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**兗礦能源集團股份有限公司**  
**YANKUANG ENERGY GROUP COMPANY LIMITED\***

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 01171)**

**DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO  
THE ACQUISITION OF EQUITY INTEREST IN THE TARGET COMPANIES; AND**

**CONTINUING CONNECTED TRANSACTIONS**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**

**RAINBOW.**

RAINBOW CAPITAL (HK) LIMITED  
滋博資本有限公司

**FIRST EQUITY TRANSFER AGREEMENT**

The Board is pleased to announce that on 3 June 2026, the Company entered into the First Equity Transfer Agreement with the First Vendors and New Energy Group. Pursuant to which, the Company agreed to acquire by way of cash, and the First Vendors agreed to sell, the 100% equity interest in New Energy Group held by them, at a consideration of RMB15,569,658,030.40. Upon completion of the Transactions, the Company directly holds 100% equity interest in New Energy Group, and New Energy Group will become a wholly-owned subsidiary of the Company.

**SECOND EQUITY TRANSFER AGREEMENT**

On the same day, the Company entered into the Second Equity Transfer Agreement with the Second Vendor and Shandong Energy Electricity Sales. Pursuant to which, the Company agreed to acquire by way of cash, and the Second Vendor agreed to sell, the 100% equity interest in Shandong Energy Electricity Sales held by it, at a consideration of RMB845,245,406.66. Upon completion of the Transactions, the Company directly holds 100% equity interest in Shandong Energy Electricity Sales, and Shandong Energy Electricity Sales will become a wholly-owned subsidiary of the Company.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more applicable percentage ratios (calculated on a consolidated basis) of the Acquisitions are more than 5% but all applicable percentage ratios are less than 25%, the Acquisitions constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Shandong Energy is the controlling shareholder of the Company, holding directly and indirectly approximately 52.84% of the issued share capital of the Company. Yankuang Hong Kong, New Energy Group and Shandong Energy Electricity Sales are all subsidiaries of Shandong Energy and are connected persons of the Company. Hence, the Acquisitions also constitute a connected transaction of the Company and are subject to the reporting, announcement, circular and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

## **CONTINUING CONNECTED TRANSACTIONS**

As (i) the Target Companies will become wholly-owned subsidiaries of the Company and certain subsidiaries of the Target Companies will become connected subsidiaries of the Company and associates of Shandong Energy (as Shandong Energy will continue to indirectly hold part of the equity interests in such companies after completion of the Transactions) upon the completion of the Transactions, the Board envisages that the annual caps under certain Existing Continuing Connected Transactions Agreements will need to be adjusted; and (ii) the Existing Continuing Connected Transactions Agreements will expire on 31 December 2027 and the parties thereto expect that the continuing connected transactions contemplated thereunder will continue on an ongoing basis, on 3 June 2026, the parties to the Existing Continuing Connected Transactions Agreements entered into the Proposed Continuing Connected Transaction Agreements to renew and supersede the Existing Continuing Connected Transaction Agreements. The Proposed Continuing Connected Transaction Agreements are subject to the Independent Shareholders' approval at the General Meeting.

## **GENERAL**

Mr. Li Wei, Mr. Liu Jian, Mr. Liu Qiang and Mr. Zhang Haijun, the Directors of the Company, are regarded as having material interests in the Transactions and the Proposed Continuing Connected Transactions, they have abstained from voting on the relevant resolutions of the Board for approving (i) the Transaction Documents and the Acquisitions; and (ii) the Proposed Continuing Connected Transactions Agreements, the Proposed Continuing Connected Transactions and the respective proposed annual caps. Save as disclosed above, none of the other Directors has a material interest in the Transactions and Proposed Continuing Connected Transactions or is required to abstain from voting on the relevant Board resolutions.

An Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of (i) the Transaction Documents and the Acquisitions; and (ii) (a) the Proposed Provision of Materials Supply Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and their respective proposed annual caps, (b) the Proposed Mutual Provision of Labor and Services Agreement, the provision of labour and services by the Shandong Energy Members to the Group thereunder and the proposed annual caps, (c) the Proposed Shandong Energy Financial Services Agreement, the comprehensive credit facility services thereunder and the proposed annual caps, and (d) the Proposed Yankuang Energy Financial Services Agreement, the deposit services thereunder and the proposed annual caps.

The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the Transaction Documents and the Transactions; and (ii) (a) the Proposed Provision of Materials Supply Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and their respective proposed annual caps, (b) the Proposed Mutual Provision of Labor and Services Agreement, the provision of labour and services by the Shandong Energy Members to the Group thereunder and the proposed annual caps, (c) the Proposed Shandong Energy Financial Services Agreement, the comprehensive credit facility services thereunder and the proposed annual caps, and (d) the Proposed Yankuang Energy Financial Services Agreement, the deposit services thereunder and the proposed annual caps.

According to the applicable PRC regulations, the resolutions relating to the Proposed Continuing Connected Transactions Agreements, the Proposed Continuing Connected Transactions and their respective proposed annual caps are subject to the Independent Shareholders' approval at the General Meeting.

The General Meeting will be convened and held for the Independent Shareholders to consider and, if thought fit, approve, (i) the Transaction Documents and the Transactions; and (ii) the Proposed Continuing Connected Transactions Agreements, the Proposed Continuing Connected Transactions and their respective proposed annual caps. Shandong Energy and its associates will abstain from voting on the resolutions in relation to the Transactions and the Proposed Continuing Connected Transactions. To the best of the Directors' knowledge, information and belief, save as disclosed above, no other Shareholder is required to abstain from voting on the relevant resolutions to be proposed at the General Meeting.

A circular containing, among other things, (i) particulars of the Transaction Documents and the Transactions; (ii) particulars of the Proposed Continuing Connected Transactions Agreements, the Proposed Continuing Connected Transactions and their respective proposed annual caps; (iii) the Asset Valuation Reports on the Target Companies; (iv) a letter from the Independent Board Committee to the Independent Shareholders; (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (vi) other information as required by the Listing Rules, is expected to be published or despatched to the Shareholders on or before 8 July 2026, as additional time is required to prepare certain information to be contained in the circular to be issued by the Company.

## I. INTRODUCTION

The Board is pleased to announce that on 3 June 2026, the Company entered into the First Equity Transfer Agreement with the First Vendors and New Energy Group. Pursuant to which, the Company agreed to acquire by way of cash, and the First Vendors agreed to sell, the 100% equity interest in New Energy Group held by them, at a consideration of RMB15,569,658,030.40.

On the same day, the Company entered into the Second Equity Transfer Agreement with the Second Vendor and Shandong Energy Electricity Sales. Pursuant to which, the Company agreed to acquire by way of cash, and the Second Vendor agreed to sell, the 100% equity interest in Shandong Energy Electricity Sales held by it, at a consideration of RMB845,245,406.66.

The principal terms of each of the Transaction Documents are summarised as follows:

## II. FIRST EQUITY TRANSFER AGREEMENT

### Date

3 June 2026

### Parties

Purchaser	the Company
Vendors	Shandong Energy Yankuang Hong Kong
Target Company	New Energy Group

### Summary of the Transactions

Pursuant to the First Equity Transfer Agreement, the Company has conditionally agreed to acquire by way of cash, and the First Vendors have conditionally agreed to sell, an aggregate of 100% equity interest in New Energy Group, at a consideration of RMB15,569,658,030.40.

### The Acquisitions

The appraised value of the entire shareholders' equity of New Energy Group as at the Valuation Benchmark Date as set out in the First Equity Asset Valuation Report filed with the authorised state-owned assets regulatory agencies or their authorised units was RMB15,569,658,030.40.

The consideration for the First Acquisition is RMB15,569,658,030.40, which was determined based on the appraised value of the entire shareholders' equity of New Energy Group as at the Valuation Benchmark Date of RMB15,569,658,030.40. The price of the First Equity Interest held by each First Vendors shall be calculated based on the proportion of the paid-in capital contribution as of the Valuation Benchmark Date (the subscribed but unfulfilled capital contribution shall be valued at zero RMB). The details of first equity interests to be transferred by each of the First Vendors and the consideration payable by the Company to each of the First Vendors are set out below:

First Vendors	Shareholding percentage (%)	Subscribed registered capital (RMB)	First equity interest to be transferred		Proportion of the paid-in registered capital to the total paid-in registered capital (%)	Consideration payable (RMB)
			Paid-up registered capital (RMB)	Proportion of the paid-in registered capital to the total subscribed registered capital (%)		
Shandong Energy	93.88	9,210,000,000.00	5,988,194,999.62	61.04	90.89	14,151,698,134.26
Yankuang Hong Kong	6.12	600,000,000.00	600,000,000.00	6.12	9.11	1,417,959,896.14
<b>Total</b>	<b>100</b>	<b>9,810,000,000.00</b>	<b>6,588,194,999.62</b>	<b>67.16</b>	<b>100</b>	<b>15,569,658,030.40</b>

### Payment Method

The Company will pay the consideration for the First Acquisition of RMB15,569,658,030.40 to each of the First Vendors in the following manner.

1. The Company shall pay 30% of the actual consideration (i.e., approximately RMB4,670,897,409.12) to the First Vendors in a lump sum within five Working Days after the First Equity Transfer Agreement becomes effective;
2. The Company shall pay 70% of the actual consideration (i.e., approximately RMB10,898,760,621.28) and the corresponding interest to the First Vendors in a lump sum within five Working Days after the First Closing Date.

The corresponding interest mentioned above is calculated based on the LPR One-year Interest Rate of the month immediately preceding the actual payment date of second tranche consideration. The calculation period is from the payment date of the first tranche consideration (exclusive) to the actual payment date of second tranche consideration. The calculation period is based on 365 days a year.

Unless agreed by the parties in writing, if the failure to complete the registration (filing) procedures with the company registry authority for the First Equity in accordance with the provisions of the First Equity Transfer Agreement is attributable to any of the First Vendors, the Company shall be entitled not to pay the corresponding interest on the second tranche consideration arising from the day following December 31 of the year in which the First Equity Transfer Agreement became effective (exclusive) up to the date of completing the registration (filing) procedures with the company registry authority for the transfer of the First Equity (inclusive).

### **Conditions Precedent**

The First Equity Transfer Agreement shall take effect on the day when all the following conditions are fulfilled, and the day on which the last consent or approval set out below is obtained shall be the effective date:

1. The First Equity Transfer Agreement is executed by the legal representatives or authorised representatives of (i) Shandong Energy Group, the Company, New Energy Group, and (ii) the authorised representatives of Yankuang Hong Kong and stamped with their respective company seals;
2. All necessary consents or approvals have been obtained for the transfer of the First Equity, including but not limited to:
  - (i) the filing of the valuation results of the entire equity of New Energy Group with the authorised state-owned assets regulatory agencies or their authorised units;
  - (ii) the authorised state-owned assets regulatory agencies or their authorised units considering and approving the transfer of the First Equity;
  - (iii) each of the First Vendors completing its internal procedures to approve the transfer of the First Equity; and
  - (iv) the Company obtaining approval for the transfer of the First Equity from its competent decision-making authorities such as the Board and the General Meeting.

### **Closing**

Unless otherwise agreed in writing by the parties, New Energy Group shall, prior to December 31 of the year in which the First Equity Transfer Agreement becomes effective (inclusive), convene a shareholders' meeting to amend its articles of association with respect to the transfer of the First Equity and related corporate governance matters, and complete the registration (filing) procedures with the company registry authority for the transfer of the First Equity. The First Closing Date shall be the date on which the registration (filing) procedures with the company registry authority for the transfer of the First Equity are completed. The rights and obligations corresponding to the First Equity will be transferred to the Company with effect from the First Closing Date.

## **Profit and Loss during the First Transition Period**

Unless otherwise agreed by the parties, the profit and loss of the First Equity during the First Transition Period (based on the net profit attributable to shareholders of the parent company of New Energy Group) shall be entitled to or borne by the Company.

## **Representations and Warranties**

### **The First Vendors make the following representations and warranties to the Company:**

1. Shandong Energy is a limited liability company legally established and validly subsisting under the laws of the PRC with independent legal person qualification in accordance with the laws of the PRC; Yankuang Hong Kong is a company legally established and validly subsisting under the laws of the Hong Kong Special Administrative Region of the PRC with independent legal person qualification in accordance with the laws of the Hong Kong Special Administrative Region of the PRC;
2. The First Vendors have the power and authority to execute and perform the First Equity Transfer Agreement;
3. The execution and performance of the First Equity Transfer Agreement will not (a) violate any organisational documents of the First Vendors or New Energy Group currently in force; or (b) violate any laws of the PRC; or (c) violate any legally binding contract or agreement to which the First Vendors or New Energy Group is a party; or (d) result in the release of the other party from its obligations or give rise to other claims under any agreement or arrangement already signed by the First Vendors or New Energy Group;
4. From the date of signing the First Equity Transfer Agreement to the First Closing Date, the First Vendors are the legal shareholders or owners of New Energy Group, legally and validly holding the equity interest in New Energy Group without any encumbrance, the First Equity has clear ownership, and there is no pledge, mortgage, other guarantee, judicial seizure, freezing, auction or any other encumbrance on the First Equity, and there will not be any third party asserting any rights in respect of the First Equity held by the First Vendors in any manner whatsoever;
5. The First Vendors have fully performed their paid-up capital contribution obligations in accordance with the law for an aggregate of approximately 67.1579% of the equity interest in New Energy Group (corresponding to an aggregate paid-up capital contribution of RMB6,588,194,999.62), but Shandong Energy has not yet completed the paid-up capital contribution for approximately 32.8421% of the equity interest in New Energy Group held by it (corresponding to a subscribed capital contribution of RMB3,221,805,000.38). The assets used by the aforementioned First Vendors for paid-up capital contributions are all legally owned by the First Vendors, and there has been no false capital contribution, deferred capital contribution, evasion of capital contribution or other breach of obligations and liabilities as a shareholder, and the capital contribution activities have all undergone necessary internal and external approval procedures;

6. Except as set out below, New Energy Group and its holding subsidiaries legally own properties and interests that have a material impact on their production and operations, with clear ownership, free from any mortgage, pledge, lien, right of first refusal or any third party rights:
- (i) Shandong Luxi Power Generation Co., Ltd. (“**Shandong Luxi Power**”) provides pledge security for its own debts with the electricity fee and heat fee collection rights arising from its  $2 \times 600,000$  kW coal underground gasification power generation project and all proceeds thereunder;
  - (ii) Shanneng New Energy (Yishui) Co., Ltd. (山能新能源(沂水)有限公司) provides pledge security for its own debts with the electricity fee income rights corresponding to its photovoltaic project;
  - (iii) Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. (山東能源內蒙古盛魯電力有限公司) provides pledge security for its own debts with the electricity fee income rights and the rights and interests thereunder arising from its “Phase I  $2 \times 1,000$  MW supercritical air-cooled generator unit power generation project”;
  - (iv) Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd. (山東能源集團靈台火力發電有限公司) provides mortgage and pledge security for its own debts with the electricity fee income rights arising from its “Longdong to Shandong UHVDC Transmission Project Supporting Expansion and Upgrading Shandong Energy Lingtai  $2 \times 1000$  MW Peak-Regulating Coal Power Project” and all proceeds thereunder, as well as the two parcels of land use rights, construction works, equipment and other assets involved in the aforementioned project.
7. Unless otherwise agreed in the First Equity Transfer Agreement or otherwise undertaken in writing by the First Vendors, for the liabilities, losses and responsibilities of the Target Company and its holding subsidiaries arising from acts or matters prior to the First Closing Date and incurred after the First Closing Date, including: (a) penalties and resulting liabilities, losses and responsibilities arising from violations of laws, regulations and relevant rules in respect of project construction and acceptance, production and operation (including leased properties, land use rights) prior to the First Closing Date; (b) expenses or compensation arising from litigation disputes arising from acts prior to the First Closing Date; (c) default liability and compensation liability arising from breach of contractual agreements with third parties existing prior to the First Closing Date; (d) losses or compensation liability arising from defects or disputes in the title of assets (including land use rights, properties, power equipment, etc.) included in the valuation scope of this transaction as at the First Closing Date; the First Vendors shall assume the amount of the aforesaid losses in accordance with the provisions of the First Equity Transfer Agreement and compensate the Company in a timely manner, except where such liabilities, losses and responsibilities have been reflected in the First Audit Report.

**The Company makes the following representations and warranties to the First Vendors:**

1. After the completion of the Transactions, the Company shall fulfill Shandong Energy's unfulfilled capital contribution obligation to New Energy Group (the unfulfilled capital contribution amount being RMB3,221,805,000.38) in full and on schedule in accordance with the provisions of laws and regulations and the Company's articles of association. If the Company fails to perform the aforesaid capital contribution obligation in accordance with the laws, regulations and the Company's articles of association, resulting in Shandong Energy being required to bear the capital contribution liability under the relevant laws and regulations, Shandong Energy shall have the right to claim full reimbursement from the Company for the amount of capital contribution actually borne by it and the related losses, and the Company shall make full compensation to Shandong Energy;
2. The Company is a joint stock limited company legally established and validly subsisting under the laws of the PRC, with independent legal person qualification under the laws of the PRC;
3. The Company has the power and authority to execute and perform the First Equity Transfer Agreement;
4. The execution and performance of the First Equity Transfer Agreement will not (a) violate any organisational document of the Company currently in force, or (b) violate any laws of the PRC, or (c) violate any legally binding contract or agreement to which the Company is a party, or (d) result in the release of the other party from its obligations or give rise to other claims under any agreement or arrangement already signed by the Company.

The parties agree and confirm that, as at the date of signing the First Equity Transfer Agreement, Luxi Power Generation records one allocated land use right with an area of 196,411 square meters, with certificate No. Zou Guo Yong (2015) No. 088300088, and the right holder recorded on the certificate is Shandong Province Luxi Prison (山東省魯西監獄). According to the First Equity Asset Valuation Report, the appraised value of this parcel of land is RMB35,277,704.86. According to the *Explanation on the Proposed Implementation of Land Reserve* (《關於擬實施收儲的情況說明》) issued by the People's Government of Taiping Town, Zoucheng City in April 2026 which was provided by Luxi Power Generation, it is proposed to initiate the preliminary land reserve work for this parcel of land. The parties agree and confirm that, after the First Equity Transfer Agreement is signed and becomes effective, if Luxi Power Generation does not receive compensation due to the land reserve, or the compensation received is lower than the appraised value of this parcel of land, the First Vendors shall compensate the Company for the shortfall amount; if Luxi Power Generation receives compensation exceeding the appraised value of this parcel of land due to the land reserve, the Company shall compensate the First Vendors for the excess amount (the "**Luxi Power Generation Land Compensation Difference Reimbursement**").

The parties agree and confirm that, as at the date of signing the First Equity Transfer Agreement, the holding subsidiaries of New Energy Group have the following major outstanding settlement disputes:

1. Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd. (山東能源盛魯能化阿拉善盟新能源有限公司) (“**Alxa League New Energy**”) and PowerChina Northwest Engineering Corporation Limited (中國電建集團西北勘測設計研究院有限公司) (“**PowerChina**”) have a dispute over the settlement amount of EPC project costs for the “Shandong Energy Shanghai Temple to Shandong UHV Transmission Corridor Alxa Base 400MW Wind Power Project”. PowerChina Northwest claims that Alxa League New Energy shall pay it project costs of RMB1,955,234,700 (inclusive of tax), while Alxa League New Energy has reviewed and confirmed that it should pay PowerChina Northwest project costs of RMB1,860,697,100 (inclusive of tax), with a disputed amount of RMB94,537,600. The amount of this debt recognised in the First Audit Report is RMB1,860,697,100 (inclusive of tax). The amount of such liability recognised in the First Equity Asset Valuation Report shall be subject to the amount of such liability recognised in the First Audit Report, without considering the impact of any difference in the final settlement amount on the appraised value;
2. Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd. (山東能源盛魯能化鄂爾多斯市新能源有限公司) (“**Ordos New Energy**”) and PowerChina Sepco1 Electric Power Construction Co., Ltd. (“**PowerChina Construction Company**”) have a dispute over the settlement amount of EPC project costs for the “Shandong Energy Inner Mongolia Hanggin Banner Yihewusu Electric Field 100MW Project”. PowerChina Construction Company claims that Ordos New Energy shall pay it project costs of RMB510,956,600 (inclusive of tax), while Ordos New Energy has reviewed and confirmed that it should pay PowerChina Construction Company project costs of RMB487,109,100 (inclusive of tax), with a disputed amount of RMB23,847,500. The amount of this debt recognised in the First Audit Report is RMB487,109,100 (inclusive of tax). The amount of such liability recognised in the First Equity Asset Valuation Report shall be subject to the amount of such liability recognised in the First Audit Report, without considering the impact of any difference in the final settlement amount on the appraised value.

In respect of the aforesaid outstanding settlement dispute, if any party to the settlement dispute initiates any litigation, arbitration or other legal proceedings, or reaches any settlement, mediation or other results in relation to such dispute, resulting in an increase in the amount of liability actually borne by Alxa League New Energy and Ordos New Energy (including principal, interest, liquidated damages, litigation costs and other expenses) as compared with the amounts recognised in the First Audit Report and the First Equity Asset Valuation Report, the increased amount shall be compensated by the First Vendors to the Company; if the amount of liability actually borne by Alxa League New Energy and Ordos New Energy decreases as compared with the amounts recognised in the First Audit Report and the First Equity Asset Valuation Report, the decreased amount shall be compensated by the Company to the First Vendors (the “**Dispute Difference Compensation**”).

