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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)

**AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
THE RULES OF PROCEDURE OF BOARD MEETING
AND
THE RELATED PARTY TRANSACTIONS DECISION MAKING RULES
AND
PROPOSAL FOR GENERAL MANDATE
TO REPURCHASE A SHARES AND H SHARES**

A letter from the Board is set out on pages 4 to 28 of this Circular.

Notices convening the AGM and the H Shareholders' Class Meeting to be held at Oriental Bay International Hotel, 26 Anwai Xibinhe Road, Dongcheng District, Beijing, the People's Republic of China on Friday, 25 May 2012 at 9:30 a.m. and 10:15 a.m., respectively, are set out on pages 33 to 44 of this circular.

Reply slips and forms of proxy for use at the said meetings are enclosed herewith. Shareholders who intend to attend the respective meetings shall complete and return the reply slip in accordance with the instructions printed thereon before Friday, 4 May 2012.

Shareholders who intend to appoint a proxy to attend the meetings are requested to complete the proxy form in accordance with the instructions printed thereon. The proxy form shall be lodged with the registrar of H Shares of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the relevant meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not prevent you from attending and voting in person at the meeting(s) or any adjournment thereof should you so wish.

5 April 2012

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“A Share(s)”	the domestic shares issued by the Company to domestic investors denominated in RMB and which are listed on the Shanghai Stock Exchange;
“A Share Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase A Shares not exceeding 10% of the number of A Shares in issue as at the date of passing the proposed resolution(s) approving the A Share Repurchase Mandate at the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting, details of which are set out in the notice of the AGM and the notice of the H Shareholders’ Class Meeting;
“A Shareholder(s)”	holders of A Share(s);
“A Shareholders’ Class Meeting”	the class meeting of the A Shareholders to be held at Oriental Bay International Hotel, 26 Anwai Xibinhe Road, Dongcheng District, Beijing, the People’s Republic of China on Friday, 25 May 2012 at 10:00 a.m.;
“AGM”	the annual general meeting of the Company to be held at Oriental Bay International Hotel, 26 Anwai Xibinhe Road, Dongcheng District, Beijing, the People’s Republic of China on Friday, 25 May 2012 at 9:30 a.m.;
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time;
“associate”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Board”	the board of Directors;
“Company”	China Shenhua Energy Company Limited (中國神華能源股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Hong Kong Stock Exchange;
“Company Law”	the Company Law of the People’s Republic of China;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;

DEFINITIONS

“H Share(s)”	the overseas-listed foreign invested share(s) in the Company’s share capital, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange;
“H Share Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase H Shares not exceeding 10% of the number of H Shares in issue as at the date of passing the proposed resolution(s) approving the H Share Repurchase Mandate at the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting, details of which are set out in the notice of the AGM and the notice of the H Shareholders’ Class Meeting;
“H Shareholder(s)”	holders of H Share(s);
“H Shareholders’ Class Meeting”	the class meeting of the H Shareholders to be held at Oriental Bay International Hotel, 26 Anwai Xibinhe Road, Dongcheng District, Beijing, the People’s Republic of China on Friday, 25 May 2012 at 10:15 a.m.;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Latest Practicable Date”	29 March 2012, being the latest practicable date prior to the issuance of this circular for ascertaining certain information contained herein;
“Mandatory Provisions”	the Mandatory Provisions for the Articles of Association of Companies Seeking a Listing outside the PRC;
“PRC”	the People’s Republic of China;
“Related Party Transactions Decision Making Rules”	The Related Party Transactions Decision Making Rules of the Company, as amended, modified or otherwise supplemented from time to time;
“RMB”	Renminbi, the lawful currency of the PRC;
“Rules of Procedure of Board Meeting”	the rules of procedure of board meeting of the Company, as amended, modified or otherwise supplemented from time to time;
“SAFE”	State Administration of Foreign Exchange of the PRC;

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“Shanghai Listing Rules”	the listing rules of the Shanghai Stock Exchange;
“Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company including A Share(s) and H Share(s);
“Shareholder(s)”	the shareholder(s) of the Company including A Shareholder(s) and H Shareholder(s);
“Shenhua Group”	collectively, Shenhua Group Co and its subsidiaries (excluding the Group);
“Shenhua Group Co”	Shenhua Group Corporation Limited (神華集團有限責任公司), the controlling shareholder of the Company as defined under the Hong Kong Listing Rules;
“Supervisor(s)”	the supervisor(s) of the Company;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers and Share Repurchases.

LETTER FROM THE BOARD



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)

Executive Directors:

Zhang Xiwu
Zhang Yuzhuo
Ling Wen
Han Jianguo

Registered Address:

Shenhua Tower
22 Andingmen Xibinhe Road
Dongcheng District
Beijing, PRC

Non-executive Directors:

Liu Benren
Xie Songlin

Independent Non-executive Directors:

Fan Hsu Lai Tai
Gong Huazhang
Guo Peizhang

5 April 2012

To the Shareholders

Dear Sir or Madam,

**AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
THE RULES OF PROCEDURE OF BOARD MEETING
AND
THE RELATED PARTY TRANSACTIONS DECISION MAKING RULES
AND
PROPOSAL FOR GENERAL MANDATE
TO REPURCHASE A SHARES AND H SHARES**

INTRODUCTION

Reference is made to the announcement made by the Company on 26 August 2011 on proposed amendments to the Articles of Association, the Rules of Procedure of Board Meeting and Related Party Transactions Decision Making Rules.

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The purpose of this circular is to provide you with (i) further information in relation to the proposed amendments to the Articles of Association, the Rules of Procedure of Board Meeting and Related Party Transactions Decision Making Rules, and (ii) further information in relation to the proposal for general mandate to repurchase A Shares and H Shares.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURE OF BOARD MEETING AND RELATED PARTY TRANSACTIONS DECISION MAKING RULES

The Company proposes to make certain amendments to the Articles of Association, the Rules of Procedure of Board Meeting and the Related Party Transactions Decision Making Rules, which are consistent with and necessary for the business development of the Company and are in the best interests of the Company and the Shareholders as a whole.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

1. The Company proposes that Article 10 of the Articles of Association be amended as follows:

The current Article 10 is as follows:

“The other senior management mentioned in the Articles of Association refers to the vice president, chief financial officer and the secretary to the Board of the Company.”

The Company proposes that the current Article 10 be deleted in its entirety and be replaced by the following:

“The other senior management mentioned in the Articles of Association refers to the senior vice president, vice president, chief financial officer and the secretary to the Board of the Company.”

2. The Company proposes that Article 98 of the Articles of Association be amended as follows:

The current Article 98 is as follows:

“A general meeting shall be convened by the Chairman of the Board who shall preside over the meeting. If the Chairman of the Board cannot attend the meeting for reason(s), the Chairman of the Board may designate a director of the Company to convene and preside over the general meeting as the Chairman on his/her behalf. If no designation has been made, shareholders attending the meeting may elect a person to act as the Chairman. If for any reason the shareholders cannot elect a person to act as the Chairman, the shareholder (including proxy) holding the largest number of shares with voting rights at the meeting shall act as the Chairman of the meeting.

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For a general meeting convened by the Supervisory Committee, the Chairman of the Supervisory Committee shall preside over the meeting. If the Chairman of the Supervisory Committee is unable to perform or fails to perform his duties and responsibilities, a supervisor jointly elected by not less than one half of all supervisors shall preside over the meeting.

For a general meeting convened by shareholders, a representative of shareholders elected by the convener shall preside over the meeting.

During the course of a general meeting, if the Chairman of the meeting is in breach of the rules of procedures and renders it impossible for the meeting to continue, with the consent of the shareholders present at the meeting and representing more than one half of the total voting rights of all shareholders so present, the general meeting may elect a person to act as the Chairman of the meeting and the meeting shall continue."

The Company proposes that the current Article 98 be deleted in its entirety and be replaced by the following:

"A general meeting shall be convened by the Chairman of the Board who shall preside over the meeting. If the Chairman of the Board cannot attend the meeting for reason(s), such meeting shall be presided over by the Vice Chairman of the Board. If both the Chairman and the Vice Chairman of the Board cannot attend the meeting for reason(s), the Chairman of the Board may designate a director of the Company to convene and preside over the general meeting as the Chairman on his/her behalf. If no designation has been made, shareholders attending the meeting may elect a person to act as the Chairman. If for any reason the shareholders cannot elect a person to act as the Chairman, the shareholder (including proxy) holding the largest number of shares with voting rights at the meeting shall act as the Chairman of the meeting.

For a general meeting convened by the Supervisory Committee, the Chairman of the Supervisory Committee shall preside over the meeting. If the Chairman of the Supervisory Committee is unable to perform or fails to perform his duties and responsibilities, a supervisor jointly elected by not less than one half of all supervisors shall preside over the meeting.

For a general meeting convened by the shareholders, a representative of shareholders elected by the convener shall preside over the meeting.

During the course of a general meeting, if the Chairman of the meeting is in breach of the rules of procedures and renders it impossible for the meeting to continue, with the consent of the shareholders present at the meeting and representing more than one half of the total voting rights of all shareholders so present, the general meeting may elect a person to act as the Chairman of the meeting and the meeting shall continue."

