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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 2024

Pursuant to the rules and regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange, China Shenhua Energy Company Limited is required to announce 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**”) hereby presents the results of the Group for the three months ended 31 March 2024 prepared in accordance with the International Financial Reporting Standards. Such results have not been audited or reviewed by the independent auditors.

IMPORTANT NOTICE

- The Board and the supervisory committee of the Company together with the directors, supervisors and the senior management of the Company warrant that the contents of the quarterly report are authentic, accurate and complete and do not contain any misrepresentation, misleading statement or material omission, and shall jointly and severally accept legal liability.
- This report was approved at the 29th meeting of the fifth session of the Board of the Company.
- Lv Zhiren, person-in-charge of the Company, Song Jinggang, person-in-charge of the accounting function of the Company and Yu Yanling, person-in-charge of the accounting department of the Company, warrant the authenticity, accuracy and completeness of the financial information contained in the quarterly report.
- Whether the first quarterly financial statements have been audited: Yes No

I. MAJOR FINANCIAL INDICATORS

(I) Major accounting data and financial indicators

Unit: RMB million

Item	The Reporting Period	The same period last year	Year-on-year change %
Revenue	87,647	87,042	0.7
Profit for the period attributable to equity holders of the Company	17,760	20,677	(14.1)
Basic earnings per share (RMB/share)	0.894	1.041	(14.1)
Net cash generated from operating activities	28,553	29,203	(2.2)
	As at the end of the Reporting Period	As at the end of last year	Change %
Total assets	656,569	633,412	3.7
Equity attributable to equity holders of the Company	429,119	411,478	4.3

(II) Major differences of financial statements prepared under different accounting standards

Unit: RMB million

	Net profit attributable to equity holders of the Company		Net assets attributable to equity holders of the Company	
	January to March 2024	January to March 2023	As at 31 March 2024	As at 31 December 2023
Under China Accounting Standards for Business Enterprises	15,884	18,612	426,379	408,692
Adjustment for:				
Simple production maintenance, safety production and other related expenditures	1,876	2,065	2,740	2,786
Under International Financial Reporting Standards	17,760	20,677	429,119	411,478

Explanation:

Pursuant to the relevant regulations of the related government authorities in the PRC, the Group accrued provisions for simple production maintenance, safety production and other related expenditures, recognised as expenses in profit or loss for the current period and separately recorded as a specific reserve in shareholders' equity. On utilisation of the specific reserve as fixed assets within the stipulated scope, the full amount of accumulated depreciation is recognised at the same time when the cost of the relevant assets is recorded. Under International Financial Reporting Standards, these expenses are recognised in profit or loss as and when incurred. Relevant capital expenditure is recognised as property, plant and equipment when incurred and depreciated according to the relevant depreciation method. The effect on deferred tax arising from such difference is also reflected.

(III) Changes and the main reasons in major items of the consolidated financial statements

Unit: RMB million

No.	Items of consolidated statement of profit or loss and other comprehensive income	January to March 2024	January to March 2023	Change %	Main reasons for changes
1	Revenue	87,647	87,042	0.7	Growth of power generation, railways transportation and other businesses, resulting in increase in revenue
2	Cost of sales	(60,463)	(57,756)	4.7	Increase in cost of coal purchase resulting from the increase in sales volume of purchased coal, and increase in cost of fire coal purchase resulting from the increase in power generation
3	General and administrative expenses	(2,429)	(2,132)	13.9	Year-on-year increase in personnel expenses incurred
4	Other gains and losses	(22)	14	(257.1)	Losses recorded for the Reporting Period, mainly representing loss on disposal of property, plant and equipment by certain coal subsidiaries and branches of the Group
5	Loss allowances, net of reversal	11	(7)	257.1	Reversal of allowance for certain accounts receivables for the Reporting Period
6	Other expenses	(745)	(65)	1,046.2	Donation towards Inner Mongolia Comprehensive Ecological Improvement Fund during the Reporting Period
7	Share of results of associates	1,086	550	97.5	Increase in gain on investment in Beijing GD and Finance Company

