

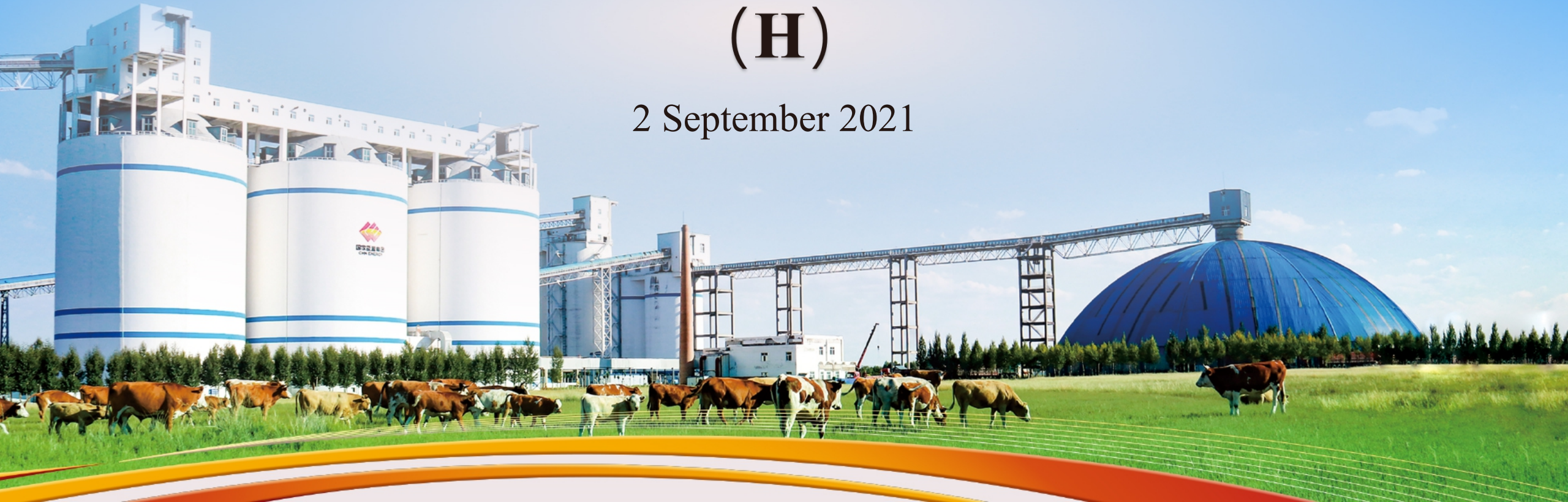


国家能源集团
CHN ENERGY

中国神华能源股份有限公司
CHINA SHENHUA ENERGY COMPANY LIMITED

INTERIM RESULTS FOR 2022 (H)

2 September 2021



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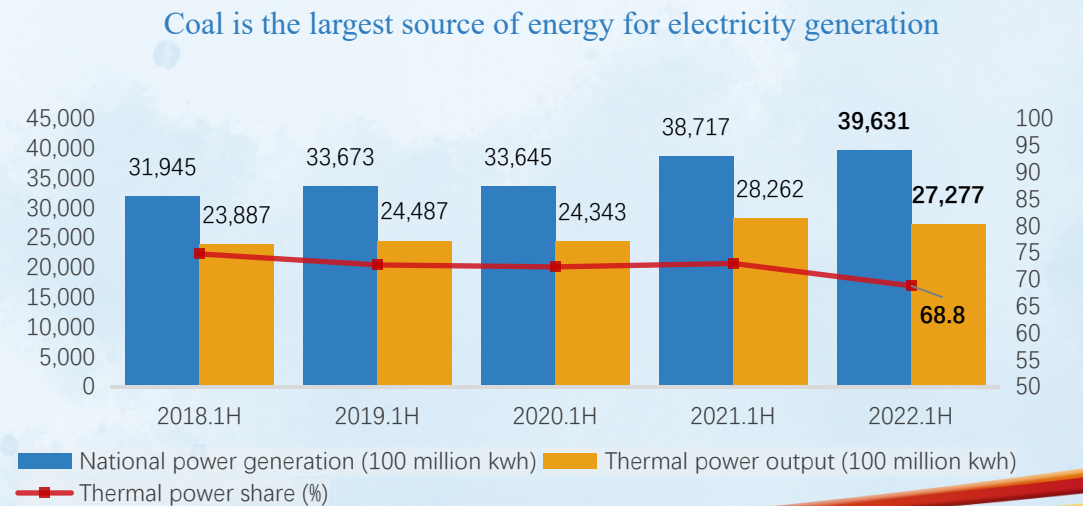
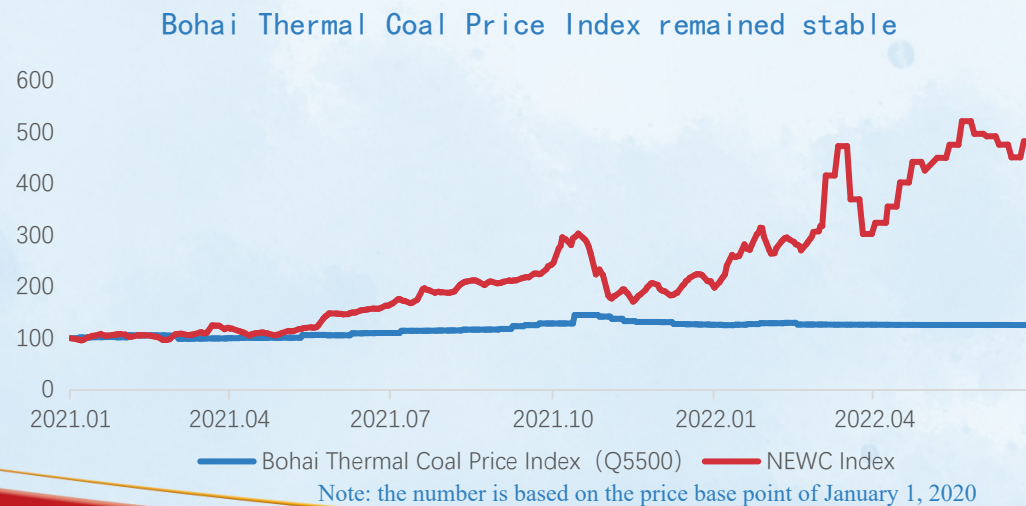
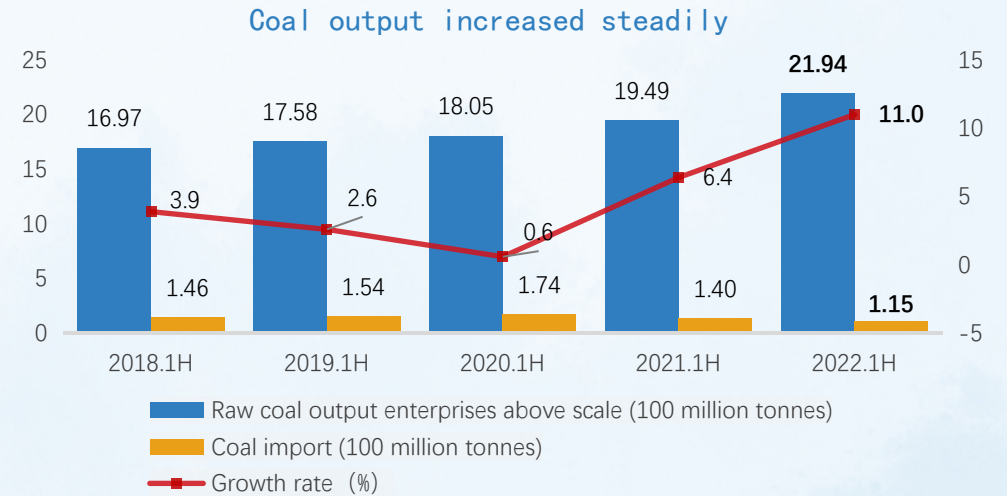
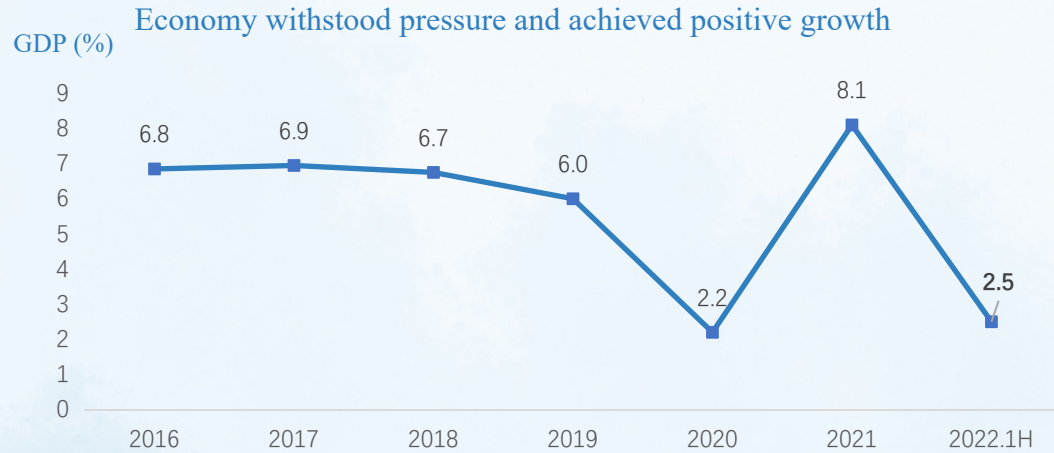
01 Macro - Environments

02 1st half of 2022:
Steady Growth in Benefits

03 2nd half of 2022:
Continue to Promote High-quality Development

Appendix Key Operating Data
of Each Segment in the 1st half of 2022

Preventing and controlling the epidemic, stabilizing the economy and ensuring safe development





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01 Macro -
Environments

02 **1st half of 2022:
Steady Growth in Benefits**

03 2nd half of 2022:
Continue to Promote High-quality Development

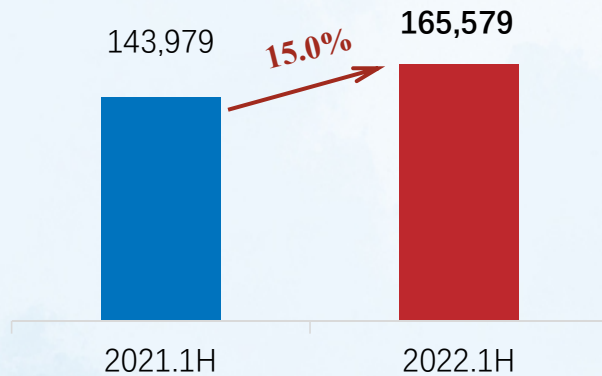
Appendix Key Operating Data
of Each Segment in the 1st half of 2022

