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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)

First Quarterly Report for the Year 2010

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 three months ended 31 March 2010 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 Seven directors of the Company attended the Board meeting in person.
- 1.3 The Company’s first quarterly financial report for the year 2010 has not been audited or reviewed. The Company's first quarterly financial report for the year 2010 is prepared in accordance with IFRSs. Please refer to 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 Pursuant to the regulations of related government authorities in the PRC, provision for production maintenance, production safety and other related expenditures is accrued by the Company. The above mentioned expenses in the first quarterly report of 2009 published on 29 April 2009 was accrued in accordance to Cai Kuai Han [2008] No.60 "Notice for preparation of 2008 annual report in accordance with the accounting standards" issued in December 2008. According to the requirement of "China Accounting Standards for Business Enterprises Explanatory Notice No.3" issued by the Ministry of Finance in June 2009 and "Notice for the implementation of accounting standards on listed companies and non-listed companies' work of the 2009 annual report" (Cai Kuai [2009] No.16), provision for the above mentioned expenses is recognized as expense in profit or loss in accordance with the regulations, and separately regarded as a specific reserve in shareholders' equity. On utilization of the specific reserve as expenditure in accordance with the stipulated scope, the actual incurred expenses are charged against the specific reserve. On utilization of the specific reserve as fixed assets in accordance with the stipulated scope, full amount of depreciation is recognized at the same time when the cost of the fixed assets is charged against the specific reserve. No depreciation is accrued for the relevant assets in the subsequent period. As a result, the retrospective adjustments of the accounting treatment for prior years were made by the Company, and the financial statements prepared in accordance with the Accounting Standards for Business Enterprises for the first quarter of 2009 were restated accordingly.
- 1.5 Dr. Zhang Xiwu, Chairman of the Board of directors 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 quarterly report.
- 1.6 This quarterly report is prepared in Chinese and English respectively. In case of any discrepancies, the Chinese version shall prevail.

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

In the first quarter of 2010, led by the board of directors, all staff of China Shenhua made achievements in production dispatching and overall planning, transportation organization and sales, enhancement of construction management and active promotion of mine capacity expansion and update as well as the preliminary work for new projects, and consequently the coal production and sales realized stable growth, the capacity of railway and port segment achieved sound improvement and the gross power generation increased significantly, which in turn brought outperforming start for the Company in the first quarter. The commercial coal production volume reached 56.1 million tonnes, accounting for 24.5% of the annual target; the commercial coal sales volume reached 65.1 million tonnes, accounting for 23.9% of annual target; the gross power generation was 32.39 billion kwh, accounting for 25.7% of annual target; and the total power output dispatch was 30.18 billion kwh, accounting for 25.9% of annual target. While seeking coordinated development among the segments, the Company improved the plan of 'mega sales strategy' step by step, kept enhancing the management expertise, rolled off the information service upgrade and optimization of streamline, launched the campaign of 'double increase and decrease' and deepened the refined management.

In the first quarter of 2010, the revenue realised by the Company was RMB32,805 million, representing a year-on-year increase of 20.8%; the profit attributable to equity shareholders of the Company for the period was RMB9,244 million and the basic earnings per share reached RMB0.465, representing a year-on-year increase of 16.5% respectively.

Since the beginning of 2010, the Company commenced unified resource allocation, planned regional market in an overall way and explored market channel, and hence in-depth cooperation and resource-sharing sales system has been well positioned with sales as core. Through such move, the Company could further enhance the synergy among all segments and strengthen its edge in low cost operation so as to finally achieve the transition from a coal producer to a coal distributor. As of the end of the first quarter of 2010, the Company has concluded the annual domestic coal sales contract signing for 2010. During the reporting period, the weighted average coal sales price (exclusive of VAT) reached RMB412.1 per tonne (for the three months ended 31 March 2009: RMB396.8 per tonne), representing a year-on-year increase of 3.9%.

Aiming to realizing the strategy of ‘pursuing scientific development, rebuilding Shenhua, doubling the aggregate economic output within five years’, the Company is striving to transit the development model so as to enhance the core competitiveness of the Company and further reinforce the assessing in economic added value (EVA). The Company will devote more efforts in scientific creation, governance structure and management efficiency, industry structure, energy saving and environment protection and social responsibility. Moreover, the Company will build an operating system focusing on rational structure, high-end quality and sustainable development in order to establish a new growth model with Shenhua characteristics.