Unit: RMB million

No.	Items of consolidated statement of financial position	As at 31 March 2024	As at 31 December 2023	Change %	Main reasons for changes
1	Property, plant and equipment	292,303	290,839	0.5	Recognition of assets related to the mining rights of No. 1 Mine and No. 2 Mine in Xinjie Mining Area by the Group
2	Interests in associates	56,934	55,635	2.3	Recognition of gain on investment in Beijing GD and Finance Company by the Group using equity method, and increase in contribution to Beijing Guoneng New Energy Industry Investment Fund (Limited Partnership) as agreed
3	Financial assets at fair value through other comprehensive income	66	254	(74.0)	Maturity of part of bills receivables
4	Prepaid expenses and other current assets	16,975	16,007	6.0	Increase in prepayments for coal purchases, including transit and imported coal, etc.
5	Restricted bank deposits	9,454	7,298	29.5	Increase in the balance of the special account for the Group's mine geographical environment governance recovery fund
6	Time deposits with original maturity over three months	47,349	34,514	37.2	Increase in time deposits during the Reporting Period
7	Cash and cash equivalents	110,661	108,174	2.3	Net cash generated from operating activities during the Reporting Period
8	Accounts and bills payables	32,120	38,901	(17.4)	Decrease in payables for materials, construction and others, and repayment of bills payables upon maturity
9	Accrued expenses and other payables	37,540	30,613	22.6	Increase in employee remuneration payable, and repair expenses, stripping fees and others incurred on a work-in-progress basis during the Reporting Period
10	Current portion of long-term liabilities	7,841	5,184	51.3	U.S. dollar-denominated bonds payable due in January 2025, which was transferred to current portion of long-term liabilities

No.	Items of consolidated statement of financial position	As at 31 March 2024	As at 31 December 2023	Change %	Main reasons for changes
11	Bonds	0	2,972	(100.0)	U.S. dollar-denominated bonds payable due in January 2025, which was transferred to current portion of long-term liabilities
12	Long-term liabilities	18,265	15,125	20.8	Increase in long-term liabilities related to the mining rights of No. 1 Mine and No. 2 Mine in Xinjie Mining Area

Unit: RMB million

No.	Items of consolidated statement of cash flows	January to March 2024	January to March 2023	Change %	Main reasons for changes
1	Net cash generated from operating activities	28,553	29,203	(2.2)	Decrease in profit from coal segment
2	Net cash used in investing activities	(25,005)	(11,140)	124.5	Increase in time deposits during the Reporting Period
3	Net cash used in financing activities	(1,068)	(2,443)	(56.3)	Repayment of more borrowings during the same period of last year

II. SHAREHOLDER INFORMATION

(I) Total number of shareholders of ordinary shares, number of shareholders of preference shares with restored voting rights and shareholdings of the top ten shareholders

Total number of shareholders of ordinary shares at the end of the Reporting Period (<i>accounts</i>)	142,062	Total number of shareholders of preference shares with restored voting rights as at the end of the Reporting Period (if any)	N/A
Including: Holders of A shares (including China Energy) (<i>accounts</i>)	140,226		
Registered holders of H shares (<i>accounts</i>)	1,836		

Unit: shares

Shareholdings of top 10 shareholders (excluding shares lent by way of securities lending and refinancing)

Name of shareholders	Nature of shareholder	Number of shares	Percentage %	Number of shares held subject to selling restrictions	Shares pledged, marked or frozen Status	Number
China Energy Investment Corporation Limited	State-owned corporation	13,812,709,196	69.52	0	Nil	N/A
HKSCC NOMINEES LIMITED	Overseas corporation	3,370,204,910	16.96	0	Unknown	N/A
China Securities Finance Corporation Limited	Others	594,718,004	2.99	0	Nil	N/A
Hong Kong Securities Clearing Company Limited	Overseas corporation	216,438,438	1.09	0	Nil	N/A
Central Huijin Asset Management Ltd.	State-owned corporation	106,077,400	0.53	0	Nil	N/A
Industrial and Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund	Others	55,233,664	0.28	0	Nil	N/A
Guoxin Investment Co., Ltd.	State-owned corporation	54,407,105	0.27	0	Nil	N/A
Industrial and Commercial Bank of China Limited – Huatai-Pinebridge Shanghai-Shenzhen 300 Index Exchange Traded Open-ended Index Fund	Others	35,660,529	0.18	0	Nil	N/A
National Social Security Fund Portfolio 101	Others	30,126,155	0.15	0	Nil	N/A
China Construction Bank Corporation – E Fund Shanghai-Shenzhen 300 Index Exchange Traded Open-ended Index Initiating Fund	Others	24,905,770	0.13	0	Nil	N/A