The parties agree and confirm that, as of the signing date of the First Equity Transfer Agreement, the offshore wind power projects under Shandong Bohai No.1 Wind Power Co., Ltd. (“**Bohai No.1**”) and Shandong Bohai No.2 Wind Power Co., Ltd. (“**Bohai No.2**”) have the possibility of receiving offshore wind power fiscal subsidies in the future in accordance with the *Implementation Rules for Offshore Wind Power Fiscal Subsidies in Shandong Province* (《山東省海上風電財政補貼實施細則》) and the *Notice on Issuing the ‘Management Measures for Offshore Wind Power Fiscal Subsidy Funds in Shandong Province’* (Lu Cai Jian [2024] No. 23) (《關於印發〈山東省海上風電財政補貼資金管理辦法〉的通知》(魯財建[2024]23號)), and such subsidy funds shall be borne by the Shandong Provincial Finance and Dongying Municipal Finance on a 1:1 ratio, among which:

1. The total amount of fiscal subsidy funds expected to be allocated by the Shandong Provincial Finance in the future for the offshore wind power projects under Bohai No.1 is RMB140.28 million, and the total amount of fiscal subsidy funds for the wind power projects under Bohai No.2 is RMB111.86 million. The aforesaid fiscal subsidy funds have been reflected in the First Equity Asset Valuation Report but not in the First Audit Report. If, due to any changes or adjustments in laws, regulations or policies, or any reason other than those attributable to the Company, New Energy Group and its holding subsidiaries, the total amount of offshore wind power fiscal subsidy funds actually received by Bohai No.1 or Bohai No.2 from the Shandong Provincial Finance before 31 December 2032 is lower than the aforesaid amount, the amount of the shortfall shall be compensated by the First Vendors to the Company; after the First Vendors pay compensation to the Company, the First Vendors and New Energy Group may continue to communicate and negotiate with the relevant departments of the Shandong Provincial Finance to promote the Shandong Provincial Finance to pay the full amount of the shortfall subsidy to Bohai No.1 or Bohai No.2. If Bohai No.1 or Bohai No.2 subsequently actually receives all or part of the aforesaid shortfall subsidy funds, the First Vendors shall have the right to request the Company to return the corresponding amount of compensation paid.
2. The total amount of fiscal subsidy funds allocated by Dongying Municipal Finance in previous years and expected to be allocated in the future for the offshore wind power projects under Bohai No.1 is RMB200.40 million, and the total amount of fiscal subsidy funds for the wind power projects under Bohai No.2 is RMB159.80 million. The aforesaid fiscal subsidy funds are not reflected in the First Audit Report or the First Equity Asset Valuation Report. If, after the First Equity Transfer Agreement becomes effective, Bohai No.1 or Bohai No.2 actually receives all or part of the aforesaid fiscal subsidy funds allocated by Dongying Municipal Finance, the Company shall compensate the First Vendors for amount actually received (collectively referred to as the “**Offshore Wind Power Fiscal Subsidy Compensation**”).

The parties agree and confirm that, unless otherwise agreed in the First Equity Transfer Agreement or otherwise undertaken in writing by the First Vendors, if any of the representations and warranties made by the First Vendors to the Company causes New Energy Group to bear any liability and incur any payment arising therefrom, or causes New Energy Group to actually suffer losses, the amount of compensation payable by the First Vendors to the Company shall be calculated according to the following specific formulas:

1. The amount of compensation payable by Shandong Energy to the Company = (all payments made and actual losses suffered by New Energy Group due to a loss compensation triggering event under the representations and warranties made by the First Vendors to the Company in the First Equity Transfer Agreement)  $\times$  90.8928%.
2. The amount of compensation payable by Yankuang Hong Kong to the Company = (all payments made and actual losses suffered by New Energy Group due to a loss compensation triggering event under the representations and warranties made by the First Vendors to the Company in the First Equity Transfer Agreement)  $\times$  9.1072%.

The parties agree and confirm that, unless otherwise agreed in the First Equity Transfer Agreement or otherwise undertaken in writing by the First Vendors, if any of the representations and warranties made by the First Vendors to the Company, the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the Offshore Wind Power Fiscal Subsidy Compensation, causes a holding subsidiary of New Energy Group to bear any liability and incur any payment arising therefrom, or causes a holding subsidiary of New Energy Group to actually suffer losses, after taking into full consideration of New Energy Group's shareholding ratio in the holding subsidiary, the amount of compensation payable by the First Vendors to the Company shall be calculated according to the following specific formulas:

1. The amount of compensation payable by Shandong Energy to the Company = (all payments made and actual losses suffered by the holding subsidiary of New Energy Group due to a loss compensation triggering event under the representations and warranties made by the First Vendors to the Company in the First Equity Transfer Agreement, the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the Offshore Wind Power Fiscal Subsidy Compensation)  $\times$  90.8928%  $\times$  New Energy Group's shareholding ratio in the holding subsidiary.
2. The amount of compensation payable by Yankuang Hong Kong to the Company = (all payments made and actual losses suffered by the holding subsidiary of New Energy Group due to a loss compensation triggering event under the representations and warranties made by the First Vendors to the Company in the First Equity Transfer Agreement, the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the Offshore Wind Power Fiscal Subsidy Compensation)  $\times$  9.1072%  $\times$  New Energy Group's shareholding ratio in the holding subsidiary.

The parties agree and confirm that, unless otherwise agreed in the First Equity Transfer Agreement or otherwise undertaken in writing by the First Vendors, in the event that any of the circumstances under the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the Offshore Wind Power Fiscal Subsidy Compensation results in the Company being required to compensate the First Vendors, after comprehensively considering the shareholding ratio of New Energy Group in its holding subsidiaries, the specific calculation formula for the amount of compensation payable by the Company to the First Vendors is as follows:

1. The amount payable by the Company to Shandong Energy = the amount of compensation payable under the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the Offshore Wind Power Fiscal Subsidy Compensation  $\times 90.8928\%$   $\times$  the shareholding ratio of New Energy Group in its holding subsidiaries.
2. The amount payable by the Company to Yankuang Hong Kong = the amount of compensation payable under the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the Offshore Wind Power Fiscal Subsidy Compensation  $\times 9.1072\%$   $\times$  the shareholding ratio of New Energy Group in its holding subsidiaries.

The parties agree and confirm that the First Vendors shall continuously assist and urge New Energy Group and its holding subsidiaries to cooperate with the Company in completing, within a reasonable period of time as required by the Company, the rectification of compliance issues identified during the due diligence process, matters that may affect the independence of the listed company, and other matters that may have an adverse impact on the normal production and operation of New Energy Group and its holding subsidiaries.

### **Staff Settlement**

After the First Closing Date, the employment contract relationships of the employees of New Energy Group will not change as a result of the transfer of the First Equity. The transfer of the First Equity has actuarially calculated and accrued, in accordance with relevant accounting standards, the costs to be borne by New Energy Group and its holding subsidiaries in respect of the coordination of various categories of personnel, including retirees, early retirees, and survivors.

### **Treatment of Creditors' Rights and Debts**

The parties agree and confirm that, after the First Closing Date, the creditors' rights, debts and other contingent liabilities of New Energy Group shall continue to be enjoyed or borne by New Energy Group.

The parties agree and confirm that New Energy Group and its holding subsidiaries shall perform their obligations to notify creditors or obtain creditors' consent in respect of the transfer of the First Equity in accordance with the terms of the contracts they have signed, and the parties shall provide New Energy Group and its holding subsidiaries with necessary assistance or cooperation.

## **Liability for Breach of Contract**

After the First Equity Transfer Agreement becomes effective, if any party fails to perform its obligations under the First Equity Transfer Agreement in accordance with its terms, or any representation, warranty or undertaking made by it is false, such party shall be deemed to have committed a breach of contract. The breaching party shall compensate the non-breaching party for the losses caused by its aforementioned breach of contract.

Without precluding the termination of the First Equity Transfer Agreement by the relevant parties in accordance with its terms, unless otherwise expressly provided in the First Equity Transfer Agreement, if a party suffers any reasonable costs, expenses, liabilities or losses due to the other party's breach of contract, the breaching party shall compensate for any such costs, expenses, liabilities or losses and hold the non-breaching party harmless. The breaching party shall not be liable for losses caused by the non-breaching party's own fault, negligence or omission, nor for losses or any increase in losses arising from the non-breaching party's failure to take measures.

## **Amendment and Termination of the Agreement**

The parties agree and confirm that, unless otherwise undertaken in writing by the First Vendors, the parties may, by mutual agreement, amend or terminate the First Equity Transfer Agreement. Any amendment or termination of the First Equity Transfer Agreement shall be in writing.

If, within 12 months after the First Equity Transfer Agreement becomes effective, due to the fault of the First Vendors or New Energy Group, the industrial and commercial change registration or filing in respect of this transfer is not completed, the Company shall have the right to terminate the First Equity Transfer Agreement, and the First Equity Transfer Agreement shall be terminated on the date when the Company issues a written notice of termination to the First Vendors. If the First Equity Transfer Agreement is terminated pursuant to the foregoing clause, the First Vendors shall refund the transfer consideration received by it to the Company within 3 months from the date of termination of the First Equity Transfer Agreement.

## **Letter of Performance Commitment**

In view of the entry into the First Equity Transfer Agreement, on the same date, the Company and the First Vendors entered into the Letter of Performance Commitment, pursuant to which the First Vendors agreed to make the following commitments regarding the three-year performance of New Energy Group from 2026 to 2028:

1. For the years 2026, 2027 and 2028 (the "**Commitment Period**"), the audited net profit attributable to shareholders of the parent company after deducting non-recurring gains and losses (the "**Net Profit**") of New Energy Group, calculated in accordance with the Chinese Accounting Standards, shall be not less than approximately RMB3,058.6036 million in aggregate during the Performance Commitment Period (the "**Accumulated Committed Net Profit during the Commitment Period**"). The Accumulated Committed Net Profit during the Commitment Period is determined with reference to the asset valuation report filed with the competent state-owned assets regulatory authorities.

2. Upon expiry of the Commitment Period, the Company will engage an accounting firm recognised by both the First Vendors and the Company as meeting the requirements of the *Securities Law of the People's Republic of China* (《中華人民共和國證券法》) to issue a special audit report for the Commitment Period, and will recognise the accumulated net profit realised during the Performance Commitment Period with the aforesaid audit report. The accumulated net profit realised during the Commitment Period = the aggregate of the net profit attributable to shareholders of the parent company after deducting non-recurring gains and losses of New Energy Group for each year during the Commitment Period.
3. Upon expiry of the Commitment Period, the Company will engage a valuation institution meeting the requirements of the *Securities Law of the People's Republic of China* to conduct a re-assessment of New Energy Group as of 31 December 2028 and issue a valuation report confirming the appraised value of the entire shareholders' interests of New Energy Group as at the end of the Commitment Period (the "**Appraised Value at the End of the Commitment Period**"). Unless otherwise mandatorily required by applicable laws and regulations, and the Appraised Value at the End of the Commitment Period shall be the appraised value of a comparable calibre, net of the effect of capital increase, capital reduction, acceptance of gifts and profit distribution by shareholders of New Energy Group during the Commitment Period on the Appraised Value at the End of the Commitment Period.
4. Upon expiry of the Commitment Period, the First Vendors shall, with the consideration for the First Acquisitions as the upper limit and for the purpose of adjusting and reflecting the appraised value at the End of the Commitment Period, pay the relevant amount to the Company in cash. The total amount payable under Letter of Performance Commitment shall be the higher of the amounts calculated by the following two methods ("**Total Payment Amount under the Letter of Performance Commitment**"):
  - (i) Net profit difference = Accumulated Committed Net Profit during the Commitment Period – accumulated realised net profit during the commitment period ("**Net Profit Difference**"); or
  - (ii) Valuation difference = Appraised value of the First Equity Interest in this transaction – Appraised Value at the End of the Commitment Period ("**Valuation Difference**").
5. In respect of the total payment amount under the Letter of Performance Commitment determined in accordance with the Letter of Performance Commitment, Shandong Energy and Yankuang Hong Kong shall bear and pay such amount in the proportions of 90.8928% and 9.1072%, respectively (if the calculated amount is less than zero, no payment is required). To avoid duplication with the relevant compensation under the First Equity Transfer Agreement, among which:
  - (i) If, during the Commitment Period, the First Vendors have made relevant compensation to the Company in accordance with the relevant provisions of the First Equity Transfer Agreement regarding the Luxi Power Generation Land Compensation Difference Reimbursement or the Dispute Difference Compensation, then the difference in appraised value shall be reduced by the amount of relevant compensation payable/paid by the First Vendors to the Company; if, during the Commitment Period, the Company has made relevant compensation to the First Vendors in accordance with the relevant provisions of the First Equity Transfer Agreement regarding the Luxi Power Generation Land Compensation Difference Reimbursement or the Dispute Difference Compensation, then the difference in appraised value shall be increased by the amount of relevant compensation payable/paid by the Company to the First Vendors.

- (ii) Given that the confirmation time for the compensation matters under the first item of the Offshore Wind Power Fiscal Subsidy Compensation in the First Equity Transfer Agreement is 31 December 2032, if, during the Commitment Period, the relevant holding subsidiaries of New Energy Group have not fully received the expected fiscal subsidies, then the portion of the shortfall that has not been recorded as receivables shall be deemed as received as at the end of the Commitment Period, and the net profit difference and the appraised value difference shall be reduced by the amount of such subsidy not received and not recorded as receivables. The aforesaid uncollected fiscal subsidies shall be settled uniformly in accordance with the first item of the Offshore Wind Power Fiscal Subsidy Compensation under the First Equity Transfer Agreement.
  - (iii) If, during the Commitment Period, the Company has made relevant compensation to the First Vendors in accordance with the second item of the Offshore Wind Power Fiscal Subsidy Compensation under the First Equity Transfer Agreement, then the net profit difference and the appraised value difference shall be increased by the amount of relevant compensation payable/paid by the Company to the First Vendors.
6. If the First Equity Transfer Agreement is terminated during the Commitment Period, the First Vendors shall not be required to continue to perform the Letter of Performance Commitment; if the First Equity Transfer Agreement is terminated after the expiry of the Commitment Period, the consideration for the First Acquisitions to be returned by the First Vendors to the Company shall be deducted by the amounts already paid by the First Vendors in accordance with the Performance Commitment Letter.
7. The First Vendors undertake to perform all their payment obligations within 30 days after the special audit report and valuation report of New Energy Group are issued and after receiving the notice from the Company specifying the total payment amount under the Letter of Performance Commitment. If, during the Commitment Period, the circumstances for compensation payable under the relevant provisions of the First Equity Transfer Agreement regarding the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the second item of the Offshore Wind Power Fiscal Subsidy Compensation have occurred, but the First Vendors/the Company have not actually paid the relevant compensation after the issuance of the special audit report and the valuation report, then the First Vendors/the Company shall settle such amount together with the total payment amount under the Letter of Performance Commitment.

8. If, during the Commitment Period, due to equity transfer, capital increase or any other reason, the scope of the consolidated statement subsidiaries of New Energy Group as set out in the First Audit Report issued for the purpose of the Transactions changes, then from (and including) that year onwards, the committed net profit amount and the realised net profit amount may be adjusted after the First Vendors and the Company have agreed on the adjustments.
9. If, during the Commitment Period, due to force majeure (“**force majeure**”) refers to objective circumstances that cannot be foreseen, avoided or overcome at the time of signing the First Equity Transfer Agreement, or objective reasons beyond one’s control, including but not limited to: (1) natural disasters such as earthquakes, tsunamis, typhoons, volcanic eruptions, landslides, avalanches, mudslides, etc.; (2) social abnormal events such as war, armed conflict, strike, riot, unrest, etc.; (3) changes in laws, regulations or policies, government control orders or decisions, etc.), the normal production and operation of the assets subject to performance commitment is materially and adversely affected, then from (and including) the year in which the aforesaid circumstances occur, the First Vendors may negotiate with the Company to adjust the committed net profit amount and other content under the Letter of Performance Commitment according to the degree of impact of the abovementioned circumstances.
10. The Performance Commitment Letter constitutes an integral part of the Transaction. The First Vendors shall bear the declaration, representation and warranty obligations to the Company in respect of the matters committed under the Letter of Performance Commitment with reference to the relevant provisions of the First Equity Transfer Agreement; the First Vendor’s breach of the relevant matters committed under the Letter of Performance Commitment shall be deemed to constitute a default under the First Equity Transfer Agreement and the First Vendors shall bear the corresponding default liability. If the First Vendors breach the relevant matters committed under the Letter of Performance Commitment and fails to resolve the dispute with the Company through negotiations, the Company shall have the right to initiate arbitration in accordance with the dispute resolution clause of the First Equity Transfer Agreement. The Total Amount Payable under the Performance Commitment Letter by the First Vendors and the amount of compensation paid by the First Vendors to the Company according to the agreement in the First Equity Transfer Agreement shall not exceed the consideration for the First Acquisitions.
11. The Letter of Performance Commitment shall take effect when all the following conditions are fulfilled: (1) the common seals of the First Vendors and the Company are affixed; and (2) the First Equity Transfer Agreement is signed and becomes effective.

The Company will comply with the disclosure requirements under Rule 14A.63 of the Listing Rules in respect of the fulfillment of the Letter of Performance Commitment.

### III. SECOND EQUITY TRANSFER AGREEMENT

#### Date

3 June 2026

#### Parties

Purchaser	the Company
Vendor	Shandong Energy
Target Company	Shandong Energy Electricity Sales

#### Summary of the Transactions

Pursuant to the Second Equity Transfer Agreement, the Company has conditionally agreed to acquire by way of cash, and the Second Vendor has conditionally agreed to sell, an aggregate of 100% equity interest in Shandong Energy Electricity Sales, at a consideration of RMB845,245,406.66.

#### The Acquisitions

The appraised value of the entire shareholders' equity of Shandong Energy Electricity Sales as at the Valuation Benchmark Date as set out in the Second Equity Asset Valuation Report filed with the authorised state-owned assets regulatory agencies or their authorised units was RMB845,245,406.66.

The consideration for the Second Acquisition is RMB845,245,406.66, which was determined by the parties based on the appraised value of the entire shareholders' equity of Shandong Energy Electricity Sales as at the Valuation Benchmark Date of RMB845,245,406.66. The details of second equity interest to be transferred by the Second Vendor and the consideration payable by the Company to the Second Vendor are set out below:

	Second equity interest to be transferred				Consideration payable (RMB)
	Shareholding percentage (%)	Subscribed registered capital (RMB)	Paid-up registered capital (RMB)	Proportion of the paid-in registered capital to the total subscribed registered capital (%)	
Second vendor					
Shandong Energy	100	792,514,200.00	792,514,100.00	99.9999%	845,245,406.66

## **Payment Method**

The Company will pay the consideration for the Second Acquisition of RMB845,245,406.66 to the Second Vendor in the following manner.

1. The Company shall pay 30% of the actual consideration (i.e., approximately RMB253,573,622.00) to the Second Vendor in a lump sum within five Working Days after the Second Equity Transfer Agreement becomes effective;
2. The Company shall pay 70% of the actual consideration (i.e., approximately RMB591,671,784.66) and the corresponding interest to the Second Vendor in a lump sum within five Working Days after the Second Closing Date.

The corresponding interest mentioned above is calculated based on the LPR One-year Interest Rate of the month immediately preceding the actual payment date of second tranche consideration. The calculation period is from the payment date of the first tranche consideration (exclusive) to the actual payment date of second tranche consideration. The calculation period is based on 365 days a year.

Unless agreed by the parties in writing, if the failure to complete the registration (filing) procedures with the company registry authority for the Second Equity Interest in accordance with the provisions of the Second Equity Transfer Agreement is attributable to the Second Vendor, the Company shall be entitled not to pay the corresponding interest on the second tranche consideration arising from the day following December 31 of the year in which the Second Equity Transfer Agreement became effective (exclusive) up to the date of completing the registration (filing) procedures with the company registry authority for the transfer of the Second Equity (inclusive).

## **Conditions Precedent**

The Second Equity Transfer Agreement shall take effect on the day when all the following conditions are fulfilled, and the day on which the last consent or approval set out below is obtained shall be the effective date:

1. The Second Equity Transfer Agreement is executed by the legal representatives or authorised representatives of each party and stamped with their respective company seals;
2. All necessary consents or approvals have been obtained for the transfer of the Second Equity, including but not limited to:
  - (i) the filing of the valuation results of the entire equity of Shandong Energy Electricity Sales with the authorised state-owned assets regulatory agencies or their authorised units;
  - (ii) the authorised state-owned assets regulatory agencies or their authorised units considering and approving the transfer of the Second Equity;

- (iii) the Second Vendor completing its internal procedures to approve the transfer of the Second Equity; and
- (iv) the Company obtaining approval for the transfer of the Second Equity from its competent decision-making authorities such as the Board and the General Meeting.

## **Closing**

Unless otherwise agreed in writing by the parties, the shareholder of Shandong Energy Electricity Sales shall, prior to December 31 of the year in which the Second Equity Transfer Agreement becomes effective (inclusive), pass a shareholders' resolution to amend the articles of association with respect to the transfer of the Second Equity and related corporate governance matters, and complete the registration (filing) procedures with the company registry authority for the transfer of the Second Equity. The Second Closing Date shall be the date on which the registration (filing) procedures with the company registry authority for the transfer of the Second Equity are completed. The rights and obligations corresponding to the Second Equity will be transferred to the Company with effect from the Second Closing Date.

## **Profit and Loss during the Second Transition Period**

Unless otherwise agreed by the parties, the profit and loss of the Second Equity during the Second Transition Period (based on the net profit attributable to shareholders of the parent company of Shandong Energy Electricity Sales) shall be entitled to or borne by the Company.

## **Representations and Warranties**

### **The Second Vendor makes the following representations and warranties to the Company:**

1. The Second Vendor is a limited liability company legally established and validly subsisting under the laws of the PRC with independent legal person qualification in accordance with the laws of the PRC;
2. The Second Vendor has the power and authority to execute and perform the Second Equity Transfer Agreement;
3. The execution and performance of the Second Equity Transfer Agreement will not (a) violate any organisational documents of the Second Vendor or Shandong Energy Electricity Sales currently in force, or (b) violate any laws of the PRC, or (c) violate any legally binding contract or agreement to which the Second Vendor or Shandong Energy Electricity Sales is a party, or (d) result in the release of the other party from its obligations or give rise to other claims under any agreement or arrangement already signed by the Second Vendor or Shandong Energy Electricity Sales;
4. From the date of signing the Second Equity Transfer Agreement to the Second Closing Date, the Second Vendor is the legal shareholder or owner of Shandong Energy Electricity Sales, legally and validly holding the equity interest in Shandong Energy Electricity Sales without any encumbrance, the Second Equity has clear ownership, and there is no pledge, mortgage, other guarantee, judicial seizure, freezing, auction or any other encumbrance on the Second Equity, and there will not be any third party asserting any rights in respect of the Second Equity held by the Second Vendor in any manner whatsoever;

5. The Second Vendor has fully performed its paid-up capital contribution obligation in accordance with the law for approximately 99.9999% of the equity interest in Shandong Energy Electricity Sales (corresponding to a subscribed capital contribution of RMB792,514,100), but has not yet completed the paid-up capital contribution for approximately 0.0001% of the equity interest in Shandong Energy Electricity Sales held by it (corresponding to a subscribed capital contribution of RMB100). The assets used by the aforementioned Second Vendor for paid-up capital contributions are all legally owned by the Second Vendor, and there has been no false capital contribution, deferred capital contribution, evasion of capital contribution or other breach of obligations and liabilities as a shareholder, and the capital contribution activities have all undergone necessary internal and external approval procedures;
6. Shandong Energy Electricity Sales and its holding subsidiaries legally own properties and interests that have a material impact on their production and operations, with clear ownership, free from any mortgage, pledge, lien, right of first refusal or any third party rights;
7. Unless otherwise agreed in the Second Equity Transfer Agreement or otherwise undertaken in writing by the Second Vendor, for the liabilities, losses and responsibilities of the Target Company and its holding subsidiaries arising from acts or matters prior to the Second Closing Date and incurred after the Second Closing Date, including: (a) penalties and resulting liabilities, losses and responsibilities arising from violations of laws, regulations and relevant rules in respect of project construction and acceptance, production and operation (including leased properties, land use rights) prior to the Second Closing Date; (b) expenses or compensation arising from litigation disputes arising from acts prior to the Second Closing Date; (c) default liability and compensation liability arising from breach of contractual agreements with third parties existing prior to the Second Closing Date; (d) losses or compensation liability arising from defects or disputes in the title of assets (including land use rights, properties, power equipment, etc.) included in the valuation scope of this transaction as at the Second Closing Date; the Second Vendor shall assume the amount of the aforesaid losses in accordance with the provisions of the Second Equity Transfer Agreement and compensate the Company in a timely manner, except where such liabilities, losses and responsibilities have been reflected in the Second Audit Report.

