



中国神华

CHINA SHENHUA

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: 1088)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting for 2005 (the "Annual General Meeting") of China Shenhua Energy Company Limited (the "Company") will be held at The Atrium Room, 39th Floor, Island Shangri-la, Pacific Place, Supreme Court Road, Central, Hong Kong at 9:00 a.m. on Friday, 12 May 2006 for the purpose of considering and 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 2005.
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 2005.
3. To consider and, if thought fit, to approve the audited financial statements of the Company for the year ended 31 December 2005.
4. To consider and, if thought fit, to approve the Company's profit distribution plan for the year ended 31 December 2005, namely: (1) the transfer of 10% of the combined net profits, calculated on the basis of the PRC accounting rules and regulations and "Accounting Regulations for Business Enterprises", to the statutory surplus reserve and the statutory public welfare fund respectively in accordance with the Articles of Association, in the aggregate amount of RMB2,897,971,788; (2) the Company's proposal for distribution of the final dividend of RMB0.125 per share (after tax) for 2005, in the aggregate amount of RMB2,261,202,557, and to authorise a committee comprising Messrs. Chen Biting, Wu Yuan and Ling Wen, all being directors of the Company, as appointed by the board of directors, to implement the aforesaid distribution.
5. To consider and, if thought fit, to approve the remuneration of the directors and supervisors of the Company, which shall be apportioned on the following basis: the aggregate remuneration of all executive directors for 2005 shall be RMB2,271,501, comprising basic salaries, retirement scheme contributions, performance remuneration and various social security insurances; the aggregate remuneration of all independent non-executive directors for 2005 shall be RMB1,200,000; and the aggregate remuneration of all supervisors for 2005 shall be RMB1,397,307, comprising basic salaries; retirement scheme contributions, performance remuneration and various social security insurances; and to authorise the board of directors of the Company to determine the remuneration of each director and supervisor in 2005.

6. To consider and, if thought fit, to approve: (1) the “Status List of the Initial Long-term Incentives Plan of China Shenhua Energy Company Limited”, the “Share Appreciation Rights Scheme of China Shenhua Energy Company Limited” (the “Share Appreciation Rights Scheme”), the “Implementation Rules on the First Grant of Share Appreciation Rights Scheme of China Shenhua Energy Company Limited” (the “First Grant Implementation Rules”) and the “Adjustment Proposal on the Exercise Price and Number of the Share Appreciation Rights of China Shenhua Energy Company Limited” (hereinafter referred to as the “Adjustment Proposal”) ; (2) the authorisation of the remuneration committee under the board of directors of the Company to grant the Share Appreciation Rights to relevant members of the senior management of the Company in accordance with the First Granting Implementation Rules; (3) authorisation of the board of directors of the Company to formulate implementation rules for every grant of the Share Appreciation Rights in accordance with the Share Appreciation Rights Scheme; (4) authorisation of the remuneration committee under the board of directors of the Company to make corresponding adjustments in accordance with the rules and methods set out in the Share Appreciation Rights Scheme and the Adjustment Proposal in the event that adjustments to the exercise prices or number of the Share Appreciation Rights are necessary due to the changes in the total share capital or other reasons arising from the issue of new shares, capitalisation, or merger and demerger; and (5) authorisation of the board of directors of the Company to amend the Share Appreciation Rights Scheme, and to decide and formulate any matters relating to the Share Appreciation Rights Scheme within the scope applicable to the Share Appreciation Rights.
7. To consider and, if thought fit, to approve the re-appointment of KPMG Huazhen and KPMG as the PRC and international auditors respectively of the Company for 2006, and to authorise a committee comprising Messrs. Chen Biting, Wu Yuan and Ling Wen, all being directors of the Company, to determine their remuneration.

