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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 2009

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

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors of the Company is pleased to announce the results of the Company and its subsidiaries for the nine months ended 30 September 2009 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, the supervisory committee of the Company together with the directors and supervisors and the senior management of the Company guarantee that this report does not contain any false representations, misleading statements or material omissions, and shall jointly and severally accept responsibility as to the truthfulness, accuracy and completeness of the content in this report.
- 1.2 Eight directors of the Company attended the Board meeting in person.
- 1.3 The Company’s third quarterly financial report for the year 2009 has not been audited or reviewed. The Company's third quarterly financial report for the year 2009 is prepared in accordance with IFRSs. Please refer to 3.3 for the major differences of financial reports prepared in accordance with the Accounting Standards for Business Enterprises (2006) issued by the Ministry of Finance of the People's Republic of China (“**PRC**”), and relevant

regulations and interpretations ("**Accounting Standards for Business Enterprises**") and IFRSs.

- 1.4 Dr. Zhang Xiwu, Chairman of the Board, Ms. Zhang Kehui, Chief Financial Officer of the Company and Mr. Hao Jianxin, General Manager of Finance Department of the Company guarantee the truthfulness and completeness of the financial information contained in this quarterly report.
- 1.5 Pursuant to the requirements in "China Accounting Standards for Business Enterprises Explanatory Notice No.3" newly issued by the Ministry of Finance in 2009, the Company made adjustment on the accounting treatment of production maintenance, production safety and other related expenditures. The above mentioned changes had no effect on the income statement prepared in accordance with the Accounting Standards for Business Enterprises for the nine months ended 30 September 2008. Balance sheet prepared in accordance with the Accounting Standards for Business Enterprises as at 31 December 2008 has been restated in the preparation of the 2009 interim financial report.

2. REVIEW OF OPERATIONS OF THE COMPANY DURING THE REPORTING PERIOD

In the third quarter of 2009, the Company achieved outstanding results in production and operation. Together with the joint efforts of all staff members, the Company continued to maintain sound and sustainable growth despite the negative environment. The four segments of the Company, including coal, railway, port and power, realized coordinated development and the construction of new projects were progressed well as scheduled, which enabled the Company achieve target for the third quarter.

For the nine months ended 30 September 2009, revenues of the Company under IFRSs amounted to RMB88,153 million, representing a year-on-year growth of 13.7%; profit attributable to equity shareholders of the Company amounted to RMB26,029 million, representing a year-on-year growth of 14.6%; basic earnings per share was RMB1.309, representing a year-on-year growth of 14.6%.

The major achievements made by the Company in the reporting period are as below:

1. Coal production maintained rapid growth trend. For the nine months ended 30 September 2009, the Company produced commercial coal of 158.8 million tonnes, representing a year-on-year growth of 15.2%;
2. Adjust the market layout and improve the coal sales system. The Company is committed to building more flexible and active sales network and commencing the construction of coal reserve base in major transferring areas. In addition, through the active negotiation with certain strategic customers for signing five-year coal sales framework agreement, the Company established solid market foundation for the future sales growth. For the nine months ended 30 September 2009, the coal sales volume of the Company reached 189.6 million tonnes, representing a year-on-year growth of 10.4%;
3. In order to match the coal capacity expansion plan, the railway segment placed importance to improve the transportation network and expand transportation capacity effectively. Shenshuo Railway has completed the station reconstruction project of Northern Shenmu station, which

ensured further transportation capacity expansion. For the nine months ended 30 September 2009, the turnover of self-owned railway transportation amounted to 102.6 billion tonne kilometer, representing a year-on-year growth of 9.1%; and

4. The power segment took advantage of the summer consumption peak season to enhance power distribution and strengthen the equipment maintenance, which resulted in stable recovery of power generation in the third quarter. In the third quarter, the gross power generation and total power output dispatch have exceeded the level in the same period of last year respectively. On 21 September 2009, the first ultra super critical coal-fired power generation unit with capacity of 1,000 MW—Ninghai Power No.6 Unit as well as the system of desulphurization and denitrification successfully passed 168-hour trial operation and was put into commercial operation simultaneously. For the nine months ended 30 September 2009, the gross power generation reached 71.95 billion kwh and the total power output dispatch reached 66.78 billion kwh, representing a year-on-year decrease of 4.8% and 4.9% respectively.

