

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2022

Pursuant to the rules and regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange, China Shenhua Energy Company Limited (the “**Company**”) is required to announce this quarterly report. This announcement is made pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) hereby presents the results of the Group for the three months ended 31 March 2022 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.
- Wang Xiangxi, Chairman of the Board of the Company, Lv Zhiren, person-in-charge of the accounting function and Yu Yanling, person-in-charge of the accounting department of the Company, warrant the authenticity, accuracy and completeness of the financial statements contained in this report.
- The financial statements of this report are prepared in accordance with IFRSs and are unaudited.

I. MAJOR FINANCIAL INDICATORS

(I) Major accounting data and financial indicators

	January to March 2022	January to Before restatement	March 2021 After restatement	Change After restatement %
Revenue (<i>RMB million</i>)	83,902	67,608	67,608	24.1
Profit before income tax (<i>RMB million</i>)	28,591	18,069	18,069	58.2
Profit for the period (<i>RMB million</i>)	23,508	14,461	14,461	62.6
Profit for the period attributable to equity holders of the Company (<i>RMB million</i>)	19,796	11,864	11,864	66.9
Basic earnings per share (<i>RMB/share</i>)	0.996	0.597	0.597	66.9
Net cash generated from operating activities (<i>RMB million</i>)	28,436	19,614	19,614	45.0
	As at 31 March 2022	As at 31 December 2021		Change After restatement %
		Before restatement	After restatement	
Total assets (<i>RMB million</i>)	631,988	610,597	610,372	3.5
Total liabilities (<i>RMB million</i>)	159,051	161,376	161,376	(1.4)
Total equity (<i>RMB million</i>)	472,937	449,221	448,996	5.3
Equity attributable to equity holders of the Company (<i>RMB million</i>)	400,124	380,038	379,853	5.3
Shareholders' equity per share (<i>RMB/share</i>)	20.14	19.13	19.12	5.3

Reasons for retrospective adjustment: in May 2020, International Accounting Standards Board issued the Amendments to IAS 16, "Property, Plant and Equipment: Proceeds before Intended Use", making amendments to the recognition and disclosure of selling items produced prior to reaching the intended use of property, plant and equipment. Such amendment should be implemented from 1 January 2022.

From 1 January 2022, the Group respectively has accounted for the proceeds and costs of sales of trial operation and recognised in profit or loss for the current period, and meanwhile in accordance with the amendments above, applied the amendments retrospectively to the sales of trial operation that occurred between the beginning of the earliest period presented of the financial statements and the effective date.

The impact of the retrospective adjustments of the above accounting policy changes on the consolidated statement of financial position at 31 December 2021, which was prepared in accordance with International Financial Reporting Standards, is as follows: Property, plant and equipment decreased by RMB225 million and total equity decreased by RMB225 million, respectively, as at 31 December 2021.

Since the Group had no sales of trial operation from January to March 2021, the retrospective adjustments of the above accounting policy changes have no impact on the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows for the three months ended 31 March 2021.

For the details of the above accounting policy changes and retrospective adjustment, please refer to the Announcement on Changes in Accounting Policies simultaneously disclosed with this report.

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

Unit: RMB million

Item	Net profit attributable to equity holders of the Company		Net assets attributable to equity holders of the Company	
	January to March 2022	January to March 2021	As at 31 March 2022	As at 31 December 2021 (Restated)
Under China Accounting Standards for Business Enterprises	18,957	11,611	396,987	376,690
Adjustment:				
Simple production maintenance, production safety and other related expenditures	839	253	3,137	3,163
Under International Financial Reporting Standards	19,796	11,864	400,124	379,853

Explanation: Pursuant to the relevant regulations of the related government authorities in the PRC, the Group accrued provisions for simple production maintenance, production safety and other related expenditures. Such expenditures are recognised as expenses and separately recorded as a specific reserve in shareholders' equity under China Accounting Standards for Business Enterprises. 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 recognized when incurred. Relevant capital expenditure is recognised as property, plant and equipment and depreciated according to the relevant depreciation method. The effect on deferred tax arising from such difference is also reflected.