3. COMPANY PROFILE

3.1 Major financial indicators prepared in accordance with IFRSs

Items	For the three months ended 31 March 2010	For the three months ended 31 March 2009	Percentage change %
Per share (RMB)			
Earnings per share	0.465	0.399	16.5
Net cash generated from operating activities per share	0.618	0.882	(29.9)
Current period (RMB million)			
Revenues	32,805	27,157	20.8
Profit attributable to equity shareholders of the Company	9,244	7,936	16.5
Net cash generated from operating activities	12,286	17,534	(29.9)
	As at 31 March 2010	As at 31 December 2009	Percentage change %
Total assets (RMB million)	321,869	311,677	3.3
Total liabilities (RMB million)	114,361	114,259	0.09
Total equity (RMB million)	207,508	197,418	5.1

Of which: Equity attributable to equity shareholders of the Company (RMB million)	179,840	170,661	5.4
Shareholders' equity per share (RMB)	9.04	8.58	5.4

3.2 Major operational data

Operational indicator	For the three months ended 31 March 2010	For the three months ended 31 March 2009	Percentage change %
Commercial coal production (Million tonnes)	56.1	51.8	8.3
Coal sales (Million tonnes)	65.1	57.0	14.2
Of which: Export (Million tonnes)	3.9	3.9	-
Turnover of self-owned railway transportation (Billion tonne km)	37.8	33.5	12.8
Seaborne coal (Million tonnes)	37.8	36.7	3.0
Of which: Huanghua Port (Million tonnes)	19.9	18.6	7.0
Shenhua Tianjin Coal Dock (Million tonnes)	7.3	5.8	25.9
Gross power generation (Billion kwh)	32.39	21.17	53.0
Total power output dispatch (Billion kwh)	30.18	19.65	53.6

3.3 Major differences of financial statements 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 three months ended 31 March 2010	For the three months ended 31 March 2009 (restated)	As at 31 March 2010	As at 31 December 2009
Under the Accounting Standards for Business Enterprises	8,726	7,463	178,640	169,326
Items as adjusted under IFRSs:				
Adjustment for production maintenance, production safety and other related expenditures	495	458	2,630	2,841
Revaluation of land use rights and others	23	15	(1,430)	(1,506)
Under IFRSs	9,244	7,936	179,840	170,661

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 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 effect of deferred tax arising from such difference is also reflected in it.

2. Revaluation of land use rights and others

Under the Accounting Standards for Business Enterprises, land use rights under the prepayment for operating leases 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 statements 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 456,068 shareholders of the Company, of which there were 453,322 holders of A shares (including Shenhua Group Corporation Limited (“Shenhua Group”)) and 2,746 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*	3,391,051,394	Listed foreign shares
Bank of Communications - E funds 50 Indices Securities Investment Fund	44,815,020	RMB ordinary shares
The Industrial and Commercial Bank of China – Shanghai Stock Exchange Trading Open-end Index Securities Investment Fund	35,130,035	RMB ordinary shares
Baosteel Group Corporation	29,151,928	RMB ordinary shares
Bank of China – Harvest Hu Shen 300 Index Securities Investment Fund	21,145,119	RMB ordinary shares
Zhangjiagang Free Trade Zone Qianxing Investment and Trading Co., Ltd.	14,065,817	RMB ordinary shares
The Industrial and Commercial Bank of China – Huaxia Hu Shen CSI 300 Index Securities Investment Fund	13,900,000	RMB ordinary shares
China Life Insurance Company Limited – Dividends – Personal Dividends – 005L- FH002 - Shanghai	13,261,146	RMB ordinary shares
China Construction Bank - Huaan Hongli Stock-type Securities Investment Fund	11,666,000	RMB ordinary shares
Zhangjiagang Free Trade Zone Rongrun Trading Co., Ltd.	11,557,243	RMB ordinary shares

* 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

During the reporting period, in accordance with IFRSs, revenues of the Group was RMB32,805 million (for the three months ended 31 March 2009: RMB27,157 million), representing an increase of 20.8%. Profit attributable to equity shareholders of the Company for the period was RMB9,244 million (for the three months ended 31 March 2009: RMB7,936 million), representing an increase of 16.5%.

