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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)

PROPOSAL FOR GENERAL MANDATE TO REPURCHASE H SHARES

A letter from the Board is set out on pages 1 to 4 of this Circular.

Notices convening the 2020 First Extraordinary General Meeting and the 2020 Second Class Meeting of the Holders of H Shares to be held at Conference Room 1906, 19/F, Block C, Shenhua Tower, 16 Ande Road, Dongcheng District, Beijing, the People's Republic of China at 9:30 a.m. and 10:15 a.m. on Friday, 25 September 2020 is set out on pages 9 to 18 of this circular.

Reply slips and forms of proxy for use at the 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 Tuesday, 22 September 2020.

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 (i.e. 9:30 a.m. on 24 September 2020) 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.

8 September 2020

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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 share(s) issued by the Company to domestic investors denominated in RMB and which are listed on the Shanghai Stock Exchange;
“A Shareholder(s)”	holder(s) of A Share(s);
“A Shareholders’ Class Meeting”	the class meeting of the A Shareholders to be held at Conference Room 1906, 19/F, Block C, Shenhua Tower, 16 Ande Road, Dongcheng District, Beijing, the PRC on Friday, 25 September 2020 at 10:00 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 of the Company;
“China Energy”	China Energy Investment Corporation Limited (國家能源投資集團有限責任公司), the controlling shareholder of the Company as defined under the Hong Kong Listing Rules;
“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, the H shares of which are listed on the Hong Kong Stock Exchange and the A shares of which are listed on the Shanghai 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;

DEFINITIONS

“EGM” or “2020 First Extraordinary General Meeting”	the 2020 first extraordinary general meeting of the Company to be held;
“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 EGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting, details of which are set out in the notice of the EGM and the notice of the H Shareholders’ Class Meeting;
“H Shareholder(s)”	holder(s) of H Share(s);
“H Shareholders’ Class Meeting” or “2020 Second Class Meeting of the Holders of H Shares”	the class meeting of the H Shareholders to be held at Conference Room 1906, 19/F, Block C, Shenhua Tower, 16 Ande Road, Dongcheng District, Beijing, the PRC on Friday, 25 September 2020 at 10:15 a.m.;
“Group”	the Company and its subsidiaries;
“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”	2 September 2020, being the latest practicable date prior to the issuance of this circular for ascertaining certain information contained herein;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;

DEFINITIONS

“SAFE”	State Administration of Foreign Exchange of the PRC;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“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;
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers and Share Buy-backs.

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:

Wang Xiangxi

Yang Jiping

Xu Mingjun

Registered Address:

Shenhua Tower

22 Andingmen Xibinhe Road

Dongcheng District

Beijing, PRC

Non-executive Directors:

Jia Jinzhong

Zhao Yongfeng

Independent Non-executive Directors:

Yuen Kwok Keung

Bai Chong-En

Chen Hanwen

Employee Director:

Wang Xingzhong

8 September 2020

To the Shareholders

Dear Sir or Madam,

PROPOSAL FOR GENERAL MANDATE TO REPURCHASE H SHARES

INTRODUCTION

The purpose of this circular is to provide you with further information in relation to the proposal for general mandate to repurchase H Shares.

LETTER FROM THE BOARD

PROPOSAL FOR GENERAL MANDATE TO REPURCHASE H SHARES

The Company Law (to which the Company is subject and has incorporated in its Articles of Association) 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) cancellation of shares for the purpose of reducing its capital; (b) merging with other companies that hold shares in the Company; (c) allocating shares for the purpose of the employee stock ownership plan or share option incentive; (d) shareholders objecting to resolutions of the general meeting of shareholders concerning merger or division of the Company, requiring the Company to buy their shares; (e) allocating shares for the conversion of corporate bonds which are convertible into shares issued by the Company; or (f) as necessary for maintaining the value of the Company and safeguarding the rights and interests of shareholders.

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, and the approval of the Beijing Administrative Office of SAFE will be required.

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 receipt of 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.

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 EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. A special resolution will be proposed at the EGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting to grant the Board the H Share Repurchase Mandate, details of which will be set out in the notice of the EGM 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. The period of the H Share Repurchase Mandate shall not exceed the relevant period (the "**Relevant Period**"). The Relevant Period commences from the day when the authority conferred by this special resolution

LETTER FROM THE BOARD

is approved by a special resolution of shareholders at a general meeting, a class meeting of holders of A Shares and a class meeting of holders of H Shares and ends at the earlier of: (a) the conclusion of the annual general meeting for 2020; or (b) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution at a general meeting, or a special resolution at a class meeting of holders of A Shares or a class meeting of holders of H Shares.

