.9	3.6	344.4	20.8	6.1	384.6	(52.4)	(10.5)
(III) Sales of imported coal	0.1	0.0	369.5	5.6	1.6	464.2	(98.2)	(20.4)
II. Export sales	0.8	0.3	449.3	1.2	0.4	564.8	(33.3)	(20.4)
III. Overseas sales	2.9	1.0	230.0	8.3	2.4	550.8	(65.1)	(58.2)
(I) EMM Indonesia	1.4	0.5	84.9	1.5	0.4	105.4	(6.7)	(19.4)
(II) Re-export trade	1.5	0.5	367.3	6.8	2.0	651.5	(77.9)	(43.6)
Total sales volume/weighted average price	278.9	100.0	301.3	341.3	100.0	354.2	(18.3)	(14.9)

Note: The above weighted average coal sales prices were exclusive of value-added tax and were affected by sales mode, product quality and the sales volume by various trading mode.

(2) Operational performance of the coal segment before elimination on consolidation

		For the nine months ended	For the nine months ended	Change <i>%</i>	Major reasons for changes
		30 September 2015	30 September 2014		
Revenue	RMB million	93,170	148,766	(37.4)	Decrease in coal sales volume and price
Cost of sales	RMB million	80,290	124,924	(35.7)	Decrease in coal sales volume and business volume of material trading
Gross profit	RMB million	12,880	23,842	(46.0)	
Gross profit margin	<i>%</i>	13.8	16.0	Decreased by 2.2 percentage points	

(3) Unit production cost of self-produced coal

	For the nine months ended 30 September 2015 RMB/tonne	For the nine months ended 30 September 2014 RMB/tonne	Change %
Unit production cost of self-produced coal	116.4	128.6	(9.5)
Raw materials, fuel and power	20.2	24.6	(17.9)
Labour costs	16.8	15.3	9.8
Repairs and maintenance	9.0	8.7	3.4
Depreciation and amortization	23.0	19.7	16.8
Others	47.4	60.3	(21.4)

For the nine months ended 30 September 2015, the unit production cost of self-produced coal was RMB116.4/tonne (for the nine months ended 30 September 2014: RMB128.6/tonne, representing a year-on-year decrease of 9.5%, mainly driven by the following factors:

- (1) Raw materials, fuel and power costs decreased by 17.9% year-on-year due to the decrease in footage of advancing tunnels and decrease in prices of fuel and electricity;
- (2) Labour costs increased by 9.8% year-on-year due to the decrease in sales volume of coal;
- (3) Repairs and maintenance expenses increased by 3.4% year-on-year due to the decrease in sales volume of coal;
- (4) Depreciation and amortization costs increased by 16.8% year-on-year, mainly due to the decrease in sales volume of coal;
- (5) Other costs decreased by 21.4% year-on-year, mainly due to the price adjustment fund and mineral resources compensation fee being accounted for in “taxes and surcharges” as resource tax as a result of the resource tax reform and decrease in mining engineering expenses and open-cut mine stripping expenses.

“Others” in the unit production cost of self-produced coal comprises the following three parts: (1) approximately 66% was from the cost directly related to production, including washing and processing cost, and mining engineering cost, etc.; (2) approximately 12% was from ancillary production cost; and (3) approximately 22% 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 decreased by 1.4% year-on-year.

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

1. Operational performance for the three months ended 30 September 2015

Sources of power	Power generation <i>100 million kWh</i>	Power output dispatch <i>100 million kWh</i>	Average utilization hours <i>Hours</i>	Power tariff <i>RMB/MWh</i>	Additional installed capacity <i>MW</i>
1.Coal-fired power	520.3	482.6	1,139	321.1	1,350
2.Wind power	0.0	0.0	290	601.1	0
3.Hydropower	2.4	2.3	1,963	196.1	0
4.Natural gas for power generation	10.0	9.7	742	536.9	950
Total/Weighted average	532.7	494.6	N/A	324.8	2,300

For the three months ended 30 September 2015, the Group added installed capacity totaled 2,300MW, of which 950MW was contributed by Shenhua Guohua Gas Thermoelectricity Project in Beijing, 1,000MW by Generator No. 2 of the Wanzhou Port and Power Integration Project in Chongqing and 350MW by Generator No. 1 of the Shendong Hequ Low Calorific Value Coal Power Generation Project. The Group’s average power tariff of the power segment was RMB324.8/MWh (for the three months ended 30 September 2014: RMB354.4/MWh), representing a year-on-year decrease of 8.4%, with average cost of power output dispatch of RMB222.7/MWh (for the three months ended 30 September 2014: RMB238.3/MWh), representing a year-on-year decrease of 6.5%.

