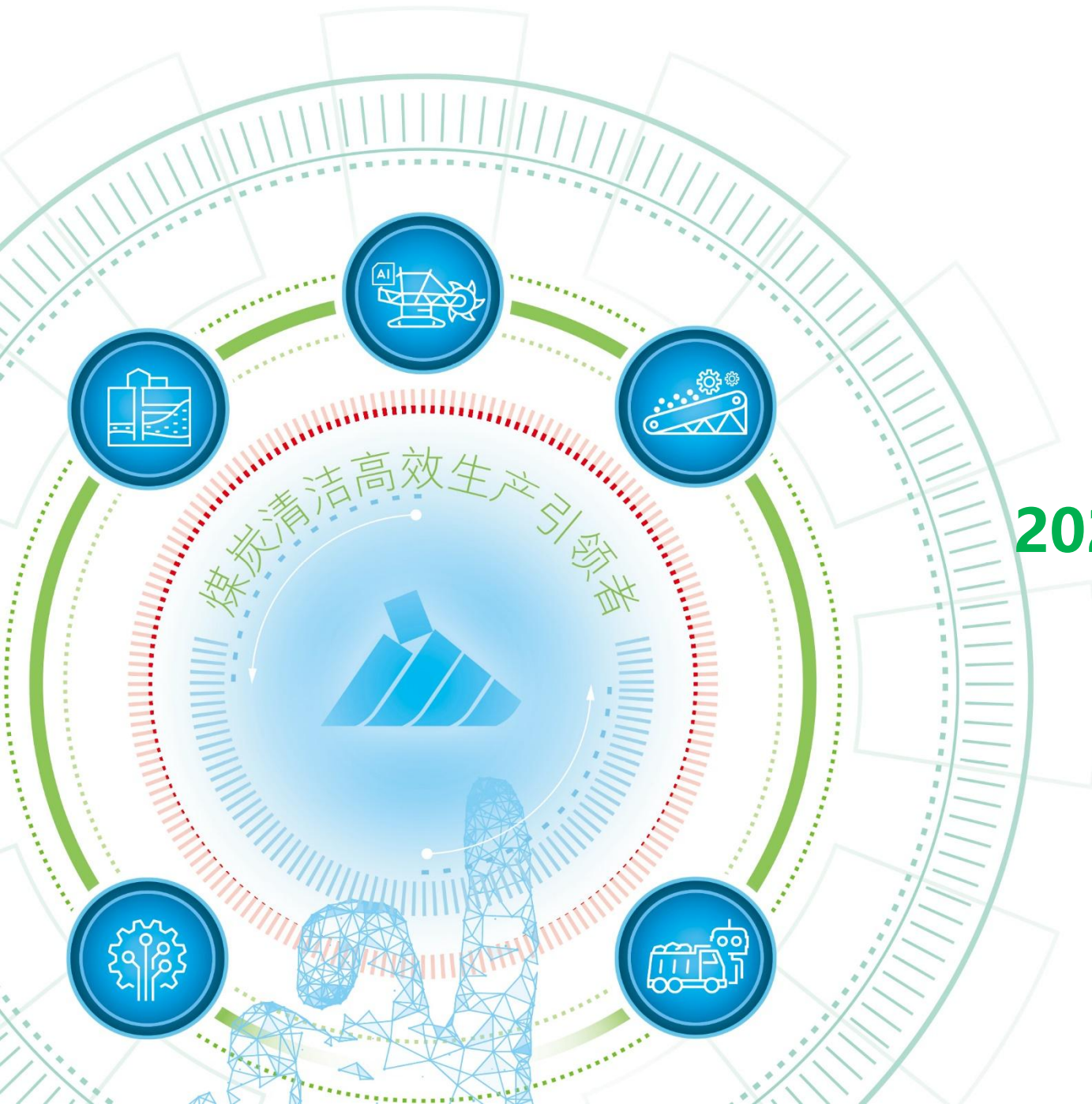




中国神华能源股份有限公司
CHINA SHENHUA ENERGY COMPANY LIMITED



2022 Annual and 2023 Q1 Results (H)

May 2023



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3. Production and Operation Plan for 2023

**Appendix : Key Operating Data of Each Segment
in 2022**





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



Macro and Industrial Environment

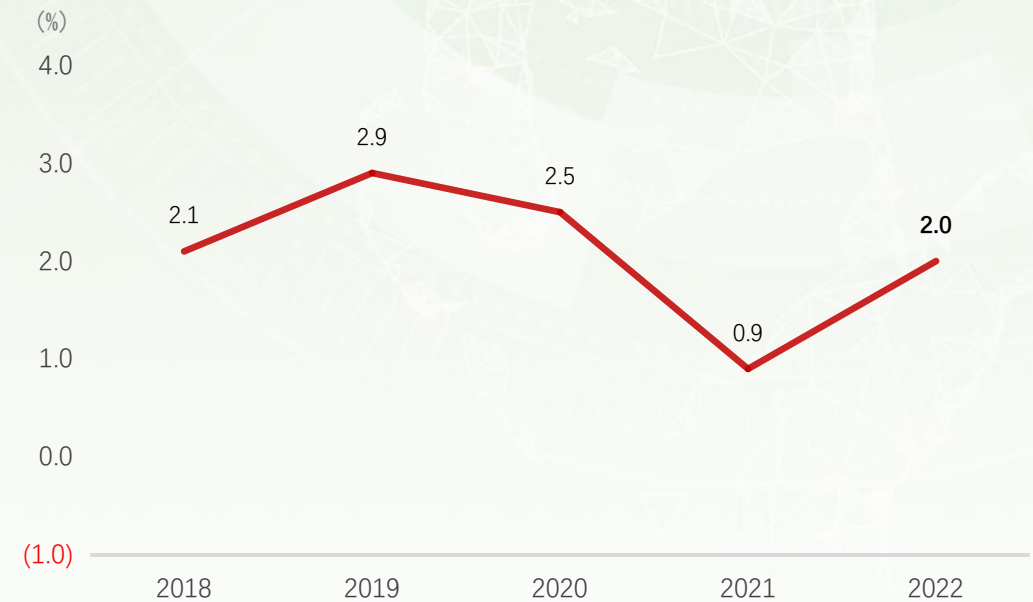


Ensure a Stable Economic Performance and a Stable Growth of Quality of Development

GDP increased by 3.0%

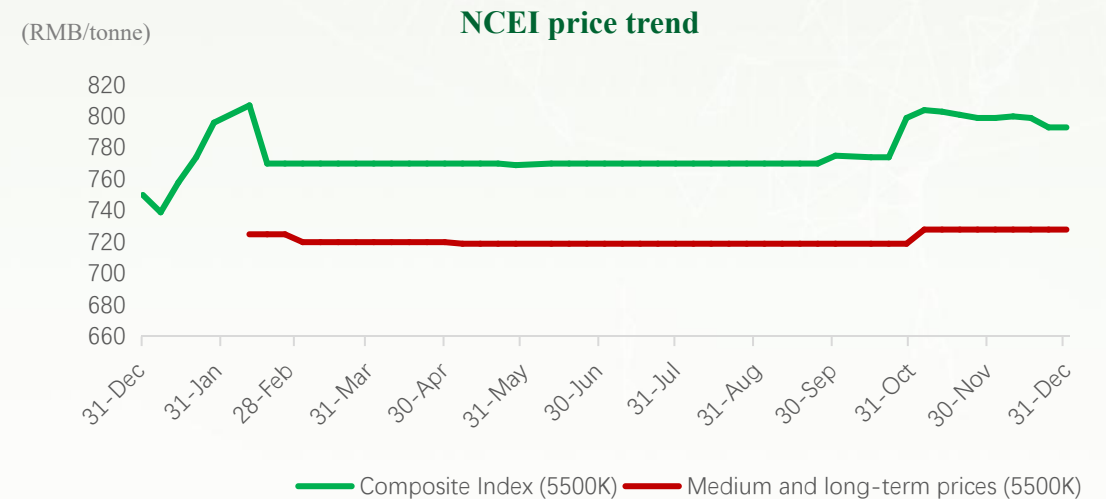
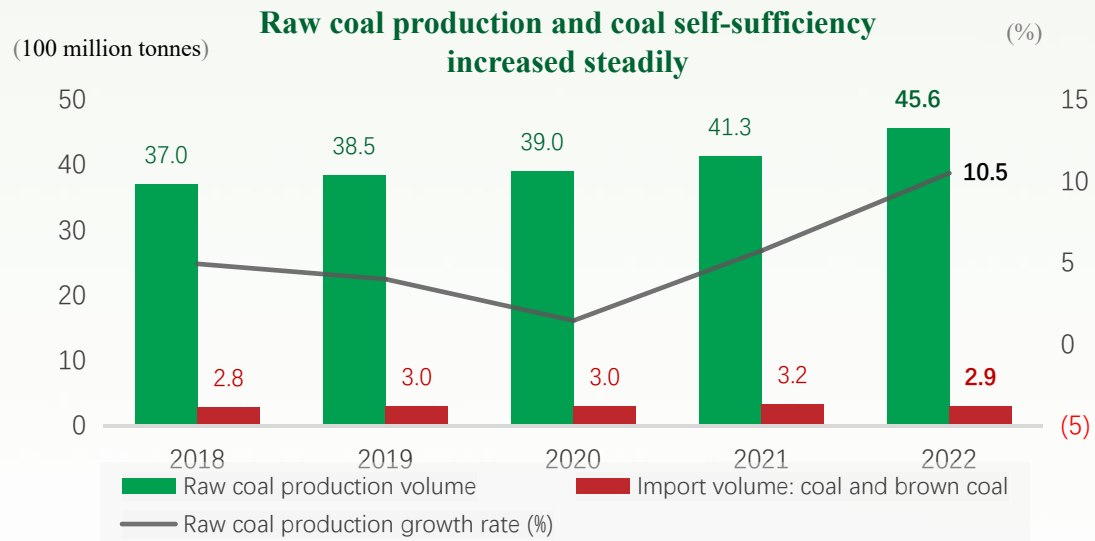
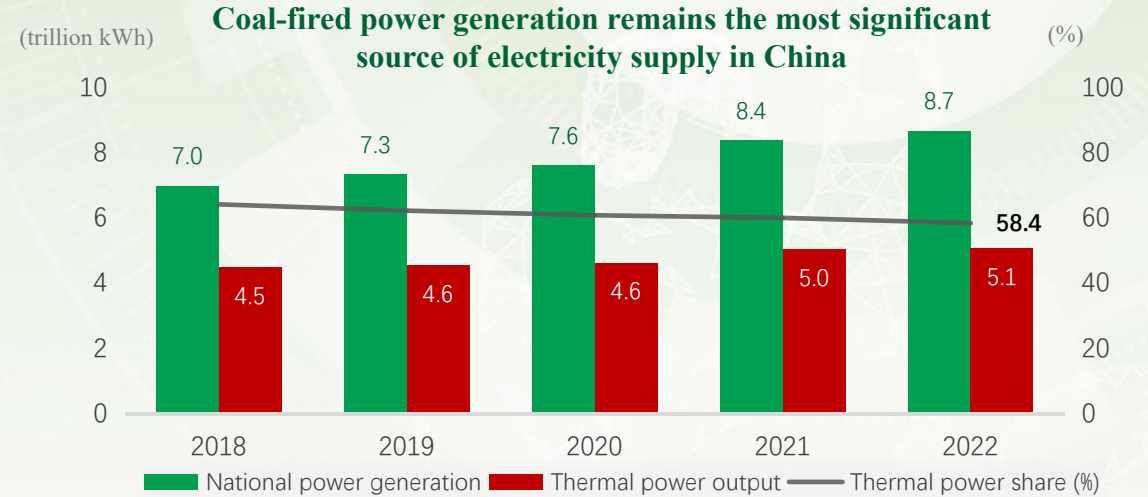
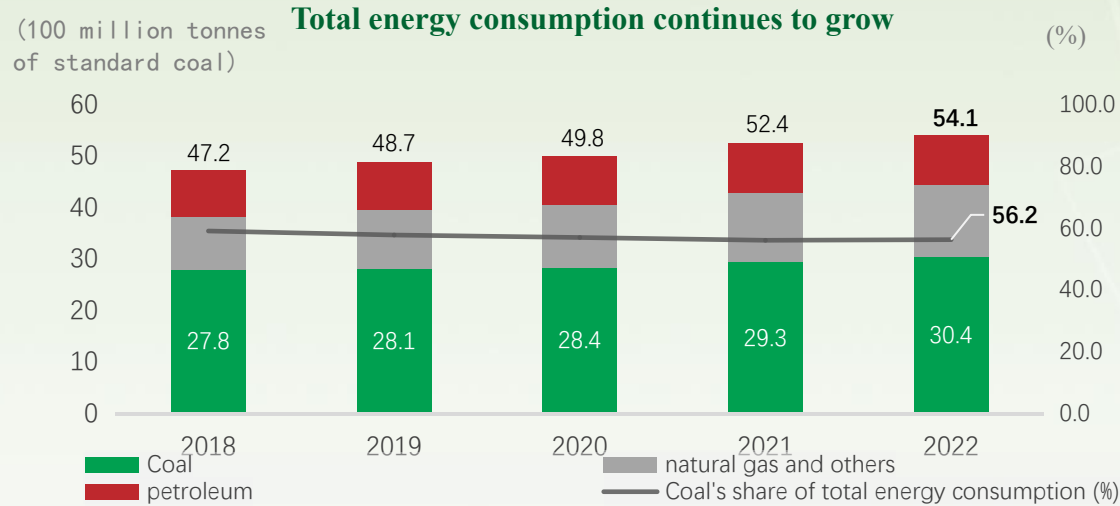


CPI increased by 2.0%





Coal and Coal-fired power Maintained its Fundamental Security Role





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



Operating Results for 2022



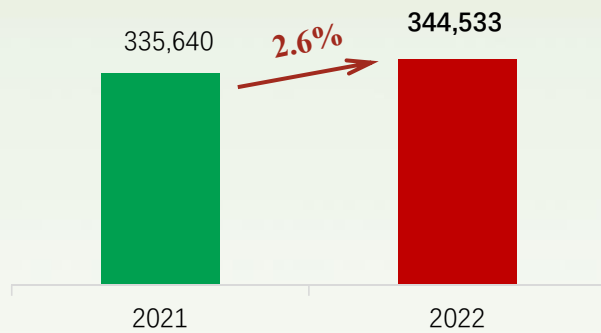
New Achievements in High-quality Development

Business targets	Units	2021	2022	Change
Commercial coal production	million tonnes	307.0	313.4	2.1%
Coal sales	million tonnes	482.3	417.8	-13.4%
Gross power generation	billion kWh	166.45	191.28	14.9%
Turnover of self-owned railway	billion tonnes km	303.4	297.6	-1.9%
Shipping turnover	billion tonne nautical miles	112.1	133.6	19.2%
Port loading volume	million tonnes	261.4	250.4	-4.2%
Sales volume of olefin products	thousand tonnes	648.4	699.0	7.8%

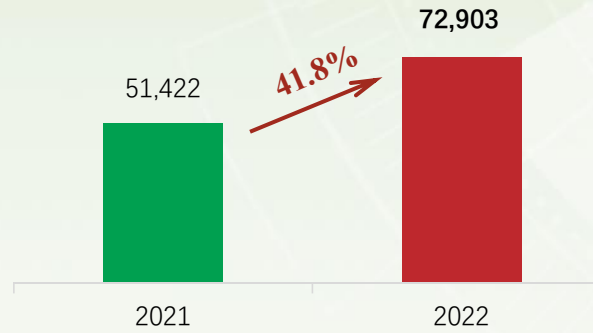


Operating Results Continue Improving

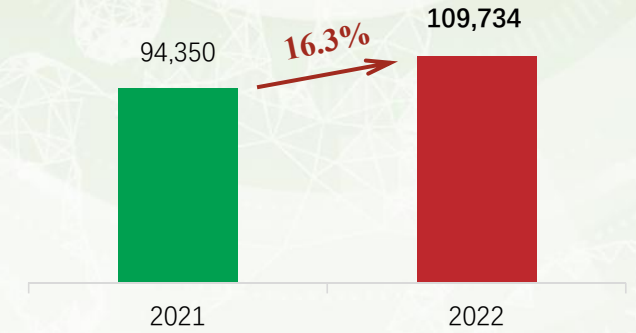
Revenue
(RMB million)



