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# CHINA COAL ENERGY COMPANY LIMITED\*

中國中煤能源股份有限公司

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

(Stock Code: 01898)

## THIRD QUARTERLY REPORT 2019

Pursuant to the regulations and rules of China Securities Regulatory Commission and Shanghai Stock Exchange (the "SSE"), China Coal Energy Company Limited (the "Company" or "China Coal Energy", together with its subsidiaries, collectively the "Group") is required to publish reports on a quarterly basis.

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This announcement is a summary of the 2019 third quarterly financial report of the Company for the three months ended 30 September 2019. The full text of the quarterly financial report will be available on the website of The Stock Exchange of Hong Kong Limited (the "HKSE") on 28 October 2019. The full text of the quarterly financial report is in Chinese only.

### I. IMPORTANT NOTICE

1.1 The board of directors and the supervisory committee of the Company together with the directors, supervisors and the senior management thereof guarantee that the content of this quarterly report is true, accurate and complete and does not contain any false representations, misleading statements or material omissions, and severally and jointly accept legal responsibility for the content of this report.

1.2 Absence of directors

Name of absent director	Position of absent director	Reason for absence	Name of proxy
Zhang Ke	Independent Director	Other work commitment	Zhang Chengjie
Zhao Rongzhe	Director	Other work commitment	Du Ji'an

1.3 Li Yanjiang (the person-in-charge of the Company), Chai Qiaolin (the person-in-charge of accounting affairs) and Zheng Weili (the person responsible for the accounting department, i.e. head of the accounting department) guarantee that the financial statements set out in this quarterly report are true, accurate and complete.

1.4 The third quarterly report of the Company is unaudited.

## II. BASIC INFORMATION OF THE COMPANY

### 2.1 Major financial data

Unit : RMB ' 000

Items	As at the end of the reporting period	As at the end of the previous year (Restated)	Increase/decrease at the end of the reporting period as compared to the end of the previous year (%)
Total assets	276,679,168	264,365,047	4.7
Net assets attributable to shareholders of the listed company	97,621,224	92,107,431	6.0
	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the corresponding period of the previous year (January to September) (Restated)	Increase/decrease compared to the corresponding period of the previous year (%)
Net cash flows generated from operating activities	16,906,475	16,767,210	0.8
	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the corresponding period of the previous year (January to September) (Restated)	Increase/decrease compared to the corresponding period of the previous year (%)
Operational revenue	94,238,593	77,137,425	22.2
Net profit attributable to shareholders of the listed company	5,761,125	4,063,985	41.8
Net profit attributable to shareholders of the listed company net of non-recurring gains or losses	5,572,279	4,121,774	35.2
Weighted average return on net assets (%)	6.07	4.48	Increased by 1.59 percentage points
Basic earnings per share (RMB per share)	0.43	0.31	38.7
Diluted earnings per share (RMB per share)	0.43	0.31	38.7

**Non-recurring gains or losses and relevant amounts**

✓ Applicable    □ Not applicable

Unit : RMB '000

<b>Items</b>	<b>Amount for the current period (July to September)</b>	<b>Amount for the period from the beginning of the year to the end of the reporting period (January to September)</b>	<b>Explanations</b>
Profit and loss on disposal of non-current assets	118	4,032	–
Government grants included in profit or loss for the current period, excluding those closely related to the Company's ordinary business and granted on an on-going basis in fixed amount or volume according to certain principles under national policies	31,988	117,172	–
Net profit or loss for the period of subsidiaries formed by business combination under common control from the beginning of the period to the date of combination	–	-9,715	–
Investment gain generated from disposal of long-term equity investment	143	692	–
Reversal of impairment provisions for receivables and contract assets subject to individual impairment test	2,178	6,682	–
Other non-operating income and expenses apart from the foregoing	225,682	192,313	–
Impact on minority shareholders' interests (after tax)	-51,136	-45,808	–
Effect of income tax	-62,152	-76,522	–
Total	146,821	188,846	–

## 2.2 Major production and operational data

*Unit : RMB*

Items	Unit	January to September 2019	January to September 2018 (Restated)	Percentage change %
<b>I. Coal operations</b>				
1. Production volume of commercial coal	10,000 tonnes	7,716	5,587	38.1
Of which: Thermal coal	10,000 tonnes	6,878	4,924	39.7
Coking coal	10,000 tonnes	838	662.9	26.4
2. Sales volume of commercial coal	10,000 tonnes	16,229	12,194	33.1
(1) Sales volume of self produced coal	10,000 tonnes	7,749	5,552	39.6
Of which: external sales volume	10,000 tonnes	7,254	5,377	34.9
(2) Sales volume of proprietary coal trading	10,000 tonnes	8,046	6,139	31.1
Of which: external sales volume	10,000 tonnes	7,487	5,558	34.7
(3) Agency sales of coal	10,000 tonnes	434	503	-13.7