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 statement of comprehensive income	For the three months ended 31 March 2010	For the three months ended 31 March 2009	Change %	Major reasons of changes
Other operating income/(expenses), net	13	(89)	(114.6)	Impairment losses on fixed assets were recognized in the first quarter of 2009 for the closure of small power plants
Finance income	231	337	(31.5)	Decrease in interest income of bank deposit
Income tax	(2,776)	(1,847)	50.3	Increase in profit before income tax; and increase in the proportion of profit of power segment which has relatively higher applicable income tax rate

Note: Shendong Coal Group, a subsidiary of the Company in coal segment, is located in the developing region of Western China. For the first quarter of 2010, Shendong Coal Group currently adopted preferential income tax rate of 15% for the calculation of income tax provision. The Company is making application to the respective government authorities for the approval of granting preferential income tax rate to Shendong Coal Group. If such application is denied, Shendong Coal Group will be subject to statutory income tax rate of 25%.

Unit: RMB million

Items of consolidated balance sheet	As at 31 March 2010	As at 31 December 2009	Change %	Major reasons of changes
Other investments	2,075	805	157.8	Increase in other investments
Prepaid expenses and other current assets	3,422	2,484	37.8	Increase in payments for construction and equipment made on behalf of others
Time deposits with original maturity over three months	11,867	6,867	72.8	Increase in time deposits placed in financial institutions

Unit: RMB million

Items of consolidated statement of cash flows	For the three months ended 31 March 2010	For the three months ended 31 March 2009	Change %	Major reasons of changes
Interest received	205	337	(39.2)	Decrease in interest income of bank deposits
Lease prepayments	(115)	(81)	42.0	Increase in land use rights
Maturity of time deposits with original maturity over three months	5,210	110	4636.4	Increase in time deposit received
Proceeds from borrowings	8,419	12,777	(34.1)	Decrease in new borrowings
Distributions to minority shareholders	(557)	(279)	99.6	Increase in appropriation of dividends in subsidiaries

4.2 Analysis on 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):

Items	For the three months ended 31 March 2010			For the year ended 31 December 2009			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	61.2	94.0	409.1	240.7	94.7	378.7	8.0
Long-term contract sales	37.7	57.9	372.9	171.6	67.5	361.8	3.1
Direct arrival (along railway line and mine mouth)	17.3	26.6	269.4	69.3	27.3	244.1	10.4
Seaborne (FOB)	20.4	31.3	460.5	102.3	40.2	441.4	4.3
Spot sales	23.5	36.1	467.0	69.1	27.2	420.7	11.0
Direct arrival (along railway line and mine mouth)	10.0	15.4	319.9	25.8	10.2	333.9	(4.2)
Seaborne (FOB)	13.5	20.7	576.8	43.3	17.0	472.7	22.0
Export sales	3.9	6.0	458.9	13.6	5.3	551.5	(16.8)
Total sales volume / weighted average price	65.1	100.0	412.1	254.3	100.0	387.9	6.2

Items	For the three months ended 31 March 2010			For the three months ended 31 March 2009			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	61.2	94.0	409.1	53.1	93.2	375.0	9.1
Long-term contract sales	37.7	57.9	372.9	33.7	59.1	368.1	1.3
Direct arrival (along railway line and mine mouth)	17.3	26.6	269.4	13.5	23.7	257.7	4.5
Seaborne (FOB)	20.4	31.3	460.5	20.2	35.4	441.8	4.2
Spot sales	23.5	36.1	467.0	19.4	34.1	387.0	20.7
Direct arrival (along railway line and mine mouth)	10.0	15.4	319.9	7.6	13.4	271.6	17.8
Seaborne (FOB)	13.5	20.7	576.8	11.8	20.7	462.7	24.7
Export sales	3.9	6.0	458.9	3.9	6.8	694.0	(33.9)
Total sales volume / weighted average price	65.1	100.0	412.1	57.0	100.0	396.8	3.9

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:

Items	For the three months ended 31 March 2010	For the three months ended 31 March 2009	Changes
	RMB/tonne	RMB/tonne	%
Unit production cost of self-produced coal	105.6	92.6	14.0
Materials, fuel and power	19.4	20.9	(7.2)
Personnel expenses	10.9	11.0	(0.9)
Depreciation and amortisation	21.2	19.0	11.6
Repairs and maintenance	8.6	11.5	(25.2)
Others	45.5	30.2	50.7

During the reporting period, the unit production cost of self-produced coal of the coal segment was RMB105.6 per tonne (for the three months ended 31 March 2009: RMB92.6 per tonne), representing a year-on-year increase of 14.0%. The increase was mainly due to:

