THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Shenhua Energy Company Limited, you should at once pass this circular to the purchaser, the transferee, the bank, the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of China Shenhua Energy Company Limited.

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: 01088)

PROPOSED APPOINTMENTS OF INDEPENDENT NON-EXECUTIVE DIRECTORS AND NOTICE OF 2026 THIRD EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 3 to 8 of this circular.

The notice convening the third EGM for 2026 of the Company to be held at He Meeting Room, 2F, Gehua New Century Hotel, 19 Gulouwai Avenue, Chaoyang District, Beijing, the People's Republic of China at 2:30 p.m. on Wednesday, 23 September 2026 is set out on pages 9 to 12 of this circular.

The reply slip and form of proxy for use at the EGM are enclosed herewith. Shareholders who intend to attend the meeting shall complete and return the reply slip in accordance with the instructions printed thereon before Friday, 18 September 2026.

Shareholders who intend to appoint a proxy to attend the meeting 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 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 or any adjournment thereof should you so wish.

3 September 2026

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;
"Articles of Association"	the articles of association of China Shenhua Energy Company Limited as amended, modified or otherwise supplemented from time to time;
"associate(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules;
"Board"	the board of directors;
"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;
"Director(s)"	the director(s) of the Company;
"EGM"	the third extraordinary general meeting for 2026 of the Company to be held at He Meeting Room, 2F, Gehua New Century Hotel, 19 Gulouwai Avenue, Chaoyang District, Beijing, the People's Republic of China at 2:30 p.m. on Wednesday, 23 September 2026;
"H Share(s)"	the overseas-listed foreign 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;
"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"	27 August 2026, 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;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Shareholder(s)"	the shareholder(s) of the Company.

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: 01088)

Executive Director:
Zhang Changyan

Non-executive Directors:
Kang Fengwei
Li Xinhua

Independent Non-executive Directors:
Yuen Kwok Keung
Chen Hanwen
Wang Hong

Employee Director:
Jiao Lei

Registered Office:
Shenhua Tower
22 Andingmen Xibinhe Road
Dongcheng District
Beijing, the PRC

3 September 2026

To the Shareholders

Dear Sir or Madam,

PROPOSED APPOINTMENTS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

INTRODUCTION

Reference is also made to the announcement of the Company dated 23 July 2026 in relation to the proposed appointments of independent non-executive Directors.

The purpose of this circular is to provide you with further information in relation to the above matters.

PROPOSED APPOINTMENTS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In accordance with the Articles of Association of the Company, the Company Law and applicable laws and regulations, the Board proposes to appoint Mr. Yih, Dieter Lai Tak and Ms. Zhang Mengjiao as independent non-executive Directors of the sixth session of the Board of the Company for a term commencing from the date of approval by the EGM until the expiry of the tenure of the sixth session of the Board.

Dr. Yuen Kwok Keung and Dr. Chen Hanwen, the incumbent independent non-executive Directors, will cease to serve as independent non-executive Directors of the Company from the date on which Mr. Yih, Dieter Lai Tak and Ms. Zhang Mengjiao are elected as independent non-executive Directors of the sixth session of the Board of the Company at the EGM. Each of Dr. Yuen Kwok Keung and Dr. Chen Hanwen confirmed that there was no disagreement between him and the Board, and there were no other matters relating to his retirement that needed to be brought to the attention of the Shareholders and creditors of the Company in connection with his cessation of service. The Board and each of Dr. Yuen Kwok Keung and Dr. Chen Hanwen confirmed that there was no matter relating to their retirement that may affect the operation of the Company and its subsidiaries as a result of their cessation of service.

BACKGROUND OF DIRECTOR CANDIDATES

Mr. Yih, Dieter Lai Tak

Yih, Dieter Lai Tak ("**Mr. Yih**"), male, born in March 1963, aged 63, Chinese, a Justice of the Peace appointed by the Hong Kong Government. Mr. Yih received an honorary Bachelor of Laws degree from King's College London in 1985. Mr. Yih has extensive legal experience, and he is a Fellow of King's College London and an Honorary Fellow of The Education University of Hong Kong.