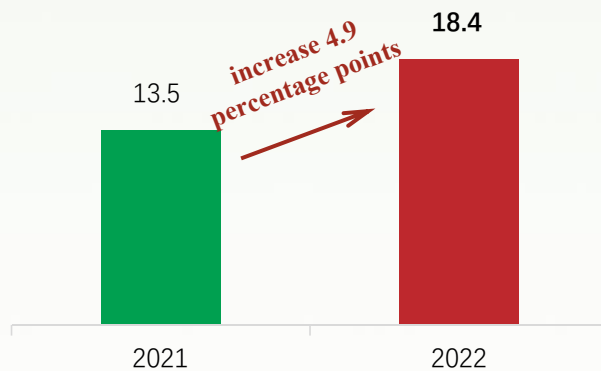
Profit for the year attributable to equity holders of the Company (RMB million)



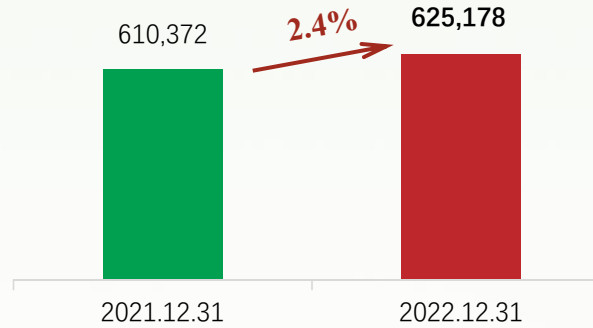
Net cash generated from operating activities
(RMB million)



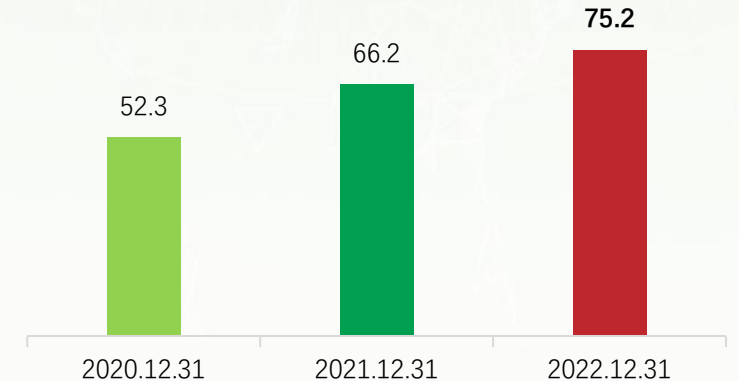
Return on net assets as at the end of the period (%)



Total assets
(RMB million)



Total market value
(USD billion)



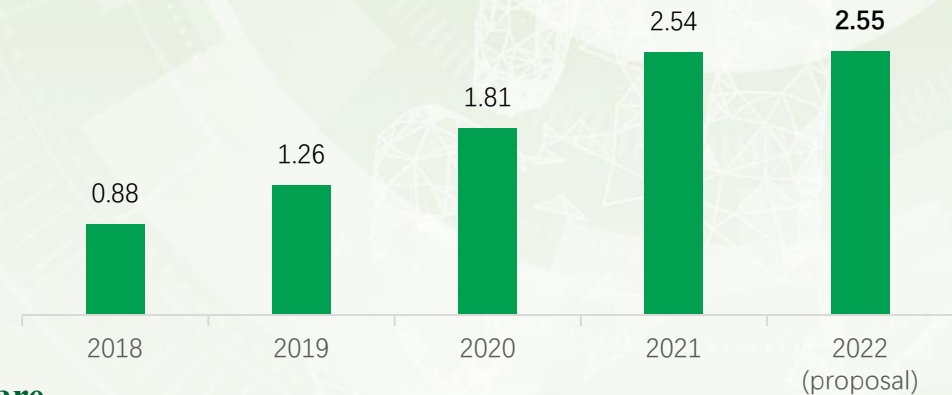


High-level and Sustainable Return to Shareholders

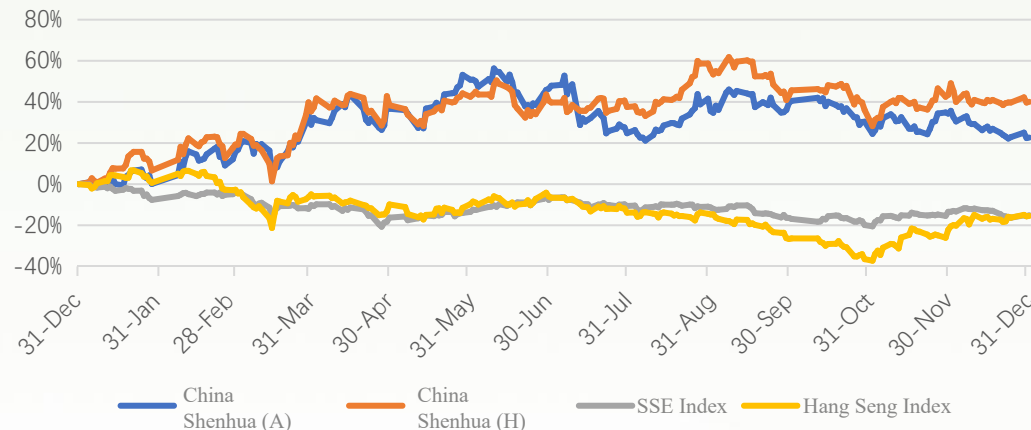
➤ After taking into account the Company's cash flow, financial situation and investment arrangements of the Company, the Board recommended to pay a final dividend of:

- ✓ RMB 2.55 per share (tax inclusive) in 2022;
- ✓ Totalling about RMB 50.665 billion (tax inclusive);
- ✓ Accounting for 72.8% of the Company's net profit attributable to shareholders in 2022 in accordance with the China Accounting Standards for Business Enterprises.

Cash dividend in recent years (RMB/share)



China Shenhua Share Price Change in 2022



Note: the number is based on the price base point of 2021.12.31

A Share

	Units	2021 Year-end Closing	2022 Year-end Closing	Change
China Shenhua	RMB/share	22.52	27.62	22.65%
SSE Index	/	3,639.78	3,089.26	-15.13%

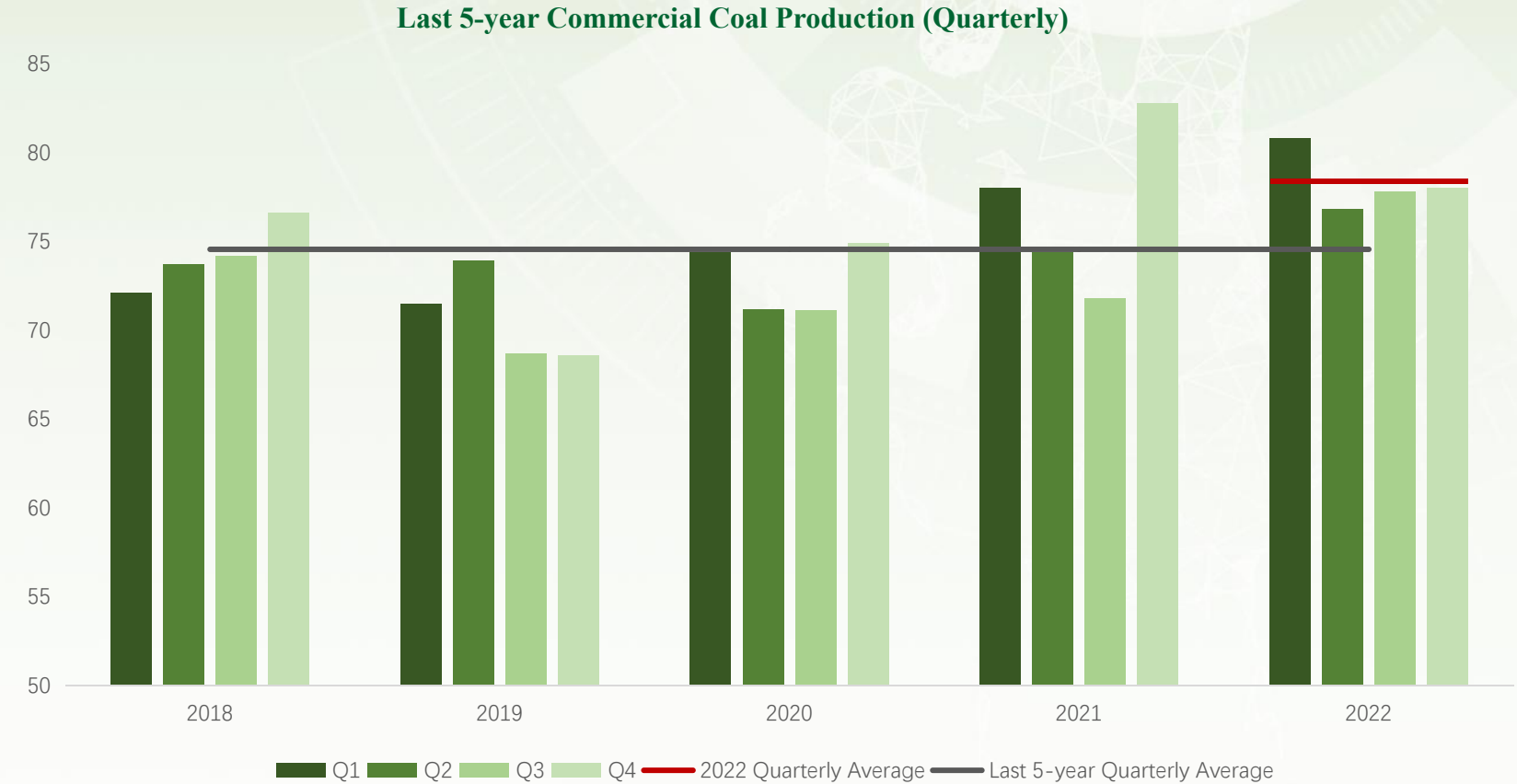
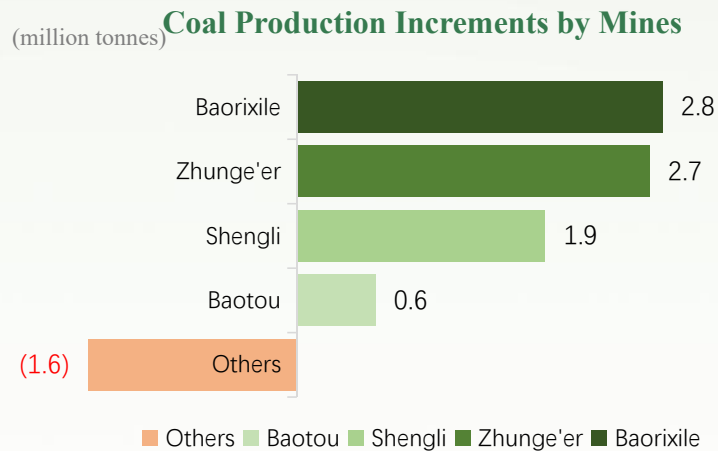
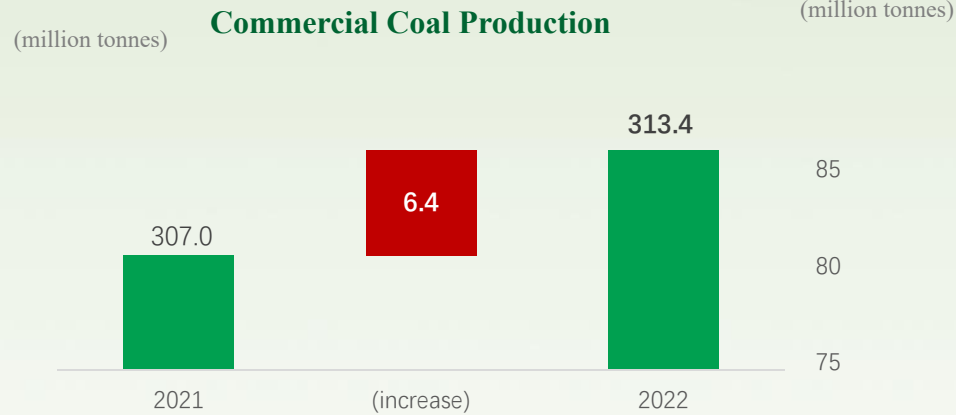
H Share

	Units	2021 Year-end Closing	2022 Year-end Closing	Change
China Shenhua	HKD/share	18.28	22.55	23.36%
HSI	/	23,397.67	19,781.41	-15.46%



(I) Integrated Operation as the Core to Ensure Security and Stabilize Energy Supply

