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**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)**

**CONTINUING CONNECTED TRANSACTIONS  
AND DISCLOSEABLE TRANSACTION**

- (1) RENEWAL OF THE MUTUAL COAL SUPPLY AGREEMENT AND THE  
MUTUAL SUPPLIES AND SERVICES AGREEMENT  
WITH CHINA ENERGY;**
- (2) RENEWAL OF THE FINANCIAL SERVICES AGREEMENT WITH  
THE FINANCE COMPANY; AND**
- (3) RENEWAL OF THE FACTORING SERVICES  
AGREEMENT WITH GUONENG FACTORING**

**BACKGROUND**

Reference is made to the announcements of the Company dated 28 April 2023, 22 March 2024 and 19 December 2025 and the circular of the Company dated 17 May 2023 in relation to, among other things, (i) the mutual coal supply agreement and the mutual supplies and services agreement entered into between the Company and China Energy; (ii) the financial services agreement entered into between the Company and the Finance Company; and (iii) the factoring services agreement entered into between the Company and Guoneng Factoring. The terms of the aforesaid agreements will expire on 31 December 2026.

On 24 April 2026, the Board approved (i) the entering into of the New Mutual Coal Supply Agreement and the New Mutual Supplies and Services Agreement between the Company and China Energy; (ii) the entering into of the New Financial Services Agreement between the Company and the Finance Company; and (iii) the entering into of the New Factoring Services Agreement between the Company and Guoneng Factoring. Subject to approval at the AGM, the aforesaid agreements shall take effect from 1 January 2027 and expire on 31 December 2029.

## **HONG KONG LISTING RULES IMPLICATIONS**

As at the date of this announcement, China Energy holds, directly and indirectly, approximately 70.02% of the Shares of the Company and is the controlling shareholder of the Company. The Finance Company is owned as to 60% by China Energy, Guoneng Factoring is an indirect wholly-owned subsidiary of China Energy. Accordingly, each of China Energy, the Finance Company and Guoneng Factoring is a connected person of the Company as defined under the Hong Kong Listing Rules. Pursuant to Chapter 14A of the Hong Kong Listing Rules, the New Mutual Coal Supply Agreement, the New Mutual Supplies and Services Agreement, the New Financial Services Agreement and the New Factoring Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

### **NEW MUTUAL COAL SUPPLY AGREEMENT, THE NEW MUTUAL SUPPLIES AND SERVICES AGREEMENT**

In respect of the proposed annual caps under the New Mutual Coal Supply Agreement, as one or more of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules) exceed 5%, the New Mutual Coal Supply Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

In respect of the proposed annual caps under the New Mutual Supplies and Services Agreement, as one or more of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules) exceed 5%, the New Mutual Supplies and Services Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

### **NEW FINANCIAL SERVICES AGREEMENT**

In respect of the proposed annual caps for the maximum daily deposit balance (including accrued interest) of the members of the Group in the Finance Company, as one or more of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules) exceed 5% but all such percentage ratios are less than 25%, the transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules, and also constitute a discloseable transaction under Chapter 14 of the Hong Kong Listing Rules.

With regard to the proposed annual caps on the total amount of fees for financial services provided by the Finance Company to members of the Group, since all relevant percentage ratios (as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules) are less than 0.1%, the transactions are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

## **NEW FACTORING SERVICES AGREEMENT**

In respect of the proposed annual caps under the New Factoring Services Agreement for the provision of factoring services by Guoneng Factoring to members of the Group, as one or more of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules) exceed 0.1% but all are less than 5%, the provision of factoring services by Guoneng Factoring to members of the Group under the New Factoring Services Agreement are subject to the reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules. In respect of the expected aggregate amount of Other Factoring-related Services under the New Factoring Services Agreement, as all of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules) are less than 0.1%, Other Factoring-related Services under the New Factoring Services Agreement are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. Pursuant to the Shanghai Listing Rules, the New Factoring Services Agreement and the transactions contemplated thereunder are subject to approval at the general meeting.

## **AGM**

The Company will convene the AGM to seek, among other things, the approval of the Independent Shareholders for the entering into of the New Mutual Coal Supply Agreement, the New Mutual Supplies and Services Agreement, the New Financial Services Agreement and the New Factoring Services Agreement and the respective proposed annual caps thereunder. Pursuant to the Hong Kong Listing Rules, China Energy and its associates are required to abstain from voting on the resolutions in respect of the New Mutual Coal Supply Agreement, the New Mutual Supplies and Services Agreement and the New Financial Services Agreement and the respective proposed annual caps thereunder. Pursuant to the Shanghai Listing Rules, China Energy and its wholly-owned subsidiary Capital Holdings, as connected shareholders of the Company, are required to abstain from voting on the resolution relating to the New Factoring Services Agreement and the proposed annual caps thereunder.

The Independent Board Committee has reviewed the New Mutual Coal Supply Agreement, the New Mutual Supplies and Services Agreement and the New Financial Services Agreement and the respective proposed annual caps thereunder. An Independent Financial Adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the New Mutual Coal Supply Agreement, the New Mutual Supplies and Services Agreement and the New Financial Services Agreement, the transactions contemplated thereunder and the respective proposed annual caps are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and its Shareholders as a whole, and to give advice on how the Independent Shareholders should vote.

As additional time is required for the Company to prepare certain information to be included in the circular, a circular containing, among other things, further details of the continuing connected transactions in relation to the New Mutual Coal Supply Agreement, the New Mutual Supplies and Services Agreement and the New Financial Services Agreement, the letter from the Independent Board Committee and the advice from the Independent Financial Adviser is expected to be despatched to the Shareholders on or before 4 June 2026.

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND THE ANNUAL CAPS**

Reference is made to the announcements of the Company dated 28 April 2023, 22 March 2024 and 19 December 2025 and the circular of the Company dated 17 May 2023 in relation to, among other things, (i) the mutual coal supply agreement and the mutual supplies and services agreement entered into between the Company and China Energy; (ii) the financial services agreement entered into between the Company and the Finance Company; and (iii) the factoring services agreement entered into between the Company and Guoneng Factoring. The terms of the aforesaid agreements will expire on 31 December 2026.

On 24 April 2026, the Board approved (i) the entering into of the New Mutual Coal Supply Agreement and the New Mutual Supplies and Services Agreement between the Company and China Energy; (ii) the entering into of the New Financial Services Agreement between the Company and the Finance Company; and (iii) the entering into of the New Factoring Services Agreement between the Company and Guoneng Factoring. Subject to approval at the AGM, the aforesaid agreements shall take effect from 1 January 2027 and expire on 31 December 2029.

### **A. NEW MUTUAL COAL SUPPLY AGREEMENT**

#### **MAJOR TERMS**

##### ***Parties***

The Company and China Energy

##### ***Details of the transaction***

Pursuant to the New Mutual Coal Supply Agreement:

- (1) the Group has agreed to supply coal to China Energy Group; and
- (2) China Energy Group has agreed to supply coal to the Group.

##### ***Term and termination***

The New Mutual Coal Supply Agreement shall come into force upon approval at the AGM and shall be effective from 1 January 2027 to 31 December 2029.

## ***Price determination***

The transaction amount for the mutual supply of coal under the New Mutual Coal Supply Agreement is the product of the unit price in RMB/ton multiplied by the actual weight. The unit price shall be determined by both parties after arm's length negotiations with reference to the then market price and conditions and the following factors, provided that the transaction terms shall not be less favorable than those provided by independent third parties:

- (1) the national industrial policy as well as industry and market conditions in the PRC;
- (2) the specific guidelines issued by the NDRC setting out the coal purchase prices (if any);
- (3) the current coal market trading prices in the regional coal exchange or market in the PRC, i.e., the price of coal of comparable grade that is offered to or by independent third parties under normal market conditions and normal commercial terms in the same or nearby regions. For local spot coal price, reference is generally made to (i) the spot price index of the local coal exchange or market in the Bohai Rim region or nearby provinces as published on the website of China Coal Market ([www.cctd.com.cn](http://www.cctd.com.cn)) organized by the China Coal Transportation and Distribution Association (中國煤炭運銷協會) in the PRC; (ii) the sale price of local large coal enterprises as published on various coal industry websites (if any); and/or (iii) price quotations from several other enterprises with comparable quality, quantity and location;
- (4) the quality of the coal (including the estimated calorific value of coal as required by different coal-fired power generating units);
- (5) the quantity of coal; and
- (6) transportation fees.

## **Proposed Annual Caps and Historical Transactions**

The Company proposes that the annual caps of the New Mutual Coal Supply Agreement for the years ending 31 December 2027, 31 December 2028 and 31 December 2029, respectively, be set as follows. The Company also sets out below the historical transaction amounts under the same categories for the years ended 31 December 2024 and 31 December 2025.

### ***Supply of coal by the Group to China Energy Group***

#### ***(1) Historical annual caps and actual transaction amounts***

<b>For the year ended 31 December 2024</b>		<b>For the year ended 31 December 2025</b>		<b>For the year ending 31 December 2026</b>
<b>Annual cap</b>	<b>Transaction amount (Audited)</b>	<b>Annual cap</b>	<b>Transaction amount (Audited)</b>	<b>Annual cap</b>
<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
110,000	93,203	110,000	75,884	110,000

(2) *Proposed annual caps*

<b>Annual cap for the year ending 31 December 2027</b> <i>(RMB million)</i>	<b>Annual cap for the year ending 31 December 2028</b> <i>(RMB million)</i>	<b>Annual cap for the year ending 31 December 2029</b> <i>(RMB million)</i>
126,500	131,000	133,000

***Supply of coal by China Energy Group to the Group***

(1) *Historical annual caps and actual transaction amounts*

<b>For the year ended 31 December 2024</b>		<b>For the year ended 31 December 2025</b>		<b>For the year ending 31 December 2026</b>
<b>Annual cap</b>	<b>Transaction amount</b>	<b>Annual cap</b>	<b>Transaction amount</b>	<b>Annual cap</b>
<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
27,000	13,843	27,000	15,289	27,000

(2) *Proposed annual caps*

<b>Annual cap for the year ending 31 December 2027</b> <i>(RMB million)</i>	<b>Annual cap for the year ending 31 December 2028</b> <i>(RMB million)</i>	<b>Annual cap for the year ending 31 December 2029</b> <i>(RMB million)</i>
27,000	27,000	27,000

The terms of the New Mutual Coal Supply Agreement have been reached after arm's length negotiation between the Company and China Energy.