3. COMPANY PROFILE

3.1 Major financial indicators prepared in accordance with IFRSs

	For the nine months ended 30 September 2009	For the nine months ended 30 September 2008	Percentage change %
Per share (RMB)			
Earnings per share	1.309	1.142	14.6
Net cash flow generated from operating activities per share	1.946	1.564	24.4
Current period (RMB million)			
Revenues	88,153	77,511	13.7
Profit for the period attributable to equity shareholders of the Company	26,029	22,709	14.6
Net cash generated from operating activities	38,702	31,105	24.4
	As at 30 September 2009	As at 31 December 2008	Percentage change %
Total assets (RMB million)	301,340	275,540	9.4
Total liabilities (RMB million)	111,176	103,797	7.1
Total equity (RMB million)	190,164	171,743	10.7
Of which: Equity attributable to equity shareholders of the Company (RMB million)	164,875	147,432	11.8
Shareholders' equity per share (RMB)	8.29	7.41	11.8

3.2 Major operational data

Operational indicator	2009		2008		Changes	
	For the third quarter	For the nine months ended 30 September	For the third quarter	For the nine months ended 30 September	For the third quarter	For the nine months ended 30 September
Commercial coal production (Million tonnes)	53.0	158.8	47.9	137.9	10.6%	15.2%
Coal sales (Million tonnes)	66.5	189.6	56.6	171.7	17.5%	10.4%
Of which: Export (Million tonnes)	3.8	9.9	4.8	15.4	(20.8%)	(35.7%)
Turnover of self-owned railways transportation (Billion tonne km)	34.7	102.6	31.5	94.0	10.2%	9.1%
Seaborne coal (Million tonnes)	41.9	120.9	33.4	101.8	25.4%	18.8%
Of which: Huanghua Port (Million tonnes)	19.9	58.6	20.3	61.8	(2.0%)	(5.2%)
Shenhua Tianjin Coal Dock (Million tonnes)	5.2	16.6	5.8	16.3	(10.3%)	1.8%
Gross power generation (Billion kwh)	28.46	71.95	28.15	75.55	1.1%	(4.8%)
Total power output dispatch (Billion kwh)	26.44	66.78	26.09	70.25	1.3%	(4.9%)

3.3 Major differences of financial reports prepared under different accounting standards

Unit: RMB million

Items	Net profit attributable to equity shareholders of the Company		Equity attributable to equity shareholders of the Company	
	For the nine months ended 30 September 2009	For the nine months ended 30 September 2008	As at 30 September 2009	As at 31 December 2008
Under the Accounting Standards for Business Enterprises	24,720	21,938	164,233	146,625
Items as adjusted under IFRSs:				
Adjustment for production maintenance, production safety and other related expenditures	1,219	733	2,195	2,342
Revaluation of land use rights and others	90	38	(1,553)	(1,535)
Under IFRSs	26,029	22,709	164,875	147,432

Explanation on the differences between domestic and international accounting standards:

1. Adjustment for production maintenance, production safety and other related expenditures

Pursuant to the relevant regulations of the related government authorities in the PRC, provision for production maintenance, production safety and other related expenditures is accrued by coal mining companies based on coal production volume, recognised as expense for the period in profit or loss and separately recorded as a specific reserve in shareholders' equity. On utilisation of the specific reserve as fixed assets in accordance with the stipulated scope, full amount of depreciation is recognised at the same time when the cost of the relevant assets is recorded. Under IFRSs, these expenses are recognised in profit or loss as and when incurred. Relevant capital expenditure on production maintenance and safety facilities are recognised as property, plant and equipment and depreciated according to the relevant depreciation method. The amount also included the effect of deferred tax arising from the above difference.

2. Revaluation of land use rights and others

Under the Accounting Standards for Business Enterprises, land use rights are carried at revalued amounts upon the restructuring. Under IFRSs, land use rights are carried at the historical cost less accumulated amortisation. Accordingly, the equity attributable to equity shareholders of the Company and the profit attributable to equity shareholders of the Company in the financial reports prepared in accordance with IFRSs have not included the valuation surplus of land use rights and any subsequent amortisation and the effect of deferred tax arising from the related differences.

3.4 Total number of shareholders and shareholding of the top ten shareholders of shares without selling restrictions at the end of the reporting period

(1) Total number of shareholders

As at the end of the reporting period, there were a total of 393,178 shareholders of the Company, of which there were 390,389 holders of A shares (including Shenhua Group Corporation Limited (“Shenhua Group”)) and 2,789 holders of H shares.