Stable coordination and integrated operation

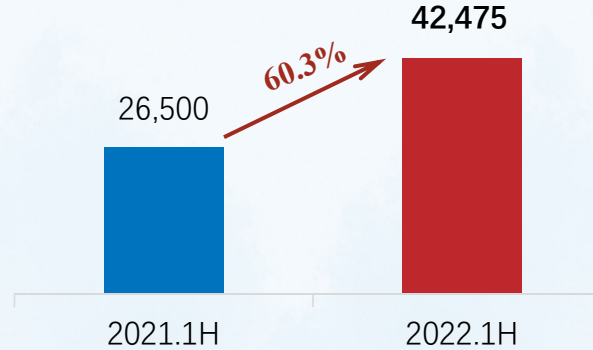
Business targets	Units	The first half of 2022	The first half of 2021	Change
Commercial coal production	million tonnes	157.6	152.4	3.4%
Coal sales	million tonnes	210.1	240.8	-12.7%
Total power output dispatch	billion kWh	79.60	72.04	10.5%
Turnover of self-owned railway	billion tonne km	145.2	150.0	-3.2%
Shipping turnover	billion tonne nautical miles	64.4	53.0	21.5%
Port loading volume	million tonnes	123.5	132.2	-6.6%
Sales volume of olefin products	thousand tonnes	358.3	371.1	-3.4%

Enabling and improving quality, improving business performance while maintaining stability

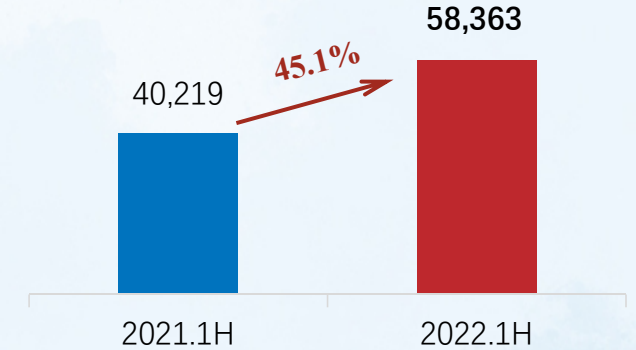
Revenue
(RMB million)



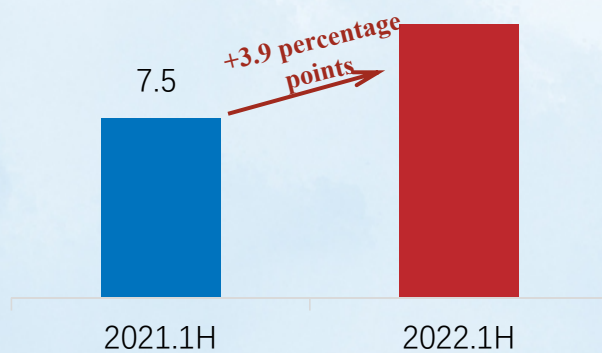
Profit for the period attributable to equity holders of the Company
(RMB million)



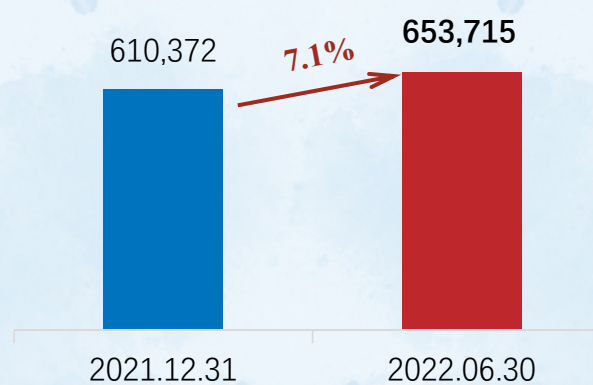
Net cash generated from operating activities
(RMB million)



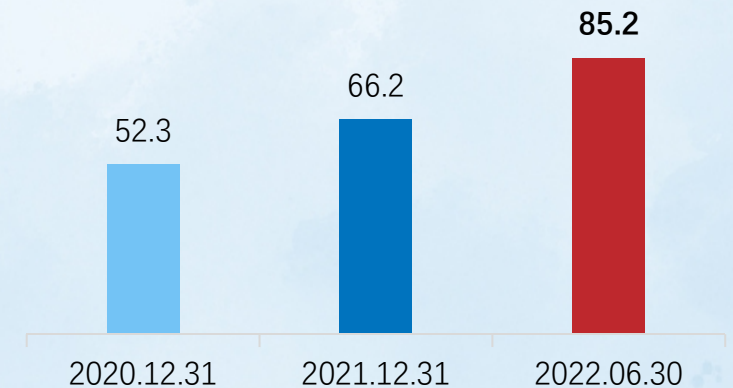
Return on net assets as at the end of the period
(%)



Total assets
(RMB million)



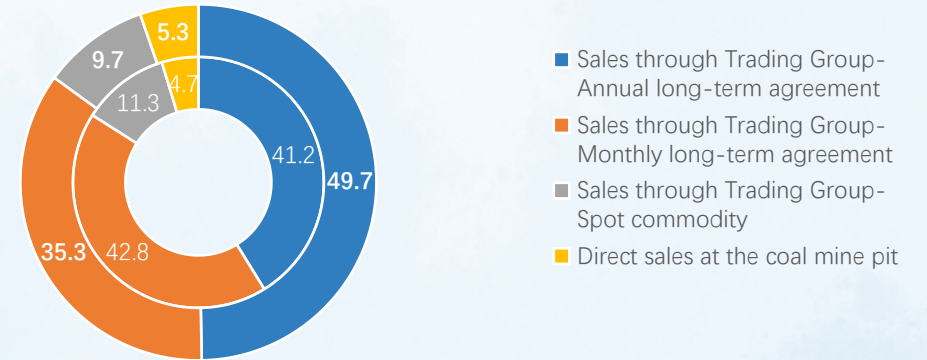
Total market value
(USD billion)



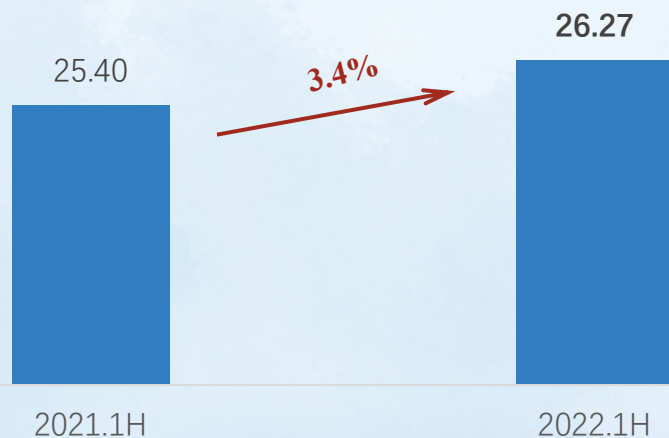
Lived up energy security and supply guarantee

- Effectively played the role of “ballast stone” and “stabilizer” in stabilizing the price and market of energy
- Average monthly commercial coal production exceeded 26 million tonnes
- Total power generation increased by 10.1% year-on-year
- Annual long-term agreement share increased significantly

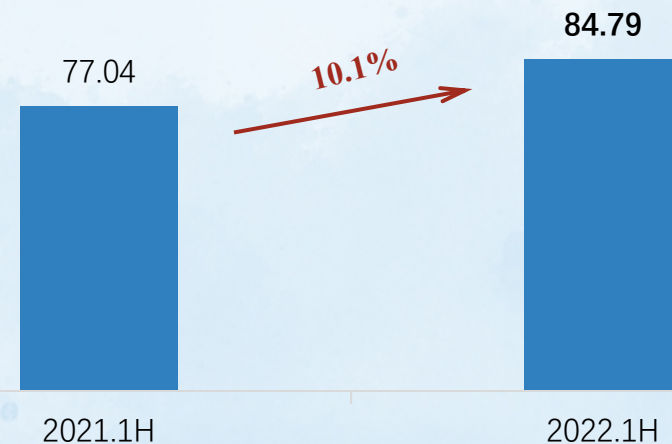
Classify by contract pricing mechanism (%)



Average monthly commercial coal production (million tonnes)

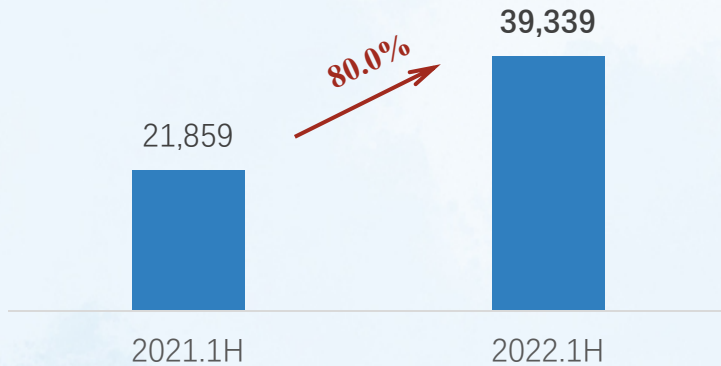


Power generation (billion kWh)



Coal Segment - Increase in production and profits, profitability reached a new level

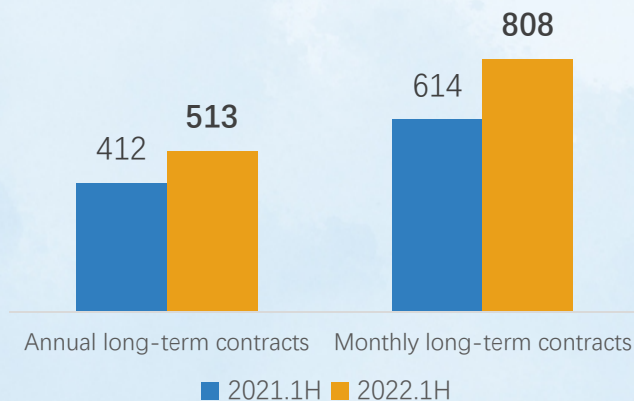
Profit before tax - Coal segment
(RMB million)



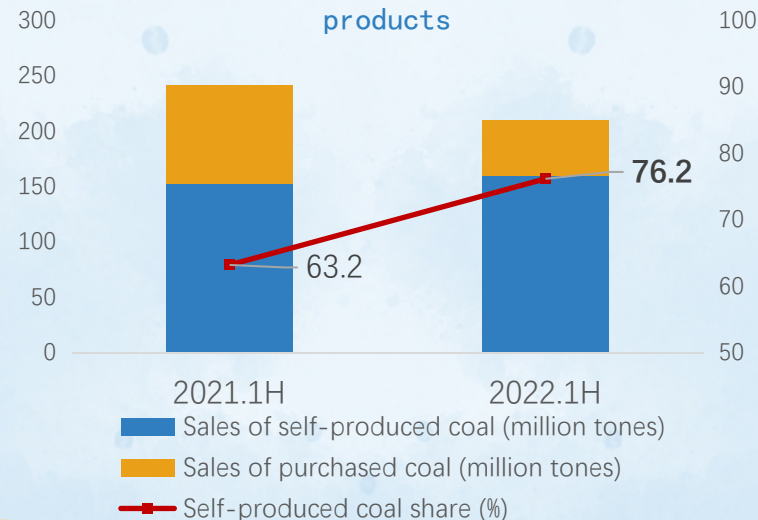
➤ Promoting the acquisition of resources and capacity improvement