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

THE EXTRAORDINARY GENERAL MEETING AND THE CLASS MEETINGS

An EGM will be convened and held for the purpose of, inter alia, considering and approving, by the Shareholders by way of special resolution 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 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 H Share Repurchase Mandate. Votes for all resolution(s) at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting shall be taken by way of poll. There is no connected person of the Company, Shareholder and their respective associates with a material interest in the resolutions to be proposed, considered and approved at the EGM and/or the H Shareholders' Class Meeting required to abstain from voting at the EGM and/or the H Shareholders' Class Meeting.

Notices convening the 2020 First Extraordinary General Meeting and the 2020 Second Class Meeting of the Holders of H Shares to be held at Conference Room 1906, 19/F, Block C, Shenhua Tower, 16 Ande Road, Dongcheng District, Beijing, the PRC at 9:30 a.m. and 10:15 a.m. on Friday, 25 September 2020 are set out on pages 9 to 18 of this circular.

Reply slips and forms of proxy for use at the meetings are enclosed herewith. Shareholders who intend to attend the respective meetings shall complete and return the reply slips in accordance with the instructions printed thereon before Tuesday, 22 September 2020.

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 forms 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 (i.e. 9:30 a.m. on 24 September 2020) 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.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the issuer. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters, the omission of which would make any statement herein or this document misleading.

RECOMMENDATION

The Directors consider that the H Share Repurchase Mandate mentioned above is 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 resolution to be proposed at the EGM, 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 EGM, 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

To implement the new Securities Law of the PRC, protect the interest of minority shareholders of the Company and respond to requests of investors of the Company. 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 with a nominal value of RMB1.00 each and 16,491,037,955 A Shares with a nominal value 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 EGM, 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 annual general meeting for 2020; or (b) 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 holders of domestic shares (A shares) or a class meeting of holders of overseas-listed foreign invested shares (H shares) (the "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.

In accordance with the Hong Kong Listing Rules, the Company will not repurchase H Shares if the purchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which H Shares were traded on the Hong Kong Stock Exchange.

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 EGM, the A Shareholders' Class Meeting and H Shareholders' Class Meeting) would result in a maximum of 339,858,250 H Shares that may be 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 Shares, 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. 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 repurchase 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 INFORMATION

The Directors consider that there would not be a material adverse impact on the working capital or 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 2019). 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 needs of the Company or the gearing level 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 regarded 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 repurchases 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>
2019		
September	17.00	15.70
October	16.02	15.22
November	16.28	15.04
December	16.56	15.06
2020		
January	16.62	13.74
February	14.56	13.52
March	14.76	12.60
April	14.58	13.64
May	14.16	13.12
June	14.64	12.06
July	14.04	12.76
August	13.10	12.52
September (up to the Latest Practicable Date)	13.10	13.02

H SHARES REPURCHASED BY THE COMPANY

No repurchase 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 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, China Energy, whose interest in the Company is notifiable under Part XV (Disclosure of Interests) of the SFO, held directly or indirectly approximately 69.45% 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 EGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting, the total interests of China Energy in the total registered capital of the Company would increase to approximately 70.65%. 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 repurchases 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 EXTRAORDINARY GENERAL MEETING

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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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2020 first extraordinary general meeting (the “**Extraordinary General Meeting**”) of China Shenhua Energy Company Limited (the “**Company**”) will be held at Conference Room 1906, 19/F, Block C, Shenhua Tower, 16 Ande Road, Dongcheng District, Beijing, the People's Republic of China at 9:30 a.m. on Friday, 25 September 2020 for the purpose of considering and, if thought fit, passing the following resolution:

AS SPECIAL RESOLUTION:

1. To consider and, if thought fit, to approve the following general mandate for the board of directors and the persons authorised by the board of directors to repurchase the Company's H shares:
 - (1) the board of directors be granted a general mandate, by reference to market conditions and in accordance with needs of the Company, to repurchase the Company's H shares not exceeding 10% of the number of the Company's H shares in issue at the time when this resolution is passed at the Extraordinary General Meeting and the class meetings of shareholders.
 - (2) the board of directors be authorised to (including but not limited to the following):
 - (i) formulate and implement the repurchase plan, including but not limited to determining the time of repurchase, period of repurchase, repurchase price and number of shares to repurchase, etc.;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) notify creditors and issue announcements pursuant to the requirements of the laws and regulations such as Company Law and the articles of association of the Company;
 - (iii) open overseas share accounts and money accounts and to carry out related change of foreign exchange registration procedures;
 - (iv) carry out relevant approval or filing procedures (if any) pursuant to the applicable laws, regulations and rules;
 - (v) carry out cancellation procedures for repurchased shares, make corresponding amendments to the articles of association of the Company relating to, among others, share capital and shareholdings, and carry out modification registrations and make filings;
 - (vi) execute and deal with any documents and matters related to share repurchase.
- (3) Authorisation period

The period of above general mandate shall not exceed the relevant period (the “**Relevant Period**”). The Relevant Period commences from the day when the authority conferred by this special resolution is approved by a special resolution at the Extraordinary General Meeting, the class meeting of holders of A shares and the class meeting of holders of H shares and ends at the earlier of:

- (a) the conclusion of the annual general meeting for 2020; or
- (b) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution at a general meeting, or a special resolution at a class meeting of holders of A shares or a class meeting of holders of H shares.

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

Beijing, 8 September 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. ELIGIBILITY FOR ATTENDING THE EXTRAORDINARY 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 21 September 2020 (Monday) are entitled to attend the Extraordinary General Meeting.

The register of members will be closed from 22 September 2020 (Tuesday) to 25 September 2020 (Friday) (both days inclusive) to determine the identity of the shareholders of H shares who are entitled to attend and vote at the Extraordinary General Meeting. In order to be eligible for attending and voting at the Extraordinary 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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 21 September 2020 (Monday) to effect the transfer of shares.

2. PROXY

- (1) Each shareholder entitled to attend and vote at the Extraordinary 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.
- (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 authorised in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other documents of authorisation must be notarised.
- (3) To be valid, the notarially certified power of attorney or other documents of authorisation, and the form of proxy must be delivered to the Company's office address (at Room 1805, Block A, 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 Extraordinary 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 EXTRAORDINARY GENERAL MEETING

- (1) A shareholder or his proxy should produce proof of identity when attending the Extraordinary General Meeting. If a corporate shareholder appoints its legal representative to attend the meeting, such legal representative or the person authorised 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 Extraordinary General Meeting should return the reply slip of such meeting to the Company on or before 22 September 2020 (Tuesday).
- (3) Shareholders of the Company may return the reply slip personally, by post or by facsimile to the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. CLOSURE OF REGISTER OF MEMBERS

- (1) The register of members will be closed from 22 September 2020 (Tuesday) to 25 September 2020 (Friday) (both days inclusive) to determine the identity of the shareholders of H shares who are entitled to attend and vote at the Extraordinary General Meeting. In order to be eligible for attending and voting at the Extraordinary 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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 21 September 2020 (Monday) 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 listed, a poll may be demanded in respect of any resolution 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 authorised 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. In accordance with the articles of association of the Company, shareholder(s) individually or jointly holding more than 3% shares of the Company may submit provisional motions in a general meeting. The contents of the provisional motions shall meet the requirements of the articles of association of the Company and regulatory rules in the place where the shares are listed.

7. MISCELLANEOUS

- (1) The Extraordinary General Meeting is expected to be held for less than half a day. Shareholders who attend the meeting, personally or by proxy, 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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (3) The registered address of the Company:

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (4) Contact methods for the meeting:

Department: Office of the Board of Directors
Shenhua Tower, 22 Andingmen Xibinhe Road
Dongcheng District, Beijing, the PRC
Postal Code: 100011
Contact Person: Mr. He, Ms. Cheng
Telephone: (+86) 10 5813 1088
Facsimile: (+86) 10 5813 1814

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

“PRC” the People’s Republic of China

As at the date of this notice, the Board comprises the following: Mr. Wang Xiangxi, Mr. Yang Jiping and Mr. Xu Mingjun as executive directors, Mr. Jia Jinzhong and Mr. Zhao Yongfeng as non-executive directors, Dr. Yuen Kwok Keung, Dr. Bai Chong-En and Dr. Chen Hanwen as independent non-executive directors, and Mr. Wang Xingzhong as employee director.