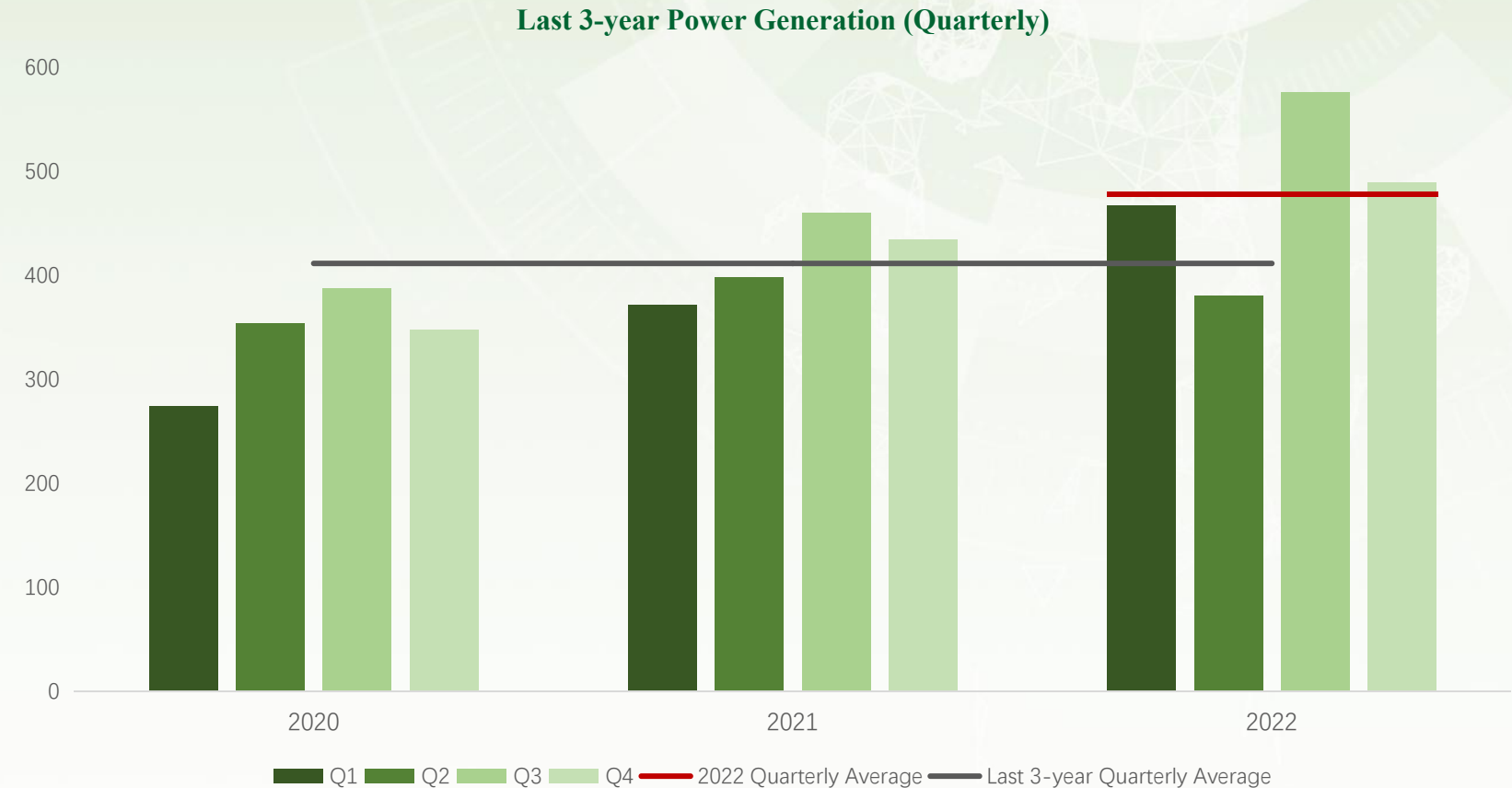
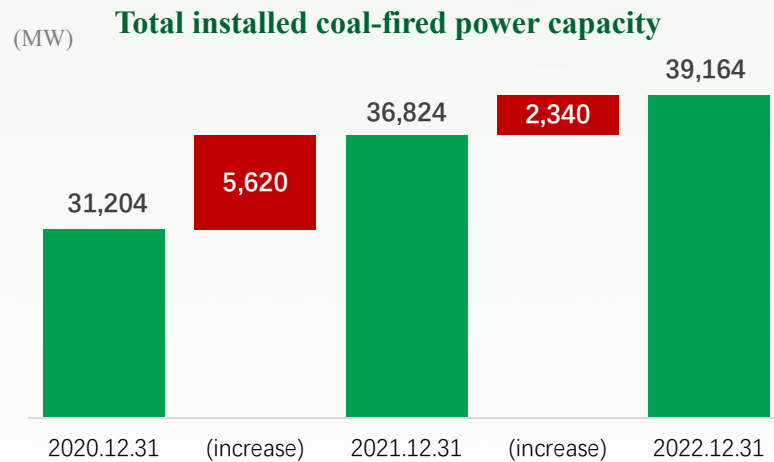
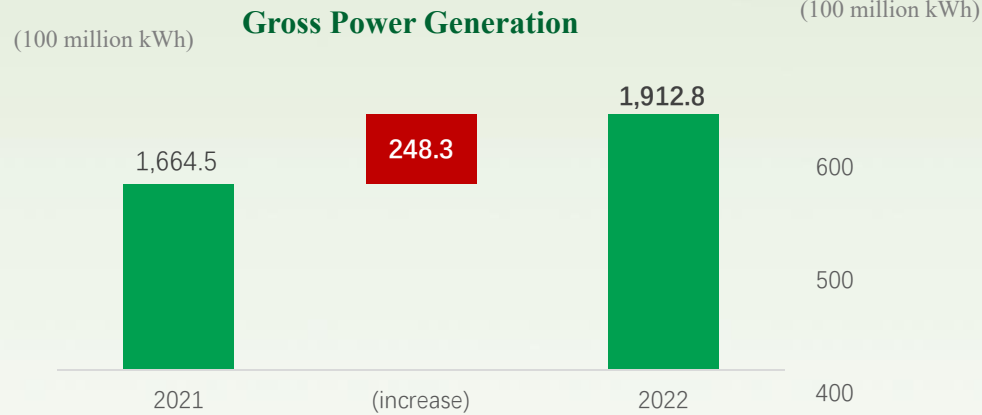
Ensuring Energy Security with Coal





(I) Integrated Operation as the Core to Ensure Security and Stabilize Energy Supply

Ensuring Power Stability with Coal Power



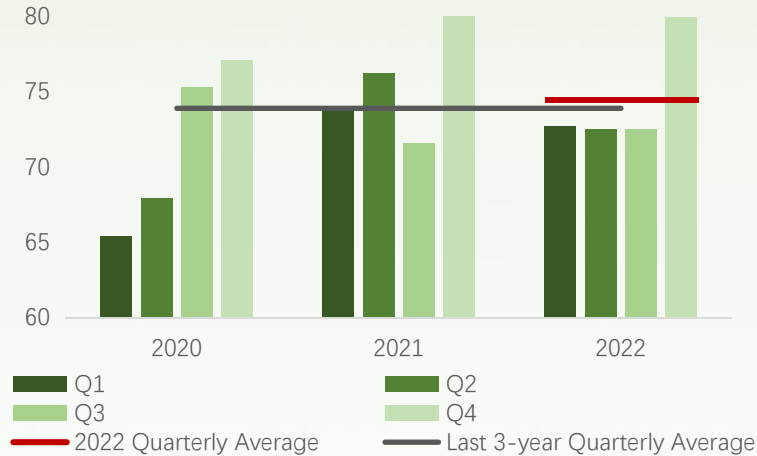


(I) Integrated Operation as the Core to Ensure Security and Stabilize Energy Supply

Ensuring Smooth and Efficient Integration with Transport

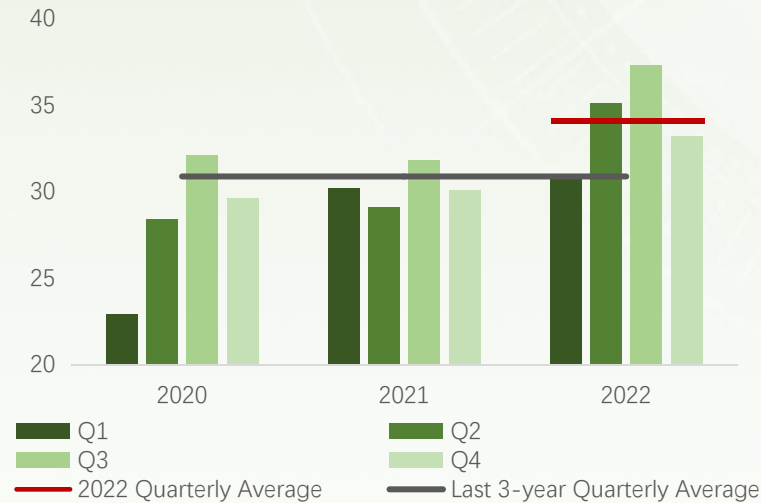
(billion tonne km)

Transportation Turnover of Self-owned Railway (Quarterly)



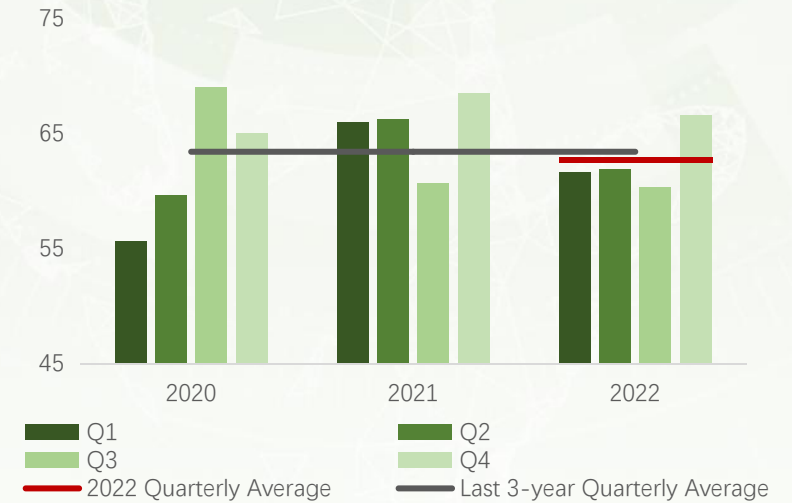
(million tonnes)

Shipping Volume (Quarterly)



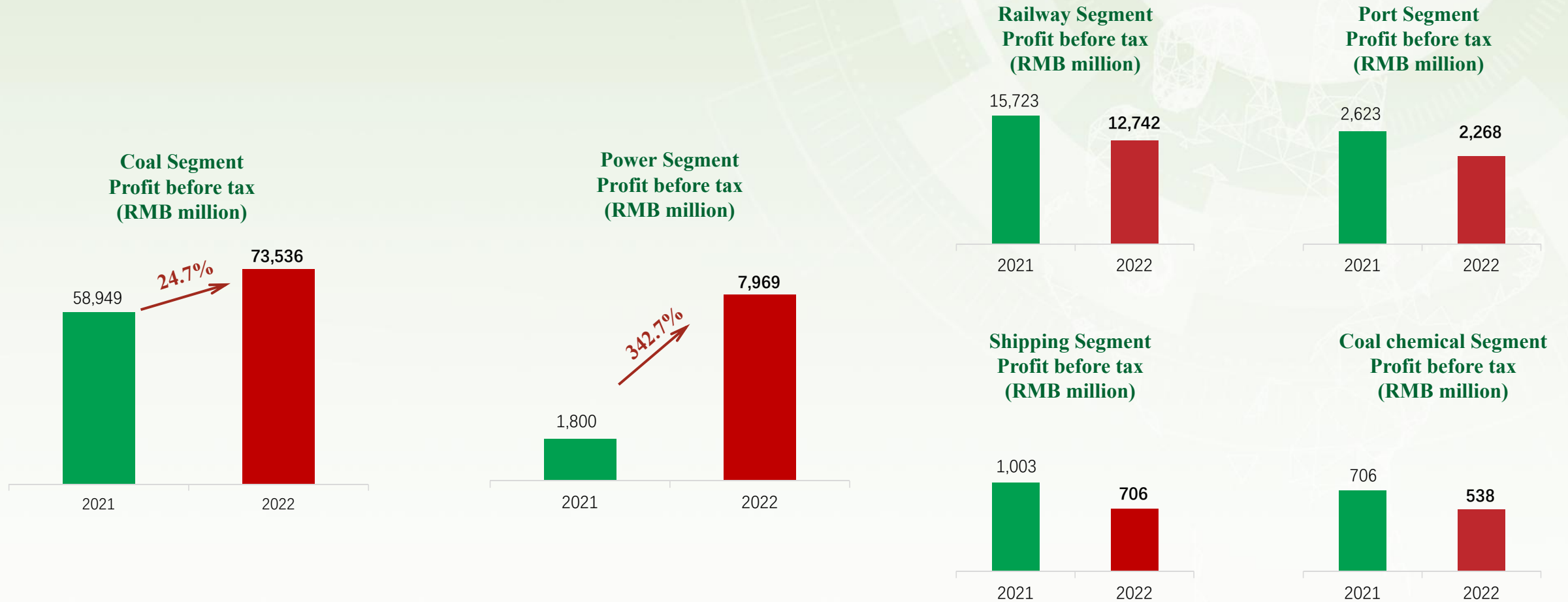
(million tonnes)

Port Loading Volume (Quarterly)





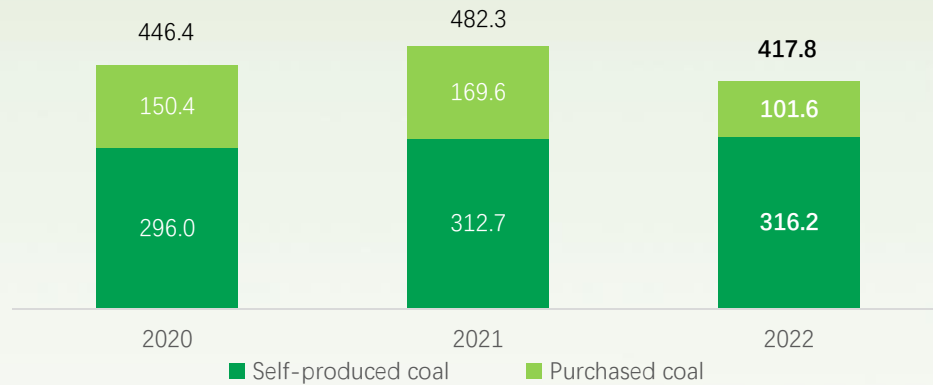
(II) Strengthen Efficiency and Improve Performance



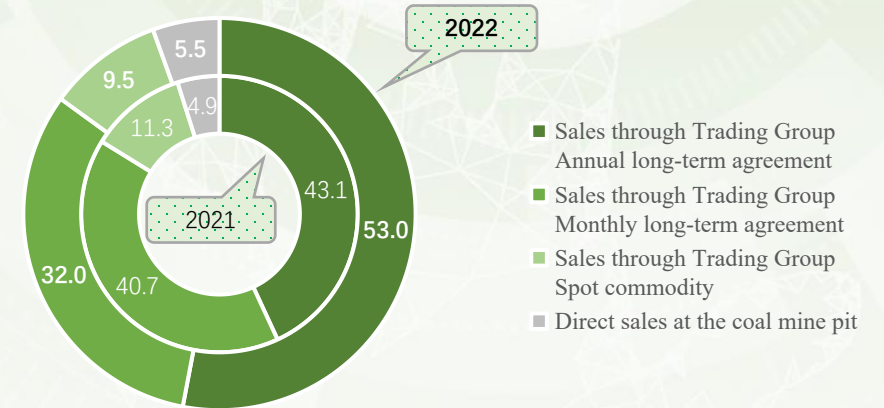


Coal Segment: take the lead in stabilizing prices and markets in compliance with regulatory requirements

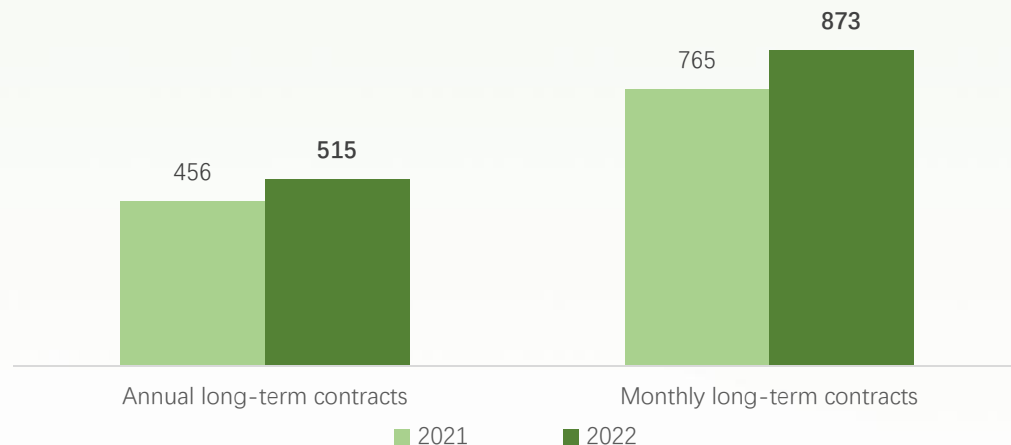
Coal Sales Volume (million tonnes)



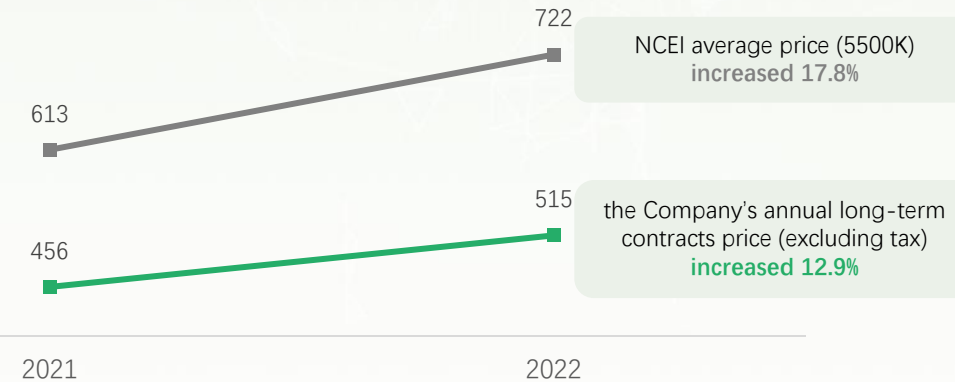
Classify by contract pricing mechanism (%)