Items	Unit	January to September 2019	January to September 2018 (Restated)	Percentage change %
<b>II. Coal chemical operations</b>				
(I) Polyolefin				
1. Polyethylene production volume	10,000 tonnes	55.0	54.7	0.5
Sales volume	10,000 tonnes	55.1	54.5	1.1
2. Polypropylene production volume	10,000 tonnes	52.6	54.2	-3.0
Sales volume	10,000 tonnes	51.9	54.8	-5.3
(II) Urea				
1. Production volume	10,000 tonnes	151.5	130.3	16.3
2. Sales volume	10,000 tonnes	187.5	154.7	21.2
(III) Methanol				
1. Production volume	10,000 tonnes	72.8	52.1	39.7
2. Sales volume	10,000 tonnes	72.8	52.5	38.7
Of which: external sales volume	10,000 tonnes	11.7	5.1	129.4
<b>III. Coal mining equipment operations</b>				
1. Output value of coal mining equipment	RMB100 million	65.6	51.7	26.9

*Note:* The sales volume of commercial coal and methanol of the Company in 2019 includes the internal self-consumption, and the relative data of 2018 is adjusted correspondingly.

## 2.3 Major differences arising from the adoption of different accounting standards in preparing the financial statements

Unit: RMB '000

Items	Net profit attributable to shareholders of the listed company		Net assets attributable to shareholders of the listed company	
	January to September 2019	January to September 2018 (Restated)	As at 30 September 2019	As at 31 December 2018 (Restated)
According to PRC GAAP	5,761,125	4,063,985	97,621,224	92,107,431
Items and amounts adjusted according to IAS:				
(a) Adjustment to special funds and deferred tax of the coal industry	802,345	1,000,956	-36,015	28,680
(b) Adjustment to floating of non-tradable shares under equity split	-	-	-155,259	-155,259
(c) Adjustment to government grants	2,783	2,783	-26,897	-29,680
According to IAS	6,566,253	5,067,724	97,403,053	91,951,172

Explanations on major reconciliations are as follows:

- (a) Adjustment to special reserves and relevant deferred tax: special reserves comprise maintenance fee, safety fund, coal mine transformation fund, mining environmental restoration security deposit and sustainable development reserve. Under PRC GAAP, the Group should make provisions for the special reserves which will be accounted as the production cost and contributions made to the special reserves of equity attributable to shareholders. Non-capital expenditure incurred should be directly offset against special reserves upon occurrence, while capital expenditure incurred should be recorded as fixed assets upon completion, and offset against special reserves based on the cost of the fixed assets with accumulated depreciation fully recognised. After that, no subsequent provisions for depreciation would be made to the relevant fixed assets. Under IFRS, provisions made for the special reserves should be recorded as retained earnings provision while the relevant expenditures are recognised upon occurrence and the special reserves are accordingly transferred to retained earnings.
- (b) Under PRC GAAP, the consideration paid by holders of non-tradable shares to holders of tradable shares in accordance with the reform proposal of equity split should be recorded as long-term equity investments in the balance sheet. Under IFRS, such consideration shall be recorded as interests of minority shareholders directly deducted from the equity attributable to shareholders.
- (c) Under PRC GAAP, subsidies considered as capital investment by the government should be recorded in "capital reserve". Under IFRS, the subsidies mentioned above shall be treated as government grants.

**2.4 Total number of shareholders, top 10 shareholders and top 10 shareholders holding tradable shares (or shareholders not subject to trading moratorium) as at the end of the reporting period**