(a) Depreciation and amortization reached RMB21.2 per tonne, representing a year-on-year increase of 11.6%. It was mainly due to the increase in depreciation resulting from increase of mining equipment and technological upgrade arising from the changes in geological conditions of mining areas,

(b) The unit cost of others reached RMB45.5 per tonne, representing a year-on-year increase of 50.7%. It was mainly due to the compensation for water and soil loss as required by Shaanxi Government and similar charges by other provincial authorities, and the increase of relevant taxes and expenditure on environmental protection and compensation for land lease and land sink, which resulted in RMB8.7 per tonne increase on the unit production cost; the increase of the coal selection and processing expenses resulting from the changes in coal selection method and increase in coal selection ratio, the increase in auxiliary mining services and others resulted in the increase of the unit production cost by RMB6.4 per tonne.

Compared to the unit production cost of self-produced coal for the whole year of 2009 (RMB101.0 per tonne), the unit production cost of self-produced coal increased by 4.6% during the reporting period.

4.3 Risk factors affecting the results of the year 2010

As of the date of this report, the key risk factors that might affect the Company's results of the year 2010 are as follows:

(1) The relevant state and local authorities have been strictly implementing the safety inspection of coal mining entities. Part of the Company's operation or mines under construction might be affected, and the production might be temporarily reduced or restricted.

(2) The relevant state and local authorities might issue new policies on resource tax and related environmental protection tax etc, which would drive up the Company's costs of coal production.

(3) Personnel expenses in some of the Company's coal mine regions might rise, and this would drive up the Company's costs of coal production.

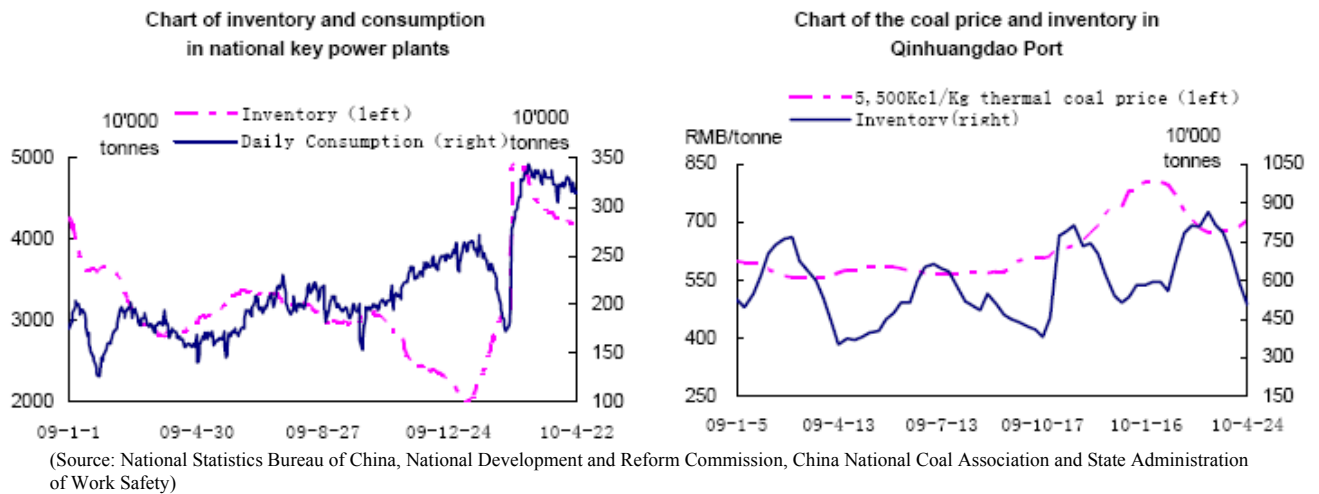
4.4 Overview of the industry

In the first quarter, with continuous recovering trend, the national economy made a good beginning. The year-on-year growth rate of GDP reached 11.9%, 1.2 percentage points higher than the growth rate of 10.7% in the fourth quarter of 2009. The improving macro-economy is helpful for driving up more coal demand.

In the first quarter, both coal demand and supply realized rapid growth. The major coal-consuming products including power, steel and cement rose by 20.8%, 28.6% and 20.3% respectively; in the same period, the national raw coal production amounted to 750 million tonnes, growing by 28.1% year-on-year. Affected by seasonal factors, the spot price of thermal coal displayed the gradual decrease after its initial substantial increase and then was turning stable. Since the middle of March, under the impact of recovering macro-economy, further progress of small mines consolidation and the lasting drought in southwestern regions in China, the thermal coal price gradually became stable. It is expected that in the next three quarters of 2010 the spot price of thermal coal will be volatile at high level.

