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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 2013

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(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

The board of directors of the Company (the “Board”) is pleased to announce the results of the Group for the three months ended 31 March 2013 prepared in accordance with the International Financial Reporting Standards (“IFRSs”). Such results have not been audited or reviewed by the independent auditors.

1. IMPORTANT NOTICE

- 1.1 The Board and the supervisory committee of the Company together with the directors, supervisors and the senior management of the Company guarantee that the contents of the quarterly report are true, accurate and complete and do not contain any false representations, misleading statements or material omissions, and shall jointly and severally accept legal liability.
- 1.2 This report was adopted at the 37th meeting of the second session of the Board of the Company. Nine out of 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 2.3 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 In April 2012, the Company completed the acquisition of the 50% equity interests in Guohua Taicang Power Generation Co., Ltd., the 100% equity interests in Shenhua International (Hong Kong) Company Limited and the 60% equity interests in Shenhua Bayannur Energy Co., Ltd., as business combination under common control. These acquired companies and assets have been consolidated into the financial statements and operational data for the first quarter of 2013 of the Company, and the financial statements and the related operational data for the corresponding period of 2012 have been restated.
- 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, accuracy and completeness of the financial statements contained in this report.
- 1.6 Unless otherwise specified, the figures in this report are presented in Renminbi (RMB).

2. COMPANY PROFILE

2.1 Major financial indicators prepared in accordance with IFRSs

	For the three months ended 31 March 2013	For the three months ended 31 March 2012 (restated)	Percentage change %
Basic earnings per share (RMB/share)	0.584	0.592	(1.2)
Net cash generated from operating activities per share (RMB/share)	0.66	0.86	(23.4)
Revenues (RMB million)	60,039	59,994	0.1
Profit for the period (RMB million)	14,000	13,940	0.4
Profit attributable to equityholders of the Company (RMB million)	11,625	11,765	(1.2)
Net cash generated from operating activities (RMB million)	<u>13,146</u>	<u>17,152</u>	<u>(23.4)</u>

	As at 31 March 2013	As at 31 December 2012	Percentage change %
Total assets (RMB million)	476,208	457,367	4.1
Total liabilities (RMB million)	155,285	150,810	3.0
Total equity (RMB million)	320,923	306,557	4.7
Of which: Equity attributable to equityholders of the Company (RMB million)	268,125	256,589	4.5
Shareholders' equity per share (RMB/share)	<u>13.48</u>	<u>12.90</u>	<u>4.5</u>

2.2 Major operating data

Operational indicators	For the three months ended 31 March 2013	For the three months ended 31 March 2012 (restated)	Year-on-year increase/ decrease %
Commercial coal production (million tonnes)	79.9	79.1	1.0
Coal sales (million tonnes)	111.5	108.5	2.8
Of which: Export (million tonnes)	0.7	1.4	(50.0)
Import (million tonnes)	3.4	0.3	1,033.3
Turnover of self-owned railways transportation (billion tonne km)	50.2	44.7	12.3
Seaborne coal (million tonnes)	47.5	48.6	(2.3)
Seaborne coal at Huanghua Port (million tonnes)	26.3	21.4	22.9
Seaborne coal at Shenhua Tianjin Coal Dock (million tonnes)	7.3	6.2	17.7
Shipment volume (million tonnes)	18.4	23.5	(21.7)
Shipment turnover (billion tonne nautical miles)	17.9	19.5	(8.2)
Gross power generation (billion kwh)	50.43	48.99	2.9
Total power output dispatch (billion kwh)	<u>47.03</u>	<u>45.72</u>	<u>2.9</u>

Note: 1. Starting from January 2013, the calculation of “seaborne coal” has ceased the inclusion of the seaborne coal for sale in the domestic coal trading.

2. In order to help investors better understand the Company’s business, the settlement volume of seaborne coal in Huanghua Port and Shenhua Tianjin Coal Dock, instead of their loading volume of coal, has been disclosed since the announcement on operational data published in July 2012. The corresponding operational data of the two ports for the three months ended 31 March 2012 was also restated on that basis.