(III) Details of changes in the major accounting data

Changes in major items of the consolidated financial statements and explanations are set out below:

Unit: RMB million

No.	Items of consolidated statement of profit or loss and other comprehensive income	January to March 2022	January to March 2021	Change %	Main reasons for changes
1	Revenue	83,902	67,608	24.1	Average coal sales price increased; power output dispatch and average power output dispatch price increased
2	Cost of sales	(54,201)	(48,435)	11.9	Unit production cost of self-produced coal increased; power output dispatch increased and purchase price of coal increased
3	Research and development costs	(335)	(144)	132.6	Increase in R&D expenditure of smart mines and other projects
4	Other gains and losses	303	42	621.4	Other gains and losses during the Reporting Period were mainly gains from the land disposal of Watermark Project in Australia, and gains from the disposal of assets of some of the Group's coal subsidiaries
5	Other income	214	124	72.6	Increase in government grants related to daily activities received by the power segment of the Group
6	Income tax expense	(5,083)	(3,608)	40.9	Increase in profit before income tax

Unit: RMB million

No.	Items of consolidated statement of financial position	As at 31 March 2022	As at 31 December 2021 (Restated)	Change %	Main reasons for changes
1	Accounts and bills receivables	15,802	13,607	16.1	A relatively low base of accounts receivable at the end of the last year due to the intensified efforts of the Group on collection of accounts receivable; and increase in receivables from coal sales and power output dispatch during the Reporting Period
2	Financial assets at fair value through other comprehensive income (current assets)	204	376	(45.7)	Increase in transferred or endorsed bills receivable during the Reporting Period
3	Restricted bank deposits	5,875	4,479	31.2	Increase in the deposit of mine environmental governance and restoration fund by the coal subsidiaries and branches of the Group during the Reporting Period
4	Time deposits with original maturity over three months	7,962	1,701	368.1	Increase in time deposits
5	Contract liabilities	8,581	6,864	25.0	Increase in receivables in advance from coal sales due to the increase in coal sales price

Unit: RMB million

No.	Items of consolidated statement of cash flows	January to March 2022	January to March 2021	Change %	Main reasons for changes
1	Net cash generated from operating activities	28,436	19,614	45.0	Revenue growth
2	Net cash (used in)/generated from investing activities	(12,386)	838	(1,578.0)	Increase in time deposits during the Reporting Period; more cash received from the disposal of subsidiaries and branches, and other investment activities in the same period of the last year
3	Net cash used in financing activities	(2,469)	(2,067)	19.4	More repayment of borrowings during the Reporting Period

II. SHAREHOLDER INFORMATION

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

Total number of ordinary shareholders at the end of the Reporting Period (<i>accounts</i>)	151,092
Including: Holders of A shares (including China Energy) (<i>accounts</i>)	149,158
Registered holders of H shares (<i>accounts</i>)	1,934

Unit: shares

Name of shareholders	Nature of shareholder	Shareholdings of top 10 shareholders		Number of shares held subject to selling restrictions	Status	Shares pledged, marked or frozen Number
		Number of shares held as at the end of the period	Percentage %			
China Energy Investment Corporation Limited	State-owned	13,812,709,196	69.52	0	Nil	N/A
HKSCC NOMINEES LIMITED	Overseas corporation	3,369,569,986	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	258,545,936	1.30	0	Nil	N/A
Central Huijin Asset Management Limited	State-owned	106,077,400	0.53	0	Nil	N/A
China Life Insurance Company Limited – Traditional – Ordinary Insurance Product – 005L – CT001 Shanghai	Others	36,081,630	0.18	0	Nil	N/A
China Life Insurance Company Limited – Universal – Guo Shou Rui An	Others	22,806,519	0.11	0	Nil	N/A
Industrial and Commercial Bank of China – SSE 50 Trading Index Securities Investment Open-ended Fund	Others	22,519,922	0.11	0	Nil	N/A
Zhuhai Ruifeng Huibang Asset Management Co., Ltd. – Ruifeng Huibang No. 3 Private Equity Investment Fund	Others	22,233,848	0.11	0	Nil	N/A
China Merchants Bank Co., Ltd. – SSE Dividend Transactional Open Index Equity Securities Investment Fund	Others	20,909,895	0.11	0	Nil	N/A

Unit: Shares

Shareholdings of top 10 shareholders without selling restrictions

Name of shareholders	Number of shares		Type and number of shares	
	without selling restrictions		Type	Number
China Energy Investment Corporation Limited	13,812,709,196		RMB ordinary shares	13,812,709,196
HKSCC NOMINEES LIMITED	3,369,569,986		Overseas-listed foreign shares	3,369,569,986
China Securities Finance Corporation Limited	594,718,004		RMB ordinary shares	594,718,004
Hong Kong Securities Clearing Company Limited	258,545,936		RMB ordinary shares	258,545,936
Central Huijin Asset Management Limited	106,077,400		RMB ordinary shares	106,077,400
China Life Insurance Company Limited – Traditional – Ordinary Insurance Product – 005L – CT001 Shanghai	36,081,630		RMB ordinary shares	36,081,630
China Life Insurance Company Limited – Universal – Guo Shou Rui An	22,806,519		RMB ordinary shares	22,806,519
Industrial and Commercial Bank of China – SSE 50 Trading Index Securities Investment Open-ended Fund	22,519,922		RMB ordinary shares	22,519,922
Zhuhai Ruifeng Huibang Asset Management Co., Ltd. – Ruifeng Huibang No. 3 Private Equity Investment Fund	22,233,848		RMB ordinary shares	22,233,848
China Merchants Bank Co., Ltd. – SSE Dividend Transactional Open Index Equity Securities Investment Fund	20,909,895		RMB ordinary shares	20,909,895
Statements on the connected 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. Save for the information disclosed above, the Company is not aware of whether any connected 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	N/A			

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.

III. OTHER SIGNIFICANT MATTERS

(I) Major operational data

Operational indicators	Unit	January to March 2022	January to March 2021	Change %
(I) Coal				
1. Commercial coal production	Million tonnes	80.8	78.0	3.6
2. Coal sales	Million tonnes	105.7	115.4	(8.4)
(II) Transportation				
1. Transportation turnover of self-owned railways	Billion tonne km	72.7	73.8	(1.5)
2. Loading volume at Huanghua Port	Million tonnes	51.9	55.1	(5.8)
3. Loading volume at Shenhua Tianjin Coal Dock	Million tonnes	9.7	10.9	(11.0)
4. Shipment volume	Million tonnes	30.7	30.2	1.7
5. Shipment turnover	Billion tonne nautical miles	29.8	25.3	17.8
(III) Power				
1. Gross power generation	Billion kWh	46.75	37.18	25.7
2. Total power output dispatch	Billion kWh	43.99	34.88	26.1
(IV) Coal chemical				
1. Polyethylene sales	Thousand tonnes	90.8	94.8	(4.2)
2. Polypropylene sales	Thousand tonnes	86.7	89.7	(3.3)

(II) Operation of the coal segment

1. Coal sales

(1) By contract pricing mechanisms

	January to March 2022			January to March 2021			Changes	
	Sales volume <i>Million tonnes</i>	Proportion of total sales %	Price (exclusive of tax) <i>RMB/ tonne</i>	Sales volume <i>Million tonnes</i>	Proportion of total sales %	Price (exclusive of tax) <i>RMB/ tonne</i>	Sales volume %	Price (exclusive of tax) %
I. Sales through Trading Group	100.6	95.2	640	110.1	95.4	487	(8.6)	31.4
1. Annual long-term contracts	54.4	51.5	516	49.1	42.5	402	10.8	28.4
2. Monthly long-term contracts	37.1	35.1	787	47.4	41.1	575	(21.7)	36.9
3. Spot commodity	9.1	8.6	773	13.6	11.8	484	(33.1)	59.7
II. Direct sales by coal mines	5.1	4.8	319	5.3	4.6	234	(3.8)	36.3
Total sales volume/ average price (exclusive of tax)	105.7	100.0	624	115.4	100.0	475	(8.4)	31.4