**The Company makes the following representations and warranties to the Second Vendor:**

1. After the completion of the Transactions, in respect of the unfulfilled capital contribution obligation of the Second Vendor to Shandong Energy Electricity Sales (the unfulfilled capital contribution amount being RMB100), the Company shall perform such obligation in a timely and full manner; if the Company fails to perform the aforesaid capital contribution obligation in a timely manner, resulting in the Second Vendor being required to bear the capital contribution liability under the relevant laws and regulations, the Second Vendor shall have the right to claim full reimbursement from the Company for the amount of capital contribution actually borne by it and the related losses, and the Company shall make full compensation to the Second Vendor;
2. The Company is a joint stock limited company legally established and validly subsisting under the laws of the PRC with independent legal person qualification in accordance with the laws of the PRC;

3. The Company has the power and authority to execute and perform the Second Equity Transfer Agreement;
4. The execution and performance of the Second Equity Transfer Agreement will not (a) violate any organisational document of the Company currently in force, or (b) violate any laws of the PRC, or (c) violate any legally binding contract or agreement to which the Company is a party, or (d) result in the release of the other party from its obligations or give rise to other claims under any agreement or arrangement already signed by the Company.

The parties agree and confirm that, unless otherwise agreed in the Second Equity Transfer Agreement or otherwise undertaken in writing by the Second Vendor, if any of the representations and warranties made by the Second Vendor to the Company causes Shandong Energy Electricity Sales to bear any liability and incur any payment arising therefrom, or causes Shandong Energy Electricity Sales to actually suffer losses, the amount of compensation payable by the Second Vendor to the Company shall be calculated according to the following specific formula:

The amount of compensation payable by the Second Vendor to the Company = all payments made and actual losses suffered by Shandong Energy Electricity Sales due to a loss compensation triggering event under the representations and warranties made by the Second Vendor to the Company in the Second Equity Transfer Agreement.

The parties agree and confirm that, unless otherwise agreed in the Second Equity Transfer Agreement or otherwise undertaken in writing by the Second Vendor, if any of the representations and warranties made by the Second Vendor to the Company causes a holding subsidiary of Shandong Energy Electricity Sales to bear any liability and incur any payment arising therefrom, or causes a holding subsidiary of Shandong Energy Electricity Sales to actually suffer losses, after taking into full consideration of Shandong Energy Electricity Sales's shareholding ratio in the holding subsidiary, the amount of compensation payable by the Second Vendor to the Company shall be calculated according to the following specific formula:

The amount of compensation payable by the Second Vendor to the Company = all payments made and actual losses suffered by the holding subsidiary of Shandong Energy Electricity Sales due to a loss compensation triggering event under the representations and warranties made by the Second Vendor to the Company in the Second Equity Transfer Agreement  $\times$  Shandong Energy Electricity Sales's shareholding ratio in the holding subsidiary.

The parties agree and confirm that the Second Vendor shall continuously assist and urge Shandong Energy Electricity Sales and its holding subsidiaries to cooperate with the Company in completing, within a reasonable period of time as required by the Company, the rectification of compliance issues identified during the due diligence process, matters that may affect the independence of the listed company, and other matters that may have a adverse impact on the normal production and operation of Shandong Energy Electricity Sales and its holding subsidiaries.

## **Staff Settlement**

After the Second Closing Date, the employment contract relationships of the employees of Shandong Energy Electricity Sales will not change as a result of the Second Equity Transfer. The Second Equity Transfer has actuarially calculated and accrued, in accordance with relevant accounting standards, the costs to be borne by Shandong Energy Electricity Sales and its holding subsidiaries in respect of the coordination of various categories of personnel, including retirees, early retirees, and survivors.

## **Treatment of Creditors' Rights and Debts**

The parties agree and confirm that, after the Second Closing Date, the creditors' rights, debts and other contingent liabilities of Shandong Energy Electricity Sales shall continue to be enjoyed or borne by Shandong Energy Electricity Sales.

The parties agree and confirm that Shandong Energy Electricity Sales and its holding subsidiaries shall perform their obligations to notify creditors or obtain creditors' consent in respect of the Second Equity Transfer in accordance with the terms of the contracts they have signed, and the parties shall provide Shandong Energy Electricity Sales and its holding subsidiaries with necessary assistance or cooperation.

## **Liability for Breach of Contract**

After the Second Equity Transfer Agreement becomes effective, if any party fails to perform its obligations under the Second Equity Transfer Agreement in accordance with its terms, or any representation, warranty or undertaking made by it is false, such party shall be deemed to have committed a breach of contract. The breaching party shall compensate the non-breaching party for the losses caused by its aforementioned breach of contract.

Without precluding the termination of the Second Equity Transfer Agreement by the relevant parties in accordance with its terms, unless otherwise expressly provided in the Second Equity Transfer Agreement, if a party suffers any reasonable costs, expenses, liabilities or losses due to the other party's breach of contract, the breaching party shall compensate for any such costs, expenses, liabilities or losses and hold the non-breaching party harmless. The breaching party shall not be liable for losses caused by the non-breaching party's own fault, negligence or omission, nor for losses or any increase in losses arising from the non-breaching party's failure to take measures.

## **Amendment and Termination of the Agreement**

The parties agree and confirm that, unless otherwise undertaken in writing by the Second Vendor, the parties may, by mutual agreement, amend or terminate the Second Equity Transfer Agreement. Any amendment or termination of the Second Equity Transfer Agreement shall be in writing.

If, within 12 months after the Second Equity Transfer Agreement becomes effective, due to the fault of the Second Vendor or Shandong Energy Electricity Sales, the industrial and commercial change registration or filing in respect of this transfer is not completed, the Company shall have the right to terminate the Second Equity Transfer Agreement, and the Second Equity Transfer Agreement shall be terminated on the date when the Company issues a written notice of termination to the Second Vendor. If the Second Equity Transfer Agreement is terminated pursuant to the foregoing clause, the Second Vendor shall refund the transfer consideration received by it to the Company within 3 months from the date of termination of the Second Equity Transfer Agreement.

#### **IV. BASIC INFORMATION OF THE TARGET COMPANIES**

The basic information of New Energy Group and Shandong Energy Electricity Sales, including details of their direct and indirect holding subsidiaries as at the date of this announcement, their shareholding structures before and after the completion of the Transactions, and financial data, are set out in Appendix I to this announcement.

#### **V. INFORMATION ON THE PARTIES**

##### **The Company**

The Company is principally engaged in the business of mining, high-end chemical new materials, new energy, and high-end equipment manufacturing and smart logistics. The Company's main products are steam coal for use in large-scale power plants, coking coal for metallurgical production, prime quality low sulphur coal for use in pulverized coal injection, and chemical products such as methanol and acetic acid, etc.

##### **Shandong Energy**

Shandong Energy is a state-controlled limited liability company, of which Shandong Provincial People's Government State-owned Assets Supervision and Administration Commission is the de facto controller. As at the date of this announcement, Shandong Provincial People's Government State-owned Assets Supervision and Administration Commission, Shandong Development Investment Holding Group Co., Ltd. (which is directly held as to 97.88% and 2.12% by Shandong Provincial People's Government State-owned Assets Supervision and Administration Commission and Shandong Caixin Asset Management Co., Ltd., respectively) and Shandong Caixin Asset Management Co., Ltd. (which is directly held as to 100% by Shandong Provincial Department of Finance) directly hold 70%, 20% and 10% of the equity interests in Shandong Energy, respectively. Shandong Energy is principally engaged in mining, high-end chemicals, electricity, high-end equipment manufacturing, new energy and materials, and modern trade and logistics. As at the date of this announcement, Shandong Energy is the controlling shareholder of the Company, holding directly and indirectly approximately 52.84% of the issued share capital of the Company, and is hence a connected person of the Company.

##### **Yankuang Hong Kong**

Yankuang Hong Kong is directly wholly-owned by Shandong Energy and is principally engaged in investment management.

## **VI. FINANCIAL AND BUSINESS IMPACT OF THE TRANSACTIONS**

Upon completion of the Transactions, the Company will acquire 100% equity interests in New Energy Group and Shandong Energy Electricity Sales. The performance of New Energy Group and Shandong Energy Electricity Sales will be consolidated into the Company's consolidated financial statements. The principal consolidated financial data in respect of each Target Company are set out in Appendix I to this announcement.

Upon completion of the Transactions, the profitability of the Company will be significantly enhanced. The Company will be able to further develop its coal core business while expanding its power segment. The installed capacity of power generation projects and the annual power generation volume will both be significantly increased, which will help mitigate the impact of cyclical fluctuations in the coal industry, further strengthen the Company's operating capacity, and enhance its sustainable development capability. Based on the power project status of the Target Company as of 31 January 2026, the installed capacity of the Company's power generation projects will increase by 13,252MW, among which, the installed capacity of power generation projects that are already in commercial operation will increase by 7,058MW, the installed capacity of power generation projects that are already grid-connected but not yet in commercial operation will increase by 1,750MW, the installed capacity of power generation projects that are under construction and not yet grid-connected will increase by 3,204MW upon grid connection, and the installed capacity of proposed projects that have been approved or filed will increase by 1,240MW, with the annual power generation volume will increase by approximately 22.9 billion kWh.

## **VII. REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

In recent years, the Company has continuously promoted the synergistic integration and high-quality development of traditional energy and new energy. The purpose of this Transaction is to rapidly expand the scale of its power business and strengthen emerging industries by injecting high-quality power assets, while effectively reducing horizontal competition with the controlling shareholder in the power business segment and further improving corporate governance.

This Transaction has the dual value of both upgrading traditional industries and empowering emerging industries. Among them, the thermal power assets, with stable operating efficiency and high contribution to performance, constitute the core component of the assets acquired in this Transaction. By incorporating high-quality thermal power assets, the Company can deeply establish an integrated coal-power operation pattern, relying on its own thermal power production capacity to stably absorb its self-produced coal, effectively hedging against cyclical fluctuations in the coal industry, significantly enhancing profitability and risk resistance capacity, and solidifying its operational foundation. The injection of wind power, photovoltaic power and energy storage assets represents a key initiative for the Company to actively respond to the national "dual carbon" strategic deployment, seize the opportunity of energy restructuring, and implement the goal of "strategic priority and accelerated development" for the new energy industry. Through this acquisition, the Company can effectively expand the scale of its new energy assets, accelerate the layout of its clean energy industry, and promote green and low-carbon transformation. The electricity sales business acquired as a package can connect the entire industrial chain of power generation, sales and consumption, provide flexible risk hedging tools for power plants, form an integrated synergistic operation model, and strengthen the competitive advantage across the entire chain. Upon completion of this Transaction, the Company will achieve a favourable development pattern of improving quality and efficiency for traditional energy and accelerating growth and expansion for new energy, thereby comprehensively enhancing its overall profitability and core competitiveness.

## **1. Strengthening emerging industries and accelerating strategic layout**

This Transaction is a key step for the Company to accelerate its transformation into a comprehensive clean energy service provider and build a world-class enterprise. By injecting high-quality thermal power, wind-solar-storage assets and a mature electricity sales platform in one go, the Company can rapidly expand its power business scale, strengthen emerging industries, and accelerate the construction of a clean energy business system that integrates “wind-solar-thermal-storage” and promotes the synergistic development of “source-grid-load-storage”.

## **2. Enhancing coal-power integration synergy and strengthening anti-cyclical ability**

The integration of high-quality thermal power assets is a key initiative for the Company to extend the coal industry chain, implement the coal-power joint venture policy, and improve the integrated coal-power operation pattern. Relying on its own coal for direct supply to thermal power plants achieves a two-way linkage of locking in long-term coal supply sources for power plants and ensuring stable coal consumption for the Company, which helps to smooth out cyclical fluctuations in the core coal business, enhance risk resistance capacity, and solidify the operational foundation. The thermal power assets to be acquired under this Transaction are all large-capacity, high-parameter clean units, possessing core advantages such as low coal consumption, low emissions, strong peak-shaving capability, and reliable operation, which are conducive to achieving both economic and environmental benefits.

## **3. Accelerating green and low-carbon transformation and fulfilling strategic commitments**

The acquisition of high-quality wind-solar-storage assets is an important initiative for the Company to implement the dual-carbon strategy and promote green transformation, helping to rapidly expand the scale of the new energy industry and implement the new energy development plan. The assets to be injected under this Transaction possess favorable resource endowments, absorption guarantees and scale advantages. Coupled with effective synergy from flexible peak-shaving of thermal power, it can build a healthy development pattern where traditional energy serves as the foundation and new energy expands, highly aligned with the direction of new power system construction. The layout of this Transaction is conducive to the Company seizing renewable energy opportunities, continuously benefiting from policy support such as green electricity and green certificates, consolidating and enhancing its leading ESG position, and strengthening its green and sustainable development foundation.

## **4. Enhancing profitability and increasing shareholders’ return**

The assets to be injected under this Transaction are all high-quality power assets of Shandong Energy, with stable operating efficiency and excellent profitability level. Upon completion of the Transaction, it will be conducive to the Company expanding the scale of its asset and revenue in new energy industry, enhancing its profitability, increasing shareholders’ returns, and achieving a win-win situation for both the Company’s sustainable development and long-term shareholders’ returns.

## 5. Reducing horizontal competition and promoting standardised operations

Prior to this Transaction, there existed a certain degree of horizontal competition between the Company's new energy industry and the power businesses (including power generation, energy storage and electricity sales) of Shandong Energy, the controlling shareholder. Injecting Shandong Energy's high-quality power assets into the Company through this Transaction is conducive to reducing horizontal competition between the Company and Shandong Energy, promoting standardised operations, and effectively safeguarding the legitimate rights and interests of Shandong Energy and minority shareholders.

## VIII. IMPLICATIONS UNDER THE LISTING RULES

As one or more applicable percentage ratios (calculated on a consolidated basis) of the Acquisitions are more than 5% but all applicable percentage ratios are less than 25%, the Acquisitions constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Shandong Energy is the controlling shareholder of the Company, holding directly and indirectly approximately 52.84% of the issued share capital of the Company. Yankuang Hong Kong, New Energy Group and Shandong Energy Electricity Sales are all subsidiaries of Shandong Energy and are connected persons of the Company. Hence, the Acquisitions also constitute a connected transaction of the Company and are subject to the reporting, announcement, circular and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

As the valuation of certain assets was prepared based on the income approach in the Asset Valuation Report(s), such valuation constitutes a profit forecast (the "**Profit Forecast**") under Rule 14.61 of the Listing Rules.

Pursuant to Rule 14.60A of the Listing Rules, the details of the principal assumptions, including commercial assumptions, on which the Asset Valuation Report(s) prepared by the Independent Valuer were based are set out in Appendix II to this announcement.

## IX. CONFIRMATIONS

Baker Tilly Hong Kong Limited, the reporting accountant of the Company, has reviewed the arithmetical accuracy of the calculations of the Profit Forecast on which certain valuations using the income approach as contained in the Asset Valuation Report(s) are based (which does not involve the adoption of accounting policies). The Board has confirmed that the Profit Forecast for the Target Companies as set out in the Asset Valuation Report(s) has been made after due and careful enquiry by the Board.

The letter of the reporting accountant (the "**Reporting Accountant Letter**") from Baker Tilly Hong Kong Limited and the letter issued by the Board, both dated 3 June 2026, are set out in Appendix III and Appendix IV to this announcement, respectively.

The qualifications of each expert who has given a conclusion or opinion in this announcement are set out below:

<b>Name</b>	<b>Qualification</b>
Baker Tilly Hong Kong Limited	Certified Public Accountants
Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. (北京華亞正信資產評估有限公司)	Independent Valuer in the PRC

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, each of the Certified Public Accountants and the Independent Valuer is a third party independent of the Group and its connected person(s).

To the best of the Directors' knowledge, information and belief, as at the date of this announcement, none of the Certified Public Accountants or the Independent Valuer has any shareholding, directly or indirectly, in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

Each of the Certified Public Accountants and the Independent Valuer has given and has not withdrawn its respective written consent to the publication of this announcement with the inclusion of its respective name, letter, statements and all references to its name (including its qualification) in the form and context in which it respectively appears.

## **X. CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025, relating to, among other things, the Existing Continuing Connected Transaction Agreements and the proposed transactions contemplated thereunder and the respective proposed annual caps.

As (i) the Target Companies will become wholly-owned subsidiaries of the Company and certain subsidiaries of the Target Companies will become connected subsidiaries of the Company and associates of Shandong Energy (as Shandong Energy will continue to indirectly hold part of the equity interests in such companies after completion of the Transactions) upon the completion of the Transactions, the Board envisages that the annual caps under certain Existing Continuing Connected Transactions Agreements will need to be adjusted; and (ii) the Existing Continuing Connected Transactions Agreements will expire on 31 December 2027 and the parties thereto expect that the continuing connected transactions contemplated thereunder will continue on an ongoing basis, on 3 June 2026, the parties to the Existing Continuing Connected Transactions Agreements entered into the Proposed Continuing Connected Transaction Agreements to renew and supersede the Existing Continuing Connected Transaction Agreements. The Proposed Continuing Connected Transaction Agreements are subject to the Independent Shareholders' approval at the General Meeting.

Shandong Energy is a controlling shareholder of the Company directly and indirectly holding 52.84% of the issued share capital of the Company as at the date of this announcement, and thus a connected person of the Company under the Listing Rules. Shandong Energy Finance Company is directly owned as to approximately 53.92% equity interests by the Company, and directly and indirectly owned as to approximately 46.08% equity interests by Shandong Energy. Shandong Energy Finance Company is a connected subsidiary of the Company under the Listing Rules. Accordingly, the Proposed Continuing Connected Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

## **1. Proposed Provision of Materials Supply Agreement**

On 8 April 2025, the Company entered into the Existing Provision of Materials Supply Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. Please refer to the announcement of the Company dated 8 April 2025, and the circular of the Company dated 15 May 2025 for the details of the Existing Provision of Materials Supply Agreement.

On 3 June 2026, the Company entered into the Proposed Provision of Materials Supply Agreement with Shandong Energy to renew and supersede the Existing Provision of Materials Supply Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Provision of Materials Supply Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Provision of Materials Supply Agreement becomes effective, (i) the Existing Provision of Materials Supply Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Provision of Materials Supply Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Provision of Materials Supply Agreement.

Set out below are the major terms of the Proposed Provision of Materials Supply Agreement:

### **Date**

3 June 2026

### **Parties**

- (1) the Company; and
- (2) Shandong Energy

### **Term**

Three years commencing from 1 January 2026 and expiring on 31 December 2028

## **Major terms**

The Shandong Energy Members would provide the following materials to the Group: chemical raw materials (methanol, pure benzene, etc.), coal, electricity, underground supporting and protection materials, equipment accessories for coalmine operation, safety protection materials, informationization facilities, grease and oil materials and other general materials.

On or before 30 November each year, the Company may provide to Shandong Energy an annual assessment of the supplies or services that it requires from the other in the coming year and the parties shall agree on the annual plan for the coming year before 31 December each year. The parties may enter into specific contracts in accordance with the terms of the Proposed Provision of Materials Supply Agreement.

## **Payment**

- (1) The payment of consideration of the Proposed Provision of Materials Supply Agreement can be settled on a one-off basis or by installment in accordance with paragraph (2) below.
- (2) Each party shall record all items payable to or from the other party in a calendar month in relation to the transactions under the Proposed Provision of Materials Supply Agreement in its accounts on or before the last Working Day of that calendar month. Save for the payments made for non-completed transactions or disputed payments, all payments incurred in a calendar month shall be settled in full by the responsible party within the next calendar month.

## **Pricing**

All materials would be supplied at the Market Price and such price shall in so far as possible be calculated and estimated before the commencement of each financial year, and shall be determined according to normal commercial terms based on the following:

- (1) the price offered by Independent Third Parties for provision of the same or similar type of materials in the same or similar area or in the vicinity under normal commercial terms in the ordinary course of business of such Independent Third Parties; or
- (2) if the foregoing (1) is not applicable, the price offered by Independent Third Parties in the PRC for provision of the same or similar type of materials under normal commercial terms in the ordinary course of business of such Independent Third Parties.

To determine the Market Price, the purchase department of the Company and its designated personnel are mainly responsible for checking the prices offered by other Independent Third Parties generally through obtaining quotations from at least two Independent Third Parties via emails, fax or phone or tenders by publishing tender notice through various media resources, such as local newspapers. The purchase department of the Company will update the relevant information from time to time based on the procurement demand and continue to monitor the Market Price to ensure that each transaction is conducted in accordance with the pricing policy set out above.

The price of electricity shall be determined with reference to the electricity trading price in the electricity spot market of Shandong Province and would be settled according to the actual usage of electricity by the Company. If at any time the nationwide pricing is in force and applicable to a material, the price of such material shall be determined in accordance with the nationwide pricing. Such nationwide pricing means the price stipulated for such materials in accordance with the laws, regulations, decisions, orders or pricing policies formulated by the relevant governmental authorities in the PRC (as the case may be).

The Shandong Energy Members have undertaken that the price of such supplies would not be higher than the price offered by Shandong Energy to any Independent Third Parties for the same type of materials under any circumstances.

In the event that the terms of provision of any materials by any Independent Third Parties are better than the terms offered by the Shandong Energy Members or if the provision of such materials by the Shandong Energy Members cannot meet the demand of the Company, the Group would be entitled to purchase any such materials from the Independent Third Parties.

Accordingly, the Directors believe that the above methods and procedures can ensure that the relevant continuing connected transactions will be conducted in accordance with the terms (including pricing policy) provided under the Proposed Provision of Materials Supply Agreement and such transactions will be conducted on normal commercial terms and in the interest of the Company and Shareholders as a whole.