Average sales price under long-term contracts (excluding tax) (RMB/tonne)



NCEI average price vs. the Company's average annual long-term contracts price (RMB/tonne)

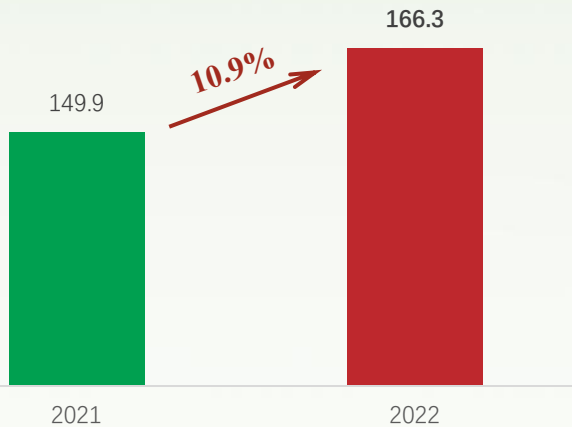


* The coal price achieved by the company does not include value-added tax, and is related to the actual coal calorific value and sales location

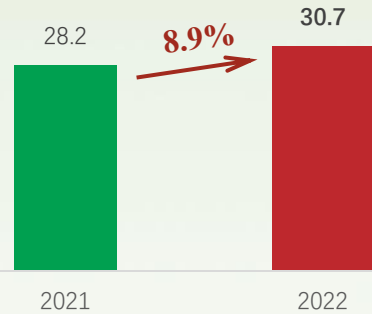


Coal Segment: Unit production cost of self-produced coal kept low in the industry

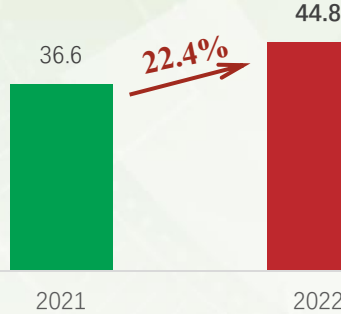
Unit production cost of self-produced coal (RMB/tonne)



Raw materials, fuel and power (RMB/tonne)



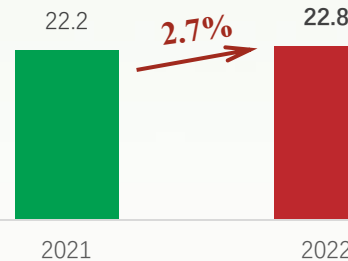
Personnel expenses (RMB/tonne)



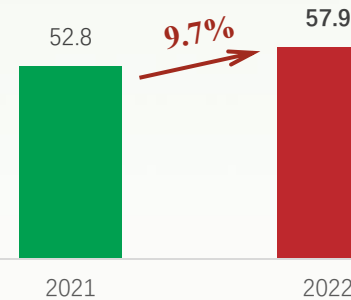
Repairs and maintenance (RMB/tonne)



Depreciation and amortization (RMB/tonne)



Other costs (RMB/tonne)



- As mining depth increasing and excavation outspread, costs such as mining engineering expenses, expenses for coal exploitation service, expenses for coal washing, selection and processing increase.
- Raw Materials, Fuel and Power: increase in material expenses.
- Personnel Expenses: increase in the number of employees resulting in an increase in performance wages and social security contributions base.



Coal Segment: Promoting resources acquisition and development strength

Promoting coal resources acquisition

1. the overall plan for the Xinjie Mine has obtained approval from the NDRC, Xinjie Mine 1 and Mine 2 have obtained exploration permits and their capacity replacement plans have been approved by the National Energy Administration
2. the lands in Heidaigou and Ha'erwusu strip mines of a total of 811 hectares have obtained the approval from the Ministry of Natural Resources of China for continuing production use
3. the total production capacity of Huangyuchuan, Qinglongsi and Shenshan collieries increased by 4.6 million tonnes/year have been approved by the State Administration of Mine Safety
4. the acquisition of blank areas and deep resources of Shangwan Colliery and Bulianta Colliery was carried out in an orderly manner

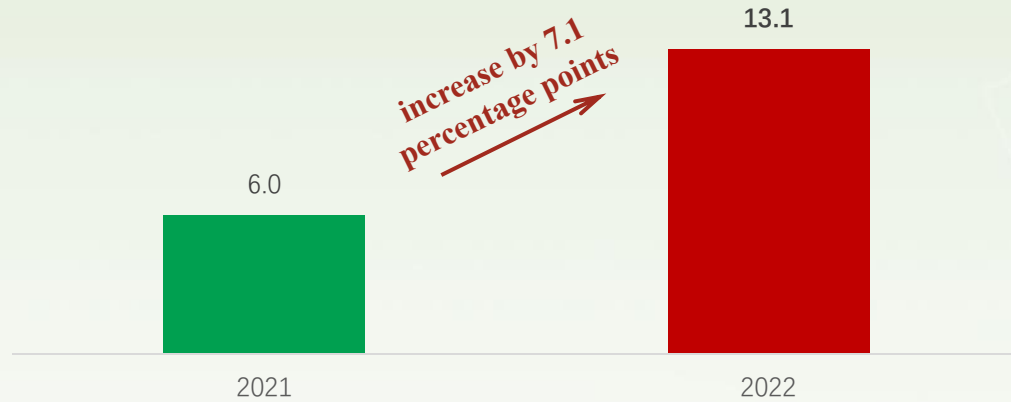
Mines	Unit	Coal reserve (under the PRC Standard)	Recoverable coal reserve (under the PRC Standard)	Trusted reserves (under the PRC Standard)	Proved reserve (under the PRC Standard)	Marketable coal reserve (under the JORC Standard)
Shandong Mines	100 million tonne	151.6	85.7	40.2	17.5	65.5
Zhunge'er Mines	100 million tonne	36.5	29.0	7.3	12.2	21.3
Shengli Mines	100 million tonne	19.4	13.1	5.2	0.2	2.4
Baorixile Mines	100 million tonne	13.1	10.8	5.8	1.8	8.6
Baotou Mines	100 million tonne	0.4	0.3	0.0	0.1	0.2
Xinjie Mines	100 million tonne	108.0	/	/	/	/
Total	100 million tonne	329.0	138.9	58.5	31.8	98.0

* At the end of 2022, the company will employ a professional organization to reevaluate the marketable reserves under JORC standards in combination with the factors that have an impact on the economy of coal mining, such as the coal market price

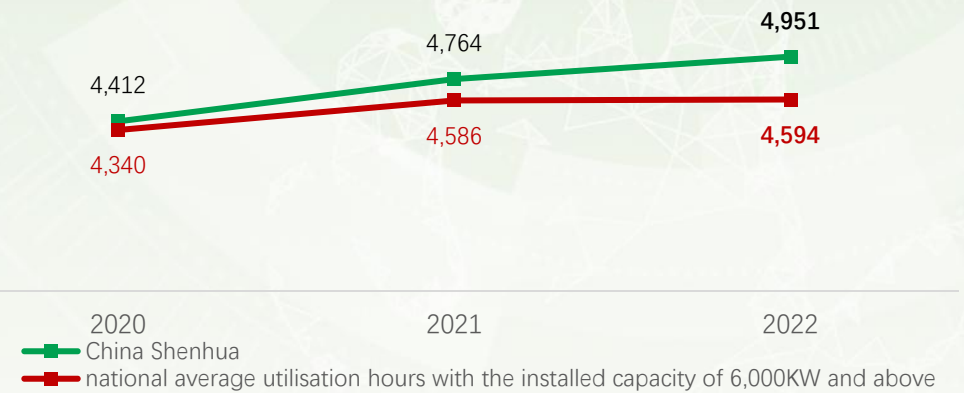


Power Segment: promote “Three Reforms Linkages” to highlight the strengths of coal-fired power units

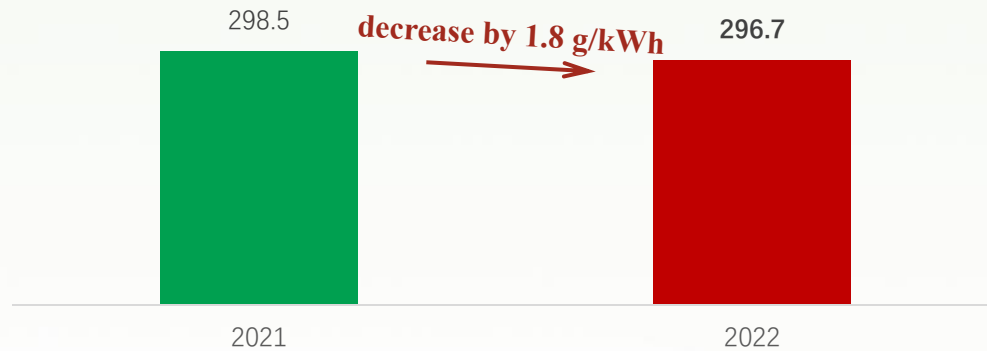
Gross profit margin of Power Segment (%)



Average utilisation hours of coal-fired generators (hours)



Average standard coal consumption of coal-fired power generation units (g/kWh)



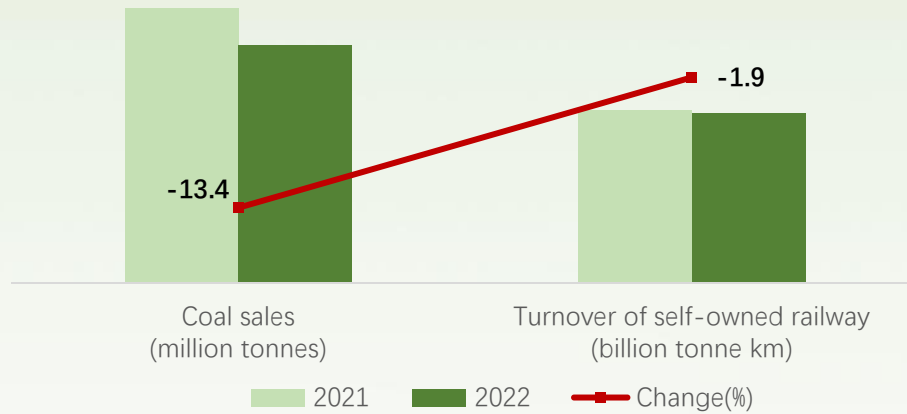
Net profit of Jinjie Energy attributable to the equity holders of the parent company in the past 3 years (RMB billion)



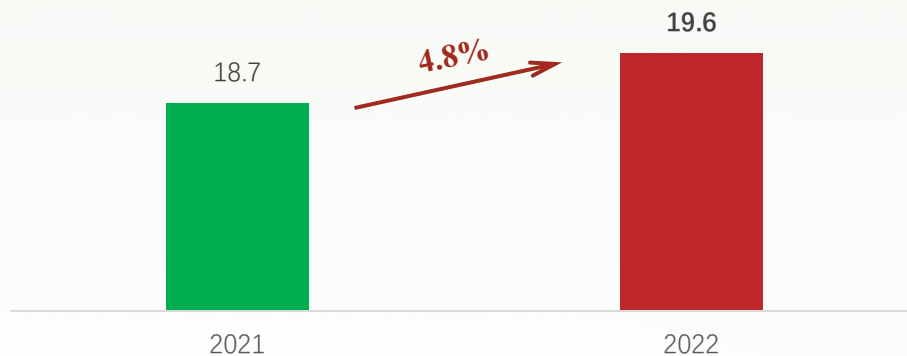


Transportation Segment: fully ensure supply, expand non-coal transportation and capacity

Coal sales volume vs. Turnover of self-owned railways



Transportation volume of non-coal goods in railway segment
(million tonnes)

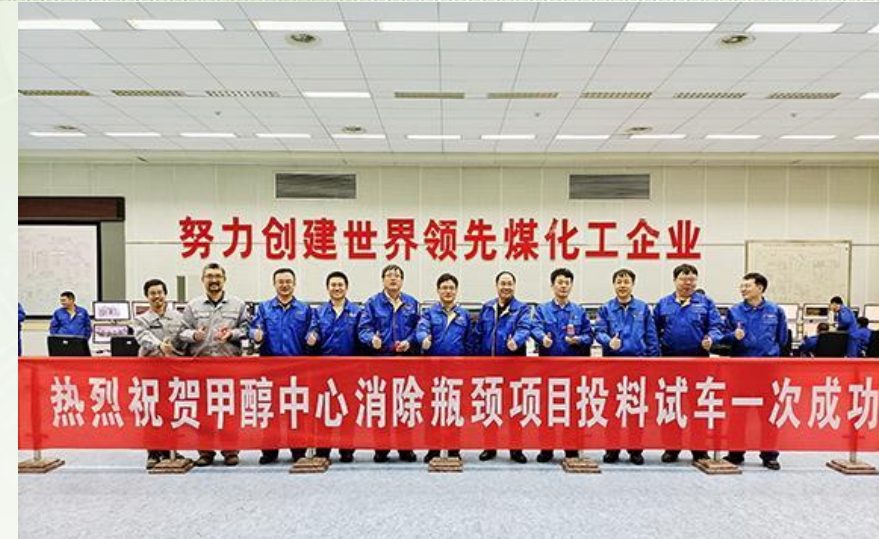


- Fully implement the task of coal supply and transportation, and the Huanghua Port ranked No.1 among the ports in China in terms of coal transportation volume for four consecutive years;
- Fully release transportation capacity and expand commodities sources, with non-coal transportation exceeding 31 million tons.
- Continuously enhance system capacity building:
 - ✓ Steadily progress the 300 million tons expansion and transformation project of Shenshuo Railway;
 - ✓ Complete the construction of the first phase of the 70,000-ton bi-directional waterway project of Huanghua Port;
 - ✓ Further optimize and improve the collection and distribution system of Huangda Railway;
 - ✓ Open the special line for Jingye and for Dongye Wutai to boost the collection and transportation capacity

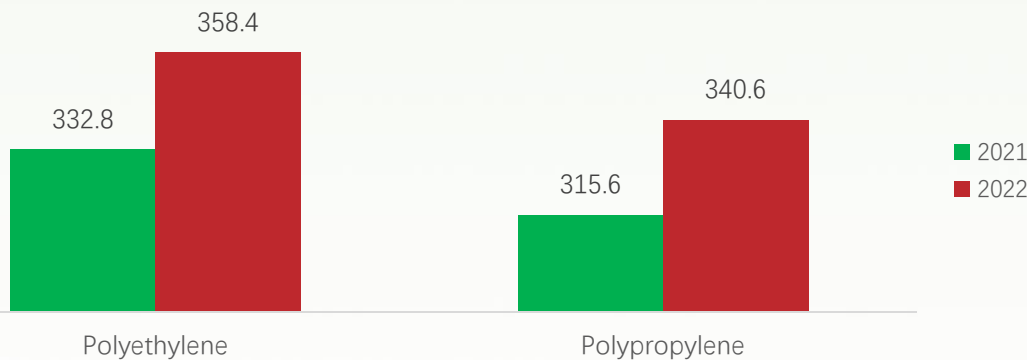


Chemical Segment: stable operation, high-quality development and real results

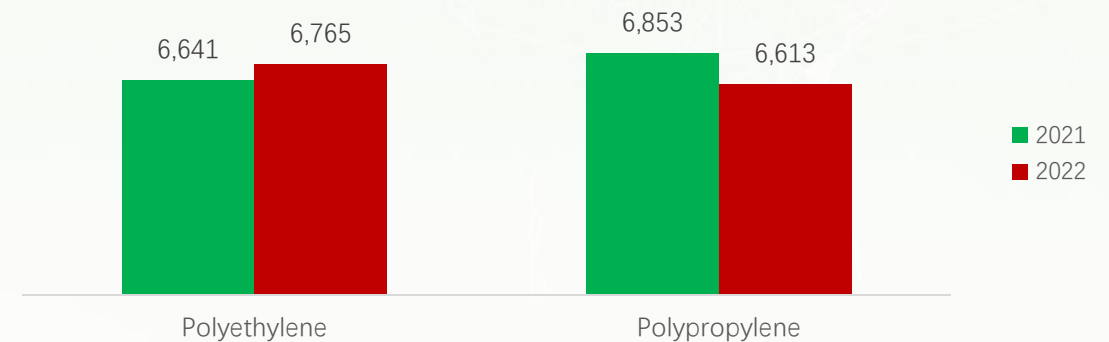
- Stable operation reached 8,760 hours
- Average utilization rate reached 100%
- Qualification rate of polyolefin products reached 100%
- Increased production of high value-added products such as refined methanol and fiber material



Sales volume of major chemical products
(thousand tonnes)



Sales price of olefin products
(RMB/tonne)



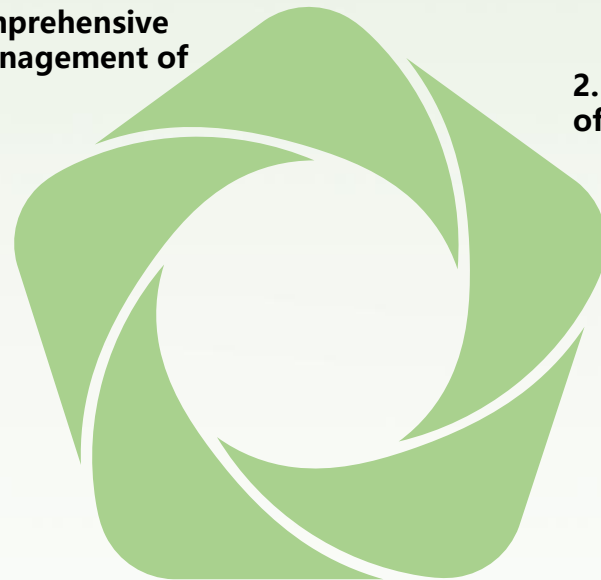


(III) Take the Achievement of Dual Carbon Goal as Guideline to Grasp Strategy and Promote Transformation

1. Promote the clean, low-carbon and efficient utilization of coal

To reach the peak of carbon dioxide emissions by 2030, and explore effective pathways to achieve carbon neutrality before 2060.