2.3 Major differences of financial statements prepared under different accounting standards

Unit: RMB million

Items	Net profit attributable to equityholders of the Company		Net assets attributable to equityholders of the Company	
	For the three months ended 31 March 2013	For the three months ended 31 March 2012 (restated)	As at 31 March 2013	As at 31 December 2012
Under the Accounting Standards for Business Enterprises	11,065	11,206	264,864	253,101
Adjustment:				
Adjustments for basic production maintenance, production safety and other related expenditures and others	560	559	3,261	3,488
Under IFRSs	<u>11,625</u>	<u>11,765</u>	<u>268,125</u>	<u>256,589</u>

Note: Pursuant to the relevant regulations of the related government authorities in the People's Republic of China (the "PRC"), provision for basic production maintenance, production safety and other related expenditures is accrued by relevant enterprises, recognised as expense for the period and separately recorded as a specific reserve in shareholders' equity. Upon utilisation of the specific reserve as fixed assets in accordance with the stipulated scope, depreciation is provided against the entire cost of the assets recognised. Under IFRSs, these expenditures are recognised as property, plant and equipment as and when incurred and depreciated according to the relevant depreciation method. The effect of deferred tax arising from such difference is also recognised.

2.4 Total number of shareholders and shareholding of top ten shareholders and top ten shareholders 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 317,061 registered shareholders of the Company, of which 314,485 were holders of A shares (including Shenhua Group Corporation) and 2,576 were holders of H shares.

(2) Shareholding of top ten shareholders and top ten shareholders not subject to selling restrictions

The number of shares held by holders of A shares in the Company is calculated by consolidating ordinary securities accounts and credit securities accounts of shareholders based on the shareholders' records provided by China Securities Depository and Clearing Corporation Limited.

Unit: number of shares

No.	Name of shareholder	Change in the reporting period Increase (+)/ Decrease (-)	Number of shares held at the end of the period	Percentage (%)	Number of shares held subject to selling restrictions	Number of shares pledged or frozen	Type of shares	Nature of shareholder
1	Shenhua Group Corporation Limited	-	14,521,846,560	73.01	-	Nil	RMB ordinary shares	State
2	HKSCC NOMINEES LIMITED	+11,935	3,390,722,052	17.05	-	Unknown	Overseas listed foreign shares	Foreign legal person
3	No. 1 Transfer Account of the National Council for Social Security Fund	-	180,000,000	0.90	180,000,000	Nil	RMB ordinary shares	State
4	China Life Insurance Company Limited – Bonus – Personal Bonus – 005L – FH002 Shanghai	+5,244,600	77,425,980	0.39	-	Unknown	RMB ordinary shares	Others
5	China Construction Bank – the Great Wall Brand Preferred Equity Securities Investment Fund	+8,301,944	36,063,309	0.18	-	Unknown	RMB ordinary shares	Others
6	Industrial and Commercial Bank of China – SSE 50 Index Trading Open-end Securities Investment Fund	-3,402,733	23,037,449	0.12	-	Unknown	RMB ordinary shares	Others

Unit: number of shares

No.	Name of shareholder	Change in the reporting period Increase (+)/ Decrease (-)	Number of shares held at the end of the period	Percentage (%)	Number of shares held subject to selling restrictions	Number of shares pledged or frozen	Type of shares	Nature of shareholder
7	Bank of Communications – E Fund 50 Index Securities Investment Fund	-2,750,000	22,658,283	0.11	–	Unknown	RMB ordinary shares	Others
8	Bank of China Limited – Harvest Shanghai Shenzhen 300 Index Open-end Securities Investment Fund	-4,121,568	22,018,968	0.11	–	Unknown	RMB ordinary shares	Others
9	Shenzhen Longyihao Investment Co., Ltd.	+4,738,200	19,583,200	0.10	–	Unknown	RMB ordinary shares	Others
10	China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai	+1,102,819	18,794,724	0.09	–	Unknown	RMB ordinary shares	Others
11	Yangjiang Xizhilang Pudding Manufacturing Co., Ltd.	–	16,164,042	0.08	–	Unknown	RMB ordinary shares	Others

Note: 1. H shares held by HKSCC Nominees Limited are held on behalf of a number of its clients.

