

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



中国神华能源股份有限公司
CHINA SHENHUA ENERGY COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01088)

OVERSEAS REGULATORY ANNOUNCEMENT

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

The "Announcement Regarding Resolutions at the Seventh Meeting of the Fifth Session of the Board" and so on as published in Chinese on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 24 April 2021 are enclosed hereto as overseas regulatory announcements.

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

Beijing, 23 April 2021

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

China Shenhua Energy Company Limited Announcement Regarding Resolutions at the Seventh Meeting of the Fifth Session of the Board

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

The seventh meeting of the fifth session of the board of directors (the “**Board**”) of China Shenhua Energy Company Limited (the “**Company**” or “**China Shenhua**”), with the notice of meeting served on 7 April 2021 by email and paperless office system to all directors and supervisors, and meeting materials such as agenda and proposals served on 13 April, was held by way of on-site meeting and teleconference at No. 22 Xibinhe Road, Andingmen, Dongcheng District, Beijing on 23 April 2021. Seven out of the eight eligible directors (each a “**Director**”) attended the meeting in person. Xu. Mingjun (Director) requested for leave due to business engagement and appointed Yang Jiping (Director) to attend the meeting and vote on behalf of him. Yuen Kwok Keung (Director) attended the meeting via video connection. The meeting was convened and chaired by Wang Xiangxi (Chairman). Huang Qing (Secretary to the Board) attended the meeting. All of supervisors and part of senior management members attended the meeting as non-voting participants. The meeting was convened in compliance with the Company Law of the People’s Republic of China and other relevant laws and regulations, the listing rules of the listing venue and the Articles of Association of China Shenhua Energy Company Limited (the “**Articles of Association**”).

The following resolutions were considered and approved at the meeting:

I. Resolution in relation to the 2021 First Quarterly Financial Report of China Shenhua Energy Company Limited

Voting result: 8 ballots carrying voting rights, 8 assenting votes, 0 dissenting vote, 0 abstained vote

For details, please refer to the First Quarterly Report for the Year 2021 of the Company disclosed at the same date.

II. Resolution in relation to the 2021 First Quarterly Report of China Shenhua Energy Company Limited

Voting result: 8 ballots carrying voting rights, 8 assenting votes, 0 dissenting vote, 0 abstained vote

For details, please refer to the First Quarterly Report for the Year 2021 of the Company disclosed at the same date.

III. Resolution in relation to the 2021 Annual External Donation Budgets of China Shenhua Energy Company Limited

The Board approved that the total amount for the 2021 Annual External

Donation Budgets of China Shenhua is RMB292.8 million.

Voting result: 8 ballots carrying voting rights, 8 assenting votes, 0 dissenting vote, 0 abstained vote

IV. Resolution in relation to the Re-appointment of External Auditor for the Year 2021 of the Company

The Board approved:

1. to propose at the 2020 annual general meeting of the Company to consider and approve the appointment of KPMG Huazhen LLP and KPMG (hereinafter referred to as “KPMG”) as the Company’s domestic and international auditors for the year 2021, respectively, with the term of appointment ended until the conclusion of the 2021 annual general meeting.

2. to propose at the 2020 annual general meeting of the Company to authorise the Directors’ committee comprising chairman of the Board and chairman of the Audit Committee to determine the auditors’ remuneration mentioned above.

All of the independent non-executive Directors confirmed:

1. KPMG has the professional ability, experience and qualification to provide the Company with audit services, and has the corresponding independence, capability of investor protection and good integrity in recent three years, which can fulfill the audit requirements for the year 2021 of the Company and it is in the interests of the Company and its shareholders as a whole.

2. The review procedures for the re-appointment of KPMG as the domestic and international auditors for the year of 2021 of the Company is in compliance with laws, regulations and the Articles of Association.

Voting result: 8 ballots carrying voting rights, 8 assenting votes, 0 dissenting vote, 0 abstained vote

For details, please refer to the Announcement on Re-appointment of Auditors of China Shenhua disclosed at the same date.