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3. The Company proposes that Article 116 of the Articles of Association be amended as follows:

The current Article 116 is as follows:

“The Company shall establish a Board which consists of nine directors. The Board shall comprise one Chairman and eight directors, including three independent non-executive directors (hereinafter referred to as the “independent directors”).”

The Company proposes that the current Article 116 be deleted in its entirety and be replaced by the following:

“The Company shall establish a Board which consists of nine directors. The Board shall comprise one Chairman, one vice Chairman and seven directors, in which four of them are executive directors, two are non-executive directors and three are independent non-executive directors (hereinafter referred to as the “independent directors”).”

The executive directors mentioned in the previous clause refer to the directors who participate in the management of production and operation of the Company; the non-executive directors refer to the directors who do not participate in the management of production and operation of the Company.”

4. The Company proposes that Article 117 of the Articles of Association be amended as follows:

The current Article 117 is as follows:

“Directors shall be elected at a general meeting with a term of office of three years. Upon maturity of the current term of office, a Director shall be eligible to offer himself/herself for re-election and reappointment. Prior to the maturity of his/her term, a Director shall not be removed without reason from his/her office by a general meeting.

The term of office of Directors shall commence from the date of appointment up to the maturity of the current term of office of the Board. In the event that the terms of Directors fall upon maturity whereas the members of the Board are not re-elected in time, the existing Directors shall continue to perform their duties in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until the re-elected Directors assume their office.

The Chairman shall be elected and removed by more than one-half of all Directors. The term of office of the Chairman shall be three years, renewable upon re-election.

The Directors shall not be required to hold shares of the Company.”

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The Company proposes that the current Article 117 be deleted in its entirety and be replaced by the following:

“Directors shall be elected at a general meeting with a term of office of three years. Upon maturity of the current term of office, a Director shall be eligible to offer himself/herself for re-election and reappointment. Prior to the maturity of his/her term, a Director shall not be removed without reason from his/her office by a general meeting.

The term of office of Directors shall commence from the date of appointment up to the maturity of the current term of office of the Board. In the event that the terms of Directors fall upon maturity whereas the members of the Board are not re-elected in time, the existing Directors shall continue to perform their duties in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until the re-elected Directors assume their office.

The Chairman and the Vice Chairman shall be elected and removed by more than one-half of all Directors. The term of office of the Chairman and the Vice Chairman shall be three years, renewable upon re-election.

The Directors shall not be required to hold shares of the Company.”

5. The Company proposes that Article 133 of the Articles of Association be amended as follows:

The current Article 133 is as follows:

“The Chairman of the Board is authorized to exercise the following powers:

- (1) to preside over general meetings and to convene and preside over meetings of the Board;
- (2) to check on the implementation of resolutions of the Board;
- (3) to sign the securities certificates issued by the Company;
- (4) to sign important documents of the Board and other documents that shall be signed by the legal representative of the Company;
- (5) to exercise the authorities of the legal representative;
- (6) in case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and report to the Board and the general meeting after the settlement of the event;

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- (7) Save where otherwise stipulated on the investment to other enterprises or provision of guarantees to anyone else by the Company, to make decisions on the contracts, transactions and arrangements with amounts not exceeding ten percent (10%) of the audited net assets value of the Company in the previous year;
- (8) to exercise other functions and powers conferred by the Board.

Where the Chairman of the Board is unable to fulfill his duties, the Chairman of the Board shall designate a director to perform the duties on his behalf.”

The Company proposes that the current Article 133 be deleted in its entirety and be replaced by the following:

“The Chairman of the Board is authorized to exercise the following powers:

- (1) to preside over general meetings and to convene and preside over meetings of the Board;
- (2) to check on the implementation of resolutions of the Board;
- (3) to sign the securities certificates issued by the Company;
- (4) to sign important documents of the Board and other documents that shall be signed by the legal representative of the Company;
- (5) to exercise the authorities of the legal representative;
- (6) in case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and report to the Board and the general meeting after the settlement of the event;
- (7) Save where otherwise stipulated on the investment to other enterprises or provision of guarantees to anyone else by the Company, to make decisions on the contracts, transactions and arrangements with amounts not exceeding ten percent (10%) of the audited net assets value of the Company in the previous year;
- (8) to exercise other functions and powers conferred by the Board.

Where the Chairman of the Board is unable to fulfill his duties, the Vice Chairman shall perform the duties on his behalf; where the Vice Chairman is also unable to fulfill the duties, the Chairman shall designate a director to perform the duties on his behalf.”

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6. The Company proposes that Article 134 of the Articles of Association be amended as follows:

The current Article 134 is as follows:

“The Board shall hold at least four meetings per year which shall be convened by the Chairman, and the notice of a board meeting shall be served on all directors and supervisors ten days before the date of the meeting. The extraordinary meetings of the Board shall be held in any of the following circumstances.

- (i) if deemed as necessary by the Chairman;
- (ii) if proposed jointly by more than one-third of the directors;
- (iii) if proposed by the Supervisory Committee;
- (iv) if proposed by the president;
- (v) if proposed by more than half of the independent Directors;
- (vi) if proposed by the Shareholders representing more than one-tenth of the voting rights.”

The Company proposes that the Article 134 be deleted in its entirety and be replaced by the following:

“The Board shall hold at least four meetings per year which shall be convened by the Chairman, and the notice of a board meeting shall be served on all directors and supervisors ten days before the date of the meeting. The extraordinary meetings of the Board shall be held in any of the following circumstances.

- (i) if deemed as necessary by the Chairman;
- (ii) if proposed by the Vice Chairman;
- (iii) if proposed jointly by more than one-third of the directors;
- (iv) if proposed by the Supervisory Committee;
- (v) if proposed by the president;
- (vi) if proposed by more than half of the independent directors;
- (vii) if proposed by the Shareholders representing more than one-tenth of the voting rights.”

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7. The Company proposes that Article 145 of the Articles of Association be amended as follows:

The current Article 145 is as follows:

“The Company shall have one president who shall be appointed or removed by the Board, six vice presidents to assist the president in his/her work and one chief financial officer. The vice presidents and the chief financial officer shall be nominated by the president and appointed or removed by the Board.

The Board of the Company may determine that the president and other senior management are held concurrently by members of the Board provided that the number of Directors appointed as the president and other senior management shall not exceed one-half of the total number of directors of the Company.

President and other senior management shall be appointed for a term of three years, which is renewable upon re-election.”

The Company proposes that the Article 145 be deleted in its entirety and be replaced by the following:

“The Company shall have one president who shall be appointed or removed by the Board, several senior vice presidents and vice presidents to assist the president in his/her work and one chief financial officer. The senior vice presidents, vice presidents and chief financial officer shall be nominated by the president and appointed or removed by the Board.

The Board of the Company may determine that the president and other senior management are held concurrently by members of the Board provided that the number of Directors appointed as the president and other senior management shall not exceed one-half of the total number of directors of the Company.

President and other senior management shall be appointed for a term of three years, which is renewable upon re-election.”

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PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF BOARD MEETING

1. The Company proposes that Article 6 of the Rules of Procedure of Board Meeting be amended as follows:

The current Article 6 is as follows:

“Senior management refers to the president, vice president, chief financial officer and secretary to the Board of the Company. The duties and authorities of the Board in respect of the personnel management of the directors and senior management are as follows:

- (i) Duties and authorities subject to the approval from the general meeting
 1. determination of the basis of the directors’ remunerations;
 2. election of directors;
 3. removal of directors;
- (ii) Duties and authorities not subject to the approval from the general meeting
 1. determination of the strategies and plans for human resources development of the Company;
 2. determination of the major duties and authorities of the president, chief financial officer, qualified accountant, secretary to the Board and joint company secretary;
 3. appointment or dismissal of the president, chief financial officer, qualified accountant, secretary to the Board and joint company secretary of the Company, or the appointment or dismissal of the vice president of the Company or other senior management of the Company pursuant to the nomination of the president;
 4. determination of the remuneration, allowance, award and punishment of the senior management other than the directors and supervisors of the Company, and determination of share options or warrants or similar schemes of the Company in accordance with the long-term incentive scheme passed by the general meeting;
 5. receiving the working report of the Company’s president, and evaluating the work performance of the president;

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6. approval of or the appointment of representatives of the Shareholders designated to the subsidiaries of the Company and nomination of directors, supervisors and senior management to such companies pursuant to their articles of association or the relevant agreements;
7. approval of the plans of retirement fund, pension fund and other staff benefits.”

