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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The “Announcement Regarding the Acquisition of 30% Equity Interests in Jinjie Energy Held by Ducheng Weiye through Bidding” as published in Chinese on the website of the Shanghai Stock Exchange (www.sse.com.cn) by China Shenhua Energy Company Limited on 17 December 2022 is enclosed hereto as overseas regulatory announcement.

By order of the Board
China Shenhua Energy Company Limited
Huang Qing
Secretary to the Board of Directors

Beijing, 16 December 2022

As at the date of this announcement, the Board comprises the following: Mr. Lv Zhiren and Mr. Xu Mingjun as executive directors, Mr. Jia Jinzhong and Mr. Yang Rongming as non-executive directors, Dr. Yuen Kwok Keung, Dr. Bai Chong-En and Dr. Chen Hanwen as independent non-executive directors, and Ms. Liu Xiaolei as employee director.

China Shenhua Energy Company Limited
Announcement Regarding the Acquisition of 30% Equity
Interests in Jinjie Energy Held by Ducheng Weiye
through Bidding

The Board of Directors and all directors of China Shenhua Energy Company Limited guarantee that the information set out in this announcement does not contain any false statements, misleading representations or material omissions, and severally and jointly accept responsibility as to the truthfulness, accuracy and completeness of the content herein.

IMPORTANT NOTICE:

- Recently, China Shenhua Energy Company Limited (the “**Company**”) acquired 30% equity interests in China Energy Jinjie Energy Co., Ltd. (“**Jinjie Energy**”) (the “**Transaction Subject**”) held by Ducheng Weiye Group Co., Ltd. (都城偉業集團有限公司) (“**Ducheng Weiye**”) through bidding, which was transferred through public listing on the China Beijing Equity Exchange (the “**Beijing Equity Exchange**”), at a listing reserve price of RMB9,965.1557 million and entered into the Equity Transaction Contract with Ducheng Weiye (the “**Transaction**”).
- The Transaction does not constitute a related party transaction for the Company and does not constitute a major asset restructuring for the Company as stipulated in the Measures for the Administration of Major Asset Restructuring of Listed Companies, and is not required to be submitted to the general meeting of the Company for consideration.
- Implementation of the Transaction does not exist major legal obstacles.

I. Overview of the Transaction

(I) Basic information

On 15 December 2022, the Company acquired 30% equity interests in Jinjie Energy held by Ducheng Weiye through bidding, which was transferred through public listing on the Beijing Equity Exchange, at a listing reserve price of RMB9,965.1557 million and entered into the Equity Transaction Contract with Ducheng Weiye on 16 December 2022. As stipulated in the Equity Transaction Contract, the Transaction Subject was transferred at a price of RMB9,965.1557 million, and the Company intended to pay the consideration in a lump sum with its own funds.

Upon completion of the Transaction, the Company’s shareholding in Jinjie Energy increased from 70% to 100%.

(II) Voting results of the Board on the Transaction

At the 17th meeting of the fifth session of the board of directors of the Company held on 30 November 2022, the “Resolution in Relation to Acquisition of 30% Equity Interests in China Energy Jinjie Energy Co., Ltd.” was considered and passed by 8 votes in favour, 0 votes against and 0 abstentions. In view of the fact that the matters relating to the resolution are trade secrets until the conclusion of the bidding and there

is uncertainty as to the outcome of the bidding, the Company has suspended the disclosure of information in accordance with the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Shanghai Stock Exchange Self-regulatory Supervision Guidelines for Listed Companies No. 2 – Information Disclosure Management and the relevant systems of the Company until the cause for the suspension is eliminated as at the date of this announcement.

(III) The Transaction is not required to be submitted to the general meeting of the Company for consideration.

II. Information on the Transferee

Transferor of the Transaction: Ducheng Weiye Group Co., Ltd.

Unified Social Credit Code: 91110000699631905D

Registered Date: 30 December 2009

Registered Address: Building 2, No. 18, Li Shi Lane, Dongcheng District, Beijing

Legal Representative: Guo Guangsen

Registered Capital: RMB20,000 million

Shareholders: China Green Development and Investment Group Co., Ltd. holds 100% equity interests

Principal Business: investment and investment management; economic information consultancy; hotel management; project management service; technology development; technology consultancy; technology transfer; property management; property development; professional contracting; import and export of goods; import and export of technology; import and export agency; leasing of mechanical equipment; leasing of commercial premises; provision of exhibition event services, etc.