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

Unit: number of shares

Name of shareholders	Number of shares without selling restrictions	Type of shares
HKSCC NOMINEES LIMITED ^(*)	3,391,097,381	Foreign shares listed overseas
Bank of Communication – E Fund 50 Index Securities Investment Fund	43,715,020	RMB ordinary shares
Industrial & Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund	31,339,698	RMB ordinary shares
Bao Steel Corporate Limited	29,151,928	RMB ordinary shares
Bank of Communications - China Blue Chip Core	25,727,056	RMB ordinary shares

Mixed Securities Investment Fund (LOF)		
Bank of China – Jia Shi Hu Shen 300 Index Securities Investment Fund	22,749,123	RMB ordinary shares
China Construction Bank - Yinhua-Dow Jones 88 Selected Securities Investment Fund	22,500,000	RMB ordinary shares
China Industrial and Commercial Bank of China - Southern Composition Selected Stock Securities Investment Fund	18,504,568	RMB ordinary shares
China Construction Bank –Hua'an Hongli Stock Securities Investment Fund	18,399,900	RMB ordinary shares
China Life Insurance Company Limited – Bonus – Personal Bonus - 005L – FH002 Shanghai	16,261,146	RMB ordinary shares

* H shares held by HKSCC Nominees Limited are held on behalf of a number of its account participants

(3) According to the Company's shareholders information provided by Shanghai Branch of China Securities Depository and Clearing Co., Ltd., as at 30 September, 2009, 180 million A shares (representing approximately 0.90% of the total number of ordinary shares of the Company) of the Company's state-owned shares held by Shenhua Group, have been transferred to the account No.1 of National Council for Social Security Fund.

4. SIGNIFICANT EVENTS

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

√Applicable □ Not Applicable

For the nine months ended 30 September 2009, revenues of the Group under IFRSs were RMB88,153 million (for the nine months ended 30 September 2008: RMB77,511 million), representing a year-on-year increase of 13.7%. Profit for the period attributable to equity shareholders of the Company was RMB26,029 million (for the nine months ended 30 September 2008: RMB22,709 million), representing a year-on-year increase of 14.6%.

During the reporting period, fluctuations in major items of the consolidated financial reports and explanations are set out below:

Unit: RMB million

Items of consolidated balance sheet	As at 30 September 2009	As at 31 December 2008	Change	Major reasons of changes
Prepaid expenses and other current assets	3,797	2,337	62.5%	Increase in receivables for payments made on behalf of others and operation funds for projects
Time deposits with original maturity over three months	29,631	196	15017.9%	Increase in time deposits with maturity over three months
Deferred tax liabilities	773	462	67.3%	Increase in deferred tax liabilities related to provision for unutilised production maintenance, production safety and other related expenditures

Unit: RMB million

Items of consolidated income statement	For the nine months ended 30 September 2009	For the nine months ended 30 September 2008	Change	Major reasons of changes
Finance income	916	574	59.6%	Increase in time deposits led to the increase in interest income

Unit: RMB million

Items of consolidated cash flow statement	For the nine months ended 30 September 2009	For the nine months ended 30 September 2008	Change	Major reasons of changes
Repayments of borrowings	(36,394)	(19,466)	87.0%	Increase in repayments of long-term borrowings
Maturity of time deposits with original maturity over three months	32,620	2	1630900.0%	Increase in receipts from matured time deposits

4.2 Analysis of key operational indicators of the coal segment

(1) Coal sales volume and price are set out below (the coal prices as set out below are quoted exclusive of VAT):

	For the nine months ended 30 September 2009			For the nine months ended 30 September 2008			Change in price
	Sales volume	Percentage to total sales volume	Price	Sales volume	Percentage to total sales volume	Price	
	Million tonnes		RMB/tonne	Million tonnes		RMB/tonne	
Domestic sales	179.7	94.8%	377.0	156.3	91.0%	354.8	6.3%
Long-term contract sales	127.7	67.4%	361.1	128.6	74.9%	334.3	8.0%
Mine mouth	10.0	5.3%	101.6	12.3	7.2%	109.5	(7.2%)
Direct arrival (along railway line)	40.0	21.1%	271.3	44.5	25.9%	259.3	4.6%
Seaborne (FOB)	77.7	41.0%	440.7	71.8	41.8%	419.0	5.2%
Spot sales	52.0	27.4%	416.0	27.7	16.1%	450.1	(7.6%)
Mine mouth	5.1	2.7%	173.1	3.9	2.3%	159.8	8.3%
Direct arrival (along railway line)	13.6	7.2%	390.5	9.2	5.3%	382.6	2.1%
Seaborne (FOB)	33.3	17.5%	463.9	14.6	8.5%	571.3	(18.8%)
Export sales	9.9	5.2%	578.7	15.4	9.0%	525.8	10.1%
Total sales volume / weighted average price	189.6	100.0%	387.5	171.7	100.0%	370.2	4.7%

Benefited from the sales strategy of expanding market share, optimizing the products and sales structure as well as price rising, the weighted average price for coal sales was RMB387.5 per tonne for the nine months ended 30 September 2009 (for the nine months ended 30 September 2008: RMB370.2 per tonne), representing an increase of 4.7%. Among which, the weighted average price for domestic sales was RMB377.0 per tonne (for the nine months ended 30 September 2008: RMB354.8 per tonne), representing an increase of 6.3%; domestic long-term contract sales price was RMB361.1 per tonne (for the nine months ended 30 September 2008: RMB334.3 per tonne), representing an increase of 8.0%; domestic spot sales price was RMB416.0 per tonne (for the nine months ended 30 September 2008: RMB450.1 per tonne), representing a decrease of 7.6%. As the Company continued to implement the contract price of 2008 for export sales in the early of this year, the weighted average price for export sales was RMB578.7 per tonne (for the nine months ended 30 September 2008: RMB525.8 per tonne), representing an increase of 10.1%.

