

Reports of the Board Committees

(I) Report of the Strategy Planning Committee

The strategy planning committee consists of Chen Biting, Zhang Xiwu and Wu Yuan. Chen Biting is the chairman of this committee.

The principal duties of the strategy planning committee are to conduct research and submit proposals regarding the long-term development strategies and material investment decisions of the Company. Its specific duties included conducting research and submitting proposals regarding material investments and financing plans which require approval from the Board; conducting research and submitting proposals regarding material capital operations and assets operation projects required to be approved by the Board; conducting research and submitting proposals regarding other material matters that may affect the Company's development; carrying out examination on the implementation of the above matters; and performing other matters authorised by the Board.

In 2005, the strategy planning committee held 3 meetings in total. The meetings approved or passed "rules and procedures of meetings of the strategy planning committee of the Board of China Shenhua Energy Company Limited", "a resolution on confirmation of ideology and measures of development strategies of the Company, and amendment to development strategies of the Company", "a resolution on capital operation of the Company", "a resolution on amendment to the capital expenditure plan of the Company in 2006" and "a resolution on adjustment to the capital expenditure budget of the Company in conjunction with the eleventh five-year plan".

(II) Report of the Audit Committee

The audit committee consists of Chen Xiaoyue, Huang Yicheng and Anthony Francis Neoh. Chen Xiaoyue is the chairman of this committee.

The principal duties of the audit committee are to examine the internal auditing schedule of the Company for the year; supervise the quality of internal audit and disclosure of financial information, and review the quarterly, interim and annual financial statements before submission to the Board; supervise the appointment and removal of the person-in-charge of the Company's internal auditing organisation and provide any relevant advice; examine the effectiveness of the Company's internal control procedures and receive any complaints from relevant parties; review and consider whether the external auditors are independent and objective and the audit procedures are effective in accordance with appropriate criteria; formulate and implement policies for appointment of external auditors to provide non-auditing services; provide advice to the Board on appointment, re-appointment and removal of external auditors, approve the remuneration and terms of appointment of external auditors, and deal with any matter regarding the resignation or dismissal of those auditors; monitor the completeness of the Company's financial statements, annual reports, interim reports and, if to be issued, quarterly reports, and review any significant opinion on financial reporting set out in the financial statements and reports.

In 2005, the audit committee held 3 meetings in total. The meetings approved or passed the "resolution on the financial statements for the year ended 31 December 2004", "a resolution regarding the link between the audit of 2004 and the post listing audit", "a resolution on the profit forecast for 2005", "a resolution on the special financial statements for the period ended 14 June 2005", "a resolution on the interim reports and announcement of interim results for the period ended 30 June 2005", "a resolution on the preliminary proposal for the establishment and evaluation of internal controls and the conditions of internal controls within the Company".

Reports of the Board Committees

The audit committee has reviewed the audited report of the Group's results for the year 2005.

(III) Report of the Remuneration Committee

The remuneration committee consists of Anthony Francis Neoh, Chen Xiaoyue and Ling Wen. Anthony Francis Neoh is the chairman of this committee.

The principal duties of the remuneration committee are to formulate compensation plans or proposals for the directors, supervisors, President and other senior management personnel and submit plans or proposals to the Board, including but not limited to standards, procedures and a system of performance appraisals as well as a plan and system for rewards and sanctions; examine the performance of the directors, supervisors, President and other senior management personnel of the Company, and make annual performance appraisals; supervise the implementation of the compensation policy of the Company; assume duties assigned by the Board, namely determining specific remuneration for all executive directors, supervisors, the President and other senior management personnel, including non-monetary benefits, pension and compensation payment such as compensation for loss or termination of positions or appointments; ensure that none of the directors or any of their respective associates determine their own remuneration; and carry out any other assignments as authorised by the Board.

In 2005, the remuneration committee held 2 meetings in total. The meetings approved the "resolution on the share appreciation rights plan of China Shenhua Energy Company Limited" and "resolution on staff welfare of China Shenhua Energy Company Limited".

(IV) Report of the Safety, Health and Environmental Committee

The safety, health and environmental committee consists of Huang Yicheng, Wu Yuan, Zhang Yuzhuo and Han Jianguo. Huang Yicheng is the chairman of this committee.

The principal duties of the safety, health and environmental committee are to supervise the implementation of health, safety and environmental protection plans of the Company. Its detailed duties include providing advice to the Board or President on material issues in respect of the health, safety and environmental protection of the Company, inquiring into material incidents and liabilities regarding the Company's production, operations, properties, assets, staff or other facilities, as well as reviewing and expediting the resolution of incidents and dealing with any other issues authorised by the Board.

In 2005, the safety, health and environmental committee held 2 meetings in total. The meetings approved the "resolution on the report on safety and environmental protection in China Shenhua Energy Company Limited" and "resolution on the report on recent major safety efforts of China Shenhua Energy Company Limited".