(2) By sales regions

	January to March 2022			January to March 2021			Changes	
	Sales volume <i>Million tonnes</i>	Proportion of total sales %	Price (exclusive of tax) <i>RMB/ tonne</i>	Sales volume <i>Million tonnes</i>	Proportion of total sales %	Price (exclusive of tax) <i>RMB/ tonne</i>	Sales volume %	Price (exclusive of tax) %
I. Domestic sales	104.9	99.2	621	113.9	98.7	476	(7.9)	30.5
(I) Self-produced coal and purchased coal	99.9	94.5	611	109.8	95.2	477	(9.0)	28.1
1. Direct arrival	46.5	44.0	469	48.8	42.3	365	(4.7)	28.5
2. Seaborne	53.4	50.5	735	61.0	52.9	568	(12.5)	29.4
(II) Sales of domestic trading coal	3.6	3.4	783	2.2	1.9	517	63.6	51.5
(III) Sales of imported coal	1.4	1.3	876	1.9	1.6	347	(26.3)	152.4
II. Export sales	0.3	0.3	1,021	0.1	0.1	713	200.0	43.2
III. Overseas sales	0.5	0.5	1,188	1.4	1.2	386	(64.3)	207.8
Total sales volume/ average price (exclusive of tax)	105.7	100.0	624	115.4	100.0	475	(8.4)	31.4

2. Operating results (before elimination on consolidation)

		January to March 2022	January to March 2021	Change %	Main reasons for changes
Revenue	<i>RMB million</i>	67,854	56,323	20.5	Increase in average coal sales price
Cost of sales	<i>RMB million</i>	(47,641)	(45,499)	4.7	
Gross profit	<i>RMB million</i>	20,213	10,824	86.7	
Gross profit margin	%	29.8	19.2	Increased by 10.6 percentage points	
Profit before income tax	<i>RMB million</i>	19,396	9,625	101.5	

3. Unit production cost of self-produced coal

Unit: RMB/tonne

		January to March 2022	January to March 2021	Change %	Main reasons for changes
Unit production cost of self-produced coal		141.5	124.7	13.5	
Raw materials, fuel and power		27.1	24.8	9.3	Increase in electricity costs due to the rise of electricity prices in west Inner Mongolia
Personnel expenses		27.4	21.0	30.5	Increase in the number of staff; increase in payments of social security contribution
Repairs and maintenance		9.2	10.4	(11.5)	Mainly affected by overhaul plan
Depreciation and amortization		21.4	18.7	14.4	Increase in purchase of coal production equipment
Other costs		56.4	49.8	13.3	Increase in outsourcing stripping expenses and other costs

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 65%; (2) auxiliary production expenses, accounting for approximately 19%; (3) land requisition and surface subsidence compensation, environmental protection expenses and tax, etc., accounting for approximately 16%.

(III) Operation of the power segment

1. Power generation and power output dispatch

Location/Type of power	Gross power generation <i>billion kWh</i>			Power output dispatch <i>billion kWh</i>			Average utilization hours <i>hours</i>			Power tariff <i>RMB/MWh</i>		
	January to March	January to March	Change %	January to March	January to March	Change %	January to March	January to March	Change %	January to March	January to March	Change %
	2022	2021		2022	2021		2022	2021		2022	2021	
Domestic	46.38	36.73	26.3	43.67	34.48	26.7	1,234	1,174	5.1	410	336	22.0
Coal-fired power	45.30	35.47	27.7	42.62	33.26	28.1	1,240	1,174	5.6	406	328	23.8
Gas-fired power	0.99	1.17	(15.4)	0.97	1.15	(15.7)	1,043	1,230	(15.2)	583	575	1.4
Hydropower	0.09	0.09	0.0	0.08	0.07	14.3	683	729	(6.3)	302	370	(18.4)
Overseas	0.37	0.45	(17.8)	0.32	0.40	(20.0)	1,238	1,522	(18.7)	504	451	11.8
Coal-fired power	0.37	0.45	(17.8)	0.32	0.40	(20.0)	1,238	1,522	(18.7)	504	451	11.8
Total/Weighted average	46.75	37.18	25.7	43.99	34.88	26.1	1,234	1,178	4.8	411	338	21.6