2. The shares in the Company held by Shenzhen Longyihao Investment Co., Ltd. are held through China Merchants Securities Co. Ltd. – Client Account of Collateral Securities for Margin Trading.

3. SIGNIFICANT EVENTS

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

For the three months ended 31 March 2013, revenues of the Group under IFRSs were RMB60,039 million (for the three months ended 31 March 2012 (restated): RMB59,994 million), representing a year-on-year increase of 0.1%. Among which, revenue from coal operations was RMB39,353 million (for the three months ended 31 March 2012 (restated): RMB40,730 million), representing a year-on-year decrease of 3.4%; and revenue from power operations was RMB17,637 million (for the three months ended 31 March 2012 (restated): RMB17,126 million), representing a year-on-year increase of 3.0%.

With strengthened control over cost, the Group's cost of revenues for the first quarter reached RMB40,617 million (for the three months ended 31 March 2012 (restated): RMB39,884 million), representing a year-on-year increase of 1.8%. Unit production cost of self-produced coal was RMB121.4/tonne (for the three months ended 31 March 2012 (restated): RMB117.6/tonne), representing a year-on-year increase of 3.2%.

During the first quarter, the Group's profit for the period reached RMB14,000 million (for the three months ended 31 March 2012 (restated): RMB13,940 million), representing a year-on-year increase of 0.4%. Profit attributable to equityholders of the Company was RMB11,625 million (for the three months ended 31 March 2012 (restated): RMB11,765 million), representing a year-on-year decrease of 1.2%.

In order to enhance the standardisation of fixed asset management, the Company has established and implemented the *Measures on Coordinated Management of the Value of Fixed Assets and Goods In-kind* and the *Directory of Fixed Assets*, which better approximates the depreciable lives of fixed assets to their estimated useful lives, thus giving a fairer view of the financial position and operating results. Such change has no impact on the financial statements which have been disclosed and as evaluated, the change has no material impact on the overall operating performance and financial position of the Group for the current accounting period. The Group has adjusted the presentation of certain items in the consolidated financial statements, and the comparative figures over the same period in 2012 have been restated in accordance with the consolidated financial statements for the current accounting period. During the reporting period, fluctuations in major items of the consolidated financial statements and explanations are set out below:

Unit: RMB million

Consolidated statement of comprehensive income	For the three months ended 31 March 2013	For the three months ended 31 March 2012 (restated)	Percentage change %	Explanations for changes
Other income/ (expenses), net	113	(133)	(185.0)	Mainly attributable to gain from disposal of interest in an associate and the decrease in charity donation expenses
Selling, general and administrative expenses	(2,074)	(1,891)	9.7	Mainly attributable to the increase in relevant expenses due to business expansion
Share of results of associates	<u>84</u>	<u>36</u>	<u>133.3</u>	Mainly attributable to the increase in profits of associates in coal and power related business

Unit: RMB million

Consolidated statement of financial position	As at 31 March 2013	As at 31 December 2012	Percentage change %	Explanations for changes
Deferred tax assets	1,438	1,106	30.0	Mainly attributable to the increase in deferred tax assets arising from unrealised gross profit of inventories
Inventories	19,360	15,171	27.6	Mainly attributable to the increase in coal inventories
Prepaid expenses and other current assets	18,816	14,480	29.9	Mainly attributable to the increase in prepayments for coal purchased from third parties and entrusted loans granted by Shenhua Finance Co., Ltd.
Time deposits with original maturity over three months	<u>2,373</u>	<u>3,972</u>	<u>(40.3)</u>	Mainly attributable to the withdrawal of time deposits upon maturity

