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

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

The board of directors of the Company (the “Board”) is pleased to announce the results of the Company and its subsidiaries for the nine months ended 30 September 2011 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, 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 This report was passed at the nineteenth meeting of the second session of the Board of the Company. All of the nine eligible directors of the Company attended the meeting in person.

1.3 The financial statements of this report, which are prepared in accordance with IFRSs, have not been audited or reviewed. Please refer to section 3.3 for the major differences of financial statements prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China and relevant regulations and interpretations ("Accounting Standards for Business Enterprises") and IFRSs.
1.4 On 25 February 2011, the Company’s acquisition of the equity interests or assets of ten subsidiaries engaged in coal, power and related businesses (“Target Companies”) directly or indirectly held by the parent of the Company, Shenhua Group Corporation Limited (“Shenhua Group Corporation”), and its subsidiaries was approved at the 2011 First Extraordinary General Meeting of the Company. Details are set out in the announcement regarding resolutions of the 2011 First Extraordinary General Meeting of the Company.

As of the end of the reporting period, the above-mentioned acquisition had been completed. Therefore, the relevant financial and operational data of Target Companies for the first three quarters of 2011 have been included in this report.

As both the Company and Target Companies are controlled by Shenhua Group Corporation, the above-mentioned acquisitions have been reflected as business combinations under common control. Accordingly, the financial statements of the relevant period prior to the above-mentioned acquisitions have been restated in this report. The operational data of the relevant period prior to the above-mentioned acquisitions have also been restated in this report in line with the financial data.

1.5 Dr. Zhang Xiwu, Chairman of the Board of the Company, 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 report.

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

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

During the reporting period, led by the Board, all staff of the Company focused on the operation target set at the beginning of the year, pushing ahead vigorously with production organization, transportation coordination, marketing and business development, etc. Having overcome a number of obstacles in coal segment and due to enhanced production management, the Company witnessed steady growth in its coal production. Completion check for the construction projects in Ha’erwusu and Buertai mines was finished. Operation and marketing for power generation segment were strengthened, which resulted in relatively rapid growth in power output dispatch. Efforts were also made to proactively obtain high-end new power sources. To ensure a hustle-free transportation system, the Company overcame the impact of various adverse external factors on its railway, port and shipping segments such as weather conditions, and proactively pushed forward construction projects in progress with improved operating organization and coordination. Coal sales volume posted relatively fast growth, which was attributable to the Company’s efforts in the adjustment of sales structures, enhancement on marketing and acceleration of the construction of coal transshipment base. The Company’s business maintained sound growth momentum.

For the nine months ended 30 September 2011, the commercial coal production volume of the Company reached 209.9 million tonnes (for the nine months ended 30 September 2010 (restated): 180.4 million tonnes), representing a year-on-year increase of 16.4%; coal sales volume reached 286.4 million tonnes (for the nine months ended 30 September 2010 (restated): 226.1 million tonnes), representing a year-on-year increase of 26.7%; seaborne coal sales volume reached 158.5 million tonnes (for the nine months ended 30 September
2010 (restated): 124.4 million tonnes), representing a year-on-year increase of 27.4%; turnover of self-owned railways transportation reached 121.0 billion tonnes km (for the nine months ended 30 September 2010 (restated): 111.4 billion tonnes km), representing a year-on-year increase of 8.6%; total power output dispatch reached 125.66 billion kwh, (for the nine months ended 30 September 2010 (restated): 99.27 billion kwh), representing a year-on-year increase of 26.6%.

Under IFRSs, the revenues realised by the Company were RMB153,631 million (for the nine months ended 30 September 2010 (restated): RMB113,240 million), representing a year-on-year increase of 35.7%; the profit attributable to equity shareholders of the Company for the period was RMB35,561 million (for the nine months ended 30 September 2010 (restated): RMB29,886 million) and the basic earnings per share reached RMB1.788 (for the nine months ended 30 September 2010 (restated): RMB1.503), both representing a year-on-year increase of 19.0%.

During the fourth quarter, guided by its annual operation target, the Company will continue to enhance the overall planning and coordination of various businesses of coal, power, railway, port and shipping segments; press forward production safety; further enhance capacity expansion; step up marketing efforts; push forward the construction of key projects; enhance business development; carry out international projects in a prudent manner; strengthen financial management and informationization. The Company will further enhance its quality of operation and management as well as core competitiveness to create more values for shareholders.

3. COMPANY PROFILE

3.1 Major financial indicators prepared in accordance with IFRSs

<table>
<thead>
<tr>
<th>Per share (RMB)</th>
<th>For the nine months ended 30 September 2011</th>
<th>For the nine months ended 30 September 2010 (restated)</th>
<th>Percentage change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic earnings per share</td>
<td>1.788</td>
<td>1.503</td>
<td>19.0</td>
</tr>
<tr>
<td>Net cash generated from operating activities per share</td>
<td>3.580</td>
<td>2.456</td>
<td>45.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current period (RMB million)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>153,631</td>
<td>113,240</td>
<td>35.7</td>
</tr>
<tr>
<td>Profit attributable to equity shareholders of the Company</td>
<td>35,561</td>
<td>29,886</td>
<td>19.0</td>
</tr>
<tr>
<td>Net cash generated from operating activities</td>
<td>71,202</td>
<td>48,842</td>
<td>45.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>As at 30 September 2011</th>
<th>As at 31 December 2010 (restated)</th>
<th>Percentage change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets (RMB million)</td>
<td>398,749</td>
<td>372,131</td>
</tr>
<tr>
<td>Total liabilities (RMB million)</td>
<td>145,132</td>
<td>134,704</td>
</tr>
<tr>
<td>Total equity (RMB million)</td>
<td>253,617</td>
<td>237,427</td>
</tr>
<tr>
<td>Of which: Equity attributable to equity shareholders of the Company (RMB million)</td>
<td>215,517</td>
<td>205,113</td>
</tr>
<tr>
<td>Shareholders’ equity per share (RMB)</td>
<td>10.84</td>
<td>10.31</td>
</tr>
</tbody>
</table>
## 3.2 Major operational data