For the nine months ended 30 September 2009, the domestic long-term contract sales volume accounted for 71.1% (for the nine months ended 30 September 2008: 82.3%) of total domestic sales volume, representing 11.2 percentage point decreased. Of which, for the third quarter of 2009, the percentage was 74.5%, higher than that in the first half of 2009.

Weighted average coal price for the nine months ended 30 September 2009 keeps stable as compared with the weighted average coal price for the first half of 2009.

Important notes: the above weighted average coal price was affected by sales structure, product quality and the sales volume of various types of sales. The above long-term contract price was realized weighted average price, which cannot be regarded as standard contract price of the long-term contract of the Company.

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

	For the nine months ended 30 September 2009	For the nine months ended 30 September 2008	Change
	RMB/tonne	RMB/tonne	
Unit production cost of self-produced coal	89.8	77.0	16.6%
Materials, fuel and power	19.3	16.9	14.2%
Personnel expenses	11.2	10.9	2.8%
Depreciation and amortisation	17.9	17.0	5.3%
Repairs and maintenance	7.0	7.6	(7.9%)
Others	34.4	24.6	39.8%

For the nine months ended 30 September 2009, the unit production cost of self-produced coal of the coal segment was RMB89.8 per tonne (for the nine months ended 30 September 2008: RMB77.0 per tonne), representing an increase of 16.6%. Among which, unit cost of materials, fuel and power increased, which was mainly due to: the increase in the proportion of production volume from high-cost mines such as Ha'erwusu, Jinjie coal mine and Bu'ertai which resulted in higher unit cost; the Company expanded thin coal seams mining and top caving coal mining at Shendong Mines, which led to an increase in consumables such as materials; and the twice increases in power tariffs by the National Development and Reform Commission in July and August 2008 resulted in an increase in electricity cost. The increase of unit cost of others was mainly due to the increase of the mining engineering expense resulted from complicated geological conditions of Wanli Mines and increase

of stripping overburden at Ha'erwusu mine, and the increase of resources compensation fees, environmental expenses and coal selection fees.

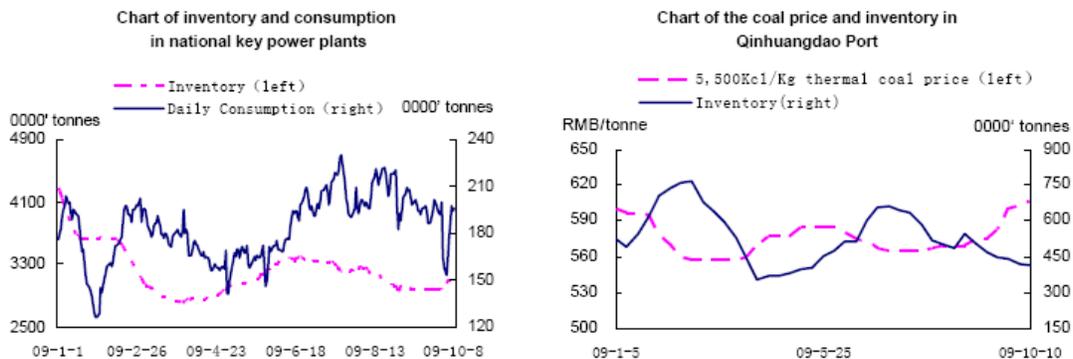
Compared with the nine months ended 30 September 2008, the unit production cost of self-produced coal for the nine months ended 30 September 2009 was increased by 16.6%. Compared with the first half of 2008, the unit production cost for the first half of 2009 was increased by 16.7%. The growth percentage in the above two comparison period was stable.

4.3 Overview of the industry

In the third quarter, the macro-economy of China continued to present healthy upward trend. Compared with the same period of last year, GDP in the third quarter of 2009 was increased by 8.9%. The growth rate was 1.0 percentage point higher than that of the second quarter of 2009, 7.9%. The continuous good performance of macro economy is favorable for the coal demand.

For the nine months ended 30 September 2009, the national output of raw coal reached 2.14 billion tonnes representing a year-on-year increase of 10.3%; the national coal export volume was 16.85 million tonnes representing a year-on-year decrease of 52.8%; the national import volume reached 86.48 million tonnes representing a year-on-year increase of 167.2% with net import volume of 69.63 million tonnes. By the end of September of 2009, the national coal inventory was 187.6 million tonnes, remained stable as compared to that at the beginning of 2009.

