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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)

INSIDE INFORMATION
ANNOUNCEMENT REGARDING SHAREHOLDER RETURN PLAN
FOR 2022–2024

This announcement is made pursuant to Rule 13.09(2) 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 (Chapter 571 of the Laws of Hong Kong).

In order to actively reward investors and share the development achievement of the Company with the Shareholders, pursuant to the relevant laws, regulations and normative documents including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Notice on Further Implementation of Issues in relation to Cash Dividends Distribution of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) (Zheng Jian Fa [2012] No.37) and the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (Revised in 2022) (《上市公司監管指引第3號—上市公司現金分紅(2022年修訂)》) by the China Securities Regulatory Commission and the requirements under the Articles of Association, China Shenhua Energy Company Limited (the “**Company**”) formulated a shareholder return plan for 2022–2024. The Shareholder Return Plan is subject to the approval of the general meeting of the Company by way of special resolution.

I. PROVISIONS REGARDING CASH DIVIDEND PERCENTAGE IN ARTICLES OF ASSOCIATION

Pursuant to Article 200 and Article 209 of the Article of Association, in the absence of any special circumstances that may have material adverse effect on the normal operation of the Company as determined by the board of directors, if the Company's profit for the year and accumulated undistributed profit are positive, distribution of dividends shall be made by way of cash. The profit distribution of the Company shall be made based on the net profit for the year attributable to the shareholders of the Company in the consolidated financial statements prepared under the China Accounting Standards for Business Enterprises or the International Financial Reporting Standards, whichever is lower. Profit distribution in the form of cash dividends per annum shall be no less than 35% of the net profit attributable to the shareholders of the Company.

II. SHAREHOLDER RETURN PLAN FOR 2022–2024

On 29 May 2020, the proposal regarding the increase of cash dividend percentage of the Company for 2019–2021 was considered and approved at the 2019 Annual General Meeting of the Company, approving that the profit distributed in the form of cash dividends per annum for 2019–2021 shall be no less than 50% of the net profit realized in the corresponding year attributable to the shareholders of the Company (For details, please refer to the announcement of the Company regarding increase of cash dividend percentage for 2019–2021 on 27 March 2020). During the past three years, the profit distribution of the Company is in accordance with the requirements of the Article of Association, and satisfies the aforesaid commitment of cash dividend.

For the long-term and sustainable development of the Company, taking into account the actual situation of the Company, the wishes and requirements of the shareholders, and fully considering the stage of development, future capital expenditure plan, profit scale and cash flow status of the Company, the Company formulated a shareholder return plan for 2022–2024 on the basis of balancing the short-term interests and long-term interests, and proposed to increase the cash dividend percentage for 2022–2024. Subject to the provisions of the Articles of Association, the profit to be distributed in cash annually for the year 2022–2024 shall be no less than 60% of the Company's net profit attributable to the shareholders of the Company realized in the corresponding year.

The annual profit distribution plan for 2022–2024 will be formulated by the Board of the Company based on the actual situation of the year, and submitted to the general meeting for approval.

III. IMPACT ON THE COMPANY OF SHAREHOLDER RETURN PLAN FOR 2022–2024

The Company attaches great importance to shareholder returns and hopes to establish long-term stable and mutual trust investment relationship with the shareholders. The increase of cash dividend percentage for 2022–2024 under the Shareholder Return Plan will not affect the normal production and operation activities of the Company. In the future, the Company will continue to focus on production and operation, strive for improving operating performance, and strive to bring better and more lasting returns to the shareholders in combination with factors such as follow-up capital investment and capital balance, shareholders' demands and the investment environment of the capital market.

IV. REVIEW PROCEDURES FOR SHAREHOLDER RETURN PLAN FOR 2022–2024

On 23 September 2022, the Resolution on the Company's Shareholder Return Plan for 2022–2024 was considered and approved at the 15th meeting of the fifth session of the Board of the Company with 8 assenting votes, 0 dissenting votes and 0 abstained votes.

The Shareholder Return Plan for 2022–2024 is subject to the approval of the general meeting of the Company by way of special resolution.

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

Beijing, 23 September 2022

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.