<table>
<thead>
<tr>
<th>Operational indicators</th>
<th>2011</th>
<th>2010 (restated)</th>
<th>Year-on-year increase/ decrease (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the three months ended 30 September</td>
<td>For the nine months ended 30 September</td>
<td>For the three months ended 30 September</td>
</tr>
<tr>
<td>Commercial coal production (million tonnes)</td>
<td>69.5</td>
<td>209.9</td>
<td>61.8</td>
</tr>
<tr>
<td>Coal sales (million tonnes)</td>
<td>95.2</td>
<td>286.4</td>
<td>80.3</td>
</tr>
<tr>
<td>Of which: Export (million tonnes)</td>
<td>1.2</td>
<td>4.4</td>
<td>2.6</td>
</tr>
<tr>
<td>Turnover of self-owned railways transportation (billion tonne km)</td>
<td>40.3</td>
<td>121.0</td>
<td>37.7</td>
</tr>
<tr>
<td>Seaborne coal (million tonnes)</td>
<td>55.8</td>
<td>158.5</td>
<td>43.9</td>
</tr>
<tr>
<td>Of which: Huanghua Port (million tonnes)</td>
<td>23.8</td>
<td>72.1</td>
<td>22.0</td>
</tr>
<tr>
<td>Of which: Shenhua Tianjin Coal Dock (million tonnes)</td>
<td>6.8</td>
<td>18.9</td>
<td>4.9</td>
</tr>
<tr>
<td>Shipping volume (million tonnes)</td>
<td>22.0</td>
<td>59.5</td>
<td>13.5</td>
</tr>
<tr>
<td>Shipment turnover (billion tonne nautical miles)</td>
<td>19.9</td>
<td>52.6</td>
<td>11.6</td>
</tr>
<tr>
<td>Gross power generation (billion kwh)</td>
<td>50.05</td>
<td>134.86</td>
<td>38.47</td>
</tr>
<tr>
<td>Total power output dispatch (billion kwh)</td>
<td>46.69</td>
<td>125.66</td>
<td>35.72</td>
</tr>
</tbody>
</table>

Note: The operational data for the nine months ended 30 September 2011 includes the operational data for that period in connection with the Company’s acquisitions of certain equity interests and assets from Shenhua Group Corporation in 2011. For details please refer to section 1.4 of this report. The above-mentioned business operational data of January and February 2011 of the companies acquired is not included in the Announcement on the Major Operational Data of January 2011 of China Shenhua Energy Company Limited and Announcement on the Major Operational Data of February 2011 of China Shenhua Energy Company Limited as disclosed by the Company previously.
3.3 Major differences of financial statements prepared under different accounting standards

<table>
<thead>
<tr>
<th>Items</th>
<th>Net profit attributable to equity shareholders of the Company</th>
<th>Net assets attributable to equity shareholders of the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the nine months ended 30 September 2011</td>
<td>For the nine months ended 30 September 2010 (restated)</td>
</tr>
<tr>
<td>Under the Accounting Standards for Business Enterprises</td>
<td>34,183</td>
<td>28,716</td>
</tr>
<tr>
<td>Adjustment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments for production maintenance, production safety and other related expenditures and others</td>
<td>1,378</td>
<td>1,170</td>
</tr>
<tr>
<td>Under IFRSs</td>
<td>35,561</td>
<td>29,886</td>
</tr>
</tbody>
</table>

Explanation on the differences between domestic and international accounting standards:

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 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 expenditures on production maintenance and safety facilities are recognized as property, plant and equipment and depreciated according to the relevant depreciation method. The effect of deferred tax arising from such difference is also reflected.

3.4 Total number of shareholders and shareholding of top ten holders of shares not subject to selling restrictions at the end of the reporting period

(1) As at the end of the reporting period, there were a total of 336,155 shareholders of the Company, of which 333,518 were holders of A shares (including Shenhua Group Corporation) and 2,637 were registered holders of H shares.
(2) Shareholding of top ten shareholders not subject to selling restrictions

<table>
<thead>
<tr>
<th>Name of shareholders</th>
<th>Number of shares held not subject to selling restrictions</th>
<th>Type of shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shenhua Group Corporation Limited</td>
<td>14,511,037,955</td>
<td>RMB ordinary shares</td>
</tr>
<tr>
<td>HKSCC NOMINEES LIMITED</td>
<td>3,390,087,787</td>
<td>Overseas listed foreign shares</td>
</tr>
<tr>
<td>China Life Insurance Company Limited – Bonus – Personal Bonus – 005L – FH002 Shanghai</td>
<td>48,961,559</td>
<td>RMB ordinary shares</td>
</tr>
<tr>
<td>Industrial &amp; Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund</td>
<td>29,601,809</td>
<td>RMB ordinary shares</td>
</tr>
<tr>
<td>China Construction Bank – Yinhua - Dow Jones 88 Selected Securities Investment Fund</td>
<td>27,101,864</td>
<td>RMB ordinary shares</td>
</tr>
<tr>
<td>Bank of Communications – E Fund 50 Index Securities Investment Fund</td>
<td>26,881,293</td>
<td>RMB ordinary shares</td>
</tr>
<tr>
<td>China Construction Bank – the Great Wall Brand Preferred Equity Securities Investment Fund</td>
<td>24,137,656</td>
<td>RMB ordinary shares</td>
</tr>
<tr>
<td>Bank of China - Harvest Shanghai Shenzhen 300 Index Securities Investment Fund</td>
<td>17,909,219</td>
<td>RMB ordinary shares</td>
</tr>
<tr>
<td>Baosteel Group Corporation Limited</td>
<td>14,342,665</td>
<td>RMB ordinary shares</td>
</tr>
<tr>
<td>China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai</td>
<td>14,289,517</td>
<td>RMB ordinary shares</td>
</tr>
</tbody>
</table>

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

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 2011, revenues of the Group under IFRSs were RMB153,631 million (for the nine months ended 30 September 2010 (restated): RMB113,240 million), representing a year-on-year increase of 35.7%. Profit attributable to equity shareholders of the Company was RMB35,561 million (for the nine months ended 30 September 2010 (restated): RMB29,886 million), representing a year-on-year increase of 19.0%.
During the reporting period, fluctuations in major items of the consolidated financial statements and explanations are set out below:

<table>
<thead>
<tr>
<th>Consolided statement of comprehensive income</th>
<th>For the nine months ended 30 September 2011</th>
<th>For the nine months ended 30 September 2010 (restated)</th>
<th>Percentage change %</th>
<th>Reasons for changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>153,631</td>
<td>113,240</td>
<td>35.7</td>
<td>Increase in coal sales volume and power output dispatch</td>
</tr>
<tr>
<td>Total cost of revenues</td>
<td>(91,950)</td>
<td>(60,719)</td>
<td>51.4</td>
<td>Increase in relevant costs as a result of business growth</td>
</tr>
<tr>
<td>Other operating expenses, net</td>
<td>(517)</td>
<td>(56)</td>
<td>823.2</td>
<td>Increase in donation expenses Note 1</td>
</tr>
<tr>
<td>Income tax</td>
<td>(11,056)</td>
<td>(9,197)</td>
<td>20.2</td>
<td>Increase in profit before income tax and expiry of income tax preferential policies for certain subsidiaries and branches participating in the development of western China Note 2</td>
</tr>
</tbody>
</table>

Note 1: Donations were primarily made to Shenhua Public Welfare Foundation, a social organization of public welfare. According to its articles, the donation is used in community, disaster-stricken areas as well as for public welfare activities such as promoting education, public welfare, cultural and sports events; for the first nine months of 2011, Shenhua Public Welfare Foundation had helped 886 children in total who suffered from congenital heart disease and leukemia, made donations to establish a number of “Shenhua Charitable Schools” and donated books with a total value of RMB100 million through the project of “Shenhua Charitable Book Corner”