Except for the joint holding of equity interests in Jinjie Energy, there is no other relationship between Ducheng Weiye and the Company in terms of property rights, business, assets, debts and liabilities, personnel, etc.

III. Basic Information on the Transaction Subject

(I) Overview of the Transaction Subject

The Transaction Subject is 30% equity interests in Jinjie Energy held by Ducheng Weiye.

With clearly defined ownership, the Transaction Subject is free from any mortgage, pledge or other restrictions on transfer. It is not subject to any litigation, arbitration or judicial actions such as seizure or freezing, nor is there any other circumstance that would prevent the transfer of the ownership thereof.

The Company has the pre-emptive right in the Transaction and there is no waiver of the pre-emptive right by other shareholders with the pre-emptive right.

(II) Basic Information on Jinjie Energy

Name of Enterprise: China Energy Jinjie Energy Co., Ltd.

Unified Social Credit Code: 91610806755247976C

Registered Date: 16 February 2004

Registered Address: Jinjie Industrial Park, Shenmu City, Yulin City, Shaanxi Province

Legal Representative: He Wen

Registered Capital: RMB3,802.124 million

Shareholders: The Company holds 70% equity interests and Ducheng Weiye holds 30% equity interests.

Principal Business: coal washing; sales of coal and products; solar power generation technology services; wind power technology services; biomass energy technology services; energy storage technology services; development of emerging energy technologies; technology development of carbon emission reduction, carbon conversion, carbon capture and storage; production of chemical products (excluding licensed chemical products); sales of chemical products (excluding licensed chemical products); power generation, transmission and supply (distribution) business; coal mining, etc.

The key financial statement items of Jinjie Energy for the most recent year and period are as follows:

Unit: RMB0,000

No.	Key Indicators	2021/ As at 31 December 2021 (Audited)	From January to August 2022/ As at 31 August 2022 (Audited)
1	Revenue	975,161.92	811,831.97
2	Total profit	454,091.27	441,974.01
3	Net profit	382,339.38	379,891.39
4	Net profit after deducting non-recurring gains and losses	382,339.38	379,891.39
5	Total assets	1,296,825.94	1,645,497.14
6	Total liabilities	298,830.69	251,647.39
7	Net assets	997,995.25	1,393,849.75

Note: Daxin Certified Public Accountants LLP Shaanxi Branch and BDO China SHU LUN PAN Certified Public Accountants LLP have audited the financial statements of Jinjie Energy for the year 2021 and the period from January to August 2022, respectively, and have issued standard unqualified auditor's reports (collectively, the "Audit Reports"), respectively.

IV. Evaluation and Pricing of Transaction Subject

The asset appraisal agency of the Transaction, Watson (Beijing) International Asset Appraisal Co., Ltd. ("Watson"), is qualified to engage in securities and futures business. According to the Asset Valuation Report for the Total Equity Value of Shareholders of China Energy Jinjie Energy Co., Ltd. Involved in the Project of the Proposed Transfer of the Equity Interests in China Energy Jinjie Energy Co., Ltd. Held by Ducheng Weiye Group Co., Ltd. (Watson International Pingbaozi [2022] no. 1812) (沃克森國際評報字[2022]第 1812 號), Watson adopted the valuation results under the income approach as the final appraisal conclusion. As of the benchmark date of 31 August 2022, after deducting the post-period profit distribution of RMB4,513.6306 million approved at the 29th shareholders' meeting of Jinjie Energy on 13 October 2022, the appraised value of shareholders' equity interests in Jinjie Energy is RMB33,217.1857 million and the value-added is RMB23,792.3188 million, with the appraised value-added rate of 252.44%. The appraised value of the equity interests corresponding to 30% equity interests held by Ducheng Weiye is RMB9,965.1557 million, which is the price of the Transaction.

The above appraisal results have been filed in accordance with the regulations on the supervision and administration of state-owned assets.

V. Main Contents of the Equity Transaction Contract

(I) Subject of the Equity Transfer:

The 30% equity interests in the target enterprise Jinjie Energy held by Ducheng Weiye.

(II) Equity Transfer Price and Payment

1. Transfer price: RMB9,965.1557 million.

2. Payment method of transfer price: The Company will remit the transfer price in a lump sum to the settlement account designated by the Beijing Equity Exchange within 5 working days after the Equity Transaction Contract comes into effect.