2. Accelerate the development of new energy and new driver



5. Promote the comprehensive integration and management of carbon assets

4. Promote scientific and technological innovation and R&D application

3. Promote industrial intelligence and intensification

Indicator	2020 Baseline	2022	Target for 2030 (Scenario of Medium Goals)
Total carbon emissions of scope I and II (10,000 tonnes of CO ₂ equivalent)	13,490	17,640	Increase by no more than 70%
Carbon emission intensity per CNY10,000 of income (tonnes of CO ₂ equivalent/CNY10,000)	5.78	5.10	Decreased by 6%

Leverage the overall industry chain to promote green and low-carbon development



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Green Mines

- ✓ 14 coal mines have been included in national green mine list;
- ✓ 6 coal mines have been included in provincial green mine list;
- ✓ Green mines accounted for 80% of the total



Green Power Plant

- ✓ Conventional coal-fired units completed the transformation of ultra-low emission;
- ✓ CCUS Project has won the prize of Special Cases of Dual Carbon Action;
- ✓ Preliminarily realised the application and demonstration of low-cost CCUS frontier technology

Leverage the overall industry chain to promote green and low-carbon development



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Green Transportation

- ✓ Xinchuo Railway, the first domestic high-power hydrogen energy-powered locomotive, was successfully tested in operation;
- ✓ Baoshen Railway, the first oil-electric hybrid locomotive, was put on line for trial operation;
- ✓ Green achievements of Huanghua Port were included in the WWF case collection



Green Chemical

- ✓ Achieved zero emission of sewage;
- ✓ Water consumption per unit product was significantly reduced;
- ✓ Completed the implementation and launch of intelligent chemical MES system.



“Dual-Wheel Drive” to increase investment in new energy



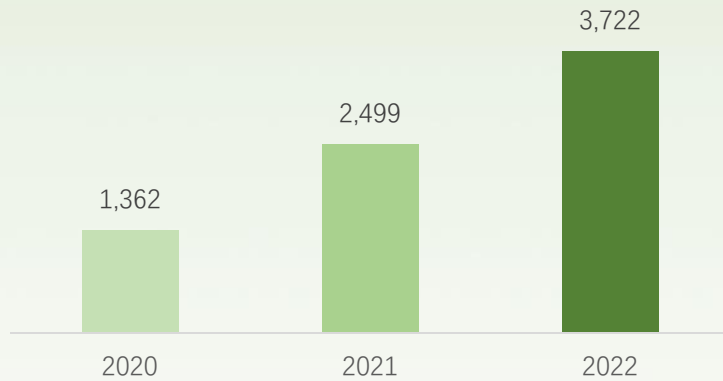
- We actively dovetail with local government and related enterprises to actively seek project investment opportunities, including:
 - ✓ New energy bases
 - ✓ Zero carbon industrial park
 - ✓ Large-scale wind power photovoltaic base projects,
 - ✓ "Hydro-photovoltaic power stations" and "wind-photovoltaic power stations" projects
- We commenced to the construction of dumps centralized photovoltaic power generation project of Shengli Energy
- New energy projects under planning, construction and in operation exceed 3 million kWh

- Actual contribution amount amounted to approximately RMB 942 million;
- We have completed investments in many projects in the west, Jiangsu-Zhejiang area, Hunan-Hubei area, and the northeast;
- Covering wind, photovoltaic, hydrogen and many other fields.



(IV) Take Technological Innovation as Driving Force to Release Potential and Produce Achievements

R&D Expenses
(RMB million)



- Daliuta mine and Zhunge'er Energy Heidaigou mine were inspected and accepted by the nation's construction of the first batch of intelligent demonstration mines;
- Baorixile Energy open-pit mine unmanned group formation project was inspected and accepted by the nation;
- Railway dispatching information system was put into operation, realizing the interconnection of the general dispatching office with the dispatching center of each railway company and each station.



Newly obtained

Licensed Patents 900
including: invention patent 208

Cumulatively built

Intelligent coal mining working faces 35
Intelligent excavation working faces 63
Intelligent coal preparation plant 18
Number of mines passing the acceptance of national, provincial intelligent coal mine construction 17





(V) Take Governance of Demonstration Enterprises as Focus to Create First-class Model

Constantly standardize corporate governance

- ✓ Optimize the composition of the Board and appoint a female director
- ✓ Improve the structure of Board Committee and increase the risk management, investment, assessment and ESG management responsibilities
- ✓ Formulate management measures for the selection and employment of management members and salary distribution

Maintain good relation of capital market

- ✓ The information disclosure work has been rated as Grade A by SSE for 9 consecutive years
- ✓ Keep in mind the mission of investor relations and improve the quality of investor services
- ✓ Do well in daily investor service and maintain two-way communication channels

ESG governance keeps the leading position

- ✓ MSCI rating improved
- ✓ ESG governance performance was at the forefront of the domestic energy industry
- ✓ Relevant experience was selected as excellent cases of SASAC and listed companies association

Continue to consolidate good image

- ✓ Selected as “Best Practice Cases of Rural Revitalization of Listed Companies”
- ✓ Selected as “Top 10 Cases of National Integrity Construction”
- ✓ Awarded as a demonstration enterprise of credit system construction in power industry



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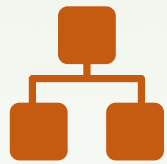
Production and Operation Plan for 2023



Overall Strategic Objectives



Establish a competitive first-class listed energy company in the world



Governance Capacity

Focus on foundation,
and consolidate governance capacity

Competitive Capacity

Strengthen main business,
and enhance competitiveness

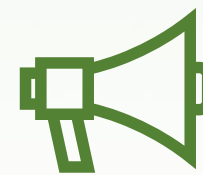


Innovation Ability

Cultivate strength,
and improve innovation ability

Anti-risk Capacity

Enhance perseverance,
improve anti-risk capacity



Return Ability

Focus on benefits,
improve return ability



Striving to reach the business target

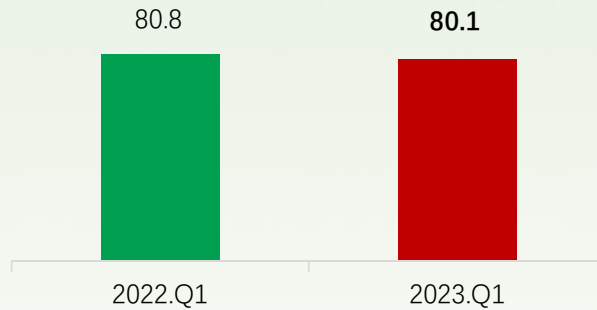
Item	Unit	Target of 2023	Actual amount in 2022	Change (%)	2023 Q1
Commercial coal production	100 million tonnes	3.094	3.134	(1.3)	0.801
Coal sales	100 million tonnes	4.358	4.178	4.3	1.076
Gross power generation	100 million kWh	2,039	1,912.8	6.6	517.1
Revenue	RMB 100 million	3,500	3,445.33	1.6	870.42
Cost of sales	RMB 100 million	2,510	2,266.24	10.8	577.56
Selling, general and administrative and R&D expenses and net finance costs	RMB 100 million	155	149.21	3.9	25.13
Percentage change of unit production cost of the self-produced coal	/	Year-on-year increase of approximately 10%	Year-on-year increase of 10.9%	/	Year-on-year increase of 2.0%

* The above business target is based on the pre-judgment of the internal and external environment at the beginning of the year and does not constitute substantial commitments.

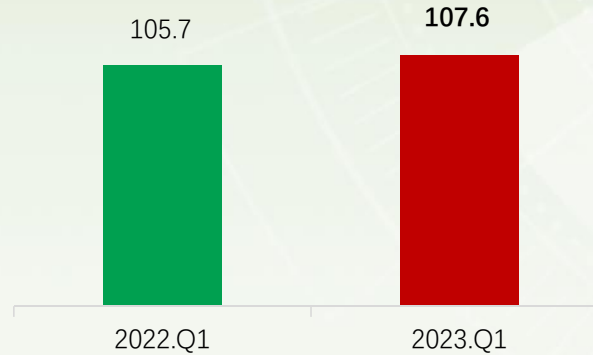


2023 Q1 Operating Results

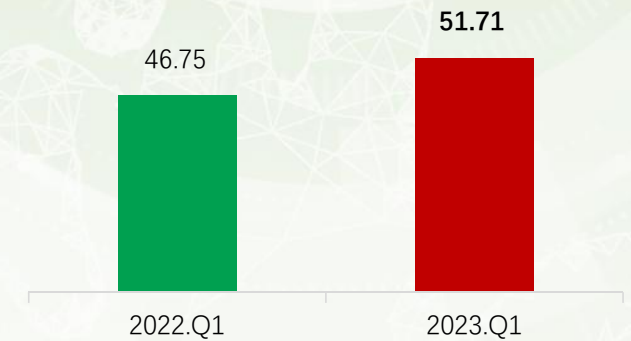
Commercial coal production
(million tonnes)



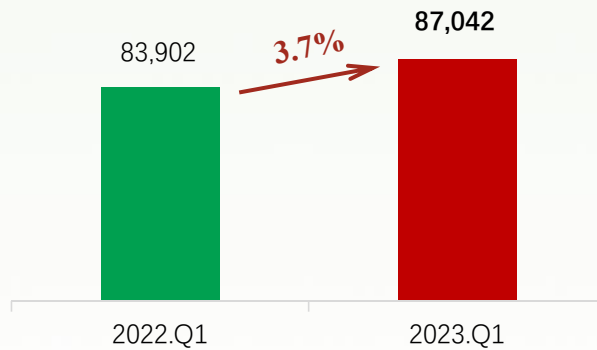
Coal Sales
(million tonnes)



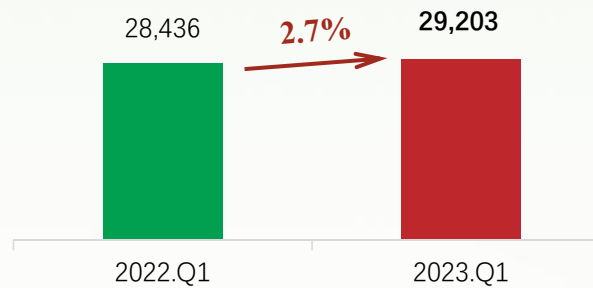
Gross power generation
(billion kWh)



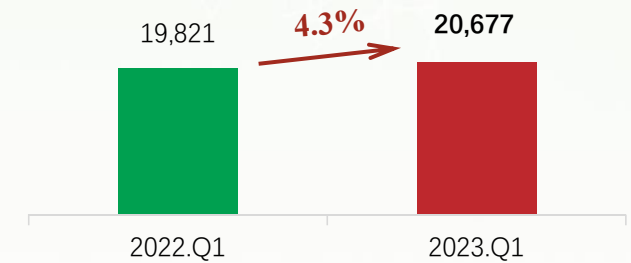
Revenue
(RMB million)



Net cash generated from operating activities
(RMB million)



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

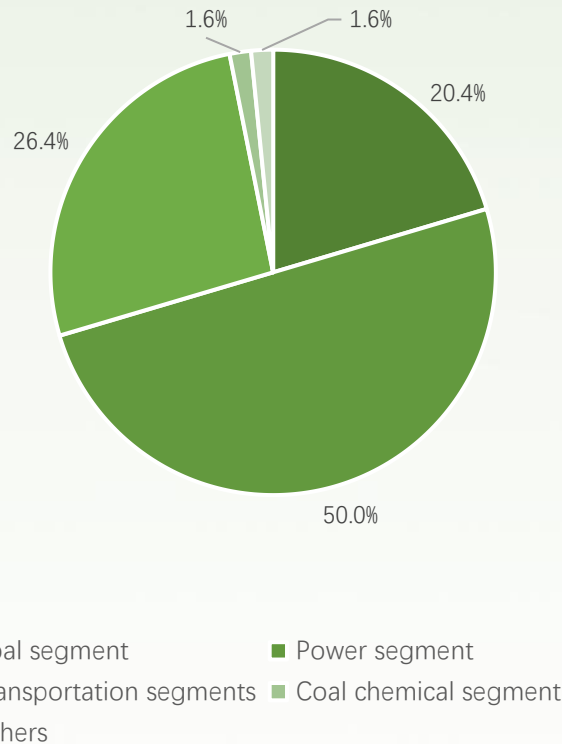




Actively promoting project construction in each segment

Unit: RMB 100 million

Capital expenditure plan for 2023:
RMB 36.152 billion



Operating Indicators	Target of 2023	Actual amount in 2022	Change	Main Investment Directions
1. Coal segment	73.77	106.38	-30.7%	Purchase of coal mining equipment, preliminary preparation for Xinjie Well No.1 and Well No.2
2. Power segment	180.80	111.03	62.8%	Power generation projects under construction located in Yueyang, Qingyuan and Indonesia South Sumatra, 4.7 million kW units expected to be commissioned in 2023 New energy:1.969 billion RMB investment
3. Transportation segments	95.61	97.75	-2.2%	Purchase of railway equipments, construction of special lines for coal transportation, purchase of railway locomotives, railway expansion and renovation projects; Construction of bulk cargo terminal in Gaolan Port Area of Zhuhai Port
Of which: Railway	82.84	67.40	22.9%	
Port	12.03	28.68	-58.1%	
Shipping	0.74	1.67	-55.7%	
4. Coal chemical segment	5.61	3.33	68.5%	Coal-to-olefin upgrading demonstration project
5. Others	5.73	0.96	496.9%	
Total	361.52	319.45	13.2%	

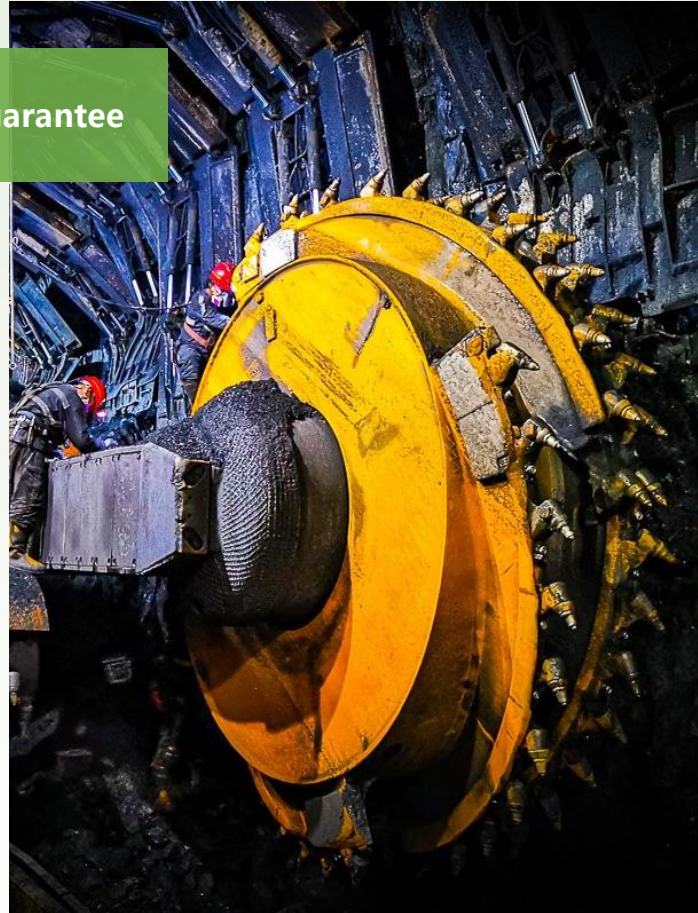
* Excluding equity investment



The Company will Focus on the Following Five Aspects in 2023

Focus on security and supply guarantee

- Deeply implement the responsibility system of safe production;
- Accelerate the release of high-quality coal production capacity;
- Fully promote the high-quality commencement of power generation projects;
- Improve energy collection, distribution and transportation capacity systematically.