Mr. Yih is currently a partner of the Hong Kong law firm Kwok Yih & Chan and a member of the Guangdong Province Committee of the Chinese People's Political Consultative Conference. Mr. Yih has served as an independent non-executive director of Sun Art Retail Group Limited (a company listed on The Stock Exchange of Hong Kong Limited, stock code: 06808) since December 2019, a non-executive director of eMPF Platform Company Limited since March 2021, an independent non-executive director of China Mengniu Dairy Company Limited (a company listed on The Stock Exchange of Hong Kong Limited, stock code: 02319) since December 2021, and a non-executive director of the Securities and Futures Commission of Hong Kong since November 2021. Mr. Yih is currently a member and the chairman of the Quality Education Fund Steering Committee of Hong Kong; a member of the University Grants Committee of the Hong Kong Special Administrative Region; a member and the chairman of the Quality Assurance Council of the University Grants Committee, and an arbitrator of the South China International Economic and Trade Arbitration Commission.

Mr. Yih served as a partner of Milbank (Hong Kong) (香港美邦律師事務所), a partner of Mallesons (Hong Kong) (香港萬盛律師事務所), a partner of Kwok & Yih (Hong Kong) (香港郭葉律師事務所), a council member, vice-president and president of The Law Society of Hong Kong, a member of the Standing Committee on Legal Education and Training of Hong Kong, a member and deputy chairman of the council of The Education University of Hong Kong, convenor of Investigation Panel A of the Hong Kong Institute of Certified Public Accountants (HKICPA), a member of the Regulatory Oversight Board (監管監督委員會) of the HKICPA, a member of the Listing Committee of Hong Kong Exchanges and Clearing Limited, a member of the Banking Review Tribunal of Hong Kong, a member of The Standing Committee on Judicial Salaries and Conditions of Service of Hong Kong, a member of the Education Commission of Hong Kong, and the chairman of the board of the Financial Dispute Resolution Centre of Hong Kong.

Save as disclosed above, Mr. Yih has not held any directorship in any listed companies in the past three years.

Save as disclosed above, Mr. Yih has no relationship with any Directors, members of the senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Yih does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Yih has confirmed (i) his independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Hong Kong Listing Rules; (ii) that he does not have any past or present financial or other interests in the businesses of the Company or its subsidiaries or any connection with any core connected persons (as defined under the Hong Kong Listing Rules) of the Company; and (iii) that there are no other factors that may affect his independence at the time of his appointment.

Upon approval of Mr. Yih's appointment by the Shareholders of the Company, Mr. Yih will enter into a service contract with the Company for a term commencing from the date of appointment until the expiry of the tenure of the sixth session of the Board of the Company. Pursuant to the Articles of Association of the Company, Mr. Yih will be elected at the general meeting of the Company and may be re-elected and re-appointed at the general meeting of the Company.

Mr. Yih's annual remuneration package will not be fixed in the service contract and will be determined by Shareholders at a general meeting of the Company pursuant to the Articles of Association of the Company and with reference to recommendations of the Remuneration and Assessment Committee of the Board in accordance with its terms of reference, taking into account, among other matters, his duties and responsibilities.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules, and the Company is not aware of any other matters that need to be brought to the attention of Shareholders of the Company.

Ms. Zhang Mengjiao

Zhang Mengjiao ("**Ms. Zhang**"), female, born in February 1964, aged 62, Chinese, a member of the Communist Party and a senior accountant. Ms. Zhang graduated from the Accounting Department of Xiamen University in 1991 and obtained a master's degree in accounting. Ms. Zhang has extensive professional experience in auditing and finance.