### **The historical amounts, proposed annual caps and reasons**

Set out below are the annual caps and the historical transaction amounts for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 in respect of the transactions relating to the provision of materials supply:

<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 (RMB'000)</b>	<b>Actual amount (RMB'000)</b>	<b>Annual cap (RMB'000)</b>	<b>Actual amount (RMB'000)</b>	<b>Existing annual cap (RMB'000)</b>
5,370,000	3,192,930	5,840,000	3,985,238	5,480,000

As of the date of this announcement, the transaction amounts of the continuing connected transactions under the Existing Provision of Materials Supply Agreement did not exceed the existing annual cap for the financial year ending 31 December 2026.

Having considered the reasons set out below, the Board proposed that the annual amount payable by the Group to the Shandong Energy Members under the Proposed Provision of Materials Supply Agreement shall not exceed RMB9,273,000,000, RMB11,223,000,000 and RMB11,508,000,000 for the three financial years ending 31 December 2026, 2027 and 2028, respectively.

- (1) Based on the historical transaction amounts of the continuing connected transactions under the Existing Provision of Materials Supply Agreement and the current specific arrangements and needs of the Group's existing subsidiaries for the purchase of materials and supplies from the Shandong Energy Members. For the year ended 31 December 2025, the actual transaction amount of the Group's purchase of materials and supplies from the Shandong Energy Members was RMB3,985.24 million.
- (2) After the completion of the Transactions, New Energy Group will become a subsidiary of the Company, and the thermal power plants under New Energy Group will continue to purchase thermal coal from the Shandong Energy Members in accordance with the signed procurement contracts, resulting in an increase in the expected amount of continuing connected transactions under the Proposed Provision of Materials Supply Agreement. The Company estimates that for each of the three financial years ending 31 December 2026, 2027 and 2028, the amounts payable by New Energy Group to the Shandong Energy Members in respect of material supplies will be RMB4,045.90 million, RMB6,006.51 million and RMB6,109.76 million, respectively.
- (3) As certain newly constructed mines and chemical projects of the Group's subsidiaries commence production and the output of relevant products steadily increases, the procurement demand for certain materials and supplies, such as mining materials and chemical raw materials, will also increase accordingly.

### **Reasons for and benefits of entering into the Proposed Provision of Materials Supply Agreement**

Since the Shandong Energy Members will continue to provide materials to the Target Companies (which will become subsidiaries of the Company upon the completion of the Transactions) after the completion of the Transactions, the Board proposed to enter into the Proposed Provision of Materials Supply Agreement to renew and supersede the Existing Provision of Materials Supply Agreement.

The Group requires stable suppliers of mining production materials for steady business expansion. Certain materials provided by the Shandong Energy Members are better in quality than those provided by external suppliers and it is rather difficult for the Group to source materials with comparable quality, specifications and value from other external suppliers. Furthermore, since the Shandong Energy Members' production sites are close to the Group's coal mines and factories, the transportation of such materials is convenient and at a relatively lower cost.

At the same time, the Target Companies were subsidiaries of Shandong Energy prior to the Transactions and the Target Companies have been procuring materials from the Shandong Energy Members every year. Such transactions will continue after the completion of the Transactions in order to maintain the stable operations of the Target Companies, which is in line with the Company's production and operation and further business integration needs.

The Directors (excluding the independent non-executive Directors who will provide their view in the letter from the Independent Board Committee to be included in the circular to be published or despatched to the Shareholders in due course) consider that the Proposed Provision of Materials Supply Agreement, the transactions contemplated thereunder and the proposed annual caps are: (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

### **Implications under the Listing Rules**

As stated above, Shandong Energy is a controlling Shareholder and thus constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Provision of Materials Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the relevant percentage ratios for the transactions under the Proposed Provision of Materials Supply Agreement exceeds 5% on an annual basis, the Proposed Provision of Materials Supply Agreement, the transactions contemplated thereunder and the proposed annual caps are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **2. Proposed Mutual Provision of Labor and Services Agreement**

On 8 April 2025, the Company entered into the Existing Mutual Provision of Labor and Services Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. Please refer to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025 for the details of the Existing Mutual Provision of Labor and Services Agreement.

On 3 June 2026, the Company entered into the Proposed Mutual Provision of Labor and Services Agreement with Shandong Energy to renew and supersede the Existing Mutual Provision of Labor and Services Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Mutual Provision of Labor and Services Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Mutual Provision of Labor and Services Agreement becomes effective, (i) the Existing Mutual Provision of Labor and Services Agreement would be superseded with effect from 1 January 2026, and (ii) all transactions performed under the Existing Mutual Provision of Labor and Services Agreement since 1 January 2026 would be classified as the transactions performed under the Proposed Mutual Provision of Labor and Services Agreement.

Set out below are the major terms of the Proposed Mutual Provision of Labor and Services Agreement:

**Date**

3 June 2026

**Parties**

- (1) the Company; and
- (2) Shandong Energy

**Term**

Three years commencing from 1 January 2026 and expiring on 31 December 2028

**Major terms**

Provision of labor and services by the Shandong Energy Members to the Group:

Pursuant to the Proposed Mutual Provision of Labor and Services Agreement, the Shandong Energy Members have agreed to provide the Group with labor and services including repair services (building and equipment repair), construction engineering and management services, individual employee benefits (including but not limited to health check-ups, rehabilitation and therapy, social, arts, sports and entertainment services, financial difficulties subsidies, and other welfare expenses as stipulated by the PRC government), asset leasing and services, guarantee services, training services, security services (including security guard services and coal train convoy services), labor export, backup services (including canteen operation, property cleaning and catering and accommodation, etc.), informationization and technology services, mine rescue services, maintenance services of the ERP and relevant systems, and medical services (including wellhead emergency services, staff medical check-ups, occupational health record management, epidemic prevention and control, prevention and control of infectious diseases, management of sick and injury leave for staff, public health services, emergency maintenance for major public health incidents, etc.), and transportation services.

Provision of labor and services by the Group to the Shandong Energy Members:

Pursuant to the Proposed Mutual Provision of Labor and Services Agreement, the Group has agreed to provide the Shandong Energy Members with labor and services including transportation services, engineering construction and management services, maintenance services, training services, labor export, informationization and technology services, mine rescue services, chemical product sales agency services and port services.

On or before 30 November each year, the requesting party may provide to the supplying party an annual assessment of the labor or services that it may require in the coming year and the parties shall agree on an annual plan for the coming year before 31 December each year. The parties may enter into specific contracts in accordance with the terms of the Proposed Mutual Provision of Labor and Services Agreement.

### **Payment**

- (1) The payment of consideration of the Proposed Mutual Provision of Labor and Services Agreement can be settled on a one-off basis or by installment in accordance with paragraph (2) below.
- (2) Each party shall record all items payable to or from the other party in a calendar month in relation to the transactions under the Proposed Mutual Provision of Labor and Services Agreement in its accounts on or before the last Working Day of that calendar month. Save for the payments made for non-completed transactions or disputed payments, all payments incurred in a calendar month shall be settled in full by the responsible party within the next calendar month.

### **Pricing**

Provision of maintenance services (building and equipment repair services), construction engineering and management services, asset leasing and services, guarantee services, training services, transportation services, guard services in security services, backup services, informationization and technology services by the Shandong Energy Members to the Group:

The consideration shall be determined according to the Market Price (as defined below).

Provision of transportation services, engineering construction and management services, port services, maintenance services, training services, informationization and technology services by the Group to the Shandong Energy Members:

The consideration shall be determined according to the Market Price.

The Market Price shall in so far as possible be calculated and estimated before the commencement of each financial year.

“**Market Price**” shall be determined according to normal commercial terms based on the following:

- (i) the price offered by Independent Third Parties for provision of the same or similar type of services in the same or similar area or in the vicinity under normal commercial terms in the ordinary course of business of such Independent Third Parties; or
- (ii) if paragraph (i) above is not applicable, the price offered by Independent Third Parties in the PRC for provision of the same or similar type of services under normal commercial terms in the ordinary course of business of such Independent Third Parties.

To determine the Market Price, the sales department or purchase department of the Company and its designated personnel are mainly responsible for checking the prices offered by other Independent Third Parties generally through obtaining quotations from at least two Independent Third Parties via emails, fax or phone or tenders by publishing tender notice through various media resources, such as local newspapers. The sales department or purchase department of the Company will update the relevant information from time to time based on the procurement demand and continue to monitor the Market Price to ensure that each transaction is conducted in accordance with the pricing policy set out above.

With respect to the labor and services provided or received by the Group to or from the Shandong Energy Members according to the Market Price, the Company or the subsidiaries of the Company that provide or receive such labor and services would collect market data and conduct research on the market prices of similar labor and services when entering into the relevant transactions so as to ensure the price of which is fair and reasonable.

Provision of individual employee benefits services, labor export and mine rescue services by the Shandong Energy Members to the Group:

The consideration shall be determined according to the Cost Price (as defined below).

“**Cost Price**” is the transaction price determined based on the actual cost. The actual cost is the cost incurred from providing the subject matter of the transaction by the providing party. For the purpose of computing the actual cost, Shandong Energy shall provide the Company with full account books and records in respect of the costs of such services.

The individual employee benefits and mine rescue service fees to be paid shall be equal to the actual cost incurred from the provision of such services by the Shandong Energy Members.

The guard services in security services involve costs such as salaries, consumption of materials and equipment, and depreciation incurred by the Shandong Energy Members.

The price of labor export services is determined based on the remuneration and social insurance expenses for employees providing the services.

The Shandong Energy Members provide the Group with coal train convoy services under security services:

Coal train convoy services under security services are the cost of salary, material and equipment consumption and depreciation incurred by the Shandong Energy Members plus reasonable profit. Reasonable profit is normally 5% of the cost price, which is determined through commercial negotiation between the parties with reference to the general profit margin of the service industry.

Provision of maintenance services of the ERP and relevant systems by the Shandong Energy Members to the Group:

The consideration shall be determined based on the general pricing rules of the ERP and relevant systems maintenance market, using the per person per day rate as the pricing basis.

Provision of medical services by the Shandong Energy Members to the Group:	The fees for medical check-ups shall be formulated with strict reference to the fee standards of the Shandong Provincial Price Bureau and the medical fee directory of the Healthcare Security Administration of Shandong Province, and the fees for other medical services shall be measured with reference to the actual workload, the number of staff members engaged in the services, and their wages and the costs of consumables.
Provision of labor export by the Group to the Shandong Energy Members:	The consideration shall be determined based on the Cost Price (as defined above).
Provision of sales agency service of chemical products, mine rescue services provided by the Group to the Shandong Energy Members:	The consideration shall be determined based on the cost-plus method. Reasonable profit is normally 5% of the cost price, which is determined through commercial negotiation between the parties with reference to the general profit margin of the service industry.

If at any time the nationwide pricing is in force and applicable to the provision of labor and services under the Proposed Mutual Provision of Labor and Services Agreement, the price of such labor and services shall be determined in accordance with the nationwide pricing. Such nationwide pricing means the price stipulated for such agreed provision in accordance with the laws, regulations, decisions, orders or pricing policies formulated by the relevant governmental authorities in the PRC (as the case may be).

Shandong Energy has undertaken that the price of such labor and services provided to the Group would not be higher than the price offered by Shandong Energy to any Independent Third Parties for the same type of labor and services under any circumstances. The Group is not required to obtain such labor and services solely from the Shandong Energy Members. The Company has also undertaken to provide such labor and services to the Shandong Energy Members on normal commercial terms.

In order to ensure that the prices of the relevant labor and services will not be less favourable than those offered to the Group by Independent Third Parties, sales department or purchase department of the Company and its designated staff will, from time to time, collect and review the prices of other Independent Third Parties providing the same types of labor and services in the same or neighbouring areas for comparison. Quotations are generally obtained through obtaining quotations from at least two Independent Third Parties via emails, fax or phone or tenders by publishing tender notice through various media resources, such as local newspapers.

Accordingly, the Directors believe that the above methods and procedures can ensure that the relevant continuing connected transactions will be conducted in accordance with the terms (including pricing policy) provided under the Proposed Mutual Provision of Labor and Services Agreement and such transactions will be conducted on normal commercial terms and in the interest of the Company and Shareholders as a whole.

### **The historical amounts, proposed annual caps and reasons**

Set out below are the annual cap and the historical transaction amount for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 in respect of the transactions relating to the mutual provision of labor and services:

	<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>Existing annual cap</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Provision of labor and services by the Shandong Energy Members to the Group	5,662,000	3,868,450	7,571,000	5,424,562	7,203,000
Provision of labor and services by the Group to the Shandong Energy Members	1,360,000	988,610	1,810,000	1,585,900	1,865,000

As of the date of this announcement, the transaction amount of continuing connected transactions under the Existing Mutual Provision of Labor and Services Agreement did not exceed the existing annual cap for the financial year ending 31 December 2026.

Having considered the historical figures and the reasons set out below, the Board proposed that the total amounts of the service fees payable by the Group to the Shandong Energy Members under the Proposed Mutual Provision of Labor and Services Agreement shall not exceed RMB10,990,000,000, RMB9,522,000,000 and RMB9,447,000,000 for the three financial years ending 31 December 2026, 2027 and 2028, respectively, and the total amounts of the service fees payable by the Shandong Energy Members to the Group under the Proposed Mutual Provision of Labor and Services Agreement shall not exceed RMB3,448,000,000, RMB4,071,000,000 and RMB4,409,000,000 for the three financial years ending 31 December 2026, 2027 and 2028, respectively.

The proposed annual caps for the transactions under the Proposed Mutual Provision of Labor and Services Agreement are determined mainly based on the following reasons:

## **Basis of the proposed caps for labor and services provided by the Shandong Energy Members to the Group**

- (1) Based on the historical transaction amounts of the continuing connected transactions under the Existing Mutual Provision of Labor and Services Agreement and the current specific arrangements and needs of the Group's existing subsidiaries for the purchase of Labor and services from the Shandong Energy Members. For the year ended 31 December 2025, the actual transaction amount of the Shandong Energy Members providing Labor and services to the Group was RMB5,424.56 million.
- (2) It is expected that for the year ending 31 December 2026, the amount of the Group's purchase of labor and services from the Shandong Energy Members will increase to RMB10,714.33 million, representing a year-on-year increase of approximately RMB5,289.77 million compared to 2025. The main reason is that the Group has added new infrastructure mines, construction of the subsidiary office building, etc., and the demand for construction engineering services has increased. It is expected that the amount of the Group's purchase of construction engineering services from Shandong Energy Members will increase by approximately RMB4,733.57 million. At the same time, with the continuous expansion and in-depth advancement of the Group's various businesses, the demand of certain subsidiaries of the Group for the purchase of repair services, logistics services, information and ERP system technology services and transportation services from the Shandong Energy Members will also increase. The Company estimates that for the year ending 31 December 2026, the amount of the Group's purchase of the above services from the Shandong Energy Members will increase by approximately RMB558.88 million year-on-year compared to 2025.
- (3) After the completion of the Transactions, New Energy Group will become a subsidiary of the Company, and New Energy Group will continue to purchase labor and services (mainly including accommodation and meal operation services and construction engineering services) from Shandong Energy Members in 2026. The Company estimates that for each of the three financial years ending 31 December 2026, 2027 and 2028, the amounts payable by New Energy Group to the Shandong Energy Members for the purchase of labor and services will be RMB276.11 million, RMB77.11 million and RMB74.73 million, respectively.

## **Basis of the proposed caps for labor and services provided by the Group to the Shandong Energy Members**

- (1) Based on the historical transaction amounts of the continuing connected transactions under the Existing Mutual Provision of Labor and Services Agreement and the current specific arrangements and needs of the Group's existing subsidiaries for the provision of labor and services to the Shandong Energy Members. For the year ended 31 December 2025, the actual transaction amount of the Group providing labor and services to the Shandong Energy Members was RMB1,585.90 million.
- (2) It is expected that for the year ending 31 December 2026, the amount of relevant services will increase to RMB3,448 million, representing a year-on-year increase of approximately RMB1,862 million compared to 2025. The main reason is that Wubo Technology Co., Ltd. (物泊科技有限公司) (“**Wubo Technology**”), as the Group's professional logistics and freight platform, possesses strong capabilities in road transportation, waterway transportation, port agency and other businesses. Currently, Wubo Technology is actively undertaking transportation and port businesses from Shandong Energy Members, and Shandong Energy Members are gradually increasing their procurement of transportation and port services from Wubo Technology. The Company estimates that for the year ending 31 December 2026, the amount of Shandong Energy Members' procurement of the above transportation and port services from Wubo Technology will increase by approximately RMB1,456.47 million year-on-year compared to 2025. Furthermore, it is expected that in 2027 and 2028, with the continued growth of the import and export business of Shandong Energy Members and the further deepening of the cooperative relationship between the two parties, the scale of transportation and port services provided by Wubo Technology will remain stable with an upward trend, and the overall transaction amount is expected to maintain a steady growth trend.

## **Reasons for and benefits of entering into the Proposed Mutual Provision of Labor and Services Agreement**

Proposed Mutual Provision of Labor and Services Agreement effectively covers the continuous transactions between the Shandong Energy Members and the Target Companies after the completion of the Transactions, which is conducive to ensuring the stability of the operations of the Target Companies, and is in line with the Company's production and operation and further business integration needs.

As regards the provision of labor and services by the Shandong Energy Members to the Company, relying on its huge asset volume and internal demand, the Shandong Energy Members has established a strong capacity in providing services such as repair and maintenance services, construction engineering and management services, canteen operations services and security services in Shandong Province, Shaanxi Province and Inner Mongolia Autonomous Region and is an important service provider in the relevant regional market. The Group can obtain timely and stable supply from the Shandong Energy Members, thereby reducing the operating risks, which is favourable to the normal production and operation of the Group. The qualifications and quality of labor and services provided by the Shandong Energy Members have been approved and certified by governmental departments or industries, which can ensure that reliable and quality-assured labor and services are available to the Group.

As regards the provision of labor and services by the Group to the Shandong Energy Members, leveraging on the Group's advantage of centralised and bulk purchasing, the Group is able to purchase labor and services at lower prices and sell them to the Shandong Energy Members at prices no less favourable than the Market Price, which will enhance the operating income of the Group. Since the Group has professional qualification of and management experience in providing services such as training services, transportation services, repair and maintenance services and informationization and telecommunication services, the Group can enjoy operating profits by providing such services to the Shandong Energy Members at a fair price. Leveraging on its experience and advantageous technologies, the provision of professional services to the Shandong Energy Members will enable the Group to gain access to a stable sales market and generate revenue.

The Directors (excluding the independent non-executive Directors who will provide their view in the letter from the Independent Board Committee to be included in the circular to be published or despatched to the Shareholders in due course) consider that the Proposed Mutual Provision of Labor and Services Agreement, the transactions contemplated thereunder and the proposed annual caps are: (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

### **Implications under the Listing Rules**

As stated above, Shandong Energy is a controlling Shareholder, and thus constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Mutual Provision of Labor and Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the relevant percentage ratios for the provision of labor and services by the Group to the Shandong Energy Members under the Proposed Mutual Provision of Labor and Services Agreement exceeds 0.1% but below 5% on an annual basis, the proposed transactions under the Proposed Mutual Provision of Labor and Services Agreement are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but are exempt from the Independent Shareholders' approval requirements.

As the highest of the relevant percentage ratios for the provision of labor and services by the Shandong Energy Members to the Group under the Proposed Mutual Provision of Labor and Services Agreement exceeds 5% on an annual basis, the Proposed Mutual Provision of Labor and Services Agreement, the transactions contemplated thereunder and the proposed annual caps are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **3. Proposed Provision of Insurance Fund Administrative Services Agreement**

On 8 April 2025, the Company entered into the Existing Provision of Insurance Fund Administrative Services Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. For details of the Existing Provision of Insurance Fund Administrative Services Agreement, please refer to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025.

On 3 June 2026, the Company entered into the Proposed Provision of Insurance Fund Administrative Services Agreement with Shandong Energy to renew and supersede the Existing Provision of Insurance Fund Administrative Services Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Provision of Insurance Fund Administrative Services Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Provision of Insurance Fund Administrative Services Agreement becomes effective, (i) the Existing Provision of Insurance Fund Administrative Services Agreement would be superseded with effect from 1 January 2026, and (ii) all transactions performed under the Existing Provision of Insurance Fund Administrative Services Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Provision of Insurance Fund Administrative Services Agreement.

Set out below are the major terms of the Proposed Provision of Insurance Fund Administrative Services Agreement:

**Date**

3 June 2026

**Parties**

- (1) the Company; and
- (2) Shandong Energy

**Term**

Three years commencing from 1 January 2026 and expiring on 31 December 2028

**Major terms**

The Group and the Shandong Energy Members will, in accordance with the provisions of the relevant laws, rules, regulations and other regulatory documents as well as the requirements of the governmental social insurance administration, handle the administration and transfer of insurance fund for each other. In respect of such administration and transfer of insurance fund services, both parties agreed not to charge each other any service fee or advance any funds.

The Group and the Shandong Energy Members shall calculate the insurance fund payable based on the remuneration level of the relevant employees on a monthly basis in accordance with the relevant national laws and regulations and the relevant internal systems, and remit the full amount of such fund to the respective special account for such fund set up by one party for the other (the “**Special Account for Insurance Fund**”) by the end of the month. The Group and the Shandong Energy Members shall transfer the insurance fund for the employees of the other party in accordance with the relevant laws and regulations.

The Group and the Shandong Energy Members shall provide the other party with an annual explanation of the use of the funds in the Special Account for Insurance Fund, and one party shall have the right to supervise and inspect the use of the Special Account for Insurance Fund by the other party.

**Pricing**

The provision of insurance fund administrative services under the Proposed Provision of Insurance Fund Administrative Services Agreement is on a free-of-charge basis.

## **The historical amounts, estimated amounts for future years and reasons**

The historical amounts in respect of the insurance fund transferred under the free transfer services provided by Shandong Energy Members to the Group for the two financial years ended 31 December 2024 and 2025 were approximately RMB454,790,000 and RMB563,080,000, respectively. The historical amounts in respect of the insurance fund transferred under the free transfer services provided by the Group to the Shandong Energy Members for the two financial years ended 31 December 2024 and 2025 were approximately RMB261,840,000 and RMB205,560,000, respectively.