Shareholdings of top 10 shareholders without selling restrictions

Name of shareholders	Number of shares without selling restrictions	Type and number of shares	
		Type	Number
China Energy Investment Corporation Limited	13,812,709,196	RMB ordinary shares	13,812,709,196
HKSCC NOMINEES LIMITED	3,370,204,910	Overseas-listed foreign shares	3,370,204,910
China Securities Finance Corporation Limited	594,718,004	RMB ordinary shares	594,718,004
Hong Kong Securities Clearing Company Limited	216,438,438	RMB ordinary shares	216,438,438
Central Huijin Asset Management Ltd.	106,077,400	RMB ordinary shares	106,077,400
Industrial and Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund	55,233,664	RMB ordinary shares	55,233,664
Guoxin Investment Co., Ltd.	54,407,105	RMB ordinary shares	54,407,105
Industrial and Commercial Bank of China Limited – Huatai-Pinebridge Shanghai-Shenzhen 300 Index Exchange Traded Open-ended Index Fund	35,660,529	RMB ordinary shares	35,660,529
National Social Security Fund Portfolio 101	30,126,155	RMB ordinary shares	30,126,155
China Construction Bank Corporation – E Fund Shanghai-Shenzhen 300 Index Exchange Traded Open-ended Index Initiating Fund	24,905,770	RMB ordinary shares	24,905,770

Statements on the related party relationships among the above shareholders and whether they are parties acting in concert

HKSCC NOMINEES LIMITED and Hong Kong Securities Clearing Company Limited are wholly-owned subsidiaries of Hong Kong Exchanges and Clearing Limited. The depository bank of Industrial and Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund and Industrial and Commercial Bank of China Limited – Huatai-Pinebridge Shanghai-Shenzhen 300 Index Exchange Traded Open-ended Index Fund is Industrial and Commercial Bank of China. Save for the information disclosed above, the Company is not aware of whether any related party relationship existing among the top 10 shareholders without selling restrictions and the top 10 shareholders, and whether they are parties acting in concert as defined in the Measures for the Administration of Acquisition of Listed Companies.

Details of top 10 shareholders and top 10 shareholders without selling restrictions participating in margin trading and securities lending and refinancing business

See below

Note: H shares held by HKSCC NOMINEES LIMITED are held on behalf of a number of its clients; A shares held by Hong Kong Securities Clearing Company Limited are held on behalf of a number of its clients.

China Energy, the controlling shareholder of the Company, planned to increase its shareholding in the A shares of the Company through its wholly-owned subsidiary, China Energy Capital Holdings Co., Ltd. (“**Capital Holdings**”), by means permitted by Shanghai Stock Exchange (“**SSE**”) (including but not limited to centralized bidding transactions, block trades, etc.) by an amount of not less than RMB500 million and not exceeding RMB600 million, and at a price of not more than RMB33.10 per share, within 12 months from 20 October 2023 (the “**Shareholding Increase Plan**”, please refer to the Company’s H share announcement dated 19 October 2023 and A share announcement dated 20 October for details).

In the first quarter of 2024, Capital Holdings acquired a total of 2,938,047 A shares of the Company by way of centralized bidding on the SSE, with an amount of approximately RMB96.0958 million (exclusive of commissions, tax and charges). As at 31 March 2024, Capital Holdings acquired a cumulative total of 11,593,528 A shares of the Company, representing 0.0584% of the total share capital of the Company, by way of centralized bidding on the SSE, with a cumulative amount of approximately RMB365.279 million (exclusive of commissions, tax and charges), which accounted for 73.1% of the minimum amount of RMB500 million under the Shareholding Increase Plan. China Energy directly and indirectly held 13,824,302,724 A shares of the Company, representing 69.5789% of the total share capital of the Company.