The proposed annual caps under the New Mutual Coal Supply Agreement for the supply of coal by the Group to China Energy Group have been set taking into account the following factors:

- (a) In recent years, the overall operation of China's domestic coal market has been stable. Influenced by factors such as international trade frictions, geopolitical conflicts, and climate change, coal still plays a pivotal role in China's energy security. The comprehensive price indices of Bohai Bay Thermal Coal (5,500 kcal) at the end of 2023, end of 2024, and end of 2025 stood at RMB732/tonne, RMB703/tonne, and RMB693/tonne, respectively. It is expected that coal prices will remain generally stable over the next three years.

The sales prices of commercial coal realised by the Group are exclusive of tax and are correlated with the actual calorific value of coal and the place of sale. The average selling prices of coal of China Shenhua (excluding tax, the same hereinafter) were RMB584/tonne, RMB564/tonne and RMB495/tonne in 2023, 2024 and 2025 respectively, with the average selling price from 2023 to 2025 being RMB548/tonne. China is expected to continue to guide and promote the operation of coal prices within a reasonable range, and the coal price centre is expected to remain stable within a reasonable range from 2027 to 2029. The Group implements the same pricing policy for internal and external customers, and the sales prices of coal supplied by the Group to China Energy Group are expected to remain relatively stable, with the average selling price maintained at approximately RMB548/tonne.

- (b) In 2025, the national power generation by industrial thermal power enterprises above designated size reached 6,294.55 billion kWh, accounting for 64.8% of the total national power generation. Coal-fired power remains the dominant source of power supply in China at present. Advanced national coal production capacity has been released in an orderly manner, while coal imports decreased year-on-year. The annual raw coal output of industrial enterprises above designated size stood at 4.83 billion tonnes, representing a year-on-year increase of 1.2%. National coal production capacity is expected to remain at a high plateau during the “15th Five-Year Plan” period.

As the world’s largest coal-fired power generation company, China Energy Group had an installed capacity of approximately 220 million kilowatts for coal-fired power generation at the end of 2025, with a number of coal-fired power generation projects still under construction. Coal demand is expected to continue to increase in the future. As one of the most important thermal coal suppliers to China Energy Group, the Group expects that its coal supply to China Energy Group will continue to occur.

- (c) To implement the national energy supply guarantee arrangements and continuously consolidate the competitive advantages of the Group’s integrated industrial chain operation, the Group’s total coal sales volume in 2025 amounted to 430.9 million tonnes. On a comparable basis, the planned total coal sales volume for 2026 is 434.9 million tonnes, representing an increase of 0.9% from 2025. Such growth rate is expected to be maintained from 2027 to 2029. Assuming the volume of coal supplied by the Group to China Energy Group increases at the same rate each year, and the supply price is generally consistent with the average selling price of coal for the period from 2023 to 2025 and based on the amount of coal sales by the Group to China Energy Group of RMB75.9 billion in 2025, the estimated sales amounts of coal by the Group to China Energy Group for 2027, 2028 and 2029 are approximately RMB85.5 billion, RMB86.3 billion and RMB87.1 billion, respectively, which are lower than the actual amounts of coal sales by the Group to China Energy Group of RMB93.9 billion and RMB93.2 billion in 2023 and 2024, respectively.

In March 2026, the Company completed the issuance of Shares and payment of cash to purchase the equity interests in 12 target companies directly or indirectly held by China Energy. Since April 2026, 11 companies (the “**Acquired Assets**”) of the 12 target companies, other than the investee company Shanxi Province Jinshen Energy Co., Ltd., have become subsidiaries of the Company and ceased to be connected persons of the Company. Accordingly, the mutual supply of coal between the Acquired Assets and China Energy Group will constitute connected transactions. In 2025, the Acquired Assets sold a total of RMB39 billion of coal to China Energy Group (excluding the Group and the Acquired Assets). It is estimated that the coal production related to the Acquired Assets from 2027 to 2029 will increase by approximately 8.2%, 15.8%, and 17.7% respectively compared to 2025, and the estimated sales of coal to China Energy Group (excluding the Group) will be approximately RMB42.2 billion, RMB45.2 billion, and RMB45.9 billion. In 2025, the Group sold a total of RMB17.7 billion of coal to the Acquired Assets, which were then connected persons of the Company. Since April 2026, such coal sales will no longer constitute connected transactions.

In summary, it is estimated that the annual amounts of coal sales by the Group to China Energy Group from 2027 to 2029 will be approximately RMB110.0 billion, RMB113.8 billion, and RMB115.3 billion, respectively. With a 15% buffer margin reserved, it is proposed that the annual caps for the supply of coal by the Group to China Energy Group from 2027 to 2029 be RMB126.5 billion, RMB131 billion, and RMB133 billion, respectively.

The proposed annual caps under the New Mutual Coal Supply Agreement for the supply of coal by China Energy Group to the Group have been set taking into account the following factors:

- (a) In recent years, the overall operation of China's domestic coal market has been stable. Coal still plays an irreplaceable role as a "ballast stone" and "stabilizer" in China's energy security. The comprehensive price indices of Bohai Bay Thermal Coal (5,500 kcal) at the end of 2023, end of 2024, and end of 2025 stood at RMB732/tonne, RMB703/tonne, and RMB693/tonne, respectively. It is expected that coal prices will remain generally stable over the next three years. The commercial coal purchased by the Group includes coal with different calorific values, which is used for external sales and self-use. The purchase price varies depending on factors such as calorific value and mode of transportation. Given the relative stability of the Group's power generation and coal chemical project layouts, as well as transportation conditions, it is expected that the price of coal to be purchased by the Group from China Energy Group will remain relatively stable.
- (b) In 2025, coal-fired power units such as Jiujiang Phase II and Beihai Phase II have successively commenced operation, and the Group's installed capacity of coal-fired power generation has exceeded 49,000 MW. Coal-fired power units such as Dingzhou Phase III and Cangdong Phase III are under construction, and it is expected that the Group's installed capacity of coal-fired power generation will exceed 52,000 MW in 2027, 2028, and 2029. Taking into comprehensive consideration the geographical locations of the power plants under the Group and the convenience and economy of coal procurement, as well as the fact that the procurement of coal from China Energy Group will help the Group to continuously obtain a reliable and quality-assured coal supply, it is expected that the Group's procurement of coal from China Energy Group will continue.
- (c) China Energy completed the acquisition of a partial equity interest in Zhunge'er Energy Company in July 2025. Accordingly, Zhunge'er Energy Company became a connected person of the Company under the Hong Kong Listing Rules. In the second half of 2025, the Group's amount for coal procurement from Zhunge'er Energy Company was approximately RMB5 billion. It is expected that the production volume of Zhunge'er Energy Company will remain stable from 2027 to 2029, and with reference to its average selling price of coal from 2023 to 2025, it is estimated that the amount of the Group's coal procurement from Zhunge'er Energy Company will be approximately RMB11.1 billion per year from 2027 to 2029.

Since April 2026, the Group's procurement of coal from the Acquired Assets will no longer constitute connected transactions, whereas the Acquired Assets' procurement of coal from China Energy Group will constitute connected transactions. The amount of the Group's coal purchased from China Energy Group in 2025 was approximately RMB15.3 billion, of which the amount of coal purchased from the Acquired Assets was approximately RMB2.3 billion. The Acquired Assets procured coal of approximately RMB2.6 billion from China Energy Group (excluding the Group and the Acquired Assets), which is expected to continue from 2027 to 2029. Taking into account price elasticity (with the increase in coal procurement prices benchmarked against the increase in coal selling prices, the same below), it is expected that the Acquired Assets will procure coal of approximately RMB2.9 billion from China Energy Group (excluding the Group) each year from 2027 to 2029.

Excluding Zhunge'er Energy Company and the Acquired Assets, the Group's coal procurement from China Energy Group in 2025 was approximately RMB8 billion. Considering the future growth in the scale of coal-fired power units and coal price elasticity, it is estimated that the Group's coal procurement from China Energy Group each year from 2027 to 2029 will be approximately RMB9.4 billion.

In summary, it is estimated that the amount for the supply of coal by China Energy Group to the Group from 2027 to 2029 will be approximately RMB23.3 billion per annum. With a 15% buffer reserved, it is proposed that the annual caps for the supply of coal by China Energy Group to the Group from 2027 to 2029 be RMB27 billion per annum.

## **IMPLEMENTATION AGREEMENTS AND PAYMENT**

The Company and each subsidiary of the Company may, from time to time and as necessary, enter into separate implementation agreements for each specific transaction contemplated under the New Mutual Coal Supply Agreement with China Energy and each subsidiary of China Energy. Each implementation agreement shall set out the specifications for the particular transaction. The implementation agreements provide for the supply of coal as contemplated by the New Mutual Coal Supply Agreement, and as such, they do not constitute new categories of connected transactions. Any such implementation agreements will stay within the bounds of the New Mutual Coal Supply Agreement and the annual caps.

All payments made pursuant to the New Mutual Coal Supply Agreement and its implementation agreements will be by electronic transfer or other payment methods agreed by both parties.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW MUTUAL COAL SUPPLY AGREEMENT**

The Group has long-standing experience in mutual coal supply with China Energy Group. To further deepen their long-term and stable cooperative relationship, the Company has entered into the New Mutual Coal Supply Agreement with China Energy, pursuant to which the Group will continue to sell various types of thermal coal with different calorific values to China Energy Group and collect consideration thereon on normal commercial terms, while China Energy Group will continue to sell various types of thermal coal with different calorific values to the Group for coal blending and resale purposes. The conclusion of the New Mutual Coal Supply Agreement ensures that the Group maintains stable coal sales customers and market position, secures a reliable and quality-assured coal supply, achieves both convenience and economic efficiency, and safeguards the Group's normal production and operation while reducing operational risks and costs.