The Company proposes that the Article 6 be deleted in its entirety and be replaced by the following:

“Senior management refers to the president, senior vice president, vice president, chief financial officer and secretary to the Board of the Company. The duties and authorities of the Board in respect of the personnel management of the directors and senior management are as follows:

- (i) Duties and authorities subject to the approval from the general meeting
 1. determination of the basis of the directors’ remunerations;
 2. election of directors;
 3. removal of directors;
- (ii) Duties and authorities not subject to the approval from the general meeting
 1. determination of the strategies and plans of human resources development of the Company;
 2. determination of the major duties and authorities of the president, chief financial officer, qualified accountant, secretary to the Board and joint company secretary;
 3. appointment or dismissal of the president, chief financial officer, qualified accountant, secretary to the Board and joint company secretary of the Company, or the appointment or dismissal of the senior vice president, vice president or other senior management of the Company pursuant to nomination of the president;
 4. determination of the remuneration, allowance, award and punishment of the senior management other than the directors and supervisors of the Company, and determination of share options or warrants or similar schemes of the Company in accordance with the long-term incentive scheme passed by the general meeting;
 5. receiving the working report of the Company’s president, and evaluating the work performance of the president;

LETTER FROM THE BOARD

6. approval of or the appointment of representatives of the Shareholders designated to the subsidiaries of the Company and nomination of directors, supervisors and senior management to such companies pursuant to their articles of association or the relevant agreements;
 7. approval of the plans of retirement fund, pension fund and other staff benefits.”
2. The Company proposes that Article 9 of the Rules of Procedure of Board Meeting be amended as follows:

The current Article 9 is as follows:

“The Board comprises nine directors, including one Chairman. Independent directors shall account for at least one-third of the members of the Board.”

The Company proposes that the Article 9 be deleted in its entirety and be replaced by the following:

“The Board comprises nine directors, including one Chairman, one Vice Chairman and seven directors of which four are executive directors, two are non-executive directors and three are independent non-executive directors (referred to herein as “Independent Director(s)”).

The executive directors mentioned in the previous clause refer to the directors who participate in the management of production and operation of the Company; the non-executive directors refer to the directors who do not participate in the management of production and operation of the Company.”

3. The Company proposes that Article 27 of the Rules of Procedure of Board Meeting be amended as follows:

The current Article 27 is as follows:

“In the event of any of the following, the Chairman shall issue a three-day notice in advance to convene an extraordinary meeting of the Board:

- (i) if proposed by Shareholders representing more than one-tenth of the voting rights;
- (ii) if deemed as necessary by the Chairman;
- (iii) if proposed jointly by more than one-third of the directors;
- (iv) if proposed jointly by more than half of the Independent Directors;
- (v) if proposed by the Supervisory Committee;

LETTER FROM THE BOARD

(vi) if proposed by the president.”

The Company proposes that the Article 9 be deleted in its entirety and be replaced by the following:

“In the event of any of the following, the Chairman shall issue a three-day notice in advance to convene an extraordinary meeting of the Board:

(i) if proposed by Shareholders representing more than one-tenth of the voting rights;

(ii) if deemed as necessary by the Chairman;

(iii) if proposed by the Vice Chairman;

(iv) if proposed jointly by more than one-third of the Directors;

(v) if proposed jointly by more than half of the Independent Directors;

(vi) if proposed by the Supervisory Committee;

(vii) if proposed by the president.”

4. The Company proposes that Article 31 of the Rules of Procedure of Board Meeting be amended as follows:

The current Article 31 is as follows:

“The Board meetings are called by the Chairman by issuing notices to convene meetings. If, due to exceptional reasons, the Chairman is not able to call a meeting, the meeting shall be called by other directors nominated by the Chairman. If the Chairman does not call a meeting without cause, or has not nominated specific officers to do so on his behalf, a meeting may be called by a director collectively elected by more than half of the directors. The convener shall be responsible for issuing a notice to convene the meeting.”

The Company proposes that the Article 31 be deleted in its entirety and be replaced by the following:

“The Board meetings are called by the Chairman by issuing notices to convene meetings. If, due to exceptional reasons, the Chairman is not able to call a meeting, the meeting shall be called by the Vice Chairman. If the Chairman or the Vice Chairman does not call a meeting without cause, or has not nominated specific officers to do so on his behalf, a meeting may be called by a director collectively elected by more than half of the directors. The convener shall be responsible for issuing a notice to convene the meeting.”

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5. The Company proposes that Article 34 of the Rules of Procedure of Board Meeting be amended as follows:

The current Article 34 is as follows:

“The Board meeting may not proceed unless more than half of the directors (including directors attending by proxy in accordance with the requirements) attend the meeting.

The directors shall attend the Board meeting in person. Where a director is unable to attend a meeting for any reason, he/she may appoint another director by a written power of attorney to attend the meeting on his/her behalf (an Independent Director unable to attend a meeting in person shall appoint another Independent Director to attend the meeting on his/her behalf). The power of attorney shall set out the name of the proxy, subject matters of representation, scope of the authorization and valid period, with the signature or seal of the appointer.

Any Independent Director who fails to attend three consecutive Board meetings shall be replaced as proposed by the Board to the Shareholders’ general meeting.

The Board meeting shall be presided over by the Chairman. Where the Chairman is unable to preside over such meeting, he may designate another director to preside over the meeting. Where the Chairman fails to preside over the meeting with no specific reason and fails to make such designation, a director shall be elected by more than half of the directors to preside over the meeting. In a general meeting for the re-election of the members of the Board, the director with most approval votes (if more than one director has the largest number of votes, either one of them) shall preside over the meeting to elect the Chairman of the Board for the coming term.”

The Company proposes that the Article 34 be deleted in its entirety and be replaced by the following:

“The Board meeting may not proceed unless more than half of the directors (including directors attending by proxy in accordance with the requirements) attend the meeting.

The directors shall attend the Board meeting in person. Where a director is unable to attend a meeting for any reason, he/she may appoint another director by a written power of attorney to attend the meeting on his/her behalf (an Independent Director unable to attend a meeting in person shall appoint another Independent Director to attend the meeting on his/her behalf). The power of attorney shall set out the name of the proxy, subject matters of representation, scope of the authorization and valid period, with the signature or seal of the appointer.

Any Independent Director who fails to attend three consecutive Board meetings shall be replaced as proposed by the Board to the Shareholders’ general meeting.

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The Board meeting shall be presided over by the Chairman. Where the Chairman is unable to preside over such meeting, the meeting shall be presided over by the Vice Chairman. Where the Chairman or Vice Chairman fails to preside over the meeting without any reason and fails to designate specific officer to preside over the meeting on his behalf, a director shall be elected by more than half of the directors to preside over the meeting. In a general meeting for the re-election of the members of the Board, the director with most approval votes (if more than one director has the largest number of votes, either one of them) shall preside over the meeting to elect the Chairman of the Board for the coming term.”

PROPOSED AMENDMENTS TO THE RELATED PARTY TRANSACTIONS DECISION MAKING RULES

1. The Company proposes that the current Article 1 of the Related Party Transactions Decision Making Rules be amended as follows:

The current Article 1 is as follows:

“In order to regulate the related party transactions of China Shenhua Energy Company Limited (the “Company” hereinafter), to ensure the fairness of related party transactions and to protect interests of the Shareholders, these Rules have been established in accordance with the requirements and listing rules of securities regulatory authorities in the places where the Company’s stocks are floated as well as the Articles of Association of China Shenhua Energy Company Limited (the “Articles of Association” hereinafter).”

The Company proposes that the current Article 1 be deleted in its entirety and be replaced by the following, which is to be numbered as Article 1 in the amended version:

“In order to regulate the related party transactions of China Shenhua Energy Company Limited (the “Company” hereinafter) and to ensure the fair pricing of related party transactions, the compliance of relevant regulations on decision-making procedures and information disclosure, these Rules have been established in accordance with the requirements and listing rules of securities regulatory authorities in the places where the Company’s stocks are floated as well as the Articles of Association of China Shenhua Energy Company Limited (the “Articles of Association” hereinafter).”

2. The Company proposes that the current Article 2 of the Related Party Transactions Decision Making Rules be amended as follows:

The current Article 2 is as follows:

“The related party transactions mentioned in these Rules refer to transactions between the Company or its subsidiaries and related parties of the Company, comprising related party transactions defined by domestic regulatory authorities and connected transactions defined by overseas regulatory authorities, specifically including but not limited to:

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- (1) acquisition or disposal of assets;
- (2) foreign investments (including finance by mandate and entrusted loans);
- (3) any transaction involving the selling, acceptance, transfer, exercise or termination of an option by the Company for the purchase or disposal of assets or warrants;
- (4) entrusting or being entrusted to manage assets and businesses;
- (5) giving or receiving assets;
- (6) restructuring of debts and liabilities;
- (7) execution or termination of financial leases;
- (8) execution or termination of operating leases or sub-leases, including those for leased or sub-leased properties;
- (9) execution of license agreements;
- (10) transfer of research and development projects as a transferor or a transferee;
- (11) provision of indemnities or guarantees or financial aid;
- (12) any arrangement or agreement entered into for the establishment of collaborative entities (in the form of partnership, joint ventures or any other vehicle);
- (13) issue of new securities;
- (14) provision or receipt of services;
- (15) sharing of services;
- (16) supply or purchase of raw materials, semi-finished products and finished products;
- (17) sale of products and merchandise;
- (18) provision or receipt of labour services;
- (19) entrusting or being entrusted to conduct sales activities; and
- (20) other matters as stipulated by agreements which may result in the transfer of resources or obligations.”