- ✓ Huangyuchuan and other two coal mines obtained a total increase in production capacity of 4.6 million tonnes/year.
- ✓ Continuous production land of Heidaigou Open-pit Mine (321 hectares) and Ha'erwusu Open-pit Mine (289 hectares) gained the approval from the Ministry of Natural Resources of China.
- ✓ Xinjie Mine 1 and Mine 2 obtained exploration license

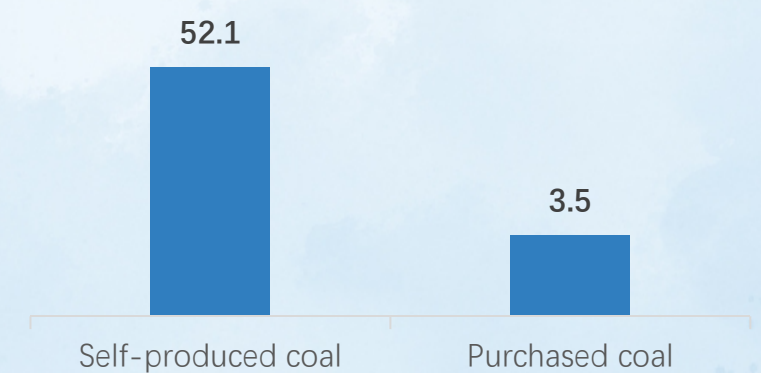
Sales price under long-term contracts
(RMB/tonne)



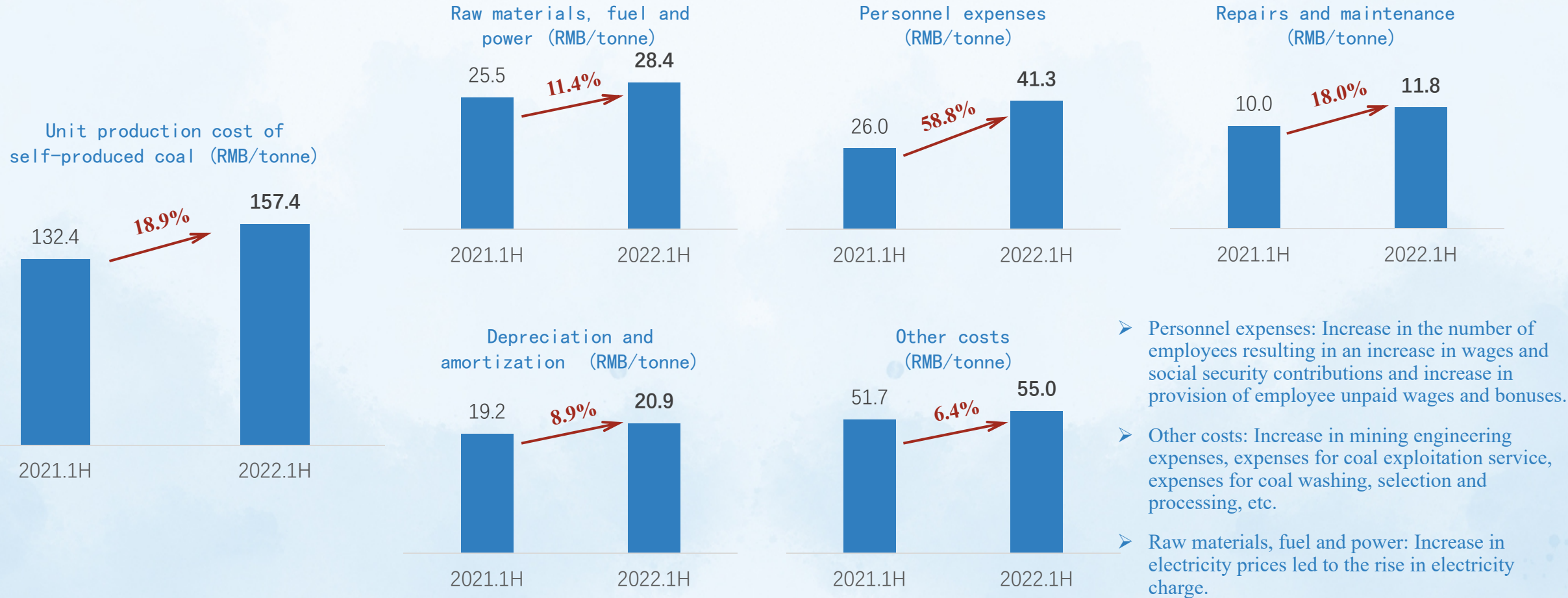
Sales volume and proportion of coal products



Gross profit margin of coal products by coal source (%)

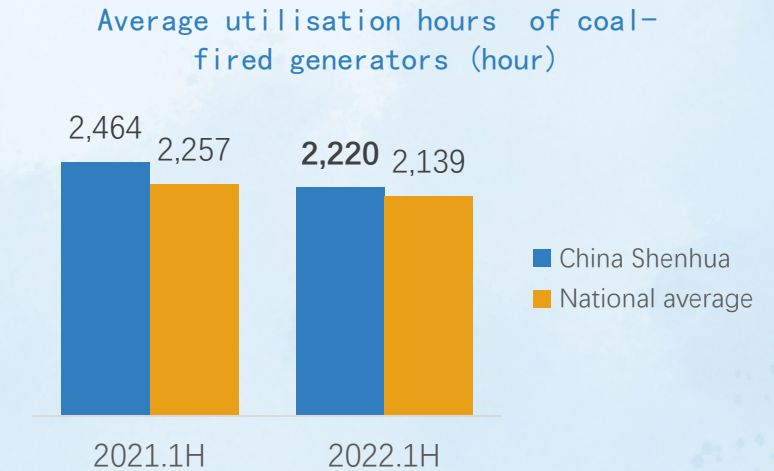
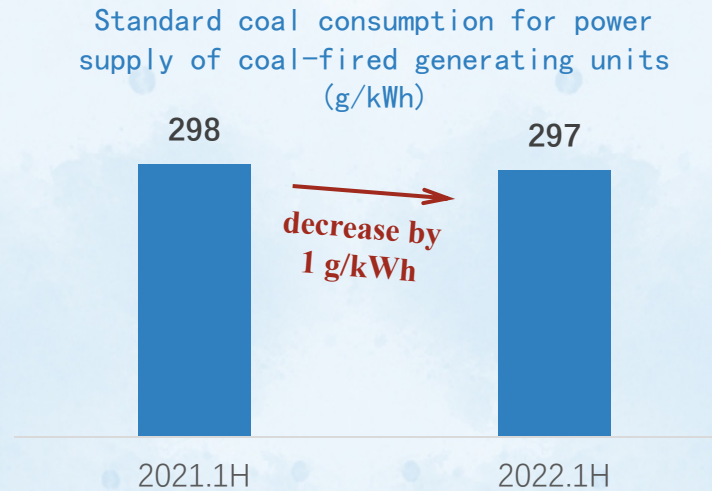
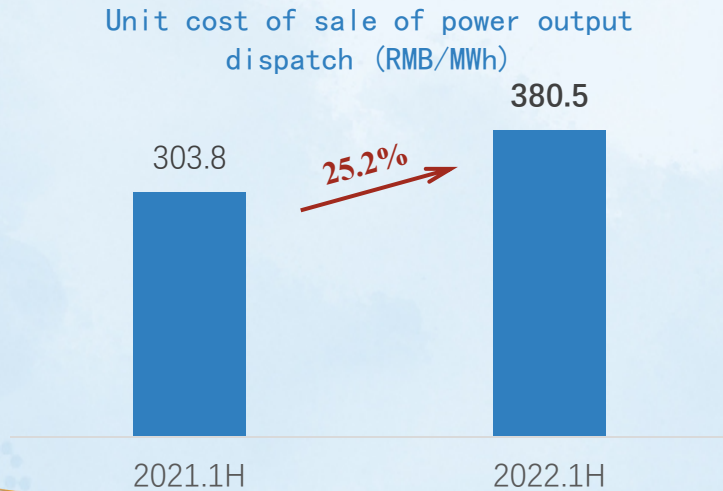
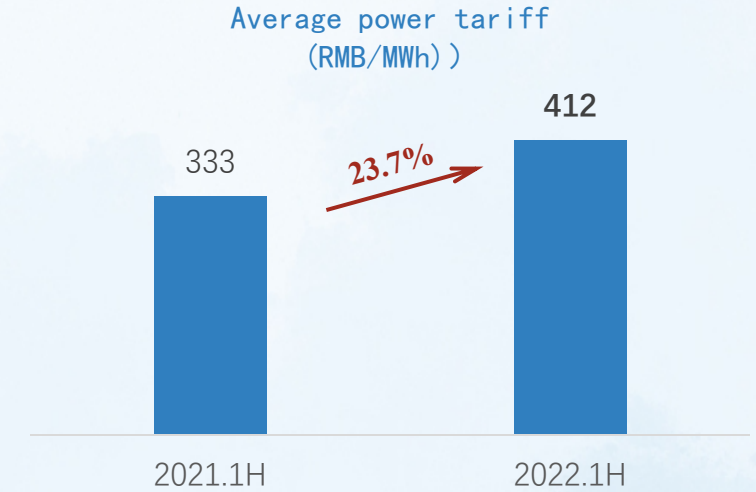
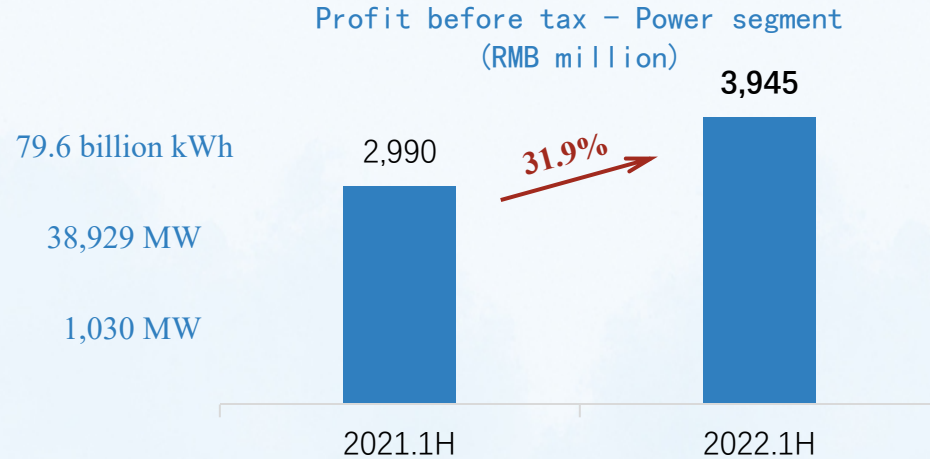


Coal Segment - Unit production cost of self-produced coal kept low in the industry



Power Segment - Price and Quantity increase, utilisation hours leading the industry

- Total power output dispatch
- Total installed capacity
- Newly installed capacity