## **HONG KONG LISTING RULES IMPLICATIONS**

As at the date of this announcement, China Energy holds, directly and indirectly, approximately 70.02% of the Shares of the Company and is the controlling shareholder of the Company, and is therefore a connected person of the Company as defined under the Hong Kong Listing Rules. The New Mutual Coal Supply Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

In respect of the proposed annual caps under the New Mutual Coal Supply Agreement, as one or more of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules) exceed 5%, the New Mutual Coal Supply Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

## **APPROVAL BY THE BOARD**

The Directors (including the independent non-executive Directors) consider that the New Mutual Coal Supply Agreement (including its terms, annual caps and pricing) is fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and is in the interests of the Company and its Shareholders as a whole.

The Board resolved and approved the New Mutual Coal Supply Agreement and the proposed annual caps thereunder on 24 April 2026. Of the Directors attending the Board meeting, the Abstained Directors were considered to have a material interest by virtue of being employed by China Energy, and thus abstained from voting on the Board resolution in respect of the New Mutual Coal Supply Agreement and the proposed annual caps thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, none of the Directors has any material interest in the New Mutual Coal Supply Agreement and the proposed annual caps thereunder.

## **B. NEW MUTUAL SUPPLIES AND SERVICES AGREEMENT**

### **MAJOR TERMS**

#### ***Parties***

The Company and China Energy

#### ***Details of the transaction***

Pursuant to the New Mutual Supplies and Services Agreement:

- (a) The products and services that the Group has agreed to provide to China Energy Group include:
  - (i) Production: power trading and other related or similar services;
  - (ii) Supply: sale of refined oil products and chemical products, sale or lease of production equipment and spare parts, office products and other related or similar products and services;
  - (iii) Ancillary production: rail, shipping and port transportation services, sales and related technical services of hardware and software, information technology services, logistics services, training and other related or similar products and services;
  - (iv) Administrative services: various daily administrative services to China Energy Group (exclusive of financial management and services).

- (b) The products and services that China Energy Group has agreed to provide to the Group include:
- (i) Production: power trading and other related or similar services;
  - (ii) Supply: sale of refined oil products and chemical products; sale or leasing of production equipment and spare parts, office supplies and other related or similar products and services;
  - (iii) Ancillary production: shipping and port services, construction, logistics and support services, training, bidding agency services, information technology services, technical consultancy, and other related or similar services;
  - (iv) Administrative services: basic pension insurance management services and employee personnel file management services.

### **Term and termination**

The New Mutual Supplies and Services Agreement shall come into force upon approval at the AGM, and shall be effective from 1 January 2027 to 31 December 2029.

### **Price determination**

The pricing of the various products and services provided under the New Mutual Supplies and Services Agreement shall be determined in accordance with the following general principles and in the following order:

- (a) Government-prescribed price and government-guided price: if at any time, the government-prescribed price is applicable to any particular product or service, such product or service shall be supplied at the applicable government-prescribed price. Where a government-guided fee standard is available, the price shall be agreed within the range of the government-guided price.
- (b) Tender and bidding price: where tender and bidding process is necessary under applicable laws and regulations, the price ultimately determined in accordance with the tender and bidding process.
- (c) Market price: the price is determined on normal commercial terms and based on the following: the price of the same or similar products or services provided by an independent third party during the ordinary course of business on normal commercial terms. The management shall consider at least two comparable deals with independent third parties for the same period when determining whether the price for any product or service transaction under the New Mutual Supplies and Services Agreement is the market price.
- (d) Agreed price: the price is determined by adding a reasonable profit margin over a reasonable cost. The management shall consider at least two comparable deals with independent third parties for the same period when determining the reasonable profit of any product or service transaction under the New Mutual Supplies and Services Agreement.

On the basis of the above, for specific types of products or services, the following pricing policies are adopted:

- (a) Rail transportation services: price approved by the NDRC and other relevant competent government authorities.
- (b) Engineering construction: where a bidding process is required under applicable laws and regulations, the bidding price will be adopted; where a bidding process is not required under applicable laws and regulations, the market price will be adopted.
- (c) Oil products: the government-guided price.
- (d) Power trading: the government-guided price shall be adopted if available; the uniform clearing price shall be adopted in centralized bidding transactions; independently negotiated transactions shall refer to the transaction prices of recent comparable market transactions.
- (e) Hardware and software equipment and related services: market price (including bidding price).
- (f) Chemical products: market price.
- (g) Production equipment and spare parts, office products: market price.
- (h) Tendering agency services: charged in accordance with the relevant regulations of the NDRC.
- (i) Technical consulting services: agreed price with a profit margin of approximately 10%.
- (j) Information technology services: according to relevant national and industrial rules and regulations on construction cost, pricing methods and fee standards, with reference to the market practices of the information technology industry, de facto standards and market prices, and taking into account the actual situation of the Company's information technology construction, the budget is reviewed and determined by a professional institution with cost review qualifications, and both parties shall negotiate and agree on the service price within the scope of the budget.
- (k) Logistics services and training services: agreed price (i.e. cost plus a profit margin of approximately 5%).
- (l) Basic pension insurance management services and employee personnel file management services: agreed price (i.e. cost plus a profit margin of approximately 5%).
- (m) Various daily administrative services to the headquarters of China Energy (exclusive of financial management and services): agreed price (i.e. cost plus a profit margin of approximately 5%).

### **Proposed annual caps and historical transactions**

The Company proposes that the annual caps of the New Mutual Supplies and Services Agreement for the years ending 31 December 2027, 31 December 2028 and 31 December 2029, respectively, be set as follows. The Company also sets out below the historical transaction amounts under the same categories for the years ended 31 December 2024 and 31 December 2025.

## ***Supply of products and provision of services by the Group to China Energy Group***

### *(1) Historical annual caps and actual transaction amounts*

<b>For the year ended 31 December 2024</b>		<b>For the year ended 31 December 2025</b>		<b>For the year ending 31 December 2026</b>
<b>Annual cap</b>	<b>Transaction amount (Audited)</b>	<b>Annual cap</b>	<b>Transaction amount (Audited)</b>	<b>Annual cap</b>
<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
35,000	17,277	35,000	19,346	35,000

### *(2) Proposed annual caps*

<b>Annual cap for the year ending 31 December 2027</b>	<b>Annual cap for the year ending 31 December 2028</b>	<b>Annual cap for the year ending 31 December 2029</b>
<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
22,500	24,500	27,000

## ***Supply of products and provision of services by China Energy Group to the Group***

### *(1) Historical annual caps and actual transaction amounts*

<b>For the year ended 31 December 2024</b>		<b>For the year ended 31 December 2025</b>		<b>For the year ending 31 December 2026</b>
<b>Annual cap</b>	<b>Transaction amount (Audited)</b>	<b>Annual cap</b>	<b>Transaction amount (Audited)</b>	<b>Annual cap</b>
<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
17,000	9,061	17,000	10,283	17,000

### *(2) Proposed annual caps*

<b>Annual cap for the year ending 31 December 2027</b>	<b>Annual cap for the year ending 31 December 2028</b>	<b>Annual cap for the year ending 31 December 2029</b>
<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
18,000	20,000	23,000

The terms of the New Mutual Supplies and Services Agreement have been reached after arm's length negotiation between the Company and China Energy.

The proposed annual caps under the New Mutual Supplies and Services Agreement for the supply of products and provision of services by the Group to China Energy Group have been set taking into account the following factors:

- (a) The products and services provided by the Group to China Energy Group include transportation services, power trading, information services, sales of chemicals, etc. China Energy Group is one of the Group's important long-term customers, and the two parties have a stable cooperative relationship. With the development of the Group's business, the amount of products and services provided by the Group to China Energy Group in 2023, 2024 and 2025 were RMB18.15 billion, RMB17.28 billion and RMB19.35 billion, respectively, with a compound annual growth rate of 3.3%.
- (b) China Energy completed the acquisition of a portion of the equity interest in Zhunge'er Energy Company in July 2025. Accordingly, Zhunge'er Energy Company became a connected person of the Company under the Hong Kong Listing Rules. In the second half of 2025, the Group's revenue from the mutual provision of products and services with Zhunge'er Energy Company was approximately RMB780 million, and it is expected that the such business will continue to occur in the future.
- (c) Since April 2026, the Acquired Assets have become subsidiaries of the Company and ceased to be connected persons of the Company. Accordingly, the mutual provision of supplies and services between the Acquired Assets and China Energy Group will constitute connected transactions. In 2025, the Group provided products and services of approximately RMB6.13 billion to the Acquired Assets. Since April 2026, these transactions will no longer constitute connected transactions. In 2025, the Acquired Assets provided products and services of approximately RMB2.08 billion to China Energy Group (excluding the Group and the Acquired Assets), which are expected to continue to occur in the future.
- (d) In the future, the Group will continue to promote the investment and construction of railway capacity expansion and upgrading, dedicated coal transport lines, intelligent information, and modern coal chemical industries. Its advantages in areas such as railway transportation will continue to be strengthened, and its capacity to provide transportation services, information services, chemical products, and other services and products to China Energy Group will continue to be enhanced. Taking into account the impact of business growth and the increase in prices and labor costs, as well as the rapid development of chemical and shipping businesses within the Acquired Assets in recent years, the compound annual growth rate of the amount of products and services to be provided by the Group to China Energy Group from 2026 to 2029 is expected to be 10%, which is comparable to that of the compound annual growth rate from 2023 to 2025. It is estimated that the amounts of products and services to be provided by the Group to China Energy Group for each year from 2027 to 2029 will be approximately RMB19.5 billion, RMB21.4 billion, and RMB23.5 billion, respectively. With a 15% buffer reserved, it is proposed that the annual caps for the provision of products and services by the Group to China Energy Group from 2027 to 2029 be RMB22.5 billion, RMB24.5 billion, and RMB27 billion, respectively, representing a significant decrease compared to the annual transaction caps from 2024 to 2026.

