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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)**

**MAJOR TRANSACTION AND CONNECTED TRANSACTION  
FURTHER ANNOUNCEMENT ON IMPAIRMENT COMPENSATION  
UNDERTAKINGS IN RELATION TO CERTAIN EXPLORATION  
MINING RIGHTS**

This announcement is made by China Shenhua Energy Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 14.36B(1) and 14A.63(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Hong Kong Listing Rules**”).

References are made to the announcements of the Company dated 1 August 2025, 15 August 2025, 19 December 2025 and 22 January 2026 and the circular of the Company dated 24 December 2025 (the “**Circular**”) in relation to the proposed acquisition of assets by way of issuance of A Shares and payment in cash by the Company and raising supporting funds through A Share market. Unless otherwise stated, terms defined in the Circular shall have the same meanings when used in this announcement.

**I. UNDERTAKINGS IN RELATION TO CERTAIN EXPLORATION MINING RIGHTS**

Reference is also made to the announcement of the Company dated 22 January 2026, pursuant to which the Company stated that, in connection with the Transaction, certain exploration mining rights currently held by Pingzhuang Coal might, in due course, be subject to further arrangements by way of impairment compensation undertakings to be provided by China Energy, with a view to further safeguarding the interests of the Company and its Shareholders.

The Board is pleased to announce that, on 28 January 2026, China Energy has issued two separate undertakings in favour of the Company, being: (i) an undertaking in respect of the Western Exploration Mining Right (as defined below); and (ii) an undertaking in respect of the Heidaigou Exploration Mining Right (as defined below) (together, the “Exploration Mining Rights Undertakings”). The principal terms of the Exploration Mining Rights Undertakings are set out below.

## **1. Undertaking in respect of the Western Exploration Mining Right**

For the purpose of fully safeguarding the interests of the Company, on 28 January 2026, China Energy has issued an impairment compensation undertaking in favour of the Company in respect of the exploration right held by Nilka County Ruian Coal Co., Ltd. (尼勒克縣瑞安煤炭有限責任公司)\*, an indirect wholly-owned subsidiary of Inner Mongolia Pingzhuang Coal (Group) Co., Ltd. (“**Pingzhuang Coal**”), being the exploration right known as the “Western Exploration of Jirentai Bituminous Coal Mine, Nilka County” (the “**Western Exploration Mining Right**”).

As at 31 July 2025, the book value of the Western Exploration Mining Right was RMB81.5926 million, and the transaction consideration for such asset under the Transaction was also RMB81.5926 million.

The impairment compensation period comprises the financial year in which the Transaction is completed and the subsequent two financial years. At the end of each financial year during the impairment compensation period, the Company may conduct an impairment test on the Western Exploration Mining Right and engage a qualified intermediary to issue an impairment testing report. The impairment testing result shall be determined with reference to such report.

The year-end impairment amount of the Western Exploration Mining Right shall be calculated as follows: the year-end impairment amount = transaction consideration of the Western Exploration Mining Right – appraised value of the Western Exploration Mining Right during the compensation period. Such year-end impairment amount shall represent the aggregate impairment amount of the Western Exploration Mining Right as at the end of the relevant financial year, and shall be adjusted by reference to the relevant shareholding proportion, net of the impact of any capital increase, capital reduction, capital contribution by way of gift, profit distribution, as well as the natural decrease in value resulting from the passage of time over the useful life of the Western Exploration Mining Right.

Where there is a year-end impairment amount in respect of the Western Exploration Mining Right, China Energy shall compensate the Company accordingly. The compensation amount for the relevant year = the year-end impairment amount for the relevant period (after taking into account the relevant shareholding proportion) – the amount already compensated during the impairment compensation period. The aggregate compensation amount payable in respect of the Western Exploration Mining Right shall not exceed the transaction consideration of the Western Exploration Mining Right obtained by the Company under the Transaction.

China Energy shall primarily compensate by way of Shares issued by the Company to China Energy under the Transaction, with any shortfall to be settled in cash. Where compensation is made by way of Shares, the number of compensation Shares for the relevant year shall be equal to the compensation amount payable for that year divided by the issue price of the Shares under the Transaction. If any ex-rights or ex-dividend events occur during the undertaking period, the number of compensation Shares or the relevant issue price shall be adjusted accordingly.

Where compensation is made by way of Shares, the Company shall be entitled, subject to approval by its Board and/or Shareholders' general meeting, to repurchase and cancel such compensation Shares at a nominal consideration of RMB1. If such repurchase and cancellation cannot be implemented, the Company shall be entitled to require China Energy to transfer such compensation Shares to other Shareholders of the Company by way of gift or to adopt other compensation methods.

## **2. Undertaking in respect of the Heidaigou Exploration Mining Right**

For the purpose of fully safeguarding the interests of the Company, on 28 January 2026, China Energy has issued a separate undertaking in favour of the Company in respect of the exploration mining right known as "Heidaigou Exploration in the Zhunge'er Coalfield, Inner Mongolia Autonomous Region" (the "**Heidaigou Exploration Mining Right**"), which is currently held by Pingzhuang Coal.