Ms. Zhang served as the deputy chief accountant of Huaneng International Power Development Corporation from June 2018 to February 2019, and the manager of the finance department of Huaneng International Power Development Corporation from August 2008 to June 2018. She served as the deputy manager of the finance department of Huaneng Power International, Inc. (a company listed on the Shanghai Stock Exchange (stock code: 600011.SH) and The Stock Exchange of Hong Kong Limited (stock code: 0902.HK)) from December 2002 to August 2008.

Prior to the foregoing, Ms. Zhang served as the deputy director and director of division II of the audit office, and the director of the treasury division and director of the auditing division of the finance department of China Huaneng Group Co., Ltd.

Save as disclosed above, Ms. Zhang has not held any directorship in any listed companies in the past three years.

Save as disclosed above, Ms. Zhang has no relationship with any Directors, members of the senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Ms. Zhang does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Ms. Zhang has confirmed (i) her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Hong Kong Listing Rules; (ii) that she does not have any past or present financial or other interests in the businesses of the Company or its subsidiaries or any connection with any core connected persons (as defined under the Hong Kong Listing Rules) of the Company; and (iii) that there are no other factors that may affect her independence at the time of her appointment.

Upon approval of Ms. Zhang's appointment by the Shareholders of the Company, Ms. Zhang will enter into a service contract with the Company for a term commencing from the date of appointment until the expiry of the tenure of the sixth session of the Board of the Company. Pursuant to the Articles of Association of the Company, Ms. Zhang will be elected at the general meeting of the Company and may be re-elected and re-appointed at the general meeting of the Company.

Ms. Zhang's annual remuneration package will not be fixed in the service contract and will be determined by Shareholders at a general meeting of the Company pursuant to the Articles of Association of the Company and with reference to recommendations of the Remuneration and Assessment Committee of the Board in accordance with its terms of reference, taking into account, among other matters, her duties and responsibilities.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules, and the Company is not aware of any other matters that need to be brought to the attention of Shareholders of the Company.

With a view to achieving a sustainable and balanced development, the Nomination Committee of the Board will consider the diversity of Board members from various aspects in reviewing the structure of the Board, including but not limited to gender, age, cultural and educational background, ethnicity, skills, knowledge and professional experience. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

In considering the candidates for independent non-executive Directors for the sixth session of the Board, the Nomination Committee of the Board has taken into account the independence of Mr. Yih and Ms. Zhang as well as their background, skills, knowledge and experience. In particular, Mr. Yih has extensive legal experience; and Ms. Zhang has extensive experience in areas including accounting, auditing theories and practices. Their diverse education, background, professional experience and track record enable them to provide valuable insights tailored to relevant needs and contribute to the diversity of the Board. In addition, neither Mr. Yih nor Ms. Zhang holds directorships in seven or more listed companies, and they can devote sufficient time and attention to the Company. In view of this, the Nomination Committee of the Board nominated Mr. Yih and Ms. Zhang for recommendation by the Board to the Shareholders for election at the EGM.

THE EGM

The EGM will be convened and held at He Meeting Room, 2F, Gehua New Century Hotel, 19 Gulouwai Avenue, Chaoyang District, Beijing, the People's Republic of China at 2:30 p.m. on Wednesday, 23 September 2026 for the purpose of, inter alia, considering the following matters:

1. the consideration and approval by the Shareholders, by way of an ordinary resolution using the non-cumulative voting method, of the proposal on the interim profit distribution of the Company for the six months ended 30 June 2026: the proposed distribution of an interim dividend of RMB0.98 per share (inclusive of tax) for the six months ended 30 June 2026, amounting to approximately RMB21,256 million (inclusive of tax) in aggregate. For details, please refer to the section headed "PROFIT DISTRIBUTION PLAN" in the interim results announcement of the Company dated 28 August 2026.

2. the consideration and approval by the Shareholders, by way of an ordinary resolution using the cumulative voting method, of the election of independent non-executive Directors of the sixth session of the Board of the Company for a term commencing from the date of appointment (23 September 2026) until the expiry of the tenure of the sixth session of the Board of the Company:

   (i) to elect Mr. Yih, Dieter Lai Tak as an independent non-executive Director of the Company;

   (ii) to elect Ms. Zhang Mengjiao as an independent non-executive Director of the Company.