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The Company proposes that the current Article 2 be deleted in its entirety and be replaced by the following, which is to be renumbered as Article 4 in the amended version:

“The related party transactions mentioned in these Rules refer to transactions between the Company or its subsidiaries and related parties of the Company, including the following related party transactions defined by domestic and overseas regulatory authorities and other transactions deemed as related party transactions by competent listing authorities:

- (1) acquisition or disposal of assets;
- (2) foreign investments (including finance by mandate and entrusted loans);
- (3) any transaction involving the selling, acceptance, transfer, exercise or termination of an option by the Company for the purchase or disposal of assets or warrants;
- (4) entrusting or being entrusted to manage assets and businesses;
- (5) giving or receiving assets;
- (6) restructuring of debts and liabilities;
- (7) execution or termination of financial leases;
- (8) execution or termination of operating leases (as lessee or lessor) or sub-leases, including those for leased or sub-leased properties;
- (9) execution of license agreements;
- (10) transfer of research and development projects as a transferor or a transferee;
- (11) provision of indemnities or guarantees or financial aid;
- (12) any arrangement or agreement entered into for the establishment of collaborative entities (whether in the form of partnerships, joint ventures or any other vehicle);
- (13) issue of new securities;
- (14) provision or receipt of services;
- (15) sharing of services;
- (16) supply or purchase of raw materials, semi-finished products and finished products;
- (17) sale of products and merchandise;

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- (18) provision or receipt of labour services;
 - (19) entrusting or being entrusted to conduct sales activities; and
 - (20) other matters as stipulated by agreements which may result in the transfer of resources or obligations.”
3. The Company proposes that the current Article 3 of the Related Party Transactions Decision Making Rules be amended as follows:

The current Article 3 is as follows:

“Related parties of the Company include related parties defined by domestic regulatory authorities and connected persons defined by overseas regulatory authorities. See Appendix I to these Rules for its specific definition.”

The Company proposes that the current Article 3 be deleted in its entirety and be replaced by the following, which is to be numbered as Article 3 in the amended version:

“Related parties of the Company include related persons and/connected persons defined by the ‘Rules Governing the Listing of Stocks on Shanghai Stock Exchange’ (‘Shanghai Stock Exchange Listing Rules’ hereinafter) and the ‘Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited’ (‘Hong Kong Stock Exchange Listing Rules’ hereinafter) as well as the rules of relevant regulatory authorities in both places.”

4. The Company proposes that the current Article 4 of the Related Party Transactions Decision Making Rules be amended as follows:

The current Article 4 is as follows:

“The related party transactions of the Company shall comply with the following basic principles:

- (1) upholding honesty and credibility;
- (2) a related party with the right to vote at a general meeting shall withdraw from the meeting when taking votes;
- (3) directors who have a stake in the related party transaction shall withdraw from the meeting when the relevant matter is being voted by the Board;
- (4) the Board shall evaluate whether the related party transaction is in the interest of the Company based on objective criteria and shall when necessary engage qualified valuers and independent financial advisors for professional opinions;

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- (5) complying with the requirements of applicable laws and regulations and the listing rules of the places where the Company's stocks are listed."

The Company proposes that the current Article 4 be deleted in its entirety and be replaced by the following, which is to be renumbered as Article 7 in the amended version:

"The related party transactions of the Company shall comply with the following basic principles:

- (1) written agreements for related party transactions specifying relevant pricing policies shall be entered into so as to uphold honesty and credibility and to ensure fair pricing;
 - (2) the decision making procedure shall comply with regulatory requirements. Directors who have a stake in the related party transaction shall withdraw from the meeting when relevant matter is being voted by the Board; shareholders who have a stake in the related party transaction shall withdraw from the meeting when the relevant matter is being voted at a general meeting.
 - (3) professional opinions from independent third parties on the related party transaction shall be sought in accordance with regulatory requirements of the competent regulatory authorities, and be used as the basis on which the related party transaction is considered and evaluated by independent directors and/or non-related shareholders.
 - (4) the related party transaction shall be disclosed in a timely manner in accordance with the listing rules if it is so required under such rules so as to ensure compliance with requirements."
5. The Company proposes that the current Articles 5 and 6 of the Related Party Transactions Decision Making Rules be amended as follows:

The current Article 5 is as follows:

"The relevant decision making procedures set out in these Rules are not applicable to the following related party transactions which are exempt from the requirements of reporting, announcement and independent shareholders' approval under the listing rules of the places where the Company's stocks are floated:

- (1) transactions between the Company and its non-wholly owned subsidiaries, or transactions between non-wholly owned subsidiaries of the Company (subject to the conditions required by the Hong Kong Stock Exchange);
- (2) transactions meeting the minimum level for exemption under the listing rules of the places where the Company's stocks are floated;

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- (3) issue of new shares to a related party by the Company (subject to the conditions required by the Hong Kong Stock Exchange);
- (4) transactions on a stock exchange (subject to the conditions required by the Hong Kong Stock Exchange);
- (5) repurchase of the securities of the Company (subject to the conditions required by the Hong Kong Stock Exchange);
- (6) service contracts entered into by the Company and the directors and supervisors;
- (7) purchases from or sales to a related party of consumer goods or services on normal commercial terms in the ordinary course of business of the Company (subject to the conditions required by the Hong Kong Stock Exchange);
- (8) the sharing of administrative services (such as company secretary services, legal services and staff training services) between the Company and a related party on the basis of cost;
- (9) other continuing related party transactions that are exempted from the requirements of reporting, announcement and independent shareholders' approval by the Hong Kong Stock Exchange."

The current Article 6 is as follows:

"Necessary withdrawal measures shall be taken for agreements in connection with related party transactions entered into by the Company and a related party:

- (1) any person shall represent only one party in signing the agreements of related party transactions;
- (2) the related party shall not interfere with the decisions of the Company in any way."

The Company proposes that the current Articles 5 and 6 be deleted in their entirety.

6. The Company proposes that the current Article 8 of the Related Party Transactions Decision Making Rules be amended as follows:

The current Article 8 is as follows:

"Material related party transactions as defined in the requirements of domestic regulatory authorities shall be submitted for the Board's consideration upon approval from the Independent Directors, who may engage an intermediate body for making an independent financial advisor's report as the basis of their judgment.

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Save as the connected transactions exempted from the reporting, announcement and independent shareholders' approval requirements (excluding those involving financial aid or grant of options) and the continuing connected transactions exempted from the reporting, announcement and independent shareholders' approval requirements, connected transactions of the Company as defined in the requirements of overseas regulatory authorities shall be commented by all of the Independent Directors and such comments shall be recorded in the Board's meeting minutes. For connected transactions of the Company as defined in the requirements of overseas regulatory authorities which must be approved by independent shareholders, advice should be given to the independent board committee and independent shareholders (or to the independent shareholders alone (if applicable)) from an independent financial advisor engaged by the Company on whether the independent shareholders should vote in favor of the transaction."

The Company proposes that the current Article 8 be deleted in its entirety and be replaced by the following, which is to be renumbered as Article 11 in the amended version:

"Material related party transactions as defined in the requirements of domestic regulatory authorities shall be submitted for the Board's consideration upon approval from the Independent Directors, who may engage an independent financial advisor for its report as the basis of their judgment. The audit committee of the Company should review the related party transaction at the same time and formulate a written opinion, which should be submitted for the Board's consideration and reported to the Supervisory Committee. The audit committee may engage an independent financial advisor for its report as the basis of its judgment.

Save as the connected transactions (excluding those involving financial aid or the granting of options) and continuing connected transactions exempted from the reporting, announcement and independent shareholders' approval requirements, connected transactions of the Company as defined in the requirements of overseas regulatory authorities shall be commented by all of the independent directors and such comments shall be recorded in the Board's meeting minutes. For connected transactions of the Company as defined in the requirements of overseas regulatory authorities which must be approved by independent shareholders, an independent financial advisor should be engaged by the Company to advise the independent board committee and/or the independent shareholders."

7. The Company proposes that the Appendix 1 and Appendix 2 of the Related Party Transactions Decision Making Rules be amended as follows:

The current Appendix 1 sets out and summarises the definition of "related party" of the Company as defined under the Rules Governing the Listing of Shares on the Shanghai Stock Exchange and the definition of "connected person" of the Company as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The current Appendix 2 sets out and summarises the definition of "associate" as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company proposes to delete Appendix 1 and Appendix 2 in their entirety.

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8. The Company proposes to include the following contents into the Related Party Transactions Decision Making Rules as Article 2 in the amended version:

“The general meetings, the Board, the audit committee and Independent Directors shall comply with this system when considering and resolving the matters regarding the related party transactions.”

9. The Company proposes to include the following contents into the Related Party Transactions Decision Making Rules as Article 5 in the amended version:

“A related party transaction with a transaction amount of over RMB300,000 intended to be entered into between the Company and a related natural person (except for those guaranteed by the Company), or a related party transaction with a transaction amount of over RMB3,000,000 intended to be entered into between the Company and a related legal person that accounts for over 0.5% of the absolute value of the latest audited net assets of the Company (except for those guaranteed by the Company), or other related party transactions, which shall be disclosed and submitted to the Board or/and general meetings for consideration in accordance with other regulatory provisions and requirements such as Listing Rules of Shanghai Stock Exchange and the Implementation Guidelines of Related Party Transaction of the Listed Company on Shanghai Stock Exchange, shall be in strict compliance with the requirements of performing the relevant disclosures and the review and approval procedures of the Board or/and general meetings.”

