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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)**

**OVERSEAS REGULATORY ANNOUNCEMENT**

**This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.**

The "Announcement Regarding the Approval for Shenhua Baotou Coal-to-Olefins Upgrading Demonstration Project" as published in Chinese on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 8 August 2017 is enclosed hereto as overseas regulatory announcement.

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

Beijing, 7 August, 2017

*As at the date of this announcement, the Board comprises the following: Dr. Ling Wen, Dr. Han Jianguo and Dr. Li Dong as executive directors, Mr. Zhao Jibin as non-executive director, and Dr. Tam Wai Chu, Maria, Dr. Jiang Bo and Ms. Zhong Yingjie, Christina as independent non-executive directors.*

**China Shenhua Energy Company Limited**  
**Announcement Regarding the Approval for Shenhua Baotou**  
**Coal-to-Olefins Upgrading Demonstration Project**

The board of directors and all directors of China Shenhua Energy Company Limited guarantee that the information set out in this announcement does not contain any false statements, misleading representations or material omissions, and severally and jointly accept responsibility as to the truthfulness, accuracy and completeness of the content herein.

Recently, China Shenhua Energy Company Limited (the “Company”) obtained the approval from the Inner Mongolia Autonomous Region Development and Reform Commission regarding the Shenhua Baotou Coal-to-Olefins Upgrading Demonstration Project (the “Project”). The major details of the approval document (Document No.: Nei Fa Gai Chan Ye Zi [2017] No. 849) are as follows:

(I) It is approved to construct the Project to expedite upgrading coal-to-olefins in Inner Mongolia Autonomous Region.

(II) The Project is to be constructed and operated by Shenhua Baotou Coal Chemical Co., Ltd. (“Baotou Coal Chemical Company”), a wholly-owned subsidiary of the Company. The location of construction is Jiuyuan Industrial Park in Baotou City.

(III) The major construction size and product plans for the Project refers to an annual production volume of 750 thousand tonnes coal-to-polyolefin, among which the annual production volume of polyethylene and polypropylene are 350 thousand tonnes and 400 thousand tonnes, respectively.

(IV) The total investment of the Project is approximately RMB17.15 billion, approximately 30% of which will be capital funds.

(V) Prior to commencement of construction of the Project, Baotou Coal Chemical Company will handle relevant reporting procedures on construction including, among others, use of resources, safe production, and environmental protection pursuant to the requirements of relevant laws and administrative regulations. Environmental protection and use of resources of the Project are implemented in accordance with the approvals, including among others the report for environmental impact assessment and the report for energy saving assessment. Therefore, the construction schedule of the Project is subject to changes.

As at the date of this announcement, the production capacity of coal-to-olefins devices which have been put into operation by Baotou Coal Chemical Company is approximately 600 thousand tonnes of coal-to-polyolefin per annum, among which the annual production volume of each of polyethylene and polypropylene are 300 thousand tonnes.

Investors are reminded that improper reliance on or use of the above information may result in investment risks.

Announcement is hereby given.

By order of the board of directors  
China Shenhua Energy Company Limited  
Huang Qing  
Secretary to the Board of Directors  
8 August 2017