No connected person of the Company, Shareholder or any of their respective associate(s) has a material interest in the above matters to be proposed, considered and approved at the EGM and is required to abstain from voting at the EGM.

The reply slip and form of proxy for use at the meeting are enclosed herewith. Shareholders who intend to attend the EGM shall complete and return the reply slip in accordance with the instructions printed thereon before Friday, 18 September 2026.

Shareholders who intend to appoint a proxy to attend the meeting 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. 2:30 p.m. on 22 September 2026) 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 or any adjournment thereof should you so wish.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, provides information with regard to the issuer in compliance with the Hong Kong Listing Rules. 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 is no other matter, the omission of which would make any statement herein or this document misleading.

RECOMMENDATION

The Board has resolved and approved the resolutions in respect of the above matters. The Directors consider that the proposed appointments of independent non-executive Directors are in the best interests of the Company and its Shareholders as a whole, and recommend that the Shareholders should vote in favour of all resolutions to be proposed at the EGM.

Yours faithfully,
By order of the Board
Song Jinggang
Chief Financial Officer and Secretary to the Board of Directors

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: 01088)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the third extraordinary general meeting for 2026 (the "**Extraordinary General Meeting**") of China Shenhua Energy Company Limited (the "**Company**") will be held at He Meeting Room, 2F, Gehua New Century Hotel, 19 Gulouwai Avenue, Chaoyang District, Beijing, the People's Republic of China at 2:30 p.m. on Wednesday, 23 September 2026 for the purpose of considering and, if thought fit, passing the following resolutions:

AS ORDINARY RESOLUTIONS:

1. To consider and, if thought fit, to approve the resolution regarding the interim profit distribution of the Company for the six months ended 30 June 2026: the proposed distribution of an interim dividend for the six months ended 30 June 2026 of RMB0.98 per share (tax inclusive), totalling approximately RMB21,256 million (tax inclusive) (the "**2026 Interim Dividend**").

2. To consider and, if thought fit, to approve the election of independent non-executive directors of the sixth session of the Board of the Company for a term commencing from the date of appointment (23 September 2026) until the expiry of the tenure of the sixth session of the Board of the Company (by cumulative voting method):

   2.01 to elect Mr. Yih, Dieter Lai Tak as an independent non-executive director of the Company;

   2.02 to elect Ms. Zhang Mengjiao as an independent non-executive director of the Company.

By order of the Board
China Shenhua Energy Company Limited
Song Jinggang
Chief Financial Officer and Secretary to the Board of Directors

Beijing, 3 September 2026

Notes:

1. ELIGIBILITY FOR ATTENDING THE EXTRAORDINARY GENERAL MEETING

Holders of H shares 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 on Wednesday, 23 September 2026 are entitled to attend the Extraordinary General Meeting.

The register of members will be closed from Friday, 18 September 2026 to Wednesday, 23 September 2026 (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, with 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, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 17 September 2026 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/her 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/her 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 Office of the Board of Directors of the Company (at Room 1003, 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 to 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/she so wishes. The H share registrar of the Company is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(4) A proxy may exercise the right to vote by showing of hands 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/her proxy should produce proof of identity when attending the Extraordinary General Meeting. If a corporate shareholder appoints its legal representative or other person authorised by the board of directors or other governing body to attend the meeting, such legal representative or person 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 Friday, 18 September 2026.

(3) Shareholders of the Company may return the reply slip personally, by post, email or by facsimile to the Company.

(4) Non-registered H shareholders who hold shares of the Company through Hong Kong Securities Clearing Company Limited, banks, brokers or other custodians are advised to consult them directly for assistance in the appointment of proxy.

4. CLOSURE OF REGISTER OF MEMBERS

(1) The register of members will be closed from Friday, 18 September 2026 to Wednesday, 23 September 2026 (both days inclusive) (The record date is 23 September 2026) 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, with 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, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 17 September 2026 to effect the transfer of shares.