As the third quarter was in the summer peak season for coal consumption, the coal inventory and spot price basically remained stable and the domestic supply and demand of thermal coal was balanced in general; although by the end of the third quarter the thermal coal consumption entered the phase of slack season, there was slight decrease of thermal coal inventory and slight increase of the spot price since the macro economy continues to recover and consolidation of small mines is still in progress.



(Source: National Development and Reform Commission, National Statistics Bureau of China, China Custom, China National Coal Association)

4.4 The progress of significant events and the impact thereof as well as the analysis and explanations for the solutions

Applicable Inapplicable

4.5 The commitments by the Company, shareholders and de facto controller and the performance thereof

Applicable Inapplicable

During and/or subsisting in the reporting period, the commitments made by Shenhua Group, a controlling shareholder of the Company and the performance thereof are set out below:

Commitments	Performance
Non-competition agreement between Shenhua Group and the Company	Complied with its commitments and there has been no violation of such commitments
Shenhua Group agreed not to transfer or entrust others to manage its shares in the Company, which it directly and indirectly holds, within 36 months from the date when the Company's shares were listed on the Shanghai Stock Exchange, nor to allow the Company to repurchase such shares	Complied with its commitments and there has been no violation of such commitments

Note: For details of the commitments, please refer to the section "Significant Events" in the 2009 interim report of the Company

4.6 *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 Inapplicable

4.7 *Investment in securities*

Applicable Inapplicable

4.8 *During the reporting period, the Company does not have any plan to declare or distribute dividend (including cash dividend) for the third quarter of 2009 to its shareholders.*

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

Beijing, 27 October 2009

As at the date of this announcement, the Board comprises Dr. Zhang Xiwu and Dr. Ling Wen, as executive Directors, Dr. Zhang Yuzhuo and Mr. Han Jianguo, as non-executive Directors, and Mr. Huang Yicheng, Mr. Anthony Francis Neoh, Dr. Chen Xiaoyue and Mr. Gong Huazhang, as independent non-executive Directors.

Appendix

Prepared under International Financial Reporting Standards

Consolidated income statement

For the nine months ended 30 September 2009 (Unaudited)

Unit: RMB million

Items	For the nine months ended 30 September 2009	For the nine months ended 30 September 2008
Revenues	88,153	77,511
Total cost of revenues	(44,824)	(39,975)
Selling, general and administrative expenses	(5,490)	(4,066)
Other operating expenses, net	(389)	(375)
Total operating expenses	(50,703)	(44,416)
Profit from operations	37,450	33,095
Finance income	916	574
Finance expenses	(2,370)	(2,797)
Net finance costs	(1,454)	(2,223)
Investment income	12	5
Share of profits less losses of associates	495	402
Profit before income tax	36,503	31,279
Income tax	(7,110)	(5,564)
Profit for the period	29,393	25,715
Attributable to:		
Equity shareholders of the Company	26,029	22,709
Minority interests	3,364	3,006
Earnings per share (RMB):		
- Basic	1.309	1.142
- Diluted	1.309	1.142

Legal representative: Zhang Xiwu Chief Financial Officer: Zhang Kehui

General Manager of Finance Department: Hao Jianxin

Prepared under International Financial Reporting Standards

Consolidated balance sheet
As at 30 September 2009 (Unaudited)

Unit: RMB million

Items	As at 30 September 2009	As at 31 December 2008
Non-current assets		
Property, plant and equipment, net	152,165	145,253
Construction in progress	38,159	33,017
Intangible assets	2,719	2,435
Interest in associates	3,388	3,045
Other investments	927	831
Other non-current assets	6,510	6,373
Lease prepayments	6,399	6,011
Deferred tax assets	597	669
Total non-current assets	210,864	197,634
Current assets		
Inventories	9,342	7,842
Accounts and bills receivable, net	7,994	8,236
Prepaid expenses and other current assets	3,797	2,337
Restricted bank deposits	268	241
Time deposits with original maturity over three months	29,631	196
Cash and cash equivalents	39,444	59,054
Total current assets	90,476	77,906
Current liabilities		
Short-term borrowings and current portion of long-term borrowings	19,005	18,213
Accounts and bills payable	13,129	9,642
Accrued expenses and other payables	17,627	12,410
Current portion of long-term payables	379	264
Income tax payable	2,057	2,127
Total current liabilities	52,197	42,656
Net current assets	38,279	35,250
Total assets less current liabilities	249,143	232,884
Non-current liabilities		
Long-term borrowings, less current portion	53,465	56,045
Long-term payables, less current portion	2,763	2,765
Accrued reclamation obligations	1,978	1,869
Deferred tax liabilities	773	462
Total non-current liabilities	58,979	61,141
Net assets	190,164	171,743
Equity		
Share capital	19,890	19,890
Reserves	144,985	127,542
Equity attributable to equity shareholders of the Company	164,875	147,432
Minority interests	25,289	24,311
Total equity	190,164	171,743