The proposed annual caps under the New Mutual Supplies and Services Agreement for the supply of products and provision of services by China Energy Group to the Group have been set taking into account the following factors:

- (a) The products and services provided by China Energy Group to the Group include engineering construction services, technical consulting services, sale or lease of production equipment and spare parts, etc. In view of the long-term cooperative relationship between the Group and China Energy Group, China Energy Group's business advantages, good reputation, and its ability to provide production materials and ancillary services to the Group at fair and reasonable prices, the amounts of products and services provided by China Energy Group to the Group for 2023, 2024, and 2025 were RMB7.36 billion, RMB9.06 billion, and RMB10.28 billion, respectively, representing a compound annual growth rate of 18.1%.
- (b) China Energy Group completed the acquisition of a portion of the equity interest in Zhunge'er Energy Company in July 2025. Accordingly, Zhunge'er Energy Company became a connected person of the Company under the Hong Kong Listing Rules. In the second half of 2025, the Group's expenditure on the procurement of products and services from Zhunge'er Energy Company amounted to approximately RMB770 million, and it is expected that the such business will continue to occur in the future.
- (c) Taking into account the circumstances of the Acquired Assets, the Group's procurement of products and services from the Acquired Assets in 2025 was approximately RMB4.66 billion. Since April 2026, these transactions will no longer constitute connected transactions. However, the Acquired Assets' procurement of products and services from China Energy Group (excluding the Group and the Acquired Assets) in 2025 was approximately RMB5.49 billion, which is expected to continue in the future.
- (d) During the "15th Five-Year Plan" period, the Group will continue to promote the clean and efficient mining and utilization of coal, construct clean and efficient power generation units, and promote the high-end, diversified, and low-carbon development of the coal chemical industry. It is expected that the procurement of products and services such as materials and equipment, engineering construction, and technical services from China Energy Group will increase. Taking into account the impact of business growth and increases in prices and labor costs, the compound annual growth rate from 2026 to 2029 is expected to be 15%, which is lower than that of the compound annual growth rate from 2023 to 2025. It is expected that the annual amounts of products and services to be purchased by the Group from China Energy Group from 2027 to 2029 will be approximately RMB15.7 billion, RMB18.1 billion, and RMB20.8 billion, respectively. With a 15% buffer reserved, it is proposed that the annual caps for the procurement of products and services by the Group from China Energy Group from 2027 to 2029 be RMB18 billion, RMB20 billion, and RMB23 billion, respectively, representing a slight increase compared to the annual transaction caps from 2024 to 2026.

## **IMPLEMENTATION AGREEMENTS**

The Company and each subsidiary of the Company may, from time to time and as necessary, enter into separate implementation agreements for each specific transaction contemplated under the New Mutual Supplies and Services Agreement with China Energy and each subsidiary of China Energy. Each implementation agreement shall set out the specifications for the particular transaction. The implementation agreements provide for products and services as contemplated by the New Mutual Supplies and Services Agreement, and as such, they do not constitute new categories of connected transactions. Any such implementation agreement will stay within the bounds of the New Mutual Supplies and Services Agreement and the annual caps.

All payments made pursuant to the New Mutual Supplies and Services Agreement and its implementation agreements will be by electronic transfer or other payment methods agreed by both parties.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW MUTUAL SUPPLIES AND SERVICES AGREEMENT**

The Group and China Energy Group have long-standing cooperation experience in the mutual provision of products and services, and the entering into of the agreement aims to continue the long-term and stable cooperative relationship between the parties. The Company entered into the New Mutual Supplies and Services Agreement with China Energy, pursuant to which the Group continues to provide products and services such as chemical products and railway transportation to China Energy Group on an arm's length basis, and China Energy Group continues to provide products and services such as refined oil and engineering construction to the Group on an arm's length basis. The entering into of the agreement, while taking into consideration both convenience and cost-effectiveness, is conducive to the Group's continued access to a stable, reliable, and quality-assured supply of materials and services, ensuring the normal production and operations of the Group and promoting the business development and operational growth of the Group.

## **HONG KONG LISTING RULES IMPLICATIONS**

As at the date of this announcement, China Energy holds, directly and indirectly, approximately 70.02% of the Shares of the Company and is the controlling shareholder of the Company, and is therefore a connected person of the Company as defined under the Hong Kong Listing Rules. Pursuant to Chapter 14A of the Hong Kong Listing Rules, the New Mutual Supplies and Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

In respect of the proposed annual caps under the New Mutual Supplies and Services Agreement, as one or more of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules) exceed 5%, the New Mutual Supplies and Services Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

## **APPROVAL BY THE BOARD**

The Directors (including the independent non-executive Directors) consider that the New Mutual Supplies and Services Agreement (including its terms, annual caps and pricing) is fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and is in the interests of the Company and its Shareholders as a whole.

The Board resolved and approved the New Mutual Coal Supply Agreement and the proposed annual caps thereunder on 24 April 2026. Of the Directors attending the Board meeting, the Abstained Directors were considered to have a material interest by virtue of being employed by China Energy, and thus abstained from voting on the Board resolution in respect of the New Mutual Supplies and Services Agreement and the proposed annual caps thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, saved as disclosed above, none of the Directors has any material interest in the New Mutual Supplies and Services Agreement and the proposed annual caps thereunder.

## **C. NEW FINANCIAL SERVICES AGREEMENT**

### **MAJOR TERMS**

#### ***Parties***

The Company and the Finance Company

#### ***Details of the transaction***

Pursuant to the New Financial Services Agreement, the Finance Company will provide the following financial services in domestic and foreign currencies as approved by the regulatory authorities to members of the Group:

- (1) provision of non-financing guarantee services to members of the Group;
- (2) provision of bill acceptance and discounting services to members of the Group;
- (3) taking deposits from members of the Group;
- (4) granting loans, consumption credit and buyer's credit to members of the Group;
- (5) provision of financial consultation, credit verification and other relevant advisory and agency services to members of the Group;
- (6) provision of assistance to members of the Group to receive and pay transaction proceeds;
- (7) internal transfer and settlement services and design of corresponding settlement and clearing plans for members of the Group;
- (8) provision of comprehensive credit facilities to members of the Group, including loans, bill acceptance and discounting services;
- (9) provision of financial training and consultation services;
- (10) foreign exchange settlement and sale services;
- (11) provision of other financial services with regulatory approval (letters of credit, online banking, entrusted loans, etc.) to members of the Group and charging of agency fees, handling fees, consulting fees or other service fees;
- (12) provision of foreign exchange deposits, foreign exchange loans, and approved international business to members of the Group in accordance with approvals by the regulatory authorities.

#### ***Term and termination***

The New Financial Services Agreement shall come into force upon approval at the AGM and shall be effective from 1 January 2027 to 31 December 2029.

## ***Price determination***

- (1) Regarding the provision of deposit, loan or similar services by the Finance Company to members of the Group, subject to compliance with the laws, regulations and relevant provisions of the PBOC, the NFRA and other relevant regulatory authorities:
  - (a) the interest rates for deposits placed by members of the Group with the Finance Company shall be no less than the interest rate offered by major commercial banks for the same type of deposit services provided to members of the Group, and shall be determined on normal commercial terms;
  - (b) the interest rates for loans granted by the Finance Company to members of the Group shall be no more than the loan prime rate for the corresponding period announced by the PBOC and no more than the interest rate offered by major commercial banks for the same type of loan services provided to members of the Group, and shall be determined on normal commercial terms.

With respect to the deposit interest rate offered by the Finance Company for deposits placed by members of the Group, the Finance Company will pay close attention to the deposit interest rates of major commercial banks (i.e. Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, and Bank of Communications) on a regular basis, to ensure the interest rates for deposits placed by members of the Group with the Finance Company shall be no less than the interest rate paid by major commercial banks for the same type of deposit services provided to the Group. In addition, the Company will also strictly monitor the pricing of deposits with the Finance Company and perform the Company's corresponding internal approval procedures; for details, please refer to the section headed "The Company's internal approval procedures for the price determination process".

- (2) In terms of paid services provided by the Finance Company to the members of the Group:
  - (a) the Finance Company may provide paid consultation, agency, settlement, transfer, letter of credit, online banking, entrusted loan, non-financing guarantee, bill acceptance and other related services to members of the Group.
  - (b) the service fees charged by the Finance Company for the provision of the above financial services to the members of the Group shall, subject to compliance with the laws, regulations and relevant provisions of the PBOC, the NFRA and other relevant regulatory authorities, be no higher than the service fees charged by financial institutions such as major commercial banks for the provision of the same type of financial services to the members of the Group and shall be determined on normal commercial terms.

With respect to the service fees charged by the Finance Company for the provision of financial services to members of the Group, the Finance Company will ascertain the service fee rates charged by major commercial banks on a regular basis and ensure the service fees charged by the Finance Company for the provision of financial services to members of the Group are no more than the service fees charged by major commercial banks for the same type of financial services provided to members of the Group. In addition, the Company will also strictly monitor the pricing of service fees of the Finance Company and perform the Company's corresponding internal approval procedures; for details, please refer to the section headed "The Company's internal approval procedures for the price determination process".

## **THE COMPANY'S INTERNAL APPROVAL PROCEDURES FOR THE PRICE DETERMINATION PROCESS**

The Company will adopt measures such as centralized fund management, centralized financing approval and centralized business decision-making in its ordinary course of business to strengthen the overall control of its deposit and loan businesses and ensure the implementation of the Company's pricing policies in accordance with laws and regulations. This is mainly reflected in:

- (1) **Strengthening the centralized control of financing.** The Finance Department of the Company is responsible for conducting a centralized review of the annual financing requirements of each member of the Group. Each member of the Group is required to provide relevant information such as the purpose, amount, term, and interest rate of the loan when submitting a loan application to the Finance Company. The Finance Department of the Company shall be responsible for reviewing the aforementioned matters, which will then be consolidated and reported to the management of the Company for decision.
- (2) **Monitoring market price levels in real time.** In accordance with the requirements of its fund operations, the Finance Department of the Company will conduct price inquiries with major commercial banks and the Finance Company on a regular and public basis. The content of the price inquiries will include factors such as deposit interest rates, scale, term, service fees, and business commencement conditions, and the results of the price inquiries will be summarized and reported to the management of the Company to ensure strict compliance with the aforementioned price determination.
- (3) **Establishing a monthly review mechanism.** A monthly fund balance meeting of the Company, chaired by the Chief Financial Officer of the Company with the attendance of the audit, legal, finance and other related departments, will be convened by the Company to review the deposits placed with the Finance Company by members of the Group, to keep abreast of the loans granted by the Finance Company in a timely manner and to reasonably formulate recommendations on deposit and financing arrangements of the Company for the next month, which shall also be reported to the management of the Company for decision-making.
- (4) **Adhering to legal and regulatory compliance in performance.** Upon approval of the aforementioned fund operation matters by the Company, the person-in-charge shall strictly implement the same level by level in accordance with the operating procedures and financial approval authorities, and the relevant review functions of the Company shall conduct continuous monitoring after the completion of the business.