Under the Proposed Provision of Insurance Fund Administrative Services Agreement, for the three financial years ending 31 December 2026, 2027 and 2028, the amounts of insurance funds that Shandong Energy Members will administer for the Group on a free-of-charge basis will be RMB1,197 million, RMB1,228 million and RMB1,258 million, respectively. The above amounts are estimated mainly taking into account: (i) Shandong Energy will continue to provide insurance fund administrative services to New Energy Group (which will become a subsidiary of the Company upon completion of the Transactions) after the completion of the Transactions. It is expected that the amounts of insurance funds transferred under the free transfer services to New Energy Group from 2026 to 2028 will be RMB15.18 million, RMB14.94 million and RMB16.43 million, respectively; (ii) Shandong Energy Group Northwest Mining Co., Ltd. was consolidated into the Group in the second half of 2025, resulting in a small actual amount of insurance funds transferred under the free transfer services for 2025, amounting to only RMB4.76 million. For the years from 2026 to 2028, such amounts are expected to increase to RMB424.89 million, RMB438.19 million and RMB438.19 million, respectively.

In addition, based on the total payroll of relevant employees involved in the social insurance contributions and the applicable contribution ratios for the previous year, the Company estimates that under the Proposed Provision of Insurance Fund Administrative Services Agreement, for the three financial years ending 31 December 2026, 2027 and 2028, the amounts of insurance funds that the Group will administer for Shandong Energy Members on a free-of-charge basis will be RMB400 million, RMB444 million and RMB477 million, respectively. The above amounts are estimated mainly taking into account: (i) the amounts of insurance funds that the Group will administer for Shandong Energy Members on a free-of-charge basis was approximately RMB205.56 million; (ii) due to changes in the social security contribution process arising from organisational and personnel adjustments, the amount of insurance funds that the Group will administer for the employees of our connected subsidiaries has increased and (iii) in view of the year-on-year increase in the average social wage level, the Company expects that the wages of relevant employees will increase accordingly, and the contribution amounts for social insurance and housing provident fund will also increase correspondingly. It is expected that such amounts will continue to rise from 2026 to 2028.

## **Reasons for and benefits of entering into the Proposed Provision of Insurance Fund Administrative Services Agreement**

Having considered the continuous provision of insurance fund administrative services on a free-of-charge basis by Shandong Energy to the Target Companies (which will become subsidiaries of the Company upon completion of the Transactions) after completion of the Transactions, the Board considers that it is necessary to enter into the Proposed Provision of Insurance Fund Administrative Services Agreement to renew and supersede the Existing Provision of Insurance Fund Administrative Services Agreement.

Before the closing of the Transactions, insurance payments such as social insurance, housing provident fund of some employees of the Target Companies were transferred by Shandong Energy to the relevant authorities. After the closing of the Transactions, according to the relevant requirements of social insurance management, the aforesaid insurance premiums of the Target Companies will still be transferred from Shandong Energy to the relevant authorities, and in order to protect the interests of the employees, it would be the most efficient if Shandong Energy provides free transfer services of insurance payments to the Company.

The Directors (including the independent non-executive Directors) consider that the Proposed Provision of Insurance Fund Administrative Services Agreement and the transactions contemplated thereunder are: (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

### **Implications under the Listing Rules**

As stated above, Shandong Energy is a controlling Shareholder and thus constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Provision of Insurance Fund Administrative Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the insurance fund administrative services do not involve the charging of any service fees, the Proposed Provision of Insurance Fund Administrative Services Agreement and the transactions contemplated thereunder are exempt from all reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, and no annual cap is required to be set for the provision of such services.

According to the applicable Listing Rules of the Shanghai Stock Exchange and the relevant provisions of the Articles of Association of the Company, the Company will submit the resolution relating to the Proposed Provision of Insurance Fund Administrative Services Agreement and the transactions contemplated thereunder for the Independent Shareholders' approval at the General Meeting.

#### **4. Proposed Provision of Products, Materials and Asset Leasing Agreement**

On 8 April 2025, the Company entered into the Existing Provision of Products, Materials and Asset Leasing Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. Please refer to the announcement of the Company dated 8 April 2025, and the circular of the Company dated 15 May 2025 for the details of the Existing Provision of Products, Materials and Asset Leasing Agreement.

On 3 June 2026, the Company entered into the Proposed Provision of Products, Materials and Asset Leasing Agreement with Shandong Energy to renew and supersede the Existing Provision of Products, Materials and Asset Leasing Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Provision of Products, Materials and Asset Leasing Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Provision of Products, Materials and Asset Leasing Agreement becomes effective, (i) the Existing Provision of Products, Materials and Asset Leasing Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Provision of Products, Materials and Asset Leasing Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Provision of Products, Materials and Asset Leasing Agreement.

Set out below are the major terms of the Proposed Provision of Products, Materials and Asset Leasing Agreement:

##### **Date**

3 June 2026

##### **Parties**

- (1) the Company; and
- (2) Shandong Energy

##### **Term**

Three years commencing from 1 January 2026 and expiring on 31 December 2028

## **Major Terms**

Pursuant to the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Group would provide the following to the Shandong Energy Members: coal products, electricity, chemical products (methanol, glycol, acetic acid, ammonia, ammonium sulfate and other chemical products), materials (including but not limited to steel, non-ferrous metal, timber, grease and oil products, bearings, mining equipment and machineries such as hydraulic support and rubber conveyors, and other similar materials) and asset leasing (equipment, property leasing).

On or before 30 November each year, the requesting party may provide to the supplying party an annual plan of the supplies or services that it requires from the other in the coming year and the parties shall agree on the annual plan for the coming year before 31 December each year. The parties may enter into specific contracts in accordance with the terms of the Proposed Provision of Products, Materials and Asset Leasing Agreement.

## **Payment**

- (1) The payment of consideration of the Proposed Provision of Products, Materials and Asset Leasing Agreement can be settled on a one-off basis or by installment in accordance with paragraph (2) below.
- (2) Each party shall record all items payable to or from the other party in a calendar month in relation to the transactions under the Proposed Provision of Products, Materials and Asset Leasing Agreement in its accounts on or before the last Working Day of that calendar month. Save for the payments made for non-completed transactions or disputed payments, all payments incurred in a calendar month shall be settled in full by the responsible party within the next calendar month.

## **Pricing**

The price of coal products, chemical products, materials and asset leasing shall be determined according to the Market Price. The market price shall be determined according to normal commercial terms based on the following:

- (1) the price offered by Independent Third Parties for provision of the same or similar type of products or services in the same or similar area or in the vicinity under normal commercial terms in the ordinary course of business of such Independent Third Parties; or
- (2) if the foregoing (1) is not applicable, the price offered by Independent Third Parties in the PRC for provision of the same or similar type of products or services under normal commercial terms in the ordinary course of business of such Independent Third Parties.

To determine the Market Price, the sales department of the Company and its designated personnel are mainly responsible for checking the prices offered by other Independent Third Parties generally through obtaining quotations from at least two Independent Third Parties via emails, fax or phone or tenders by publishing tender notice through various media resources, such as local newspapers. The sales department of the Company will update the relevant information from time to time based on the procurement demand and continue to monitor the Market Price to ensure that each transaction is conducted in accordance with the pricing policy set out above.

The price of electricity shall be determined with reference to the electricity trading price in the electricity spot market of Shandong Province and would be settled according to the actual usage of electricity by the Shandong Energy Members.

If at any time the nationwide pricing is in force and applicable to the products and services under the Proposed Provision of Products, Materials and Asset Leasing Agreement, the price of such products and services shall be determined in accordance with the nationwide pricing. Such nationwide pricing means the price stipulated for such agreed provision in accordance with the laws, regulations, decisions, orders or pricing policies formulated by the relevant governmental authorities in the PRC (as the case may be).

Accordingly, the Directors believe that the above methods and procedures can ensure that the relevant continuing connected transactions will be conducted in accordance with the terms (including pricing policy) provided under the Proposed Provision of Products, Materials and Asset Leasing Agreement and such transactions will be conducted on normal commercial terms and in the interest of the Company and Shareholders as a whole.

#### **The historical amounts, proposed annual caps and reasons**

Set out below are the annual caps and the historical transaction amounts for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 in respect of the transactions relating to the provision of products, materials and asset leasing:

<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 (RMB'000)</b>	<b>Actual amount (RMB'000)</b>	<b>Annual cap (RMB'000)</b>	<b>Actual amount (RMB'000)</b>	<b>Existing annual cap (RMB'000)</b>
14,532,000	8,696,270	15,261,000	12,261,155	16,872,000

As of the date of this announcement, the transaction amounts of the continuing connected transactions under the Existing Provision of Products, Materials and Asset Leasing Agreement did not exceed the existing annual cap for the financial year ending 31 December 2026. Having considered the reasons set out below, the Board proposed that the annual amount payable by the Shandong Energy Members to the Company under the Proposed Provision of Products, Materials and Asset Leasing Agreement shall not exceed RMB18,684 million, RMB19,936 million and RMB20,732 million for the three financial years ending 31 December 2026, 2027 and 2028, respectively.

- (1) Based on the historical transaction amounts of the continuing connected transactions under the Existing Provision of Products, Materials and Asset Leasing Agreement and the current specific arrangements and needs of the Group's existing subsidiaries for the provision of products and services to the Shandong Energy Members under this continuing connected transaction. For the year ended 31 December 2025, the actual transaction amount paid by the Shandong Energy Members to the Group under the Existing Provision of Products, Materials and Asset Leasing Agreement was approximately RMB12,261.16 million.
- (2) For the year ended 31 December 2025, the actual transaction amount of coal sales by the Group to the Shandong Energy Members under the Existing Provision of Products, Materials and Asset Leasing Agreement was approximately RMB10,173.49 million. It is expected that this transaction amount will continue to grow in 2026, 2027 and 2028. The main reason is that the coal production scale of the Company and its subsidiaries continued to expand. In order to ensure the release of coal production capacity and improve coal sales efficiency, the Group increased sales efforts to internal customers such as Shandong Energy Members and actively expanded internal sales channels. The Group has commenced sales to several Shandong Energy Members with actual coal procurement needs, and preliminary cooperation intentions have been reached for some other partnerships. It is anticipated that the above cooperation will positively drive the coal sales revenue of the Group for the next three financial years. The Company estimates that for each of the three financial years ending 31 December 2026, 2027 and 2028, the amounts of coal purchases by Shandong Energy Members from the Group will be RMB14,670.19 million, RMB15,705.40 million and RMB16,283.87 million, respectively.
- (3) Based on currently reached cooperation intentions, the Group's sales of chemical products such as methanol to chemical enterprises under Shandong Energy have increased. It is estimated that for the three financial years ending 31 December 2026, 2027 and 2028, the relevant amounts will increase by RMB597.93 million, RMB539.80 million and RMB544.49 million, respectively.

## **Reasons for and benefits of entering into the Proposed Provision of Products, Materials and Asset Leasing Agreement**

As Shandong Energy is in close proximity to the Company and the Company can obtain Shandong Energy's demand plan more easily and the provision of products and materials by the Group to the Shandong Energy Members at Market Price can enable the Group to achieve a stable sales market and reduce management and operational costs of the Group. Meanwhile, the Group's materials supply centre has the qualification for materials and equipment distribution. Hence, it is able to purchase materials and equipment at a lower wholesale price, and subsequently resell to the Shandong Energy Members at the Market Price, thereby increasing the Company's operating profit. Furthermore, the Group's equipment management centre can provide equipment leasing to the Shandong Energy Members under normal commercial terms based on its operation needs and thus could effectively control the risks of leasing business and achieve economic benefits.

The Directors (excluding the independent non-executive Directors who will provide their view in the letter from the Independent Board Committee to be included in the circular to be published or despatched to the Shareholders in due course) consider that the Proposed Provision of Products, Materials and Asset Leasing Agreement, the transactions contemplated thereunder and the proposed annual caps are: (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

### **Implications under the Listing Rules**

As stated above, Shandong Energy is a controlling Shareholder, and thus constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Provision of Products, Materials and Asset Leasing Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the relevant percentage ratios for the transactions under the Proposed Provision of Products, Materials and Asset Leasing Agreement exceeds 5% on an annual basis, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the transactions contemplated thereunder and the proposed annual caps are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **5. Proposed Bulk Commodities Sale and Purchase Agreement**

On 8 April 2025, the Company entered into the Existing Bulk Commodities Sale and Purchase Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. Please refer to the announcements of the Company dated 8 April 2025, and the circulars of the Company dated 15 May 2025 for the details of the Existing Bulk Commodities Sale and Purchase Agreement.

On 3 June 2026, the Company entered into the Proposed Bulk Commodities Sale and Purchase Agreement with Shandong Energy to renew and supersede the Existing Bulk Commodities Sale and Purchase Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Bulk Commodities Sale and Purchase Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Bulk Commodities Sale and Purchase Agreement becomes effective, (i) the Existing Bulk Commodities Sale and Purchase Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Bulk Commodities Sale and Purchase Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Bulk Commodities Sale and Purchase Agreement.

Set out below are the major terms of the Proposed Bulk Commodities Sale and Purchase Agreement:

### **Date**

3 June 2026

### **Parties**

- (1) the Company; and
- (2) Shandong Energy

## **Term**

Three years commencing from 1 January 2026 and expiring on 31 December 2028

## **Major terms**

Under the Proposed Bulk Commodities Sale and Purchase Agreement, the Group and the Shandong Energy Members may, from time to time, sell or purchase coal, iron ores, rubber and other bulk commodities from each other.

On or before 30 November each year, the requesting party may provide to the supplying party an annual assessment of the supplies that it requires from the other in the coming year and the parties shall agree on the annual plan for the coming year before 31 December each year. The parties may enter into specific contracts in accordance with the terms of the Proposed Bulk Commodities Sale and Purchase Agreement.

## **Payment**

- (1) The payment of consideration of the Proposed Bulk Commodities Sale and Purchase Agreement can be settled on a one-off basis or by installment in accordance with paragraph (2) below.
- (2) Each party shall record all items payable to or from the other party in a calendar month in relation to the transactions under the Proposed Bulk Commodities Sale and Purchase Agreement in its accounts on or before the last Working Day of that calendar month. Save for the payments made for non-completed transactions or disputed payments, all payments incurred in a calendar month shall be settled in full by the responsible party within the next calendar month.

## **Pricing**

The prices of coal, iron ores, rubber and other bulk commodities shall be determined according to the Market Price. The market price shall be determined according to normal commercial terms based on the following:

- (1) the price offered by Independent Third Parties for provision of the same or similar type of bulk commodities in the same or similar area or in the vicinity under normal commercial terms in the ordinary course of business of such Independent Third Parties;
- (2) if the foregoing is not applicable, the price offered by Independent Third Parties in the PRC for provision of the same or similar type of bulk commodities under normal commercial terms in the ordinary course of business of such Independent Third Parties; and
- (3) If any national pricing policy becomes effective and applicable to any bulk commodities under the purchase and sale agreement at any time, the parties agree that the agreed purchase and sale price of such bulk commodities is subject to such national pricing policy.

To determine the Market Price, the sales department or purchase department of the Company and its designated personnel are mainly responsible for checking the prices offered by other Independent Third Parties generally through obtaining quotations from at least two Independent Third Parties via emails, fax or phone or tenders by publishing tender notice through various media resources, such as local newspapers. The sales department or purchase department of the Company will update the relevant information from time to time based on the procurement demand and continue to monitor the Market Price to ensure that each transaction is conducted in accordance with the pricing policy set out above.

Shandong Energy has undertaken that the price of such bulk commodities would not be higher than the price offered by Shandong Energy to any Independent Third Parties for the same type of bulk commodities under any circumstances.

In the event that the terms or conditions in respect of the supply or purchase of similar bulk commodities by any Independent Third Parties are better than those offered by the Shandong Energy Members, or if the provision of such bulk commodities by the Shandong Energy Members cannot meet the demand of the Company (including quantity and quality), the Company would be entitled to purchase any such bulk commodities from Independent Third Parties or sale any bulk commodities to Independent Third Parties.

If at any time the nationwide pricing is in force and applicable to a certain agreed bulk commodity under the Proposed Bulk Commodities Sale and Purchase Agreement, both parties agree that the agreed price of such bulk commodity shall be determined in accordance with the nationwide pricing. Such nationwide pricing means the price stipulated for such agreed bulk commodities in accordance with the laws, regulations, decisions, orders or pricing policies formulated by the relevant governmental authorities in the PRC.

Accordingly, the Directors believe that the above methods and procedures can ensure that the relevant continuing connected transactions will be conducted in accordance with the terms (including pricing policy) provided under the Proposed Bulk Commodities Sale and Purchase Agreement and such transactions will be conducted on normal commercial terms and in the interest of the Company and Shareholders as a whole.

## The historical amounts, proposed annual caps and reasons

Set out below are the annual cap and the historical transaction amount for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 in respect of the transactions relating to the bulk commodities sale and purchase:

Category	For the year ended 31 December 2024		For the year ended 31 December 2025		For the year ending 31 December 2026 Existing annual cap
	Annual cap (RMB'000)	Actual amount (RMB'000)	Annual cap (RMB'000)	Actual amount (RMB'000)	(RMB'000)
	Sales of bulk commodities from the Group to the Shandong Energy Members	8,000,000	3,653,970	8,223,000	2,562,041
Sales of bulk commodities from the Shandong Energy Members to the Group	4,439,000	2,651,780	11,683,000	4,562,397	19,209,000

As of the date of this announcement, the transaction amounts of the continuing connected transactions under the Existing Bulk Commodities Sale and Purchase Agreement did not exceed the existing annual cap for the financial year ending 31 December 2026.

Set out below are the proposed annual caps for each transaction category under the Proposed Bulk Commodities Sale and Purchase Agreement for each of the three financial years ending 31 December 2028.

Having considered the historical figures and the reasons set out below, the Board proposed that the proposed annual caps for each transaction category under the Proposed Bulk Commodities Sale and Purchase Agreement for the three financial years ending 31 December 2026, 2027 and 2028 are set out below:

Category	Annual cap for the year ending 31 December 2026 (RMB million)	Annual cap for the year ending 31 December 2027 (RMB million)	Annual cap for the year ending 31 December 2028 (RMB million)
Sales of bulk commodities from the Group to the Shandong Energy Members	6,217	8,376	8,443
Sales of bulk commodities from the Shandong Energy Members to the Group	8,000	9,000	10,000

The proposed annual caps for each transaction category under the Proposed Bulk Commodities Sale and Purchase Agreement are determined mainly based on the following reasons:

**Basis of the proposed caps for sales of bulk commodities by the Group to the Shandong Energy Members**

- (1) Based on the historical transaction amounts of the continuing connected transactions under the Existing Bulk Commodities Sale and Purchase Agreement and the current specific arrangements and future estimated business needs of the Group's existing subsidiaries for the sale of bulk commodities to the Shandong Energy Members. For the year ended 31 December 2025, the actual transaction amount of the Group's sale of bulk commodities to the Shandong Energy Members was approximately RMB2,562.04 million.
- (2) Yancoal Australia Limited (兗煤澳大利亞有限公司) ("**Yancoal Australia**"), a subsidiary of the Group, in order to achieve better returns, intends to increase the volume of coal sold to the domestic market of China and utilise the trading companies under Shandong Energy to expand sales channels. It is expected that the sales amount to the trading companies under Shandong Energy will increase by RMB1,831.40 million, RMB4,221.75 million and RMB4,221.75 million for the years from 2026 to 2028, respectively.
- (3) According to the business development plans of certain thermal power plants and chemical plants under Shandong Energy, it is expected that the demand for coal will continue to increase. Based on their coal procurement plans and the sales intentions already reached with the Group's subsidiary trading companies, it is expected that the coal sales amount to such Shandong Energy Members will increase by RMB830.38 million, RMB908.47 million and RMB908.47 million for the years from 2026 to 2028, respectively.

## **Basis of the proposed caps for sales of bulk commodities by the Shandong Energy Members to the Group**

- (1) Based on the historical transaction amounts of the continuing connected transactions under the Existing Bulk Commodities Sale and Purchase Agreement and the current specific arrangements and future estimated business needs of the Group's existing subsidiaries for the purchase of bulk commodities from the Shandong Energy Members. For the year ended 31 December 2025, the actual transaction amount of the Group's purchase of bulk commodities from the Shandong Energy Members was approximately RMB4,562.40 million.
- (2) The Group's subsidiary trading companies intend to leverage the supply sources of the controlling shareholder and their own sales channel advantages to expand the scale of coal trading, creating new procurement demand for bulk commodities.

## **Reasons for and benefits of entering into the Proposed Bulk Commodities Sale and Purchase Agreement**

The entering into of the Proposed Bulk Commodities Sale and Purchase Agreement will help to alleviate the impact of economic cycle fluctuations on the business performance of the Group, enlarge the overall operating scale and improve the profitability of the Group. Furthermore, the Proposed Bulk Commodities Sale and Purchase Agreement will enable the Group and the Shandong Energy Members to share the suppliers and customers in their respective resourcing and distribution channels which cover different areas, and thus bringing the advantages of both the Group and the Shandong Energy Members in their resourcing and distribution channels into full play, thereby creating a synergistic effect that could expand the trading size, improve the sales volume and improve the revenue of both parties.

In addition, as the Company has a better understanding in the operation and reputation of the Shandong Energy Members, the Company believes that the risk of trading with the Shandong Energy Members is lower than trading with Independent Third Parties. By purchasing bulk commodities from the Shandong Energy Members, the Group could secure a long-term and stable source of supply. By selling bulk commodities to the Shandong Energy Members, the Company could ensure the safety of the transactions, including payment recoveries. Collectively, this could reduce the operational risks of the entire trading business of the Group.

Under the Proposed Bulk Commodities Sale and Purchase Agreement, the coal, iron ores, rubber and other types of bulk commodities purchased by the Group from the Shandong Energy Members are of different sources, batches, types or models from the coal, iron ores, rubber and other types of bulk commodities sold by the Group to the Shandong Energy Members. No cross selling will be made under the Proposed Bulk Commodities Sale and Purchase Agreement.

The Directors (excluding the independent non-executive Directors who will provide their view in the letter from the Independent Board Committee to be included in the circular to be published or despatched to the Shareholders in due course) consider that the Proposed Bulk Commodities Sale and Purchase Agreement, the transactions contemplated thereunder and the proposed annual caps thereunder are (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

### **Implications under the Listing Rules**

As mentioned above, Shandong Energy is a controlling shareholder and therefore constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Bulk Commodities Sale and Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the relevant percentage ratios in respect of the transactions under the Proposed Bulk Commodities Sale and Purchase Agreement exceeds 5% on an annual basis, the Proposed Bulk Commodities Sale and Purchase Agreement, the transactions contemplated thereunder and the proposed annual caps thereunder are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **6. Proposed Finance Lease and Factoring Agreement**

On 8 April 2025, the Company entered into the Existing Finance Lease and Factoring Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. For details of the Existing Finance Lease and Factoring Agreement, please refer to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025.

On 3 June 2026, the Company entered into the Proposed Finance Lease and Factoring Agreement with Shandong Energy to renew and supersede the Existing Finance Lease and Factoring Agreement on substantially the same terms, meanwhile, the scope of services will be expanded by including the provision of factoring services by the Group to the Shandong Energy Members in the Proposed Finance Lease and Factoring Agreement.