(II) Participation of shareholders with shareholding of more than 5%, top ten shareholders and top ten shareholders without selling restrictions in lending of shares by way of securities lending and refinancing

Unit: shares

Name of shareholder	Number of shares held through ordinary account and credit account as at the beginning of the Reporting Period		Outstanding shares lent by way of securities lending and refinancing as at the beginning of the Reporting Period		Number of shares held through ordinary account and credit account as at the end of the Reporting Period		Outstanding shares lent by way of securities lending and refinancing as at the end of the Reporting Period	
	Total	Percentage	Total	Percentage	Total	Percentage	Total	Percentage
	number	%	number	%	number	%	number	%
China Energy Investment Corporation Limited	13,812,709,196	69.52	0	0	13,812,709,196	69.52	0	0
HKSCC NOMINEES LIMITED	3,369,078,025	16.96	Unknown	Unknown	3,370,204,910	16.96	Unknown	Unknown
China Securities Finance Corporation Limited	594,718,004	2.99	0	0	594,718,004	2.99	0	0
Hong Kong Securities Clearing Company Limited	221,001,857	1.11	0	0	216,438,438	1.09	0	0
Central Huijin Asset Management Ltd.	106,077,400	0.53	0	0	106,077,400	0.53	0	0
Industrial and Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund	40,207,864	0.20	266,400	0.00	55,233,664	0.28	0	0
Guoxin Investment Co., Ltd.	63,987,924	0.32	0	0	54,407,105	0.27	0	0
Industrial and Commercial Bank of China Limited – Huatai-Pinebridge Shanghai-Shenzhen 300 Index Exchange Traded Open-ended Index Fund	24,588,635	0.12	49,200	0.00	35,660,529	0.18	0	0
National Social Security Fund Portfolio 101	30,126,155	0.15	0	0	30,126,155	0.15	0	0
China Construction Bank Corporation – E Fund Shanghai-Shenzhen 300 Index Exchange Traded Open-ended Index Initiating Fund	9,259,316	0.05	19,200	0.00	24,905,770	0.13	106,600	0.00

(III) Change in the top ten shareholders and top ten shareholders without selling restrictions from the previous period due to shares lending/repayment through securities lending and refinancing

Applicable Not applicable

III. OTHER ISSUES

(I) Major operational data

Operational indicators	Unit	January to March 2024	January to March 2023	Change %
(I) Coal				
1. Commercial coal production	Million tonnes	81.3	80.1	1.5
2. Coal sales	Million tonnes	117.1	107.6	8.8
Of which: Self-produced coal	Million tonnes	80.3	79.4	1.1
Purchased coal	Million tonnes	36.8	28.2	30.5
(II) Transportation				
1. Transportation turnover of self-owned railways	Billion tonnes km	82.0	74.5	10.1
2. Loading volume at Huanghua Port	Million tonnes	54.5	48.9	11.5
3. Loading volume at Tianjin Coal Dock	Million tonnes	10.5	11.2	(6.2)
4. Shipment volume	Million tonnes	33.7	34.1	(1.2)
5. Shipment turnover	Billion tonne nautical miles	36.3	35.2	3.1
(III) Power				
1. Gross power generation	Billion kWh	55.35	51.71	7.0
2. Total power output dispatch	Billion kWh	52.16	48.75	7.0
(IV) Coal chemical				
1. Polyethylene sales	Thousand tonnes	89.5	91.1	(1.8)
2. Polypropylene sales	Thousand tonnes	82.7	86.1	(3.9)

(II) Operation of the coal segment

1. Coal sales

(1) By contract pricing mechanisms

	January to March 2024			January to March 2023			Change	
	Sales volume <i>Million tonnes</i>	Percentage to total sales volume	Price (exclusive of tax)	Sales volume <i>Million tonnes</i>	Percentage to total sales volume	Price (exclusive of tax)	Sales volume	Price
		%	RMB/tonne		%	RMB/tonne		%
I. Sales through Trading Group	111.4	95.1	586	101.3	94.1	638	10.0	(8.2)
1. Annual long-term contracts	58.5	50.0	490	61.9	57.5	497	(5.5)	(1.4)
2. Monthly long-term contracts	36.7	31.3	737	31.1	28.9	891	18.0	(17.3)
3. Spot commodity	16.2	13.8	591	8.3	7.7	739	95.2	(20.0)
II. Direct sales at the coal mine pit	5.7	4.9	319	6.3	5.9	355	(9.5)	(10.1)
Total sales volume/average price (exclusive of tax)	117.1	100.0	573	107.6	100.0	621	8.8	(7.7)

Note: The above is a summary of the Group's sales of coal products with different calorific values, including electric coal and other coal.