*Unit: Share*

Total number of shareholders				153,317		
Particulars of top 10 shareholders						
Name of shareholders (full name)	Number of shares held as at the end of the reporting period	Shareholding percentage (%)	Number of shares subject to trading moratorium	Shares pledged or frozen		Nature of shareholders
				Status	Number	
China National Coal Group Corporation	7,605,207,608	57.36	–	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	3,952,875,163	29.81	–	Unknown	–	Foreign legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	346,112,355	2.61	–	Nil	0	State-owned legal person
China Coal Hong Kong Limited (中煤能源香港有限公司)	132,351,000	1.00	–	Nil	0	State-owned legal person
Central Huijin Asset Management Company Limited (中央匯金資產管理有限責任公司)	83,035,400	0.63	–	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	49,752,568	0.38	–	Nil	0	Foreign legal person
Xu Kaidong (徐開東)	26,000,000	0.20	–	Nil	0	Domestic natural person
Abu Dhabi Investment Authority	15,960,613	0.12	–	Nil	0	Foreign legal person
Hejin Wannianchun Real Estate Co., Ltd. (天津市萬年春置業有限公司)	10,329,500	0.08	–	Nil	0	Domestic non state-owned legal person
China Everbright Bank Co., Ltd. – Everbright Pramerica Quantitative Core Securities Investment Fund (中國光大銀行股份有限公司 – 光大保德信量化核心證券投資基金)	9,684,471	0.07	–	Nil	0	Others

<b>Particulars of top 10 shareholders not subject to trading moratorium</b>			
<b>Name of shareholders</b>	<b>Number of listed shares held not subject to trading moratorium</b>	<b>Type and number of Shares</b>	
		<b>Type</b>	<b>Number</b>
China National Coal Group Corporation (中國中煤能源集團有限公司)	7,605,207,608	Ordinary shares denominated in RMB	7,605,207,608
HKSCC NOMINEES LIMITED	3,952,875,163	Overseas listed foreign shares	3,952,875,163
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	346,112,355	Ordinary shares denominated in RMB	346,112,355
China Coal Hong Kong Limited (中煤能源香港有限公司)	132,351,000	Overseas listed foreign shares	132,351,000
Central Huijin Asset Management Company Limited (中央匯金資產管理有限責任公司)	83,035,400	Ordinary shares denominated in RMB	83,035,400
Hong Kong Securities Clearing Company Limited	49,752,568	Ordinary shares denominated in RMB	49,752,568
Xu Kaidong (徐開東)	26,000,000	Ordinary shares denominated in RMB	26,000,000
Abu Dhabi Investment Authority	15,960,613	Ordinary shares denominated in RMB	15,960,613
Hejin Wannianchun Real Estate Co., Ltd. (天津市萬年春置業有限公司)	10,329,500	Ordinary shares denominated in RMB	10,329,500
China Everbright Bank Co., Ltd. – Everbright Pramerica Quantitative Core Securities Investment Fund (中國光大銀行股份有限公司 – 光大保德信量化核心證券投資基金)	9,684,471	Ordinary shares denominated in RMB	9,684,471
Explanations on affiliated relationship or parties acting in concert among the abovementioned shareholders	China Coal Hong Kong Limited (中煤能源香港有限公司) is a wholly-owned subsidiary of China Coal Group, the controlling shareholder of the Company. It is not certain if any of the other shareholders are affiliated or acting in concert with each other.		
Explanations on preference shareholders with voting rights restored and the number of shares held	The Company does not have preference shares and has no preference shareholders with voting rights restored.		



*Notes:* The above tables of particulars of top 10 shareholders and particulars of top 10 shareholders not subject to trading moratorium are based on the followings:

1. The above information was prepared in accordance with the register of shareholders of the Company as at 30 September 2019 provided by the China Securities Depository and Clearing Corporation Limited Shanghai Branch and Computershare Hong Kong Investor Services Limited.
2. The A shares held by Hong Kong Securities Clearing Company Limited are held on behalf of various customers.
3. The H shares held by HKSCC Nominees Limited are held on behalf of various customers.
4. As at 30 September 2019, according to the disclosure of interests published on the website of HKSE, Funde Sino Life Insurance Co., Ltd. had long positions in 2,012,858,147 H shares of the Company.

**2.5 Total number of holders of preference shares, top 10 holders of preference shares and top 10 holders of preference shares (not subject to trading moratorium) as at the end of the reporting period**

Applicable     Not applicable

### III. SIGNIFICANT EVENTS

#### 3.1 Significant changes of the major accounting items and financial indicators of the Company and the reasons thereof