Note 2: According to the Announcement Regarding the On-going Policy of Preferential Enterprise Income Tax for Incentive Projects in Western Development (No.2 2011) issued by the Inner Mongolia Autonomous Region State Administration of Taxation on 27 July 2011, some of the branches and subsidiaries of the Company which are eligible to the requirement of such announcement made prepayment for the enterprise income tax at the rate of 15% since 1 January 2011.
### Consolidated statement of financial position

<table>
<thead>
<tr>
<th></th>
<th>As at 30 September 2011</th>
<th>As at 31 December 2010 (restated)</th>
<th>Percentage change %</th>
<th>Reasons for changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other non-current assets</td>
<td>16,497</td>
<td>12,605</td>
<td>30.9</td>
<td>Increase in prepayment for preliminary work in mining areas</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>1,175</td>
<td>468</td>
<td>151.1</td>
<td>Increase in production maintenance, production safety and other related expenditures</td>
</tr>
<tr>
<td>Restricted bank deposits</td>
<td>6,088</td>
<td>2,052</td>
<td>196.7</td>
<td>Increase in restricted fund such as the coal mine transformation fund deposited with banks</td>
</tr>
<tr>
<td>Accrued expenses and other payables</td>
<td>54,125</td>
<td>36,893</td>
<td>46.7</td>
<td>Increase in receipts in advance and deposits placed with Shenhua Finance Company</td>
</tr>
</tbody>
</table>

### Consolidated statement of cash flows

<table>
<thead>
<tr>
<th></th>
<th>For the nine months ended 30 September 2011</th>
<th>For the nine months ended 30 September 2010 (restated)</th>
<th>Percentage change %</th>
<th>Reasons for changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generated from operations</td>
<td>84,028</td>
<td>59,597</td>
<td>41.0</td>
<td>Increase in revenue from sales of coal and power</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(36,574)</td>
<td>(19,315)</td>
<td>89.4</td>
<td>Primarily used in the capacity expansion and renovation of existing mines and railways, as well as the construction of new railway lines</td>
</tr>
<tr>
<td>Increase in restricted bank deposits</td>
<td>(4,044)</td>
<td>(191)</td>
<td>2,017.3</td>
<td>Increase in restricted funds of the coal mine transformation fund and environmental restoration fund</td>
</tr>
<tr>
<td>Repayment of entrusted loan from a third party</td>
<td>3,000</td>
<td>30</td>
<td>9,900</td>
<td>Entrusted loan received during the period</td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>7,893</td>
<td>30,266</td>
<td>(73.9)</td>
<td>Decrease in borrowings</td>
</tr>
</tbody>
</table>
4.2 Analysis on key operational indicators of the coal segment

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

<table>
<thead>
<tr>
<th></th>
<th>For the nine months ended 30 September 2011</th>
<th>For the nine months ended 30 September 2010 (restated)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales volume</td>
<td>Percentage to total sales volume</td>
<td>Price</td>
</tr>
<tr>
<td></td>
<td>Million tonnes</td>
<td>%</td>
<td>RMB /tonne</td>
</tr>
<tr>
<td>Domestic sales</td>
<td>282.0</td>
<td>98.5</td>
<td>431.4</td>
</tr>
<tr>
<td></td>
<td>128.2</td>
<td>44.8</td>
<td>336.8</td>
</tr>
<tr>
<td>Long-term contract sales</td>
<td>8.0</td>
<td>2.8</td>
<td>146.4</td>
</tr>
<tr>
<td>Direct arrival (along railway line)</td>
<td>59.4</td>
<td>20.8</td>
<td>245.4</td>
</tr>
<tr>
<td>Seaborne</td>
<td>60.8</td>
<td>21.2</td>
<td>451.0</td>
</tr>
<tr>
<td>Spot sales</td>
<td>153.8</td>
<td>53.7</td>
<td>510.2</td>
</tr>
<tr>
<td>Mine mouth</td>
<td>29.8</td>
<td>10.4</td>
<td>170.2</td>
</tr>
<tr>
<td>Direct arrival (along railway line)</td>
<td>30.8</td>
<td>10.8</td>
<td>509.5</td>
</tr>
<tr>
<td>Seaborne</td>
<td>93.2</td>
<td>32.5</td>
<td>619.0</td>
</tr>
<tr>
<td>Export sales</td>
<td>4.4</td>
<td>1.5</td>
<td>702.5</td>
</tr>
<tr>
<td>Total sales volume / weighted average price</td>
<td>286.4</td>
<td>100.0</td>
<td>435.6</td>
</tr>
</tbody>
</table>

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

Pursuant to relevant requirements of the PRC, the benchmark price for key thermal coal contracts (FOB price: 5,500 kcal/kg) among the Company's domestic long-term contracts for 2011 remained unchanged as compared with that of last year at RMB570/tonne (inclusive of VAT). With effect from the second quarter of 2011, the Company's coal price of domestic spot sales is fixed with reference to Bohai Bay Thermal Coal Price Index, subject to adjustments once a week.
(2) Unit production cost of self-produced coal of the coal segment:

<table>
<thead>
<tr>
<th></th>
<th>For the nine months ended 30 September 2011</th>
<th>For the nine months ended 30 September 2010</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB /tonne</td>
<td>RMB /tonne</td>
<td>RMB /tonne</td>
</tr>
<tr>
<td>Unit production cost of self-produced coal</td>
<td>110.6</td>
<td>102.2</td>
<td>105.1</td>
</tr>
<tr>
<td>Materials, fuel and power</td>
<td>20.7</td>
<td>20.7</td>
<td>21.6</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>14.3</td>
<td>13.5</td>
<td>13.4</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>7.8</td>
<td>8.2</td>
<td>8.7</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>20.5</td>
<td>20.9</td>
<td>21.4</td>
</tr>
<tr>
<td>Others</td>
<td>47.3</td>
<td>38.9</td>
<td>40.0</td>
</tr>
</tbody>
</table>

For the nine months ended 30 September 2011, the unit production cost of self-produced coal of the coal segment was RMB110.6/tonne (for the nine months ended 30 September 2010 (restated): RMB102.2/tonne), representing a year-on-year increase of 8.2%. The increase was mainly attributable to (1) the increase of 5.9% in personnel expenses as a result of the increased number of employees and the increase in salaries; (2) the increase of 21.6% in other costs as a result of the increase in the environment protection expenditures and mining engineering expenses, etc.

For the nine months ended 30 September 2011, the “Others” item of the unit production cost of self-produced coal comprises of three parts, (1) 56% was from the expenses directly related to production, including production maintenance and safety production cost, selecting and processing expenses and mining engineering expenses; (2) 4% was from ancillary production expenses; (3) 40% was from compensation for land acquisition and collapse, environmental expenses, local fees etc.

4.3 Overview of the industry

During the first three quarters of 2011, driven by the proactive fiscal policy and the prudent monetary policy of the central government, China maintained steady economic growth momentum, with inflation well under control. The gross domestic product (GDP) for the third quarter posted a year-on-year growth of 9.1%, edging down by 0.4 percentage point as compared with the second quarter and indicating a slight downward trend for three consecutive quarters. China’s economy is expected to maintain steady growth in the fourth quarter and develop along the anticipated path laid by macroeconomic control.