## **RISK ASSESSMENT AND CONTROL MECHANISM AND MEASURES IN RELATION TO THE NEW FINANCIAL SERVICES AGREEMENT**

- (1) China Energy has undertaken in the capital increase agreement of the Finance Company that in case of an emergency involving the Finance Company, China Energy shall, in accordance with the actual needs to address payment difficulties, satisfy the payment needs of the Finance Company through various channels including, among others, increasing its capital and providing liquidity support to the Finance Company in conformity with laws, regulations and internal regulations such as the articles of association.
- (2) As a large-scale licensed domestic non-banking financial institution, the Finance Company is subject to the supervision of the national financial regulatory authorities, and the local offices of the national financial regulatory authorities conduct daily supervision, as well as on-site and off-site inspections of the Finance Company. The Finance Company shall ensure that it operates in strict accordance with the risk monitoring indicators and risk monitoring indicator specifications required by national laws and regulations.
- (3) The Finance Company shall establish a sound internal control system based on its business processes, build a risk management system covering the entire process and devise contingency plans for different risks to ensure the security of the deposits placed by the members of the Group and effectively guard against risks.
- (4) The Finance Company shall assign business personnel with financial services experience and a sense of responsibility to engage in financial services work and perform their duties diligently. The Finance Company shall establish a mature and efficient online banking system, strictly follow operating procedures and control information technology risks, so as to ensure the security of the payment and settlement of members of the Group.
- (5) The Finance Company shall establish a model of fund pooling and usage suitable for members of the Group, in order to ascertain the transaction caps for connected parties, fulfill the relevant regulatory requirements and prevent compliance risks for the Company.
- (6) The Finance Company shall not accept instructions from members of the Group to provide entrusted loans and entrusted wealth management to other connected parties through the Finance Company, and shall not accept the deposit of proceeds (if any) raised by members of the Group in the Finance Company.
- (7) Before entering into connected transactions with the Finance Company, members of the Group are entitled to inspect necessary information such as the audited annual financial report and risk indicators of the Finance Company for the most recent accounting year, as well as the latest valid “Financial License” and “Business License”. The Finance Department of the Company shall conduct a careful assessment of such information and only commence business with the Finance Company after confirming that the risks are controllable; if the Finance Company does not possess the relevant licenses or the relevant licenses have expired, members of the Group shall not commence the corresponding business with it.

- (8) The Company is entitled to understand the operating and financial conditions of the Finance Company on a regular and irregular basis, and monitor whether there are any violations of relevant regulations such as the “Administrative Measures for Finance Companies of Enterprise Groups” by the Finance Company, and the Finance Company shall fully cooperate in providing accurate and comprehensive information. The Finance Company shall, by 15 February of the year following the end of each year and within twenty calendar days after the end of each half-year, provide the Finance Department of the Company with its financial reports, risk indicators and other necessary information, as well as the latest valid “Financial License” and “Business License”, and shall, within twenty calendar days after the end of each quarter, provide the Finance Department of the Company with the status of various regulatory indicators of the Finance Company; If the Finance Company finds that its key regulatory indicators do not comply with the relevant regulatory requirements or that other material risk situations exist, the Finance Company shall notify the Company in a timely manner, and the Finance Company shall not proactively continue to accept deposits from members of the Group, nor shall members of the Group deposit funds with the Finance Company.
- (9) Members of the Group will be able to withdraw funds to satisfy their flexible treasury requirements in a timely manner at any time without limitation, and may, from time to time, transfer their deposits placed with the Finance Company in full or in part to test and ensure the security and liquidity of the relevant deposits.
- (10) The Finance Company shall not collect funds from members of the Group in excess of the transaction limit stipulated in the New Financial Services Agreement, and based on the list of the members of the Group provided by the Company and the maximum deposit limit designated by the Company for each member of the Group (if any), shall assist in monitoring the maximum daily balance (including interest accrued thereon) of deposits placed by each of and all the members of the Group with the Finance Company to ensure the such balance does not exceed the applicable annual caps for connected transactions. If the service fees charged by the Finance Company reach the annual cap for the year, the Finance Company shall timely inform the Company and notify the relevant members of the Group, and shall not provide the relevant service to the members of the Group for the rest of the year unless otherwise approved by the Board or the general meeting (if applicable) of the Company.
- (11) The Company shall conduct dynamic assessment and supervision of the risk status of funds deposited with the Finance Company, and the Finance Company shall cooperate therewith; the Finance Company guarantees that upon the occurrence of any of the following circumstances, it shall inform the Company at the earliest opportunity and cooperate with the Company to actively manage risks so as to ensure the safety of funds of the Group’s members: (i) any overdue situation exceeding 5 working days occurs in the Finance Company’s interbank lending, bill acceptance and other (contingent liability) businesses outside China Energy Group due to reasons attributable to the Finance Company; (ii) any material credit risk event occurs to China Energy Group and other connected parties (including but not limited to public market bonds being overdue for more than 7 working days, large-amount guarantee substitutions, etc.); (iii) the Finance Company is continuously unable to satisfy regulatory requirements for regulatory indicators such as capital adequacy ratio and liquidity ratio as stipulated in the “Administrative Measures for Finance Companies of Enterprise Groups”, and the major shareholders are unable to implement capital replenishment and risk rescue obligations; (iv) other circumstances as stipulated in the risk disposal contingency plan for conducting connected deposit and loan and other financial businesses with the Finance Company as considered and approved by the Board of Directors of the Company.

- (12) Upon the occurrence of the circumstances mentioned in the preceding paragraph, the officer of the Company in charge of financial work shall urge the relevant departments of the Company and members of the Group to take risk response measures in due course, such as withdrawing all or part of the deposits placed with the Finance Company, suspending any deposit placement with the Finance Company and requesting the Finance Company to carry out rectification within a prescribed time limit, so as to effectively ensure the safety of the deposits of members of the Group placed with the Finance Company, and the Finance Company shall provide full assistance and cooperation. In the event of a default where deposits placed with the Finance Company cannot be recovered, the Company is entitled to offset such unrecoverable deposits against the loans provided by the Finance Company to any member of the Group. At such time, the Finance Company, upon obtaining written consent from the relevant depositing unit and lending unit, shall cooperate with the relevant member of the Group to perform the aforementioned offset by fulfilling corresponding procedures and signing relevant legal documents as required by the Company.
- (13) During the annual audit period for the Company, the external auditors shall review and issue opinions on the connected transactions of both parties, and the Company fulfills its information disclosure obligations in a timely manner in accordance with the requirements of the listing rules of the places where the Shares of the Company are listed. The Finance Company shall provide necessary cooperation, including but not limited to providing information such as the amount and balance of relevant financial services.
- (14) The Company and the Finance Company agree to adjust the risk control measures mentioned above, including, but not limited to, adding and modifying relevant risk control measures, upon mutual agreement following consultation, based on the requests and recommendations of the securities regulatory authorities of the places where the Shares of the Company are listed, the independent non-executive Directors of the Company, and the independent financial adviser (if any).

## **PROPOSED ANNUAL CAPS AND HISTORICAL TRANSACTIONS**

The Company proposes that the annual caps for the maximum daily balance (including interest accrued thereon) of deposits placed by members of the Group with the Finance Company, and for the total amount of agency fees, handling fees, consultation fees and other service fees charged by the Finance Company for providing members of the Group with financial services (including but not limited to consultation, agency, settlement, transfer, letters of credit, online banking, entrusted loans, non-financing guarantees, bill acceptance and other services) under the New Financial Services Agreement for the years ending 31 December 2027, 31 December 2028 and 31 December 2029, respectively, be set as follows. The Company also sets out below the historical transaction amounts under the same categories for the years ended 31 December 2024 and 31 December 2025.

**Maximum daily balance (including interest accrued thereon) of deposits placed by members of the Group with the Finance Company**

*(1) Historical annual caps and actual transaction amounts*

For the year ended 31 December 2024		For the year ended 31 December 2025		For the year ending 31 December 2026
Annual cap (RMB million)	Transaction amount (Audited) (RMB million)	Annual cap (RMB million)	Transaction amount (Audited) (RMB million)	Annual cap (RMB million)
75,000	74,919	75,000	74,887	75,000

*(2) Proposed annual caps*

Annual cap for the year ending 31 December 2027 (RMB million)	Annual cap for the year ending 31 December 2028 (RMB million)	Annual cap for the year ending 31 December 2029 (RMB million)
70,000	70,000	70,000

**Total amount of agency fees, handling fees, consultation fees and other service fees charged by the Finance Company for providing members of the Group with financial services (including but not limited to consultation, agency, settlement, transfer, letters of credit, online banking, entrusted loans, non-financing guarantees, bill acceptance and other services)**

*(1) Historical annual caps and actual transaction amounts*

For the year ended 31 December 2024		For the year ended 31 December 2025		For the year ending 31 December 2026
Annual cap (RMB million)	Transaction amount (Audited) (RMB million)	Annual cap (RMB million)	Transaction amount (Audited) (RMB million)	Annual cap (RMB million)
300	7	300	5	300

(2) *Proposed annual caps*

<b>Annual cap for the year ending 31 December 2027</b> <i>(RMB million)</i>	<b>Annual cap for the year ending 31 December 2028</b> <i>(RMB million)</i>	<b>Annual cap for the year ending 31 December 2029</b> <i>(RMB million)</i>
100	100	100

In respect of comprehensive credit provided by the Finance Company to members of the Group, it would amount to a provision of financial assistance by a connected person for the benefit of the Group and would therefore be exempt under Rule 14A.90 of the Hong Kong Listing Rules from all reporting, announcement and Independent Shareholders' approval requirements since no security over the assets of the Group has been or will be granted by the Group in respect of such financial assistance. Nevertheless, the Company is required, by its business needs, to propose and set the maximum daily balance of comprehensive credit provided by the Finance Company to members of the Group for the years ending 31 December 2027, 31 December 2028 and 31 December 2029 respectively, as set out below. The Company also sets out below the historical transaction amounts under the same categories for the years ended 31 December 2024 and 31 December 2025.