✓ Applicable    □ Not applicable

##### 3.1.1 Analysis on reasons for the major changes in items on the balance sheet

Unit: RMB '000

Items	As at 30 September 2019	As at 31 December 2018 (Restated)	Increase/ decrease (%)	Major reasons for the changes
Cash at bank and on hand	31,345,687	23,879,163	31.3	Mainly due to the fact that the Company further enhanced its profitability and maintained a good level of cash inflow from operations.
Trade receivable	8,704,574	4,881,389	78.3	Mainly due to the increment in the Group's revenue which increased the trade receivables within the settlement period accordingly.
Prepayments	2,072,768	1,591,545	30.2	Mainly due to an increase in prepayments caused by the expansion of the Company's business scale.
Other receivables	3,012,994	1,884,845	59.9	Mainly due to the fact that in order to implement the national energy strategy and deepen the energy cooperation between Jiangsu province and Shanxi province, Pingshuo Group made capital contribution to Sujin Energy Holding Company Limited by injecting its 51% equity interests in China Coal Pingshuo No.1 Coal Gangue Power Generation Company Limited. As such, China Coal Pingshuo No.1 Coal Gangue Power Generation Company Limited was no longer included in the scope of consolidation and Pingshuo Group no longer offset its receivables.
Other current assets	2,346,102	3,455,409	-32.1	Mainly due to the short-term loan provided by China Coal Finance Company to the members within the Group (other than China Coal Energy) became overdue.

Items	As at 30 September 2019	As at 31 December 2018 (Restated)	Increase/ decrease (%)	Major reasons for the changes
Other investments in equity instruments	2,332,305	4,563,851	-48.9	Mainly because part of the Company's other investments in equity instruments were changed to long-term equity investment for accounting measurement.
Construction in progress	17,092,518	25,662,240	-33.4	Mainly due to the combined effects of the Company's partial transfers of its construction-in-progress projects to fixed assets, the exclusion of China Coal Pingshuo No.1 Coal Gangue Power Generation Company Limited from the scope of consolidation and the increase in the Company's contribution to infrastructures in the current period.
Right-of-use assets	438,356	-	-	The Company recognizes the right to use leased assets during the lease term as right-to-use assets in accordance to the newly revised "Accounting Standards for Business Enterprises No. 21 – Leasing".
Other non-current assets	9,958,381	6,686,012	48.9	Mainly due to the increase in long-term loan provided by China Coal Finance Company to other members within the Group (except China Coal Group) and the fact that the shareholder loans provided by Pingshuo Group previously was no longer counted in due to the exclusion of China Coal Pingshuo No.1 Coal Gangue Power Generation Company Limited from the scope of consolidation.
Non-current liabilities due within one year	35,793,219	17,825,310	100.8	Mainly due to an increase in the long-term borrowings and bonds payable that are due within one year.
Lease liability	440,405	-	-	The Company recognizes the portion of the outstanding lease payments that was more than one year overdue as lease liability in accordance to the newly revised "Accounting Standards for Business Enterprises No. 21 – Leasing".

Items	As at 30 September 2019	As at 31 December 2018 (Restated)	Increase/ decrease (%)	Major reasons for the changes
Provisions	2,510,798	1,495,978	67.8	Mainly due to the fact that the coal producing enterprises of the Company recognized the estimated expenditure related to environmental governance and restoration as fixed assets and increased estimated liabilities accordingly in accordance with relevant management rules of the mine geological environment governance and restoration fund issued by the state and local governments and the mine geological environment governance and restoration plans prepared by the enterprises.

### 3.1.2 Analysis on reasons for the major changes in items on the income statement

Unit: RMB '000

Items	January to September 2019	January to September 2018 (Restated)	Increase/ decrease (%)	Major reasons for the changes
Operating revenue	94,238,593	77,137,425	22.2	Mainly due to a year-on-year increase in sales of coal and other major products of the Company.
Operating cost	65,157,302	54,342,203	19.9	Same as above.
Tax and surcharges	3,054,167	2,304,694	32.5	Mainly due to a year-on-year increase in the resource tax and additional taxes and fees as a result of the increase in sales revenue of the Company's self-produced commercial coal.
Selling expenses	10,190,006	7,667,160	32.9	Mainly due to the increase in sales volume of coal that bears the railroad transportation costs and port expenses as a result of the expansion of coal sales scale.
Research and development expenses	156,053	117,141	33.2	Mainly due to the Company's increased investment in the research and development on science and technology, resulting in the corresponding increase in research and development expenses.

Items	January to September 2019	January to September 2018 (Restated)	Increase/decrease (%)	Major reasons for the changes
Finance costs	3,558,380	2,704,383	31.6	Mainly attributable to, among others, the effect that certain construction projects were put into production whereby the relevant interest expenses were ceased to be capitalized.
Investment gain	2,029,427	1,323,297	53.4	Mainly due to the increase in investment gains recognized by the Company in proportion to shareholding as a result of better economic benefits of equity investment companies.
Non-operating income	285,837	40,936	598.3	Mainly due to the fact that in the process of implementing the supply side structural reform, relevant coal enterprises transferred their surplus coal capacity indicators to enhance income in accordance with relevant coal capacity replacement policies issued by the state.