(2) 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 on Friday, 16 October 2026 are entitled to the 2026 Interim Dividend. The register of members will be closed from Saturday, 10 October 2026 to Friday, 16 October 2026 (both days inclusive) (The record date is 16 October 2026) to determine the identity of the shareholders of H shares who are entitled to the 2026 Interim Dividend. In order to be eligible for the 2026 Interim Dividend, 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, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 9 October 2026 to effect the transfer of shares.

5. PROCEDURES ON DEMANDING A POLL

According to the articles of association of the Company, voting at the Extraordinary General Meeting shall be taken by way of poll (except where the chairman of the meeting decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands).

6. CUMULATIVE VOTING METHOD

When adopting the cumulative voting method for electing directors as proposed in resolution 2, each of the shares held by a shareholder shall carry the same number of votes corresponding to the number of directors to be elected in resolution 2. A shareholder may exercise his voting rights by splitting his votes evenly for each of the director candidates corresponding to the number of shares he holds; or by casting all his votes carried by each of his shares corresponding to the number of directors to be elected for a particular director candidate; or by casting a portion of his votes carried by each of his shares corresponding to the number of directors to be elected for a certain number of director candidates. For example: under the cumulative voting method, the maximum valid votes that a shareholder is entitled to cast are calculated on the basis of the total number of shares held by such shareholder times the number of independent non-executive directors to be elected (2 persons). If such shareholder holds 100 shares, then the maximum valid votes he can cast = 100 (the number of shares held by him) x 2 = 200. The shareholder could use his discretion to cast 200 votes evenly among 2 candidates, or to place all his votes on one particular candidate, or to split his votes to 2 candidates.

Where the total number of votes cast by a shareholder for one or several director candidate(s) is in excess of the number of votes carried by the total number of shares held by him, the votes cast by the shareholder shall be invalid, and the shareholder shall be deemed to have waived his voting rights. Where the total number of votes cast for one or several director candidate(s) by a shareholder is less than the number of votes carried by the total number of shares held by such shareholder, the votes cast by the shareholder shall be valid, and the voting rights attached to the shortfall between the votes actually cast and the votes which the shareholder is entitled to cast shall be deemed to have been waived by the shareholder.

A director candidate shall be duly elected if the number of votes obtained by such candidate exceeds half of the number of voting shares (on the basis of non-cumulative number of shares) represented by the shareholders (including their proxies) attending the Extraordinary General Meeting.

7. In accordance with the Company Law of the People's Republic of China and the articles of association of the Company, shareholder(s) individually or jointly holding 1% or more of the shares of the Company may put forward provisional proposals at a general meeting. The contents of the provisional proposals shall meet the requirements of the articles of association of the Company and regulatory rules in the place where the shares are listed (including review on qualifications of serving as independent non-executive directors, etc.).

8. MISCELLANEOUS

(1) The Extraordinary General Meeting is expected to be held for less than half a working day. Shareholders who attend the meeting, personally or by proxy, shall bear their own travelling, meal and accommodation expenses.

(2) The share registrar of the Company for H shares is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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

(4) Contact methods for the meeting of the Company:

Department:	Office of the Board of Directors Room 1003, Block A Shenhua Tower, 22 Andingmen Xibinhe Road Dongcheng District, Beijing, the PRC
Postal Code:	100011
Contact Person:	Ms. Cheng
Telephone:	(+86)10 5813 1088
Facsimile:	(+86)10 5813 1814
Email:	ir@csec.com

(5) In this notice, the following expressions shall have the following meanings unless the context otherwise requires:

"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC

As at the date of this notice, the Board comprises the following: Mr. Zhang Changyan as executive director, Mr. Kang Fengwei and Mr. Li Xinhua as non-executive directors, Dr. Yuen Kwok Keung, Dr. Chen Hanwen and Mr. Wang Hong as independent non-executive directors, and Ms. Jiao Lei as employee director.