2. Installed capacity of power generators

As at the end of the Reporting Period, the total installed capacity of power generators of the Group amounted to 37,899MW, among which the installed capacity of coal-fired power generators amounted to 36,824MW, the installed capacity of gas-fired power generators amounted to 950MW, and the installed capacity of hydropower generators amounted to 125MW. During the Reporting Period, the installed capacity of the Group did not increase or decrease.

3. Operating results (before elimination on consolidation)

		January to March 2022	January to March 2021	Change %	Main reasons for changes
Revenue	<i>RMB million</i>	20,443	13,457	51.9	Increase in power output dispatch and average power output dispatch price
Cost of sales	<i>RMB million</i>	(17,402)	(11,264)	54.5	Increase in power output dispatch; increase in purchase price of coal
Gross profit	<i>RMB million</i>	3,041	2,193	38.7	
Gross profit margin	%	14.9	16.3	Decreased by 1.4 percentage points	
Profit before income tax	<i>RMB million</i>	2,561	1,746	46.7	

From January to March 2022, the Group's average cost of power output dispatch of the power business was RMB371.9/MWh (for the same period in 2021: RMB305.5/MWh), representing a year-on-year increase of 21.7%, which was mainly due to the increase in the purchase price of coal.

(IV) Operation of transportation and coal chemical segments

Unit: RMB million

	Railway			Port			Shipping			Coal chemical		
	January to March 2022	January to March 2021	Change %									
	Revenue	10,342	9,873	4.8	1,636	1,631	0.3	1,433	1,244	15.2	1,650	1,595
Cost of sales	(5,297)	(4,805)	10.2	(847)	(838)	1.1	(1,055)	(972)	8.5	(1,363)	(1,229)	10.9
Gross profit	5,045	5,068	(0.5)	789	793	(0.5)	378	272	39.0	287	366	(21.6)
Gross profit margin (%)	48.8	51.3	Decreased by 2.5 percentage points	48.2	48.6	Decreased by 0.4 percentage points	26.4	21.9	Increased by 4.5 percentage points	17.4	22.9	Decreased by 5.5 percentage points
Profit before income tax	4,401	4,770	(7.7)	698	699	(0.1)	348	231	50.6	222	311	(28.6)

The year-on-year increase in gross profit of the shipping segment was mainly due to the increase in shipping price.

The year-on-year decrease in gross profit of coal chemical segment was mainly due to the increase of procurement price of coal and the decrease of sales of polyolefins products.

(V) Analysis of industry environment

In the face of a multiple of challenges such as grimly complicated global conditions and the spread of domestic pandemic outbreak, the Chinese government, under the leadership of the Central Party Committee with Comrade Xi Jinping at its core, scientifically coordinated the pandemic prevention and control and economic and social development, prioritizing stability and seeking progress while maintaining stability. Owing to such efforts above, the national economy continued to recover at a steady pace, production demand grew faster, employment and price remained generally stable, new growth drivers continued to grow, and new accomplishment was made in quality development. According to the preliminary statistic results, during the first quarter, gross domestic product (GDP) grew by 4.8% year on year, 0.8 percentage points higher than the fourth quarter of the last year, representing a quarter-on-quarter increase of 1.3%.