In the next few years, China's coal production capacity will continue to be released and the output will increase as well. Recently, as a result of rising number of coal mine accidents, related government authorities imposed strict supervision policy on relevant coal mines in certain regions, which led to production limitation or suspension accordingly. In 2010, the central government will keep promoting coal resource consolidation nationwide. Moreover, around 8,000 small mines will be closed and 200 million tonnes of capacity will be eliminated, which showcased the strong determination of central government to close small mines. One of the major themes of the twelfth

five-year plan is to enhance the efforts on the optimization of coal resource consolidation and realize reasonable control on coal output in the future. In addition, the underlying policy-driven cost such as resource tax reform will affect the cost control of coal mine companies.



Note : This section is for information only and does not constitute any proposals for investment. The Company has done its best to ensure the accuracy and reliability of 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 its content. If there is any error or omission, the Company does not assume any liabilities.

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

Applicable Inapplicable

The Company held the 38th meeting of the first session of the Board on 29 January 2010. Resolution in relation to entering into the "Agreement on the increase in registered capital in Zhuhai New Century Shipping Limited" with China Shipping Development Company Limited has been considered and approved. Zhuhai New Century Shipping Limited has been renamed as "Shenhua Zhonghai Marine Co., Limited" on 23 February 2010. As of the end of the period of this report, the Company has increased its contribution to the registered capital of Shenhua Zhonghai Marine Co., Limited by RMB220 million, holding a 51% equity interest in the registered capital of Shenhua Zhonghai Marine Co., Limited after the capital injection. The registration of such change with the Industry and Commerce Bureau is currently under processing.

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

Applicable Inapplicable

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

Commitments	Performance
1. Non-competition Agreement between Shenhua Group and the Company	Complied with its commitments and there has been no breach of such commitments

2. 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 breach of such commitments
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Note: For details of commitments, please refer to the section titled "Significant Events" in the 2009 Annual Report of the Company..

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

Applicable Inapplicable

4.8 Investment in securities

Applicable Inapplicable

4.9 During the reporting period, the Board recommended payment of final dividend for 2009 in the amount of RMB0.53 per share (inclusive of tax), and the Company does not have any plan to declare or distribute dividend (including cash dividend) for the first quarter of 2010 to its shareholders.

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

Beijing, 29 April 2010

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 and Mr. Gong Huazhang, as independent non-executive Directors.

Appendix

Prepared under International Financial Reporting Standards

Consolidated statement of comprehensive income For the three months ended 31 March 2010 (Unaudited)

Unit: RMB million

Items	For the three months ended 31 March 2010	For the three months ended 31 March 2009
Revenues	32,805	27,157
Total cost of revenues	(17,214)	(13,991)
Selling, general and administrative expenses	(1,762)	(1,940)
Other operating income/(expenses), net	13	(89)
Total operating expenses	(18,963)	(16,020)
Profit from operations	13,842	11,137
Finance income	231	337
Finance expenses	(723)	(603)
Net finance costs	(492)	(266)
Investment (loss)/income	(1)	2
Share of profits less losses of associates	131	128
Profit before income tax	13,480	11,001
Income tax	(2,776)	(1,847)
Profit for the period	10,704	9,154
Other comprehensive income		
Exchange differences on translations of financial statements of overseas subsidiaries	(64)	47
Total comprehensive income for the period	10,640	9,201
Profit attributable to:		
Equity shareholders of the Company	9,244	7,936
Minority interests	1,460	1,218
Profit for the period	10,704	9,154
Total comprehensive income attributable to:		
Equity shareholders of the company	9,180	7,983
Minority interests	1,460	1,218
Total comprehensive income for the period	10,640	9,201
Earnings per share (RMB):		
- Basic	0.465	0.399
- Diluted	0.465	0.399

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 31 March 2010 (Unaudited)