2. Operational performance for the nine months ended 30 September 2015

Sources of power	Total power generation	Total power output dispatch	Average utilization hours	Power tariff	Additional installed capacity	Total installed capacity as at 30 September 2015
	<i>100 million kWh</i>	<i>100 million kWh</i>	<i>Hours</i>	<i>RMB/MWh</i>	<i>MW</i>	<i>MW</i>
1.Coal-fired power	1,513.8	1,408.4	3,467	333.7	5,950	46,857
2.Wind power	0.2	0.2	1,036	597.6	0	16
3.Hydropower	5.1	4.9	4,050	227.1	0	125
4.Natural gas for power generation	17.8	17.3	1,836	635.4	950	1,730
Total/Weighted average	1,536.9	1,430.8	N/A	337.0	6,900	48,728

For the nine months ended 30 September 2015, the Group's average power tariff of the power segment was RMB337.0/MWh (for the nine months ended 30 September 2014: RMB358.1/MWh), representing a year-on-year decrease of 5.9%, with average cost of power output dispatch of RMB227.2/MWh (for the nine months ended 30 September 2014: RMB247.9/MWh), representing a year-on-year decrease of 8.4%. The decrease was mainly attributable to the decrease in cost of fuels for power generation.

3.4 Industry environment

During the first three quarters of 2015, faced with complex domestic and international environment, the Chinese government focused on improving the quality and efficiency of the economy and accelerated the pace of its economic restructuring, and the national economy has run smoothly. China's gross domestic product (GDP) grew by 6.9% year-on-year, representing a decrease of 0.4 percentage point over the same period last year. The Consumer Price Index (CPI) grew by 1.4% year-on-year, representing a decrease of 0.8 percentage point over the same period last year.

For the nine months ended 30 September 2015, affected by various factors such as the slowdown in domestic macroeconomic growth, control of total energy consumption and optimization of energy structure, there was a sustained oversupply in the coal industry, resulting in descending coal prices, and increased losses of the whole industry. As at the end of September, the price of Bohai Bay Thermal Coal (5,500 kcal) was RMB396/tonne, down 24.6% from RMB525/tonne at the beginning of the year. During the first three quarters, 2.73 billion tonnes of raw coal were produced across the country, down 4.3% year-on-year; 0.16 billion tonnes of coal were imported, down 29.8% year-on-year. Thermal power generation by power plants above a certain size across the country amounted to 3,153.2 billion kWh, down 2.2% year-on-year, showing a trend of year-on-year decline for 8 consecutive months.

In the fourth quarter, the Chinese government will continue to adhere to the keynote of “making progress while maintaining stability” in a bid to maintain steady economic development, which is conducive to the stability of the demand for coal and other energy sources. The arrival of the peak season for the use of coal for heating purposes in winter will push for a seasonal moderate rebound in coal demand. However, due to the overall sufficient supply and high inventory of coal, the oversupply in the domestic coal market is expected to continue.

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 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.

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

Applicable Not applicable

On 8 July 2015, Shenhua Group Corporation initiated the plan to increase its shareholding in A shares of the Company via the secondary market for the next 12 months. During the period between 8 July and 30 September 2015, Shenhua Group Corporation increased its shareholding in A shares of the Company several times with the accumulated number of additional shares amounting to 8,727,892 shares. As at 30 September 2015, Shenhua Group Corporation held 14,530,574,452 A shares of the Company, representing 73.06% of the total issued shares of the Company.

On 20 August 2015, due to adjustment of work arrangements, Mr. Wang Xiaolin resigned from the posts of an executive director of the Company, a member of the Safety, Health and Environment Committee of the Board and a senior vice president of the Company.