(2) By sales regions

	January to March 2024			January to March 2023			Change	
	Sales volume <i>Million tonnes</i>	Percentage to total sales volume	Price (exclusive of tax)	Sales volume <i>Million tonnes</i>	Percentage to total sales volume	Price (exclusive of tax)	Sales volume	Price
		%	RMB/tonne		%	RMB/tonne		%
I. Domestic sales	115.5	98.6	572	105.9	98.4	615	9.1	(7.0)
(I) Self-produced coal and purchased coal	110.1	94.0	573	102.1	94.9	611	7.8	(6.2)
1. Direct arrival	51.2	43.7	444	50.8	47.2	463	0.8	(4.1)
2. Seaborne	58.9	50.3	685	51.3	47.7	758	14.8	(9.6)
(II) Sales of domestic trading coal	4.1	3.5	513	2.4	2.2	631	70.8	(18.7)
(III) Sales of imported coal	1.3	1.1	631	1.4	1.3	875	(7.1)	(27.9)
II. Export sales	-	-	/	-	-	/	/	/
III. Overseas sales	1.6	1.4	673	1.7	1.6	967	(5.9)	(30.4)
Total sales volume/average price (exclusive of tax)	117.1	100.0	573	107.6	100.0	621	8.8	(7.7)

2. Operating results (before elimination on consolidation)

		January to March 2024	January to March 2023	Change %	Main reasons for changes
Revenue	RMB million	69,285	68,925	0.5	Increase in coal sales
Cost of sales	RMB million	(51,574)	(48,131)	7.2	Increase in coal sales, relevant production cost and purchase cost of purchased coal
Gross profit	RMB million	17,711	20,794	(14.8)	
Gross profit margin	%	25.6	30.2	Decreased by 4.6 percentage points	
Profit before income tax	RMB million	15,173	19,422	(21.9)	

3. Gross profit from sales of coal products by types of sources of coal (before elimination on consolidation)

Type of source of coal	January to March 2024				January to March 2023			
	Sales revenue <i>RMB million</i>	Cost of sales <i>RMB million</i>	Gross profit <i>RMB million</i>	Gross profit margin %	Sales revenue <i>RMB million</i>	Cost of sales <i>RMB million</i>	Gross profit <i>RMB million</i>	Gross profit margin %
Self-produced coal	42,822	(22,055)	20,767	48.5	45,444	(20,983)	24,461	53.8
Purchased coal	24,265	(23,728)	537	2.2	21,362	(21,072)	290	1.4
Total	<u>67,087</u>	<u>(45,783)</u>	<u>21,304</u>	<u>31.8</u>	<u>66,806</u>	<u>(42,055)</u>	<u>24,751</u>	<u>37.0</u>

The purchased coal sold by the Group includes coal purchased from the surrounding areas of the self-owned mines and railways, domestic trading coal, imported and re-exported coal. The cost of sales of purchased coal includes the purchase cost of purchased coal, as well as the transportation and port charges incurred to realise the sales.

4. Unit production cost of self-produced coal

Unit: RMB/tonne

	January to March 2024	January to March 2023	Change %	Main reasons for changes
Unit production cost of self-produced coal	168.7	144.4	16.8	
Raw materials, fuel and power	27.7	30.2	(8.3)	Decrease in footage of advancing tunnels at certain underground mines, and year-on-year decrease in stripping volume of certain open-cut mines
Personnel expenses	59.0	28.6	106.3	Low base of the same period of last year and personnel expenses incurred over progress during the Reporting Period
Repairs and maintenance	8.5	8.7	(2.3)	
Depreciation and amortisation	19.9	20.5	(2.9)	
Others	53.6	56.4	(5.0)	

Other costs consist of the following three components: (1) expenses directly related to production, including expenses for coal washing, selecting and processing expenses, and mining engineering expenses, etc., accounting for approximately 68%; (2) auxiliary production expenses, accounting for approximately 23%; (3) land requisition and surface subsidence compensation, environmental protection expenses, tax, etc., accounting for approximately 9%.