Unit: RMB million

Items	As at 31 March 2010	As at 31 December 2009
Non-current assets		
Property, plant and equipment, net	165,891	163,645
Construction in progress	31,359	33,045
Intangible assets	2,795	2,928
Interest in associates	3,503	3,503
Other investments	2,075	805
Other non-current assets	8,592	7,435
Lease prepayments	7,221	7,202
Deferred tax assets	656	655
Total non-current assets	222,092	219,218
Current assets		
Inventories	10,039	7,727
Accounts and bills receivable, net	9,242	8,781
Prepaid expenses and other current assets	3,422	2,484
Restricted bank deposits	512	656
Time deposits with original maturity over three months	11,867	6,867
Cash and cash equivalents	64,695	65,944
Total current assets	99,777	92,459
Current liabilities		
Short-term borrowings and current portion of long-term borrowings	20,173	22,252
Accounts and bills payable	14,605	13,890
Accrued expenses and other payables	17,114	16,338
Current portion of long-term payables	275	275
Income tax payable	2,327	2,929
Total current liabilities	54,494	55,684
Net current assets	45,283	36,775
Total assets less current liabilities	267,375	255,993
Non-current liabilities		
Long-term borrowings, less current portion	55,108	53,931
Long-term payables, less current portion	2,260	2,314
Accrued reclamation obligations	1,537	1,513
Deferred tax liabilities	962	817
Total non-current liabilities	59,867	58,575
Net assets	207,508	197,418
Equity		
Share capital	19,890	19,890
Reserves	159,950	150,771
Equity attributable to equity shareholders of the Company	179,840	170,661
Minority interests	27,668	26,757
Total equity	207,508	197,418

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

Prepared under International Financial Reporting Standards

Consolidated statement of cash flows
For the three months ended 31 March 2010 (Unaudited)

Unit: RMB million

Items	For the three months ended 31 March 2010	For the three months ended 31 March 2009
Operating activities		
Cash generated from operations	15,202	19,866
Interest received	205	337
Interest paid	(947)	(842)
Income tax paid	(2,174)	(1,827)
Net cash generated from operating activities	12,286	17,534
Investing activities		
Capital expenditure	(6,015)	(4,717)
Lease prepayments	(115)	(81)
Purchase of other investments	(1,138)	-
Proceeds from disposal of property, plant and equipment	4	-
Dividend received from other investments	1	-
Increase in restricted bank deposits	(134)	(18)
Decrease in restricted bank deposits	278	-
Increase in time deposits with original maturity over three months	(10,210)	(13,256)
Maturity of time deposits with original maturity over three months	5,210	110
Net cash used in investing activities	(12,119)	(17,962)
Financing activities		
Proceeds from borrowings	8,419	12,777
Repayments of borrowings	(9,299)	(12,729)
Contributions from minority shareholders	26	294
Distributions to minority shareholders	(557)	(279)
Net cash (used in)/generated from financing activities	(1,411)	63
Net decrease in cash and cash equivalents	(1,244)	(365)
Cash and cash equivalents, at the beginning of the period	65,944	59,054
Effect of foreign exchange rate changes	(5)	-
Cash and cash equivalents, at the end of the period	64,695	58,689

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 three months ended 31 March 2010 (Unaudited)

Unit: RMB million

Items	For the three months ended 31 March 2010	For the three months ended 31 March 2009 (restated)
Operating income	32,805	27,157
Less: Operating costs	16,502	13,251
Business taxes and surcharges	929	964
Selling expenses	156	168
Administrative expenses	2,173	2,125
Financial expenses	517	83
Impairment loss (written back)/accrued	(1)	122
Add: Gain/(loss) from changes in fair value	25	(183)
Investment income	132	130
(Including: Income from investment in associates)	131	129
Operating profit	12,686	10,391
Add: Non-operating income	40	12
Less: Non-operating expenses	29	28
(Including: Loss from disposal of non-current assets)	9	5
Profit before income tax	12,697	10,375
Less: Income tax expenses	2,575	1,726
Net profit	10,122	8,649
Net profit attributable to equity shareholders of the Company	8,726	7,463
Minority interests	1,396	1,186
Earnings per share:		
(1) Basic earnings per share (RMB)	0.439	0.375
(2) Diluted earnings per share (RMB)	0.439	0.375
Other comprehensive income	(64)	47
Total comprehensive income	10,058	8,696
Total comprehensive income attributable to the equity shareholders of the Company	8,662	7,510
Total comprehensive income attributable to the minority interests	1,396	1,186

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 three months ended 31 March 2010 (Unaudited)