10. The Company proposes to include the following contents into the Related Party Transactions Decision Making Rules as Article 6 in the amended version:

“The related party transaction, which the Company entered into with parties related at the level of the listed company with relevant percentage ratios exceeding 0.1% or with parties related at the level of the subsidiary of a listed company with relevant percentage ratios exceeding 1%, and other related party transactions, which shall be reported, announced and submitted to the broad of directors or/and general meetings for consideration in accordance with the Listing Rules of the Stock Exchange and other regulatory provisions, shall be in strict compliance with the requirements of performing the relevant reporting and announcement and the review and approval procedures of the broad of directors or/and general meetings.”

11. The Company proposes to include the following contents into the Related Party Transactions Decision Making Rules as Article 9 in the amended version:

“The audit committee of the Company is responsible for the control and daily management over related party transactions.”

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PROPOSAL FOR GENERAL MANDATE TO REPURCHASE A SHARES AND H SHARES

A Share Repurchase Mandate

The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its registered share capital; (b) in connection with a merger between itself and another entity that holds its shares; (c) granting shares as reward to the staff of the company; or (d) the repurchase is made at the request of its shareholders who disagrees with shareholders' resolutions in connection with a merger or division. The Mandatory Provisions, which the Company has incorporated in its Articles of Association, provides that subject to obtaining the approval of the relevant regulatory authorities and compliance with its articles of association, share repurchases may be effected by a joint stock limited company listed outside the PRC for the purpose of reducing its share capital or in connection with a merger between itself and another entity that holds its shares or in circumstances permitted by law or administrative regulations.

PRC laws and regulations and the Shanghai Listing Rules permit shareholders of a PRC joint stock limited company to grant a general mandate to the Directors to repurchase A Shares of such company that are listed on the Shanghai Stock Exchange. Such mandate is required to be given by way of a special resolution passed by shareholders in general meeting and special resolutions passed by holders of domestic shares and overseas listed foreign shares in separate class meetings.

A special resolution will be proposed at the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting to grant to the Board the A Share Repurchase Mandate and H Share Repurchase Mandate, details of which will be set out in the notice of the AGM and the notice of the H Shareholders' Class Meeting. The A Shares which may be repurchased pursuant to the A Share Repurchase Mandate shall not exceed 10% of the number of A Shares in issue of the Company as at the date of passing of the resolution(s) approving the A Share Repurchase Mandate.

Both the A Share Repurchase Mandate and the H Share Repurchase Mandate would expire on the earlier of (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant special resolution(s) at the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting; (b) the expiration of a period of twelve months following the passing of the relevant special resolution(s) at the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting; or (c) the date on which the authority conferred by the relevant special resolution(s) is revoked or varied by a special resolution of the Shareholders at a general meeting or by H Shareholders or A Shareholders at their respective class meetings.

The Company would like to draw the Shareholders' attention to the fact that, even if the A Share Repurchase Mandate is approved at the AGM, the A Shareholders' Class Meeting and H Shareholders' Class Meeting, the Company will still be required, under applicable PRC laws and regulations and the Shanghai Listing Rules, to seek additional, specific and prior

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approval from its Shareholders in general meeting by way of special resolution(s) for each repurchase of A Shares and to provide further information and details of such repurchase of A Shares in accordance with requirements under applicable PRC laws and regulations and the Shanghai Listing Rules. The Company will at all times comply fully with all applicable PRC laws and regulations and the Shanghai Listing Rules and seek additional, specific and prior approval from its Shareholders in general meeting by way of special resolution(s) for each repurchase of A Shares.

H Share Repurchase Mandate

The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its registered share capital; (b) in connection with a merger between itself and another entity that holds its shares; (c) granting shares as reward to the staff of the company; or (d) the repurchase is made at the request of its shareholders who disagrees with shareholders' resolutions in connection with a merger or division. The Mandatory Provisions, which the Company has incorporated in its Articles of Association, provides that subject to obtaining the approval of the relevant regulatory authorities and compliance with its articles of association, share repurchases may be effected by a joint stock limited company listed outside the PRC for the purpose of reducing its share capital or in connection with a merger between itself and another entity that holds its shares or in circumstances permitted by law or administrative regulations.

PRC laws and regulations and the Hong Kong Listing Rules permit shareholders of a PRC joint stock limited company to grant a general mandate to the Directors to repurchase H shares of such company that are listed on the Hong Kong Stock Exchange. Such mandate is required to be given by way of a special resolution passed by shareholders in general meeting and special resolutions passed by holders of domestic shares and overseas listed foreign shares in separate class meetings.

As H Shares are traded on the Hong Kong Stock Exchange in Hong Kong dollars and the price payable by the Company upon any repurchase of H Shares will, therefore, be paid in Hong Kong dollars, the approval of the Beijing Administrative Office of SAFE will be required. Besides, the Company shall also carry out filings with the CSRC after the Company has repurchased its Shares.

In accordance with the requirements of the Articles of Association of the Company applicable to capital reduction, the Company will have to notify its creditors of the passing of the resolution for the reduction of the registered capital of the Company within 10 days after the passing of such resolution and also by way of the publication on a newspaper within 30 days after the passing of the resolution. Creditors then have a period of up to 30 days after the Company's written notification or if no such notification has been received, up to 45 days after the publication of the press announcement to require the Company to repay amounts due to them or to provide guarantees in respect of such amounts.

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Accordingly, approval is being sought from the Shareholders for a general mandate to repurchase H Shares in issue. In accordance with the legal and regulatory requirements described herein, the Directors will convene the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. A special resolution will be proposed at the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting to grant to the Directors the A Share Repurchase Mandate and H Share Repurchase Mandate, details of which will be set out in the notice of the AGM and the notice of the H Shareholders' Class Meeting. The H Shares which may be repurchased pursuant to the H Share Repurchase Mandate shall not exceed 10% of the number of H Shares in issue of the Company as at the date of passing of the resolution(s) approving the H Share Repurchase Mandate.

Both the A Share Repurchase Mandate and the H Share Repurchase Mandate would expire on the earlier of (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant special resolution(s) at the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting; (b) the expiration of a period of twelve months following the passing of the relevant special resolution(s) at the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting; or (c) the date on which the authority conferred by the relevant special resolution(s) is revoked or varied by a special resolution of the Shareholders at a general meeting or by H Shareholders or A Shareholders at their respective class meetings.

An explanatory statement giving certain information regarding the H Share Repurchase Mandate is set out in Appendix I to this circular.

THE ANNUAL GENERAL MEETING AND THE CLASS MEETINGS

An AGM will be convened and held for the purpose of, inter alia, considering and approving, by the Shareholders, and by way of ordinary resolution(s) (i) the proposed amendments to the Rules of Procedure of Board Meeting and (ii) the proposed amendments to the Related Party Transactions Decision Making Rules, and by way of special resolution(s) (i) the proposed amendments to the Articles of Association and (ii) the A Share Repurchase Mandate and the H Share Repurchase Mandate.

The A Shareholders' Class Meeting will be convened and held for the purpose of considering and approving by the A Shareholders, and by way of special resolution(s), the A Share Repurchase Mandate and the H Share Repurchase Mandate. The H Shareholders' Class Meeting will be convened and held for the purpose of considering and approving by the H Shareholders, and by way of special resolution(s), the A Share Repurchase Mandate and the H Share Repurchase Mandate. Votes for all resolution(s) at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting shall be taken by way of poll.

Shareholders who intend to appoint a proxy to attend the meetings are requested to complete the proxy form in accordance with the instructions printed thereon. The proxy form shall be lodged with the registrar of H Shares of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai,

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Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the relevant meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not prevent you from attending and voting in person at the meeting(s) or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors consider that (i) the proposed amendments to the Articles of Association, (ii) the Rules of Procedure of Board Meeting and (iii) Related Party Transactions Decision Making Rules, and (iv) the A Share Repurchase Mandate and H Share Repurchase Mandate mentioned above are in the best interests of the Company and its Shareholders as a whole, and recommend that all Shareholders, A Shareholders and H Shareholders should vote in favour of the relevant resolutions to be proposed at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

Yours faithfully,
By order of the Board
Huang Qing
Secretary to the Board of Directors

In accordance with the Hong Kong Listing Rules, this appendix serves as the explanatory statement to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the special resolution(s) to be proposed at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting for the grant of the H Share Repurchase Mandate to the Directors.

SECURITIES REPURCHASE MANDATE

Reasons for Repurchasing H Shares

The Directors believe that the flexibility afforded by the H Share Repurchase Mandate would be beneficial to and in the best interest of the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at such time, lead to an enhancement of the net asset value per share and/or earnings per share of the Company. Such repurchases will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

Registered Capital

As at the Latest Practicable Date, the registered capital of the Company was RMB19,889,620,455 comprising 3,398,582,500 H Shares of RMB1.00 each and 16,491,037,955 A Shares of RMB1.00 each.