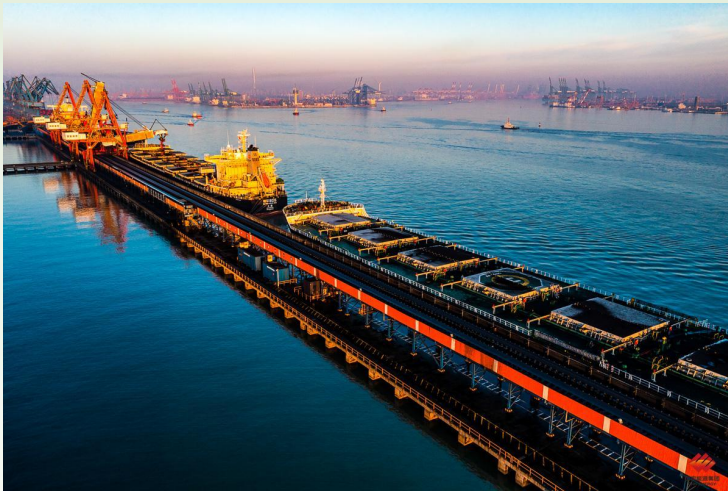
Adhere to green development

- Clean, low-carbon and efficient utilization of coal;
- Increase energy saving and consumption reduction of coal-fired power in stock;
- Low-carbon and clean transportation system;
- Increase the development of new energy.





The Company will Focus on the Following Five Aspects in 2023



Accelerate scientific and technological innovation

- Do well in “clean and efficient utilization of coal”;
- Promote the high-end, diversified and low-carbon development of coal chemical industry;
- Vigorously promote the information construction and accelerate the construction of a digital and intelligent management and control system.



Strengthen industrial collaboration

- Deepen the interaction and integration, and constantly the service capacity of energy supply by virtue of competitive advantages of integrated industrial chain ;
- Focus on “one profit and five rates (一利五率)”, implement the measures to stabilize growth, strengthen financial control and deepen capital operation

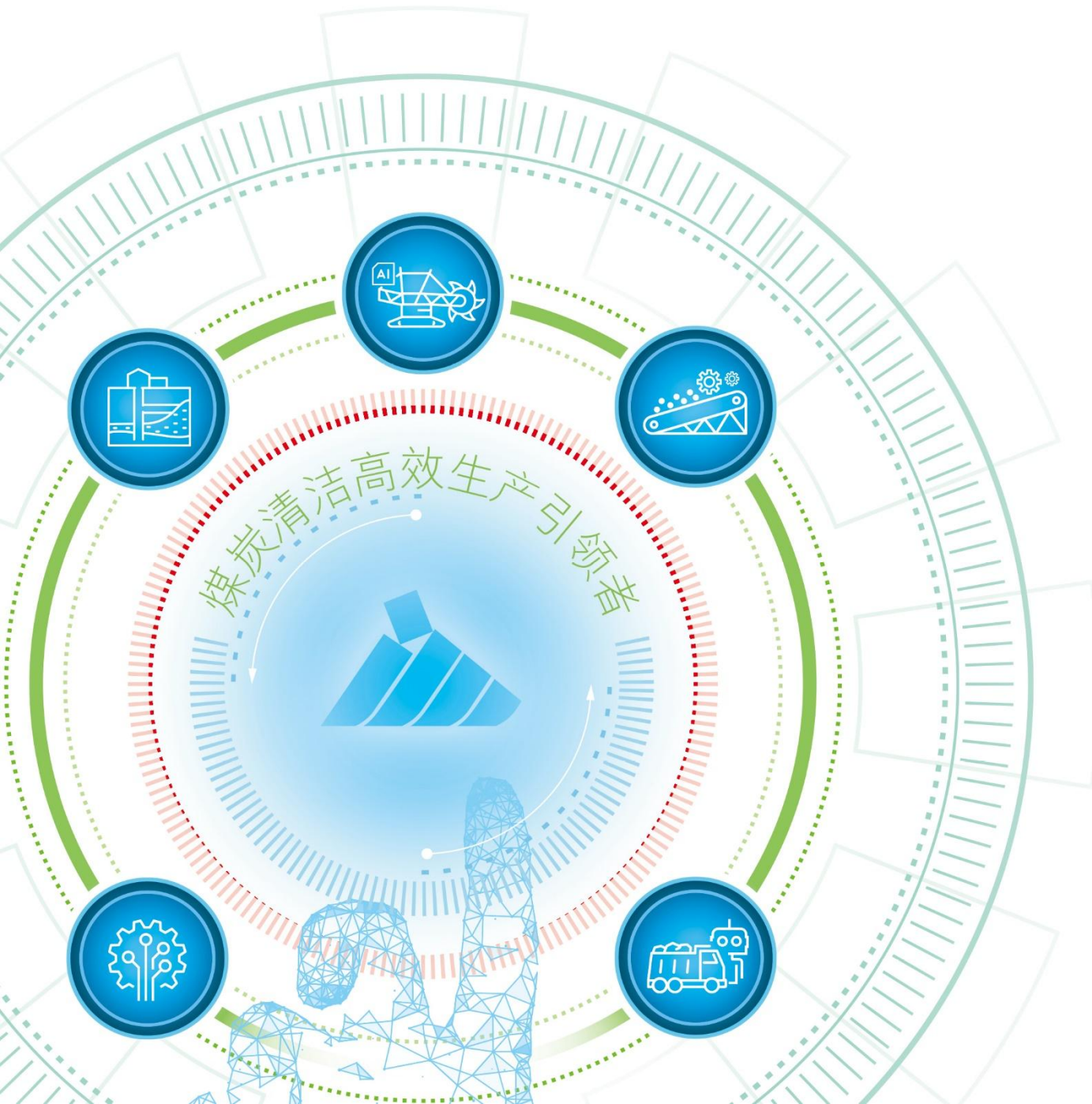


Deepen corporate governance

- Implement the requirements for improving the quality of listed companies;
- Continuously strengthen ESG governance;
- Create a China Shenhua brand with profound and distinctive characteristics.



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



Thanks!

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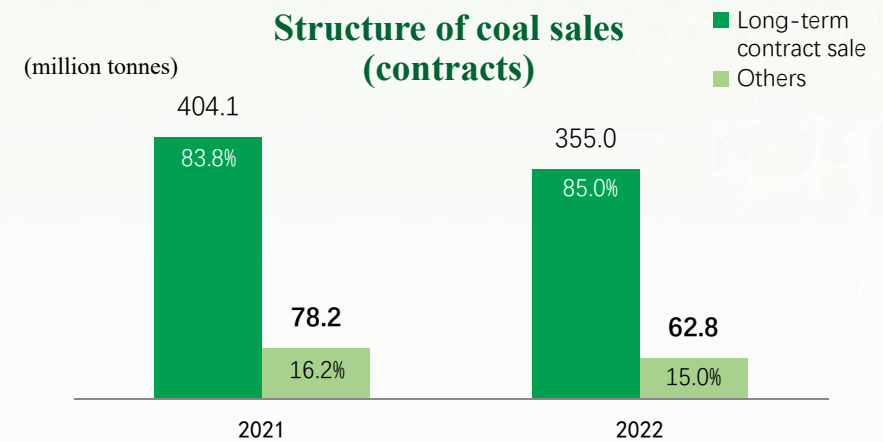
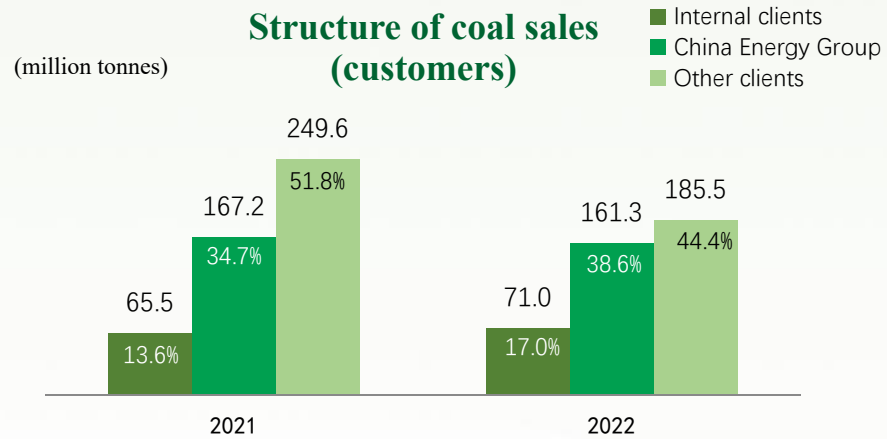
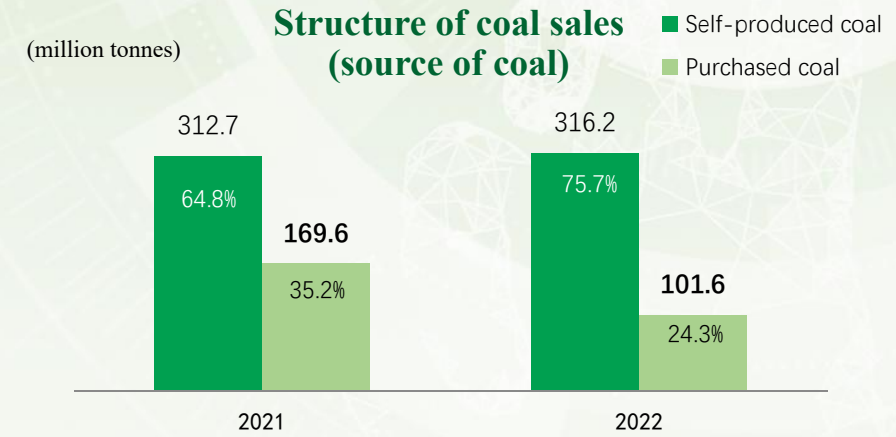
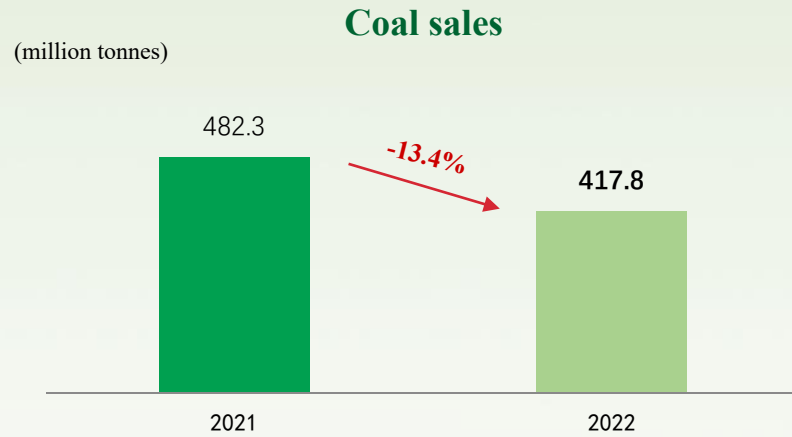
中国神华能源股份有限公司
CHINA SHENHUA ENERGY COMPANY LIMITED



Appendix: Key Operating Data of Each Segment in 2022

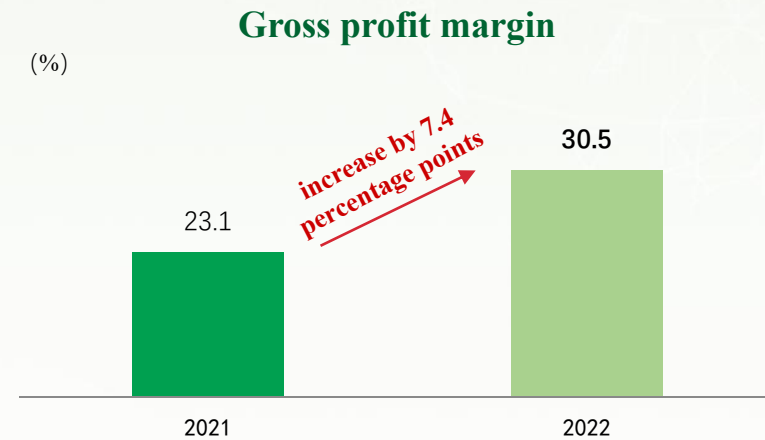
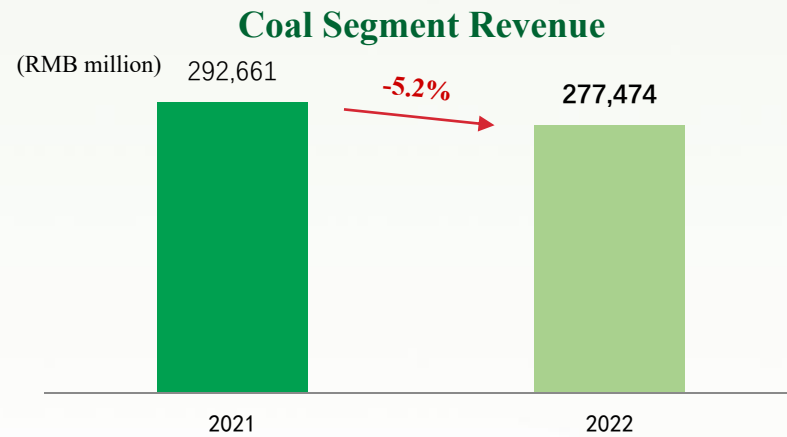
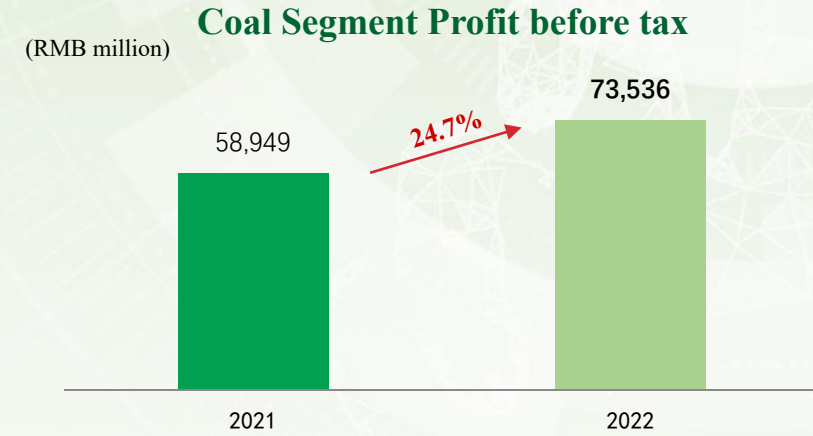
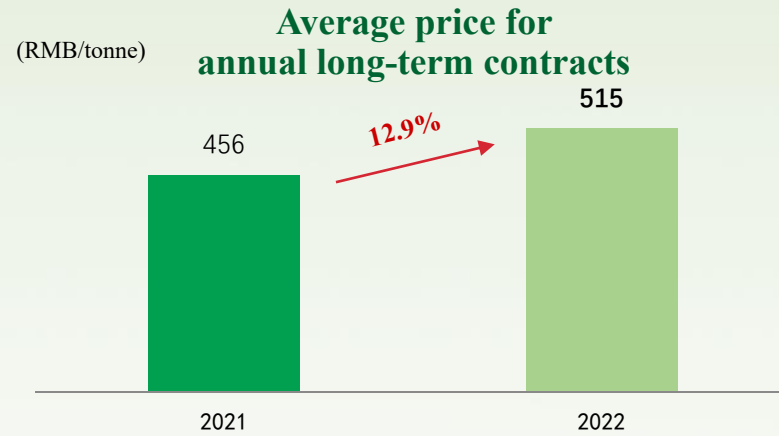