Unless otherwise agreed by the parties in writing, the Proposed Finance Lease and Factoring Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Finance Lease and Factoring Agreement becomes effective, (i) the Existing Finance Lease and Factoring Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Finance Lease and Factoring Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Finance Lease and Factoring Agreement.

Set out below are the major terms of the Proposed Finance Lease and Factoring Agreement:

**Date**

3 June 2026

**Parties**

- (1) the Company; and
- (2) Shandong Energy

**Term**

Three years commencing from 1 January 2026 and expiring on 31 December 2028

**Main Arrangements of the Finance Leasing and Factoring Service**

Under the Proposed Finance Lease and Factoring Agreement, the Company will provide finance leasing services (including direct leasing and sale-leaseback), factoring and related services to the Shandong Energy Members.

The leased assets under the Proposed Finance Lease and Factoring Agreement include machinery and equipment, facilities and other movable and immovable properties.

Under the direct finance leasing service, the Company or its subsidiaries (as lessor) will purchase the leased assets based on the demands and requirements of the Shandong Energy Members (as lessee) from Independent Third-party suppliers, and will then lease the leased assets to the Shandong Energy Members for their use in return for periodic lease payments. The ownership of the leased assets will be solely vested in the Company or its subsidiaries during the lease period. The Shandong Energy Members could choose to purchase the leased assets after expiry of the lease or upon the consent of the Company or its subsidiaries prior to the expiry of the lease, subject to compliance with the then relevant requirements of the regulatory rules of the place of listing of the Company.

Under the sale-leaseback service, the Shandong Energy Members (as lessee) will sell the leased assets to the Company or its subsidiaries (as lessor) at a negotiated purchase price with reference to the book value, the appraisal value, and/or the original acquisition costs of the leased assets, and the Company or its subsidiaries will then lease the leased assets back to the Shandong Energy Members for their use in return for periodic lease payments. The ownership of the leased assets will be solely vested in the Company or its subsidiaries during the lease period. The Shandong Energy Members could choose to purchase the leased assets after expiry of the lease or upon the consent of the Company or its subsidiaries prior to the expiry of the lease, subject to compliance with the then relevant requirements under the Listing Rules.

The Company or its subsidiaries intend to pay the purchase price for the leased assets by way of its internal funds and financing funds. The principal amount of each finance leasing service will be equal to the respective purchase price of the leased assets. The principal and interest with respect to the provision of finance leasing service will be paid by the Shandong Energy Members according to the equal-principal or average-capital-plus interests standard on a quarterly basis. The Company or its subsidiaries will also charge commission fees or consulting fees with respect to the provision of finance leasing service. Such commission fees or consulting fees will be paid by the Shandong Energy Members to the Company or its subsidiaries in a lump sum upon or prior to the Company or its subsidiaries' payment of the consideration for the transfer of the leased assets.

In addition, the Group will provide factoring services for the accounts receivable with recourse to the Shandong Energy Members.

### **Separate Individual Agreement(s)**

With respect to the provision of each Finance Leasing and Factoring Service, the Company or its subsidiaries and the Shandong Energy Members will enter into separate individual agreement(s) pursuant to the Proposed Finance Lease and Factoring Agreement and the transactions contemplated thereunder shall be conducted on normal commercial terms or better and no less favourable to the Company than the same offered by the Shandong Energy Members to Independent Third Parties for receiving comparable finance leasing or factoring service. The term of the separate individual agreement(s) may exceed the term of the Proposed Finance Lease and Factoring Agreement subject to the domestic and overseas approval procedures for connected transactions.

### **Pricing of Finance Lease Services**

The interest rate and relevant fees to be agreed for the finance leasing service shall be fair and reasonable and on normal commercial terms or better. In particular, when determining the effective interest rate, the Company shall make reference to the following non-exhaustive factors:

- (1) The lowest interest rate shall be the yield of treasury bonds with the same tenor, and the highest interest rate shall be 150 basis points above the quoted interest rate on the loan market for the same period announced by the National Interbank Funding Center;
- (2) all other relevant fees, including the annual commission fees and consulting fees not higher than 1% of the principal per annum of the relevant finance lease agreement; and
- (3) The rentals under the financial leasing services shall be paid by Shandong Energy Members to the Company or its subsidiaries on a quarterly basis through equal principal payment method or equal installment payment method. The handling fee and consultancy fee shall be collected in a single lump-sum payment on or before the date of lease asset transfer payment.

The Company and its subsidiaries will consider the above factors and ensure that the overall terms and conditions for providing the finance leasing service, including the effective interest rates and fees as well as payment conditions and other material terms, are no less favourable to the Company and its subsidiaries than the same offered by the Shandong Energy Members to Independent Third Parties for receiving comparable finance leasing service.

### **Pricing of Factoring Service**

The factoring service provided by the Group to the Shandong Energy Members under the Proposed Finance Lease and Factoring Agreement will be conducted on normal or better commercial terms. The process of determining the pricing of the factoring service is set out as follows:

- (1) The Shandong Energy Members will transfer the amount to the Company or its subsidiaries at a price determined through negotiation based on the book value or appraised value of accounts receivable, and the Company or its subsidiaries will provide them with a series of services such as fund financing, purchaser's credit rating, sales account management, credit risk guarantee, and account collection;
- (2) During the validity period of the Proposed Finance Lease and Factoring Agreement, the lowest interest rate implemented for the factoring and other services provided by the Company or its subsidiaries to the Shandong Energy Members is the yield of the same term government bonds, and the highest interest rate is 150 basis points higher than the quoted market lending rate published by the National Interbank Funding Center at the same period; and
- (3) The commission fees or consulting fees for the factoring and other services provided by the Company or its subsidiaries to the Shandong Energy Members shall be charged at a rate not higher than 1% of the principal of the financing every year. The commission fees or consulting fees shall be charged in one lump sum on or before the date of paying the transfer price of accounts receivable.

## The historical amounts, proposed annual caps and reasons

Set out below are the annual cap and the historical transaction amount for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 in respect of the transactions in respect of the provision of finance lease and factoring services by the Group to the Shandong Energy Members:

Category	For the year ended 31 December 2024		For the year ended 31 December 2025		For the year ending 31 December 2026
	Annual cap	Actual amount	Annual cap	Actual amount	Annual cap
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Maximum transaction amount <sup>1</sup>	1,000,000	1,000,000	2,000,000	550,000	5,250,000
Maximum interest and fees payment <sup>2</sup>	85,000	1,890	170,000	14,090	268,000
<b>Total</b>	<b>1,085,000</b>	<b>1,001,890</b>	<b>2,170,000</b>	<b>564,090</b>	<b>5,518,000</b>

*Note 1* i.e., the aggregate of the highest daily outstanding principal amount under the finance lease services provided to the Shandong Energy Members, and the highest daily balance of principal receivable transferred by the Shandong Energy Members to the Group under factoring services, at any time point during the year

*Note 2* i.e., the aggregate amount of the interests, commission fees and the consulting fees

As of the date of this announcement, the transaction amounts of the continuing connected transactions under the Existing Finance Lease and Factoring Agreement did not exceed the existing annual cap for the financial year ending 31 December 2026.

Set out below are the proposed annual caps under the Proposed Finance Lease and Factoring Agreement for each of the three financial years ending 31 December 2028.

Category	Annual cap for the year ending 31 December 2026 (RMB million)	Annual cap for the year ending 31 December 2027 (RMB million)	Annual cap for the year ending 31 December 2028 (RMB million)
Maximum transaction amount <sup>3</sup>	5,250	8,400	11,025
Maximum interest and fees payment <sup>4</sup>	268	428	562
<b>Total</b>	<b>5,518</b>	<b>8,828</b>	<b>11,587</b>

*Note 3* i.e., the aggregate of the highest daily outstanding principal amount under the finance lease services provided to the Shandong Energy Members, and the highest daily balance of principal receivable transferred by the Shandong Energy Members to the Group under factoring services, at any time point during the year

*Note 4* i.e., proposed annual cap for the aggregate of interests, commission fees and the consulting fees

The proposed annual caps were determined with reference to the fact that the existing business for finance leasing and factoring services of the Shandong Energy Members provided by the Group will be continued in the coming years, and that new finance leasing and commercial factoring business demands will arise.

For the year ended 31 December 2025, the actual daily outstanding principal amount under the finance leasing and factoring services provided by the Group to the Shandong Energy Members was RMB550 million, and the aggregate interests, commission fees and consulting fees during the period amounted to RMB14.09 million. This was due to the fact that, impacted by factors such as the progress of certain project constructions, the funding needs of the Shandong Energy Members have decreased.

The Company expects that such amounts will increase significantly in 2026, 2027 and 2028, mainly due to the following reasons:

- (1) The existing business of providing finance leasing and factoring services by the Group to the Shandong Energy Members will continue to be carried out in the coming years;
- (2) Yankuang Xinjiang Energy and Chemical Co., Ltd. (“**Xinjiang Energy and Chemical**”), a connected subsidiary of the Company, plans to construct new mines and chemical projects and has substantial funding needs. It has reached a cooperation intention with Yankuang Financial Leasing Company Limited (a subsidiary of the Company engaged in finance leasing business). As the construction of the Wucaiwan coal mine project and the 800,000-tonne olefin project of Xinjiang Energy and Chemical progresses, the amounts of project and equipment payments to be made are gradually increasing. It is expected that in 2026, Yankuang Financial Leasing Company Limited will carry out newly added finance leasing and factoring services with Xinjiang Energy and Chemical and its subsidiaries of approximately RMB3.0 billion, and will continue to add approximately RMB2.5 billion and RMB2.0 billion in 2027 and 2028, respectively;
- (3) Yankuang Financial Leasing Company Limited has reached cooperation intentions with certain connected subsidiaries of the Company (including but not limited to Shandong Energy Group Northwest Mining Co., Ltd.) that have equipment renewal needs in the future. It is expected that from 2026 to 2028, it will provide newly added finance leasing services to such companies each year to support their equipment renewal plans.

## **Reasons for and benefits of entering into the Proposed Finance Lease and Factoring Agreement**

By the provision of the finance leasing and factoring service to the Shandong Energy Members, the subsidiaries of the Company engaged in financial leasing and factoring business will be able to conduct centralized procurement of equipment and financing to improve the Group's bargaining advantage over equipment procurement and credit financing and to improve the profitability and competitiveness of the Group. Meanwhile, the provision of asset leasing services to Shandong Energy on normal commercial terms will enable the Group to effectively control the risks of its financial leasing business, and the interest payment generated from the finance leasing service (after deducting the financing costs) will enable the Group to obtain a stable cash flow.

The Directors (excluding the independent non-executive Directors who will provide their view in the letter from the Independent Board Committee to be included in the circular to be published or despatched to the Shareholders in due course) consider that the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and the proposed annual caps are: (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

## **Implications under the Listing Rules**

As stated above, Shandong Energy is a controlling Shareholder and thus constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Finance Lease and Factoring Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the relevant percentage ratios for the transactions under the Proposed Finance Lease and Factoring Agreement exceeds 5% on an annual basis, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and the proposed annual caps are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **7. Proposed Entrusted Management Service Framework Agreement**

On 8 April 2025, the Company entered into the Existing Entrusted Management Service Framework Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. For details of the Existing Entrusted Management Service Framework Agreement, please refer to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025.

On 3 June 2026, the Company entered into the Proposed Entrusted Management Service Framework Agreement with Shandong Energy to renew and supersede the Existing Entrusted Management Service Framework Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Entrusted Management Service Framework Agreement shall take effect upon execution by the respective legal representatives or the authorised representatives of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Entrusted Management Service Framework Agreement becomes effective, (i) the Existing Entrusted Management Service Framework Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Entrusted Management Service Framework Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Entrusted Management Service Framework Agreement.

Set out below are the major terms of the Proposed Entrusted Management Service Framework Agreement:

### **Date**

3 June 2026

### **Parties**

- (1) the Company; and
- (2) Shandong Energy

### **Term**

Three years commencing from 1 January 2026 and expiring on 31 December 2028

## **Major terms**

Pursuant to the Proposed Entrusted Management Service Framework Agreement, the Group will provide management services to the Shandong Energy Members in relation to the target assets. The service scope includes but is not limited to, strategic management, industrial development, major safety technology management, management of related production and operation, and product sales, as well as undertaking the regulatory responsibility for major safety and environmental protection issues of target assets as required by laws.

The parties will determine the specific scope of target assets for entrusted management, the authorization relating to the management of specific assets and entrusted management fees through separate negotiation, which shall be clarified in an entrusted management implementation agreement and may be adjusted under the framework of the Proposed Entrusted Management Service Framework Agreement through negotiation.

During the period of entrusted management, the ownership of target assets remains unchanged, the ownership of and revenue from target assets shall be vested to the Shandong Energy Members, and Shandong Energy Members are entitled to participate in the decision-making on the overall design, planning and coordinated development of target assets.

During the period of entrusted management, the target assets will not be consolidated into the financial statements of the Company or its subsidiaries. The Group will be entitled to the entrusted management fee in relation to the management services provided during the period of entrusted management.

## **Pricing**

During the term of the Proposed Entrusted Management Service Framework Agreement, the accumulated entrusted management fee received by the Group from the Shandong Energy Members in relation to the target assets shall not exceed RMB60 million.

The specific entrusted management fee for target assets will be determined according to the status of target assets, the Group's expenses arising from entrusted management and the profitability of target assets.

If any national pricing policy becomes effective and applicable to any agreed entrusted management issues, the specific entrusted management fee for target assets is subject to such national pricing. National pricing means the price of entrusted management provided by the laws, regulations, decisions, orders or pricing policies issued by competent governmental authorities of the PRC (as the case may be).

## Payment

The entrusted management fee shall be paid on an annual basis, and the details shall be determined by the parties according to the conditions of target assets through separate negotiation.

### The historical amounts, proposed annual caps and reasons

Set out below are the annual cap and the historical transaction amount for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 in respect of the transactions relating to the entrusted management service:

For the year ended 31 December 2024		For the year ended 31 December 2025		For the year ending 31 December 2026
Annual cap (RMB'000)	Actual amount (RMB'000)	Annual cap (RMB'000)	Actual amount (RMB'000)	Existing annual cap (RMB'000)
60,000	41,700	60,000	23,267	60,000

As of the date of this announcement, the transaction amounts of the continuing connected transactions under the Existing Entrusted Management Service Framework Agreement did not exceed the existing annual cap for the financial year ending 31 December 2026.

Having considered the following factors, the Board proposed that the proposed annual caps for the entrusted management fees for each of the financial years ending 31 December 2026, 2027 and 2028 are RMB60 million:

- (1) The historical transaction amounts of the continuing connected transactions under the Existing Entrusted Management Service Framework Agreement and the operational arrangements of the Group's existing subsidiaries for managing the units under Shandong Energy and collecting corresponding management service fees. For the year ended 31 December 2025, the actual transaction amount of the Group's provision of management services to the Shandong Energy Members was RMB23.27 million.
- (2) Certain subsidiaries of the Company (including but not limited to Shandong Coal Science and Technology Research Institute and Yankuang Financial Leasing Company Limited) are expected to be entrusted with the management of certain units of Shandong Energy and will collect management service fees based on a fixed fee plus revenue sharing. According to the annual operating plans of these entrusted units, their operating income is expected to increase year-on-year, and the management service fees will also increase accordingly. Meanwhile, the Group expects to be entrusted with the management of additional coal and chemical units under Shandong Energy that are business-related to the Group, and the corresponding entrusted management fees will increase accordingly.

- (3) After the Transactions, New Energy Group will become a subsidiary of the Company. It is expected that it will be entrusted with the management of certain member companies of Shandong Energy (including but not limited to Shandong Luhua Clean Energy Co., Ltd. and Tengzhou Fuyuan Low-Heat Value Fuel Thermal Power Co., Ltd.). The expected entrusted management fees are approximately RMB10 million per year.

### **Reasons for and benefits of entering into the Proposed Entrusted Management Service Framework Agreement**

By conducting the transactions under the Proposed Entrusted Management Service Framework Agreement, the Company can bring its advantages in resources and professional management in relevant industries into full play, avoid horizontal competition in relevant industries, promote the resource sharing and synergy between the Group and the Shandong Energy Members, tap into the scale advantages, enhance the market competitiveness of the Group in relevant industries, and further improve the economic benefits of the Company.

The Directors (including the independent non-executive Directors) consider that the Proposed Entrusted Management Service Framework Agreement, the transactions contemplated thereunder and the proposed annual cap thereunder are (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

### **Implications under the Listing Rules**

As stated above, Shandong Energy is a controlling Shareholder and thus constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Entrusted Management Service Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the relevant percentage ratios in respect of the transactions under the Proposed Entrusted Management Service Framework Agreement is less than 0.1% on an annual basis, the Proposed Entrusted Management Service Framework Agreement, the transactions contemplated thereunder and the proposed annual caps are exempt from reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

According to the applicable Listing Rules of the Shanghai Stock Exchange and the relevant provisions of the Articles of Association of the Company, the Company will submit the resolution relating to the Proposed Entrusted Management Service Framework Agreement and the transactions contemplated thereunder for the Independent Shareholders' approval at the General Meeting.

## **8. Proposed Shandong Energy Financial Services Agreement**

On 8 April 2025, Shandong Energy Finance Company entered into the Existing Shandong Energy Financial Services Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. For details of the Existing Shandong Energy Financial Services Agreement, please refer to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025.

On 3 June 2026, Shandong Energy Finance Company entered into the Proposed Shandong Energy Financial Services Agreement with Shandong Energy to renew and supersede the Existing Shandong Energy Financial Services Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Shandong Energy Financial Services Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Shandong Energy Financial Services Agreement becomes effective, (i) the Existing Shandong Energy Financial Services Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Shandong Energy Financial Services Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Shandong Energy Financial Services Agreement.

Set out below are the major terms of the Proposed Shandong Energy Financial Services Agreement:

### **Date**

3 June 2026

### **Parties**

- (1) Shandong Energy Finance Company; and
- (2) Shandong Energy

## **Major Terms and Pricing Policy**

Pursuant to the Proposed Shandong Energy Financial Services Agreement, (1) Shandong Energy Finance Company shall provide financial services to the Shandong Energy Members; and (2) Shandong Energy Finance Company shall subscribe for/purchase money funds distributed by Zhongtai Securities, with Shandong Energy Finance Company paying management fees, sales service fees, or other service charges to Zhongtai Securities.

(1) Shandong Energy Finance Company will provide the following financial services to the Shandong Energy Members:

### ***(i) Deposit services***

Shandong Energy Finance Company shall provide deposit services to the Shandong Energy Members in accordance with normal commercial terms with a maximum daily balance (including accrued interests) of not exceeding RMB62.5 billion during the term of the Proposed Shandong Energy Financial Services Agreement.

The interest rate for the Shandong Energy Members' deposit with Shandong Energy Finance Company shall comply with relevant regulations of the People's Bank of China ("PBOC") and be determined on normal commercial terms with reference to the deposit benchmark interest rate promulgated by the PBOC periodically (if any), and the interest rate offered by the general commercial banks for the provision of same type of deposit services.

### ***(ii) Comprehensive credit facility services***

Shandong Energy Finance Company shall provide comprehensive credit facilities (including but not limited to loans, bill acceptance and discounting, non-financing guarantees, etc.) to the Shandong Energy Members with a maximum daily balance (including accrued interests) of not exceeding RMB32 billion for each of the three years from 2026 to 2028 respectively during the term of the Proposed Shandong Energy Financial Services Agreement.

The interest rate for the loan to be provided by Shandong Energy Finance Company to the Shandong Energy Members shall comply with relevant regulations of the PBOC and be determined on normal commercial terms with reference to the loan benchmark interest rate promulgated by the PBOC periodically (if any), and the interest rate offered by general commercial banks for the provision of same type of loan services.

***(iii) Miscellaneous financial services***

Shandong Energy Finance Company shall provide miscellaneous financial services (including but not limited to bill acceptance and discounting services, financing consultation services, credit certification and consultation and agency services, settlement services including payment and receipt, entrusted loans services and other services) to the Shandong Energy Members. The total annual fees charged by Shandong Energy Finance Company for the provision of miscellaneous financial services to the Shandong Energy Members for the three years from 2026 to 2028 shall not exceed RMB6 million during the term of the Proposed Shandong Energy Financial Services Agreement.

The fees for the provision of miscellaneous financial services to the Shandong Energy Members shall be charged by Shandong Energy Finance Company according to the prescribed rates determined by the PBOC or the National Financial Regulatory Administration. If no such prescribed rates are available, the services fees shall be determined on normal commercial terms with reference to the fees charged by general commercial banks for the provision of the same type of financial services to the Shandong Energy Members.

- (2) Zhongtai Securities shall, within the scope of business approved by the China Securities Regulatory Commission, lawfully provide the following securities and financial product services to Shandong Energy Finance Company:

Zhongtai Securities will provide money fund services to Shandong Energy Finance Company during the term of the Proposed Shandong Energy Financial Services Agreement. Shandong Energy Finance Company shall subscribe for/purchase money funds distributed by Zhongtai Securities, with Shandong Energy Finance Company paying management fees, sales service fees, or other service charges to Zhongtai Securities.

The maximum daily investment balance (including the quota for subscribing/purchasing money funds and the remaining account balance) of Shandong Energy Finance Company in money funds distributed by Zhongtai Securities shall not exceed RMB4.0 billion. The management fees, sales service fees, or other service charges imposed by Zhongtai Securities on Shandong Energy Finance Company shall not exceed RMB3 million on an annual basis.

The pricing standards for money fund management fees are primarily based on regulations such as the Securities Investment Fund Law and the Measures for the Administration of Operation of Securities Investment Fund, in addition to the specific terms stipulated in the fund contract. Within the scope permitted by the China Securities Regulatory Commission, fees are determined with reference to the market rates for money market securities investment funds registered in Mainland China. The typical market range for management fees is 0.15%–0.5% per annum; for custody fees, it is generally 0.05% per annum; and for sales service fees, the range is typically 0.01%–0.05% per annum.

## Historical Amounts, Proposed Annual Caps and Reasons

Set out below are the annual caps and the historical transaction amounts for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 of relevant transactions:

Category	For the year ended 31 December 2024		For the year ended 31 December 2025		For the year ending 31 December 2026 Existing annual cap
	Annual cap	Actual amount	Annual cap	Actual amount	(RMB'000)
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Maximum daily balance of deposit	62,500,000	22,525,080	62,500,000	30,327,000	62,500,000
Maximum daily balance of comprehensive credit facility	30,000,000	16,050,700	32,000,000	23,368,000	32,000,000
Aggregate miscellaneous financial services fees	6,000	1,440	6,000	2,543	6,000
Maximum daily investment balance of Shandong Energy Finance Company for subscription/application of money funds distributed by Zhongtai Securities	–	–	4,000,000	1,000,000	4,000,000
Service fees charged by Zhongtai Securities from Shandong Energy Finance Company	–	–	3,000	0	3,000

As of the date of this announcement, the transaction amount of the continuing connected transactions under the Existing Shandong Energy Financial Services Agreement did not exceed the existing annual cap for the financial year ended 31 December 2026.