Exercise of the H Share Repurchase Mandate

Subject to the passing of the relevant special resolution(s) set out in the notice of AGM, the special resolution(s) approving the grant to the Board of the H Share Repurchase Mandate in the A Shareholders' Class Meeting and H Shareholders' Class Meeting respectively, the Board will be granted the H Share Repurchase Mandate until the earlier of (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant special resolution(s) at the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting; (b) the expiration of a period of twelve months following the passing of the relevant special resolution(s) at the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting; or (c) the date on which the authority conferred by the relevant special resolution(s) is revoked or varied by a special resolution of the Shareholders at a general meeting or by H Shareholders or A Shareholders at their respective class meetings ("Relevant Period"). The exercise of the H Share Repurchase Mandate is subject to relevant approval(s) of and/or filings with SAFE and/or any other regulatory authorities as required by the laws, rules and regulations of the PRC being obtained and/or carried out.

The exercise in full of the H Share Repurchase Mandate (on the basis of 3,398,582,500 H Shares in issue as at the Latest Practicable Date and no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM, the A Shareholders' Class Meeting and H Shareholders' Class Meeting) would result in a maximum of 339,858,250 H Shares being repurchased by the Company during the Relevant Period, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolution(s).

Funding of Repurchases

In repurchasing its H Share, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to purchase its H Shares. Any repurchases by the Company may only be made out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for such purpose. Under PRC laws, H Shares so repurchased will be treated as cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled. The Company may not purchase securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time.

GENERAL

The Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the H Share Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period (as compared with the position disclosed in the latest published audited accounts contained in the annual report of the Company for the year ended 31 December 2011). However, the Directors do not propose to exercise the H Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing, in the best interests of the Company.

The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make purchases under the H Share Repurchase Mandate in accordance with the Hong Kong Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

H SHARES PRICES

The highest and lowest prices at which the H Shares have been traded on the Hong Kong Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
February	32.90	29.00
March	36.90	31.75
April	38.00	35.20
May	38.80	33.60
June	38.75	33.75
July	40.20	36.50
August	40.15	30.20
September	37.60	30.65
October	38.00	27.10
November	37.55	31.80
December	35.80	31.10
2012		
January	35.90	32.60
February	36.45	33.85
March (up to the Latest Practicable Date)	36.25	32.15

H SHARE PURCHASED BY THE COMPANY

No purchase of H Shares has been made by the Company in the previous six months preceding the Latest Practicable Date (whether on the Hong Kong Stock Exchange or otherwise).

DISCLOSURE OF INTERESTS

If as a result of a share repurchase by the Company, a substantial shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company or become obligated to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Shenhua Group Co, whose interest in the Company is notifiable under Part XV (Disclosure of Interests) of the SFO, held directly or indirectly approximately 73.01% of the Company's total registered capital. In the event that the Directors exercised in full the power to repurchase H Shares in accordance with the terms of the H Share Repurchase Mandate proposed at the AGM, A Shareholders' Class Meeting and H

Shareholders' Class Meeting, the total interests of Shenhua Group Co in the total registered capital of the Company would be increased to approximately 74.28%. The Directors are not aware of any consequences which will arise under the Takeovers Code and/or any similar applicable law, as a result of any purchases to be made under the H Share Repurchase Mandate. Moreover, the Directors will not make share repurchase on the Hong Kong Stock Exchange if such repurchase would result in the requirements under Rule 8.08 of the Hong Kong Listing Rules not being complied with.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates (as defined in the Hong Kong Listing Rules) presently intends to sell H Shares to the Company under the H Share Repurchase Mandate in the event that the H Share Repurchase Mandate is approved by the Shareholders and the conditions (if any) to which the H Share Repurchase Mandate is subject are fulfilled.

The Company has not been notified by any connected persons (as defined in the Hong Kong Listing Rules) of the Company that they have a present intention to sell any H Shares to the Company, or that they have undertaken not to sell any H Shares held by them to the Company in the event that the H Share Repurchase Mandate is approved by its Shareholders and the conditions (if any) to which the H Share Repurchase Mandate is subject are fulfilled.

NOTICE OF ANNUAL GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting for 2011 (the "Annual General Meeting") of China Shenhua Energy Company Limited (the "Company") will be held at Oriental Bay International Hotel, 26 Anwai Xibinhe Road, Dongcheng District, Beijing, the People's Republic of China at 9:30 a.m. on Friday, 25 May 2012 for the purpose of considering and, if thought fit, passing the following resolutions:

AS ORDINARY RESOLUTIONS:

1. To consider and, if thought fit, to approve the report of the board of directors of the Company for the year ended 31 December 2011.
2. To consider and, if thought fit, to approve the report of the board of supervisors of the Company for the year ended 31 December 2011.
3. To consider and, if thought fit, to approve the audited financial statements of the Company for the year ended 31 December 2011.
4. To consider and, if thought fit, to approve the Company's profit distribution plan for the year ended 31 December 2011: i.e. final dividend for the year ended 31 December 2011 in the amount of RMB0.90 per share (inclusive of tax) be declared and distributed, the aggregate amount of which is approximately RMB17,901 million, and to authorise a committee comprising of Mr. Zhang Xiwu, Mr. Zhang Yuzhuo and Mr. Ling Wen to implement the above mentioned profit distribution plan and to deal with matters in relation to tax with-holding as required by relevant laws, regulations and regulatory authorities.
5. To consider and, if thought fit, to approve the remuneration of the directors and supervisors of the Company for the year ended 31 December 2011: i.e. aggregate remuneration of the executive directors is in the amount of RMB1,710,428.04; aggregate

NOTICE OF ANNUAL GENERAL MEETING

remuneration of the non-executive directors is in the amount of RMB1,350,000.00, of which the aggregate remuneration of the independent non-executive directors is in the amount of RMB1,350,000.00, the non-executive directors (other than the independent non-executive directors) are remunerated by Shenhua Group Corporation Limited and are not remunerated by the Company in cash; remuneration of the supervisors is in the amount of RMB1,361,449.34.

6. To consider and, if thought fit, to approve the re-appointment of external auditors of the Company for 2012: i.e. re-appointment of KPMG Huazhen and KPMG as the PRC and international auditors respectively of the Company for 2012, the term of such re-appointment shall continue until the next annual general meeting, and to authorise a committee comprising of Mr. Zhang Xiwu, Mr. Zhang Yuzhuo, Mr. Ling Wen and Mr. Gong Huazhang all being directors of the Company, to determine their remuneration.
7. To consider and, if thought fit, to approve the amendments to the Rules of Procedure of Board Meeting of the Company, (details of which are set out in the circular of the Company dated 5 April 2012), and to authorise a committee comprising of Mr. Zhang Xiwu, Mr. Zhang Yuzhuo and Mr. Ling Wen, all being Directors of the Company, to, after passing of this resolution, carry out further amendments to the Rules of Procedure of Board Meeting of the Company as they may consider necessary and appropriate at the request of relevant regulatory authorities from time to time.
8. To consider and, if thought fit, to approve the amendments to the Related Party Transactions Decision Making Rules of the Company, (details of which are set out in the circular of the Company dated 5 April 2012), and to authorise a committee comprising of Mr. Zhang Xiwu, Mr. Zhang Yuzhuo and Mr. Ling Wen, all being Directors of the Company, to, after passing of this resolution, carry out further amendments to the Related Party Transactions Decision Making Rules of the Company as they may consider necessary and appropriate at the request of relevant regulatory authorities from time to time.

AS SPECIAL RESOLUTIONS:

9. To consider and, if thought fit, to approve the amendments to the Articles of Association of the Company, (details of which are set out in the circular of the Company dated 5 April 2012), and to authorise a committee comprising of Mr. Zhang Xiwu, Mr. Zhang Yuzhuo and Mr. Ling Wen, all being Directors of the Company, to, after passing of this resolution, carry out further amendments to the Articles of Association of the Company as they may consider necessary and appropriate at the request of relevant regulatory authorities from time to time in the course of filing the Articles of Association with such regulatory authorities.
10. To consider and, if thought fit, to:-
 - (1) approve a general mandate to the board of directors to, by reference to market conditions and in accordance with needs of the Company, to allot, issue and deal with, either separately or concurrently, additional domestic shares (A shares) and overseas-listed foreign invested shares (H shares) not exceeding 20% of each of the

NOTICE OF ANNUAL GENERAL MEETING

number of domestic shares (A shares) and the number of overseas-listed foreign invested shares (H shares) in issue at the time of passing this resolution at annual general meeting. Pursuant to PRC laws and regulations, the Company will seek further approval from its shareholders in general meeting for each issuance of domestic shares (A shares) even where this general mandate is approved.