Coal Segment



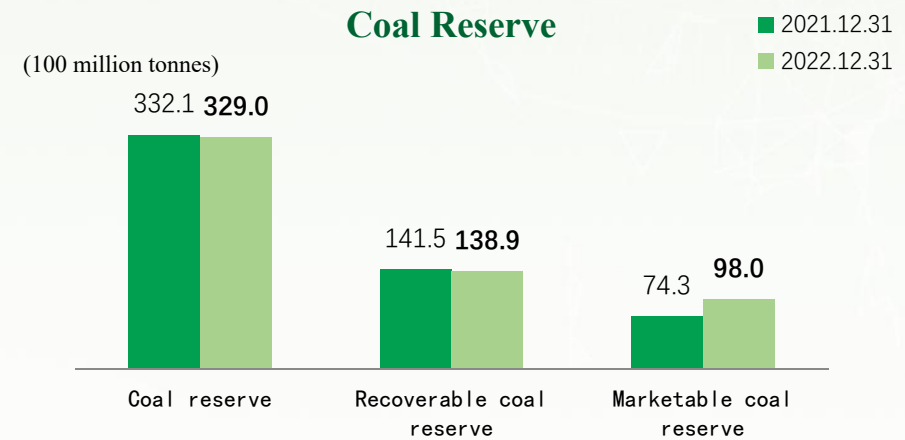
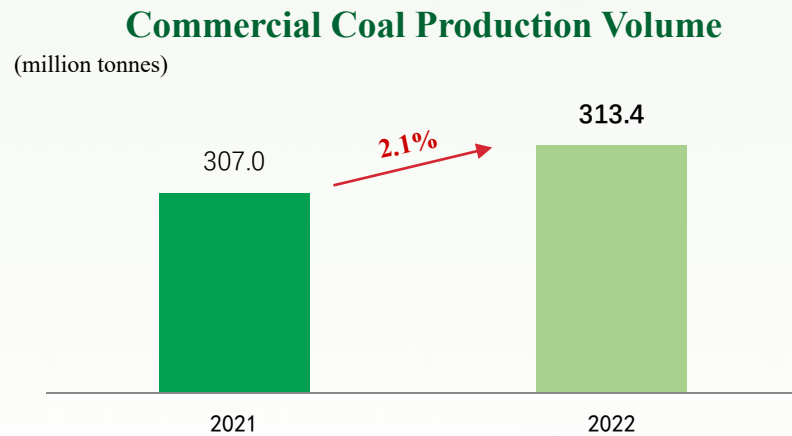
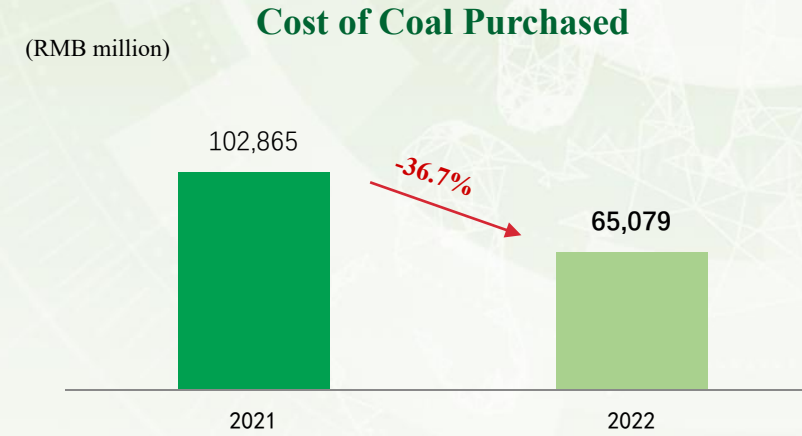
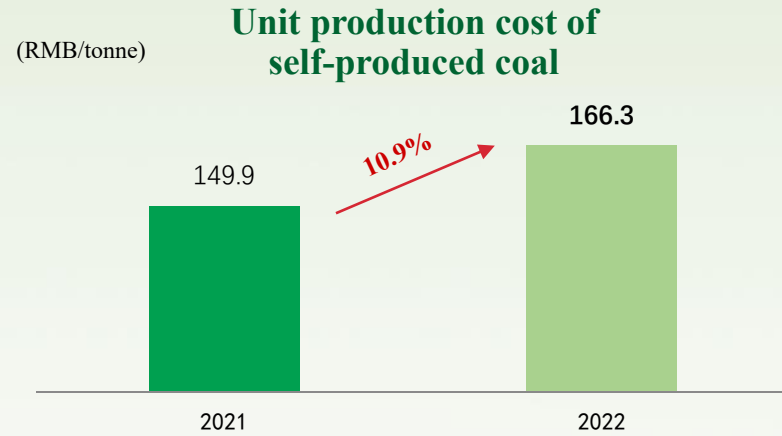


Coal Segment





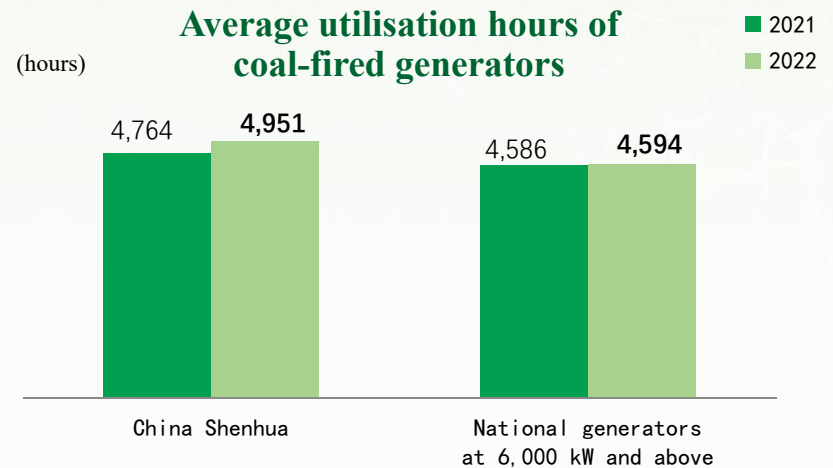
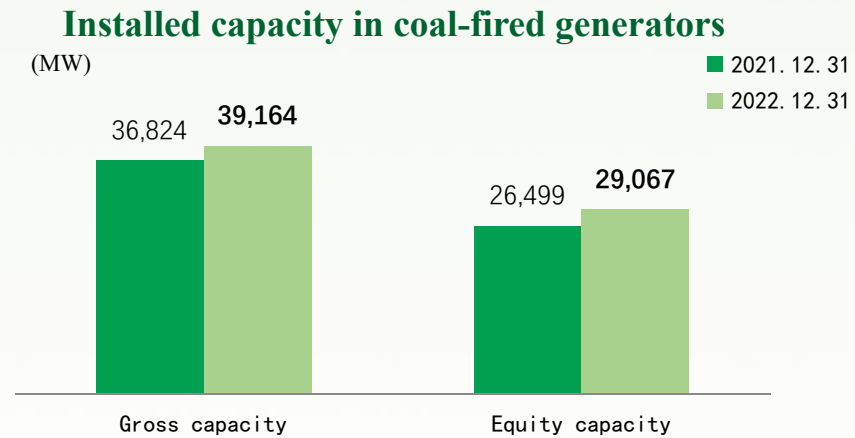
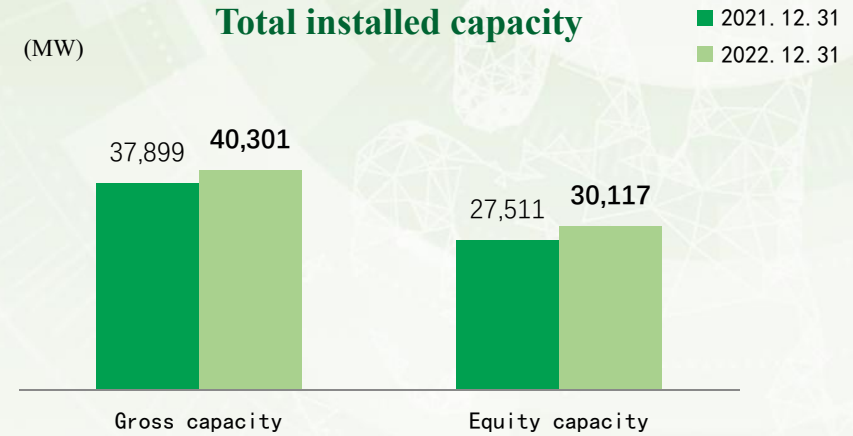
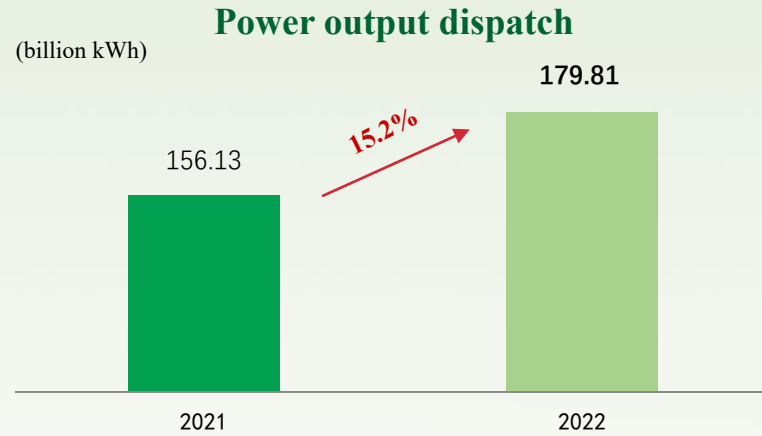
Coal Segment



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

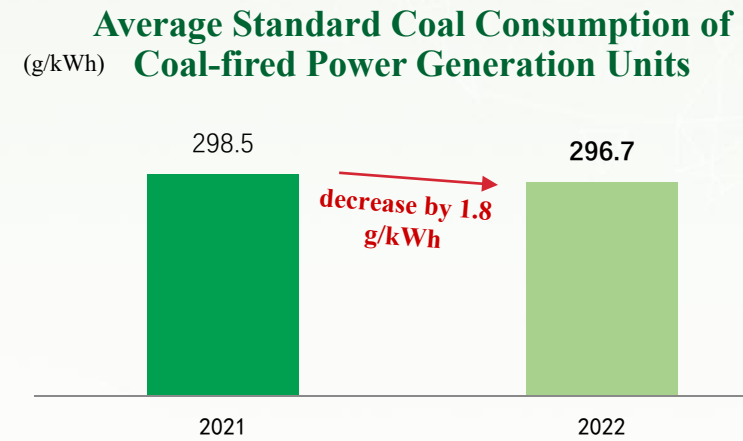
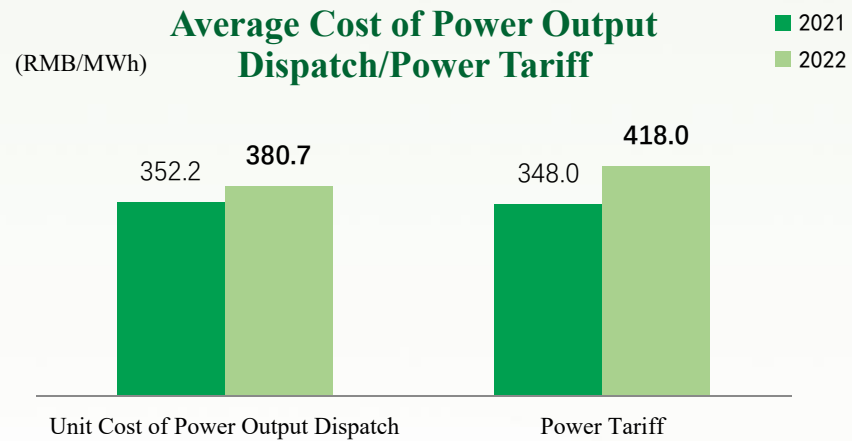
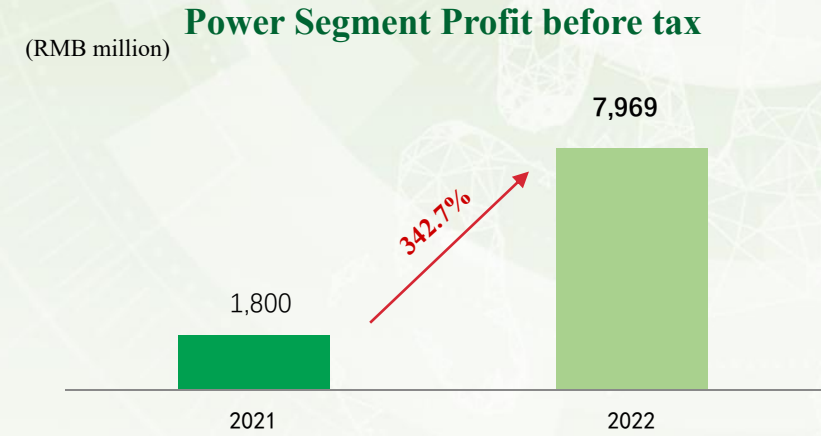
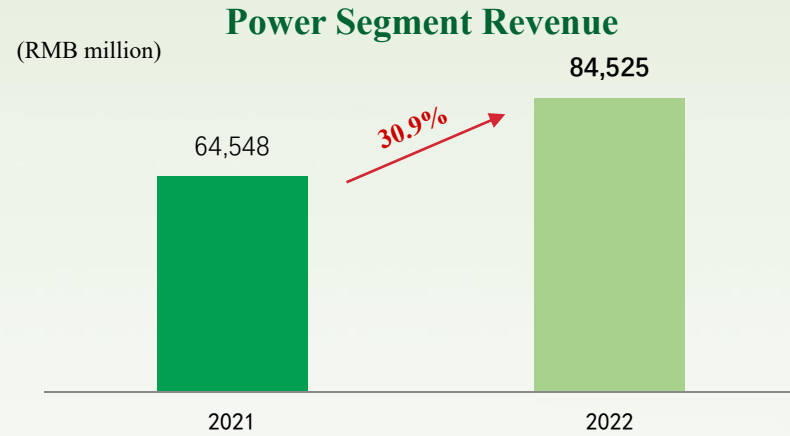