Unit: RMB million

Items	For the three months ended 31 March 2010	For the three months ended 31 March 2009 (restated)
Operating income	31,997	22,473
Less: Operating costs	27,081	13,980
Business taxes and surcharges	553	737
Selling expenses	136	163
Administrative expenses	995	1,195
Financial expenses	(79)	(174)
Impairment loss	-	73
Add: Gain/(loss) from changes in fair value	25	(183)
Investment income	824	1,064
(Including: Income from investment in associates)	58	44
Operating profit	4,160	7,380
Add: Non-operating income	26	4
Less: Non-operating expenses	16	8
(Including: Loss from disposal of non-current assets)	8	-
Profit before income tax	4,170	7,376
Less: Income tax expenses	634	987
Net profit	3,536	6,389
Total comprehensive income	3,536	6,389

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 31 March 2010 (Unaudited)

Unit: RMB million

Items	As at 31 March 2010	As at 31 December 2009
Current assets		
Cash at bank and on hand	77,074	73,467
Financial assets held for trading	356	331
Bills receivable	846	1,210
Accounts receivable	8,396	7,571
Prepayments	1,289	1,122
Other receivables	1,777	1,031
Inventories	10,039	7,727
Total current assets	99,777	92,459
Non-current assets		
Long-term equity investments	5,554	4,285
Fixed assets	148,737	146,362
Construction in progress	26,056	28,485
Construction materials	5,303	4,560
Intangible assets	25,432	25,642
Long-term deferred expenses	867	904
Deferred tax assets	623	611
Other non-current assets	8,363	7,206
Total non-current assets	220,935	218,055
Total assets	320,712	310,514

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 31 March 2010 (Unaudited)

Unit: RMB million

Items	As at 31 March 2010	As at 31 December 2009
Current liabilities		
Short-term loans	14,209	16,147
Bills payable	226	490
Accounts payable	14,379	13,400
Receipts in advance	2,824	2,579
Staff costs payable	2,808	2,636
Tax payables	7,277	7,918
Interest payable	115	150
Dividends payable	1,079	1,079
Other payables	5,338	4,905
Non-current liabilities due within one year	6,239	6,380
Total current liabilities	54,494	55,684
Non-current liabilities		
Long-term loans	55,108	53,931
Long-term payables	2,260	2,314
Estimated liabilities	1,537	1,513
Deferred tax liabilities	315	315
Total non-current liabilities	59,220	58,073
Total liabilities	113,714	113,757
Shareholders' equity		
Share capital	19,890	19,890
Capital reserve	88,209	88,181
Specific reserve	2,850	2,225
Surplus reserves	11,433	11,433
Retaining earnings	55,712	46,987
Exchange difference on translation of financial statements of overseas subsidiaries	546	610
Total equity attributable to equity shareholders of the Company	178,640	169,326
Minority interests	28,358	27,431
Total shareholders' equity	206,998	196,757
Total liabilities and shareholders' equity	320,712	310,514

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 31 March 2010 (Unaudited)

Unit: RMB million

Items	As at 31 March 2010	As at 31 December 2009
Current assets		
Cash at bank and on hand	71,549	69,637
Financial assets held for trading	356	331
Bills receivable	543	922
Accounts receivable	9,107	2,508
Prepayments	504	600
Dividends receivable	1,472	1,539
Other receivables	5,271	5,364
Inventories	7,720	4,845
Other current assets	12,076	11,976
Total current assets	108,598	97,722
Non-current assets		
Long-term equity investments	40,120	38,675
Fixed assets	38,737	38,633
Construction in progress	7,068	7,492
Construction materials	196	344
Intangible assets	12,652	12,800
Long-term deferred expenses	419	441
Deferred tax assets	90	109
Other non-current assets	5,459	5,534
Total non-current assets	104,741	104,028
Total assets	213,339	201,750

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 31 March 2010(Unaudited)

Unit: RMB million

Items	As at 31 March 2010	As at 31 December 2009
Current liabilities		
Short-term loans	400	650
Accounts payable	12,230	8,179
Receipts in advance	2,019	2,031
Staff costs payable	1,845	1,781
Tax payables	5,110	6,946
Interest payable	18	68
Other payables	3,722	3,772
Non-current liabilities due within one year	2,471	2,471
Other current liabilities	9,685	4,008
Total current liabilities	37,500	29,906
Non-current liabilities		
Long-term loans	9,817	9,899
Long-term payables	2,058	2,113
Estimated liabilities	1,052	1,032
Total non-current liabilities	12,927	13,044
Total liabilities	50,427	42,950
Shareholders' equity		
Share capital	19,890	19,890
Capital reserve	87,621	87,621
Specific reserve	2,497	1,921
Surplus reserves	11,433	11,433
Retaining earnings	41,471	37,935
Total shareholders' equity	162,912	158,800
Total liabilities and shareholders' equity	213,339	201,750