***Maximum daily balance of comprehensive credit provided by the Finance Company to members of the Group (including loans, credit facilities, bill acceptance and discounting, non-financing guarantees, overdrafts, letters of credit, etc., including relevant interest accrued thereon)***

(1) *Historical annual caps and actual transaction amounts*

<b>For the year ended 31 December 2024</b>		<b>For the year ended 31 December 2025</b>		<b>For the year ending 31 December 2026</b>
<b>Annual cap</b>	<b>Transaction amount</b>	<b>Annual cap</b>	<b>Transaction amount</b>	<b>Annual cap</b>
<i>(RMB million)</i>	<i>(RMB million)</i> <i>(Audited)</i>	<i>(RMB million)</i>	<i>(RMB million)</i> <i>(Audited)</i>	<i>(RMB million)</i>
100,000	14,023	100,000	17,106	100,000

(2) *Proposed annual caps*

<b>Annual cap for the year ending 31 December 2027</b> <i>(RMB million)</i>	<b>Annual cap for the year ending 31 December 2028</b> <i>(RMB million)</i>	<b>Annual cap for the year ending 31 December 2029</b> <i>(RMB million)</i>
80,000	80,000	80,000

The terms of the New Financial Services Agreement have been reached after arm's length negotiation between the Company and the Finance Company.

The proposed annual caps of the New Financial Services Agreement have been determined taking into account the following factors:

- (a) The coal, power, and coal chemical industries are important basic energy and material industries in China. The Company has fully leveraged its integrated synergistic advantages and maintained stable operating results, with various businesses continuing to develop in a healthy manner. As at the end of 2023, 2024 and 2025, the balance of the Company's monetary funds was RMB150 billion, RMB143.8 billion and RMB96.8 billion, respectively. The Company completed the issuance of Shares and payment of cash in March 2026 to purchase the Acquired Assets directly or indirectly held by China Energy, and the relevant business of the Company will achieve significant development. The scale of funds from 2026 to 2029 will experience certain growth compared to the level at the end of 2025, and is expected to be maintained at RMB120 billion to RMB140 billion. Although the total amount of monetary funds will decrease slightly compared to the previous three years, it will remain at a high level. With reference to the utilization rates of the annual caps in recent years, future business development, and the scale of funds for the Acquired Assets, it is proposed that the annual cap for the maximum daily deposit balance (including accrued interest) of the members of the Group with the Finance Company for each of the years from 2027 to 2029 shall be RMB70 billion.
- (b) The Finance Company plays an important supporting role in the development of the Group. The Finance Company has established a long-term and stable business cooperative relationship with the Company in areas such as deposits and loans, settlement, and bills. It is able to proactively engage with the members of the Group, understand their financial needs and operational status, and provide unique, timely, and comprehensive financial services to meet their needs. This helps the Company achieve sound cash flow management and improve capital efficiency, which is in line with the needs of the business development and operational management of the Company.
- (c) Deposits made by members of the Group in the Finance Company are conducive to effectively improving the investment income of the Company. The Company and the Finance Company will regularly monitor the changes in the market rates, and ensure that the deposit interest rates at the Finance Company are not lower than the interest rates for the same type of deposit service provided by major commercial banks to members of the Group, which is beneficial for the Group to obtain a deposit interest income not lower than that from major commercial banks. In addition, the Company, as an important shareholder of the Finance Company, holds 40% of the equity interest in the Finance Company, and can share the investment returns brought about by the increase in the business scale and operating profit of the Finance Company.

- (d) Members of the Group will obtain funds from the Finance Company through comprehensive credit services, which is conducive to supporting the business development of the Group. It is proposed that the annual cap for the comprehensive credit to be provided by the Finance Company to the members of the Group shall be RMB80 billion. The high-quality development of the Group's various businesses requires the continuous provision of service support by the Finance Company in areas such as loans, settlement, and bills. The Group's total capital expenditure for 2025 was approximately RMB44.7 billion (excluding expenditures for mining rights) and the Group's capital expenditure plan for 2026 (excluding expenditures for mining rights and equity investments) is approximately RMB56.0 billion. From 2027 to 2029, coal projects such as the Xinjie Taigemiao Mining Area and Hangjin Energy Tarangaole Mine, power generation projects such as the Wanzhou Power Plant Phase II, transportation projects such as the Dongyue Railway, and coal chemical projects such as the Baotou Coal Chemical Coal-to-Olefins Upgrading Demonstration will continue to be under construction. It is expected that relevant capital expenditure will remain at a high level. A higher limit for comprehensive credit facilities will help secure the financing needs for the Group's business development and project construction. As of the end of 2025, the total assets of the Finance Company were approximately RMB210.9 billion, and the balance of loans and advances granted was approximately RMB140.3 billion. The Finance Company has the capacity to provide large-scale funding support to the members of the Group. The Finance Company shall provide members of the Group with comprehensive credit facilities in the amount of RMB80 billion, covering businesses including loans, bill acceptance and discounting, non-financing guarantees, overdrafts, and opening of letters of credit, and no mortgage or guarantee is required to be provided by the members of the Group.
- (e) Members of the Group can obtain flexible and convenient financial services from the Finance Company. It is proposed that the annual cap for the service fees of various financial services to be provided by the Finance Company to the members of the Group shall be RMB100 million. By providing financial services to the members of the Group, the Finance Company gives full play to its functions as a financial platform. By carrying out entrusted loans, syndicated loans, issuing non-financing guarantees, issuing letters of credit, international exchange, financial consulting and other services, it will play an important role in ensuring the efficient operation of the Group's business, ensuring energy supply, implementing the "dual-carbon" strategy, and preventing and defusing major risks, thereby providing enhanced financial support for the real economy enterprises. Therefore, it is proposed that the annual cap for the total amount of agency fees, handling fees, consulting fees or other service fees charged by the Finance Company for providing financial services to members of the Group from 2027 to 2029 be set at RMB100 million. With regard to this proposed annual cap, since the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules) are less than 0.1%, it is exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.
- (f) The Finance Company has strict risk control measures in place and is subject to supervision by various internal and external parties. As a large-scale domestic licensed non-bank financial institution, the Finance Company operates in strict accordance with the risk monitoring indicators and risk detection indicators required by national laws and regulations. Meanwhile, the Company and the Finance Company have agreed upon a series of strict risk assessment and control measures to ensure the security of the funds deposited by the members of the Group with the Finance Company. Historically, the Finance Company has not experienced any risk events. The deposits, loans and other financial businesses of the members of the Group with the Finance Company have been conducted on the basis of equality and voluntariness.

- (g) The proposing of annual caps for continuing connected transactions shall be flexible so as to accommodate the maximum limits after considering various possibilities. Even if the Company sets the annual caps for continuing connected transactions, it does not mean that members of the Group and the Finance Company will transact such amounts, and the proposed annual caps are not an indication of the actual transaction amounts. Members of the Group and the Finance Company will conduct continuing connected transactions in strict accordance with the actual transaction volume and transaction price required. The Company will disclose, at the beginning of each year, the estimated status of continuing connected transactions with the Finance Company and the range of deposit and loan interest rates for that year, and announce the actual transaction amounts during the reporting period in the annual report of each year. The Board of Directors reviews annual reports containing the implementation of connected transactions on an annual basis, and the independent non-executive Directors and auditors of the Company will continue to express opinions on connected transactions, so as to be subject to the supervision of Independent Shareholders. The Company will also periodically disclose information regarding the operation and management, risk indicators, and internal control of the Finance Company through the “Risk Continuous Assessment Report on China Energy Finance Co., Ltd.”, and provide an explanation of the status of the Company’s financial businesses such as deposits and loans with the Finance Company during the reporting period.

## **IMPLEMENTATION AGREEMENTS AND PAYMENT**

Members of the Group may, from time to time and as necessary, enter into separate implementation agreements with the Finance Company for each specific transaction contemplated under the New Financial Services Agreement. Each implementation agreement shall set out the specifications for the particular transaction. The implementation agreements provide for the financial services contemplated to be provided under the New Financial Services Agreement, and as such, they do not constitute new categories of connected transactions. Any such implementation agreements will stay within the bounds of the New Financial Services Agreement and the annual caps.