AS SPECIAL RESOLUTIONS:

1. **THAT** the Articles of Association of the Company be amended as follows:
 - (1) Delete the following words in Sub-clause 2 of Article 5 of the Articles of Association: “The Company is an independent legal entity, and shall be entitled to all its assets and properties invested by the shareholders. The Company possesses the civil rights and assumes the civil liabilities prescribed by law”, and replace them with “The Company is a legal entity, owns the assets of a legal entity, and enjoys the asset rights of a legal entity independently”.
 - (2) Delete the following words in Sub-clause 3 of Article 5 of the Articles of Association: “The Company operates as an independent unit that shall be audited independently and shall be responsible for its own profits and losses in operating its assets and properties in accordance with the law”.
 - (3) Delete the following words in Sub-clause 4 of Article 5 of the Articles of Association: “The Company’s capital shall be divided into shares of equal value. Shareholders shall be liable to the Company to the extent of the shares held. The Company shall be liable for its debts and shall cover such debts with all its available assets”, and replace them with “The Company’s capital shall be divided into shares of equal value. Shareholders shall be liable to the Company to the extent of the shares subscribed for. The Company shall be liable for its debts and shall cover such debts with all its available assets”.

- (4) Delete the following words in Sub-clause 2 of Article 8 of the Articles of Association: “Upon approval of the companies approving department authorized by the State Council, the Company may, based on its needs of operations and management, operate as a holding company as prescribed in Clause 2 of Article 12 of the Company Law”, and replace them with “Upon approval of the companies approving department authorized by the State Council, the Company may, based on its needs of operations and management, operate as a holding company as prescribed by the relevant requirements of the Company Law”.
- (5) Delete the following words in Article 17 of the Articles of Association: “Upon incorporation, the Company initially issued 3,063,592,759 of H shares to the public, including the issuance of 2,785,084,326 new shares and the sale of 278,508,343 state-owned shares. The total share capital of the Company was 17,785,084,326 shares upon its initial public offering, of which, Shenhua Group Corporation Limited, the promoter, held 14,721,491,567 shares, representing 82.7744% of the total share capital. Holders of H shares held 3,063,592,759 shares, representing 17.2256% of the total share capital. The Company may exercise Over-allotment Options according to market conditions, provided that the percentage thereof shall not exceed 15% of 3,063,592,759 shares”, and replace them with “Upon incorporation, 3,398,582,500 H shares were issued to the public, including the issuance of 3,089,620,455 new shares and the sale of 308,962,045 state-owned shares. The total share capital of the Company was 18,089,620,455 shares upon its initial public offering, of which, Shenhua Group Corporation Limited, the promoter, held 14,691,037,955 shares, representing 81.213% of the total share capital. Holders of H shares held 3,398,582,500 shares, representing 18.787% of the total share capital”.
- (6) Delete the following words in Article 20 of the Articles of Association: “The registered capital of the Company shall be no less than RMB17,785,084,326, and shall not exceed RMB18,202,846,975 upon completion of the issuance of H Shares”, and replace them with “The registered share capital of the Company shall be RMB18,089,620,455 upon completion of the issue of H shares”.
- (7) Delete the following words in Sub-clause 3 of Article 39 of the Articles of Association: “Shares in the Company held by the promoters shall not be transferred within three years from the incorporation of the Company”, and replace them with “Shares in the Company held by the promoters shall not be transferred within one year from the date of the incorporation of the Company. Shares issued prior to the Company’s public offering of shares may not be transferred within one year from the date on which the shares of the Company were listed for trading on stock exchange”.
- (8) Delete the following words in Sub-clause 4 of Article 39 of the Articles of Association: “Within their terms of office, the director, supervisor, President and other senior officers of the Company shall regularly report the number of the Company’s shares held. Such shares shall not be transferred during their terms of office or within six (6) months of their resignations.” and replace them with “The directors, supervisors, President and other members of the senior management of the Company must inform the Company of their respective shareholdings in the Company as well as any change to such shareholdings. During the term of their respective offices, they shall not dispose of more than 25% of their respective shareholdings in the Company in each year and they may not dispose of any shares of the Company held by them within 1 year from the date of listing of the Company’s shares. No shares of the Company held by any of the persons mentioned above may be disposed of within half a year from that person’s departure from his office.”