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 three months ended 31 March 2010 (Unaudited)

Unit: RMB million

Items	For the three months ended 31 March 2010	For the three months ended 31 March 2009
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	37,548	35,011
Refund of taxes	4	1
Other cash received relating to operating activities	208	470
Sub-total of cash inflows from operating activities	37,760	35,482
Cash paid for goods and services	(13,338)	(9,031)
Cash paid to and for employees	(2,197)	(1,786)
Cash paid for all types of taxes	(8,760)	(6,112)
Other cash paid relating to operating activities	(437)	(539)
Sub-total of cash outflows from operating activities	(24,732)	(17,468)
Net cash flow from operating activities	13,028	18,014
2. Cash flows from investing activities:		
Cash received from disposal of investments	-	1
Cash received from return on investments	1	24
Net cash received from disposal of fixed assets and intangible assets	4	-
Cash received on maturity of time deposits with financial institutions	5,210	110
Cash received for restricted deposits with financial institutions	278	-
Other cash received relating to investing activities	205	337
Sub-total of cash inflows from investing activities	5,698	472
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(6,130)	(4,798)
Cash paid for acquisition of investments	(1,138)	-
Cash paid for time deposits with financial institutions	(10,210)	(13,256)
Cash paid for restricted deposits with financial institutions	(134)	(18)
Sub-total of cash outflows from investing activities	(17,612)	(18,072)
Net cash flow from investing activities	(11,914)	(17,600)
3. Cash flows from financing activities:		
Cash received from investments	26	294
Cash received from loans	8,419	12,777
Sub-total of cash inflows from financing activities	8,445	13,071
Cash repayments of loans	(9,299)	(12,729)
Cash paid for dividends, profit distribution or interest (Including: Dividends and profits paid to minority shareholders by subsidiaries)	(1,504) (557)	(1,121) (279)
Sub-total of cash outflows from financing activities	(10,803)	(13,850)
Net cash flow from financing activities	(2,358)	(779)
4. Effect of foreign exchange rate changes on cash and cash equivalents	(5)	-
5. Net decrease in cash and cash equivalents	(1,249)	(365)
Add: Cash and cash equivalents at the beginning of the period	65,944	59,054
Cash and cash equivalents at the end of the period	64,695	58,689

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

Prepared under Accounting Standards for Business Enterprises

Statement of cash flows

For the three months ended 31 March 2010 (Unaudited)

Unit: RMB million

Items	For the three months ended 31 March 2010	For the three months ended 31 March 2009
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	27,786	27,578
Other cash received relating to operating activities	690	521
Sub-total of cash inflows from operating activities	28,476	28,099
Cash paid for goods and services	(21,523)	(8,968)
Cash paid to and for employees	(1,025)	(813)
Cash paid for all types of taxes	(5,347)	(4,651)
Other cash paid relating to operating activities	(259)	(213)
Sub-total of cash outflows from operating activities	(28,154)	(14,645)
Net cash flow from operating activities	322	13,454
2. Cash flows from investing activities:		
Cash received from disposal of investments	3,633	90
Cash received from return on investments	614	970
Net cash received from disposal of fixed assets and intangible assets	4	-
Cash received on maturity of time deposits with financial institutions	5,200	-
Cash received for restricted deposits with financial institutions	49	-
Other cash received relating to investing activities	196	329
Sub-total of cash inflows from investing activities	9,696	1,389
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(1,672)	(1,364)
Cash paid for acquisition of investments	(4,987)	(1,022)
Cash paid for time deposits with financial institutions	(10,200)	(13,200)
Cash paid for restricted deposits with financial institutions	(39)	(18)
Sub-total of cash outflows from investing activities	(16,898)	(15,604)
Net cash flow from investing activities	(7,202)	(14,215)
3. Cash flows from financing activities:		
Cash received from loans	27,779	500
Sub-total of cash inflows from financing activities	27,779	500
Cash repayments of loans	(23,829)	(1,506)
Cash paid for dividends, profit distribution or interest	(149)	(95)
Sub-total of cash outflows from financing activities	(23,978)	(1,601)
Net cash flow from financing activities	3,801	(1,101)
4. Net decrease in cash and cash equivalents	(3,079)	(1,862)
Add: Cash and cash equivalents at the beginning of the period	62,364	56,232
Cash and cash equivalents at the end of the period	59,285	54,370

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