

29 August 2017



中国神华能源股份有限公司

CHINA SHENHUA ENERGY COMPANY LIMITED

(Stock Code: 01088)

Shenhua Group Co and Guodian Group will be reorganized Continuously adjusting the industrial distribution

(29 August 2017, Hong Kong) The Board of Directors (the “Board”) of China Shenhua Energy Company Limited (“China Shenhua” or the “Company”, Stock Code: 01088) is pleased to announce that, on 28 August 2017, the Company and GD Power entered into the Joint Venture Framework Agreement.

Pursuant to the Joint Venture Framework Agreement, the Company and GD Power intend to establish a joint venture company. The Company proposes to contribute the equities and assets of the relevant coal-fired power generation companies directly and indirectly held by the Company, and GD Power proposes to contribute the equities and assets of the relevant coal-fired power generation companies directly and indirectly held by GD Power. After the completion of the transaction, GD Power will control the Joint Venture Company.

As at the date hereof, Shenhua Group Co holds 73.06% interest in the Company, and is the controlling shareholder of the Company. As approved by the Notice regarding the Reorganization of China Guodian Corporation and Shenhua Group Corporation Limited (Guo Zi Fa Gai Ge [2017] No. 146) issued by SASAC, Shenhua Group Co and Guodian Group will be reorganized. Shenhua Group will change its company name to China Energy Investment Corporation Limited, a tentative name subject to the industrial and commercial registration. China Energy Group will be the parent company after the reorganization, and merge with Guodian Group by way of merger by absorption of Guodian Group. After the completion of the Merger of the Group Companies, GD Power will become a subsidiary of China Energy Group. As such, GD Power is a connected person of the Company under the Hong Kong Listing Rules, and the Joint Venture Framework Agreement and the transaction contemplated thereunder constitute a connected transaction of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. It is expected that one or more of the applicable percentage ratios in respect of the transaction will exceed 5%, therefore, the Company shall comply with reporting, announcement and independent shareholders’ approval requirements under the Hong Kong Listing Rules.

The valuation of the Subject Assets has not been completed. According to the results estimated by CEA, which holds the qualification to provide valuation service for securities and futures business, on 30 June 2017 as the valuation reference date, the book value of the net assets and the estimated value of the net assets of the Shenhua Contributed Assets are totalled to RMB25,263.21 million and RMB29,273.93 million respectively. The estimated appreciated value is RMB4,010.73 million and the estimated appreciation rate is 15.88%. The book value of the net assets and the estimated value of the net assets of the GD Contributed Assets are totalled to RMB29,148.74 million and RMB37,372.78 million respectively. The estimated₁

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appreciated value is RMB8,224.05 million and the estimated appreciation rate is 28.21%. The actual transaction amount shall be determined by the parties through negotiation based on the valuation results of the Subject Assets filed with competent authorities.

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About Shenhua Group Co and GD Power

The Company is a world-leading coal-based integrated energy company. The main business of the Group includes production and sales of coal and power, railway, port and ship transportation, and coal-to-olefins and other coal related chemical processing business. Shenhua Group Co and its subsidiaries are principally engaged in the coal liquefaction, coal based chemical processing business, coal production and power generation business as well as investment and finance activities. Shenhua Group Co is the controlling shareholder of the Company. As at the date of this announcement, Shenhua Group Co holds 73.06% equity interest in the Company.

GD Power is principally engaged in the generation and sale of electricity and heating. In the year 2014, 2015 and 2016, the controlled installed capacity of GD Power was 40.836 million kW, 46.3035 million kW and 50.8815 million kW, respectively, and the accumulated power generation by the wholly-owned and controlling electricity companies of GD Power was 179.022 billion kWh, 168.657 billion kWh and 196.885 billion kWh. As at 30 June 2017, the controlled installed capacity of GD Power was 52.4594 million kW, including coal-fired power installed capacity of 33.7475 million kW, hydropower installed capacity of 13.1468 million kW, wind power installed capacity of 5.3531 million kW and solar power installed capacity of 212,000 kW. As at 31 December 2016, the audited total assets of GD Power was RMB271,266.95 million, the equity attributable to equity holders was RMB52,020.42 million. In 2016, the revenue was RMB58,416.05 million, and net profit attributable to the parent was RMB4,727.28 million. As at 30 June 2017, the unaudited total assets of GD Power was RMB274,619.21 million, equity attributable to equity holders was RMB 51,630.63 million. For the six months ended on 30 June 2017, the unaudited revenue was 28,743.87 million, and net profit attributable to the parent was RMB 1,772.53 million. As the date hereof, the controlling shareholder of GD Power is Guodian Group, and Guodian Group directly and indirectly holds 46.09% equity of GD Power. The ultimate controller of GD Power is SASAC. The shares of GD Power are listed on the Shanghai Stock Exchange.

This press release is distributed by Wonderful Sky Financial Group Company Limited for China Shenhua Energy Company Limited.

For further information, please contact:

Wonderful Sky Financial Group Limited

Jacqueline Wong/Irene Zhou / Zoey Liu

Tel: (852) 3970 177/ (852) 3970 2277/ (852) 3970 2257

E-mail: po@wsfg.hk/irenezhou@wsfg.hk / zoeyliu@wsfg.hk