- (9) Delete the following words in Sub-clause 2 of Article 43 of the Articles of Association: “Applications for a replacement share certificate by shareholders of domestic shares shall be addressed pursuant to Article 150 of the Company Law”, and replace them with “Applications for a replacement share certificate by shareholders of domestic shares shall be addressed pursuant to the relevant requirements of the Company Law”.
- (10) Delete the following words in Sub-clause 3 of Article 45 of the Articles of Association: “Any profits gained from the sale by any shareholder holding 5% or more of voting domestic shares, within six months from the date of purchase, or profits gained from the repurchase of the Company’s shares within six months from the date of sale, shall belong to the Company.”
- (11) Delete the following words in Sub-clause 4 of Article 45 of the Articles of Association: “The preceding provision shall apply to directors, supervisors, the President and other senior officers, who are also shareholders holding 5% or more of voting domestic shares.”
- (12) Delete the following words in Sub-clause 3 of Article 95 of the Articles of Association: “A director who fails to attend meetings of the board of directors on two consecutive occasions and has not appointed another director to attend on his behalf shall be deemed to be incapable of performing his duties. The board of directors shall propose for his removal in the general meeting of shareholders.”, and replace them with “A director who has failed to attend two consecutive meetings of the board in person and has not appointed other director(s) to attend on his behalf shall be deemed to be incapable of performing his duties. The Board may propose his removal in a general meeting of the shareholders.”
- (13) Delete the following words in Sub-clause 2 of Article 96 of the Articles of Association: “An independent director shall be in office for a term of three (3) years, which is renewable upon re-election. However, an independent director shall not be allowed to be re-elected for a third term of office, in other words, an independent director’s term of office shall not exceed a total of six (6) years.”, and replace them with “Independent directors shall be appointed for a term of three (3) years, which is renewable upon re-election. However, an independent director shall not be allowed to be re-elected for a fourth term of office, in other words, an independent director’s term of office shall not exceed a total of nine (9) years.”
- (14) Delete the following words in Article 97 of the Articles of Association: “(2) to possess independence provided in Article 98 hereof.”, and replace them with “(2) meet the requirements of independence set out in the Listing Rules of the stock exchange on which the shares of the Company are listed”.
- (15) Delete the following words in Article 98 of the Articles of Association. “An independent director shall be independent. The following persons shall not be independent directors:
 - (1) any persons holding positions in the Company or its subsidiaries, and their spouses, parents, children, siblings, parents of their spouses, spouses of their children, spouses of their siblings and siblings of their spouses;
 - (2) the shareholders, being natural persons directly or indirectly holding more than one (1%) per cent of the issued shares in the Company or being one of the top ten shareholders and their spouses, parents and children;

- (3) any persons who hold positions in a corporate shareholder that directly or indirectly holds more than five (5%) per cent of the issued shares in the Company or any persons holding positions in the top five (5) corporate shareholders of the Company, and their spouses, parents and children;
 - (4) any persons who had been in the status in the immediate previous year as set forth in the three sub-clauses above;
 - (5) any persons providing financial, legal and consulting services for the Company or its subsidiaries or holding positions in any firms providing such services;
 - (6) any other persons as specified by the listing rules of the stock exchange on which the Company's shares are listed and the Articles of Association;
 - (7) any other persons as specified by overseas securities regulatory authorities.”
- (16) Delete the following words in Article 99 of the Articles of Association: “(1) any transaction between the Company and a related party with an aggregate amount of over RMB3 million and over five (5%) per cent of the latest audited net asset value of the Company shall be discussed by the board of directors upon the review by the independent directors. Independent directors may engage an independent financial advisor for the provision of a report as basis for their independent judgment”;
- (17) Delete the following words in Article 100 of the Articles of Association: “In addition to the exercise of the foregoing functions and powers, an independent director may also express an independent opinion to the board of directors or at the general meeting of shareholders on the following matters:
- (1) the nomination and removal of a director;
 - (2) the engagement or dismissal of a senior officer;
 - (3) the remuneration of the directors and the senior officers;
 - (4) existing of new loans or other amounts payable and receivable between the Company and its shareholders, actual controlling person or related companies with an aggregate amount of over three (3) million or over five (5) per cent of the latest audited net asset value of the Company; and whether any effective measures have been implemented by the Company to recover overdue payment;
 - (5) any proposal for the distribution of profits in cash, which is not made at the Company's annual meetings of the board of directors;
 - (6) any matters that the independent directors consider would prejudice the interests of minority shareholders;
 - (7) any matters as required by the listing rules of the stock exchange on which the Company's shares are listed and the Articles of Association.