- (2) the board of directors be authorised to (including but not limited to the following):-
- (i) formulate and implement detailed issuance plan, including but not limited to the class of shares to be issued, pricing mechanism and/or issuance price (including price range), number of shares to be issued, allottees and use of proceeds, time of issuance, period of issuance and whether to issue shares to existing shareholders;
 - (ii) approve and execute, on behalf of the Company, agreements related to share issuance, including but not limited to underwriting agreement and engagement agreements of professional advisers;
 - (iii) approve and execute, on behalf of the Company, documents related to share issuance for submission to regulatory authorities, and to carry out approval procedures required by regulatory authorities and venues in which the Company is listed;
 - (iv) amend, as required by regulatory authorities within or outside China, agreements and statutory documents referred to in (ii) and (iii) above;
 - (v) engage the services of professional advisers for share issuance related matters, and to approve and execute all acts, deeds, documents or other matters necessary, appropriate or required for share issuance;
 - (vi) increase the registered capital of the Company after share issuance, and to make corresponding amendments to the articles of association of the Company relating to share capital and shareholdings etc, and to carry out statutory registrations and filings within and outside China.

The above general mandate will expire on the earlier of (“Relevant Period”):-

- (a) the conclusion of the annual general meeting of the Company for 2012;
- (b) the expiration of a period of twelve months following the passing of this special resolution at the annual general meeting for 2011; or
- (c) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution of shareholders at a general meeting,

NOTICE OF ANNUAL GENERAL MEETING

except where the board of directors has resolved to issue domestic shares (A shares) or overseas-listed foreign invested shares (H shares) during the Relevant Period and the share issuance is to be continued or implemented after the Relevant Period.

11. To consider and, if thought fit, to approve the following general mandate to repurchase domestic shares (A shares) and overseas-listed foreign invested shares (H shares):-
 - (1) approve a general mandate to the board of directors to, by reference to market conditions and in accordance with needs of the Company, to repurchase domestic shares (A shares) not exceeding 10% of the number of domestic shares (A shares) in issue at the time when this resolution is passed at annual general meeting and the relevant resolutions are passed at class meetings of shareholders. Pursuant to PRC laws and regulations, and for repurchases of domestic shares (A shares), the Company will seek further approval from its shareholders in general meeting for each repurchase of domestic shares (A shares) even where the general mandate is granted, but will not be required to seek shareholders' approval at class meetings of domestic share (A share) shareholders or overseas-listed foreign invested share (H share) shareholders.
 - (2) approve a general mandate to the board of directors to, by reference to market conditions and in accordance with needs of the Company, to repurchase overseas-listed foreign invested shares (H shares) not exceeding 10% of the number of overseas-listed foreign invested shares (H shares) in issue at the time when this resolution is passed at annual general meeting and the relevant resolutions are passed at class meetings of shareholders.
 - (3) the board of directors be authorised to (including but not limited to the following):-
 - (i) formulate and implement detailed repurchase plan, including but not limited to repurchase price, number of shares to repurchase, time of repurchase and period of repurchase etc;
 - (ii) notify creditors in accordance with the PRC Company Law and articles of association of the Company;
 - (iii) open overseas share accounts and to carry out related change of foreign exchange registration procedures;
 - (iv) carry out relevant approval procedures required by regulatory authorities and venues in which the Company is listed, and to carry out filings with the China Securities Regulatory Commission;
 - (v) carry out cancellation procedures for repurchased shares, decrease registered capital, and to make corresponding amendments to the articles of association of the Company relating to share capital and shareholdings etc, and to carry out statutory registrations and filings within and outside China;

NOTICE OF ANNUAL GENERAL MEETING

- (vi) approve and execute, on behalf of the Company, documents and matters related to share repurchase.

The above general mandate will expire on the earlier of (“Relevant Period”):-

- (a) the conclusion of the annual general meeting of the Company for 2012;
- (b) the expiration of a period of twelve months following the passing of this special resolution at the annual general meeting for 2011, the first A shareholders’ class meeting in 2012 and the first H shareholders’ class meeting in 2012; or
- (c) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution of shareholders at a general meeting, or a special resolution of shareholders at a class meeting of domestic share (A share) shareholders or a class meeting of overseas-listed foreign invested share (H share) shareholders,

except where the board of directors has resolved to repurchase domestic shares (A shares) or overseas-listed foreign invested shares (H shares) during the Relevant Period and the share repurchase is to be continued or implemented after the Relevant Period.

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

Beijing, 5 April 2012

Notes:

1. Eligibility for attending the annual general meeting

Holders of H shares of the Company whose names appear on the register of members of the Company kept by the share registrar of the Company, Computershare Hong Kong Investor Services Limited at the close of business of Wednesday, 25 April 2012 are entitled to attend the annual general meeting.

The register of members will be closed from 25 April 2012 (Wednesday) to 25 May 2012 (Friday) (both days inclusive) to determine the identity of the shareholders of H Shares who are entitled to attend and vote at the annual general meeting. In order to be eligible for attending and vote at the annual general meeting, transferees of H Shares must lodge their duly stamped instruments of transfer, accompanied by the relevant share certificates, to Computershare Hong Kong Investor Services Limited, the Company’s share registrar for H Shares at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on 24 April 2012 (Tuesday) to effect the transfer of shares.

2. Proxy

- (1) Each shareholder entitled to attend and vote at the annual general meeting may appoint one or more proxies in writing to attend and vote on his behalf. A proxy need not be a shareholder of the Company.

NOTICE OF ANNUAL GENERAL MEETING

- (2) The proxies shall be appointed in writing by shareholders. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorized in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign or other documents of authorization must be notarized.
- (3) To be valid, the notarially certified power of attorney, or other documents of authorization, and the form of proxy must be delivered to the Company's office address (at Room 310, Block B, Shenhua Tower, 22 Andingmen Xibinhe Road, Dongcheng District, Beijing, the People's Republic of China, Postal Code: 100011) for holders of domestic shares and at the H share share registrar of the Company for holders of H shares not less than 24 hours before the time fixed for convening the annual general meeting or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person at the meeting if he so wishes. The H share share registrar of the Company is Computershare Hong Kong Investor Services Limited.
- (4) A proxy may exercise the right to vote by showing his hand or by poll. However, if a shareholder appointed more than one proxy, such proxies shall only exercise the right to vote by poll.

3. Registration procedures for attending the annual general meeting

- (1) A shareholder or his proxy should produce proof of identity when attending the annual general meeting.

If a corporate shareholder appoints its legal representative to attend the meeting, such legal representative or the person authorized by the board of directors or other governing body shall produce a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.

- (2) Shareholders who intend to attend the annual general meeting should return the reply slip of such meeting to the Company on or before Friday, 4 May 2012.
- (3) Shareholders of the Company may return the reply slip personally, by post or by facsimile to the Company.

4. Closure of register of members

- (1) The register of members will be closed from 25 April 2012 (Wednesday) to 25 May 2012 (Friday) (both days inclusive) to determine the identity of the shareholders of H Shares who are entitled to attend and vote at the annual general meeting. In order to be eligible for attending and vote at the annual general meeting, transferees of H Shares must lodge their duly stamped instruments of transfer, accompanied by the relevant share certificates, to Computershare Hong Kong Investor Services Limited, the Company's share registrar for H Shares at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 24 April 2012 (Tuesday) to effect the transfer of shares.
- (2) The register of members will be closed from 4 June 2012 (Monday) to 8 June 2012 (Friday) (both days inclusive) to determine the identity of the shareholders of H Shares who are entitled to the proposed final dividend for the year 2011. In order to be eligible for receiving the proposed 2011 final dividend, transferees of H shares must lodge their duly stamped instruments of transfer, accompanied by the relevant share certificates, to Computershare Hong Kong Investor Services Limited, the Company's share registrar for H shares at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 1 June 2012 (Friday) to effect the transfer of shares.

5. Procedures on demanding a poll

Subject to the listing rules of the stock exchange on which the shares of the Company have been listing, a poll may be demanded in respect of any resolutions by the following persons before or after a vote is carried

NOTICE OF ANNUAL GENERAL MEETING

out by a show of hands:

- (1) the chairman of the meeting; and
- (2) at least two shareholders or their proxies entitled to vote thereat; or
- (3) one or more shareholders (including their authorized proxies) separately or jointly representing 10% or more of all shares carrying the right to vote at the meeting.

Unless a poll is demanded, the chairman of the meeting shall declare the result of a proposal put to vote on a show of hands. A demand for a poll may be withdrawn by the person who made the demand.

6. Miscellaneous

- (1) The annual general meeting is expected to be held for less than half a day. Shareholders who attend the meeting shall bear their own travelling and accommodation expenses.
- (2) The Share Registrar of the Company for H Shares is Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (3) The registered address of the Company:

Shenhua Tower
22 Andingmen Xibinhe Road
Dongcheng District
Beijing, China
Postal Code: 100011
Telephone: (+86) 10 5813 3355/(+86) 10 5813 3399
Facsimile: (+86) 10 5813 1804/(+86) 10 5813 1814

- (4) Contact methods for the meeting:

Contact Department:	Investment Relations Department, Room 310, Block B, Shenhua Tower, 22 Andingmen Xibinhe Road, Dongcheng District, Beijing, the People's Republic of China
Postal Code:	100011
Contact Person:	Qu Junda
Telephone:	(+86) 10 5813 1088/(+86) 10 5813 3363
Facsimile:	(+86) 10 5813 1814

- (5) In this notice, the following expressions shall have the following meanings unless the context otherwise requires:

"PRC" the People's Republic of China

"RMB" Renminbi, the lawful currency of the People's Republic of China

As at the date hereof, the Board comprises Dr. Zhang Xiwu, Dr. Zhang Yuzhuo, Dr. Ling Wen and Mr. Han Jianguo, as executive Directors, Mr. Liu Benren and Mr. Xie Songlin, as non-executive Directors, and Ms. Fan Hsu Lai Tai, Mr. Gong Huazhang and Mr. Guo Peizhang, as independent non-executive Directors.