V. Resolution in relation to the Changes in Accounting Policy of the Company

All of the independent non-executive Directors confirmed:

1. The changes in accounting policies of the Company are in compliance with relevant laws and regulations as well as the China Accounting Standards for Business and Enterprises, which are also in line with the actual situation of the Company, and can fairly reflect the production costs of various industrial sectors of the Company. There is no circumstance that damages the interests of the Company and its shareholders.

2. The consideration and voting procedures of the Board on the changes in accounting policies of the Company are in compliance with the requirements of relevant laws, regulations and the Articles of Association.

Voting result: 8 ballots carrying voting rights, 8 assenting votes, 0 dissenting vote, 0 abstained vote

For details, please refer to the Announcement on Changes in Accounting Policies of China Shenhua disclosed at the same date.

VI. Resolution in relation to Establishment of Hebei Branch of China Shenhua Energy Company Limited

Voting result: 8 ballots carrying voting rights, 8 assenting votes, 0 dissenting

vote, 0 abstained vote

VII. Resolution in relation to Establishment of China Energy (Weifang) Energy Co., Ltd.

Voting result: 8 ballots carrying voting rights, 8 assenting votes, 0 dissenting vote, 0 abstained vote

For details, please refer to the Announcement on Joint Establishment of Weifang Company of China Shenhua disclosed at the same date.

It is announced hereby.

By order of the Board of Directors
China Shenhua Energy Company Limited
Huang Qing
Secretary to the Board of Directors
24 April 2021

China Shenhua Energy Company Limited Announcement on Joint Establishment of Weifang Company

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

IMPORTANT NOTICE:

- Name of investment target: China Shenhua Energy Company Limited (the “**Company**”) and Weifang Haifu Energy Group Co., Ltd. (“**Weifang Haifu**”) jointly established Guoneng (Weifang) Energy Co., Ltd. (Tentative name only, subject to the approval and registration at the market regulatory authority, “**Weifang Company**”) (the “**External Investment**”) .
- Investment amount: The Company will contribute RMB450 million in cash, or 90%; Weifang Haifu will contribute RMB50 million in cash, or 10%.
- Special risk alert: There are certain approval-related risks as some projects proposed to be invested and operated by Weifang Company are still in the process of filing approval and land use permit, etc., as well as certain risks in relation to the consumption of new energy generation and the fluctuation of on-grid tariff of new energy.
- The External Investment does not constitute a connected transaction of the Company.

I. Overview of the External Investment

(I) Basic Information of the External Investment

In order to accelerate the construction of new energy projects and promote the local economic and social development, the Company intends to jointly establish Weifang Company with Weifang Haifu. The registered capital of Weifang Company is RMB500 million, of which RMB450 million, or 90%, is contributed by the Company in cash, and RMB50 million, or 10%, is contributed by Weifang Haifu in cash, respectively. Weifang Company will primarily focus on the development of photovoltaic power generation, energy and water, and other comprehensive energy projects.

On April 23, 2021, the Company and Weifang Haifu entered into the Agreement on the Joint Establishment of Guoneng (Weifang) Energy Co., Ltd. (the “**Joint Venture**”

Agreement”) for the establishment of Weifang Company. For details, please refer to “4. Major Contents of Joint Venture Agreement” of this announcement.

Upon its establishment, Weifang Company will be consolidated into the Company's financial statements, and the Company's daily administration, operation and dispatch management system.

(II) Review by the Board of Directors

On 23 April 2021, the seventh meeting of the fifth session of the board of directors of the Company considered and approved the Resolution on the Joint Establishment of Guoneng (Weifang) Energy Co., Ltd by way of 8 votes in favour, 0 vote against and 0 vote abstained. The resolution is not subject to approval at the general meeting of the Company.

(III) The external investment does not constitute a connected transaction or a material assets restructuring of the Company.

II. Basic Information of Weifang Haifu

1. Basic Information

Weifang Haifu was established on 12 October 2015 and registered at Building 1, 36 Haigang Road, Binhai District, Weifang City, Shandong Province. Its legal representative is Zhang Xiangwei, and registered capital is RMB500 million. Its scope of business includes seawater breeding and sales; site leasing; photovoltaic on-grid power generation; urban central heating and gas on-grid power generation, etc. Weifang Haifu, a state-owned enterprise under Binhai District of Weifang City, is owned by Weifang Ocean Development Group Limited.