In the fourth quarter of 2015, China Shenhua will follow the guideline of “the clean energy development strategy”, boost its marketing efforts in the coal and power segments, attach the highest priority to safe production, tighten up cost control, implement the reform spirit of state-owned enterprises in full so as to achieve the objective of building itself into a world-first-class supplier of clean energy.

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

Applicable Not applicable

Background of Commitment	Type of Commitment	Party Making the Commitment	Commitment	Time and Duration of Commitment	Any Time Limit for Commitment	Timely and Strict Performance of Commitment
Commitment in relation to initial public offering	Non-competition undertaking	Shenhua Group Corporation	The Company and Shenhua Group entered into a “Non-competition Agreement” on 24 May 2005. Pursuant to the 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 priority trading and pre-emptive right to acquire and be transferred from Shenhua Group any business opportunities and assets which may pose potential competition in the same sector.	24 May 2005, long-term	Yes. China Shenhua will initiate the acquisition of 14 assets of Shenhua Group and its subsidiaries prior to 30 June 2019 (to submit the assets acquisition proposal to the internal competent authorities such as the Board or the general meeting of China Shenhua for approval).	Yes. Performance is in progress
Change in equity	Undertaking in relation to the increase in shareholding	Shenhua Group Corporation	Shenhua Group Corporation proposes to increase its shareholding in the A Shares of the Company in its own name via the trading system of the Shanghai Stock Exchange during the 12 months from 8 July 2015. Shenhua Group Corporation undertakes that it will not dispose any share it holds in the Company during the period of the implementation of the increase plan and within the statutory period.	8 July 2015, the period of the increase plan and the statutory period	Yes	Yes

3.7 Warnings and explanations 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

Under IFRSs, the Group achieved profit attributable to equity holders of the Company for the period of RMB18,390 million for the first three quarters of 2015, representing a year-on-year decrease of 41.5%.

Dragged by uncertainties such as demand for coal and thermal power, the decrease in the profit attributable to equity holders of the Company in 2015 may reach or exceed 50%.

Due to various 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 Others

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

3.9 Definition

Shenhua Group Corporation	Shenhua Group Corporation Limited
Shenhua Group	Shenhua Group Corporation and its subsidiaries
China Shenhua or the Company	China Shenhua Energy Company Limited
The Group	the Company and its holding subsidiaries
Accounting Standards for Business Enterprises	the Accounting Standards for Business Enterprises, Application Guidance to Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other related requirements issued by the Ministry of Finance of the People's Republic of China

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

Beijing, 23 October 2015

As at the date of this announcement, the Board comprises the following: Dr. Zhang Yuzhuo, Dr. Ling Wen and Mr. Han Jianguo 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 AND LOSS AND OTHER
COMPREHENSIVE INCOME**

For the nine months ended 30 September 2015

	<i>Unit: RMB million (unaudited)</i>	
	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014
Revenue	131,446	190,442
Cost of sales	(90,233)	(133,745)
Gross profit	41,213	56,697
Selling, general and administrative expenses	(6,820)	(6,238)
Other gains and losses	(563)	(254)
Other income	913	553
Other expenses	(311)	(241)
Interest income	712	607
Finance costs	(3,583)	(2,748)
Share of results of associates	250	249
Profit before income tax	31,811	48,625
Income tax expense	(6,838)	(9,838)
Profit for the period	24,973	38,787
Exchange differences	22	(35)
Total comprehensive income for the period	24,995	38,752
Profit for the period attributable to:	24,973	38,787
Equity holders of the Company	18,390	31,423
Non-controlling interests	6,583	7,364
Total comprehensive income for the period attributable to:	24,995	38,752
Equity holders of the Company	18,403	31,386
Non-controlling interests	6,592	7,365
Earnings per share (RMB)		
– Basic	0.925	1.580

Chairman:
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 30 September 2015