Transportation Segment

Increasing Efficiency and Exploring the Market

➤ Vigorously develop non-coal transportation

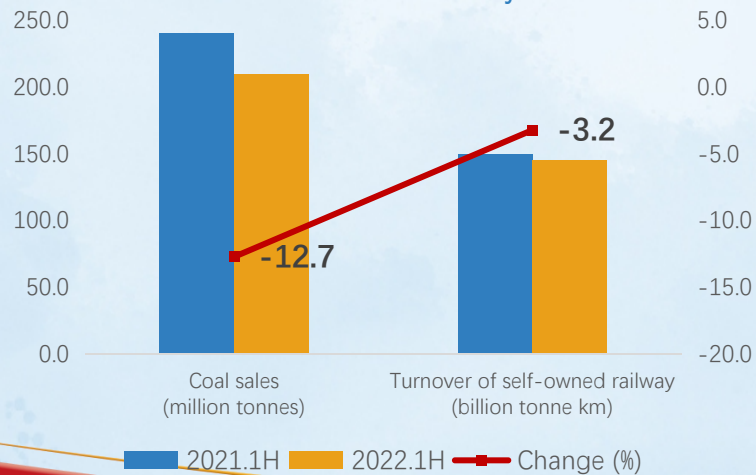
- ✓ Railway segment achieved a non-coal transportation volume of approximately 10 million tonnes, representing a year-on-year increase of 2.4%.
- ✓ Port segment completed 2.71 million tonnes of non-coal cargo



➤ Speed up construction

- ✓ Huanghua Harbour Administration completed dredging of a 70 thousand-tonnes two-way channel
- ✓ The main body of Huanghua Port 3# and 4# general bulk cargo terminals have been completed
- ✓ Shuohuang Dongye special line meets the opening conditions

Coal sales volume vs. Turnover of self-owned railways



➤ Strengthen coal storage bases construction

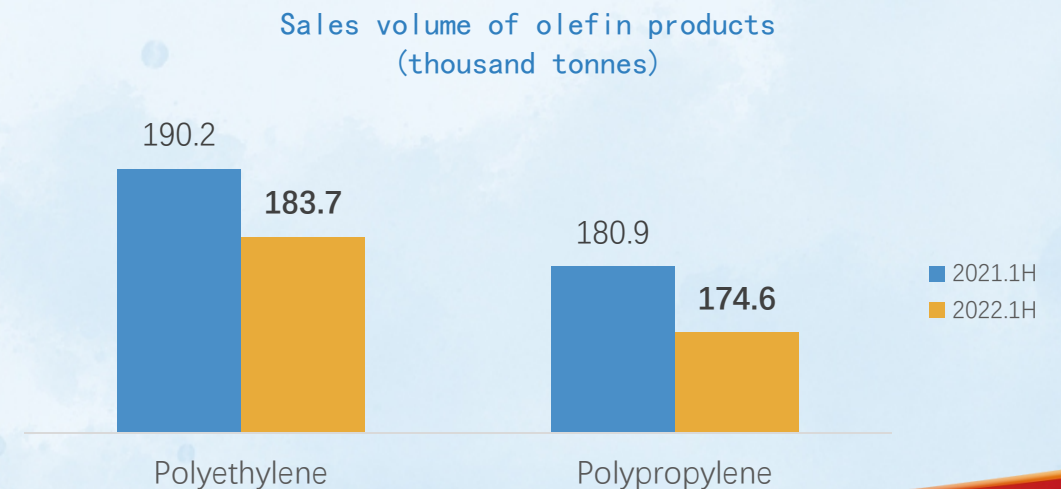
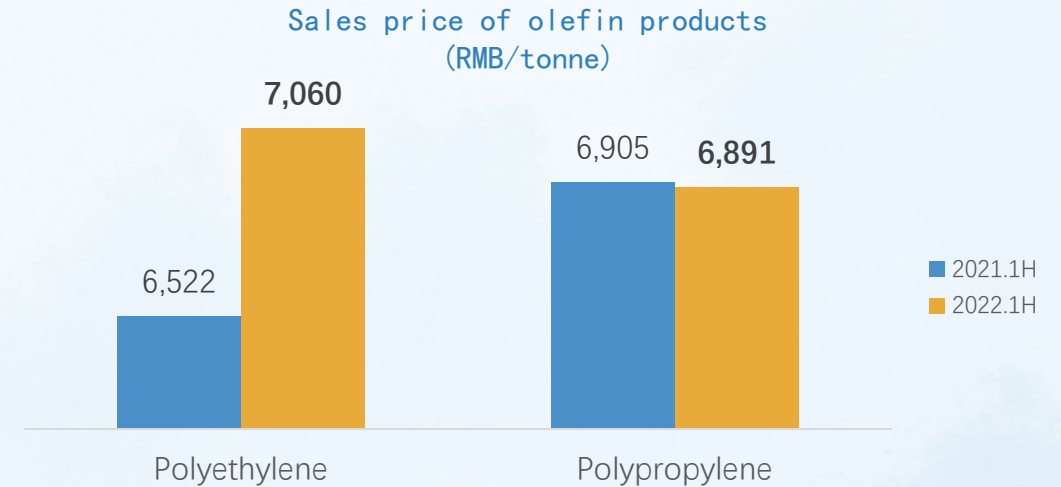
- ✓ Guangxi Beihai, Zhuhai and other coal reserve bases are going through the preliminary approval process
- ✓ The capacity expansion and reconstruction of Fujian Luoyuanwan Port has started



Coal Chemical Segment

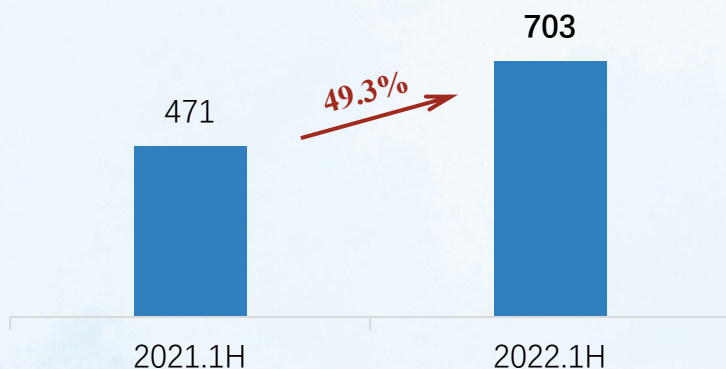
Achieved Stable, Long-lasting and Excellent Operation

- Utilization rate of 100% in all main units
- All pollutants met the standard discharge, achieving zero discharge of waste water
- Methanol debottlenecking project put into operation, sold 58.7 thousand-tonnes of refined methanol in the 1st half of 2022
- Promoting the preliminary work of the Baotou coal-to-olefin upgrade demonstration project



Accelerating of industry intelligence construction

Research and development costs
(RMB million)



- Intelligent coal mine construction coverage reached 100%
 - ✓ Completed national intelligent demonstration coal mines: Daliuta Mine and Heidaigou Open-pit Mine
- Thermal power intelligent control system iDCS successfully applied
- Railway dispatching information system project completed
 - ✓ Continue to promote the research and application project of intelligent operation and maintenance technology of Shuohuang heavy-haul railway infrastructure

Newly Obtained

Granted patents	413
including: Invention patents	99

Cumulatively built

Intelligent coal mining working faces	27
Intelligent excavation working faces	28
Intelligent stripping surface for open-pit mines	3
Passing the acceptance of provincial intelligent coal mine construction	13



Comprehensively promote Green and low-carbon development



Expand new energy industry in an orderly manner

- ✓ Accelerate the construction of new energy projects and preliminary projects
- ✓ Strengthen the preliminary development of pumped storage projects
- ✓ The 150 MW openpit dump photovoltaic project of Shengli Energy is expected to be connected to the grid at full capacity by the end of 2022
- ✓ Commenced and put in to practice 205 MW of photovoltaic projects.



Huanghua Port won the “China Environmental Excellence Award”

- ✓ Greening rate of the port area reaches 32%
- ✓ Self-developed "essential long-term dust suppression" system
- ✓ Largely promoted the construction of shore power projects, annual use of shore power for berthing close to 2 million kWh



Jinjie Energy “150,000 tons/year post-combustion”CCUS project

- ✓ Sold out 30,000 tons of liquid CO₂ cumulatively
- ✓ Produced nearly 7,000 tons of industrial-grade liquid CO₂ with purity of 99.9%
- ✓ CO₂ capture rate exceeds 90%

Strengthening Corporate Governance and Continue to Bring Return to Shareholders

ESG governance continues to improve

- ✓ Built and applied the first ESG management system of central enterprises
- ✓ ESG governance performance is at the forefront of the domestic energy industry

Dagong CSR Cloud ESG Index of listed companies	No.1 in coal industry
ESG Rating of CSI 300 Constituent Shares	AAA
ESG rating of listed companies (Winds)	AA
MSCI Rating	BB

Promoted the task of state-owned enterprise reform three-year action

- ✓ Conscientiously implemented the operating guidelines for central enterprises
- ✓ Further performed the functions and powers of the board of directors, ensure the implementation and effectiveness of various systems
- ✓ Carried out special campaign such as "strengthening compliance awareness and laying a solid foundation for development"
- ✓ Established a sophisticated modern enterprise system with Chinese characteristics

High dividend ratio, actively bringing return to shareholders

- ✓ Respect, protect and bring return to investors
- ✓ Continue the best practices in information disclosure, obtaining the SSE Information Disclosure Grade A Rating for nine consecutive years
- ✓ Strengthen investor relationship and ensuring smooth flow of communication channels
- ✓ "Best State-owned Enterprise in Practicing Common Prosperity"

★No.36 in Fortune China 500 ★

★ Included in HSI★



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of Each Segment in the 1st half of 2022

Accelerate the Construction of a World-Class Listed Company with Global Competitiveness

- ✓ Establish brand awareness and strengthen brand confidence.
- ✓ Study the laws of international brands.
- ✓ Strengthen brand publicity and increase brand investment.

Outstanding brand



Modern Governance

- ✓ Play the role of the board of directors
- ✓ Attach importance to corporate social responsibility



Excellent Products

- ✓ Strengthening the core business
- ✓ Strengthen management, improve quality and carry forward craftsman spirit.
- ✓ Vigorously promote the transformation of intelligence

Innovation

- ✓ Vigorously carry out independent and integrated innovation.
- ✓ Increase research and development investments
- ✓ Strengthen personnel training and promote incentive mechanism



Making Efforts to Achieve Business Targets

Item	Unit	Target of 2022	Completion in the first half of 2022	Percentage of completion
Commercial coal production	100 million tonnes	2.978	1.576	52.9%
Coal sales	100 million tonnes	4.029	2.101	52.1%
Power generation	100 million kWh	1,805	847.9	47.0%
Revenue	RMB100 million	2,966	1,655.79	55.8%
Cost of sales	RMB100 million	2,048	1,066.77	52.1%
Selling, general and administrative expenses, R&D costs and net financial costs	RMB100 million	132	53.08	40.2%

Note: Increase in unit production cost of self-produced coal is expected to be about 20% throughout the year.

Take Responsibility on Ensuring Energy Supply



Ensure coal production, electricity and safety

- ✓ Coal segment maintains a stable and orderly production and supply at the planned high level.
- ✓ Power segment shall ensure that the unit shall be fully opened.
- ✓ Fully implement the new Work Safety Law and strengthen the operation of the work safety risk pre-control management system.