The independent directors shall give one of the following opinions on the matters referred to above: consent; qualified opinion with reason(s); objection with reason(s); and inability to express an opinion and the cause(s).

Where such matters shall be disclosed, the Company shall make a public announcement on the opinions of the independent directors. Where there exist different opinions among the independent directors and no agreement has been reached, the board of directors shall separately disclose the opinion of each independent director”.

- (18) Delete the following words in Sub-clause 2 of Article 101 of the Articles of Association: “Where an independent director fails to attend meetings of board of directors on three (3) consecutive occasions, the board of directors shall propose his removal at the general meeting of shareholders” and replace them with “Where an independent director fails to attend meetings of board of directors on three (3) consecutive occasions, the board of directors may propose his removal at a general meeting of shareholders.
- (19) Delete the following words in Sub-clause 1 of Article 104 of the Articles of Association: “(4) to make decisions on the contracts, transactions and arrangements with amounts not exceeding thirty percent (30%) of the audited net asset value of the Company in prior year except as provided in Article 106 hereof”, and replace them with “(4) Save where otherwise stipulated in Article 104 of the Articles of Association and the “Rules Governing the Proceedings of Directors’ Meetings of China Shenhua Energy Company Limited”, to make decisions on the contracts, transactions and arrangements with amounts not exceeding thirty per cent (30%) of the audited net asset value of the Company in the previous year”.
- (20) Add the following words to Article 105 of the Articles of Association: “In accordance with the provisions of the Articles of Association, the Company’s investment in any other company or provision of any security to any external party shall be decided by resolution of the board of directors or by resolution of the shareholders in general meeting. The provision of any security by the Company to any shareholder or effective controlling person of the Company must be approved by the resolution of the shareholders in general meeting.

Any shareholder referred to in the preceding clause or any shareholder controlled by the effective controlling person referred to in the preceding clause shall not vote on such matters. Any such matter shall be decided by a majority of the voting rights held by other shareholders attending the meeting”.
- (21) Add the following words at the end of Sub-clause 1(7) of Article 107 of the Articles of Association: “save where the Company invests in any other enterprise or provides any security to any external party;”.
- (22) Add the following to Article 108 of the Articles of Association: “(6) when it is proposed by shareholders representing more than one-tenth of the voting rights”.
- (23) Add the following words to Sub-clause 1(10) of Article 120 of the Articles of Association: “save where the Company invests in any other enterprise or provides a security to any external party”.
- (24) Delete the following words in Sub-clause 1 of Article 130 of the Articles of Association: “Meeting of the board of supervisors shall be held at least once every year, and shall be convened by the chairman of the board of supervisors”, and replace them with “Meetings of the board of supervisors shall be held no less than twice every year, and at least once every six months, and shall be convened by the chairman of the board of supervisors. Any supervisor may propose that ad-hoc meetings of the supervisory committee be held”.