In 2025, the maximum daily balance of deposits (including accrued interests) provided by Shandong Energy Finance Company to the Shandong Energy Members was RMB30,327 million. After considering the historical maximum daily balance of deposits provided by Shandong Energy Finance Company to the Shandong Energy Members during the term of the Existing Shandong Energy Financial Services Agreement, as well as the needs of Shandong Energy Members for new project investments, trade financing, material procurement, etc., from 2026 to 2028, and taking into account that the investment and settlement timings of various projects may coincide, leading to a significant increase in their peak fund reserves, the Company expects that the peak deposit amounts of Shandong Energy Members with Shandong Energy Finance Company will increase. Therefore, the Board proposed that the maximum daily balance of deposits (including accrued interests) under the Proposed Shandong Energy Financial Services Agreement shall not exceed RMB62.5 billion for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028.

In 2025, the maximum daily balance of comprehensive credit facilities (including accrued interests) provided by Shandong Energy Finance Company to the Shandong Energy Members was RMB23,368 million. After considering (i) the historical maximum daily balances of comprehensive credit facilities provided by Shandong Energy Finance Company to the Shandong Energy Members; (ii) the various financial needs of Shandong Energy Members such as new loans, bills, and guarantees, the Board proposed that the maximum daily balance of comprehensive credit facilities to be provided by Shandong Energy Finance Company to the Shandong Energy Members under the Proposed Shandong Energy Financial Services Agreement shall not exceed RMB32 billion for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028.

In 2025, the annual fees for other financial services provided by Shandong Energy Finance Company to the Shandong Energy Members were RMB2.54 million. After considering (i) the historical balances of other financial services provided by Shandong Energy Finance Company to the Group for the two years ended 31 December 2025; and (ii) the increasing financial needs of Shandong Energy Members for bills, guarantees, etc., the Board proposed that the maximum annual fees payable for such other financial services under the Proposed Shandong Energy Financial Services Agreement shall not exceed RMB6 million for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028.

Having considered the estimates of historical idle fund positions and fund management requirements, the maximum daily investment balance (including the quota for subscribing/purchasing money funds and the remaining account balance) of Shandong Energy Finance Company in money funds distributed by Zhongtai Securities shall not exceed RMB4 billion. Based on the projected fee rates of 0.25% per annum for management fees, 0.01% per annum for sales service fees, and approximately 0.04% per annum for other fees, the management fees, sales service fees, or other service charges imposed by Zhongtai Securities on Shandong Energy Finance Company shall not exceed RMB3 million on an annual basis.

The above annual caps are made on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group.

### **Reasons for and benefits of entering into the Proposed Shandong Energy Financial Services Agreement**

Through the provision of financial services to the Shandong Energy Members, Shandong Energy Finance Company can expand its source of capital through absorbing capital from the Shandong Energy Members, enlarge its business scope, and improve its profitability through providing loan and settlement services to the Shandong Energy Members by means of charging loan interests and other service fees. At the same time, the Company can integrate financial resources and enhance financial innovation capabilities through the platform of Shandong Energy Finance Company.

In addition, the money fund investment business conducted by Shandong Energy Finance Company falls within the scope of its core business operations. Meanwhile, Zhongtai Securities holds the requisite business licenses and qualifications, giving it professional advantages. The collaboration between the two parties will help expand Shandong Energy Finance Company's cash management channels and, under the strict control of compliance risks and the assurance of fund safety, achieve efficient allocation of existing funds and steady value appreciation.

The Directors (including the independent non-executive Directors) consider that the transactions under the Proposed Shandong Energy Financial Services Agreement (excluding the provision of comprehensive credit facility services) are entered into after arm's length negotiations and based on normal commercial terms, and therefore the terms of such transactions and the proposed caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (excluding the independent non-executive Directors, whose opinion on the matter will be given in the circular to be published or dispatched to the Shareholders in due course after taking into account the advice of the Independent Financial Adviser in this regard) consider that the provision of comprehensive credit facility services under the Proposed Shandong Energy Financial Services Agreement is entered into after arm's length negotiations and based on normal commercial terms, and therefore the terms of such transactions and the proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Implications under the Listing Rules**

Shandong Energy is a controlling shareholder of the Company directly and indirectly holding 52.84% of the issued share capital of the Company as at the date of this announcement, and thus a connected person of the Company under the Listing Rules. Shandong Energy Finance Company is directly owned as to approximately 53.92% equity interests by the Company, and directly and indirectly owned as to approximately 46.08% equity interests by Shandong Energy, Shandong Energy Finance Company is a connected subsidiary of the Company under the Listing Rules. Accordingly, transactions under the Proposed Shandong Energy Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

#### ***(i) Deposit services***

As the deposit services to be provided by Shandong Energy Finance Company to the Shandong Energy Members under the Proposed Shandong Energy Financial Services Agreement are on normal commercial terms, and no security over the assets of the Group is or will be granted in respect of such services, the deposit services to be provided by Shandong Energy Finance Company to the Shandong Energy Members are fully exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

***(ii) Comprehensive credit facility services***

As the highest applicable percentage ratio with respect to the proposed annual caps in relation to the provision of comprehensive credit facility services under the Proposed Shandong Energy Financial Services Agreement is more than 5% but less than 25%, such transactions, together with the proposed annual caps are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Such transactions also constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

***(iii) Miscellaneous financial services***

As all of the relevant applicable percentage ratios with respect to the proposed annual caps in relation to the provision of miscellaneous financial services under the Proposed Shandong Energy Financial Services Agreement are less than 0.1%, such transactions are fully exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

***(iv) Securities and financial product services***

As the highest applicable percentage ratios of the proposed annual caps for the provision of securities and financial product services under the Proposed Shandong Energy Financial Services Agreement are more than 0.1% but less than 5%, such transactions are subject to the reporting and relevant announcement requirement under Chapter 14A of the Listing Rules but are exempt from the Independent Shareholders' approval requirements.

**9. Proposed Yankuang Energy Financial Services Agreement**

On 8 April 2025, Shandong Energy Finance Company entered into the Existing Yankuang Energy Financial Services Agreement with the Company for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. For details of the Existing Yankuang Energy Financial Services Agreement, please refer to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025.

Shandong Energy Finance Company is directly owned as to approximately 53.92% by the Company, directly and indirectly owned as to approximately 46.08% by Shandong Energy. The principal businesses of Shandong Energy Finance Company include provision of guarantee between members; provision of entrusted loans between members; provision of bill acceptance and discount services to members; provision of internal fund transfer and settlement services and corresponding settlement between members; accepting deposits from members; provision of loans and finance leasing to members. Shandong Energy Finance Company is a non-banking financial institution legally established with the approval of the relevant national government authorities.

On 3 June 2026, Shandong Energy Finance Company entered into the Proposed Yankuang Energy Financial Services Agreement with the Company to renew and supersede the Existing Yankuang Energy Financial Services Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Yankuang Energy Financial Services Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Yankuang Energy Financial Services Agreement becomes effective, (i) the Existing Yankuang Energy Financial Services Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Yankuang Energy Financial Services Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Yankuang Energy Financial Services Agreement.

Set out below are the major terms of the Proposed Yankuang Energy Financial Services Agreement:

**Date**

3 June 2026

**Parties**

- (1) Shandong Energy Finance Company; and
- (2) The Company

**Major Terms and Pricing Policy**

Pursuant to the Proposed Yankuang Energy Financial Services Agreement, Shandong Energy Finance Company shall provide the following financial services to the Group:

**(i) Deposit services**

Shandong Energy Finance Company shall provide deposit services to the Group in accordance with normal commercial terms with a maximum daily balance (including accrued interests) shall not exceed RMB27 billion during the term of the Proposed Yankuang Energy Financial Services Agreement.

The interest rate for the Group's deposit with Shandong Energy Finance Company shall comply with relevant regulations of the PBOC and be determined on normal commercial terms with reference to the deposits benchmark interest rate promulgated by the PBOC periodically (if any), and the interest rate offered by the general commercial banks for the provision of same type of deposit services.

***(ii) Comprehensive credit facility services***

Shandong Energy Finance Company shall provide comprehensive credit facilities (including but not limited to loans, bill acceptance and discounting, non-financing guarantees, etc.) during the term of the Proposed Yankuang Energy Financial Services Agreement to the Group with a maximum daily balance (including accrued interests) of not exceeding RMB30 billion for each of the three years from 2026 to 2028.

The interest rate for the loan to be provided by Shandong Energy Finance Company to the Group shall comply with relevant regulations of the PBOC and be determined on normal commercial terms with reference to the loan benchmark interest rate promulgated by the PBOC periodically (if any), and the interest rate offered by general commercial banks for the provision of same type of loan services.

***(iii) Miscellaneous financial services***

Shandong Energy Finance Company shall provide miscellaneous financial services (including but not limited to bill acceptance and discounting services, financing consultation services, credit certification and consultation and agency services, settlement services including payment and receipt, entrusted loans services and other services) to the Group. The total agency fees, handling fees, or other service fees charged by Shandong Energy Finance Company for the provision of miscellaneous financial services to the Group shall not exceed RMB10 million during the term of the Proposed Yankuang Energy Financial Services Agreement.

The fees for the provision of miscellaneous financial services to the Group shall be charged by Shandong Energy Finance Company according to the prescribed rates determined by the PBOC or the National Financial Regulatory Administration. If no such prescribed rates are available, the services fees shall be determined on normal commercial terms with reference to the fees charged by general commercial banks for the provision of the same type of financial services to the Shandong Energy Members.

## Historical Amounts, Proposed Annual Caps and Reasons

Set out below are the annual caps and the historical transaction amounts for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ended 31 December 2026 of relevant transactions:

Category	For the year ended 31 December 2024		For the year ended 31 December 2025		For the year ending 31 December 2026 Existing annual cap
	Annual cap (RMB'000)	Actual amount (RMB'000)	Annual cap (RMB'000)	Actual amount (RMB'000)	(RMB'000)
	Maximum daily balance of deposit	27,000,000	5,142,980	27,000,000	13,252,000
Maximum daily balance of comprehensive credit facility	26,000,000	16,303,240	30,000,000	17,202,000	30,000,000
Aggregate miscellaneous financial services fees	8,000	3,700	10,000	3,146	10,000

As of the date of this announcement, the transaction amount of the continuing connected transactions under the Existing Yankuang Energy Financial Services Agreement did not exceed the existing annual cap for the financial year ended 31 December 2026.

In 2025, the maximum daily balance of deposits (including accrued interests) provided by Shandong Energy Finance Company to the Group was RMB13,252 million, more than double the amount in 2024. After considering the following factors, the Board proposed that the maximum daily balance of deposits (including accrued interests) under the Proposed Yankuang Energy Financial Services Agreement shall not exceed RMB27 billion for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028:

- (1) Reference to the historical maximum daily balance of deposits during the term of the Existing Yankuang Energy Financial Services Agreement;
- (2) After the completion of the Transactions, New Energy Group will become a subsidiary of the Company. It is expected that it will continue to place its funds with Shandong Energy Finance Company. The maximum daily balance of deposits (including accrued interests) that Shandong Energy Finance Company will provide to New Energy Group for each of the three financial years ending 31 December 2026, 2027 and 2028 is expected to be RMB3,000 million;
- (3) Given that the coal market is expected to stop falling and stabilise, coupled with the recovery of downstream demand driving the growth of coal sales revenue, the Group's operating cash inflow is expected to increase, thereby correspondingly increasing the Group's fund reserves with Shandong Energy Finance Company;

- (4) In order to meet the future payment needs for coal mine and chemical project payments and potential equity acquisition projects, the Company will increase its cash reserve scale.

In 2025, the maximum daily balance of comprehensive credit facilities (including accrued interests) provided by Shandong Energy Finance Company to the Group was RMB17,202 million. After considering (i) the historical balances of comprehensive credit facilities provided by Shandong Energy Finance Company to the Group for the two years ended 31 December 2025; and (ii) based on the Group's future funding needs for new project investments, trade financing and material procurement, combined with the statistics of the credit facility needs of the Group's subsidiary companies, it is expected that there will be various new financial needs such as loans, bills, and guarantees. Therefore, the Board proposed that the maximum daily balance of comprehensive credit facilities to be provided by Shandong Energy Finance Company to the Group under the Proposed Yankuang Energy Financial Services Agreement shall not exceed RMB30 billion for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028.

In 2025, the annual fees for other financial services provided by Shandong Energy Finance Company to the Group were RMB3.15 million. After considering the Group's demand for various financial services such as bills and guarantees, the Board proposed that the maximum annual fees payable for such other financial services under the Proposed Yankuang Energy Financial Services Agreement shall not exceed RMB10 million for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028.

The above annual caps are made on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group.

### **Reasons for and benefits of entering into the Proposed Yankuang Energy Financial Services Agreement**

Through the provision of financial services to the Group, Shandong Energy Finance Company can expand its source of capital through absorbing capital from the Group, enlarge its business scope, and improve its profitability through providing loan and settlement services to the Group by means of charging loan interests and other service fees. At the same time, the Company can also integrate financial resources and replace external high-interest loans through the platform of Shandong Energy Finance Company, thereby lowering the Company's financing costs and improving its competitive edge. The transactions contemplated under the Proposed Yankuang Energy Financial Services Agreement will not affect the independence of the Company and are in the interests of the Company and the Shareholders.

As the Company directly holds approximately 53.92% of Shandong Energy Finance Company, the Company will also be able to benefit from the profits of Shandong Energy Finance Company.

In addition, since Shandong Energy Finance Company will continue to provide financial services to the Target Companies after the completion of the Transactions, the provision of financial services by Shandong Energy Finance Company to the Target Companies will constitute a continuing connected transaction of the Company. The entering into of the Proposed Yankuang Energy Financial Services Agreement is conducive to Shandong Energy Finance Company's continued provision of financial services to the Target Companies, ensuring that the Target Companies can continuously obtain the necessary financial support in the course of business operations, ensuring the continuity and security of its cash flow, and is beneficial to the stable operation of the Target Companies.

The Directors (including the independent non-executive Directors) consider that the transactions under the Proposed Yankuang Energy Financial Services Agreement (excluding the provision of deposit services) are entered into after arm's length negotiations and based on normal commercial terms, and therefore the terms of such transactions and the proposed caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (excluding the independent non-executive Directors, whose opinion on the matter will be given in the circular after taking into account the advice of the Independent Financial Adviser in this regard) consider that the deposit services under the Proposed Yankuang Energy Financial Services Agreement are entered into after arm's length negotiations and based on normal commercial terms, and therefore the terms of such transactions and the proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Implications under the Listing Rules**

Shandong Energy is a controlling shareholder of the Company directly and indirectly holding 52.84% of the issued share capital of the Company as at the date of this announcement, and thus a connected person of the Company under the Listing Rules. Shandong Energy Finance Company is directly owned as to approximately 53.92% equity interests by the Company, and directly and indirectly owned as to approximately 46.08% equity interests by Shandong Energy, Shandong Energy Finance Company is a connected subsidiary of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Yankuang Energy Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

#### ***(i) Deposit services***

As the highest applicable percentage ratio with respect to the proposed annual caps in relation to the provision of deposit services under the Proposed Yankuang Energy Financial Services Agreement is more than 5% but less than 25%, such transactions, together with the proposed annual caps are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Such transactions also constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

***(ii) Comprehensive credit facility services***

As the provision of comprehensive credit facility services under the Proposed Yankuang Energy Financial Services Agreement is on normal commercial terms, and no security over the assets of the Group is or will be granted in respect of such services, the comprehensive credit facility services to be provided by Shandong Energy Finance Company to the Group are fully exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

***(iii) Miscellaneous financial services***

As all of the relevant applicable percentage ratios with respect to the proposed annual caps in relation to the provision of miscellaneous financial services under the Proposed Yankuang Energy Financial Services Agreement are less than 0.1%, such transactions are fully exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

**10. Internal Control Measures**

The Group's sales or procurement departments shall ensure that the terms of all sales and procurement orders comply with the relevant framework agreements, and the relevant departments and personnel shall be satisfied that: (i) all sales or procurement orders have been properly reviewed and approved; (ii) all sales or procurement orders have adopted market prices; and (iii) each relevant transaction is conducted on normal commercial terms;

Prior to the entering into specific implementation agreements, the subsidiaries of the Company are required to fulfill the pre-application procedures in accordance with the Company's internal management system to have the necessity, reasonableness, fairness, and compliance of the transactions reviewed by the departments responsible for listing compliance, financial management, audit, and risk;

The financial management department of the Company will compile the amounts of continuing connected transactions on a quarterly basis to identify any transactions that may have the risk of exceeding the annual caps; and

The auditors and independent non-executive directors of the Company will conduct an annual review of the continuing connected transactions and confirm in the Company's annual report that the transactions have been conducted in accordance with the terms and conditions of the relevant framework agreements and pricing policies, are on normal commercial terms or terms no less favorable than those available from independent third parties, and are in the interests of the Company and its shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the above internal control measures over continuing connected transactions adopted by the Company are appropriate and that the above procedures and measures provide sufficient assurance to the Shareholders that such continuing connected transactions will be properly overseen by the Company.

## XI. GENERAL

Mr. Li Wei, Mr. Liu Jian, Mr. Liu Qiang and Mr. Zhang Haijun, the Directors of the Company, are regarded as having material interests in the Transactions and the Proposed Continuing Connected Transactions, they have abstained from voting on the relevant resolutions of the Board for approving (i) the Transaction Documents and the Acquisitions; and (ii) the Proposed Continuing Connected Transactions Agreements, the Proposed Continuing Connected Transactions and the respective proposed annual caps. Save as disclosed above, none of the other Directors has a material interest in the Transactions and the Proposed Continuing Connected Transactions or is required to abstain from voting on the relevant Board resolutions.

An Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of (i) the Transaction Documents and the Acquisitions; and (ii) (a) the Proposed Provision of Materials Supply Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and their respective proposed annual caps, (b) the Proposed Mutual Provision of Labor and Services Agreement, the provision of labour and services by the Shandong Energy Members to the Group thereunder and the proposed annual caps, (c) the Proposed Shandong Energy Financial Services Agreement, the comprehensive credit facility services thereunder and the proposed annual caps, and (d) the Proposed Yankuang Energy Financial Services Agreement, the deposit services thereunder and the proposed annual caps.

The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the Transaction Documents and the Transactions; (ii) (a) the Proposed Provision of Materials Supply Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and their respective proposed annual caps, (b) the Proposed Mutual Provision of Labor and Services Agreement, the provision of labour and services by the Shandong Energy Members to the Group thereunder and the proposed annual caps, (c) the Proposed Shandong Energy Financial Services Agreement, the comprehensive credit facility services thereunder and the proposed annual caps, and (d) the Proposed Yankuang Energy Financial Services Agreement, the deposit services thereunder and the proposed annual caps.

According to the applicable PRC regulations, the resolutions relating to the Proposed Continuing Connected Transactions Agreements, the Proposed Continuing Connected Transactions and their respective proposed annual caps are subject to the Independent Shareholders' approval at the General Meeting.

The General Meeting will be convened and held for the Independent Shareholders to consider and, if thought fit, approve (i) the Transaction Documents and the Transactions; and (ii) the Proposed Continuing Connected Transactions Agreements, the Proposed Continuing Connected Transactions and their respective proposed annual caps. Shandong Energy and its associates will abstain from voting on the resolutions in relation to the Transactions and the Proposed Continuing Connected Transactions. To the best of the Directors' knowledge, information and belief, save as disclosed above, no other Shareholder is required to abstain from voting on the relevant resolutions to be proposed at the General Meeting.

A circular containing, among other things, (i) particulars of the Transaction Documents and the Transactions; (ii) particulars of the Proposed Continuing Connected Transactions Agreements, the Proposed Continuing Connected Transactions and their respective proposed annual caps; (iii) the Asset Valuation Reports on the Target Companies; (iv) a letter from the Independent Board Committee to the Independent Shareholders; (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (vi) other information as required by the Listing Rules, is expected to be published or despatched to the Shareholders on or before 8 July 2026, as additional time is required to prepare certain information to be contained in the circular to be issued by the Company.