Stabilizing price, market and expectations

- ✓ Highlighted the work orientation of "steadiness, coordination, empowerment and quality improvement" .
- ✓ Fulfill requirements of long-term contracts.
- ✓ Strictly implement the coal price policy.

Proactively Advances Projects Constructions

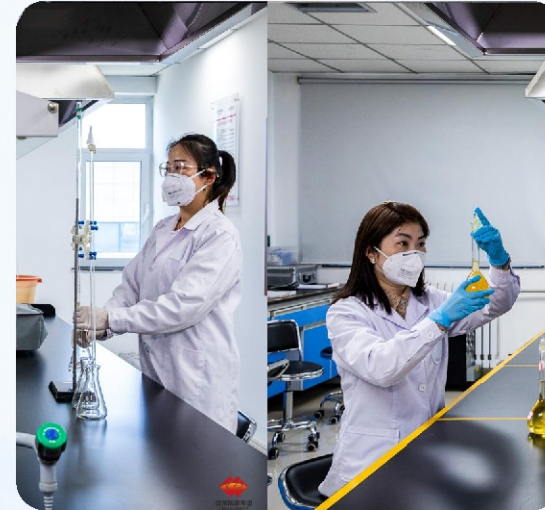
Capital Expenditure	Unit	Plan for 2022	Completion in the first half of 2022	Plan for the 2nd half of 2022
Coal Segment	RMB100 million	61.57	35.66	Coal Segment: Development of Xinjie mine project and intelligent demonstration coal mines; Power Segment: Projects including Guangxi Beihai Thermal Power Plant Project, Hunan Yueyang Power Plant Project; Transportation Segment: Projects including Huangda Railway and Huanghua Port.
Power Segment	RMB100 million	171.86	42.67	
Transportation Segment	RMB100 million	80.69	18.43	
Coal Chemical Segment	RMB100 million	4.83	0.92	
Others	RMB100 million	7.16	0.12	
Total	RMB100 million	326.11	97.80	

Promoting Green, Low-carbon and High-quality Development



Build core competitiveness of industrial chain and supply chain

- ✓ Deepen coordinated and intelligent dispatching
- ✓ Optimize sales model
- ✓ Solidify management mechanisms of large logistics
- ✓ Create a highly-efficient transport network



Expand new energy development opportunities

- ✓ Actively strive for in-depth cooperation with local governments
- ✓ Looking for cooperation opportunities with leading enterprises in the new energy industry
- ✓ Vigorously support the branches to carry out new energy projects

Enhance the ability to control key resources and core links

- ✓ Actively promote Xinjie preliminary work
- ✓ Continue to push forward the application of licenses and acquisition of open pit land
- ✓ Optimize the layout of power points and promote capacity expansion



Create a source of original technology

- ✓ Effective enhancement of digital empowerment
- ✓ Advancement of smart coal mine construction
- ✓ Strengthen research and development of green and low-carbon technologies
- ✓ Promote the application of energy-saving and carbon reduction technologies



Advancing Corporate Governance and increasing company internal value



Give full play to the functions of the listing platform

- ✓ Further utilize the capital market to optimize resource allocation
- ✓ Promote the core competitiveness of the Company
- ✓ Create a "double eugenics" of intrinsic value and market value
- ✓ Be the "vanguard" of central enterprises and capital market integrity and innovation

Reinforce management in capital market

- ✓ Focus on market capitalization and investors' expectations
- ✓ Enhance investor relations and improve communication channels between the board and the capital markets
- ✓ Continuously enhance information disclosure quality

Further strengthen financial management

- ✓ Effective control of costs and expenses to further reduce controllable costs
- ✓ Stronger capital management to increase gains on capital while ensuring safety

Strengthen the construction of ESG governance

- ✓ Integrate ESG with daily management
- ✓ Improve the ESG management information system
- ✓ Strengthen the management of carbon assets, fulfill the annual carbon trading contract

Thanks!

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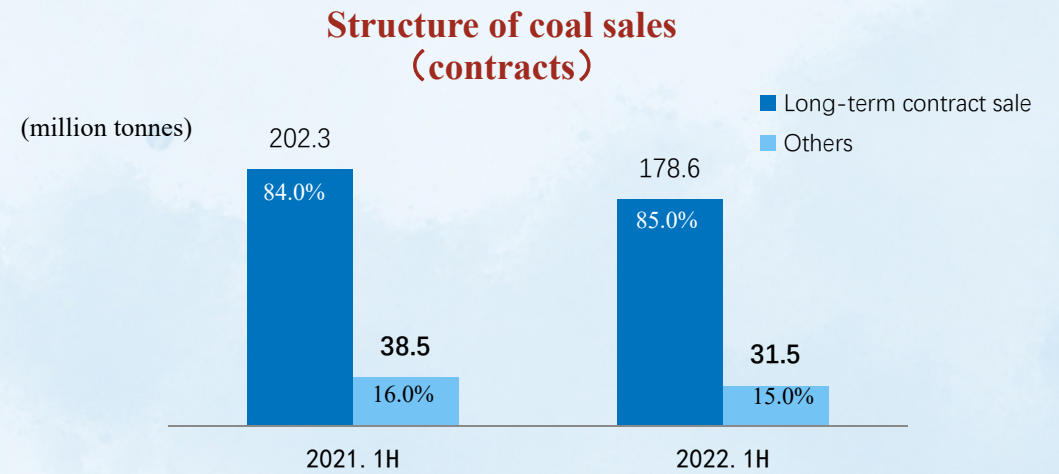
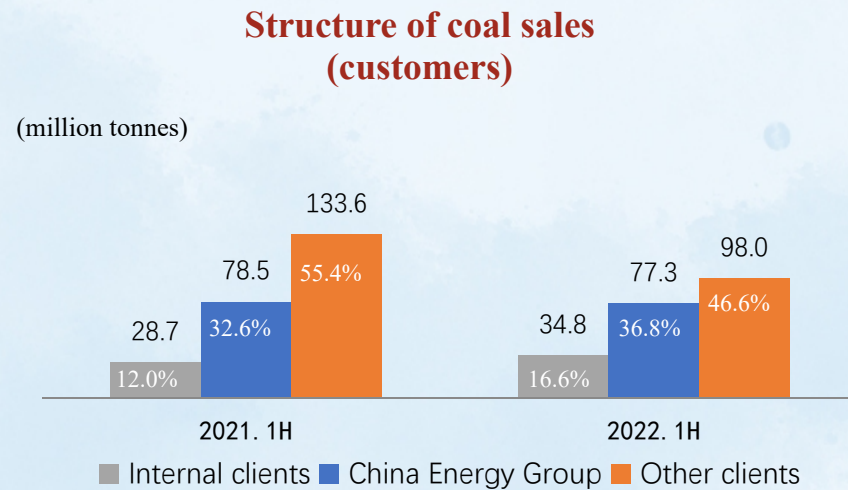
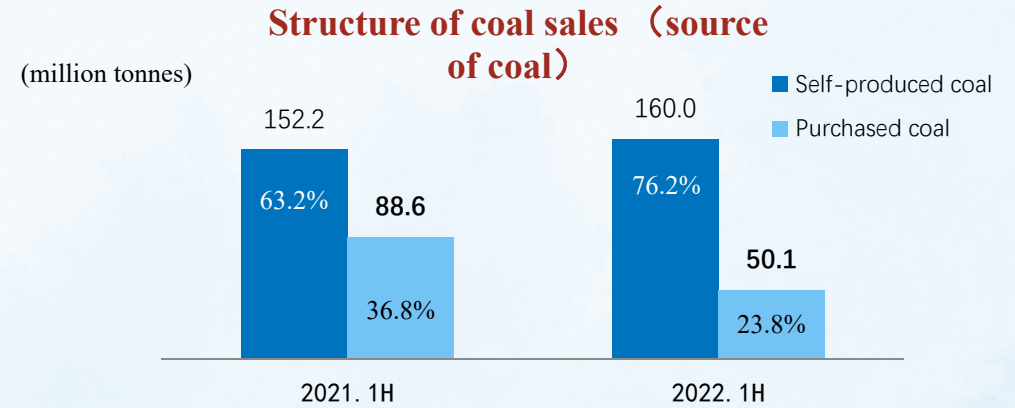
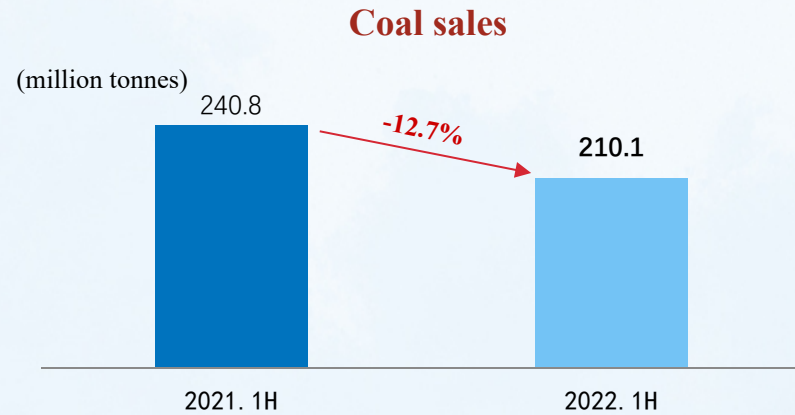


