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# **中国神华能源股份有限公司**

## **CHINA SHENHUA ENERGY COMPANY LIMITED**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 01088)**

### **VOLUNTARY ANNOUNCEMENT**

### **ANNOUNCEMENT ON LAUNCHING THE “IMPROVING QUALITY, ENHANCING EFFICIENCY, AND INCREASING RETURNS” INITIATIVE**

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

In recent years, with the strong support of various stakeholders, the Company has actively implemented the “Opinions on Further Improving the Quality of Listed Companies” issued by the State Council and the work requirements of the State-owned Assets Supervision and Administration Commission of the State Council and the China Securities Regulatory Commission. Focusing on its main businesses and striving for progress while maintaining stability, the Company has increased its dividend payout ratio, actively rewarded its shareholders, achieved effective corporate governance, efficient business operations, and sound operation and management. As a result, its fundamentals have continued to improve, its market value has steadily increased, and it has made significant contributions to both ensuring energy supply and supporting the stock index.

2024 marks the 20th anniversary of China Shenhua’s establishment. China Shenhua will actively implement the requirements of building “a powerful nation in energy” and “a powerful nation in finance”. With the support of the controlling shareholder of the Company, China Energy Investment Corporation Limited, the Company will focus on improving development quality and operational efficiency, uphold its consistent philosophy of actively rewarding shareholders, and push forward the “Improving Quality, Enhancing Efficiency, and Increasing Returns” initiative to achieve concrete results.

## **I. SUSTAINED EFFORTS TO STRENGTHEN THE FOUNDATION AND FULLY ENSURE THE ACHIEVEMENT OF ANNUAL PRODUCTION AND OPERATION TARGETS**

China Shenhua will continue to adhere to the principle of striving for progress while maintaining stability and promoting stability through progress. It will focus on work from seven aspects, including ensuring energy security and supply, promoting integrated and coordinated development, facilitating green and low-carbon transformation, strengthening research on key technologies, improving the quality and efficiency of capital operations, enhancing the quality as a listed company, and strengthening the ability of Party building in leading and safeguarding the Company, so as to promote the deepening of high-quality development and the implementation of such development.

In accordance with the principles of compliance with regulatory requirements and ensuring safe production, as well as the matching criteria for business statistics and financial accounting, for the year 2024, the planned commercial coal production of China Shenhua is expected to be 316.1 million tonnes, the planned coal sales volume is expected to be 435.3 million tonnes, the planned power generation is expected to be 216.3 billion kWh, and the planned capital expenditure (excluding equity investment) is expected to be RMB36.8 billion, of which RMB9.8 billion for coal business, RMB17.2 billion for power generation business, RMB6.8 billion for transportation business, RMB2.4 billion for coal chemical business and RMB0.6 billion for others.

## **II. FIRM POLICIES AND REWARDING SHAREHOLDERS TO ACHIEVE SHARED DEVELOPMENT RESULTS BETWEEN THE COMPANY AND INVESTORS**

China Shenhua attaches great importance to reasonable investment returns for investors and prioritises cash dividend profit distribution. It maintains the continuity and stability of its profit distribution policy. The Company has actively responded to shareholders' opinions and requests, formulated investor return plans twice in succession, and steadily increased its cash dividend payout ratio. From 2019 to 2021, the cash dividend payout ratio of the plan was not less than 50% of the net profit attributable to shareholders of the Company in the corresponding year, and from 2022 to 2024, the cash dividend payout ratio of the plan shall be increased to not less than 60%. From 2020 to 2022, the Company's actual cash dividend payout ratio exceeded its commitments. Since its listing, the cumulative amount of cash dividends paid by the Company has exceeded RMB402.1 billion.

The Company will uphold its consistent policy of actively rewarding shareholders and fully consider factors such as its development stage, operating efficiency, capital expenditure plans, and cash flow status. It will balance short-term and long-term interests and insist on providing sustainable and relatively stable cash dividends to investors, bringing them long-term investment returns.

### **III. IMPROVING THE SYSTEM, STRENGTHENING MANAGEMENT, AND ESTABLISHING AND IMPROVING THE MARKET VALUE MANAGEMENT SYSTEM WITH CHINA SHENHUA’S CHARACTERISTICS**

China Shenhua will actively implement the requirements for strengthening the market value management and evaluation of listed companies. Adhering to the concept of “governance, trust, sincerity, and win-win”, and following the principle of “promoting the unity of intrinsic value and market value”, the Company will focus on three important aspects: “value creation, value management, and value transmission”. It will implement management strategies such as “compliance bottom line, active returns, high-quality development, and long-term win-win”. Through specialised working groups organising multiple safeguard measures, the Company will systematically carry out market value management, fully leverage the role of market in price discovery and resource allocation, promote the Company’s sustainable development, and help fully realise the Company’s value and shareholders’ interests in the capital market.

### **IV. STAYING TRUE TO OUR ORIGINAL ASPIRATION AND CONTINUOUSLY IMPROVING TO BUILD A WORLD-CLASS COMPREHENSIVE ENERGY LISTED COMPANY**

China Shenhua will continue to actively implement the requirements of the quality improvement initiative for listed companies, continuously promote the standardised and efficient performance of governance duties by various governance entities, improve the ESG governance system and operational mechanism, optimise lean capital management, strengthen compliance management and risk control, promote shareholding increases and asset injections by the controlling shareholder, actively disclose information in compliance with regulations, and carry out a series of activities under the theme of “Two-way Efforts: Investor-Oriented and Partnering with China Shenhua”. The Company will respond promptly to investors’ concerns and strive to build a world-class comprehensive energy listed company that is “trusted by regulators, recognised by the market, and backed by shareholders”.

By order of the Board

**China Shenhua Energy Company Limited**

**Song Jinggang**

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

Beijing, 1 March 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.*