In the third quarter of 2011, both demand and supply of thermal coal in China remained balanced, with coal price fluctuating at high level. The national raw coal production volume reached 957 million tonnes, representing a year-on-year increase of 12.3%. The output of major coal consumers including power, cast iron and cement increased by 12%, 13% and 11% respectively year-on-year. Net coal import for the third quarter was 49.87 million tonnes, representing a year-on-year increase of 33.5%. Coal import posted a gradual recovery. Thermal coal price started to recover in September due to the maintenance of Daqin Railway and the early arrival of the peak season for coal storage in winter.
It is expected that the slowdown of macro economy will be a drag on the growth of energy demand. However, with the construction of affordable housing and seasonal factors such as the peak season for coal storage in winter, the domestic supply and demand of thermal coal is expected to remain basically balanced in the fourth quarter, yet with potentially regional or sporadic shortage or excess.


Notes: This section is for information only and does not constitute any proposals for investment. Given the relevant industrial information was provided by third parties, the Company has exercised its best efforts to ensure the accuracy and reliability of the information in this section, but does not assume any liabilities or provide any forms of guarantee for the accuracy, completeness or effectiveness of all or part of the content of such information. The Company disclaims any liabilities arising from errors or omissions, if any.

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

□ Applicable  √ Not Applicable

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

During/up to the reporting period, commitments made by Shenhua Group Corporation, the controlling shareholder of the Company and the performance thereof are as follows:

<table>
<thead>
<tr>
<th>Commitments</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-competition Agreement between Shenhua Group Corporation and the Company</td>
<td>Shenhua Group Corporation honored its commitments, and there was no violation of such commitments</td>
</tr>
</tbody>
</table>

Note: For details of commitments, please refer to the section titled ‘Significant Events’ in the 2010 Annual 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  √ Not Applicable
4.7 Investment in securities

☐ Applicable  √Not Applicable

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

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

Beijing, 28 October 2011

As at the date of this announcement, the Board comprises the following: Dr. Zhang Xiwu, Dr. Zhang Yuzhuo, Dr. Ling Wen and Mr. Han Jianguo as executive directors, Mr. Liu Benren and Mr. Xie Songlin as non-executive directors, 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 comprehensive income
For the nine months ended 30 September 2011

<table>
<thead>
<tr>
<th>Items</th>
<th>For the nine months ended 30 September 2011</th>
<th>For the nine months ended 30 September 2010 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coal revenue</td>
<td>103,172</td>
<td>75,543</td>
</tr>
<tr>
<td>Power revenue</td>
<td>43,258</td>
<td>33,709</td>
</tr>
<tr>
<td>Other revenues</td>
<td>7,201</td>
<td>3,988</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>153,631</td>
<td>113,240</td>
</tr>
<tr>
<td><strong>Total cost of revenues</strong></td>
<td>(91,950)</td>
<td>(60,719)</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>(7,764)</td>
<td>(7,599)</td>
</tr>
<tr>
<td>Other operating expenses, net</td>
<td>(517)</td>
<td>(56)</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>(100,231)</td>
<td>(68,374)</td>
</tr>
<tr>
<td><strong>Profit from operations</strong></td>
<td>53,400</td>
<td>44,866</td>
</tr>
<tr>
<td><strong>Finance income</strong></td>
<td>746</td>
<td>1,046</td>
</tr>
<tr>
<td><strong>Finance expenses</strong></td>
<td>(2,353)</td>
<td>(2,757)</td>
</tr>
<tr>
<td><strong>Net finance costs</strong></td>
<td>(1,607)</td>
<td>(1,711)</td>
</tr>
<tr>
<td><strong>Investment income</strong></td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td><strong>Share of profits less loss of associates</strong></td>
<td>196</td>
<td>381</td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td>51,989</td>
<td>43,545</td>
</tr>
<tr>
<td><strong>Income tax</strong></td>
<td>(11,056)</td>
<td>(9,197)</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>40,933</td>
<td>34,348</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange differences on translation of financial statements of overseas subsidiaries</td>
<td>(138)</td>
<td>(152)</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the period</strong></td>
<td>40,795</td>
<td>34,196</td>
</tr>
<tr>
<td><strong>Profit attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity shareholders of the Company</td>
<td>35,561</td>
<td>29,886</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>5,372</td>
<td>4,462</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>40,933</td>
<td>34,348</td>
</tr>
<tr>
<td><strong>Total comprehensive income attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity shareholders of the Company</td>
<td>35,430</td>
<td>29,735</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>5,365</td>
<td>4,461</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the period</strong></td>
<td>40,795</td>
<td>34,196</td>
</tr>
<tr>
<td><strong>Earnings per share (RMB)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Basic</td>
<td>1.788</td>
<td>1.503</td>
</tr>
<tr>
<td>- Diluted</td>
<td>1.788</td>
<td>1.503</td>
</tr>
</tbody>
</table>

Legal Representative: Zhang Xiwu  
Chief Financial Officer: Zhang Kehui  
General Manager of Finance Department: Hao Jianxin
### Consolidated statement of financial position
As at 30 September 2011

Unit: RMB million (Unaudited)

<table>
<thead>
<tr>
<th>Items</th>
<th>As at 30 September 2011</th>
<th>As at 31 December 2010 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>196,294</td>
<td>188,061</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>38,022</td>
<td>33,088</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>3,614</td>
<td>3,248</td>
</tr>
<tr>
<td>Interest in associates</td>
<td>2,851</td>
<td>2,818</td>
</tr>
<tr>
<td>Other long-term equity investments</td>
<td>1,036</td>
<td>971</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>16,497</td>
<td>12,605</td>
</tr>
<tr>
<td>Lease prepayments</td>
<td>11,276</td>
<td>11,411</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>1,175</td>
<td>468</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>270,765</td>
<td>252,670</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>12,348</td>
<td>11,574</td>
</tr>
<tr>
<td>Accounts and bills receivable, net</td>
<td>13,352</td>
<td>11,424</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>15,382</td>
<td>14,250</td>
</tr>
<tr>
<td>Restricted bank deposits</td>
<td>6,088</td>
<td>2,052</td>
</tr>
<tr>
<td>Time deposits with original maturity over three months</td>
<td>5,917</td>
<td>2,949</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>74,897</td>
<td>77,212</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>127,984</td>
<td>119,461</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term borrowings and current portion of long-term borrowings</td>
<td>12,396</td>
<td>15,317</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>20,169</td>
<td>19,661</td>
</tr>
<tr>
<td>Accrued expenses and other payables</td>
<td>54,125</td>
<td>36,893</td>
</tr>
<tr>
<td><strong>Current portion of long-term payables</strong></td>
<td>239</td>
<td>497</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>5,925</td>
<td>4,558</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>92,854</td>
<td>76,926</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>35,130</td>
<td>42,535</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>305,895</td>
<td>295,205</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term borrowings, less current portion</td>
<td>46,432</td>
<td>52,311</td>
</tr>
<tr>
<td>Long-term payables, less current portion</td>
<td>2,174</td>
<td>2,133</td>
</tr>
<tr>
<td>Accrued reclamation obligations</td>
<td>1,653</td>
<td>1,702</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>2,019</td>
<td>1,632</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>52,278</td>
<td>57,778</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>253,617</td>
<td>237,427</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>19,890</td>
<td>19,890</td>
</tr>
<tr>
<td>Reserves</td>
<td>195,627</td>
<td>185,223</td>
</tr>
<tr>
<td>Equity attributable to equity shareholders of the Company</td>
<td>215,517</td>
<td>205,113</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>38,100</td>
<td>32,314</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>253,617</td>
<td>237,427</td>
</tr>
</tbody>
</table>