### 3.1.3 Analysis on reasons for major changes in items on the cash flow statement

Unit: RMB '000

Items	January to September 2019	January to September 2018 (Restated)	Increase/decrease in amount	Major reasons for the changes
Net cash flows generated from operating activities	16,906,475	16,767,210	139,265	Mainly attributable to the year-on-year increase of the operating results of the Company, and the simultaneous streamlined capital management, which resulted in the year-on-year increase in the net cash inflow from operating activities.
Net cash flows generated from investment activities	-7,892,789	-13,735,251	5,842,462	Mainly due to the combined effect of the year-on-year decrease in the capital expenditure of the Company, the year-on-year decrease in the cash outflow arising from the change in time deposits with an initial deposit period of more than three months, and the year-on-year increase in the cash outflow generated from the issuance of self-operated loan by China Coal Finance to the members within the Group (other than China Coal Energy).

Items	January to September 2019	January to September 2018 (Restated)	Increase/decrease in amount	Major reasons for the changes
Net cash flows generated from financing activities	-2,402,313	-1,471,544	-930,769	Mainly due to the year-on-year decrease in the net increase in debt facility of the Company and the year-on-year increase in the cash paid for dividend distribution..

### ***3.1.4 Revenue, cost and gross profit of coal operations***

For the period from January to September 2019, the release of the advanced production capacity of the Company's self-owned coal mines and the further expansion in the market of purchased and exported coal led to an increase in the sales volume of coal and the further optimization of the variety structure of self-produced commercial coal, which resulted in a significant year-on-year increase in the revenue, cost of sales and gross profit of the Group's coal operations. For the period from January to September 2019, the revenue from coal operations of the Company increased from RMB59.486 billion for the same period of last year to RMB75.156 billion, representing an increase of RMB15.670 billion; the cost of sales of coal operations increased from RMB40.685 billion for the same period of last year to RMB50.729 billion, representing an increase of RMB10.044 billion; and the gross profit of coal operations increased from RMB18.801 billion for the same period of last year to RMB24.427 billion, representing an increase of RMB5.626 billion.

### 3.1.5 Coal sales volume and selling prices before netting of inter-segmental sales and the year-on-year changes

Currency: RMB

Items		January to September 2019		January to September 2018		Increase/decrease in amount		Increase/decrease in percentage	
		Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (%)	Selling price (%)
I. Self-produced commercial coal	Total	7,749	498	5,552	514	2,197	-16	39.6	-3.1
	(I) Thermal coal	6,911	437	4,889	448	2,022	-11	41.4	-2.5
	1. Domestic sale	6,897	437	4,889	448	2,008	-11	41.1	-2.5
	2. Export	14	590	☆	☆	14	-	-	-
	(II) Coking coal	838	995	663	997	175	-2	26.4	-0.2
	1. Domestic sale	838	995	663	997	175	-2	26.4	-0.2
II. Proprietary coal trading	Total	8,046	455	6,139	504	1,907	-49	31.1	-9.7
	(I) Domestic resale	7,939	453	6,110	501	1,829	-48	29.9	-9.6
	(II) Self-operated exports*	23	1,282	19	1,333	4	-51	21.1	-3.8
	(III) Import trading	84	403	10	478	74	-75	740.0	-15.7
III. Import and export and domestic agency★	Total	434	5	503	6	-69	-1	-13.7	-16.7
	(I) Import agency	83	4	74	2	9	2	12.2	100.0
	(II) Export agency	125	8	183	8	-58	-	-31.7	-
	(III) Domestic agency	226	3	246	6	-20	-3	-8.1	-50.0

☆ : N/A for the period.

\* : Briquette export.

★ : Selling price is agency service fee.

Note: Sales volume of the commercial coal includes the amount of inter-segmental self-consumption volume within the Company, which was 10.54 million tonnes for January to September 2019 and 7.56 million tonnes for January to September 2018.

