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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)

VOLUNTARY ANNOUNCEMENT 2025 CORPORATE VALUE AND RETURN ENHANCEMENT ACTION PLAN

This announcement is made by China Shenhua Energy Company Limited (the “**Company**” or “**China Shenhua**”) on a voluntary basis.

In order to fully implement the requirements under the “Opinions on Further Improving the Quality of Listed Companies” (《關於進一步提高上市公司質量的意見》) and the “Several Opinions on Strengthening Regulation, Forestalling Risks and Promoting the High-Quality Development of the Capital Market” (《關於加強監管防範風險推動資本市場高質量發展的若干意見》) of the State Council, and actively respond to the “Initiative on Carrying Out the “Corporate Value and Return Enhancement” Special Action for Listed Companies on the Shanghai Stock Exchange” (《關於開展滬市公司“提質增效重回報”專項行動倡議》) of the Shanghai Stock Exchange, the Company has formulated the 2025 Corporate Value and Return Enhancement Action Plan based on its actual conditions.

I. GUIDING PRINCIPLE

Adhering to the guidance of Xi Jinping’s Thoughts on Socialism with Chinese Characteristics for a New Era, the Company will fully implement the spirit of the 20th National Congress, previous plenary sessions of the 20th Central Committee of the Communist Party of China and the Central Economic Work Conference, as well as the important speech from General Secretary Xi Jinping on state-owned enterprise reform and development and capital market establishment, center on the new energy security strategy of “four revolutions and one cooperation”, strengthen the development of the philosophy of investor-orientated operations, focus on improving quality and investment value of the Company, and fully play its supporting role as a key index constituent, thus realizing the sustainable development of the Company and maximizing interests of all shareholders.

II. PROGRESS MADE IN 2024

In 2024, the Company adhered to the general principle of seeking progress while maintaining stability in an upright, innovative and active manner, thus achieving a better operating results as compared to historical levels. Asset quality has further improved, and our corporate value and shareholder return policies have been fully recognized by the capital market.

The Company has fully achieved the business targets for commercial coal production and sales and gross power generation. The Company recorded revenue under the China Accounting Standards for Business Enterprises of RMB338.375 billion, net profit attributable to equity holders of the Company of RMB58.671 billion, and net cash flow generated from operating activities of RMB93.348 billion. Return on net assets as at the end of the period was 13.7%, and gearing ratio as at the end of the year was 23.4%.

The board of directors of the Company (the “**Board**”) proposed the payment of a final dividend in cash of RMB2.26 per share (inclusive of tax) for the year 2024, representing 76.5% (2023: 75.2%) of the net profit attributable to equity holders of the Company. The overall performance of share price of the Company outperformed both the industry benchmark and market composite indices, and reached its new record highs for several times. The total market value as at the end of the year reached RMB822.1 billion.

III. BUSINESS GOALS FOR 2025

In 2025, the Company will adhere to the working principle of “seeking progress while maintaining stability, safety-oriented, innovation-driven and high-quality development”, make every effort to ensure energy supply, firmly promote transformation and development, strengthen technological innovation empowerment, fully play its role as a listed company, and facilitate the high-quality development and investment value enhancement of the Company, thereby securing a successful conclusion of the 14th Five-Year Plan and a smooth launch of the 15th Five-Year Plan of the Company.

Major business targets of the Company for 2025: commercial coal production of 334.8 million tonnes, coal sales of 465.9 million tonnes and gross power generation of 227.1 billion kWh. The planned capital expenditure will amount to RMB41.793 billion.

IV. KEY OPERATIONAL MEASURES

Since 2025, as affected by fluctuations in supply and demand cycle, the demand for coal power has been weak with continuous decline in coal and electricity prices. Hence, the Company is facing severe challenges in its operations. Focusing on high-quality development, the Company will continue to strengthen its core functions and improve core competitiveness, so as to ensure the implementation of its annual business targets and shareholder return plans.

(1) Solidifying Our Responsibilities on Ensuring Energy Supply, Firmly Facilitating Production and Operation

The Company will deepen the three-year action plan to tackle the root causes of production safety, consolidate the foundation of intrinsic safety, and ensure the safe and stable production of various industries. It will promote the reserve and production increment for coal, optimize the layout of transportation network, actively commence the construction of supportive and protective coal-fired power generation facilities, make every effort to ensure the continuity of coal production and stable power supply, guarantee the completion of the task of ensuring energy supply during important periods with peak seasonal demand such as winter and summer and in key regions, improve the new management model of coal purchase and sales, and facilitate the implementation of coal purchase and sale system reform, in order to strive to serve as the “ballast stone” and “stabilizer” for energy security.