Legal Representative: Zhang Xiwu  
Chief Financial Officer: Zhang Kehui  
General Manager of Finance Department: Hao Jianxin
**Prepared under IFRSs**

**Consolidated statement of cash flows**

For the nine months ended 30 September 2011

<table>
<thead>
<tr>
<th>Items</th>
<th>Unit: RMB million (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the nine months ended 30 September 2011</td>
</tr>
<tr>
<td>Operating activities</td>
<td></td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>84,028</td>
</tr>
<tr>
<td>Interest received</td>
<td>681</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(2,273)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(11,234)</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities</strong></td>
<td>71,202</td>
</tr>
<tr>
<td>Investing activities</td>
<td></td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(36,574)</td>
</tr>
<tr>
<td>Lease prepayments</td>
<td>(247)</td>
</tr>
<tr>
<td>Acquisition of a subsidiary</td>
<td>-</td>
</tr>
<tr>
<td>Payment for the acquisitions</td>
<td>(8,702)</td>
</tr>
<tr>
<td>Capital injection in associates</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of other long-term equity investments</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>24</td>
</tr>
<tr>
<td>Dividend received from associates</td>
<td>98</td>
</tr>
<tr>
<td>Increase in restricted bank deposits</td>
<td>(4,044)</td>
</tr>
<tr>
<td>Decrease in restricted bank deposits</td>
<td>8</td>
</tr>
<tr>
<td>Increase in time deposits with original maturity over three months</td>
<td>(5,745)</td>
</tr>
<tr>
<td>Maturity of time deposits with original maturity over three months</td>
<td>2,777</td>
</tr>
<tr>
<td>Repayment of entrusted loan from a third party</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(49,405)</td>
</tr>
<tr>
<td>Financing activities</td>
<td></td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>7,893</td>
</tr>
<tr>
<td>Repayments of borrowings</td>
<td>(16,757)</td>
</tr>
<tr>
<td>Contributions from non-controlling interests</td>
<td>1,550</td>
</tr>
<tr>
<td>Distributions to non-controlling interests</td>
<td>(2,098)</td>
</tr>
<tr>
<td>Dividend paid to equity shareholders of the Company</td>
<td>(15,054)</td>
</tr>
<tr>
<td>Contributions from then shareholders in relation to the acquisitions</td>
<td>455</td>
</tr>
<tr>
<td>Distributions to non-controlling interests in relation to the acquisitions</td>
<td>(105)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(24,116)</td>
</tr>
<tr>
<td><strong>Net (decrease)/ increase in cash and cash equivalents</strong></td>
<td>(2,319)</td>
</tr>
<tr>
<td>Cash and cash equivalents as at the beginning of the period</td>
<td>77,212</td>
</tr>
<tr>
<td>Effect of foreign exchange rate changes</td>
<td>4</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents as at the end of the period</strong></td>
<td>74,897</td>
</tr>
</tbody>
</table>

Legal Representative: Zhang Xiwu  Chief Financial Officer: Zhang Kehui  General Manager of Finance Department: Hao Jianxin
### Consolidated income statement
For the nine months ended 30 September 2011

<table>
<thead>
<tr>
<th>Items</th>
<th>For the three months ended 30 September 2011</th>
<th>For the three months ended 30 September 2010 (restated)</th>
<th>For the nine months ended 30 September 2011</th>
<th>For the nine months ended 30 September 2010 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>52,939</td>
<td>41,572</td>
<td>153,631</td>
<td>113,240</td>
</tr>
<tr>
<td>Less: Operating costs</td>
<td>31,807</td>
<td>23,164</td>
<td>88,934</td>
<td>59,596</td>
</tr>
<tr>
<td>Business taxes and surcharges</td>
<td>1,109</td>
<td>983</td>
<td>3,289</td>
<td>2,858</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>351</td>
<td>278</td>
<td>875</td>
<td>756</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>3,061</td>
<td>2,529</td>
<td>8,596</td>
<td>6,778</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>784</td>
<td>616</td>
<td>1,652</td>
<td>1,949</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>(4)</td>
<td>9</td>
<td>17</td>
<td>147</td>
</tr>
<tr>
<td>Add: Gain from changes in fair value</td>
<td>58</td>
<td>129</td>
<td>21</td>
<td>221</td>
</tr>
<tr>
<td>Investment income</td>
<td>91</td>
<td>117</td>
<td>293</td>
<td>399</td>
</tr>
<tr>
<td>(Including: income from investment in associates)</td>
<td>69</td>
<td>101</td>
<td>192</td>
<td>381</td>
</tr>
<tr>
<td>Operating profit</td>
<td>15,980</td>
<td>14,239</td>
<td>50,582</td>
<td>41,776</td>
</tr>
<tr>
<td>Add: Non-operating income</td>
<td>58</td>
<td>98</td>
<td>216</td>
<td>255</td>
</tr>
<tr>
<td>Less: Non-operating expenses</td>
<td>82</td>
<td>36</td>
<td>807</td>
<td>195</td>
</tr>
<tr>
<td>(Including: Loss from disposal of non-current assets)</td>
<td>13</td>
<td>4</td>
<td>37</td>
<td>9</td>
</tr>
<tr>
<td>Profit before income tax</td>
<td>15,956</td>
<td>14,301</td>
<td>49,991</td>
<td>41,836</td>
</tr>
<tr>
<td>Less: Income tax expenses</td>
<td>1,984</td>
<td>3,026</td>
<td>10,559</td>
<td>8,735</td>
</tr>
<tr>
<td>Net profit</td>
<td>13,972</td>
<td>11,275</td>
<td>39,432</td>
<td>33,101</td>
</tr>
<tr>
<td>(Including: Net profit realized by the acquirees before the consolidation)</td>
<td>-</td>
<td>173</td>
<td>322</td>
<td>431</td>
</tr>
<tr>
<td>Net profit attributable to equity shareholders of the Company</td>
<td>12,315</td>
<td>9,880</td>
<td>34,183</td>
<td>28,716</td>
</tr>
<tr>
<td>Minority interests</td>
<td>1,657</td>
<td>1,395</td>
<td>5,249</td>
<td>4,385</td>
</tr>
<tr>
<td>Earnings per share:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic earnings per share (RMB)</td>
<td>0.619</td>
<td>0.497</td>
<td>1.719</td>
<td>1.444</td>
</tr>
<tr>
<td>Diluted earnings per share (RMB)</td>
<td>0.619</td>
<td>0.497</td>
<td>1.719</td>
<td>1.444</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>(256)</td>
<td>135</td>
<td>(138)</td>
<td>(152)</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>13,716</td>
<td>11,410</td>
<td>39,294</td>
<td>32,949</td>
</tr>
<tr>
<td>Total comprehensive income attributable to the equity shareholders of the Company</td>
<td>12,061</td>
<td>10,015</td>
<td>34,052</td>
<td>28,565</td>
</tr>
<tr>
<td>Total comprehensive income attributable to the minority interests</td>
<td>1,655</td>
<td>1,395</td>
<td>5,242</td>
<td>4,384</td>
</tr>
</tbody>
</table>