(III) Operation of the power segment

1. Power generation and power output dispatch

Location/ Type of power	Gross power generation (billion kWh)			Power output dispatch (billion kWh)			Average utilization hours (hour)			Power tariff (RMB/MWh)		
	January to March 2024	January to March 2023	Change %	January to March 2024	January to March 2023	Change %	January to March 2024	January to March 2023	Change %	January to March 2024	January to March 2023	Change %
Domestic	55.02	51.35	7.1	51.89	48.44	7.1	1,237	1,283	(3.6)	409	419	(2.4)
Coal-fired power	53.83	50.30	7.0	50.72	47.42	7.0	1,254	1,294	(3.1)	406	416	(2.4)
Gas-fired power	0.97	0.95	2.1	0.95	0.92	3.3	1,023	995	2.8	584	581	0.5
Hydropower	0.07	0.08	(12.5)	0.07	0.08	(12.5)	544	620	(12.3)	302	301	0.3
Photovoltaic power	0.15	0.02	650.0	0.15	0.02	650.0	325	228	42.5	283	430	(34.2)
Overseas	0.33	0.36	(8.3)	0.27	0.31	(12.9)	1,083	1,209	(10.4)	514	562	(8.5)
Coal-fired power	0.33	0.36	(8.3)	0.27	0.31	(12.9)	1,083	1,209	(10.4)	514	562	(8.5)
Total/Weighted average	55.35	51.71	7.0	52.16	48.75	7.0	1,236	1,283	(3.7)	409	420	(2.6)

2. *Installed power generators*

At the end of the Reporting Period, the total installed capacity of power generating units of the Group reached 44,801 MW, among which, the installed capacity of the coal-fired power generators is 43,244 MW, the installed capacity of gas-fired power is 950 MW, the installed capacity of hydropower is 125 MW and the installed capacity of photovoltaic power in external commercial operation is 482 MW.

In the first quarter of 2024, the newly installed power generators of the Group are as follows:

No.	Owner	Location of power generator	Type of power	Increase in installed capacity MW	Reasons for changes
1	China Energy Yuedian Taishan Power Co., Ltd.	Guangdong Province	Coal-fired power	30	Upgrade and transformation
2	China Energy Shenfu (Jinjiang) Thermal Power Co., Ltd.	Fujian Province	Coal-fired power	50	The operation of new units
3	China Energy (Qingyuan) Clean Energy Co., Ltd., China Energy (Lianjiang) Gangdian Co., Ltd., China Energy Shouguang Power Generation Company Limited and other companies	Guangdong, Fujian, Shandong and other provinces	Photovoltaic power	87	The operation of new units

3. *Operating results (before elimination on consolidation)*

		January to March 2024	January to March 2023	Change %	Main reasons for changes
Revenue	RMB million	24,075	22,873	5.3	Increase in power output dispatch
Cost of sales	RMB million	(20,010)	(19,255)	3.9	Increase in power output dispatch
Gross profit	RMB million	4,065	3,618	12.4	
Gross profit margin	%	16.9	15.8	Increased by 1.1 percentage points	
Profit before income tax	RMB million	3,429	3,060	12.1	

From January to March 2024, the Group’s average cost of power output dispatch of the power business was RMB360.2/MWh (for the same period in 2023: RMB372.4/MWh), representing a year-on-year decrease of 3.3%.

(IV) Major operation of transportation and coal chemical segments

1. Production and operation

During the Reporting Period, in terms of transportation volume of large containers for logistics, the Group’s Baoshen Railway achieved a milestone of exceeding 20,000 containers, representing an increase of over 30% as compared to the same period of last year. The railway between Dongsheng East to Taigemiao (the session of Hailesihao South to Yueyashu Bay) of the Dongyue Railway project has achieved positive progress in terms of environmental evaluation and approval. Huanghua Port has completed the loading task for the first batch of container carriers from Xiong’an New Area to Guangdong, marking the official commencement of container seaborne business from Xiong’an New Area to Huanghua Port.

In April 2024, the Group successfully operated a 30,000-tonne-heavy-haul train on Shuohuang Railway of the Group. This project is a strategic technical reserve project for the integrated operational capabilities of the Group, and it has profound implications for enhancing China’s energy transportation corridor capacity and exploring cutting-edge heavy-haul technologies in the field of energy transportation. The Group has completed the investment decision for the fifth phase of the coal port area of Huanghua Port (the “Phase V Project”), which plans to build four berths for carriers of up to 70,000 tonnages at Huanghua Port, adding approximately 50 million tonnes of coal loading capacity per year. The total investment for the Phase V Project is approximately RMB5 billion, with a construction period of approximately 2.5 years, and the construction is scheduled to commence in 2024. Upon completion, the Phase V Project will enhance the redundancy and resilience of Huanghua Port’s coal unloading capacity, improve port operational safety levels, and ensure efficient operation of the integrated industrial chain of the Group.