2. Development of Principle Business in Recent Three Years

Since the establishment, Weifang Haifu has been principally engaged in the investment and operation of energy and water projects.

3. Relationship between Weifang Haifu and the Company

The Company is independent from Weifang Haifu in terms of property rights, business, assets, credits/debts and personnel etc.

4. Major Financial Indicators for the Recent Year

Unit: RMB10,000

	Total assets	Net assets	Revenue	Net profit
2020/By the end of 2020	21,000	15,569	5,331	-661

III. Basic Information of Weifang Company

1. Basic Information

The registered capital of Weifang Company is RMB500 million, of which RMB450 million, or 90%, is contributed by the Company in cash, and RMB50 million, or 10%, is contributed by Weifang Haifu in cash, respectively. It is a limited liability company incorporated in Binhai economic and technological development zone of Weifang City, Shandong Province. Its scope of business includes the production and supply of steam, hot water and compressed air; construction and operation of water supply facilities; operation and maintenance of heat boilers, pipe networks and facilities in heat stations; development, technical services, technical consulting, technical training and technical testing of electric (thermal) technology; development, investment, construction and management of biomass, photovoltaic power generation, wind power, energy storage, gas turbine and other new energy; construction and operation of power distribution network; maintenance of instruments and meters (subject to the final approval and registration by the market regulatory authority).

Weifang Company shall have a board of directors consisting of five directors, four of whom shall be elected by the shareholders' meeting of Weifang Company from three director candidates recommended by the Company and one director candidate recommended by Weifang Haifu, and one of whom shall be elected by Weifang Company's staff through staff representatives' meeting, staff meeting or other democratic election as employee representative director. The board of directors shall have one chairman recommended by the Company, and one general manager recommended by the Company and appointed by the board of directors of Weifang Company.

2. Major Investment Projects

Weifang Company mainly invests in and develops photovoltaic power generation projects, energy and water, regional heat networks, offshore wind power, hydrogen energy, energy storage and other comprehensive energy projects in Weifang Binhai economic and technological development zone (the "**Binhai Development Zone**"), as well as the development of long-distance steam transmission pipelines from the location of Shenhua Guohua Shouguang Power Generation Company Limited (a controlling subsidiary of the Company) to Binhai Development Zone.

IV. Major Contents of Joint Venture Agreement

The principal terms of the Joint Venture Agreement are as follows:

1. Registered capital, capital contribution and percentage of contribution of each party

(1) The registered capital of Weifang Company is RMB500 million, of which RMB450 million, or 90%, is contributed by the Company in cash, and RMB50 million, or 10%, is contributed by Weifang Haifu in cash, respectively.

(2) The Company and Weifang Haifu (“**Both Parties**”) shall pay their respective capital contributions in full within 60 working days after the signing of the Joint Venture Agreement.

(3) Where it is necessary to increase the registered capital of Weifang Company after its establishment, Both Parties shall make additional capital contribution in proportion to their paid-up capital as determined by the shareholders’ meeting of Weifang Company. If Both Parties subscribe for the increased capital disproportionately to their paid-up capital, resulting in a change in the proportion of their capital contributions, the proportion of their capital contributions shall be adjusted in accordance with their actual capital contribution based on the asset valuation.

2. Relevant agreement

(1) Weifang Company shall be consolidated into the Company's financial statements, and the Company's daily administration, operation and dispatch management system.

(2) Both Parties shall not transfer their equity interests in Weifang Company prior to the commencement of operation of investment projects such as heat networks, photovoltaic and offshore wind power.

(3) Where a shareholder transfers its equity interests to its parent company, subsidiaries or other subsidiaries of its parent company after the establishment of Weifang Company, other shareholders shall agree with the equity transfer, waive their pre-emptive rights, and cooperate with the transferor and the transferee in handling the relevant equity transfer procedures.