Legal Representative: Zhang Xiwu
Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin
## Income statement
For the nine months ended 30 September 2011

Unit: RMB million (Unaudited)

<table>
<thead>
<tr>
<th>Items</th>
<th>For the three months ended 30 September 2011</th>
<th>For the three months ended 30 September 2010</th>
<th>For the nine months ended 30 September 2011</th>
<th>For the nine months ended 30 September 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>27,451</td>
<td>38,228</td>
<td>114,805</td>
<td>106,765</td>
</tr>
<tr>
<td>Less: Operating costs</td>
<td>22,849</td>
<td>33,201</td>
<td>96,635</td>
<td>91,641</td>
</tr>
<tr>
<td>Business taxes and surcharges</td>
<td>488</td>
<td>583</td>
<td>1,726</td>
<td>1,667</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>73</td>
<td>156</td>
<td>303</td>
<td>435</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>1,277</td>
<td>1,035</td>
<td>3,611</td>
<td>3,038</td>
</tr>
<tr>
<td>Net financial gains</td>
<td>(45)</td>
<td>(230)</td>
<td>(294)</td>
<td>(331)</td>
</tr>
<tr>
<td>Add: Gain from changes in fair value</td>
<td>66</td>
<td>128</td>
<td>39</td>
<td>210</td>
</tr>
<tr>
<td>Investment income</td>
<td>3,127</td>
<td>333</td>
<td>6,510</td>
<td>3,319</td>
</tr>
<tr>
<td>(Including: income from investment in associates)</td>
<td>79</td>
<td>7</td>
<td>123</td>
<td>167</td>
</tr>
<tr>
<td>Operating profit</td>
<td>6,002</td>
<td>3,944</td>
<td>19,373</td>
<td>13,844</td>
</tr>
<tr>
<td>Add: Non-operating income</td>
<td>12</td>
<td>16</td>
<td>32</td>
<td>67</td>
</tr>
<tr>
<td>Less: Non-operating expenses</td>
<td>15</td>
<td>12</td>
<td>646</td>
<td>108</td>
</tr>
<tr>
<td>(Including: Loss from disposal</td>
<td>5</td>
<td>-</td>
<td>22</td>
<td>2</td>
</tr>
<tr>
<td>Profit before income tax</td>
<td>5,999</td>
<td>3,948</td>
<td>18,759</td>
<td>13,803</td>
</tr>
<tr>
<td>Less: Income tax expenses</td>
<td>251</td>
<td>910</td>
<td>2,981</td>
<td>2,294</td>
</tr>
<tr>
<td>Net profit</td>
<td>5,748</td>
<td>3,038</td>
<td>15,778</td>
<td>11,509</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>5,748</td>
<td>3,038</td>
<td>15,778</td>
<td>11,509</td>
</tr>
</tbody>
</table>

Legal Representative: Zhang Xiwu
Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin
### Consolidated balance sheet
As at 30 September 2011

<table>
<thead>
<tr>
<th>Items</th>
<th>As at 30 September 2011</th>
<th>As at 31 December 2010 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and on hand</td>
<td>86,902</td>
<td>82,213</td>
</tr>
<tr>
<td>Financial assets held for trading</td>
<td>972</td>
<td>951</td>
</tr>
<tr>
<td>Bills receivable</td>
<td>1,374</td>
<td>2,183</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>11,978</td>
<td>9,241</td>
</tr>
<tr>
<td>Prepayments</td>
<td>2,660</td>
<td>1,815</td>
</tr>
<tr>
<td>Other receivables</td>
<td>5,767</td>
<td>4,387</td>
</tr>
<tr>
<td>Inventories</td>
<td>12,348</td>
<td>11,574</td>
</tr>
<tr>
<td>Other current assets</td>
<td>5,983</td>
<td>7,097</td>
</tr>
<tr>
<td>Total current assets</td>
<td>127,984</td>
<td>119,461</td>
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<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term equity investments</td>
<td>3,823</td>
<td>3,738</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>176,247</td>
<td>167,498</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>37,301</td>
<td>31,190</td>
</tr>
<tr>
<td>Construction materials</td>
<td>721</td>
<td>1,898</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>29,044</td>
<td>29,720</td>
</tr>
<tr>
<td>Long-term deferred expenses</td>
<td>2,276</td>
<td>1,744</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>1,682</td>
<td>866</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>15,465</td>
<td>11,574</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>266,559</td>
<td>248,228</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>394,543</td>
<td>367,689</td>
</tr>
</tbody>
</table>

Unit: RMB million (Unaudited)

Legal Representative: Zhang Xiwu
Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin
## Consolidated balance sheet (continued)
As at 30 September 2011

<table>
<thead>
<tr>
<th>Items</th>
<th>As at 30 September 2011</th>
<th>As at 31 December 2010 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term loans</td>
<td>4,498</td>
<td>8,767</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>20,169</td>
<td>19,661</td>
</tr>
<tr>
<td>Receipts in advance</td>
<td>6,407</td>
<td>3,953</td>
</tr>
<tr>
<td>Staff costs payable</td>
<td>4,639</td>
<td>3,481</td>
</tr>
<tr>
<td>Tax payables</td>
<td>13,195</td>
<td>11,414</td>
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<tr>
<td>Interest payable</td>
<td>260</td>
<td>175</td>
</tr>
<tr>
<td>Dividend payable</td>
<td>1,732</td>
<td>1,691</td>
</tr>
<tr>
<td>Other payables</td>
<td>33,817</td>
<td>20,737</td>
</tr>
<tr>
<td>Non-current liabilities due within one year</td>
<td>8,137</td>
<td>7,047</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>92,854</td>
<td>76,926</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term loans</td>
<td>46,432</td>
<td>52,311</td>
</tr>
<tr>
<td>Long-term payables</td>
<td>2,174</td>
<td>2,133</td>
</tr>
<tr>
<td>Estimated liabilities</td>
<td>1,653</td>
<td>1,702</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>315</td>
<td>315</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>50,574</td>
<td>56,461</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>143,428</td>
<td>133,387</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>19,890</td>
<td>19,890</td>
</tr>
<tr>
<td>Capital reserve</td>
<td>82,488</td>
<td>92,422</td>
</tr>
<tr>
<td>Specific reserve</td>
<td>5,657</td>
<td>3,488</td>
</tr>
<tr>
<td>Surplus reserves</td>
<td>11,433</td>
<td>11,433</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>93,177</td>
<td>74,289</td>
</tr>
<tr>
<td>Exchange differences on translation of financial</td>
<td>549</td>
<td>680</td>
</tr>
<tr>
<td>statements of overseas subsidiaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total equity attributable to equity shareholders</td>
<td>213,194</td>
<td>202,202</td>
</tr>
<tr>
<td>of the Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minority interests</td>
<td>37,921</td>
<td>32,100</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>251,115</td>
<td>234,302</td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td>394,543</td>
<td>367,689</td>
</tr>
</tbody>
</table>

