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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)

DISCLOSEABLE TRANSACTION
CONNECTED TRANSACTION

**ANNOUNCEMENT ON FURTHER DEVELOPMENT OF THE
ESTABLISHMENT OF JOINT VENTURE COMPANY**

Reference is made the announcement of China Shenhua Energy Company Limited (“**the Company**”) dated 1 March 2018 and the circular of the Company dated 12 March 2018 in relation to the establishment of the Joint Venture Company with the equities and assets of the relevant coal-fired power generation companies separately contributed by the Company and GD Power Development Co., Ltd. (“**GD Power**”). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as in the said circular.

Currently, the conditions precedent to the effectiveness of the Joint Venture Agreement have been satisfied. In order to promote the establishment procedure of the Joint Venture Company, the Company intends to enter into the Supplemental Agreement to the Agreement on Establishment of the Joint Venture Company by way of Assets Reorganizations entered into between GD Power Development Co., Ltd. and China Shenhua Energy Company Limited (the “**Supplemental Agreement to the Joint Venture Agreement**”) to change the registered place of business of the Joint Venture Company, and the Articles of Association of the Joint Venture Company established by way of Assets Reorganizations entered into between GD Power Development Co., Ltd. and China Shenhua Energy Company Limited (“**Draft Articles of Association of the Joint Venture Company**”). The terms of Draft Articles of Association of the Joint Venture Company are consistent with the terms of the Joint Venture Agreement disclosed in the circular and the Supplemental Agreement to the Joint Venture Agreement.

The major terms of the Supplemental Agreement to the Joint Venture Agreement are set out below:

1. The Parties agree that the registered place of business is changed to Xicheng District, Beijing. The third sub-clause of the second clause of the Joint Venture Agreement is amended from “the Parties agree that the company name of the Joint Venture Company is the name finally registered in the business license. The Joint Venture Company is registered in Chaoyang District, Beijing, with a registered capital of RMB10 billion, in which GD Power will contribute RMB5,747.3579 million and the Company will contribute RMB4,252.6421 million.” to “the Parties agree that the company name of the Joint Venture Company is the name finally registered in the business license. The Joint Venture Company is registered in Xicheng District, Beijing, with a registered capital of RMB10 billion, in which GD Power will contribute RMB5,747.3579 million and the Company will contribute RMB4,252.6421 million.”
2. The Supplemental Agreement to the Joint Venture Agreement shall become effective from the date on which the legal representatives or authorized representatives of the parties affix their signatures and common seals of their companies.
3. After the the Supplemental Agreement to the Joint Venture Agreement becomes effective, it shall form an integrated part of the Joint Venture Agreement and have same legal effect of the Joint Venture Agreement. Except for those being amended in the Supplemental Agreement to the Joint Venture Agreement, the other parts of the Joint Venture Agreement shall continue to be fully effective.

The Board of the Company has resolved and approved the Resolution on Entering into between China Shenhua and GD Power the Supplemental Agreement to the Agreement on Establishment of the Joint Venture Company by way of Assets Reorganizations entered into between GD Power Development Co., Ltd. and China Shenhua Energy Company Limited on 29 November 2018. Of the Directors attending the board meeting, connected Directors Dr. Ling Wen, Dr. Li Dong, Mr. Gao Song, Mr. Mi Shuhua and Mr. Zhao Jibin were considered to have material interests by virtue of being employed by China Energy Investment Corporation Limited and had thus abstained from voting on the board resolution(s) in respect of the transaction contemplated thereunder. The Directors (including independent non- executive Directors) consider that the terms and the transaction contemplated under the Supplemental Agreement to the Joint Venture Agreement and Draft Articles of Association of the Joint Venture Company are on normal commercial terms or better and in the ordinary and usual course of business of the Group, the pricing is fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

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

Beijing, 29 November 2018

As at the date of this announcement, the Board comprises the following: Dr. Ling Wen, Dr. Li Dong, Mr. Gao Song and Mr. Mi Shuhua as executive directors, Mr. Zhao Jibin as non-executive director, and Dr. Tam Wai Chu, Maria, Dr. Jiang Bo, Ms. Zhong Yingjie, Christina, Dr. Peng Suping and Dr. Huang Ming as independent non-executive directors.