Power Segment



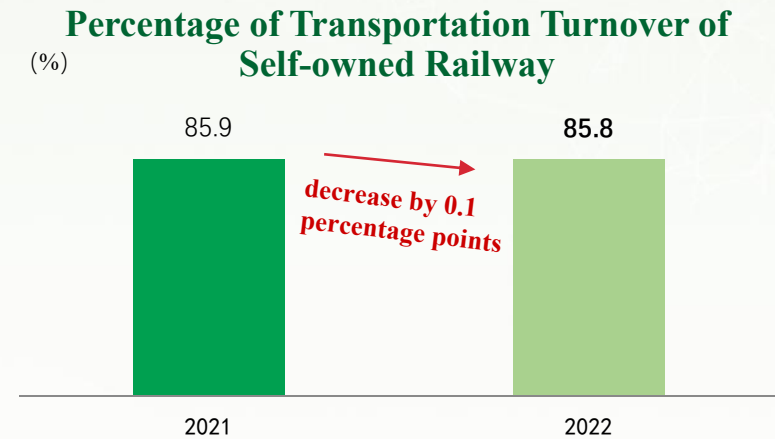
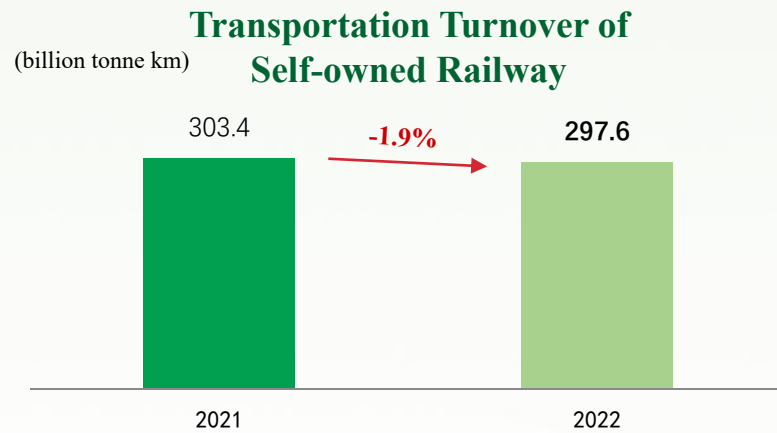
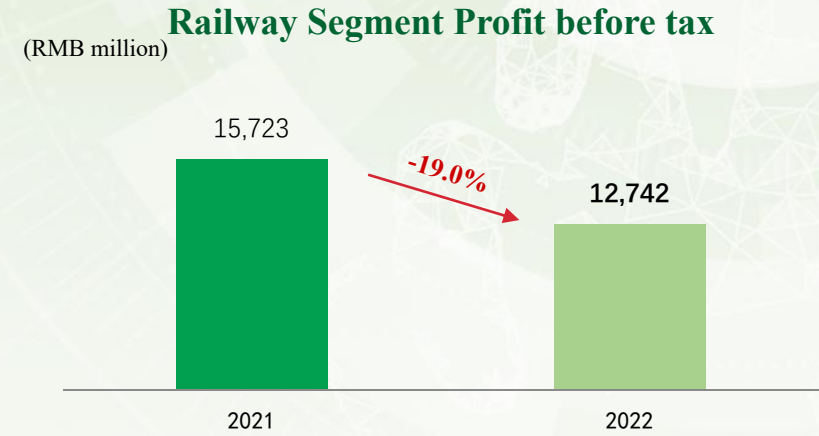
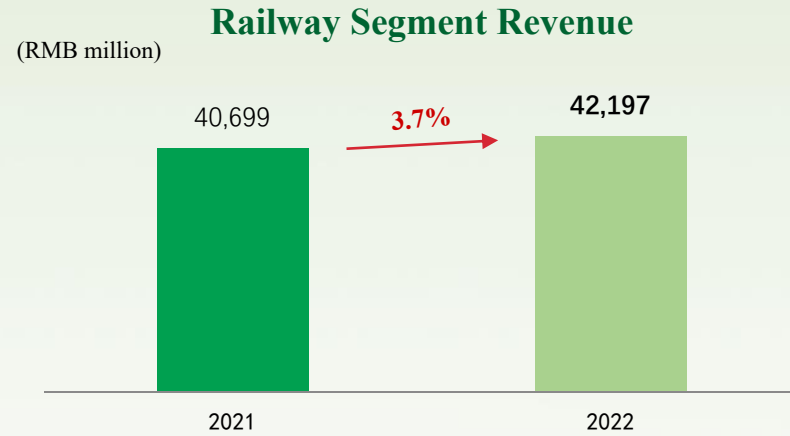


Power Segment





Railway Segment

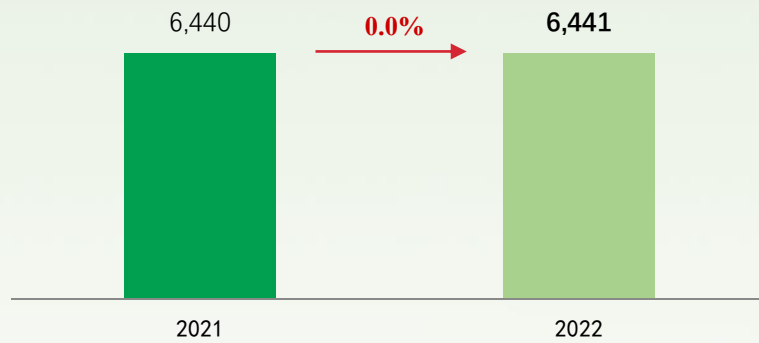




Port Segment

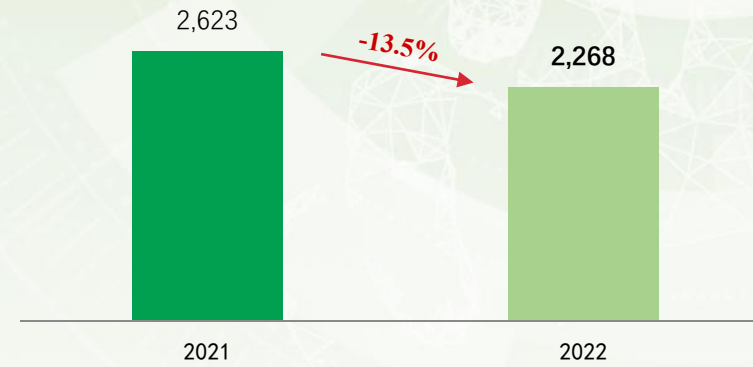
Port Segment Revenue

(RMB million)



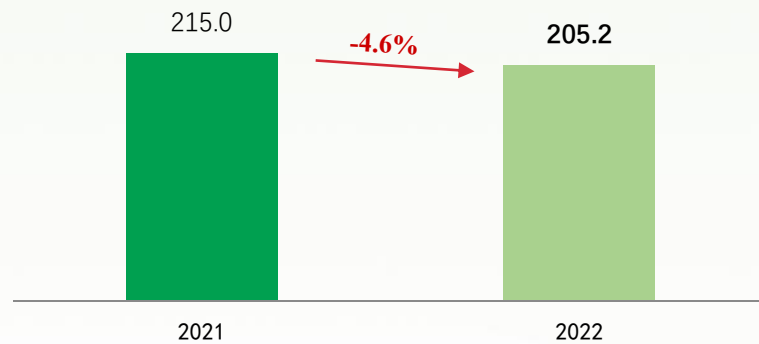
Port Segment Profit before tax

(RMB million)



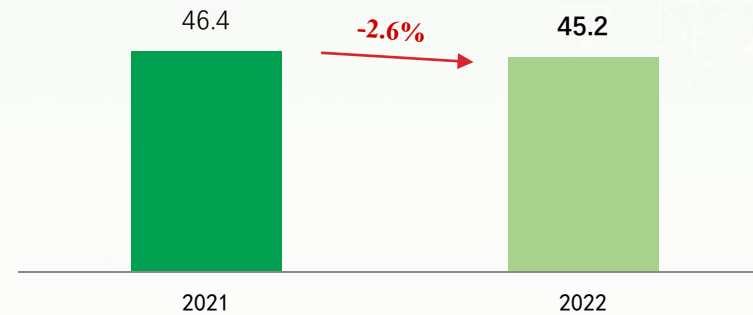
Loading volume at Huanghua Port

(million tonnes)



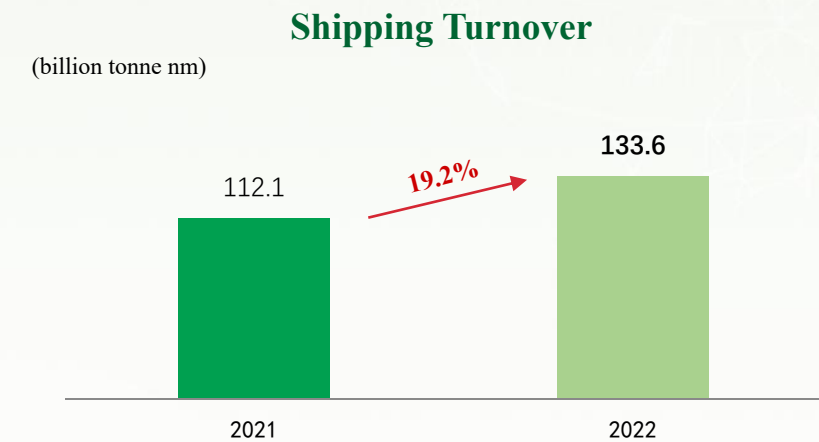
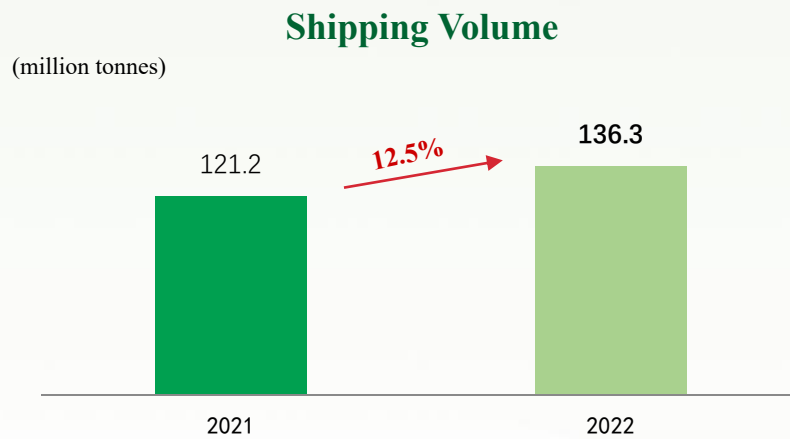
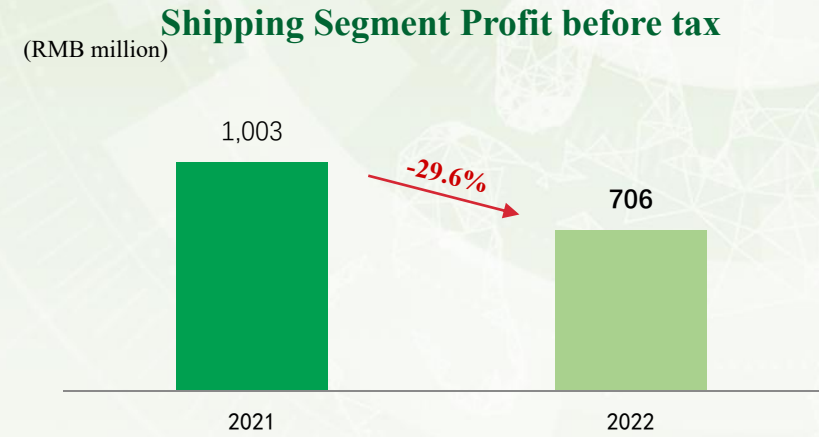
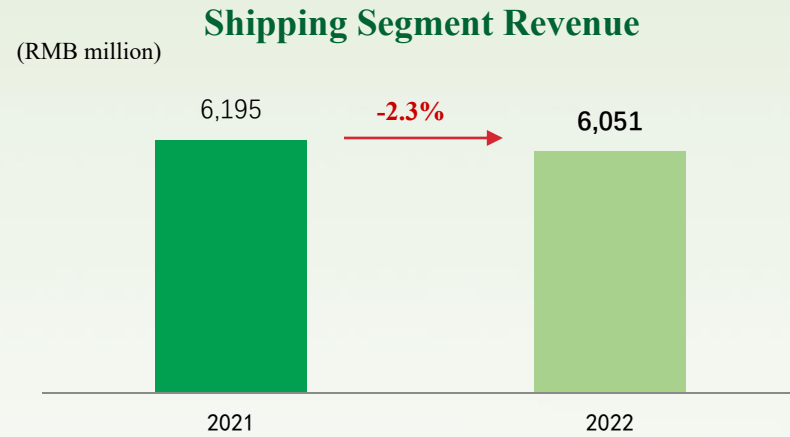
Loading volume at Tianjin Coal Dock

(million tonnes)





Shipping Segment

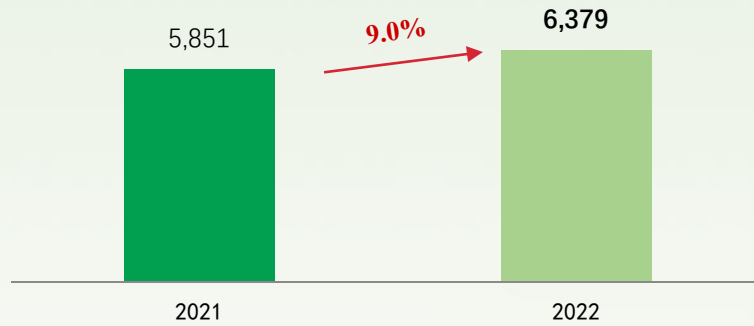




Coal Chemical Segment

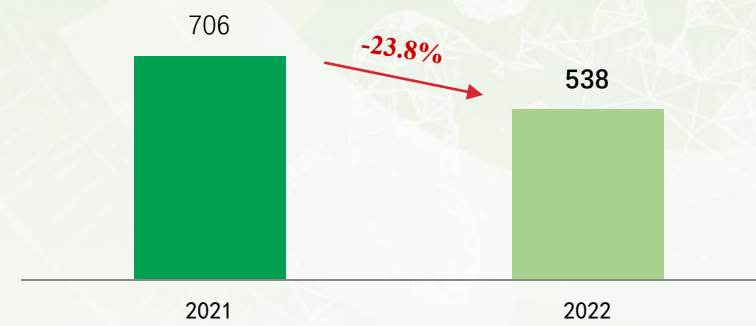
Coal Chemical Segment Revenue

(RMB million)



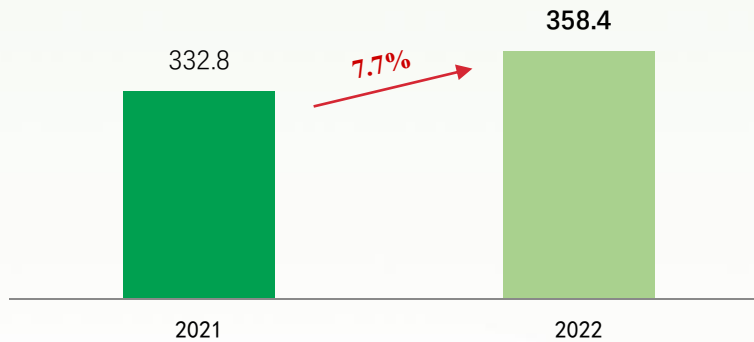
Coal Chemical Segment Profit before tax

(RMB million)



Sales of Polyethylene

(thousand tonnes)



Sales of Polypropylene

(thousand tonnes)