Legal representative: Zhang Xiwu Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin

Prepared under International Financial Reporting Standards

Consolidated cash flow statement
For the nine months ended 30 September 2009 (Unaudited)

Unit: RMB million

Items	For the nine months ended 30 September 2009	For the nine months ended 30 September 2008
Operating activities		
Cash generated from operations	49,755	38,361
Interest received	916	576
Interest paid	(3,245)	(2,673)
Income tax paid	(8,724)	(5,159)
Net cash generated from operating activities	38,702	31,105
Investing activities		
Capital expenditure	(16,881)	(22,237)
Lease prepayments	(295)	(217)
Acquisition of a subsidiary	-	(367)
Purchase of associates	(106)	(84)
Proceeds from disposal of other investments	5	-
Proceeds from disposal of property, plant and equipment	57	36
Dividend received from associates	159	207
Dividend received from other investments	-	2
Increase in restricted bank deposits	(206)	-
Decrease in restricted bank deposits	179	-
Increase in time deposits with original maturity over three months	(62,055)	(169)
Maturity of time deposits with original maturity over three months	32,620	2
Net cash used in investing activities	(46,523)	(22,827)
Financing activities		
Proceeds from borrowings	34,581	29,847
Repayments of borrowings	(36,394)	(19,466)
Repayments of bonds	-	(1,453)
Contributions from minority shareholders	1,689	1,113
Distributions to minority shareholders	(2,516)	(1,741)
Dividend paid to equity shareholders of the Company	(9,149)	(9,325)
Net cash used in financing activities	(11,789)	(1,025)
Net (decrease)/increase in cash and cash equivalents	(19,610)	7,253
Cash and cash equivalents, at the beginning of the period	59,054	53,404
Cash and cash equivalents, at the end of the period	39,444	60,657

Legal representative: Zhang Xiwu Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin

Prepared under Accounting Standards for Business Enterprises

Consolidated income statement
For the nine months ended 30 September 2009 (Unaudited)

Unit: RMB million

Items	For the third quarter of 2009	For the nine months ended 30 September 2009	For the third quarter of 2008	For the nine months ended 30 September 2008
Operating income	31,070	88,153	28,229	77,511
Less: Operating costs	15,258	42,439	13,740	37,570
Business taxes and surcharges	885	2,660	635	1,676
Selling expenses	248	571	173	493
Administrative expenses	2,423	6,382	2,358	5,387
Financial expenses	669	1,362	765	2,286
Impairment loss	-	302	80	279
Add: (Loss)/gain from changes in fair value	138	(92)	13	63
Investment income	115	433	97	431
(Including: Income from investment in associates)	120	413	87	403
Operating profit	11,840	34,778	10,588	30,314
Add: Non-operating income	33	144	54	125
Less: Non-operating expenses	92	287	55	323
(Including: Loss from disposal of non-current assets)	16	169	9	87
Profit before income tax	11,781	34,635	10,587	30,116
Less: Income tax expenses	1,941	6,669	1,733	5,237
Net profit	9,840	27,966	8,854	24,879
Net profit attributable to equity shareholders of the Company	8,744	24,720	7,792	21,938
Minority interests	1,096	3,246	1,062	2,941
Earnings per share:				
(1) Basic earnings per share (RMB)	0.440	1.243	0.392	1.103
(2) Diluted earnings per share (RMB)	0.440	1.243	0.392	1.103

Legal representative: Zhang Xiwu Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin

Prepared under Accounting Standards for Business Enterprises

Income statement

For the nine months ended 30 September 2009 (Unaudited)

Unit: RMB million

Items	For the third quarter of 2009	For the nine months ended 30 September 2009	For the third quarter of 2008	For the nine months ended 30 September 2008
Operating income	26,778	75,252	22,875	63,296
Less: Operating costs	17,382	47,217	14,000	39,232
Business taxes and surcharges	646	1,948	407	1,022
Selling expenses	171	484	157	424
Administrative expenses	1,025	3,109	1,409	2,858
Financial (net income)/expenses	(15)	(215)	63	196
Impairment loss	1	136	77	167
Add: (Loss)/gain from changes in fair value	138	(92)	13	63
Investment income	2,084	6,442	315	1,271
(Including: Income from investment in associates)	59	177	57	194
Operating profit	9,790	28,923	7,090	20,731
Add: Non-operating income	22	63	28	59
Less: Non-operating expenses	34	160	39	265
(Including: Loss from disposal of non-current assets)	-	114	-	67
Profit before income tax	9,778	28,826	7,079	20,525
Less: Income tax expenses	1,111	3,970	1,047	3,103
Net profit	8,667	24,856	6,032	17,422