	<i>Unit: RMB million (unaudited)</i>	
	As at 30 September 2015	As at 31 December 2014
Non-current assets		
Property, plant and equipment	318,786	281,514
Construction in progress	40,796	78,924
Exploration and evaluation assets	2,038	2,212
Intangible assets	2,965	1,509
Interest in associates	5,034	5,016
Available-for-sale investments	1,795	1,795
Other non-current assets	32,299	32,423
Lease prepayments	15,740	14,825
Deferred tax assets	2,357	2,042
	<hr/>	<hr/>
Total non-current assets	421,810	420,260
	<hr/>	<hr/>
Current assets		
Inventories	15,870	15,790
Accounts and bills receivable	40,734	29,914
Prepaid expenses and other current assets	24,818	29,431
Restricted bank deposits	7,299	6,271
Time deposits with original maturity over three months	882	1,275
Cash and cash equivalents	47,042	35,956
	<hr/>	<hr/>
Total current assets	136,645	118,637
	<hr/>	<hr/>
Current liabilities		
Borrowings	7,708	17,330
Short-term debentures	14,992	9,994
Accounts and bills payable	30,839	38,286
Accrued expenses and other payables	49,802	40,354
Current portion of long-term payables	247	280
Income tax payable	1,451	2,617
	<hr/>	<hr/>
Total current liabilities	105,039	108,861
	<hr/>	<hr/>
Net current assets	31,606	9,776
	<hr/>	<hr/>
Total assets less current liabilities	453,416	430,036
	<hr/>	<hr/>

	As at 30 September 2015	As at 31 December 2014
Non-current liabilities		
Borrowings	47,066	38,726
Medium-term notes	24,911	24,933
Bonds payable	9,405	0
Long-term payables	1,798	1,546
Accrued reclamation obligations	2,203	2,102
Deferred tax liabilities	949	1,130
	<hr/>	<hr/>
Total non-current liabilities	86,332	68,437
	<hr/>	<hr/>
Net assets	367,084	361,599
	<hr/> <hr/>	<hr/> <hr/>
Equity		
Share capital	19,890	19,890
Reserves	281,039	277,354
	<hr/>	<hr/>
Equity attributable to equity holders of the Company	300,929	297,244
Non-controlling interests	66,155	64,355
	<hr/>	<hr/>
Total equity	367,084	361,599
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Chairman:
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 nine months ended 30 September 2015

	<i>Unit: RMB million (unaudited)</i>	
	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014
Operating activities		
Cash generated from operations	44,389	71,307
Income taxes paid	(8,247)	(8,737)
	<hr/>	<hr/>
Net cash generated from operating activities	36,142	62,570
Investing activities		
Acquisition of property, plant and equipment, intangible assets, exploration and evaluation assets, and additions to construction in progress and other non-current assets	(15,630)	(29,731)
Increase in lease prepayments	(46)	(306)
Proceeds from disposal of property, plant and equipment, intangible assets and lease prepayments	66	30
Proceeds from disposal of an available-for-sale investment and an associate	2	205
Investments in associates	(48)	(8)
Dividend received from associates	249	323
Interest received	475	520
Interest received on trading debt securities	189	114
Proceeds from trading debt securities	400	146
Net increase in restricted bank deposits	(1,028)	(801)
Increase in time deposits with original maturity over three months	(450)	(898)
Maturity of time deposits with original maturity over three months	843	611
Repayment of entrusted loans	0	30
Entrusted loans to a third party	0	(37)
	<hr/>	<hr/>
Net cash used in investing activities	(14,978)	(29,802)

	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014
Financing activities		
Interest paid	(4,062)	(3,688)
Proceeds from borrowings	17,520	41,081
Repayments of borrowings	(18,896)	(49,102)
Net proceeds from short-term debentures	14,985	39,945
Payments of short-term debentures	(10,000)	(15,000)
Proceeds from issuance of bonds	9,049	0
Contributions from non-controlling shareholders	1,425	562
Contributions from equity holders of the Company	700	53
Distributions to non-controlling shareholders	(6,245)	(4,443)
Distributions to equity holders of the Company	(14,718)	(18,100)
Acquisition of non-controlling interest of subsidiaries	(4)	0
	<hr/>	<hr/>
Net cash used in financing activities	(10,246)	(8,692)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	10,918	24,076
Cash and cash equivalents as at the beginning of the period	35,956	38,332
Effect of foreign exchange rate changes	168	(77)
	<hr/>	<hr/>
Cash and cash equivalents as at the end of the period	47,042	62,331
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Chairman:
Zhang Yuzhuo

Chief Financial Officer:
Zhang Kehui

General Manager of the Financial Department:
Hao Jianxin