国家能源——不断前进的**动力**
China Energy — Driving force for constant progress

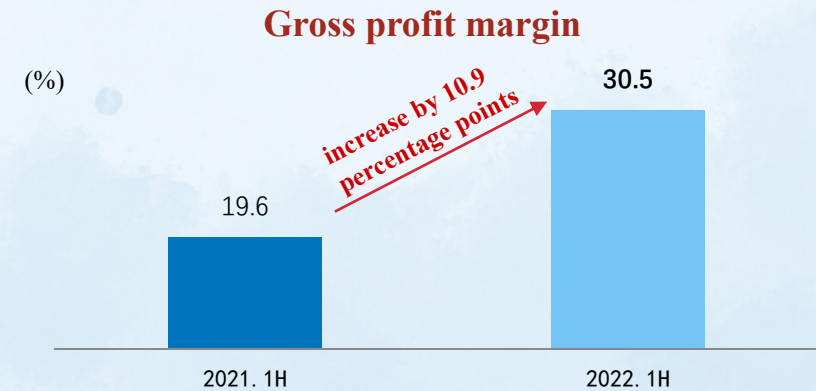
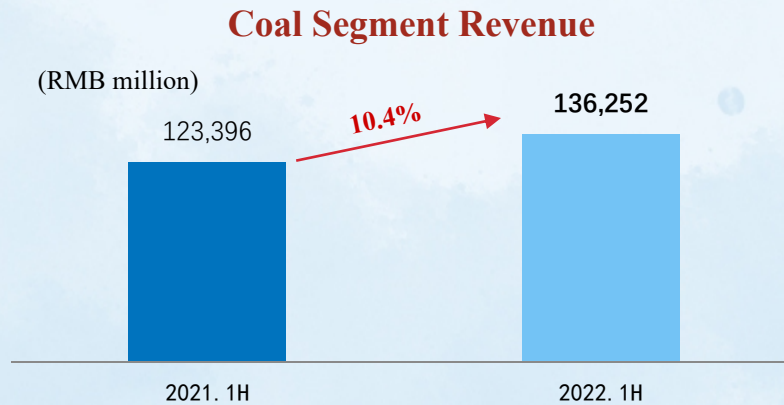
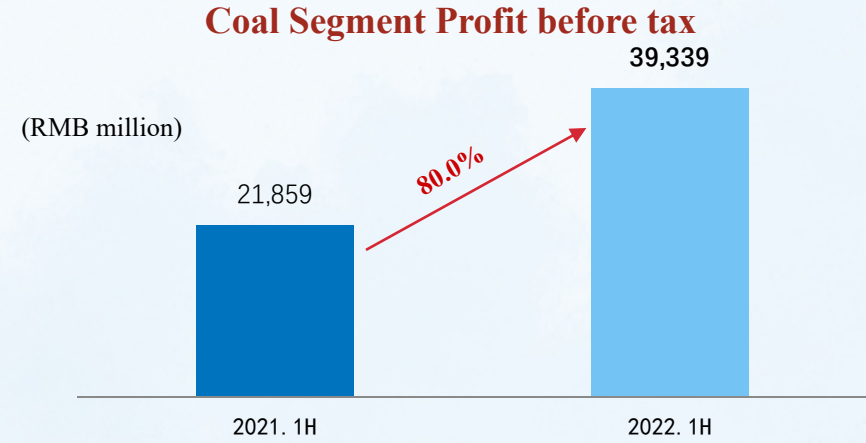
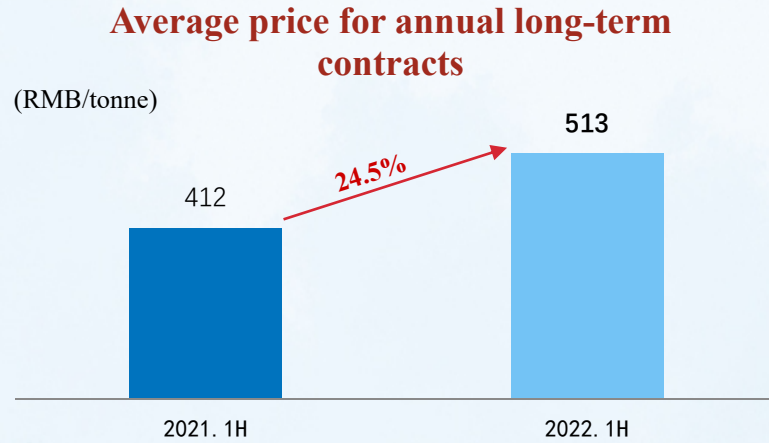


Appendix: Key Operating Data of Each Segment in the 1st Half of 2022

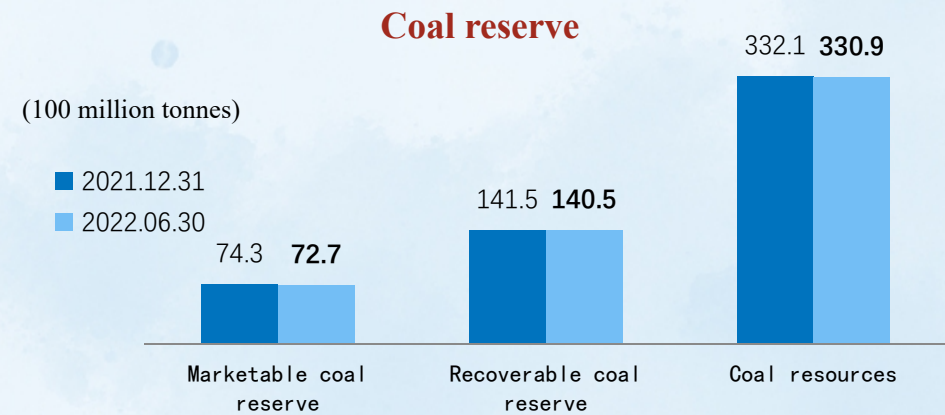
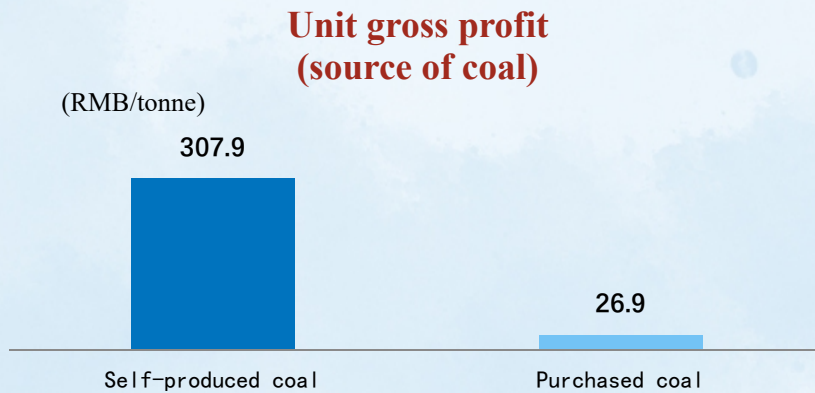
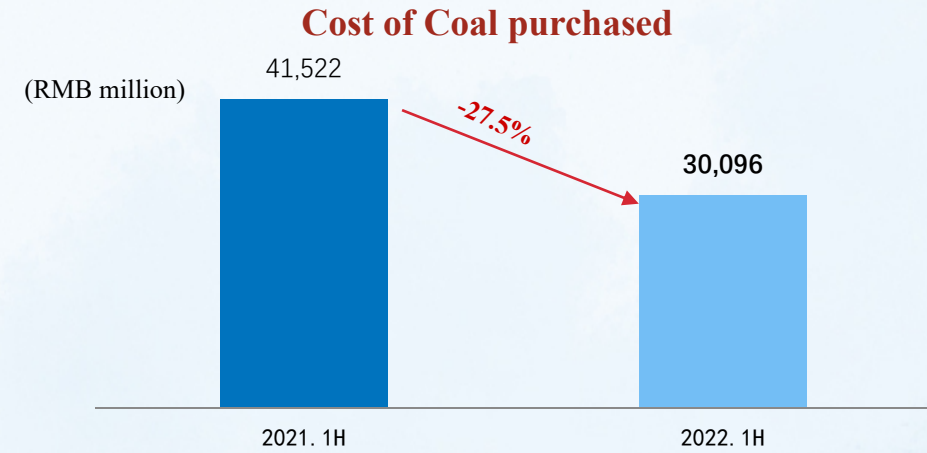
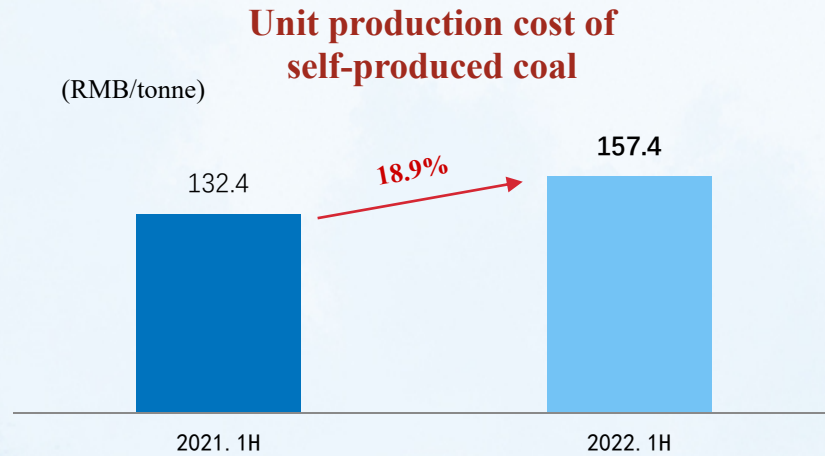
Coal Segment



Coal Segment



Coal Segment



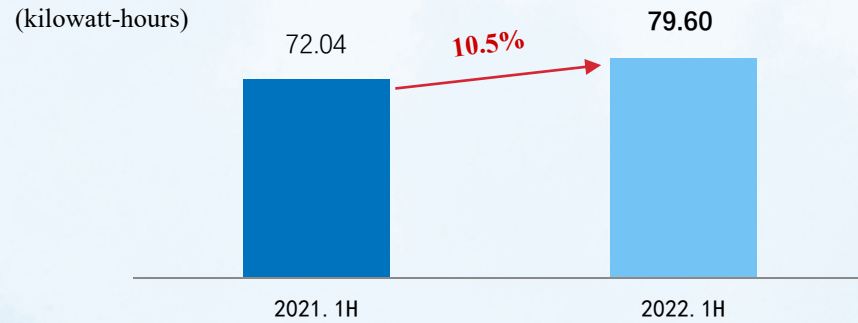
Recoverable coal reserve and resources under the PRC standard while marketable coal reserve under the JORC Standard.

Coal Segment

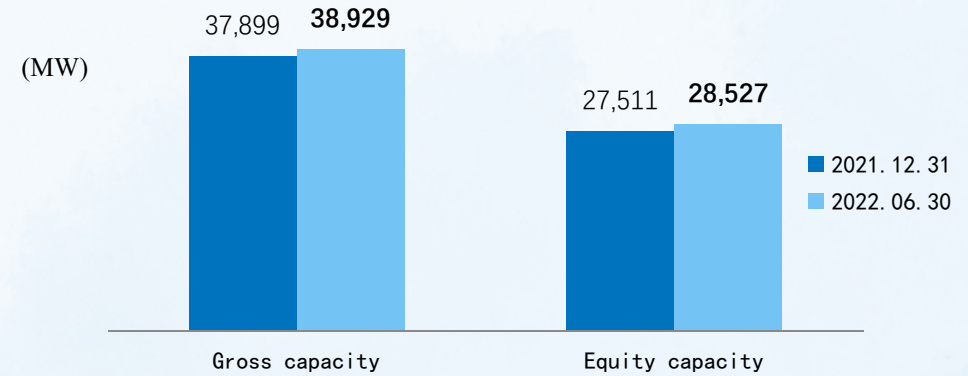
Coal Sales Classification	The first half of 2022			The first half of 2021			Change	
	Sales volume	Percentage to total sales volume	Average price (excluding tax)	Sales volume	Percentage to total sales volume	Average price (excluding tax)	Sales volume	Average price (excluding tax)
	million tonnes	%	RMB/tonne	million tonnes	%	RMB/tonne	%	%
Total sales volume/average price (excluding tax)	210.1	100.0	633	240.8	100.0	499	-12.7	26.9
I. Classify by contract pricing mechanism								
(I) Sales through Trading Group	199	94.7	651	229.6	95.3	512	-13.3	27.1
1. Annual long-term agreement	104.5	49.7	513	99.2	41.2	412	5.3	24.5
2. Monthly long-term agreement	74.1	35.3	808	103.1	42.8	614	-28.1	31.6
3. Spot commodity	20.4	9.7	780	27.3	11.3	489	-25.3	59.5
(II) Direct sales at the coal mine pit	11.1	5.3	322	11.2	4.7	231	-0.9	39.4
II. Classify by internal and external customers								
(I) Sales to external customers	175.3	83.4	650	212.1	88.0	506	-17.4	28.5
(II) Sales to internal power segment	32.3	15.4	556	26.4	11.0	458	22.3	21.4
(III) Sales to internal coal chemical segment	2.5	1.2	450	2.3	1.0	322	8.7	39.8