Legal representative: Zhang Xiwu Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin

Prepared under Accounting Standards for Business Enterprises

Consolidated balance sheet
As at 30 September 2009 (Unaudited)

Unit: RMB million

Items	As at 30 September 2009	As at 31 December 2008
Current assets		
Cash at bank and on hand	69,343	59,491
Financial assets held for trading	417	509
Bills receivable	480	711
Accounts receivable	7,514	7,525
Prepayments	825	687
Other receivables	2,555	1,141
Inventories	9,342	7,842
Total current assets	90,476	77,906
Non-current assets		
Long-term equity investments	4,292	3,902
Fixed assets	135,272	128,716
Construction in progress	32,009	27,544
Construction materials	6,150	5,473
Intangible assets	24,594	23,806
Long-term deferred expenses	946	955
Deferred tax assets	560	507
Other non-current assets	6,510	6,373
Total non-current assets	210,333	197,276
Total assets	300,809	275,182

Legal representative: Zhang Xiwu Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin

Prepared under Accounting Standards for Business Enterprises

Consolidated balance sheet (continued)

As at 30 September 2009 (Unaudited)

Unit: RMB million

Items	As at 30 September 2009	As at 31 December 2008
Current liabilities		
Short-term loans	15,711	13,119
Bills payable	490	1
Accounts payable	12,639	9,641
Receipts in advance	3,701	2,033
Staff costs payable	3,122	2,539
Tax payables	6,193	5,753
Interest payable	117	179
Dividends payable	1,664	143
Other payables	4,887	3,890
Current portion of long-term loans	3,294	5,094
Current portion of long-term payables	379	264
Total current liabilities	52,197	42,656
Non-current liabilities		
Long-term loans	53,465	56,045
Long-term payables	2,763	2,765
Estimated liabilities	1,978	1,869
Deferred tax liabilities	312	312
Total non-current liabilities	58,518	60,991
Total liabilities	110,715	103,647
Shareholders' equity		
Share capital	19,890	19,890
Capital reserve	88,260	88,144
Specific reserve	2,823	1,413
Surplus reserves	8,476	8,476
Retaining earnings	44,388	28,817
Exchange difference on translation of financial statements of overseas subsidiaries	396	(115)
Total equity attributable to equity shareholders of the Company	164,233	146,625
Minority interests	25,861	24,910
Total shareholders' equity	190,094	171,535
Total liabilities and shareholders' equity	300,809	275,182

Legal representative: Zhang Xiwu Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin

Prepared under Accounting Standards for Business Enterprises

Balance sheet
As at 30 September 2009 (Unaudited)

Unit: RMB million

Items	As at 30 September 2009	As at 31 December 2008
Current assets		
Cash at bank and on hand	65,049	56,551
Financial assets held for trading	417	509
Bills receivable	264	488
Accounts receivable	2,784	3,657
Prepayments	375	344
Dividends receivable	2,180	303
Other receivables	7,187	5,301
Inventories	5,803	4,531
Other current assets	12,916	12,772
Total current assets	96,975	84,456
Non-current assets		
Long-term equity investments	37,781	34,932
Fixed assets	35,382	35,361
Construction in progress	9,649	6,945
Construction materials	603	533
Intangible assets	12,535	12,458
Long-term deferred expenses	213	298
Deferred tax assets	97	6
Other non-current assets	5,453	5,714
Total non-current assets	101,713	96,247
Total assets	198,688	180,703

Legal representative: Zhang Xiwu Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin

Prepared under Accounting Standards for Business Enterprises

Balance sheet (continued)
As at 30 September 2009 (Unaudited)

Unit: RMB million

Items	As at 30 September 2009	As at 31 December 2008
Current liabilities		
Short-term loans	650	4,100
Bills payable	4	-
Accounts payable	6,351	5,797
Receipts in advance	2,983	1,730
Staff costs payable	2,166	1,770
Tax payables	5,428	4,636
Interest payable	37	83
Other payables	4,333	2,712
Current portion of long-term loans	884	941
Current portion of long-term payables	379	264
Other current liabilities	5,281	4,169
Total current liabilities	28,496	26,202
Non-current liabilities		
Long-term loans	11,456	12,828
Long-term payables	2,576	2,561
Estimated liabilities	1,458	1,406
Total non-current liabilities	15,490	16,795
Total liabilities	43,986	42,997
Shareholders' equity		
Share capital	19,890	19,890
Capital reserve	87,621	87,621
Specific reserve	2,538	1,249
Surplus reserves	8,476	8,476
Retaining earnings	36,177	20,470
Total shareholders' equity	154,702	137,706
Total liabilities and shareholders' equity	198,688	180,703