As at 31 July 2025, the book value of the Heidaigou Exploration Mining Right was RMB2,500.7213 million, and the transaction consideration for such asset under the Transaction was also RMB2,500.7213 million.

Following completion of the Transaction, China Energy undertakes to actively assist the Company in advancing the subsequent development of the Heidaigou Exploration Mining Right, including the handling of relevant preliminary work and approval procedures in compliance with applicable laws and regulations, and the provision of necessary resource coordination and support. China Energy further undertakes that, on or before 31 December 2028, it shall complete the conversion of the exploration mining right into a mining right, obtain the mining licence, complete the commencement procedures and obtain the relevant commencement filing.

China Energy undertakes to agree that the Company may, at the end of year 2028, conduct an impairment test on the Heidaigou Exploration Mining Right (or the corresponding mining right, collectively the “**Heidaigou Mining Right**”) and engage a qualified intermediary to issue an impairment testing report based on an income approach valuation. The results of the impairment test shall be determined with reference to the impairment testing report. The impairment amount = the transaction consideration attributable to the Heidaigou Exploration Mining Right under the Transaction – the income-approach-based appraised value of the Heidaigou Mining Right.

Where an impairment is identified, China Energy shall compensate the Company for such impairment amount, subject to a cap equal to the transaction consideration of the Heidaigou Exploration Mining Right in the Transaction. Compensation shall be made primarily by way of Shares issued by the Company to China Energy under the Transaction, with any shortfall to be settled in cash.

If, before on or before 31 December 2028, the Heidaigou project fails to obtain the mining licence and complete the commencement procedures, China Energy undertakes to repurchase the Heidaigou Exploration Mining Right at a price equal to: the transaction consideration attributable thereto, plus the development costs incurred by the Company and the corresponding interest calculated at the prevailing bank lending rate.

## **II. REASONS FOR ISSUANCE OF THE EXPLORATION MINING RIGHTS UNDERTAKINGS**

The Exploration Mining Rights Undertakings were issued by China Energy with a view to further safeguarding the interests of the Company and its Shareholders within the overall framework of the Transaction. As disclosed in the announcement of the Company dated 22 January 2026, certain exploration mining rights currently held by Pingzhuang Coal were not subject to specific impairment compensation or repurchase arrangements at the time of entering into the Transaction. Having regard to applicable PRC regulatory requirements and relevant implementation arrangements, and taking into account the nature of and development stage of the relevant exploration mining rights, the Company considers it appropriate for China Energy to provide additional protective undertakings in respect of such exploration mining rights, so as to enhance the protection available to the Company under the Transaction.

Accordingly, the Exploration Mining Rights Undertakings operate within and by reference to the existing framework of the Transaction as disclosed in the Circular and do not alter the fundamental commercial terms or economic structure of the Transaction. In particular, the issuance of the Exploration Mining Rights Undertakings does not result in any change to the overall transaction structure, aggregate consideration, valuation basis or payment arrangements of the Transaction, nor does it impose any additional obligation on the Company. Instead, the arrangements under the Exploration Mining Rights Undertakings are protective in nature, and provide that, where applicable, the Company may enforce its entitlement to impairment compensation or repurchase in accordance with the agreed mechanisms, thereby further safeguarding the interests of the Company and its Shareholders.

The Directors (including the independent non-executive Directors) consider that the issuance of the Exploration Mining Rights Undertakings by China Energy and the terms thereof are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

### III. HONG KONG LISTING RULES IMPLICATIONS

The Directors (including the independent non-executive Directors) consider that the issuance of the Exploration Mining Rights Undertakings in respect of certain exploration mining rights currently held by Pingzhuang Coal does not constitute a material variation to the terms of the Transaction. In particular: (i) the Exploration Mining Rights Undertakings are protective in nature and are intended to further safeguard the interests of the Company and its Shareholders, without prejudicing any existing protections available to Shareholders under the Transaction; (ii) the Exploration Mining Rights Undertakings do not result in any change to the fundamental commercial terms or economic structure of the Transaction as disclosed in the Circular, including the overall transaction structure, aggregate consideration, valuation basis or payment arrangements; and (iii) having regard to the relatively small value of the relevant exploration mining rights and the fact that they do not constitute core assets of the Transaction, the issuance and implementation of the Exploration Mining Rights Undertakings do not affect the overall commercial rationale or risk profile of the Transaction.

As the issuance of the Exploration Mining Rights Undertakings does not constitute a material variation to the terms of the Asset Purchase Agreement (as supplemented by the Supplemental Asset Purchase Agreement), the Performance Compensation Agreement and the Impairment Compensation Undertaking Letter under Rules 14.36 and 14A.35 of the Hong Kong Listing Rules, and the transactions contemplated thereunder are, therefore, not subject to re-compliance of reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

Save as disclosed above, there is no other information relating to the Asset Purchase Agreement (as supplemented by the Supplemental Asset Purchase Agreement), the Impairment Compensation Undertaking Letter that is required to be disclosed pursuant to Rules 14.36B(1) and 14A.63(1) of the Hong Kong Listing Rules.

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

Beijing, 28 January 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.*