Power Segment

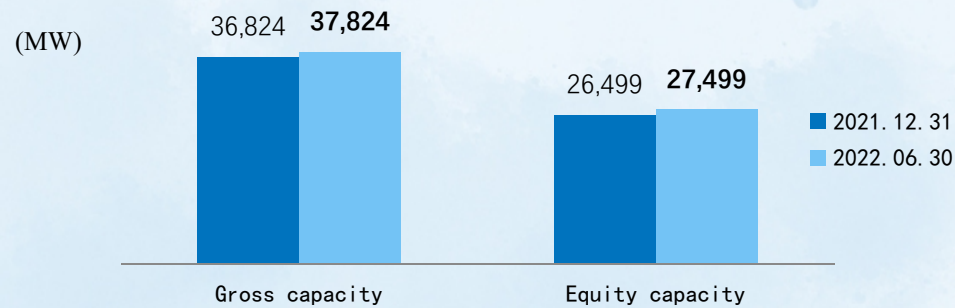
Power output dispatch



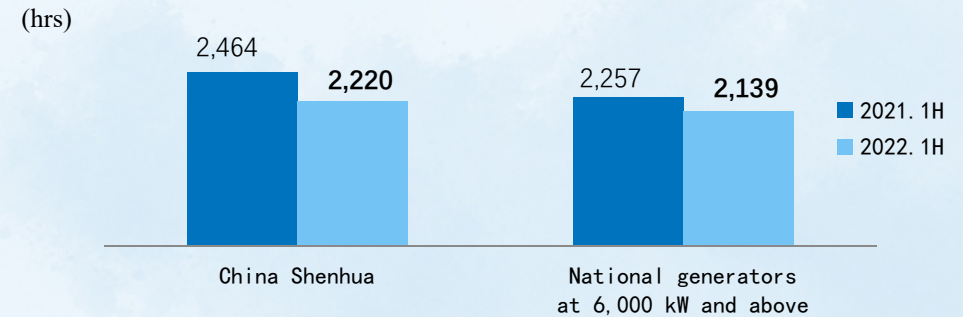
Total installed capacity



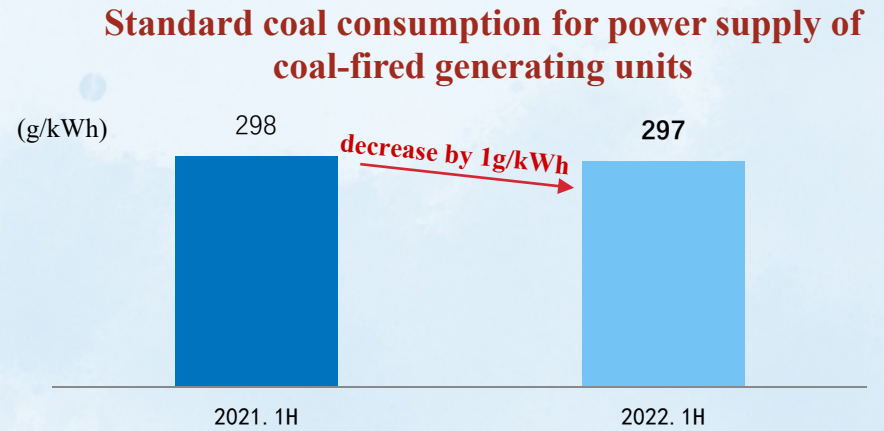
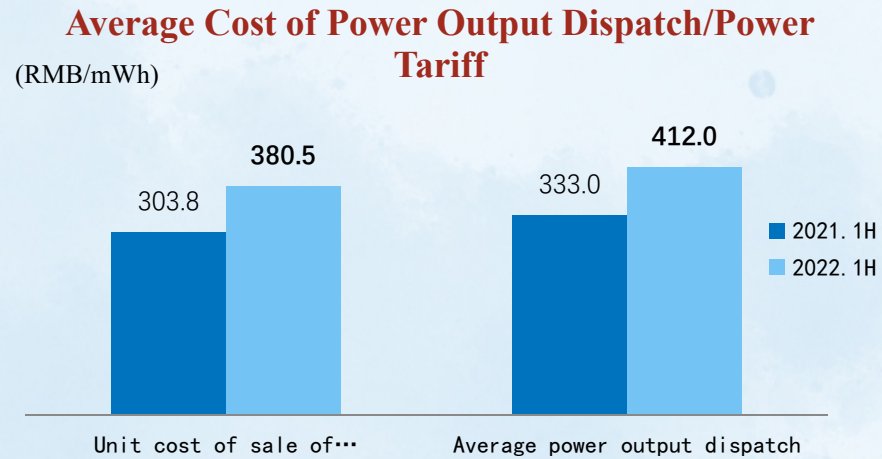
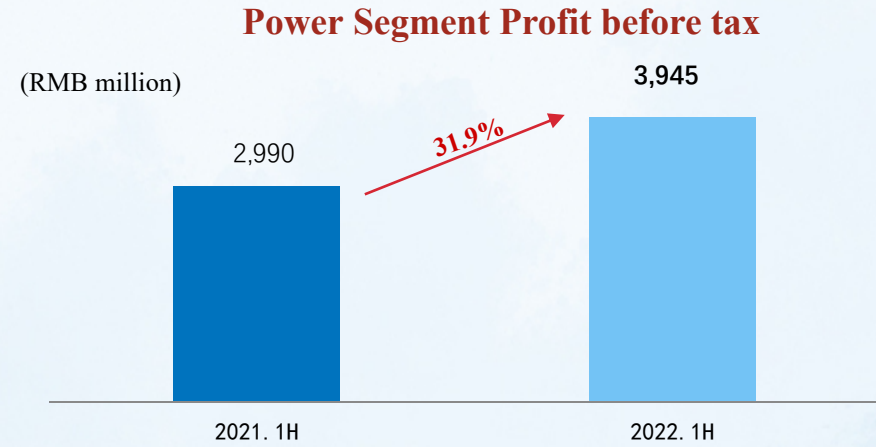
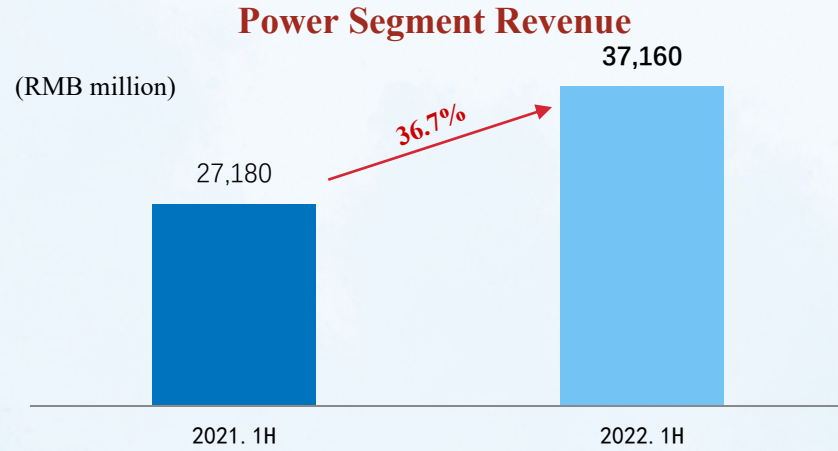
Installed capacity in coal-fired generators