NOTICE OF 2020 SECOND 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 2020 SECOND 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 Conference Room 1906, 19/F, Block C, Shenhua Tower, 16 Ande Road, Dongcheng District, Beijing, the People’s Republic of China at 10:15 a.m. on Friday, 25 September 2020 for the purpose of considering and, if thought fit, passing the following resolution:

AS SPECIAL RESOLUTION:

1. To consider and, if thought fit, to approve the following general mandate for the board of directors and the persons authorised by the board of directors to repurchase the Company’s H shares:
 - (1) the board of directors be granted a general mandate, by reference to market conditions and in accordance with needs of the Company, to repurchase the Company’s H shares not exceeding 10% of the number of the Company’s H shares in issue at the time when this resolution is passed at the extraordinary general meeting and the class meetings of shareholders.
 - (2) the board of directors be authorised to (including but not limited to the following):
 - (i) formulate and implement the repurchase plan, including but not limited to determining the time of repurchase, period of repurchase, repurchase price and number of shares to repurchase, etc.;

NOTICE OF 2020 SECOND CLASS MEETING OF THE HOLDERS OF H SHARES

- (ii) notify creditors and issue announcements pursuant to the requirements of the laws and regulations such as Company Law and the articles of association of the Company;
 - (iii) open overseas share accounts and money accounts and to carry out related change of foreign exchange registration procedures;
 - (iv) carry out relevant approval or filing procedures (if any) pursuant to the applicable laws, regulations and rules;
 - (v) carry out cancellation procedures for repurchased shares, make corresponding amendments to the articles of association of the Company relating to, among others, share capital and shareholdings, and carry out modification registrations and make filings;
 - (vi) execute and deal with any documents and matters related to share repurchase.
- (3) Authorisation period

The period of above general mandate shall not exceed the relevant period (the “**Relevant Period**”). The Relevant Period commences from the day when the authority conferred by this special resolution is approved by a special resolution at the extraordinary general meeting, the class meeting of holders of A shares and the H Shareholders’ Class Meeting and ends at the earlier of:

- (a) the conclusion of the annual general meeting for 2020; or
- (b) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution at a general meeting, or a special resolution at a class meeting of holders of A shares or a class meeting of holders of H shares.

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

Beijing, 8 September 2020

NOTICE OF 2020 SECOND CLASS MEETING OF THE HOLDERS OF H SHARES

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 21 September 2020 (Monday) are entitled to attend the H Shareholders' Class Meeting.

The register of members will be closed from 22 September 2020 (Tuesday) to 25 September 2020 (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 voting 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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 21 September 2020 (Monday) 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 authorised in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other documents of authorisation must be notarised.
- (3) To be valid, the notarially certified power of attorney, or other documents of authorisation, and the form of proxy must be delivered to the H share share registrar of the Company not less than 24 hours before the time fixed for convening the H Shareholders' Class 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 H SHAREHOLDERS' CLASS MEETING

- (1) A shareholder or his proxy should produce proof of identity when attending the H Shareholders' Class Meeting.

If a corporate shareholder appoints its legal representative to attend the meeting, such legal representative or the person authorised 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 22 September 2020 (Tuesday).
- (3) Shareholders of the Company may return the reply slip personally, by post or by facsimile to the Company.

NOTICE OF 2020 SECOND CLASS MEETING OF THE HOLDERS OF H SHARES

4. CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 22 September 2020 (Tuesday) to 25 September 2020 (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 voting 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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 21 September 2020 (Monday) 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 listed, a poll may be demanded in respect of any resolution 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 authorised 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 H Shareholders' Class Meeting is expected to be held for less than half a day. Shareholders who attend the meeting, personally or by proxy, 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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (3) The registered address of the Company:

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

NOTICE OF 2020 SECOND CLASS MEETING OF THE HOLDERS OF H SHARES

- (4) Contact methods for the meeting:

Department: Office of the Board of Directors
Shenhua Tower, 22 Andingmen Xibinhe Road
Dongcheng District, Beijing, the PRC
Postal Code: 100011
Contact Person: Mr. He, Ms. Cheng
Telephone: (+86) 10 5813 1088
Facsimile: (+86) 10 5813 1814

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

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As at the date of this notice, the Board comprises the following: Mr. Wang Xiangxi, Mr. Yang Jiping and Mr. Xu Mingjun as executive directors, Mr. Jia Jinzhong and Mr. Zhao Yongfeng as non-executive directors, Dr. Yuen Kwok Keung, Dr. Bai Chong-En and Dr. Chen Hanwen as independent non-executive directors, and Mr. Wang Xingzhong as employee director.