Legal representative: Zhang Xiwu Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin

Prepared under Accounting Standards for Business Enterprises

Consolidated cash flow statement
For the nine months ended 30 September 2009 (Unaudited)

Unit: RMB million

Items	For the nine months ended 30 September 2009	For the nine months ended 30 September 2008
1. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	104,341	84,264
Refund of taxes	11	31
Other cash received relating to operating activities	640	808
Sub-total of cash inflows from operating activities	104,992	85,103
Cash paid for goods and services	(34,669)	(30,908)
Cash paid to and for employees	(5,351)	(4,533)
Cash paid for all types of taxes	(22,585)	(14,928)
Other cash paid relating to operating activities	(1,392)	(1,812)
Sub-total of cash outflows from operating activities	(63,997)	(52,181)
Net cash flow from operating activities	40,995	32,922
2. Cash flows from investing activities		
Cash received from disposal of investments	5	424
Cash received from return on investments	195	225
Net cash received from disposal of fixed assets and intangible assets	57	36
Cash received on maturity of time deposits with financial institutions	32,620	2
Cash received on maturity of restricted deposits with financial institutions	179	-
Other cash received relating to investing activities	916	576
Sub-total of cash inflows from investing activities	33,972	1,263
Cash paid for acquisition of fixed assets and intangible assets	(17,176)	(22,454)
Cash paid for acquisition of a subsidiary	-	(367)
Cash paid for acquisition of investments	(106)	(244)
Cash paid for time deposits with financial institutions	(62,055)	(169)
Cash paid for restricted deposits with financial institutions	(206)	-
Sub-total of cash outflows from investing activities	(79,543)	(23,234)
Net cash flow from investing activities	(45,571)	(21,971)
3. Cash flows from financing activities		
Cash received from investments	1,689	1,113
Cash received from loans	34,581	29,847
Sub-total of cash inflows from financing activities	36,270	30,960
Cash repayments of loans	(36,394)	(19,466)
Cash paid for redemption of bonds	-	(1,453)
Cash paid for dividends, profit distribution or interest	(14,910)	(13,739)
Including: Dividends and profits paid to minority shareholders by subsidiaries	(2,516)	(1,741)
Sub-total of cash outflows from financing activities	(51,304)	(34,658)
Net cash flow from financing activities	(15,034)	(3,698)
4. Net (decrease)/increase in cash and cash equivalents	(19,610)	7,253
Add: Cash and cash equivalents at the beginning of the period	59,054	53,404
Cash and cash equivalents at the end of the period	39,444	60,657

Legal representative: Zhang Xiwu Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin

Prepared under Accounting Standards for Business Enterprises

Cash flow statement

For the nine months ended 30 September 2009 (Unaudited)

Unit: RMB million

Items	For the nine months ended 30 September 2009	For the nine months ended 30 September 2008
1. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	86,760	68,356
Other cash received relating to operating activities	2,228	775
Sub-total of cash inflows from operating activities	88,988	69,131
Cash paid for goods and services	(43,959)	(35,304)
Cash paid to and for employees	(2,387)	(2,077)
Cash paid for all types of taxes	(15,403)	(7,763)
Other cash paid relating to operating activities	(724)	(829)
Sub-total of cash outflows from operating activities	(62,473)	(45,973)
Net cash flow from operating activities	26,515	23,158
2. Cash flows from investing activities		
Cash received from disposal of investments	9,856	762
Cash received from return on investments	4,005	3,159
Net cash received from disposal of fixed assets and intangible assets	12	19
Cash received on maturity of time deposits with financial institutions	32,460	10
Cash received on maturity of restricted deposits with financial institutions	67	-
Other cash received relating to investing activities	834	529
Sub-total of cash inflows from investing activities	47,234	4,479
Cash paid for acquisition of fixed assets and intangible assets	(6,009)	(9,275)
Cash paid for acquisition of investments	(13,283)	(7,065)
Cash paid for time deposits with financial institutions	(61,992)	(80)
Sub-total of cash outflows from investing activities	(81,284)	(16,420)
Net cash flow from investing activities	(34,050)	(11,941)
3. Cash flows from financing activities		
Cash received from loans	46,213	22,924
Sub-total of cash inflows from financing activities	46,213	22,924
Cash repayments of loans	(49,989)	(18,577)
Cash paid for dividends, profit distribution or interest	(9,656)	(9,825)
Sub-total of cash outflows from financing activities	(59,645)	(28,402)
Net cash flow from financing activities	(13,432)	(5,478)
4. Net (decrease)/increase in cash and cash equivalents	(20,967)	5,739
Add: Cash and cash equivalents at the beginning of the period	56,232	51,904
Cash and cash equivalents at the end of the period	35,265	57,643

Legal representative: Zhang Xiwu Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin