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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 2023**

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 2023 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.
- 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: No

## I. MAJOR FINANCIAL INDICATORS

### (I) Major accounting data and financial indicators

*Unit: RMB million*

Item	The Reporting Period	The same period last year		Change (After restatement) %
		(Before restatement)	(After restatement)	
Revenue	87,042	83,902	83,902	3.7
Profit for the period attributable to equity holders of the Company	20,677	19,796	19,821	4.3
Net cash generated from operating activities	29,203	28,436	28,436	2.7
Basic earnings per share (RMB/share)	1.041	0.996	0.998	4.3
	As at the end of the Reporting Period	As at the end of last year (Before restatement)	(After restatement)	Change (After restatement) %
Total assets	647,462	625,178	625,320	3.5
Equity attributable to equity holders of the Company	418,367	396,937	396,983	5.4

Reasons for retrospective adjustments: With the application of Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction” by the Group from 1 January 2023, the accounting treatments of initial recognition exemption on deferred tax no longer apply to the taxable temporary differences and deductible temporary differences arising from assets and liabilities recognised in a single transaction to which this provision applies. According to IAS 12 “Income Taxes”, corresponding deferred tax assets and liabilities shall be recognized respectively at the time of the transaction. Meanwhile, for the deferred tax related to liabilities and assets arising from a single transaction between the beginning of the earliest period presented in the financial statements in which the Group first applied the above amendments and the effective date, the Group shall make retrospective adjustments. For details, please refer to Inside Information Announcement – Changes in Accounting Policies simultaneously disclosed with this report.

## (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 2023	January to March 2022 (Restated)	As at 31 March 2023	As at 31 December 2022 (Restated)
Under China Accounting Standards for Business Enterprises	<b>18,612</b>	18,982	<b>415,380</b>	393,900
Adjustment:				
Simple production maintenance, production safety and other related expenditures	<b>2,065</b>	839	<b>2,987</b>	3,083
Under International Financial Reporting Standards	<b>20,677</b>	19,821	<b>418,367</b>	396,983

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) 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 2023	January to March 2022 (Restated)	Change %	Main reasons for changes
1	Revenue	87,042	83,902	3.7	Increase in power output dispatch, resulting in increase in income of power output dispatch
2	Cost of sales	(57,756)	(54,201)	6.6	Increase in repairs and maintenance, and personnel expenses
3	General and administrative expenses	(2,132)	(1,926)	10.7	Increase in personnel expenses and other items
4	Share of results of associates	550	860	(36.0)	Decrease in the investment gains recognised for associates of power generation
5	Income tax expense	(3,809)	(5,047)	(24.5)	Higher profit before income tax and average income tax rate of the Group for the same period last year

*Unit: RMB million*

No.	Items of consolidated statement of financial position	As at 31 March 2023	As at 31 December 2022	Change %	Main reasons for changes
1	Construction in progress	<b>23,019</b>	20,843	10.4	Continuing investment in power generation projects under construction
2	Inventories	<b>13,408</b>	12,096	10.8	Increase in the inventory of coal
3	Accounts and bills receivables	<b>15,911</b>	12,100	31.5	Increase in electricity sales receivables
4	Financial assets at fair value through other comprehensive income	<b>161</b>	502	(67.9)	Decrease in bank acceptances proposed to be used for discounting or endorsement
5	Prepaid expenses and other current assets	<b>17,523</b>	15,849	10.6	Increase in prepayments for equipment procurement
6	Restricted bank deposits	<b>7,850</b>	6,357	23.5	Increase in the balance of special account of mine geographical environment governance and restoration fund
7	Cash and cash equivalents	<b>147,054</b>	131,458	11.9	Net cash generated from operating activities during the Reporting Period
8	Income tax payable	<b>4,667</b>	5,510	(15.3)	Income tax at the end of the previous year paid during the Reporting Period
9	Short-term borrowings	<b>10,754</b>	12,630	(14.9)	More repayments of short-term borrowings and long-term borrowings due within one year during the Reporting Period
10	Accounts and bills payables	<b>34,559</b>	38,972	(11.3)	Decrease in project funds payable and others
11	Accrued expenses and other payables	<b>38,340</b>	34,724	10.4	Increase in accrued repair expenses, the payroll payable and other items

*Unit: RMB million*

No.	Items of consolidated statement of cash flows	January to March 2023	January to March 2022	Change %	Main reasons for changes
1	Net cash generated from operating activities	<b>29,203</b>	28,436	2.7	Revenue growth
2	Net cash used in investing activities	<b>(11,140)</b>	(12,386)	(10.1)	More withdrawal of matured time deposits during the Reporting Period
3	Net cash used in financing activities	<b>(2,443)</b>	(2,469)	(1.1)	-

## II. SHAREHOLDER INFORMATION

Table of the total number of shareholders of ordinary shares, 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> )	183,250
Including: Holders of A shares (including China Energy) ( <i>accounts</i> )	181,353
Registered holders of H shares ( <i>accounts</i> )	1,897

*Unit: shares*

### Shareholdings of top 10 shareholders

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	3,368,629,646	16.95	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	222,853,462	1.12	0	Nil	N/A
Central Huijin Asset Management Ltd.	State-owned corporation	106,077,400	0.53	0	Nil	N/A
China Life Insurance Company Limited — Dividend Distribution — Individual Dividend — 005L — FH002 Hu	Others	73,606,758	0.37	0	Nil	N/A
National Social Security Fund 101 portfolio	Others	30,126,155	0.15	0	Nil	N/A
Huaxia Life Insurance Co., Ltd. — Self-owned Funds	Others	29,094,126	0.15	0	Nil	N/A
Industrial and Commercial Bank of China — SSE 50 Trading Index Securities Investment Open-ended Fund	Others	25,959,864	0.13	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

## 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	3,368,629,646	Overseas-listed foreign shares	3,368,629,646
China Securities Finance Corporation Limited	594,718,004	RMB ordinary shares	594,718,004
Hong Kong Securities Clearing Company Limited	222,853,462	RMB ordinary shares	222,853,462
Central Huijin Asset Management Ltd.	106,077,400	RMB ordinary shares	106,077,400
China Life Insurance Company Limited — Dividend Distribution — Individual Dividend — 005L — FH002 Hu	73,606,758	RMB ordinary shares	73,606,758
National Social Security Fund 101 portfolio	30,126,155	RMB ordinary shares	30,126,155
Huaxia Life Insurance Co., Ltd. – Self-owned Funds	29,094,126	RMB ordinary shares	29,094,126
Industrial and Commercial Bank of China – SSE 50 Trading Index Securities Investment Open-ended Fund	25,959,864	RMB ordinary shares	25,959,864
Zhuhai Ruifeng Huibang Asset Management Co., Ltd. – Ruifeng Huibang No. 3 Private Equity Investment Fund	22,233,848	RMB ordinary shares	22,233,848

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 ISSUES

#### (I) Major operational data

Operational indicators	Unit	January to March 2023	January to March 2022	Change %
<b>(I) Coal</b>				
1. Commercial coal production	Million tonnes	<b>80.1</b>	80.8	(0.9)
2. Coal sales	Million tonnes	<b>107.6</b>	105.7	1.8
Of which: Self-produced coal	Million tonnes	<b>79.4</b>	80.0	(0.8)
Purchased coal	Million tonnes	<b>28.2</b>	25.7	9.7
<b>(II) Transportation</b>				
1. Transportation turnover of self-owned railways	Billion tonne km	<b>74.5</b>	72.7	2.5
2. Loading volume at Huanghua Port	Million tonnes	<b>48.9</b>	51.9	(5.8)
3. Loading volume at Tianjin Coal Dock	Million tonnes	<b>11.2</b>	9.7	15.5
4. Shipment volume	Million tonnes	<b>34.1</b>	30.7	11.1
5. Shipment turnover	Billion tonne nautical miles	<b>35.2</b>	29.8	18.1
<b>(III) Power</b>				
1. Gross power generation	Billion kWh	<b>51.71</b>	46.75	10.6
2. Total power output dispatch	Billion kWh	<b>48.75</b>	43.99	10.8
<b>(IV) Coal chemical</b>				
1. Polyethylene sales	Thousand tonnes	<b>91.1</b>	90.8	0.3
2. Polypropylene sales	Thousand tonnes	<b>86.1</b>	86.7	(0.7)

## (II) Operation of the coal segment

### 1. Coal sales

#### (1) By contract pricing mechanisms

	January to March 2023			January to March 2022			Change	
	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) %
<b>I. Sales through Trading Group</b>	<b>101.3</b>	<b>94.1</b>	<b>638</b>	100.6	95.2	640	0.7	(0.3)
1. Annual long-term contracts	61.9	57.5	497	54.4	51.5	516	13.8	(3.7)
2. Monthly long-term contracts	31.1	28.9	891	37.1	35.1	787	(16.2)	13.2
3. Spot commodity	8.3	7.7	739	9.1	8.6	773	(8.8)	(4.4)
<b>II. Direct sales by coal mines</b>	<b>6.3</b>	<b>5.9</b>	<b>355</b>	5.1	4.8	319	23.5	11.3
<b>Total sales volume/average price (exclusive of tax)</b>	<b>107.6</b>	<b>100.0</b>	<b>621</b>	105.7	100.0	624	1.8	(0.5)

Notes: 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 2023			January to March 2022			Change	
	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) %
<b>I. Domestic sales</b>	<b>105.9</b>	<b>98.4</b>	<b>615</b>	104.9	99.2	621	1.0	(1.0)
(I) Self-produced coal and purchased coal	102.1	94.9	611	99.9	94.5	611	2.2	0.0
1. Direct arrival	50.8	47.2	463	46.5	44.0	469	9.2	(1.3)
2. Seaborne	51.3	47.7	758	53.4	50.5	735	(3.9)	3.1
(II) Sales of domestic trading coal	2.4	2.2	631	3.6	3.4	783	(33.3)	(19.4)
(III) Sales of imported coal	1.4	1.3	875	1.4	1.3	876	0.0	(0.1)
<b>II. Export sales</b>	<b>0.0</b>	<b>0.0</b>	<b>/</b>	0.3	0.3	1,021	(100.0)	/
<b>III. Overseas sales</b>	<b>1.7</b>	<b>1.6</b>	<b>967</b>	0.5	0.5	1,188	240.0	(18.6)
<b>Total sales volume/average price (exclusive of tax)</b>	<b>107.6</b>	<b>100.0</b>	<b>621</b>	105.7	100.0	624	1.8	(0.5)

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

		<b>January to March 2023</b>	January to March 2022	Change %	Main reasons for changes
Revenue	RMB million	<b>68,925</b>	67,854	1.6	Increase in the sales volume of coal
Cost of sales	RMB million	<b>(48,131)</b>	(47,641)	1.0	
Gross profit	RMB million	<b>20,794</b>	20,213	2.9	Increase in costs of raw materials, purchased coal and others
Gross profit margin	%	<b>30.2</b>	29.8	Increased by 0.4 percentage points	
Profit before income tax	RMB million	<b>19,422</b>	19,396	0.1	

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

Types of source of coal	January to March 2023			Gross profit margin %
	Sales revenue <i>RMB million</i>	Cost of sales <i>RMB million</i>	Gross profit <i>RMB million</i>	
Self-produced coal	45,444	(20,983)	24,461	53.8
Purchased coal	<u>21,362</u>	<u>(21,072)</u>	<u>290</u>	<u>1.4</u>
Total	<u><u>66,806</u></u>	<u><u>(42,055)</u></u>	<u><u>24,751</u></u>	<u><u>37.0</u></u>

The coal purchased from third parties 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 2023	January to March 2022	Change %	Main reasons for changes
Unit production cost of self-produced coal	<b>144.4</b>	141.5	2.0	
Raw materials, fuel and power	<b>30.2</b>	27.1	11.4	Increase in material expenses and others
Personnel expenses	<b>28.6</b>	27.4	4.4	
Repairs and maintenance	<b>8.7</b>	9.2	(5.4)	Mainly affected by maintenance plan
Depreciation and amortisation	<b>20.5</b>	21.4	(4.2)	
Others	<b>56.4</b>	56.4	0.0	

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 65%; (2) auxiliary production expenses, accounting for approximately 23%; (3) land requisition and surface subsidence compensation, environmental protection expenses, tax, etc., accounting for approximately 12%.

### (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>hour</i>			Power tariff <i>RMB/MWh</i>		
	January to March 2023	January to March 2022	Change %	January to March 2023	January to March 2022	Change %	January to March 2023	January to March 2022	Change %	January to March 2023	January to March 2022	Change %
	<b>Domestic</b>	<b>51.35</b>	46.38	10.7	<b>48.44</b>	43.67	10.9	<b>1,283</b>	1,234	4.0	<b>419</b>	410
Coal-fired power	<b>50.30</b>	45.30	11.0	<b>47.42</b>	42.62	11.3	<b>1,294</b>	1,240	4.4	<b>416</b>	406	2.5
Gas-fired power	<b>0.95</b>	0.99	(4.0)	<b>0.92</b>	0.97	(5.2)	<b>995</b>	1,043	(4.6)	<b>581</b>	583	(0.3)
Hydropower	<b>0.08</b>	0.09	(11.1)	<b>0.08</b>	0.08	0.0	<b>620</b>	683	(9.2)	<b>301</b>	302	(0.3)
Photovoltaic power	<b>0.02</b>	/	/	<b>0.02</b>	/	/	<b>228</b>	/	/	<b>430</b>	/	/
<b>Overseas</b>	<b>0.36</b>	0.37	(2.7)	<b>0.31</b>	0.32	(3.1)	<b>1,209</b>	1,238	(2.3)	<b>562</b>	504	11.5
Coal-fired power	<b>0.36</b>	0.37	(2.7)	<b>0.31</b>	0.32	(3.1)	<b>1,209</b>	1,238	(2.3)	<b>562</b>	504	11.5
<b>Total/Weighted average</b>	<b>51.71</b>	46.75	10.6	<b>48.75</b>	43.99	10.8	<b>1,283</b>	1,234	4.0	<b>420</b>	411	2.2

#### 2. Installed power generators

At the end of the Reporting Period, the total installed capacity of power generating units of the Group reached 40,315 MW, among which, the installed capacity of the coal-fired power generators is 39,164 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 76 MW. During the Reporting Period, the total installed capacity of photovoltaic power in external commercial operation newly added in Guangdong Province and Fujian Province is 14 MW.

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

		January to March 2023	January to March 2022	Change %	Main reasons for changes
Revenue	RMB million	<b>22,873</b>	20,443	11.9	Increase in power output dispatch and average power tariff Increase in power output dispatch; increase in personnel expenses
Cost of sales	RMB million	<b>(19,255)</b>	(17,402)	10.6	
Gross profit	RMB million	<b>3,618</b>	3,041	19.0	
Gross profit margin	%	<b>15.8</b>	14.9	Increased by 0.9 percentage points	
Profit before income tax	RMB million	<b>3,060</b>	2,561	19.5	

From January to March 2023, the Group's average cost of power output dispatch of the power business was RMB372.4/MWh (for the same period in 2022: RMB371.9/MWh), representing a year-on-year increase of 0.1%.

**(IV) Major operation of transportation and coal chemical segments (before elimination on consolidation)**

*Unit: RMB million*

	Railway			Port			Shipping			Coal chemical		
	January to March 2023	January to March 2022	Change %	January to March 2023	January to March 2022	Change %	January to March 2023	January to March 2022	Change %	January to March 2023	January to March 2022	Change %
Revenue	11,109	10,342	7.4	1,608	1,636	(1.7)	1,130	1,433	(21.1)	1,522	1,650	(7.8)
Cost of sales	(7,077)	(5,297)	33.6	(923)	(847)	9.0	(1,027)	(1,055)	(2.7)	(1,445)	(1,363)	6.0
Gross profit	4,032	5,045	(20.1)	685	789	(13.2)	103	378	(72.8)	77	287	(73.2)
Gross profit margin (%)	36.3	48.8	Decreased by 12.5 percentage points	42.6	48.2	Decreased by 5.6 percentage points	9.1	26.4	Decreased by 17.3 percentage points	5.1	17.4	Decreased by 12.3 percentage points
Profit before income tax	3,342	4,401	(24.1)	578	698	(17.2)	46	348	(86.8)	21	222	(90.5)

From January to March 2023, the year-on-year decrease in gross profit of the railway segment was mainly due to the increase in repairs and maintenance, personnel expenses and other costs; the year-on-year decrease in gross profit of the port segment was mainly due to the decrease in loading volume of vessels at the ports and the increase in raw materials and personnel expenses; the year-on-year decrease in gross profit of the shipping segment was mainly due to the decrease in average shipping price; and the year-on-year decrease in gross profit of the coal chemical segment was mainly due to the decrease in average sales price of polyolefin products.

## (V) Industry environment

During the first quarter of 2023, the domestic demand for production increased stably, employment and commodity price remained stable. Market expectation experienced a significant improvement, presenting a good start for economic development. The gross domestic product (GDP) increased by 4.5% year-on-year and 2.2% quarter-on-quarter during the first quarter.

The domestic coal industry was on track and in stable operation. The national raw coal production volume reached 1,150 million tonnes in the first quarter, representing an increase of 5.5% year-on-year, with accumulated import volume of coal amounting to 101.8 million tonnes, representing an increase of 96.1% year-on-year. The power generation of sizable thermal power plants nationwide increased by 1.7% year-on-year. The average price of medium and long-term contracts for 5,500K(5,500 大卡)remained stable at approximately RMB726/tonne as shown in the NCEI (國煤下水動力煤價格指數).

In 2023, the economic growth will boost the demand for coal and coal consumption is expected to maintain an appropriate growth. The effect of policy of increasing production of coal to ensure supply continues to release, and the coal production is anticipated to increase, representing a year-on-year moderation. The coal import is expected to experience an increase. Generally, the supply and demand relationship in coal market in 2023 is expected to remain in balance. As affected by seasonal fluctuations, emergencies and other factors, tight supply may occur in some areas and during some periods.

*Note:* The contents of the industry environment are for reference only and do not constitute any investment advice. The information on the industry environment 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*

	<b>2023</b> <i>RMB million</i> <b>(unaudited)</b>	2022 <i>RMB million</i> (unaudited) (Restated)
<b>Revenue</b>		
Goods and services	<b>87,042</b>	83,902
Cost of sales	<b>(57,756)</b>	(54,201)
	<hr/>	<hr/>
<b>Gross profit</b>	<b>29,286</b>	29,701
Selling expenses	<b>(99)</b>	(146)
General and administrative expenses	<b>(2,132)</b>	(1,926)
Research and development costs	<b>(242)</b>	(335)
Other gains and losses	<b>14</b>	303
Loss allowances	<b>(7)</b>	20
Other income	<b>130</b>	214
Other expenses	<b>(65)</b>	(84)
Interest income	<b>639</b>	595
Finance costs	<b>(679)</b>	(611)
Share of results of associates	<b>550</b>	860
	<hr/>	<hr/>
<b>Profit before income tax</b>	<b>27,395</b>	28,591
Income tax expense	<b>(3,809)</b>	(5,047)
	<hr/>	<hr/>
<b>Profit for the period</b>	<b>23,586</b>	23,544
	<hr/> <hr/>	<hr/> <hr/>

	2023 <i>RMB million</i> (unaudited)	2022 <i>RMB million</i> (unaudited) (Restated)
<b>Other comprehensive income for the period</b>		
<i>Item that will not be reclassified subsequently to profit or loss, net of income tax:</i>		
Share of other comprehensive income of associates	<u>160</u>	<u>326</u>
<i>Item that may be reclassified subsequently to profit or loss, net of income tax:</i>		
Exchange differences	(123)	26
Share of other comprehensive income of associates	(7)	(25)
	<u>          </u>	<u>          </u>
<b>Other comprehensive income for the period, net of income tax</b>	<u>30</u>	<u>327</u>
<b>Total comprehensive income for the period</b>	<u><b>23,616</b></u>	<u><b>23,871</b></u>
<b>Profit for the period attributable to:</b>		
Equity holders of the Company	20,677	19,821
Non-controlling interests	<u>2,909</u>	<u>3,723</u>
	<u><b>23,586</b></u>	<u>23,544</u>
<b>Total comprehensive income for the period attributable to:</b>		
Equity holders of the Company	20,738	20,148
Non-controlling interests	<u>2,878</u>	<u>3,723</u>
	<u><b>23,616</b></u>	<u>23,871</u>
<b>Earnings per share</b>		
– Basic ( <i>RMB</i> )	<u><b>1.041</b></u>	<u>0.998</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March 2023*

	As at <b>31 March 2023</b> <i>RMB million</i> (unaudited)	As at 31 December 2022 <i>RMB million</i> (unaudited) (Restated)
<b>Non-current assets</b>		
Property, plant and equipment	270,317	274,103
Construction in progress	23,019	20,843
Exploration and evaluation assets	5,218	5,218
Intangible assets	3,998	4,059
Right-of-use assets	23,954	24,023
Interests in associates	52,347	49,714
Financial assets at fair value through other comprehensive income	2,386	2,386
Other non-current assets	28,332	28,905
Deferred tax assets	5,122	5,019
	<b>414,693</b>	414,270
<b>Current assets</b>		
Inventories	13,408	12,096
Accounts and bills receivables	15,911	12,100
Financial assets at fair value through other comprehensive income	161	502
Prepaid expenses and other current assets	17,523	15,849
Restricted bank deposits	7,850	6,357
Time deposits with original maturity over three months	30,862	32,688
Cash and cash equivalents	147,054	131,458
	<b>232,769</b>	211,050

	As at <b>31 March</b> <b>2023</b> <i>RMB million</i> <b>(unaudited)</b>	As at 31 December 2022 <i>RMB million</i> (unaudited) (Restated)
<b>Current liabilities</b>		
Borrowings	10,754	12,630
Accounts and bills payables	34,559	38,972
Accrued expenses and other payables	38,340	34,724
Current portion of lease liabilities	307	297
Current portion of long-term liabilities	827	674
Income tax payable	4,667	5,510
Contract liabilities	6,397	5,597
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b>95,851</b>	98,404
	<hr/>	<hr/>
<b>Net current assets</b>	<b>136,918</b>	112,646
	<hr/>	<hr/>
<b>Total assets less current liabilities</b>	<b>551,611</b>	526,916
	<hr/>	<hr/>
<b>Non-current liabilities</b>		
Borrowings	38,612	38,438
Bonds	3,310	3,453
Lease liabilities	1,342	1,445
Long-term liabilities	10,180	10,613
Accrued reclamation obligations	8,997	9,005
Deferred tax liabilities	1,164	1,166
Other non-current liabilities	973	–
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>64,578</b>	64,120
	<hr/>	<hr/>
<b>Net assets</b>	<b>487,033</b>	462,796
	<hr/> <hr/>	<hr/> <hr/>
<b>Equity</b>		
Share capital	19,869	19,869
Reserves	398,498	377,114
	<hr/>	<hr/>
Equity attributable to equity holders of the Company	418,367	396,983
Non-controlling interests	68,666	65,813
	<hr/>	<hr/>
<b>Total equity</b>	<b>487,033</b>	462,796
	<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF CASH FLOWS

*For the three months ended 31 March*

	<b>2023</b>	<b>2022</b>
	<b><i>RMB million</i></b>	<b><i>RMB million</i></b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Operating activities</b>		
Cash generated from operations	33,958	35,294
Income taxes paid	<u>(4,755)</u>	<u>(6,858)</u>
<b>Net cash generated from operating activities</b>	<u>29,203</u>	<u>28,436</u>
<b>Investing activities</b>		
Acquisition of property, plant and equipment, intangible assets, exploration and evaluation assets, additions to construction in progress and other non-current assets	(10,435)	(5,762)
Increase in right-of-use assets	(381)	(115)
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets	468	762
Investments in associates	(2,151)	(87)
Dividend received from associates	360	147
Interest received	666	319
Increase in restricted bank deposits	(1,493)	(1,397)
Placing of time deposits with original maturity over three months	(1,072)	(7,047)
Maturity of time deposits with original maturity over three months	2,898	786
Collection of entrusted loans	<u>-</u>	<u>8</u>
<b>Net cash used in investing activities</b>	<u>(11,140)</u>	<u>(12,386)</u>
<b>Financing activities</b>		
Capital element of lease rentals paid	(61)	(122)
Interest element of lease rentals paid	(11)	(7)
Interest paid	(546)	(734)
Proceeds from borrowings	9,063	5,104
Repayments of borrowings	(10,847)	(6,568)
Repurchase of bonds	(144)	-
Contributions from non-controlling shareholders	150	-
Distribution to non-controlling shareholders	<u>(47)</u>	<u>(142)</u>
<b>Net cash used in financing activities</b>	<u>(2,443)</u>	<u>(2,469)</u>
<b>Net increase in cash and cash equivalents</b>	<b>15,620</b>	<b>13,581</b>
Cash and cash equivalents as at the beginning of the period	131,458	156,706
Effect of foreign exchange rate changes	<u>(25)</u>	<u>(60)</u>
<b>Cash and cash equivalents as at the end of the period</b>	<u><b>147,053</b></u>	<u><b>170,227</b></u>

## 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 2023

By order of the board

**China Shenhua Energy Company Limited**

**Song Jinggang**

*Chief Financial Officer and Secretary to the Board of Directors*

Beijing, 28 April 2023

*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.*