- (25) Delete the following words in Sub-clause 2 of Article 130 of the Articles of Association: “When the chairman of the board of supervisors is unable to perform and exercise his functions and powers, he shall designate a supervisor to perform and exercise such functions and powers on his behalf”, and replace them with “If the chairman of the board of supervisors fails to or is unable to perform and exercise his functions and powers, a meeting of the board of supervisors shall be convened and chaired by a supervisor jointly nominated by more than half of all supervisors”.
- (26) Delete the following words in Sub-clause 3 of Article 130 of the Articles of Association: “Any supervisor who fails to attend the meetings of the board of supervisors on two consecutive occasions shall be deemed to be unable to perform his duty, and shall be dismissed by the general meeting of shareholders or the congress of staff and workers.”, and replace them with “Any supervisor who fails to attend the meetings of the board of supervisors on two consecutive occasions shall be deemed unable to perform his duty, and may be dismissed by the shareholders in general meeting or by the congress of staff and workers”.
- (27) Delete the following words in Sub-clause 1(3) of Article 131 of the Articles of Association: “and, if necessary, report to the general meeting of shareholders or relevant competent governmental authorities”.
- (28) Delete the following words in Article 161 (3) of the Articles of Association “allocation of five percent (5%) to ten percent (10%) of after-tax profits to the statutory common welfare fund” and replace them with “allocation to the welfare fund pursuant to the requirements of all applicable laws and regulations.”
- (29) Delete the following words in Sub-clause 3 of Article 161 of the Articles of Association: “The Company shall not allocate dividends or make any other allocations by way of bonus shares prior to its making up for any loss and allocations to the statutory common reserve fund and the statutory common welfare fund.” and replace them with “The Company shall not allocate dividends or make any other allocations by way of bonus shares prior to its making up for any loss and allocations to the statutory common reserve fund.”
- (30) Delete the following words in Article 164 (3) of the Articles of Association “increase the capital. The Company may convert its common reserve fund into its share capital upon the approval of shareholders at a general meeting. When such conversion occurs, the Company shall either distribute new shares proportional to the shareholding of the existing shareholders, or increase the par value of each share, provided, however, that the balance of the statutory common reserve fund shall not fall below twenty-five percent (25%) of the registered capital in the event of the statutory common reserve fund converted to the share capital” and replace them with “increase the capital. The Company may convert its common reserve fund into its share capital upon approval by the shareholders in general meeting. When such conversion occurs, the company shall either distribute new shares to the shareholders in proportion to their original shareholdings, or increase the par value of each share, provided that, upon capitalization of the common reserve fund, the amount remaining in the reserve fund may not fall below 25% of the registered capital of the Company prior to capitalization. The capital reserve fund shall not be used to compensate any losses made by the Company”.
- (31) Delete the following words in Article 165 of the Articles of Association: “The Company’s statutory common welfare fund shall be used for the collective welfare of the Company’s employees.”, and replace them with “The Company’s common welfare fund shall be used for the collective welfare of the Company’s employees”.

- (32) Delete the following words in Sub-clause 2 of Article 193 of the Articles of Association: “Creditors shall, within thirty (30) days of receipt of the notice, or for creditors who have not personally received such notice, shall within ninety (90) days of the date of the first announcement, claim their rights to the liquidation committee. In claiming their rights, the creditors shall provide a statement and evidence with respect thereof. The liquidation committee shall register creditor’s rights.”, and replace them with “Creditors shall, within thirty (30) days of receipt of the notice, or for creditors who have not personally received such notice, shall within forty-five (45) days of the date of the first announcement, contact the liquidation committee to claim their rights. In claiming their rights, the creditors shall provide a statement and evidence with respect thereof. The liquidation committee shall register creditor’s rights. The liquidation committee may not reimburse any such creditor during the period of such creditor’s claim”.
- (33) Save for the amendments to the Articles of Association of the Company as set out above and any consequential amendments to the numbering of the Articles of Association, the Articles of Association shall not be altered in any way as a result of this resolution;

and to authorize a committee comprising Messrs. Chen Biting, Wu Yuan and Ling Wen, all being directors of the Company to conduct all necessary registrations, filings and other procedures in accordance with domestic and international laws, regulations and the listing rules of the place of listing of the Company’s shares. (Note 2)

2. To consider and, if thought fit, to approve the authorisation of the board of directors of the Company to amend the “Rules Governing the Proceedings of Shareholders’ Meetings of China Shenhua Energy Company Limited”, the “Rules Governing the Proceedings of Directors’ Meetings of China Shenhua Energy Company Limited” and the “Procedures for Considering Connected Transactions of China Shenhua Energy Company Limited” in accordance with relevant laws, regulations, listing rules of the exchange on which the Company’s shares are listed and the revised Articles of Association and to authorise the Board of Supervisors of the Company to amend the “Rules Governing the Proceedings of the Board of Supervisors of China Shenhua Energy Company Limited” in accordance with relevant laws, regulations, listing rules of the exchange on which the Company’s shares are listed and the revised Articles of Association.
3. To consider and, if thought fit, to approve a general mandate to the board of directors to issue, allot and deal with additional domestic shares not exceeding 20% of the domestic shares of the Company in issue and additional H Shares not exceeding 20% of the H Shares of the Company in issue, and to authorize the board of directors to make such corresponding amendments to the Articles of Association as it thinks fit so as to reflect the new capital structure upon the allotment or issuance of shares.