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 2011

<table>
<thead>
<tr>
<th>Items</th>
<th>As at 30 September 2011</th>
<th>As at 31 December 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and on hand</td>
<td>59,681</td>
<td>69,968</td>
</tr>
<tr>
<td>Financial assets held for trading</td>
<td>519</td>
<td>480</td>
</tr>
<tr>
<td>Bills receivable</td>
<td>256</td>
<td>1,700</td>
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<td>Accounts receivable</td>
<td>28,403</td>
<td>10,564</td>
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<tr>
<td>Prepayments</td>
<td>1,639</td>
<td>863</td>
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<tr>
<td>Dividend receivable</td>
<td>7,072</td>
<td>2,039</td>
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<tr>
<td>Other receivables</td>
<td>5,341</td>
<td>5,718</td>
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<tr>
<td>Inventories</td>
<td>4,276</td>
<td>8,219</td>
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<td>Other current assets</td>
<td>27,768</td>
<td>20,762</td>
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<tr>
<td>Total current assets</td>
<td>134,955</td>
<td>120,313</td>
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<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term equity investments</td>
<td>57,375</td>
<td>45,312</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>40,935</td>
<td>42,845</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>9,400</td>
<td>4,322</td>
</tr>
<tr>
<td>Construction materials</td>
<td>142</td>
<td>125</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>14,691</td>
<td>14,779</td>
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<tr>
<td>Long-term deferred expenses</td>
<td>1,500</td>
<td>1,249</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>495</td>
<td>157</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>11,384</td>
<td>9,528</td>
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<tr>
<td>Total non-current assets</td>
<td>135,922</td>
<td>118,317</td>
</tr>
<tr>
<td>Total assets</td>
<td>270,877</td>
<td>238,630</td>
</tr>
</tbody>
</table>

Unit: RMB million (Unaudited)

Legal Representative: Zhang Xiwu
Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin
### Balance sheet (continued)

As at 30 September 2011

<table>
<thead>
<tr>
<th>Items</th>
<th>As at 30 September 2011</th>
<th>As at 31 December 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>7,548</td>
<td>12,989</td>
</tr>
<tr>
<td>Receipts in advance</td>
<td>385</td>
<td>2,501</td>
</tr>
<tr>
<td>Staff costs payable</td>
<td>2,639</td>
<td>2,035</td>
</tr>
<tr>
<td>Tax payables</td>
<td>6,087</td>
<td>6,237</td>
</tr>
<tr>
<td>Interest payable</td>
<td>122</td>
<td>66</td>
</tr>
<tr>
<td>Other payables</td>
<td>3,562</td>
<td>5,679</td>
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<tr>
<td>Non-current liabilities due within one year</td>
<td>2,373</td>
<td>1,466</td>
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<tr>
<td>Other current liabilities</td>
<td>73,106</td>
<td>29,514</td>
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<tr>
<td>Total current liabilities</td>
<td>95,822</td>
<td>60,487</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term loans</td>
<td>8,067</td>
<td>9,152</td>
</tr>
<tr>
<td>Long-term payables</td>
<td>1,658</td>
<td>1,582</td>
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<tr>
<td>Estimated liabilities</td>
<td>992</td>
<td>1,060</td>
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<tr>
<td>Total non-current liabilities</td>
<td>10,717</td>
<td>11,794</td>
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<tr>
<td>Total liabilities</td>
<td>106,539</td>
<td>72,281</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
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<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>19,890</td>
<td>19,890</td>
</tr>
<tr>
<td>Capital reserve</td>
<td>83,050</td>
<td>87,621</td>
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<tr>
<td>Specific reserve</td>
<td>4,401</td>
<td>2,704</td>
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<tr>
<td>Surplus reserves</td>
<td>11,433</td>
<td>11,433</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>45,564</td>
<td>44,701</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>164,338</td>
<td>166,349</td>
</tr>
<tr>
<td>Total liabilities and shareholders’ equity</td>
<td>270,877</td>
<td>238,630</td>
</tr>
</tbody>
</table>

Legal Representative: Zhang Xiwu
Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin
Prepared under Accounting Standards for Business Enterprises

Consolidated statement of cash flows
For the nine months ended 30 September 2011

Unit: RMB million (Unaudited)