Average utilisation hours of coal-fired generators

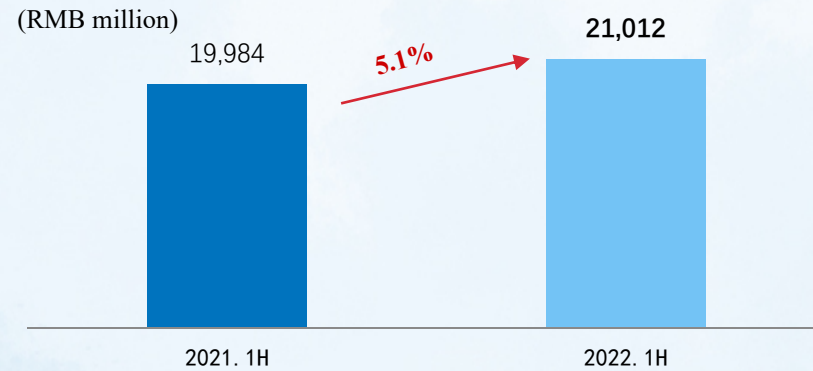


Power Segment

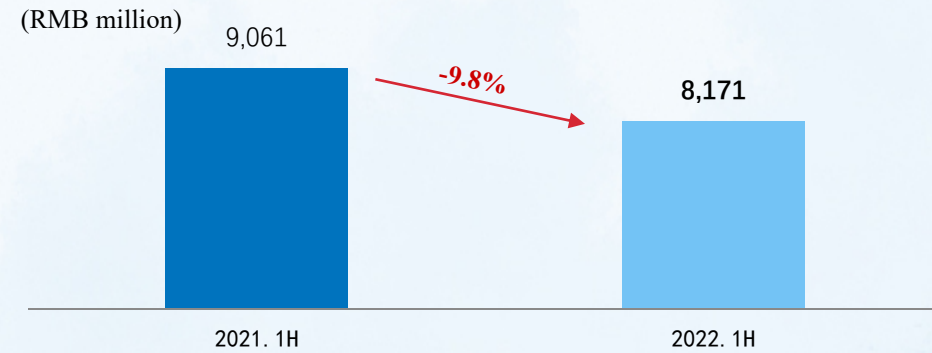


Railway Segment

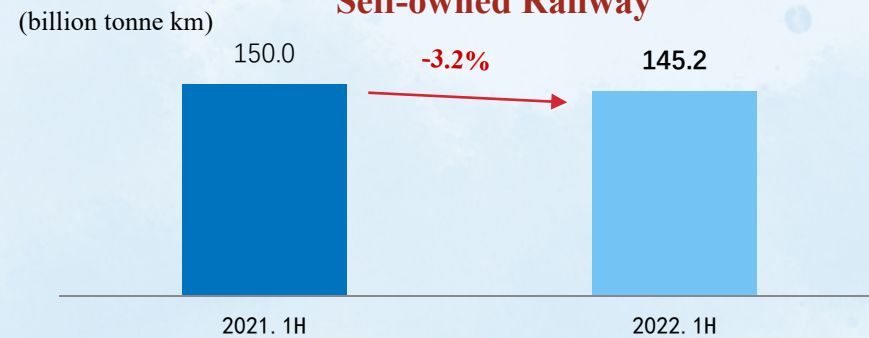
Railway Segment Revenue



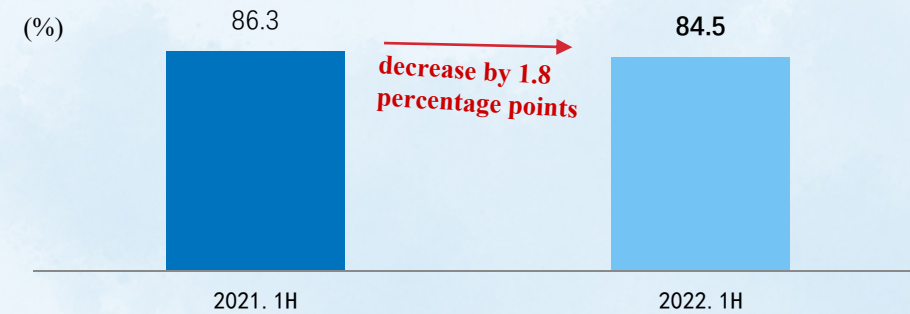
Railway Segment Profit before tax



Transportation Turnover of Self-owned Railway

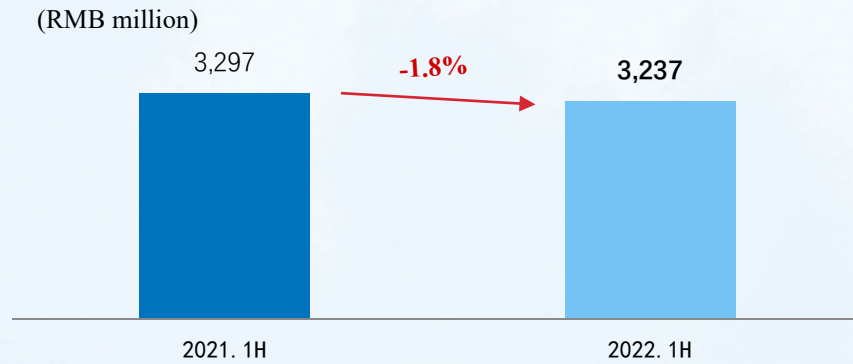


Percentage of Transportation Turnover of Self-owned Railway

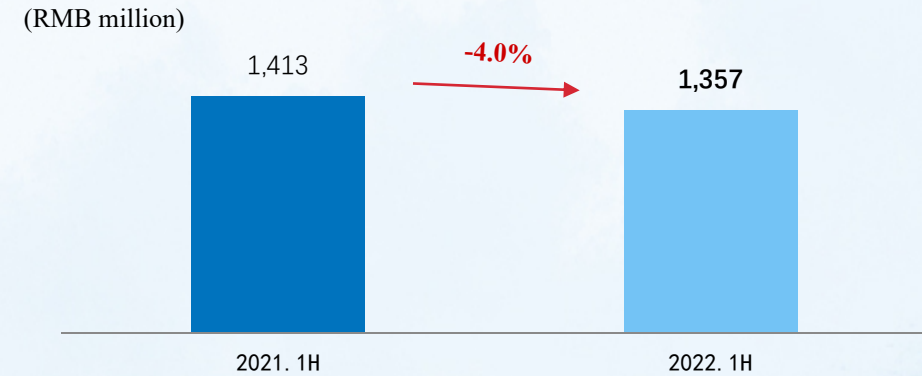


Port Segment

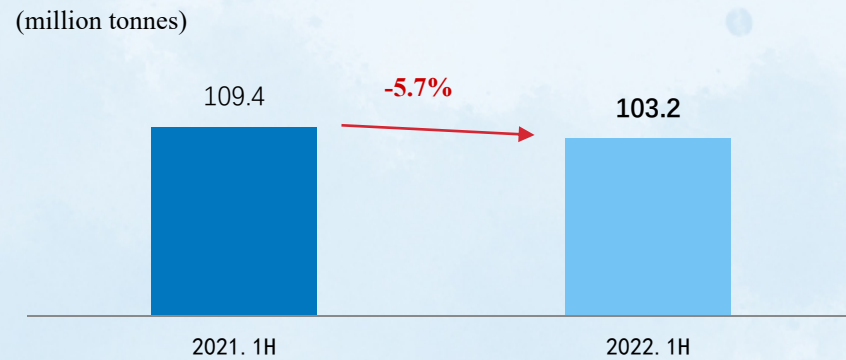
Port Segment Revenue



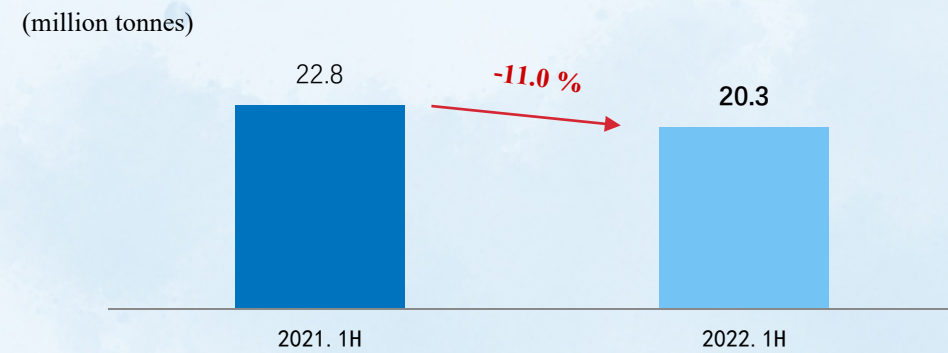
Port Segment Profit before tax



Loading volume at Huanghua Port

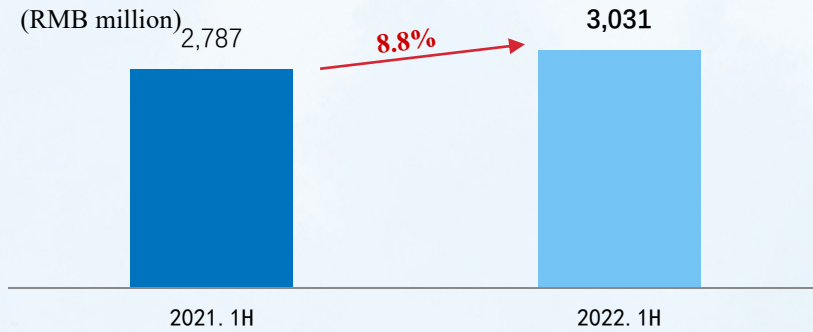


Loading volume at Tianjin Coal Dock

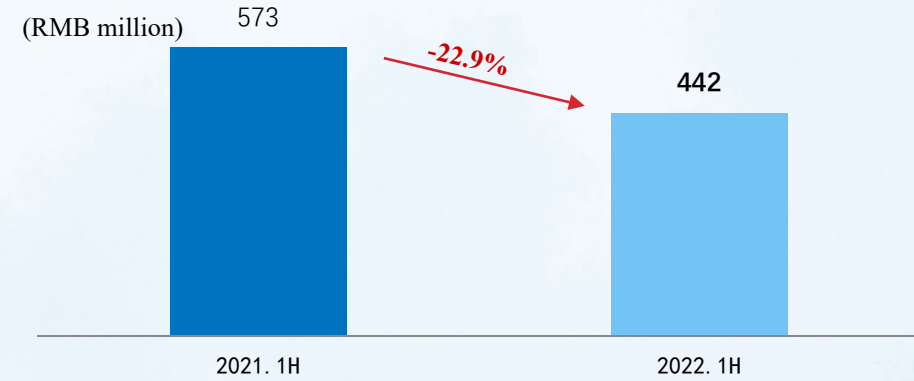


Shipping Segment

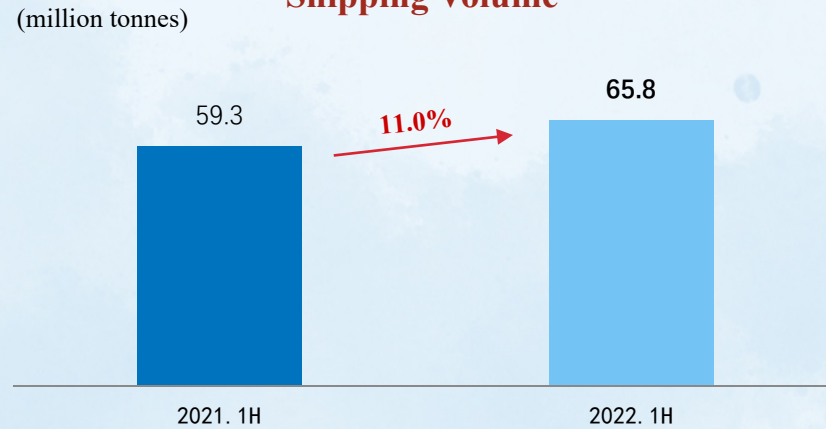
Shipping Segment Revenue



Shipping Segment Profit before tax



Shipping Volume



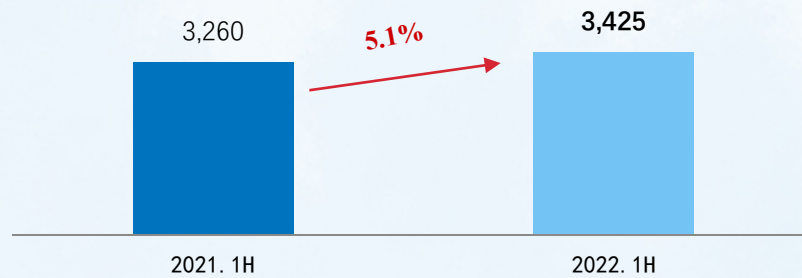
Shipping Turnover



Coal Chemical Segment

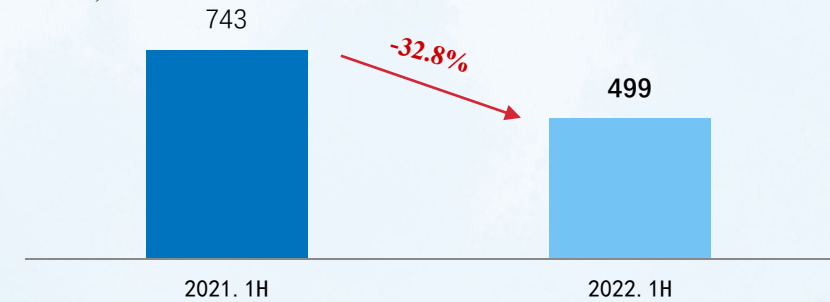
Coal Chemical Segment Revenue

(RMB million)



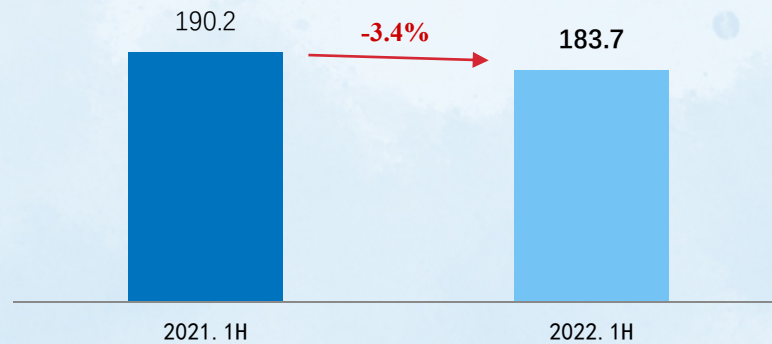
Coal Chemical Segment Profit before tax

(RMB million)



Sales of Polyethylene

(thousand tonnes)



Sales of Polypropylene

(thousand tonnes)