Domestic coal industry has essentially been stable, with raw coal production growing faster. In the first quarter, a total of 1.08 billion tonnes of raw coal has been produced in China, representing a year-on-year increase of 10.3%, and imported 51.81 million tonnes of coal, representing a year-on-year decrease of 24.2%. The coal-fired power generation from large scale power plants in the PRC recorded a year-on-year increase of 3.1%. The price index of Bohai Bay thermal coal (5,500 kcal) was RMB738 per tonne as at the end of March, which remained flat on a year-on-year basis. The average price for the first quarter was RMB742 per tonne, representing a year-on-year increase of RMB147 per tonne and a quarter-on-quarter decrease of RMB44 per tonne as compared with the fourth quarter of the last year.

Economic growth in 2022 will support a slight increase in coal consumption. The supply assurance measures implemented since the fourth quarter of 2021 have increased effective production capacity and increased coal supply capacity year on year. Under regulatory guidance, coal supply and demand will gradually break away from the tight dilemma and move towards a general balance. Coal prices are expected to fluctuate within a reasonable range.

Note: This section is for reference only and does not constitute any investment advice. The information in this section was derived from sources such as the National Bureau of Statistics, China Coal Market Network, China Coal Resource Network and China Electricity Council, etc. The Company has used its best endeavours to ensure the accuracy and reliability of information, but does not assume any liability or provide any form of guarantee for the accuracy, completeness or validity of all or part of its content. If there is any error or omission, the Company does not assume any liability.

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

	2022 <i>RMB million</i> (unaudited)	2021 <i>RMB million</i> (unaudited)
Revenue		
Goods and services	83,902	67,608
Cost of sales	(54,201)	(48,435)
Gross profit	29,701	19,173
Selling expenses	(146)	(147)
General and administrative expenses	(1,926)	(1,666)
Research and development costs	(335)	(144)
Other gains and losses	303	42
Other income	214	124
Loss allowances, net of reversal	20	4
Other expenses	(84)	(78)
Interest income	595	561
Finance costs	(611)	(566)
Share of results of associates	860	766
Profit before income tax	28,591	18,069
Income tax expense	(5,083)	(3,608)
Profit for the period	23,508	14,461

	2022 <i>RMB million</i> (unaudited)	2021 <i>RMB million</i> (unaudited)
Other comprehensive income for the period		
<i>Item that will not be reclassified to profit or loss, net of income tax:</i>		
Share of other comprehensive income of associates	326	–
<i>Item that may be reclassified subsequently to profit or loss, net of income tax:</i>		
Exchange differences	26	142
Share of other comprehensive income of associates	(25)	1
Other comprehensive income for the period, net of income tax	327	143
Total comprehensive income for the period	<u>23,835</u>	<u>14,604</u>
Profit for the period attributable to:		
Equity holders of the Company	19,796	11,864
Non-controlling interests	3,712	2,597
	<u>23,508</u>	<u>14,461</u>
Total comprehensive income for the period attributable to:		
Equity holders of the Company	20,123	11,990
Non-controlling interests	3,712	2,614
	<u>23,835</u>	<u>14,604</u>
Earnings per share		
– Basic (RMB)	<u>0.996</u>	<u>0.597</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2022

	31 March 2022 <i>RMB million</i> (unaudited)	31 December 2021 <i>RMB million</i> (restated, unaudited)
Non-current assets		
Property, plant and equipment	259,158	263,431
Construction in progress	27,761	26,201
Exploration and evaluation assets	4,000	4,000
Intangible assets	4,589	4,651
Right-of-use assets	21,945	22,240
Interests in associates	48,835	47,708
Financial assets at fair value through other comprehensive income	2,174	2,174
Other non-current assets	28,081	28,089
Deferred tax assets	4,194	3,568
	400,737	402,062
Total non-current assets		
Current assets		
Inventories	12,063	12,633
Accounts and bills receivables	15,802	13,607
Financial assets at fair value through other comprehensive income	204	376
Prepaid expenses and other current assets	18,815	18,514
Restricted bank deposits	5,875	4,479
Time deposits with original maturity over three months	7,962	1,701
Cash and cash equivalents	170,227	156,706
Assets held for sale	303	294
	231,251	208,310
Total current assets		