(4) Where a shareholder whose name is included in the name of Weifang Company ceases to hold any equity interest in Weifang Company due to merger, division, increase or reduction of capital, change of form or equity transfer, or contributes capital less than 10%, such shareholder shall have the right to withdraw the right to use its trade name, and other shareholders shall agree and cooperate with Weifang Company in handling the registration procedures for the change of company name.

3. Conditions precedent

The Joint Venture Agreement shall become effective upon duly signed and sealed by the legal representatives or authorised representatives of Both Parties.

4. Liabilities for default:

(1) Where either party fails to make the capital contribution as agreed in the agreement, it shall not only make the capital contribution to Weifang Company in full,

but also pay 0.5‰ of its unpaid capital contribution to the non-defaulting party as liquidated damages per day from the expiry date of the capital contribution period as agreed in the Joint Venture Agreement, and compensate the non-defaulting party for any losses incurred as a result thereof. Where the defaulting party fails to pay its capital contribution in full within 30 days after the expiry date of the capital contribution period as agreed in this agreement, the non-defaulting party is entitled to make up the capital contribution unpaid by the defaulting party, and adjust the capital contribution ratio of Both Parties accordingly.

(2) Where either party breaches other provisions of the Joint Venture Agreement, defaulting party shall compensate the non-defaulting party for the losses incurred thereby.

(3) Where either party breaches the provisions of the Joint Venture Agreement, resulting in the failure to achieve the purpose set out in the Joint Venture Agreement, the non-defaulting party shall have the right to terminate the agreement, and the defaulting party shall compensate the non-defaulting party for the losses incurred thereby.

(4) Where the purpose of the Joint Venture Agreement cannot be achieved due to force majeure, Both Parties are entitled to terminate the agreement, and shall not be liable for breach of agreement to each other.

5. Dispute resolution

Any dispute arising from or in relation to the Joint Venture Agreement shall be settled through friendly negotiation between Both Parties. If negotiation fails, such dispute shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration. The place of arbitration shall be Beijing.

V. Impact of External Investment on the Company

The establishment of Weifang Company will enable the Company to fully utilize the advantages of local policies, project resources, customer resources and sales channels to enhance the profitability and core competitiveness of the Company.

VI. Risk Analysis of External Investment

(I) Market Risks

1. Risks relating to the consumption of new energy power generation

In order to achieve the strategic goal of “carbon emission peaking and carbon neutrality”, the new energy sources such as wind power and photovoltaic power in China will be developed in much bigger scale and at a significantly faster pace. Affected by factors such as the asynchronous construction of supporting projects of grid-connection and transmission of new energy, limitations on grid structure and load

adjustment capability, the new energy power generation may not be fully consumed, and the risks of abandoning wind power and photovoltaic power may exist in the short term.

2. Risks relating to the fluctuation of on-grid tariff of new energy

In order to promote and optimize new energy consumption, China has introduced the competition mechanism for the on-grid new energy power generation through unveiling relevant measures such as the allocation of indicators by way of competition for new energy power generation and participation in power market transactions. With the gradual abolishment of tariff subsidies, bidding subsidies and implementation of full on-grid at fair prices, certain power generation will be traded in the power market, and therefore resulting in risks relating to on-grid tariff fluctuation.

(II) Risks Relating to Approvals from Relevant Government Authorities

Certain projects proposed to be invested and operated by Weifang Company are still in the process of filing approval and land use permit, etc., and the approval risks relating to the changes in policies and local development plans exist.

(III) Measures to be Taken in Response to the Aforesaid Risks

Weifang Company will actively seek the on-grid connection of photovoltaic power generation projects and consume surplus power generation through other self-constructed projects. Through improving the forecast level of new energy power generation and building spot transaction model, the Company will promote new energy power generation projects to participate in the spot power market transactions, and increase revenues from spot transactions. With the development of carbon trading market, the new energy power generation projects may increase revenue through carbon trading.

It is hereby announced.

By order of the Board of Directors
China Shenhua Energy Company Limited
Huang Qing
Secretary to the Board of Directors
24 April 2021