2. Operating results (before elimination on consolidation)

Unit: RMB million

	Railway			Port			Shipping			Coal chemical		
	January to March 2024	January to March 2023	Change %	January to March 2024	January to March 2023	Change %	January to March 2024	January to March 2023	Change %	January to March 2024	January to March 2023	Change %
Revenue	11,763	11,109	5.9	1,698	1,608	5.6	1,214	1,130	7.4	1,506	1,522	(1.1)
Cost of sales	(7,240)	(7,077)	2.3	(881)	(923)	(4.6)	(1,075)	(1,027)	4.7	(1,439)	(1,445)	(0.4)
Gross profit	4,523	4,032	12.2	817	685	19.3	139	103	35.0	67	77	(13.0)
Gross profit margin (%)	38.5	36.3	Increased by 2.2 percentage points	48.1	42.6	Increased by 5.5 percentage points	11.4	9.1	Increased by 2.3 percentage points	4.4	5.1	Decreased by 0.7 percentage point
Profit before income tax	3,903	3,342	16.8	670	578	15.9	106	46	130.4	19	21	(9.5)

From January to March 2024, the year-on-year decrease in gross profit of the coal chemical segment was mainly due to the year-on-year decrease in sales volume as well as average sales price of polyolefin products.

IV. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRSs

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March

	2024 <i>RMB million</i> (unaudited)	2023 <i>RMB million</i> (unaudited)
Revenue		
Goods and services	87,647	87,042
Cost of sales	<u>(60,463)</u>	<u>(57,756)</u>
Gross profit	27,184	29,286
Selling expenses	(108)	(99)
General and administrative expenses	(2,429)	(2,132)
Research and development costs	(274)	(242)
Other gains and losses	(22)	14
Loss allowances, net of reversal	11	(7)
Other income	127	130
Other expenses	(745)	(65)
Interest income	694	639
Finance costs	(710)	(679)
Share of results of associates	<u>1,086</u>	<u>550</u>
Profit before income tax	24,814	27,395
Income tax expense	<u>(4,026)</u>	<u>(3,809)</u>
Profit for the period	<u>20,788</u>	<u>23,586</u>

	2024 <i>RMB million</i> (unaudited)	2023 <i>RMB million</i> (unaudited)
Other comprehensive income for the period		
<i>Items that will not be reclassified subsequently to profit or loss, net of income tax:</i>		
Share of other comprehensive income of associates	(13)	160
<i>Items that may be reclassified subsequently to profit or loss, net of income tax:</i>		
Exchange differences	17	(123)
Share of other comprehensive income of associates	(19)	(7)
Other comprehensive income for the period, net of income tax	(15)	30
Total comprehensive income for the period	20,773	23,616
Profit for the period attributable to:		
Equity holders of the Company	17,760	20,677
Non-controlling interests	3,028	2,909
	20,788	23,586
Total comprehensive income for the period attributable to:		
Equity holders of the Company	17,741	20,738
Non-controlling interests	3,032	2,878
	20,773	23,616
Earnings per share		
– Basic/diluted (RMB)	0.894	1.041

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	As at 31 March 2024 <i>RMB million</i> (unaudited)	As at 31 December 2023 <i>RMB million</i> (audited)
Non-current assets		
Property, plant and equipment	292,303	290,839
Construction in progress	19,089	18,955
Exploration and evaluation assets	5,519	5,519
Intangible assets	4,653	4,662
Right-of-use assets	23,644	23,994
Interests in associates	56,934	55,635
Equity instruments at fair value through other comprehensive income	2,486	2,486
Other non-current assets	28,195	27,070
Deferred tax assets	5,382	5,301
	438,205	434,461
Total non-current assets		
Current assets		
Inventories	13,516	12,846
Accounts and bills receivables	20,343	19,858
Financial assets at fair value through other comprehensive income	66	254
Prepaid expenses and other current assets	16,975	16,007
Restricted bank deposits	9,454	7,298
Time deposits with original maturity over three months	47,349	34,514
Cash and cash equivalents	110,661	108,174
	218,364	198,951
Total current assets		