“THAT:

- (A) (a) subject to paragraph (c) and in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of the Company and the applicable laws and regulations of the People’s Republic of China, the exercise by the board of directors during the Relevant Period of all the powers of the Company to allot, issue and deal with, either separately or concurrently, additional domestic shares and H Shares of the Company and to make or grant offers, agreements, options and rights of exchange or conversion of shares which might require the exercise of such powers be hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) shall authorize the board of directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion of shares which might require the exercise of such powers after the end of the Relevant Period;
- (c) each of the aggregate nominal amounts of domestic shares and H Shares allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the board of directors pursuant to the approval granted in paragraph (a) shall not exceed 20% of each of the aggregate nominal amounts of domestic shares and H Shares of the Company in issue at the date of passing this resolution; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of granting the authority by a special resolution in the general meeting until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the twelve months from the date of granting the authority by a special resolution in the 2005 annual general meeting; or
- (3) the revocation or variation of the authority given by the special resolution in the general meeting.

- (B) The board of directors be authorized to make corresponding amendments to the Articles of Association of the Company as it thinks fit so as to reflect the new capital structure upon the allotment or issuance of shares as provided in sub-paragraph (a) of paragraph (A) of this resolution.”

The Directors of the Company may only exercise their authority as mentioned above in compliance with the relevant laws and regulations of the PRC, the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and with all necessary approvals from the relevant government authorities.

By Order of the Board
Chen Biting
Chairman

Beijing, China, 24 March 2006

Notes:

1. Supplemental AGM notice

Reference is made to the announcement published by the Company on 17 March 2006 in relation to the Company’s proposed revision of the caps for the years 2006 and 2007 for the mutual supply of coal transactions between the Company and Shenhua Group Corporation Limited under the Mutual Supply of Coal Agreement dated 24 May 2005 between the Company and Shenhua Group Corporation Limited. It is expected that a supplemental AGM notice together with a circular, setting out the details of the proposed resolution for the revision of these caps, will be despatched to shareholders in due course.

2. Proposed amendments to the Articles of Association

The proposed amendments to the Articles of Association are made in respect of the successful public offering of the shares of the Company for listing on the Stock Exchange of Hong Kong Limited on 15 June 2005 to reflect the relevant laws and regulations of “the Company Law of the People’s Republic of China” and “the Securities Law of the People’s Republic of China” which came into effect on 1 January 2006.

3. 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 Friday, 12 May 2006 are entitled to attend at the annual general meeting.

To qualify for attendance and vote at the annual general meeting to be held on Friday, 12 May 2006, all transfers of H Shares accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4p.m. on Tuesday, 11 April 2006.

4. 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.
- (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 registered address 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.

5. 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, 21 April 2006.
- (3) Shareholders of the Company may return the reply slip personally, by post or by facsimile to the Company.

6. Closure of register of members

The register of members of the Company will be closed from Wednesday, 12 April 2006 to Friday, 12 May 2006 (both dates inclusive).

7. 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.

8. 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 register of members will be closed from Wednesday, 12 April 2006 to Friday, 12 May 2006 (both days inclusive), during which time no transfer of shares will be registered. Transferees of H Shares who wish to attend the annual general meeting and qualify for receiving the dividend appropriation for 2005 must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to Computershare Hong Kong Investor Services Limited by no later than 4:00 p.m. on Tuesday, 11 April 2006 for completion of the registration of the relevant transfer in accordance with the Articles of Association of the Company. The dividend is expected to be paid on or about 30 May 2006 to the shareholders whose names appear on the register of members of the Company on Friday, 12 May 2006.
- (3) 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
- (4) The registered address of the Company:

Shenhua Tower
22 Andingmen Xibinhe Road
Dongcheng District
Beijing, China
Postal Code: 100011
Telephone: (+86) 10 5813 3355/99
Facsimile: (+86) 10 8488 2107

As at the date of this notice, the Directors of the Company comprise Chen Biting, Wu Yuan, Ling Wen, Zhang Xiwu, Zhang Yuzhuo, Han Jianguo, Huang Yicheng, Anthony Francis Neoh and Chen Xiaoyue.

“Please also refer to the published version of this announcement in South China Morning Post”