	31 March 2022	31 December 2021
	<i>RMB million</i>	<i>RMB million</i>
	(unaudited)	(restated, unaudited)
Current liabilities		
Borrowings	8,871	9,917
Accounts and bills payables	30,810	35,216
Accrued expenses and other payables	30,446	29,109
Current portion of lease liabilities	173	187
Current portion of long-term liabilities	1,140	1,427
Income tax payable	9,847	9,028
Contract liabilities	8,581	6,864
	<hr/>	<hr/>
Total current liabilities	89,868	91,748
	<hr/>	<hr/>
Net current assets	141,383	116,562
	<hr/>	<hr/>
Total assets less current liabilities	542,120	518,624
	<hr/>	<hr/>
Non-current liabilities		
Borrowings	48,865	49,193
Bonds	3,172	3,172
Lease liabilities	1,381	1,510
Long-term liabilities	7,810	8,025
Accrued reclamation obligations	6,930	6,754
Deferred tax liabilities	1,025	974
	<hr/>	<hr/>
Total non-current liabilities	69,183	69,628
	<hr/>	<hr/>
Net assets	472,937	448,996
	<hr/> <hr/>	<hr/> <hr/>
Equity		
Share capital	19,869	19,869
Reserves	380,255	359,984
	<hr/>	<hr/>
Equity attributable to equity holders of the Company	400,124	379,853
Non-controlling interests	72,813	69,143
	<hr/>	<hr/>
Total equity	472,937	448,996
	<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March

	2022	2021
	<i>RMB million</i>	<i>RMB million</i>
	(unaudited)	(unaudited)
Operating activities		
Cash generated from operations	35,294	24,958
Income taxes paid	(6,858)	(5,344)
Net cash generated from operating activities	28,436	19,614
Investing activities		
Acquisition of property, plant and equipment, intangible assets, exploration and evaluation assets, additions to construction in progress and other non-current assets	(5,762)	(8,229)
Increase in land lease prepayments	(115)	(51)
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets	762	83
Investments in associates	(87)	(258)
Dividend received from associates	147	20
Interest received	319	401
(Increase)/decrease in restricted bank deposits	(1,397)	2,803
Placing of time deposits with original maturity over three months	(7,047)	(313)
Maturity of time deposits with original maturity over three months	786	1,935
Collection of entrusted loans	8	394
Net cash received from disposal of subsidiaries and other business units	–	4,053
Net cash (used in)/generated from investing activities	(12,386)	838

	2022 <i>RMB million</i> (unaudited)	2021 <i>RMB million</i> (unaudited)
Financing activities		
Capital element of lease rentals paid	(122)	(67)
Interest element of lease rentals paid	(7)	(10)
Interest paid	(734)	(68)
Proceeds from borrowings	5,104	3,952
Repayments of borrowings	(6,568)	(5,248)
Contributions from non-controlling shareholders	–	125
Distribution to non-controlling shareholders	(142)	(751)
Net cash used in financing activities	(2,469)	(2,067)
Net increase in cash and cash equivalents	13,581	18,385
Cash and cash equivalents as at the beginning of the period	156,706	112,880
Effect of foreign exchange rate changes	(60)	448
Cash and cash equivalents as at the end of the period	170,227	131,713

V. DEFINITIONS

China Shenhua/ the Company	China Shenhua Energy Company Limited
The Group	The Company and its subsidiaries
China Energy	China Energy Investment Corporation Limited
Trading Group	China Energy Trading Group Limited
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 2022

By order of the board
China Shenhua Energy Company Limited
Huang Qing
Secretary to the Board of Directors

Beijing, 27 April 2022

As at the date of this announcement, the Board comprises the following: Mr. Wang Xiangxi 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 Mr. Wang Xingzhong as employee director.