	As at 31 March 2024 <i>RMB million</i> (unaudited)	As at 31 December 2023 <i>RMB million</i> (audited)
Current liabilities		
Borrowings	4,135	4,622
Accounts and bills payables	32,120	38,901
Accrued expenses and other payables	37,540	30,613
Current portion of lease liabilities	227	300
Current portion of long-term liabilities	7,841	5,184
Income tax payable	4,193	4,757
Contract liabilities	6,912	7,208
	<hr/>	<hr/>
Total current liabilities	92,968	91,585
	<hr/>	<hr/>
Net current assets	125,396	107,366
	<hr/>	<hr/>
Total assets less current liabilities	563,601	541,827
	<hr/>	<hr/>
Non-current liabilities		
Borrowings	29,820	29,636
Bonds	–	2,972
Long-term liabilities	18,265	15,125
Accrued reclamation obligations	9,222	8,780
Deferred tax liabilities	1,217	1,137
Lease liabilities	1,347	1,332
Other non-current liabilities	1,157	1,194
	<hr/>	<hr/>
Total non-current liabilities	61,028	60,176
	<hr/>	<hr/>
Net assets	502,573	481,651
	<hr/> <hr/>	<hr/> <hr/>
Equity		
Share capital	19,869	19,869
Reserves	409,250	391,609
	<hr/>	<hr/>
Equity attributable to equity holders of the Company	429,119	411,478
Non-controlling interests	73,454	70,173
	<hr/>	<hr/>
Total equity	502,573	481,651
	<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March

	2024 <i>RMB million</i> (unaudited)	2023 <i>RMB million</i> (unaudited)
Operating activities		
Cash generated from operations	33,144	33,958
Income taxes paid	<u>(4,591)</u>	<u>(4,755)</u>
Net cash generated from operating activities	<u>28,553</u>	<u>29,203</u>
Investing activities		
Acquisition of property, plant and equipment, intangible assets, exploration and evaluation assets, additions to construction in progress and other non-current assets	(10,785)	(10,435)
Increase in right-of-use assets	(70)	(381)
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets	311	468
Investments in associates	(251)	(2,151)
Dividend received from associates	82	360
Interest received	670	666
Increase in restricted bank deposits	(2,156)	(1,493)
Placing of time deposits with original maturity over three months	(15,797)	(1,072)
Maturity of time deposits with original maturity over three months	2,962	2,898
Repayment of investment from associates	<u>29</u>	<u>–</u>
Net cash used in investing activities	<u>(25,005)</u>	<u>(11,140)</u>

	2024 <i>RMB million</i> (unaudited)	2023 <i>RMB million</i> (unaudited)
Financing activities		
Capital element of lease rentals paid	(36)	(61)
Interest element of lease rentals paid	(6)	(11)
Interest paid	(440)	(546)
Proceeds from borrowings	2,852	9,063
Repayments of borrowings	(3,068)	(10,847)
Repurchase of bonds	–	(144)
Contributions from non-controlling shareholders	13	150
Distribution to non-controlling shareholders	(383)	(47)
	<u>(1,068)</u>	<u>(2,443)</u>
Net cash used in financing activities		
	2,480	15,620
Net increase in cash and cash equivalents		
Cash and cash equivalents as at the beginning of the period	108,174	131,458
Effect of foreign exchange rate changes	7	(25)
	<u>110,661</u>	<u>147,053</u>
Cash and cash equivalents as at the end of the period		

V. DEFINITIONS

China Shenhua/the Company	China Shenhua Energy Company Limited
The Group	The Company and its controlled subsidiaries
China Energy	China Energy Investment Corporation Limited
Trading Group	China Energy Trading Group Limited
Beijing GD	Beijing GD Power Co., Ltd.
Finance Company	China Energy Finance Co., Ltd.
China Accounting Standards for Business Enterprises	the Accounting Standards for Business Enterprises, Application Guidance to Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other related requirements issued by the Ministry of Finance of the People's Republic of China
International Financial Reporting Standards or IFRSs	International Financial Reporting Standards issued by the International Accounting Standards Board
The Reporting Period	January to March 2024

By order of the board

China Shenhua Energy Company Limited

Song Jinggang

Chief Financial Officer and Secretary to the Board of Directors

Beijing, 26 April 2024

As at the date of this announcement, the Board comprises the following: Mr. Lv Zhiren and Mr. Xu Mingjun as executive directors, Mr. Jia Jinzhong and Mr. Yang Rongming as non-executive directors, Dr. Yuen Kwok Keung, Dr. Bai Chong-En and Dr. Chen Hanwen as independent non-executive directors, and Ms. Liu Xiaolei as employee director.