Unit: RMB million

Consolidated statement of cash flows	For the three months ended 31 March 2013	For the three months ended 31 March 2012 (restated)	Percentage change %	Explanations for changes
Net cash flows generated from operating activities	13,146	17,152	(23.4)	Mainly attributable to the increased receivables in operating activities and inventories
Net cash flows generated from investing activities	(5,689)	(7,702)	(26.1)	Mainly attributable to the withdrawal of time deposits with financial institutions upon maturity
Net cash flows generated from financing activities	<u>(1,338)</u>	<u>(5,706)</u>	<u>(76.6)</u>	Mainly attributable to an increase in short-term borrowings

3.2 Analysis on key operational indicators of the coal segment

(1) Coal sales volume and price:

	For the three months ended 31 March 2013			For the three months ended 31 March 2012 (restated)			Change	
	Percentage to total		Price	Percentage to total		Price	Change in sales volume	Change in prices
	Sales volume	sales volume		Sales volume	sales volume			
	<i>Million tonnes</i>	<i>%</i>	<i>RMB/ tonne</i>	<i>Million tonnes</i>	<i>%</i>	<i>RMB/ tonne</i>	<i>%</i>	<i>%</i>
I. Domestic sales	108.9	97.7	404.7	106.7	98.3	438.9	2.1	(7.8)
(I) Self-produced coal and purchased coal	93.0	83.5	384.6	95.0	87.6	419.0	(2.1)	(8.2)
1. Direct arrival	46.2	41.4	284.3	47.8	44.1	286.4	(3.3)	(0.7)
2. Seaborne	46.8	42.1	483.8	47.2	43.5	553.2	(0.8)	(12.5)
(II) Sales of domestic coal trading	12.5	11.2	521.3	11.4	10.5	596.9	9.6	(12.7)
(III) Sales of imported coal	3.4	3.0	522.4	0.3	0.2	760.3	1,033.3	(31.3)
II. Export sales	0.7	0.6	669.0	1.4	1.3	768.5	(50.0)	(12.9)
III. Overseas coal sales	1.9	1.7	702.0	0.4	0.4	85.1	375.0	724.9
(I) EMM Indonesia	0.5	0.4	64.4	0.4	0.4	85.1	25.0	(24.3)
(II) Entrepot trade	1.4	1.3	934.7	–	–	–	N/A	N/A
Total sales volume/weighted average price	111.5	100.0	411.4	108.5	100.0	441.7	2.8	(6.9)

Note: 1. The above weighted average coal prices were exclusive of value-added tax and were affected by trading mode, product quality and the sales volume by various trading mode.

2. “Domestic coal trading” refers to the business of the domestic purchase and sales of coal, except for the self-produced coal of the Group in the PRC and the coal purchased from third parties in the surrounding areas of the self-owned mines and railways of the Group which are shipped with the Group’s transportation system.

3. “Entrepot trade” refers to a trading mode under which coal purchased internationally is directly resold to other countries or regions.

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

	For the three months ended 31 March 2013	For the three months ended 31 March 2012 (restated)	Percentage change
	<i>RMB/tonne</i>	<i>RMB/tonne</i>	%
Unit production cost of self-produced coal	121.4	117.6	3.2
Raw materials, fuel and power	24.2	22.1	9.5
Personnel expenses	14.8	14.7	0.7
Repairs and maintenance	7.2	7.0	2.9
Depreciation and amortisation	18.3	20.1	(9.0)
Others	56.9	53.7	6.0

For the three months ended 31 March 2013, the unit production cost of self-produced coal was RMB121.4/tonne (for the three months ended 31 March 2012: RMB117.6/tonne), representing a year-on-year increase of 3.2%.

“Others” in the unit production cost of self-produced coal comprises the following three parts: (1) 57% was from the cost directly related to production, including safety production cost, selecting and processing cost, and mining engineering cost, etc.; (2) 8% was from ancillary production cost; and (3) 35% was from compensation for land acquisition and collapse, cost on environmental protection, fees levied by local governments, etc. The year-on-year increase of 6.0% in “Others” was mainly attributable to the increased selecting and processing cost, mining engineering cost and cost of others.