(III) Completion of the Equity Transfer

1. Ducheng Weiye and the Company shall perform or assist in performing the obligations to report to the approval authorities, and make their best efforts to provide cooperation in handling any reasonable request and inquiry from the approval authorities, so as to obtain the approval from the approval authorities for the Equity Transaction Contract and the equity exchange thereunder.

2. Within 20 working days after the equity transaction certificate issued by Beijing Equity Exchange is obtained for the equity transaction under the Equity Transaction Contract, Ducheng Weiye shall urge the target enterprise to go through the registration procedures for shareholding change, in respect of which the Company shall provide necessary assistance and cooperation.

(IV) Undertaking of Equity Transaction Costs

The equity transaction costs incurred during the equity transaction under the Equity Transaction Contract shall be undertaken by each of Ducheng Weiye and the Company in accordance with relevant regulations.

(V) Liability for Breach:

1. After the Equity Transaction Contract comes into effect, in the event that either party proposes to terminate the contract without cause, it shall pay the other party a one-off penalty amounting to 10% of the transfer price under the Equity Transaction Contract, and shall also bear all liability for compensation if losses are caused to the other party.

2. In the event that the Company fails to pay the transfer price within the term specified in the Equity Transaction Contract, liquidated damages shall be paid to Ducheng Weiye for overdue payment. Liquidated damages are calculated based on one ten-thousandths of the unpaid consideration payable on a daily basis during the overdue payment period. In the event that the payment is overdue for over 30 days, Ducheng Weiye is entitled to terminate the contract and claim to deduct the deposit paid by the Company. The deducted deposit shall first be used to pay various service fees charged by Beijing Equity Exchange, and the remaining amount shall be used as compensation for Ducheng Weiye. If it is insufficient to make up for the loss of Ducheng Weiye, Ducheng Weiye may continue to claim compensation from the Company.

3. In the event that Ducheng Weiye fails to deliver the transfer target as agreed in the Equity Transaction Contract for more than 30 days, the Company is entitled to terminate the contract and require Ducheng Weiye to pay liquidated damages to the Company amounting to 10% of the total transfer price under the Equity Transaction Contract.

4. In the event that there are material events undisclosed or omitted in relation to the assets and debts of Jinjie Energy, which may have significant and adverse impacts on Jinjie Energy or affect the price for the equity transfer, the Company is entitled to terminate the contract. In the event that the Company does not terminate the contract, it is entitled to make a request to Ducheng Weiye for compensation for related matters.

The amount of compensation shall be equivalent to the corresponding part of the Transaction Subject in the amount of loss of Jinjie Energy that may be caused by the aforementioned undisclosed or omitted assets, debts and other matters.

(VI) Effectiveness of the Contract

Except for those cases that need to be submitted to the approval authorities for approval in accordance with laws and administrative regulations, the Equity Transaction Contract shall take effect from the date when it is affixed with the seals of, and signed by the legal representatives or authorised representatives of both Ducheng Weiye and the Company.

VI. Impact of the Transaction on the Company

Jinjie Energy is a comprehensive energy enterprise integrating coal and electricity. It is planned to build 5.72 million kW coal-fired power units in its Jinjie Power Plant, which has been put into operation with an installed capacity of 3.72 million kW. It is an important starting power point for the national “West-to-East Power Transmission” North Passage Project, and the electric energy is directly transmitted to the Hebei South Power Grid through 500 kV transmission lines; as of the benchmark date, the recoverable reserves of Jinjie Mine under Chinese standards are 1.35 billion tonnes, and the approved capacity is 18 million tonnes/year. Upon completion of the Transaction, Jinjie Energy will become a wholly-owned subsidiary of the Company from a holding subsidiary of the Company, which is conducive to further consolidating the Company’s coal- power integrated operation strength and enhancing profitability, and is in line with the Company’s development strategy and its shareholders’ interests.

VII. Documents Available for Inspection

1. Resolution of the 17th Meeting of the fifth Session of the Board of Directors of the Company;
2. Asset Valuation Report Issued by Watson;
3. Audit Reports;
4. Notice of Entering into Contract of the Transaction issued by Beijing Equity Exchange;
5. Equity Transaction Contract.

Announcement is hereby given.

By order of the Board of Directors
China Shenhua Energy Company Limited
Huang Qing
Secretary to the Board of Directors
17 December 2022