All payments made pursuant to the New Financial Services Agreement and its implementation agreements will be by electronic transfer or other payment methods agreed by both parties.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW FINANCIAL SERVICES AGREEMENT**

Members of the Group have established long-term and stable cooperation with the Finance Company, and have formed relatively stable business relationships in areas such as deposits, loans, bills, settlement, and agency services. The Finance Company is a state-approved, licensed non-bank financial institution and the financial services platform of the China Energy Group. The Company entered into the New Financial Services Agreement with the Finance Company, pursuant to which the Finance Company will continue to provide financial services to members of the Group. This is conducive to maintaining the continuity of financial services received by members of the Group, optimizing the financial management of the Group, enhancing the efficiency of capital utilization, reducing financing costs, and improving the Company's return on investment in the Finance Company. The details are set out as follows:

- (1) Realizing centralized treasury management and improving treasury management efficiency: the Finance Company provides deposit and other financial services to members of the Group to facilitate settlement among members of the Group and between members of the Group and members of China Energy Group and shorten the time required for the transfer and turnover of funds. Compared with members of China Energy Group and members of the Group opening bank accounts separately in independent commercial banks, direct clearing and settlement between both parties would be more efficient. The Finance Company has reduced the financing costs for the Group through measures such as improving the efficiency of internal settlement, which helps to achieve the maximization of cost and operational efficiency. In addition, deposits placed by members of the Group with the Finance Company would be conducive to realizing centralized treasury management, as members of the Group will be able to withdraw funds to satisfy their flexible treasury requirements in a timely manner at any time without limitation. Meanwhile, members of the Group are also entitled to choose to withdraw their deposits placed with the Finance Company in full or in part from time to time. Members of the Group may, at their sole discretion, deposit their funds into the Finance Company or other independent commercial banks without any restrictions.
- (2) Being familiar with the Group's business, more flexible and convenient services can be provided: As the Finance Company primarily provides financial services to China Energy and its subsidiaries, it has developed an in-depth understanding of the industries in which the members of the Group operate over the years. The Finance Company is familiar with the capital structure, business operations, funding needs and cash flow patterns of the members of the Group, which enables it to better foresee the funding needs of the members of the Group. As a result, the Finance Company is well positioned to provide members of the Group with flexible, convenient and cost-efficient services at any time, which would be difficult for independent commercial banks to provide at an equivalent level.
- (3) Being able to provide fair commercial terms and obtain investment interests: Pursuant to the New Financial Services Agreement, the interest rates for deposits of the members of the Group with the Finance Company shall be no lower than the interest rates determined by major commercial banks for the provision of the same type of deposit services to the members of the Group; an increase in deposits with the Finance Company by the members of the Group is beneficial for the members of the Group to obtain deposit interest income no lower than that from major commercial banks. In addition, the Company, as an important Shareholder of the Finance Company, holds 40% of the equity of the Finance Company and can share in the return on investment brought about by the increase in the business scale of the Finance Company.

## **HONG KONG LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Finance Company is held as to 60% by China Energy, which holds, directly and indirectly, approximately 70.02% of the Shares of the Company and is the controlling shareholder of the Company. Therefore, the Finance Company is a connected person of the Company as defined under the Hong Kong Listing Rules. Pursuant to Chapter 14A of the Hong Kong Listing Rules, the New Financial Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

In respect of the proposed annual caps for the maximum daily deposit balance (including accrued interest) of the members of the Group in the Finance Company, as one or more of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules) exceed 5% but all such percentage ratios are less than 25%, the transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules, and also constitute a discloseable transaction under Chapter 14 of the Hong Kong Listing Rules.

With regard to the proposed annual caps on the total amount of fees for financial services provided by the Finance Company to members of the Group, since all relevant percentage ratios (as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules) are less than 0.1%, the transactions are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

## **APPROVAL BY THE BOARD**

The Directors (including the independent non-executive Directors) consider that the New Financial Services Agreement (including its terms, annual caps and pricing) is fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and is in the interests of the Company and its Shareholders as a whole.

The Board resolved and approved the New Financial Services Agreement and the proposed annual caps thereunder on 24 April 2026. Of the Directors attending the Board meeting, the Abstained Directors were considered to have a material interest by virtue of being employed by China Energy, and thus abstained from voting on the Board resolution in respect of the New Financial Services Agreement and the proposed annual caps thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, none of the Directors has any material interest in the New Financial Services Agreement and the proposed annual caps thereunder.

## D. NEW FACTORING SERVICES AGREEMENT

### MAJOR TERMS

#### *Parties*

the Company and Guoneng Factoring

#### *Details of the transaction*

According to the New Factoring Services Agreement, Guoneng Factoring will provide members of the Group with the following services:

- (1) providing members of the Group with factoring services; and
- (2) providing members of the Group with Other Factoring-related Services such as consulting, agency, asset management and supply chain finance platform services.

#### *Term and Termination*

The New Factoring Services Agreement shall come into force upon approval at the AGM and shall be effective from 1 January 2027 to 31 December 2029.

#### *Annual Caps and Historical Transactions*

The following table sets out the historical transaction amounts for the two financial years ended 31 December 2025, the annual caps per annum under the 2024 to 2025 factoring services agreement entered into on 22 March 2024 and 2026 factoring services agreement entered into on 19 December 2025 (“**2026 Factoring Services Agreement**”), and the annual caps under the New Factoring Services Agreement for the three financial years ending 31 December 2029 in respect of the provision of factoring services by Guoneng Factoring to members of the Group:

#### **The Maximum Daily Balance (Including Interest, Factoring Service Fee and Other Related Financing Fees) for Providing Factoring Services by Guoneng Factoring to Members of the Group**

##### *Historical annual caps and transaction amounts*

For the year ended 31 December 2024		For the year ended 31 December 2025		For the year ending 31 December 2026
Annual Cap (RMB million)	Transaction Amount (RMB million)	Annual Cap (RMB million)	Transaction Amount (RMB million)	Annual Cap (RMB million)
5,000	3,262	5,000	3,448	10,000

## ***Proposed Annual Caps***

The Company proposes to set the annual cap for the maximum daily balance (including interest, factoring service fees and other related financing fees) of the factoring services to be provided by Guoneng Factoring to members of the Group at RMB15,000 million for each of the years ending 31 December 2027, 31 December 2028 and 31 December 2029.

The annual caps on the maximum daily balance for providing factoring services by Guoneng Factoring to members of the Group under the New Factoring Services Agreement are determined by taking into account the following factors:

- (1) Factoring services play a positive role in supporting the funding needs and business development of the members of the Group. The members of the Group also have strong demand for factoring services. In 2024 and 2025, the maximum daily balance of factoring services provided by Guoneng Factoring to the members of the Group amounted to RMB3.262 billion and RMB3.448 billion, respectively. With the continued development of the Company's various businesses, it is expected that factoring business will continue to be utilised from 2027 to 2029.
- (2) The Company has completed the issuance of Shares and payment of cash to acquire the equity interests in 12 companies (the "**Target Companies**") directly or indirectly held by China Energy. In 2025, Guoneng Factoring has provided factoring services to the Target Companies, with a maximum daily balance of approximately RMB7.670 billion. It is expected that such business will continue in the future.
- (3) The Company plans to develop a series of coal, power plant and coal chemical projects, with annual capital expenditure expected to exceed RMB50 billion for each of the years from 2027 to 2029. Certain projects may utilise reverse factoring arrangements to support short-term working capital needs. It is expected that the maximum daily balance of factoring services for new projects will be approximately RMB2.0 billion per year from 2027 to 2029.
- (4) On a prudent basis, taking into account potential fluctuations in the Company's future business volume and financing needs, a buffer of approximately 15% has been built into the annual cap for the maximum daily balance of factoring services.

## **Other Related Services (Including but not Limited to Providing Consulting, Agency, Management and Other Services) Provided by Guoneng Factoring to Members of the Group**

Taking into account factors such as the business development needs of the Group, the Company expects the total amount for Other Factoring-related Services provided by Guoneng Factoring to the Group to be approximately RMB20 million. In respect of the proposed annual caps for the provision of Other Factoring-related Services by Guoneng Factoring to the members of the Group, all of the applicable percentage ratios (calculated under Rule 14.07 of the Hong Kong Listing Rules) are less than 0.1%. Therefore, these transactions are fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at 31 March 2026, the total amount for providing other related services (including but not limited to providing consulting, agency, management and other services) by Guoneng Factoring to members of the Group under the 2026 Factoring Services Agreement has not exceeded the annual cap disclosed by the Company.

### ***Price Determination***

The pricing principles for the provision of factoring and other related services by Guoneng Factoring to the members of the Group are as follows:

- (1) For the provision of factoring services by Guoneng Factoring to members of the Group, subject to compliance with the laws and regulations of relevant regulatory authorities and relevant requirements, the financing fee shall not be higher than that determined by an independent third-party factoring company for providing the same kind of services to members of the Group, and it should be determined on normal commercial terms. When the financing fee determined by the independent third-party factoring company for providing the same kind of services is difficult to obtain, it shall not be higher than the financing fee calculated based on the Loan Prime Rate (LPR) of the People's Bank of China for the same period.
- (2) For the service fee charged from the provision of other relevant services by Guoneng Factoring to members of the Group, the service fee shall not be higher than that charged by an independent third-party factoring company for providing the same kind of services to members of the Group, and it should be determined on normal commercial terms. When the service fee charged by the independent third-party factoring company for providing the same kind of services is difficult to obtain, it shall be determined at the cost plus a reasonable profit margin (around 10%).

### ***Implementation Agreements and Payment***

Members of the Group may, from time to time and as necessary, enter into separate implementation agreements with Guoneng Factoring for each specific transaction contemplated under the New Factoring Services Agreement, but they shall not conflict with the New Factoring Services Agreement. Each implementation agreement shall set out the specific circumstances for the transaction. The implementation agreements provide for the services as contemplated under the New Factoring Services Agreement, as such, they do not constitute new categories of connected transactions. Any of these implementation agreements will not exceed the scope of the New Factoring Services Agreement and annual cap thereunder.

All payments made pursuant to the New Factoring Services Agreement and its implementation agreements will be by electronic transfer or other payment methods agreed by both parties.

### ***Risk Control Measures***

- (1) Guoneng Factoring shall dispatch personnel with financial service experience and sense of responsibility to carry out the service work with diligence to ensure the smooth operation of the relevant business of members of the Group.