NOTICE OF 2012 FIRST CLASS MEETING OF THE HOLDERS OF H SHARES

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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)

NOTICE OF 2012 FIRST CLASS MEETING OF THE HOLDERS OF H SHARES

NOTICE IS HEREBY GIVEN that a class meeting of the holders of H Shares (the "H Shareholders' Class Meeting") of China Shenhua Energy Company Limited (the "Company") will be held at Oriental Bay International Hotel, 26 Anwai Xibinhe Road, Dongcheng District, Beijing, the People's Republic of China at 10:15 a.m. on Friday, 25 May 2012 for the purpose of considering and, if thought fit, passing the following resolutions:

AS SPECIAL RESOLUTIONS:

1. To consider and, if thought fit, to approve the following general mandate to repurchase domestic shares (A shares) and overseas-listed foreign invested shares (H shares):-
 - (1) approve a general mandate to the board of directors to, by reference to market conditions and in accordance with needs of the Company, to repurchase domestic shares (A shares) not exceeding 10% of the number of domestic shares (A shares) in issue at the time when this resolution is passed at annual general meeting and the relevant resolutions are passed at class meetings of shareholders. Pursuant to PRC laws and regulations, and for repurchases of domestic shares (A shares), the Company will seek further approval from its shareholders in general meeting for each repurchase of domestic shares (A shares) even where the general mandate is granted, but will not be required to seek shareholders' approval at class meetings of domestic share (A share) shareholders or overseas-listed foreign invested share (H share) shareholders.

NOTICE OF 2012 FIRST CLASS MEETING OF THE HOLDERS OF H SHARES

- (2) approve a general mandate to the board of directors to, by reference to market conditions and in accordance with needs of the Company, to repurchase overseas-listed foreign invested shares (H shares) not exceeding 10% of the number of overseas-listed foreign invested shares (H shares) in issue at the time when this resolution is passed at annual general meeting and the relevant resolutions are passed at class meetings of shareholders.
- (3) the board of directors be authorised to (including but not limited to the following):-
 - (i) formulate and implement detailed repurchase plan, including but not limited to repurchase price, number of shares to repurchase, time of repurchase and period of repurchase etc;
 - (ii) notify creditors in accordance with the PRC Company Law and articles of association of the Company;
 - (iii) open overseas share accounts and to carry out related change of foreign exchange registration procedures;
 - (iv) carry out relevant approval procedures required by regulatory authorities and venues in which the Company is listed, and to carry out filings with the China Securities Regulatory Commission;
 - (v) carry out cancelation procedures for repurchased shares, decrease registered capital, and to make corresponding amendments to the articles of association of the Company relating to share capital and shareholdings etc, and to carry out statutory registrations and filings within and outside China;
 - (vi) approve and execute, on behalf of the Company, documents and matters related to share repurchase.

The above general mandate will expire on the earlier of (“Relevant Period”):-

- (a) the conclusion of the annual general meeting of the Company for 2012;
- (b) the expiration of a period of twelve months following the passing of this special resolution at the annual general meeting for 2011, the first A shareholders’ class meeting in 2012 and the first H shareholders’ class meeting in 2012; or

NOTICE OF 2012 FIRST CLASS MEETING OF THE HOLDERS OF H SHARES

- (c) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution of shareholders at a general meeting, or a special resolution of shareholders at a class meeting of domestic share (A share) shareholders or a class meeting of overseas-listed foreign invested share (H share) shareholders,

except where the board of directors has resolved to repurchase domestic shares (A shares) or overseas-listed foreign invested shares (H shares) during the Relevant Period and the share repurchase is to be continued or implemented after the Relevant Period.

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

Beijing, 5 April 2012

Notes:

1. Eligibility for attending the H Shareholders' Class Meeting

Holders of H shares of the Company whose names appear on the register of members of the Company kept by the share registrar of the Company, Computershare Hong Kong Investor Services Limited at the close of business of Wednesday, 25 April 2012 are entitled to attend the H Shareholders' Class Meeting.

The register of members will be closed from 25 April 2012 (Wednesday) to 25 May 2012 (Friday) (both days inclusive) to determine the identity of the shareholders of H Shares who are entitled to attend and vote at the H Shareholders' Class Meeting. In order to be eligible for attending and vote at the H Shareholders' Class Meeting, transferees of H Shares must lodge their duly stamped instruments of transfer, accompanied by the relevant share certificates, to Computershare Hong Kong Investor Services Limited, the Company's share registrar for H Shares at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 24 April 2012 (Tuesday) to effect the transfer of shares.

2. Proxy

- (1) Each shareholder entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies in writing to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
- (2) The proxies shall be appointed in writing by shareholders. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorized in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign or other documents of authorization must be notarized.

NOTICE OF 2012 FIRST CLASS MEETING OF THE HOLDERS OF H SHARES

- (3) To be valid, the notarially certified power of attorney, or other documents of authorization, and the form of proxy must be delivered to the Company's office address (at Room 310, Block B, Shenhua Tower, 22 Andingmen Xibinhe Road, Dongcheng District, Beijing, the People's Republic of China, Postal Code: 100011) for holders of domestic shares and at the H share registrar of the Company for holders of H shares not less than 24 hours before the time fixed for convening the annual general meeting or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person at the meeting if he so wishes. The H share registrar of the Company is Computershare Hong Kong Investor Services Limited.
- (4) A proxy may exercise the right to vote by showing his hand or by poll. However, if a shareholder appointed more than one proxy, such proxies shall only exercise the right to vote by poll.

3. Registration procedures for attending the class meeting of the holders of H Shares

- (1) A shareholder or his proxy should produce proof of identity when attending the annual general meeting.

If a corporate shareholder appoints its legal representative to attend the meeting, such legal representative or the person authorized by the board of directors or other governing body shall produce a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.

- (2) Shareholders who intend to attend the H Shareholders' Class Meeting should return the reply slip of such meeting to the Company on or before Friday, 4 May 2012.
- (3) Shareholders of the Company may return the reply slip personally, by post or by facsimile to the Company.

4. Closure of register of members

The register of members will be closed from 25 April 2012 (Wednesday) to 25 May 2012 (Friday) (both days inclusive) to determine the identity of the shareholders of H Shares who are entitled to attend and vote at the H Shareholders' Class Meeting. In order to be eligible for attending and vote at the H Shareholders' Class Meeting, transferees of H Shares must lodge their duly stamped instruments of transfer, accompanied by the relevant share certificates, to Computershare Hong Kong Investor Services Limited, the Company's share registrar for H Shares at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 24 April 2012 (Tuesday) to effect the transfer of shares.

5. Procedures on demanding a poll

Subject to the listing rules of the stock exchange on which the shares of the Company have been listing, a poll may be demanded in respect of any resolutions by the following persons before or after a vote is carried out by a show of hands:

- (1) the chairman of the meeting; and
- (2) at least two shareholders or their proxies entitled to vote thereat; or
- (3) one or more shareholders (including their authorized proxies) separately or jointly representing 10% or more of all shares carrying the right to vote at the meeting.

Unless a poll is demanded, the chairman of the meeting shall declare the result of a proposal put to vote on a show of hands. A demand for a poll may be withdrawn by the person who made the demand.

NOTICE OF 2012 FIRST CLASS MEETING OF THE HOLDERS OF H SHARES

6. Miscellaneous

- (1) The H Shareholders' Class Meeting is expected to be held for less than half a day. Shareholders who attend the meeting shall bear their own travelling and accommodation expenses.
- (2) The Share Registrar of the Company for H Shares is Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (3) The registered address of the Company:

Shenhua Tower
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- (4) Contact methods for the meeting:

Contact Department:	Investment Relations Department, Room 310, Block B, Shenhua Tower, 22 Andingmen Xibinhe Road, Dongcheng District, Beijing, the People's Republic of China
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Contact Person:	Qu Junda
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- (5) In this notice, the following expressions shall have the following meanings unless the context otherwise requires:

"PRC" the People's Republic of China

"RMB" Renminbi, the lawful currency of the People's Republic of China

As at the date hereof, the Board comprises Dr. Zhang Xiwu, Dr. Zhang Yuzhuo, Dr. Ling Wen and Mr. Han Jianguo, as executive Directors, Mr. Liu Benren and Mr. Xie Songlin, as non-executive Directors, and Ms. Fan Hsu Lai Tai, Mr. Gong Huazhang and Mr. Guo Peizhang, as independent non-executive Directors.