<table>
<thead>
<tr>
<th>Items</th>
<th>For the nine months ended 30 September 2011</th>
<th>For the nine months ended 30 September 2010 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from sale of goods and rendering of services</td>
<td>175,873</td>
<td>130,311</td>
</tr>
<tr>
<td>Refund of taxes</td>
<td>1</td>
<td>127</td>
</tr>
<tr>
<td>Other cash received relating to operating activities</td>
<td>14,791</td>
<td>5,944</td>
</tr>
<tr>
<td>Sub-total of cash inflows from operating activities</td>
<td>190,665</td>
<td>136,382</td>
</tr>
<tr>
<td>Cash paid for goods and services</td>
<td>(76,777)</td>
<td>(48,293)</td>
</tr>
<tr>
<td>Cash paid to and for employees</td>
<td>(8,517)</td>
<td>(6,585)</td>
</tr>
<tr>
<td>Payment for all types of taxes</td>
<td>(30,417)</td>
<td>(26,025)</td>
</tr>
<tr>
<td>Other cash paid relating to operating activities</td>
<td>(2,212)</td>
<td>(3,916)</td>
</tr>
<tr>
<td>Sub-total of cash outflows from operating activities</td>
<td>(117,923)</td>
<td>(84,819)</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>72,742</td>
<td>51,563</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from disposal of investments</td>
<td>3,000</td>
<td>1,161</td>
</tr>
<tr>
<td>Cash received from return on investments</td>
<td>98</td>
<td>66</td>
</tr>
<tr>
<td>Net cash received from disposal of fixed assets</td>
<td>24</td>
<td>93</td>
</tr>
<tr>
<td>Cash received on maturity of time deposits from financial institutions</td>
<td>2,777</td>
<td>10,767</td>
</tr>
<tr>
<td>Cash received for restricted deposits from financial institutions</td>
<td>8</td>
<td>538</td>
</tr>
<tr>
<td>Cash received from acquisition of a subsidiary</td>
<td>-</td>
<td>473</td>
</tr>
<tr>
<td>Other cash received relating to investing activities</td>
<td>681</td>
<td>385</td>
</tr>
<tr>
<td>Sub-total of cash inflows from investing activities</td>
<td>6,588</td>
<td>13,483</td>
</tr>
<tr>
<td>Cash paid for acquisition of fixed assets, intangible assets and other long-term assets</td>
<td>(36,821)</td>
<td>(20,608)</td>
</tr>
<tr>
<td>Cash paid for investments</td>
<td>-</td>
<td>(1,911)</td>
</tr>
<tr>
<td>Payment for the acquisitions</td>
<td>(8,702)</td>
<td>-</td>
</tr>
<tr>
<td>Cash paid for time deposits with financial institutions</td>
<td>(5,745)</td>
<td>(11,020)</td>
</tr>
<tr>
<td>Cash paid for restricted deposits with financial institutions</td>
<td>(4,044)</td>
<td>(191)</td>
</tr>
<tr>
<td>Sub-total of cash outflows from investing activities</td>
<td>(55,312)</td>
<td>(33,730)</td>
</tr>
<tr>
<td>Net cash flows from investing activities</td>
<td>(48,724)</td>
<td>(20,247)</td>
</tr>
<tr>
<td>Cash flows from financing activities:</td>
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<td></td>
</tr>
<tr>
<td>Cash received from investments</td>
<td>1,550</td>
<td>275</td>
</tr>
<tr>
<td>Contributions from then shareholders in relation to the acquisitions</td>
<td>455</td>
<td>301</td>
</tr>
<tr>
<td>Cash received from loans</td>
<td>7,893</td>
<td>30,266</td>
</tr>
<tr>
<td>Other cash received relating to financing activities</td>
<td>52</td>
<td>108</td>
</tr>
<tr>
<td>Sub-total of cash inflows from financing activities</td>
<td>9,950</td>
<td>30,950</td>
</tr>
<tr>
<td>Cash repayment of loans</td>
<td>(16,757)</td>
<td>(30,525)</td>
</tr>
<tr>
<td>Cash paid for dividend, profit distribution or interest</td>
<td>(19,530)</td>
<td>(14,877)</td>
</tr>
<tr>
<td>(Including: Dividend paid to minority shareholders by subsidiaries)</td>
<td>(2,203)</td>
<td>(1,527)</td>
</tr>
<tr>
<td>Sub-total of cash outflows from financing activities</td>
<td>(36,287)</td>
<td>(45,402)</td>
</tr>
<tr>
<td>Net cash flows from financing activities</td>
<td>(26,337)</td>
<td>(14,452)</td>
</tr>
<tr>
<td>Effect of foreign exchange rate changes on cash and cash equivalents</td>
<td>4</td>
<td>(13)</td>
</tr>
<tr>
<td>Net (decrease)/increase in cash and cash equivalents</td>
<td>(2,315)</td>
<td>16,851</td>
</tr>
<tr>
<td>Add: Cash and cash equivalents at the beginning of the period</td>
<td>77,212</td>
<td>72,321</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the period</td>
<td>74,897</td>
<td>89,172</td>
</tr>
</tbody>
</table>

Legal Representative: Zhang Xiwu
Chief Financial Officer: Zhang Kehui
General Manager of Finance Department: Hao Jianxin
## Statement of cash flows
For the nine months ended 30 September 2011

Unit: RMB million (Unaudited)

<table>
<thead>
<tr>
<th>Items</th>
<th>For the nine months ended 30 September 2011</th>
<th>For the nine months ended 30 September 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from sale of goods and rendering of services</td>
<td>115,885</td>
<td>110,042</td>
</tr>
<tr>
<td>Other cash received relating to operating activities</td>
<td>3,470</td>
<td>2,440</td>
</tr>
<tr>
<td>Sub-total of cash inflows from operating activities</td>
<td>119,355</td>
<td>112,482</td>
</tr>
<tr>
<td>Cash paid for goods and services</td>
<td>(91,538)</td>
<td>(90,486)</td>
</tr>
<tr>
<td>Cash paid to and for employees</td>
<td>(3,821)</td>
<td>(2,928)</td>
</tr>
<tr>
<td>Payment for all types of taxes</td>
<td>(10,008)</td>
<td>(13,036)</td>
</tr>
<tr>
<td>Other cash paid relating to operating activities</td>
<td>(855)</td>
<td>(778)</td>
</tr>
<tr>
<td>Sub-total of cash outflows from operating activities</td>
<td>(106,222)</td>
<td>(107,228)</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>13,133</td>
<td>5,254</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from disposal of investments</td>
<td>12,389</td>
<td>9,016</td>
</tr>
<tr>
<td>Cash received from return on investments</td>
<td>4,401</td>
<td>3,225</td>
</tr>
<tr>
<td>Net cash received from disposal of fixed assets</td>
<td>20</td>
<td>58</td>
</tr>
<tr>
<td>Cash received on maturity of time deposits from financial institutions</td>
<td>2,250</td>
<td>10,746</td>
</tr>
<tr>
<td>Cash received for restricted deposits from financial institutions</td>
<td>-</td>
<td>169</td>
</tr>
<tr>
<td>Other cash received relating to investing activities</td>
<td>605</td>
<td>768</td>
</tr>
<tr>
<td>Sub-total of cash inflows from investing activities</td>
<td>19,665</td>
<td>23,982</td>
</tr>
<tr>
<td>Cash paid for acquisition of fixed assets, intangible assets and other long-term assets</td>
<td>(10,255)</td>
<td>(7,038)</td>
</tr>
<tr>
<td>Cash paid for investments</td>
<td>(25,312)</td>
<td>(11,983)</td>
</tr>
<tr>
<td>Payment for the acquisitions</td>
<td>(8,270)</td>
<td>-</td>
</tr>
<tr>
<td>Cash paid for time deposits with financial institutions</td>
<td>(200)</td>
<td>(8,500)</td>
</tr>
<tr>
<td>Cash paid for restricted deposits with financial institutions</td>
<td>(323)</td>
<td>(96)</td>
</tr>
<tr>
<td>Sub-total of cash outflows from investing activities</td>
<td>(44,360)</td>
<td>(27,617)</td>
</tr>
<tr>
<td>Net cash flows from investing activities</td>
<td>(24,695)</td>
<td>(3,635)</td>
</tr>
<tr>
<td>Cash flows from financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from loans</td>
<td>81,907</td>
<td>97,269</td>
</tr>
<tr>
<td>Sub-total of cash inflows from financing activities</td>
<td>81,907</td>
<td>97,269</td>
</tr>
<tr>
<td>Cash repayments of loans</td>
<td>(64,276)</td>
<td>(75,024)</td>
</tr>
<tr>
<td>Cash paid for dividend, profit distribution or interest</td>
<td>(15,229)</td>
<td>(10,851)</td>
</tr>
<tr>
<td>Sub-total of cash outflows from financing activities</td>
<td>(79,505)</td>
<td>(85,875)</td>
</tr>
<tr>
<td>Net cash flows from financing activities</td>
<td>2,402</td>
<td>11,394</td>
</tr>
<tr>
<td>Net (decrease) / increase in cash and cash equivalents</td>
<td>(9,160)</td>
<td>13,013</td>
</tr>
<tr>
<td>Add: Cash and cash equivalents at the beginning of the period</td>
<td>68,368</td>
<td>62,364</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the period</td>
<td>59,208</td>
<td>75,377</td>
</tr>
</tbody>
</table>

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