- (2) Guoneng Factoring shall assist in monitoring the maximum daily balance of factoring services (including related financing fees) of members of the Group and the total amount of agency fee, handling fee, consulting fee or other service fees charged for factoring-related services (including but not limited to providing consulting, agency, management and other services) per annum, and within 15 working days after the end of each month, notify the Company in writing of the maximum daily balance of factoring services (including related financing fees) for the year and the total amount of agency fee, handling fee, consulting fee or other service fees charged for factoring-related services (including but not limited to providing consulting, agency, management and other services) per annum to ensure that the relevant amount does not exceed the annual caps of connected transactions as approved by the internal decision-making procedures of the Company. If the relevant cap for the year is reached, members of the Group shall discontinue the engagement in such services with Guoneng Factoring for the rest of the year unless otherwise approved by the Board and the general meeting of the Company (if applicable).
- (3) During the annual audit period for the Company, the external auditors shall review and issue opinions on the connected transactions of both parties, and the Company shall fulfil its information disclosure obligations in a timely manner in accordance with the requirements of the listing rules of the places where the Shares of the Company are listed. Guoneng Factoring shall provide necessary cooperation, including but not limited to providing information such as the amount and balance of relevant services.
- (4) Both parties agree to, under the requests and recommendations of relevant securities regulatory authorities of the places where the Shares of the Company are listed, independent non-executive Directors of the Company and independent financial adviser (if any), adjust risk control measures mentioned above, including but not limited to adding and modifying relevant risk control measures, upon mutual agreement following consultation.

## **BACKGROUND TO, REASONS FOR AND BENEFITS TO THE COMPANY OF ENTERING INTO THE NEW FACTORING SERVICES AGREEMENT**

The Group has established a long-term and stable cooperation with Guoneng Factoring. With an understanding of the development needs of the Group's coal, power, transportation and other industries, Guoneng Factoring is able to provide high-quality, multi-dimensional and innovative full-cycle factoring products and services. As each business segment of the Group continues to maintain a certain level of receivables, the members of the Group have long-term demand for carrying out factoring and related businesses. The continued provision of factoring services by Guoneng Factoring for the Group is conducive to meeting the business development needs of the Group, revitalising accounts receivable, reducing capital occupancy, actively broadening financing channels, mitigating the pressure on accounts receivable collection through the use of commercial factoring, enhancing capital efficiency, and reducing financing costs.

## **HONG KONG LISTING RULES IMPLICATIONS**

As at the date of this announcement, Guoneng Factoring is an indirect wholly-owned subsidiary of China Energy. China Energy holds, directly and indirectly, approximately 70.02% of the Shares of the Company and is the controlling shareholder of the Company. Accordingly, Guoneng Factoring is a connected person of the Company as defined under the Hong Kong Listing Rules. The New Factoring Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

In respect of the proposed annual caps under the New Factoring Services Agreement for the provision of factoring services by Guoneng Factoring to members of the Group, as one or more of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules) exceed 0.1% but all are less than 5%, the provision of factoring services by Guoneng Factoring to members of the Group under the New Factoring Services Agreement is subject to the reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

In respect of the expected aggregate amount of Other Factoring-related Services under the New Factoring Services Agreement, as all of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules) are less than 0.1%, the provision of Other Factoring-related Services by Guoneng Factoring to the members of the Group under the New Factoring Services Agreement are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **APPROVAL BY THE BOARD**

The Board resolved and approved the New Factoring Services Agreement and the proposed annual caps thereunder on 24 April 2026. Of the Directors attending the Board meeting, the Abstained Directors were considered to have a material interest in the transactions contemplated under the New Factoring Services Agreement by virtue of being employed by China Energy, and thus abstained from voting on the relevant resolution. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, none of the Directors has any material interest in the New Factoring Services Agreement or the proposed annual caps thereunder.

The Directors (including independent non-executive Directors) consider that the New Factoring Services Agreement and the transactions contemplated thereunder will be entered into in the ordinary and usual course of business of the Group; will be conducted on normal commercial terms or better; and the agreement terms, the pricing principles and the annual caps are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

### **GENERAL INFORMATION**

The Company is the world's leading integrated coal-based energy company. The main business of the Group is the production and sales of coal and power, railway, port and ship transportation, and coal-to-olefins and other related chemical processing business. As of the date of this announcement, China Energy directly holds 15,175,957,642 A Shares of the Company and indirectly holds 11,593,528 A Shares of the Company through Capital Holdings, in aggregate representing approximately 70.02% of the total number of issued Shares of the Company.

China Energy and its subsidiaries have various industrial sectors, including coal, thermal power, new energy, hydropower, transportation, chemical industry, technology and environmental protection and finance, and are principally engaged in coal production, power generation business, transportation, coal-based chemical processing business, as well as investment and finance activities. China Energy is the controlling shareholder of the Company. The ultimate beneficial owner of China Energy is the State-owned Assets Supervision and Administration Commission of the State Council.

The business scope of the Finance Company includes: licensed items: service of a finance company for an enterprise group (items that require approval according to law can only be carried out with the approval of relevant authorities, and specific business items shall be subject to the approval documents or licenses of relevant authorities). As at the date of this announcement, China Energy holds 60% of the equity interest of the Finance Company, and the Company holds 40% of the equity interest of the Finance Company.

The business scope of Guoneng Factoring mainly includes: factoring financing; sales ledger management; collection business related to the assigned accounts receivable; non-commercial bad debt guarantee; customer credit investigation and evaluation; consulting services related to commercial factoring; other businesses approved and recognised by the relevant state authorities. As at the date of this announcement, Capital Holdings. holds 100% equity interest in Guoneng Factoring, and China Energy holds 100% equity interest in Capital Holdings.

## **AGM**

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the New Mutual Coal Supply Agreement, the New Mutual Supplies and Services Agreement and the New Financial Services Agreement and the respective proposed annual caps thereunder. The Independent Board Committee will approve the appointment of the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in accordance with the Hong Kong Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, saved as disclosed above, none of the members of the Independent Board Committee has any material interest in the New Mutual Coal Supply Agreement, the New Mutual Supplies and Services Agreement and the New Financial Services Agreement and the transactions contemplated thereunder.

The Company will convene an AGM to consider and, if thought fit, approve, among other things, the New Mutual Coal Supply Agreement, the New Mutual Supplies and Services Agreement and the New Financial Services Agreement and the respective proposed annual caps thereunder. Pursuant to the Hong Kong Listing Rules, China Energy and its associates are required to abstain from voting on the resolutions in respect of the New Mutual Coal Supply Agreement, the New Mutual Supplies and Services Agreement and the New Financial Services Agreement and the respective proposed annual caps thereunder.

As additional time is required for the Company to prepare certain information to be included in the circular, a circular containing, among other things, further details of the continuing connected transactions in relation to the New Mutual Coal Supply Agreement, the New Mutual Supplies and Services Agreement and the New Financial Services Agreement, the letter from the Independent Board Committee and the advice from the Independent Financial Adviser is expected to be despatched to the Shareholders on or before 4 June 2026.

## DEFINITIONS

“A Share(s)”	the domestic share(s) issued by the Company to domestic investors denominated in RMB and listed on the SSE;
“Abstained Directors”	Mr. Kang Fengwei and Mr. Li Xinhua, who have abstained from voting in their capacity as Directors on the relevant Board resolutions in respect of the entering into of the New Mutual Coal Supply Agreement, the New Mutual Supplies and Service Agreement, the New Financial Services Agreement and the New Factoring Services Agreement;
“AGM”	the 2025 annual general meeting of the Company to be held on Friday, 26 June 2026;
“Articles of Association”	the articles of association of the Company;
“associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Board”	the board of Directors;
“Capital Holdings”	China Energy Capital Holdings Co., Ltd. (國家能源集團資本控股有限公司);
“China Energy”	China Energy Investment Corporation Limited (國家能源投資集團有限責任公司), the controlling shareholder of the Company (as defined under the Hong Kong Listing Rules);
“China Energy Group” or “member(s) of China Energy Group”	China Energy and its subsidiaries (excluding the Group);
“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 SSE;
“Director(s)”	the director(s) of the Company;
“Finance Company”	China Energy Finance Co., Ltd. (國家能源集團財務有限公司), a limited company incorporated in the PRC, formerly known as Shenhua Finance Co., Ltd. (神華財務有限公司);
“Group” or “member(s) of the Group”	the Company and its subsidiaries;
“Guoneng Factoring”	Guoneng (Beijing) Commercial Factoring Co., Ltd. (國能(北京)商業保理有限公司), a limited liability company incorporated in the PRC

“H Share(s)”	overseas-listed foreign invested 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;
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors;
“Independent Financial Adviser”	Somerley Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the entering into of the New Mutual Coal Supply Agreement, the New Mutual Supplies and Services Agreement and the New Financial Services Agreement;
“Independent Shareholder(s)”	Shareholders who are not required under the Hong Kong Listing Rules to abstain from voting on the relevant resolution(s) to be proposed at the AGM in respect of approving the entering into of the New Mutual Coal Supply Agreement, New Mutual Supplies and Services Agreement, New Financial Services Agreement and New Factoring Services Agreement as well as the respective proposed annual caps thereunder;
“NDRC”	the National Development and Reform Commission of the PRC;
“New Factoring Services Agreement”	the factoring services agreement proposed to be entered into with Guoneng Factoring, which has been resolved and approved by the Board on 24 April 2026;
“New Financial Services Agreement”	the new financial services agreement proposed to be entered into with the Finance Company, which has been resolved and approved by the Board on 24 April 2026;
“New Mutual Coal Supply Agreement”	the new mutual coal supply agreement proposed to be entered into with the China Energy, which has been resolved and approved by the Board on 24 April 2026;

“New Mutual Supplies and Services Agreement”	the new mutual supplies and services agreement proposed to be entered into with the China Energy, which has been resolved and approved by the Board on 24 April 2026;
“NFRA”	National Financial Regulatory Administration;
“Other Factoring-related Services”	other factoring-related services provided by Guoneng Factoring to members of the Group under the New Factoring Services Agreement, including consulting, agency, asset management and supply chain finance platform services
“PBOC”	the People’s Bank of China;
“PRC” or “China”	the People’s Republic of China;
“RMB”	RMB, the lawful currency of the PRC;
“SAFE”	the State Administration of Foreign Exchange of the PRC;
“Shanghai Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange;
“Shareholder(s)”	the shareholder(s) of the Company;
“SSE”	the Shanghai Stock Exchange;
“Zhunge’er Energy Company”	Shenhua Zhunge’er Energy Co., Ltd. (神華准格爾能源有限責任公司);

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

Beijing, 24 April 2026

*As at the date of this announcement, 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.*