3.3 Analysis on key operational indicators of the power segment

For the three months ended 31 March 2013, the Company's average power tariff of the power segment was RMB366.1/mwh (for the three months ended 31 March 2012 (restated): RMB367.7/mwh), representing a year-on-year decrease of 0.4% with average cost of power output dispatch of RMB283.9/mwh (for the three months ended 31 March 2012 (restated): RMB294.4/mwh), representing a year-on-year decrease of 3.6%. The decrease was mainly attributable to the decrease in cost of fuels.

3.4 Overview of the industry

China's economy has maintained an overall steady momentum since the beginning of 2013, with gross domestic product (GDP) for the first quarter growing by 7.7% year-on-year. The increase in demand for energy such as coal has been maintained by the steady economic growth.

During the first quarter, China produced 830 million tonnes of raw coal, representing a year-on-year decrease of 1%; and imported a net volume of 77.96 million tonnes of coal, representing a year-on-year increase of 26.3%. Total power generation in China was 1,182.3 billion kwh, representing a year-on-year increase of 2.9% which was 4.2 percentage points slower than the growth rate of last year. In particular, coal-fired power generation from large-scale power plants in the PRC was 1,000.6 billion kwh, representing a year-on-year growth of 0.5%; and hydropower generation was 130.61 billion kwh, representing a year-on-year increase of 21.7%. Coal prices trended down as a result of the depressed coal demand, the increasing volume of coal import and a higher proportion of hydropower output. As at the end of March, the Bohai Bay Thermal Coal Price Index had dropped by 2.7% to RMB617/tonne from RMB634/tonne at the beginning of the year.

The prices of thermal coal in the second quarter are expected to fluctuate around the low level, mainly attributable to the rigidity of production cost and the maintenance of Daqin Railway in combination with the negative impact on coal spot prices from various factors such as the coming slack season in the second quarter. The coal supply and demand in 2013 is expected to remain basically balanced, yet with potentially regional or sporadic excess or shortage as a result of the national economic recovery, rigidity of production cost, the diminishing price discount of imported coal and other factors.

Note: This section is for reference only and does not constitute any proposals for investment. As the relevant industrial information was sourced from the National Bureau of Statistics, China Coal Market Network, China Coal Resource Network and China Electricity Council, etc., 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.

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

Applicable Not Applicable

3.6 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 Limited, the controlling shareholder of the Company and the performance thereof are as follows:

Commitments	Performance
Non-competition Agreement between Shenhua Group Corporation Limited and the Company	Shenhua Group Corporation Limited complied with its undertakings, and there was no violation of such undertakings

Note: For details of undertakings, please refer to the section headed “Significant Events” in the 2012 Annual Report of the Company.

3.7 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 Not Applicable

3.8 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, 26 April 2013

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. Kong Dong and Mr. Chen Hongsheng 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 three months ended 31 March 2013

Unit: RMB million (Unaudited)

	For the three months ended 31 March 2013	For the three months ended 31 March 2012 (restated)
Revenues	60,039	59,994
Cost of revenues	<u>(40,617)</u>	<u>(39,884)</u>
Gross profit	19,422	20,110
Selling, general and administrative expenses	(2,074)	(1,891)
Other income/(expenses), net	113	(133)
Net finance costs	(416)	(415)
Share of results of associates	<u>84</u>	<u>36</u>
Profit before income tax	17,129	17,707
Income tax	<u>(3,129)</u>	<u>(3,767)</u>
Profit for the period	<u>14,000</u>	<u>13,940</u>
Other comprehensive income/(expense)		
Exchange translation differences	<u>(36)</u>	<u>66</u>
Other comprehensive income/(expense), net of income tax	<u>(36)</u>	<u>66</u>
Total comprehensive income for the period	<u>13,964</u>	<u>14,006</u>
Profit attributable to:		
Equityholders of the Company	11,625	11,765
Non-controlling interests	<u>2,375</u>	<u>2,175</u>
Profit for the period	<u>14,000</u>	<u>13,940</u>
Total comprehensive income attributable to:		
Equityholders of the Company	11,599	11,837
Non-controlling interests	<u>2,365</u>	<u>2,169</u>
Total comprehensive income for the period	<u>13,964</u>	<u>14,006</u>
Earnings per share (RMB)		
– Basic	0.584	0.592
– Diluted	<u>0.584</u>	<u>0.592</u>