### 3.1.6 The unit cost of sales of self-produced commercial coal and the year-on-year changes

Unit: RMB/tonne Currency: RMB

Items	January to September 2019	January to September 2018	Year-on-year	
			Increase/decrease in amount	Increase/decrease in percentage (%)
Materials costs	59.09	48.10	10.99	22.8
Staff costs	30.13	36.25	-6.12	-16.9
Depreciation and amortization	52.33	47.40	4.93	10.4
Repair expenses	8.38	10.41	-2.03	-19.5
Outsourcing mining engineering fee	30.24	21.42	8.82	41.2
Other costs	32.46	44.45	-11.99	-27.0
Unit cost of sales of self-produced commercial coal	212.63	208.03	4.60	2.2

For the period from January to September 2019, the Company's unit cost of sales of self-produced commercial coal was RMB212.63/tonne, representing an increase of RMB4.60/tonne or 2.2% as compared to RMB208.03/tonne for the same period of last year, which was mainly attributable to the increase in the unit outsourcing mining engineering fees and costs of materials due to the increase in the mining engineering volume and materials consumed as the Company increased its efforts to strip the open-pit mines and excavate the underground mines in accordance with the needs of continuous production. In the second half of 2018, certain infrastructure and technological innovation projects were gradually transferred to fixed assets, resulting in an increase in depreciation and amortization, which led to an increase in the unit costs of depreciation and amortization. Meanwhile, the dilutive effect of the release of the advanced production capacity of the Company's self-owned coal mines resulted in the increase in the production of self-produced commercial coal, which led to the decrease in unit staff cost and repair expenditures. In addition, a year-on-year increase in the capitalization of special reserves such as the safety fund and maintenance fees used to ensure production safety led to a decrease in the special reserve balances of other costs.



### 3.1.7 Sales volume and price of major chemical products and the year-on-year changes

Currency: RMB

Items	January to September 2019		January to September 2018		Increase/decrease in amount		Increase/decrease in percentage	
	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (10,000 tonnes)	Selling price (RMB/tonne)	Sales volume (%)	Selling price (%)
(I) Polyolefin	107.0	7,350	109.4	8,059	-2.4	-709	-2.2	-8.8
1. Polyethylene	55.1	7,112	54.5	8,234	0.6	-1,122	1.1	-13.6
2. Polypropylene	51.9	7,603	54.8	7,885	-2.9	-282	-5.3	-3.6
(II) Urea	187.5	1,795	154.7	1,786	32.8	9	21.2	0.5
(III) Methanol	72.8	1,506	52.5	2,117	20.3	-611	38.7	-28.9
Of which: Inter-segment self-consumption volume <sup>◆</sup>	61.1	1,495	47.4	2,092	13.7	-597	28.9	-28.5
External sales	11.7	1,567	5.1	2,351	6.6	-784	129.4	-33.3

◆ : The amount of inter-segment self-consumption volume represents the supply of methanol by China Coal Yuanxing Company and China Coal Shaanxi Company to Mengda Chemical Company and Ordos Energy Chemical Company.

### 3.1.8 Unit cost of sales of major chemical products and year-on-year changes

Unit: RMB/tonne Currency: RMB

Items	January to September 2019	January to September 2018	Year-on-year	
			Increase/decrease in amount	Increase/decrease in percentage (%)
(I) Polyolefin	5,508	6,166	-658	-10.7
1. Polyethylene	5,564	6,156	-592	-9.6
2. Polypropylene	5,449	6,176	-727	-11.8
(II) Urea	1,095	1,103	-8	-0.7
(III) Methanol	1,377	1,470	-93	-6.3

**3.2 Analysis and explanation on the progress of significant events and their impacts and solutions**

Applicable  Not applicable

**3.3 Undertakings not yet fully performed during the reporting period**

Applicable  Not applicable

**3.4 Warning in respect of possible loss or any significant changes in aggregate net profit from beginning of the year until the end of the next reporting period as compared with that of the corresponding period of the previous year and the reasons thereof**

Applicable  Not applicable

In 2019, the Company will continue to deepen the supply-side structural reform, strive to promote high-quality development, further release its advanced production capacity as well as further optimize its structure in industrial organization and product portfolio, in order to achieve further improvement in its profitability. It is expected that the net profit of the Company for 2019 may increase substantially as compared to that of last year.

By Order of the Board  
**China Coal Energy Company Limited**  
**Li Yanjiang**  
*Chairman of the Board, Executive Director*

Beijing, the PRC, 28 October 2019

*As at the date of this announcement, the executive directors of the Company are Li Yanjiang, Peng Yi and Niu Jianhua; the non-executive directors of the Company are Du Ji'an, Zhao Rongzhe and Xu Qian; and the independent non-executive directors of the Company are Zhang Ke, Zhang Chengjie, and Leung Chong Shun.*

*This English language version is provided for reference purpose only. In the event of any inconsistency between the English and the Chinese version, the Chinese version shall prevail.*

\* *For identification purpose only*