(2) Focusing on Planning and Coordination, Diligently Maintaining Sustainable Development

The Company will implement the formulation of the 15th Five-Year Plan of the Company, and promote effective investments. It will accelerate the transformation of traditional energy industry towards clean and low-carbon development, consolidate its advantages in integrated operations, promote green transformation development, actively explore the development of emerging strategic industries in the future, maintain levels of medium and long-term return on net assets, and moderately deliver its medium and long-term development goals to the market, in order to enhance the recognition and confidence of investors.

(3) Exploiting Internal Potential for Cost Reduction, Diligently Improving Operation Efficiency

The Company will make efforts in cost control, enhance cash and asset lean management, improve asset quality and profitability, and maintain the industry leading position of the Company. It will enhance the construction of digital and intelligent treasury, improve accounting information quality, facilitate budget management system construction, comprehensively control operational risks, and strengthen the supportive functions of financial analysis on operational decision-making.

(4) Improving Profit Distribution Policy, Adhering to Actively Offering Returns for Shareholders

Adhering to its earnest shareholder return policy, the Company will maintain the continuity and stability of its profit distribution policy, optimize the three-year shareholder return plan, moderately increase the frequency of profit distribution, attract and retain long-term capital, patient capital and strategic capital for serving as shareholders of the Company, thus sharing profits from corporate development with the Company. Upon approval at the general meeting, in accordance with provisions under the Articles of Association of the Company, the annual profit distribution in form of cash dividends shall be no less than 65% of the net profit attributable to equity holders of the Company as realised in the corresponding year, during the period from 2025 to 2027, with taking interim profit distribution in due course into account.

(5) Putting Greater Efforts in Capital Operation, Leveraging on Platform Capabilities

By grasping periodic opportunities and leveraging the advantages of being a listed platform, the Company will fully leverage the opportunities under the current regulatory environment encouraging merger, acquisition and reconstruction, and facilitate the works on new asset injection from the controlling shareholder. Leveraging the “long-term capital”, “patient capital” and “strategic capital” advantages of state-owned listed companies, the Company will actively commence external capital operations. Based on the actual needs of the Company, the Company will make good use of the share repurchase authorization from the Board, leveraging the supportive and guidance role of fund investment, and assist the strategy implementation and high-quality development of the Company.

(6) Enhancing the Functions of Governing Bodies, Empowering Corporate Governance Improvement

The Company will deeply facilitate the integration of Party guidance and corporate governance improvement, diligently implement the general requirement of establishing a “scientific, rational and efficient” board, and promote the duty performance and efficiency improvement of various governance bodies. It will empower the comprehensive duty performance by the “key minority”, namely directors, supervisors and senior management, and continuous trainings for them, optimize remuneration appraisal mechanism for senior management, steadily facilitate reform of the Supervisory Committee, prevent and mitigate major operational risks, and prioritize the interests of investors, so as to protect the interests of shareholder and minority investors.

(7) Diligently Focusing on ESG and Brand Building, Integration into the Company's Strategic System

The Company will strictly comply with policies and regulatory requirements in relation to sustainable development, continue to improve key ESG issue management system of the Company, systematically deepen governance improvement, especially focus on the works on climate change, carbon management optimization, biodiversity protection and other aspects, and promote industry transformation through high quality ESG works. The Company will standardize the preparation and disclosure of ESG report, continuously conduct ESG rating enhancement, and further establish the top class ESG governance model of “four forms and three characteristics”. It will also improve corporate brand management, and continue to enhance brand value.

(8) Facilitating Value Delivery, Optimizing Market Capitalisation Management System

The Company will implement the special action of “further enhancement of information disclosure” in order to strengthen investor-orientated operation, put greater efforts in proactive disclosure, improve information disclosure quality and ensure excellent information disclosure rating. The Company will conduct multi-dimensional and multi-level investor relation works, convene four performance briefings in a high-quality manner, conduct a series of activities such as investor site visit in spring and reverse roadshows in autumn, communicate with securities analysts and serve for their site visits, adjust market expectation deviation in a timely manner, and promote the clear positioning and accurate valuation on the Company by the capital market. The Company will implement market capitalisation management policy, and continuously improve the market capitalisation system covering various aspects such as application of market capitalisation management performance appraisal, management indicator monitoring and emergency plan on substantial fluctuation.

The Company will continue to evaluate and regularly disclose the implementation of action plan in accordance with regulatory requirements. The Corporate Value and Return Enhancement Action Plan does not constitute a substantive commitment to investors, and may be adjusted based on policy, environment and market condition. Investors are advised to make decision in a prudent manner and be aware of risk exposures.

By order of the Board
China Shenhua Energy Company Limited
Song Jinggang
Chief Financial Officer and Secretary to the Board of Directors

Beijing, 20 June 2025

As at the date of this announcement, the Board comprises the following: Mr. Zhang Changyan as executive director, Mr. Kang Fengwei and Mr. Li Xinhua as non-executive directors, Dr. Yuen Kwok Keung, Dr. Chen Hanwen and Mr. Wang Hong as independent non-executive directors, and Ms. Jiao Lei as employee director.