Legal Representative: Zhang Xiwu
General Manager of Finance Department: Hao Jianxin

Chief Financial Officer: Zhang Kehui

PREPARED UNDER IFRSs

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2013

Unit: RMB million (Unaudited)

	As at 31 March 2013	As at 31 December 2012
Non-current assets		
Property, plant and equipment, net	235,390	236,048
Construction in progress	63,488	61,142
Intangible assets	288	291
Exploration and evaluation expenditure	2,612	2,722
Interest in associates	4,691	4,689
Available-for-sale investments	960	960
Other non-current assets	28,031	25,382
Lease prepayments	13,576	13,667
Deferred tax assets	1,438	1,106
Total non-current assets	350,474	346,007
Current assets		
Inventories	19,360	15,171
Accounts and bills receivable, net	21,326	20,028
Prepaid expenses and other current assets	18,816	14,480
Restricted bank deposits	6,113	6,082
Time deposits with original maturity over three months	2,373	3,972
Cash and cash equivalents	57,746	51,627
Total current assets	125,734	111,360
Current liabilities		
Short-term borrowings and current portion of long-term borrowings	27,514	28,093
Accounts and bills payable	31,014	31,072
Accrued expenses and other payables	46,702	41,423
Current portion of long-term payables	169	283
Income tax payable	4,471	4,686
Total current liabilities	109,870	105,557
Net current assets	15,864	5,803
Total assets less current liabilities	366,338	351,810
Non-current liabilities		
Long-term borrowings, less current portion	39,400	39,624
Long-term payables, less current portion	2,784	2,558
Accrued reclamation obligations	1,992	1,921
Deferred tax liabilities	1,239	1,150
Total non-current liabilities	45,415	45,253
Net assets	320,923	306,557
Equity		
Share capital	19,890	19,890
Reserves	248,235	236,699
Equity attributable to equityholders of the Company	268,125	256,589
Non-controlling interests	52,798	49,968
Total equity	320,923	306,557

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 three months ended 31 March 2013

Unit: RMB million (Unaudited)

	For the three months ended 31 March 2013	For the three months ended 31 March 2012 (restated)
Operating activities		
Cash generated from operations	16,831	22,230
Income tax paid	(3,685)	(5,078)
Net cash generated from operating activities	13,146	17,152
Investing activities		
Capital expenditure	(7,800)	(7,719)
Lease prepayments	(8)	(218)
Proceeds from disposal of property, plant and equipment	190	55
Cash received for acquisition of a subsidiary	–	444
Proceed from disposal of an associate	230	–
Capital injection in associates	(185)	(254)
Dividend received from associates	188	30
Interest received	129	382
Increase in net restricted bank deposits	(32)	(307)
Increase in time deposits with original maturity over three months	(18)	(311)
Maturity of time deposits with original maturity over three months	1,617	123
Proceeds from trading debt securities	–	73
Net cash used in investing activities	(5,689)	(7,702)
Financing activities		
Interest paid	(810)	(733)
Proceeds from borrowings	5,776	312
Repayments of borrowings	(6,041)	(4,398)
Contributions from non-controlling interests	403	439
Distributions to non-controlling interests	(666)	(1,314)
Contributions from then shareholders in relation to the 2011 Acquisitions and 2012 Acquisitions	–	150
Distributions to then shareholders in relation to the 2011 Acquisitions and 2012 Acquisitions	–	(162)
Net cash used in financing activities	(1,338)	(5,706)
Net decrease in cash and cash equivalents	6,119	3,744
Cash and cash equivalents as at the beginning of the period	51,627	61,652
Effect of foreign exchange rate changes	–	2
Cash and cash equivalents as at the end of the period	57,746	65,398

Legal Representative: Zhang Xiwu

Chief Financial Officer: Zhang Kehui

General Manager of Finance Department: Hao Jianxin