## **XII. DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisitions” or “Transactions”	the collective reference to the First Acquisition and the Second Acquisition
“Articles of Association”	the Articles of Association of the Company
“A Share(s)”	domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“Asset Valuation Report(s)”	the singular or collective reference (as the case may be) to the First Equity Asset Valuation Report and the Second Equity Asset Valuation Report
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Chinese Accounting Standards”	the enterprise accounting standards and relevant interpretations issued by the Ministry of Finance of the PRC
“Company”	Yankuang Energy Group Company Limited* (兗礦能源集團股份有限公司), a joint stock limited company established under the laws of PRC in 1997, and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (01171.HK) and the Shanghai Stock Exchange (600188.SH), respectively
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules

“Director(s)”	the director(s) of the Company
“ERP”	Enterprise Resource Planning
“Existing Bulk Commodities Sale and Purchase Agreement”	the bulk commodities sale and purchase agreement entered into between the Company and Shandong Energy on 8 April 2025
“Existing Continuing Connected Transactions Agreements”	the Existing Provision of Materials Supply Agreement, the Existing Mutual Provision of Labor and Services Agreement, the Existing Provision of Insurance Fund Administrative Services Agreement, the Existing Provision of Products, Materials and Asset Leasing Agreement, the Existing Bulk Commodities Sale and Purchase Agreement, the Existing Finance Lease and Factoring Agreement, the Existing Entrusted Management Service Framework Agreement, the Existing Shandong Energy Financial Services Agreement and the Existing Yankuang Energy Financial Services Agreement
“Existing Entrusted Management Service Framework Agreement”	the entrusted management service framework agreement entered into between the Company and Shandong Energy on 8 April 2025
“Existing Finance Lease and Factoring Agreement”	the finance lease and factoring agreement entered into between the Company and Shandong Energy on 8 April 2025
“Existing Mutual Provision of Labor and Services Agreement”	the mutual provision of labor and services agreement entered into between the Company and Shandong Energy on 8 April 2025
“Existing Provision of Insurance Fund Administrative Services Agreement”	the provision of insurance fund administrative services agreement entered into between the Company and Shandong Energy on 8 April 2025
“Existing Provision of Materials Supply Agreement”	the provision of materials supply agreement entered into between the Company and Shandong Energy on 8 April 2025
“Existing Provision of Products, Materials and Asset Leasing Agreement”	the provision of products, materials and asset leasing agreement entered into between the Company and Shandong Energy on 8 April 2025
“Existing Shandong Energy Financial Services Agreement”	the financial services agreement entered into between Shandong Energy Finance Company and Shandong Energy on 8 April 2025
“Existing Yankuang Energy Financial Services Agreement”	the financial services agreement entered into between Shandong Energy Finance Company and the Company on 8 April 2025

“First Acquisition”	the acquisition of the First Equity pursuant to the First Equity Transfer Agreement
“First Audit Report”	the audit report (Zhong Tian Heng Zhuan Shen Zi [2026] No. 1308) on Shandong Energy Group New Energy Group Co., Ltd. as at the Valuation Benchmark Date of 31 January 2026, issued by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership) (北京中天恒會計師事務所(特殊普通合夥))
“First Equity Asset Valuation Report”	refers to the <i>Asset Valuation Report on the Project of Yankuang Energy Group Company Limited’s Proposed Acquisition of Equity Interests Involving the Entire Shareholders’ Interests of Shandong Energy Group New Energy Group Co., Ltd.</i> (《兗礦能源集團股份有限公司擬收購股權所涉及的山東能源集團新能源集團有限公司股東全部權益項目資產評估報告》) (Huaya Zhengxin Ping Bao Zi [2026] No. A16-0015) issued by Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. with the Valuation Benchmark Date of 31 January 2026
“First Closing Date”	the closing date of the First Equity Transfer Agreement
“First Equity”	the aggregate 100% equity interest in New Energy Group (held as to 93.88% by Shandong Energy and 6.12% by Yankuang Hong Kong, respectively)
“First Equity Transfer Agreement”	the equity transfer agreement entered into among the Company, the First Vendors and New Energy Group on 3 June 2026 in relation to the acquisition of the First Equity
“First Transition Period”	the period from the Valuation Benchmark Date to the First Closing Date (excluding the First Closing Date)
“First Vendor(s)”	Shandong Energy and/or Yankuang Hong Kong (as the case may be)
“General Meeting”	the general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, (i) the Transaction Documents and the Acquisitions; and (ii) the Proposed Continuing Connected Transactions Agreements, the Proposed Continuing Connected Transactions and the proposed annual caps
“Group”	the Company and its subsidiaries

“H Share(s)”	overseas listed foreign invested shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all independent non-executive Directors, to advise the Independent Shareholders in respect of (i) the Transaction Documents and the Acquisitions; and (ii) (a) the Proposed Provision of Materials Supply Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and their respective proposed annual caps, (b) the Proposed Mutual Provision of Labor and Services Agreement, the provision of labour and services by the Shandong Energy Members to the Group thereunder and the proposed annual caps, (c) the Proposed Shandong Energy Financial Services Agreement, the comprehensive credit facility services thereunder and the proposed annual caps, and (d) the Proposed Yankuang Energy Financial Services Agreement, the deposit services thereunder and the proposed annual caps
“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the Transaction Documents and the Transactions; and (ii) (a) the Proposed Provision of Materials Supply Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and their respective proposed annual caps, (b) the Proposed Mutual Provision of Labor and Services Agreement, the provision of labour and services by the Shandong Energy Members to the Group thereunder and the proposed annual caps, (c) the Proposed Shandong Energy Financial Services Agreement, the comprehensive credit facility services thereunder and the proposed annual caps, and (d) the Proposed Yankuang Energy Financial Services Agreement, the deposit services thereunder and the proposed annual caps

“Independent Shareholder(s)”	shareholder(s) other than Shandong Energy and its associates, who are neither involved nor interested in the Transactions and the Proposed Continuing Connected Transactions
“Independent Third Parties”	a third party independent of the Company and its connected persons
“Independent Valuer”	Beijing Huaya Zhengxin Asset Appraisal Co., Ltd., an independent valuer in the PRC
“Letter of Performance Commitment”	the letter of commitment dated 3 June 2026 entered into between the Company and the First Vendors in relation to the three-year performance of New Energy Group from 2026 to 2028
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LPR One-year Interest Rate”	the one-year loan prime rate announced by the National Interbank Funding Center
“Market Price”	a price determined according to normal commercial terms based on the following <ul style="list-style-type: none"> <li>(i) the price offered by Independent Third Parties for provision of the same or similar type of services in the same or similar area or in the vicinity under normal commercial terms in the ordinary course of business of such Independent Third Parties; or</li> <li>(ii) if paragraph (i) above is not applicable, the price offered by Independent Third Parties in the PRC for provision of the same or similar type of services under normal commercial terms in the ordinary course of business of such Independent Third Parties.</li> </ul>
“New Energy Group”	Shandong Energy Group New Energy Group Co., Ltd. (山東能源集團新能源集團有限公司), a limited liability company established under the laws of the PRC, as at the date of this announcement a wholly-owned subsidiary of Shandong Energy (held as to 93.88% and 6.12% by Shandong Energy and Yankuang Hong Kong, respectively)

“percentage ratio(s)”	has the meaning ascribed thereto under the Listing Rules
“PRC” or “China”	the People’s Republic of China
“Proposed Bulk Commodities Sale and Purchase Agreement”	the bulk commodities sale and purchase agreement entered into between the Company and Shandong Energy on 3 June 2026
“Proposed Continuing Connected Transactions Agreements”	the Proposed Provision of Materials Supply Agreement, the Proposed Mutual Provision of Labor and Services Agreement, the Proposed Provision of Insurance Fund Administrative Services Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the Proposed Entrusted Management Service Framework Agreement, the comprehensive credit facility services under the Proposed Shandong Energy Financial Services Agreement and the deposit services under the Proposed Yankuang Energy Financial Services Agreement
“Proposed Continuing Connected Transactions”	the transactions under the respective Proposed Continuing Connected Transactions Agreements
“Proposed Entrusted Management Service Framework Agreement”	the entrusted management service framework agreement entered into between the Company and Shandong Energy on 3 June 2026
“Proposed Finance Lease and Factoring Agreement”	the finance lease and factoring agreement entered into between the Company and Shandong Energy on 3 June 2026
“Proposed Mutual Provision of Labor and Services Agreement”	the mutual provision of labor and services agreement entered into between the Company and Shandong Energy on 3 June 2026
“Proposed Provision of Insurance Fund Administrative Services Agreement”	the provision of insurance fund administrative services agreement entered into between the Company and Shandong Energy on 3 June 2026
“Proposed Provision of Materials Supply Agreement”	the provision of materials supply agreement entered into between the Company and Shandong Energy on 3 June 2026
“Proposed Provision of Products, Materials and Asset Leasing Agreement”	the provision of products, materials and asset leasing agreement entered into between the Company and Shandong Energy on 3 June 2026

“Proposed Shandong Energy Financial Services Agreement”	the financial services agreement entered into between Shandong Energy Finance Company and Shandong Energy on 3 June 2026
“Proposed Yankuang Energy Financial Services Agreement”	the financial services agreement entered into between Shandong Energy Finance Company and the Company on 3 June 2026
“RMB”	Renminbi, the lawful currency of the PRC
“Second Acquisition”	the acquisition of the Second Equity pursuant to the Second Equity Transfer Agreement
“Second Audit Report”	the audit report (Zhong Tian Heng Zhuan Shen Zi [2026] No. 1309) on Shandong Energy Electricity Sales Co., Ltd. as at the Valuation Benchmark Date of 31 January 2026, issued by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership) (北京中天恒會計師事務所(特殊普通合夥))
“Second Equity Asset Valuation Report”	refers to the <i>Asset Valuation Report on the Project of Yankuang Energy Group Company Limited’s Proposed Acquisition of Equity Interests Involving the Entire Shareholders’ Interests of Shandong Energy Electricity Sales Co., Ltd.</i> (《兗礦能源集團股份有限公司擬收購股權所涉及的山東能源電力銷售有限公司股東全部權益項目資產評估報告》) (Huaya Zhengxin Ping Bao Zi [2026] No. A16-0016) issued by Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. with the Valuation Benchmark Date of 31 January 2026
“Second Closing Date”	the closing date of the Second Equity Transfer Agreement
“Second Equity”	the 100% equity interest in Shandong Energy Electricity Sales (held 100% by Shandong Energy)
“Second Equity Transfer Agreement”	the equity transfer agreement entered into among the Company, the Second Vendor and Shandong Energy Electricity Sales on 3 June 2026 in relation to the acquisition of the Second Equity
“Second Transition Period”	the period from the Valuation Benchmark Date to the Second Closing Date (excluding the Second Closing Date)
“Second Vendor”	Shandong Energy
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time

“Shandong Energy”	Shandong Energy Group Company Limited, a state-controlled limited liability company, the controlling shareholder of the Company, holding directly and indirectly approximately 52.84% of the issued share capital of the Company as at the date of this announcement
“Shandong Energy Electricity Sales”	Shandong Energy Electricity Sales Co., Ltd., a limited liability company established under the laws of the PRC, as at the date of this announcement a direct wholly-owned subsidiary of Shandong Energy
“Shandong Energy Members”	including Shandong Energy and its associates (excluding the Company and its subsidiaries, but including the Company’s connected subsidiaries in which Shandong Energy directly or indirectly holds 10% or more interests)
“Shandong Energy Finance Company”	Shandong Energy Group Finance Co., Ltd., a company with limited liability incorporated under the laws of the PRC in 2013
“Share(s)”	ordinary share(s) of RMB1 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Target Company(ies)”	the collective reference to New Energy Group and Shandong Energy Electricity Sales
“Transaction Documents”	the collective reference to the First Equity Transfer Agreement, the Second Equity Transfer Agreement and the Letter of Performance Commitment
“Valuation Benchmark Date”	31 January 2026
“Working Day(s)”	any day except Saturday, Sunday and statutory holiday(s) in the PRC
“Yankuang Hong Kong”	Yankuang Group (Hong Kong) Company Limited, a wholly-owned subsidiary of Shandong Energy

“Zhongtai Securities”

Zhongtai Securities Co., Ltd. and its controlled entities

“%”

per cent

By order of the Board  
**Yankuang Energy Group Company Limited\***  
**Li Wei**  
*Chairman of the Board*

Zoucheng, Shandong Province, the PRC

3 June 2026

*As at the date of this announcement, the Directors of the Company are Mr. Li Wei, Mr. Wang Jiuhong, Mr. Liu Jian, Mr. Liu Qiang, Mr. Zhang Haijun, Mr. Su Li and Mr. Huang Xiaolong, and the independent non-executive Directors of the Company are Mr. Zhu Limin, Mr. Gao Jingxiang, Mr. Woo Kar Tung, Raymond and Ms. Zhu Rui.*

\* *For identification purpose only*

## APPENDIX I – BASIC INFORMATION OF THE TARGET COMPANIES

The basic information of each Target Company, including details of their direct and indirect holding subsidiaries as at the date of this announcement, their shareholding structures before and after the completion of the Transactions, and financial data, are set out below:

### 1. New Energy Group

#### (1) Basic Information

New Energy Group was established in April 2021 with a registered capital of RMB9.810 billion and is a wholly-owned subsidiary of Shandong Energy, primarily engaged in power development, investment, construction and operation.

As at the date of this announcement, the shareholding structure of New Energy Group is as follows:

Target Company	First Vendor	Subscribed Registered Capital (RMB)	Subscribed Ratio	Paid-up Registered Capital (RMB)	Ratio of the Total Paid-up Capital Contribution
New Energy Group	Shandong Energy	9,210,000,000.00	93.88%	5,988,194,999.62	90.89%
	Yankuang Hong Kong	600,000,000.00	6.12%	600,000,000.00	9.11%
<b>Total</b>		<b>9,810,000,000.00</b>	<b>100.00%</b>	<b>6,588,194,999.62</b>	<b>100.00%</b>

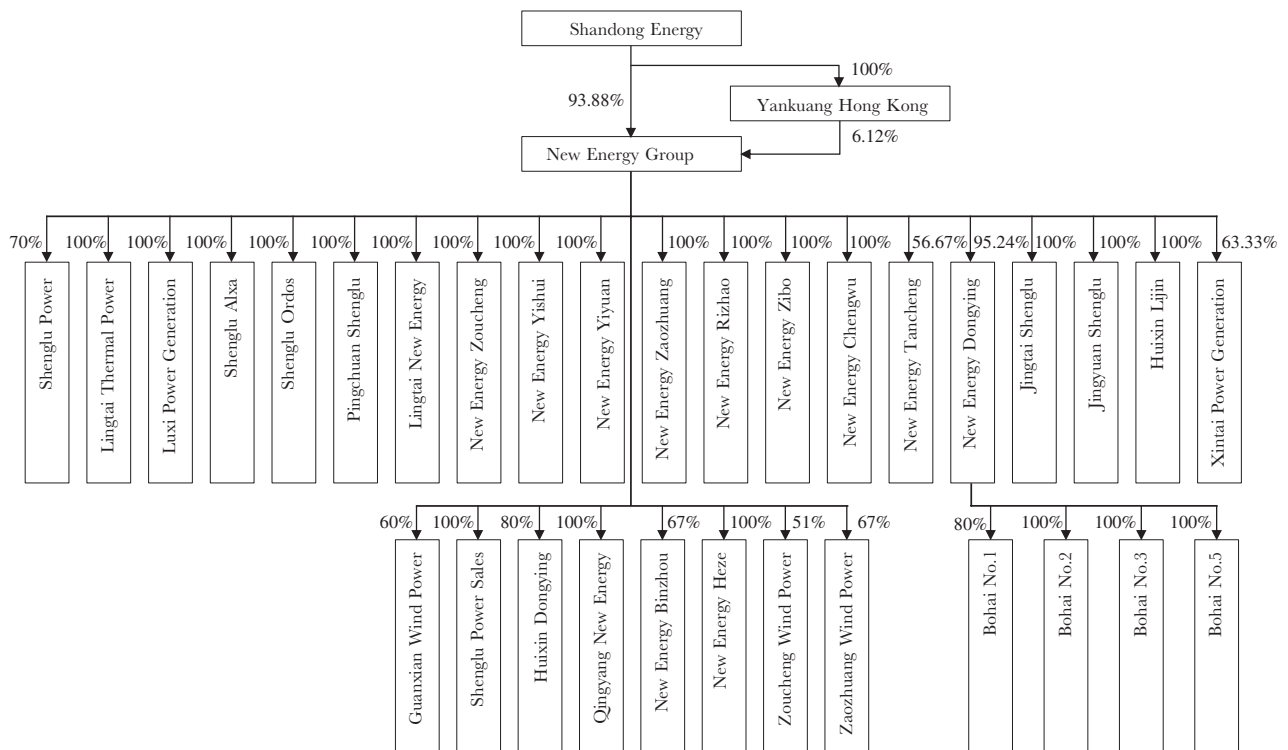
Upon closing of the First Equity Transfer Agreement, the shareholding structure of New Energy Group will be as follows:

Target Company	The Company	Subscribed Registered Capital (RMB)	Subscribed Ratio	Paid-up Registered Capital (RMB)	Ratio of the Total Paid-up Capital Contribution
New Energy Group	Yankuang Energy Group Company Limited	9,810,000,000.00	100.00%	6,588,194,999.62	100.00%

Upon closing of the First Equity Transfer Agreement, the Company will hold 100% equity interest in New Energy Group; and New Energy Group will become a subsidiary of the Company, and its financial results will be consolidated into the Group's financial statements.

## (2) Holding Subsidiaries

As at the date of this announcement, New Energy Group has a total of 32 direct or indirect holding subsidiaries, the shareholding structures of which are as follows:



The details of the subsidiaries are as follows:

No.	Company Name	Shareholding Ratio	Registered Capital (RMB)	Principal Business
1	Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. (“ <b>Shenglu Power</b> ”)	70%	1,400.00 million	Power generation and sales
2	Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd. (“ <b>Lingtai Thermal Power</b> ”)	100%	1,600.00 million	Power generation and sales
3	Shandong Luxi Power Generation Co., Ltd. (“ <b>Luxi Power Generation</b> ”)	100%	1,700.00 million	Power generation and sales
4	Shandong Bohai No.1 Wind Power Co., Ltd. (“ <b>Bohai No.1</b> ”)	76.19%	1,875.00 million	Power generation and sales
5	Shandong Bohai No.2 Wind Power Co., Ltd. (“ <b>Bohai No.2</b> ”)	95.24%	1,500.00 million	Power generation and sales
6	Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd. (“ <b>Shenglu Alxa</b> ”)	100%	500.00 million	Power generation and sales
7	Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd. (“ <b>Shenglu Ordos</b> ”)	100%	140.00 million	Power generation and sales
8	Shandong Energy Group Pingchuan Shenglu New Energy Co., Ltd. (“ <b>Pingchuan Shenglu</b> ”)	100%	380.00 million	Power generation and sales
9	Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd. (“ <b>Lingtai New Energy</b> ”)	100%	100.00 million	Power generation and sales

No.	Company Name	Shareholding Ratio	Registered Capital (RMB)	Principal Business
10	Shanneng New Energy (Zoucheng) Co., Ltd. ("New Energy Zoucheng")	100%	40.00 million	Power generation and sales
11	Shanneng New Energy (Yishui) Co., Ltd. ("New Energy Yishui")	100%	400.00 million	Power generation and sales
12	Shanneng New Energy (Yiyuan) Co., Ltd. ("New Energy Yiyuan")	100%	8.00 million	Power generation and sales
13	Shanneng New Energy (Zaozhuang) Co., Ltd. ("New Energy Zaozhuang")	100%	300.00 million	Power generation and sales
14	Shanneng New Energy (Rizhao) Co., Ltd. ("New Energy Rizhao")	100%	5.00 million	Power generation and sales
15	Shanneng New Energy (Zibo Zichuan District) Co., Ltd. ("New Energy Zibo")	100%	8.00 million	Power generation and sales
16	Shanneng New Energy (Chengwu) Co., Ltd. ("New Energy Chengwu")	100%	5.00 million	Power generation and sales
17	Shanneng New Energy Development (Tancheng) Co., Ltd. ("New Energy Tancheng")	56.67%	300.00 million	Power generation and sales
18	Shanneng New Energy (Dongying) Co., Ltd. ("New Energy Dongying")	95.24%	4,200.00 million	Power generation and sales
19	Shandong Bohai No.3 Wind Power Co., Ltd. ("Bohai No.3")	95.24%	1,500.00 million	Power generation and sales
20	Shandong Energy Group Jingtai Shenglu New Energy Co., Ltd. ("Jingtai Shenglu")	100%	580.00 million	Power generation and sales
21	Shandong Energy Group Jingyuan Shenglu New Energy Co., Ltd. ("Jingyuan Shenglu")	100%	510.00 million	Power generation and sales
22	Shanneng Huixin Smart Wind Power (Lijin) Co., Ltd. ("Huixin Lijin")	100%	1,000.00 million	Power generation and sales
23	Shandong Energy Power Group Xintai Power Generation Co., Ltd. ("Xintai Power Generation")	63.33%	1,500.00 million	Power generation and sales
24	Shanneng (Guanxian) Wind Power Co., Ltd. ("Guanxian Wind Power")	60%	660.00 million	Power generation and sales
25	Shandong Energy Inner Mongolia Shenglu Power Sales Co., Ltd. ("Shenglu Power Sales")	100%	50.00 million	Agency electricity sales
26	Shandong Bohai No.5 Wind Power Co., Ltd. ("Bohai No.5")	76.19%	1,875.00 million	Power generation and sales
27	Shanneng Huixin Smart Energy (Dongying) Co., Ltd. ("Huixin Dongying")	80%	1,000.00 million	Power generation and sales
28	Shandong Energy Power Group Qingyang New Energy Co., Ltd. ("Qingyang New Energy")	100%	550.00 million	Power generation and sales
29	Shanneng New Energy (Binzhou) Co., Ltd. ("New Energy Binzhou")	67%	480.00 million	Power generation and sales
30	Shanneng New Energy (Heze) Co., Ltd. ("New Energy Heze")	100%	5.00 million	Power generation and sales

No.	Company Name	Shareholding Ratio	Registered Capital (RMB)	Principal Business
31	Shanneng (Zoucheng) Wind Power Co., Ltd. (“Zoucheng Wind Power”)	51%	210.00 million	Power generation and sales
32	Shanneng (Zaozhuang) Wind Power Co., Ltd. (“Zaozhuang Wind Power”)	67%	300.00 million	Power generation and sales

*Note 1:* The shareholding ratio refers to the ratio after piercing through to the New Energy Group level. Zaozhuang Wind Power was registered after the Valuation Benchmark Date of 31 January 2026 and is not included in the asset valuation scope of this transaction. As of the date of this announcement, Zaozhuang Wind Power has not yet commenced its substantive business operations, and its shareholders have not yet made their capital contributions.

### (3) Power Project Operation Status

New Energy Group and its subsidiaries are principally engaged in power generation business, including thermal power generation, wind power generation and photovoltaic power generation. As of 31 January 2026, the overall situation of each type of power generation business is shown in the table below:

Project Type	Installed Capacity (MW)			Total (billion kWh)	Power generation in 2025 (billion kWh)	Electricity sales in 2025 (billion kWh)
	In commercial operation	Grid-connected but not yet in commercial operation	Under construction and not yet grid-connected			
Thermal Power	5,200	–	1,320	6,520	187.45	172.46
Wind Power	1,401	1,100	564	3,065	38.94	37.53
Photovoltaic Power	452	650	–	1,102	2.64	2.46
<b>Total</b>	<b>7,052</b>	<b>1,750</b>	<b>1,884</b>	<b>10,686</b>	<b>229.03</b>	<b>212.46</b>

*Note 1:* In addition to the above projects, as of the date of this announcement, New Energy Group has planned power generation projects with approved or filed total installed capacity of 1,240MW, among which, wind power installed capacity is 930MW and photovoltaic power installed capacity is 310MW.

*Note 2:* Any discrepancies between the total amount and the sum of individual breakdowns are due to rounding. The same applies below.

As of 31 January 2026, the basic information of power projects of New Energy Group and its subsidiaries is shown in the table below:

Company Name	Project	Location	Type	Project Status	Installed Capacity
Shenglu Power	Inner Mongolia Shenglu Power Plant Phase I 2×1000MW Ultra-supercritical Air-cooled Unit Power Generation Project	Ordos, Inner Mongolia	Thermal Power	In commercial operation	2,000MW
Lingtai Thermal Power	Longdong to Shandong UHVDC Transmission Project Supporting Expansion and Upgrading Shandong Energy Lingtai 2×1000MW Peak-Regulating Coal Power Project	Pingliang, Gansu	Thermal Power	In commercial operation	2,000MW
Luxi Power Generation	Shandong Luxi Power Generation Co., Ltd. 2×600,000kW Coal Underground Gasification Power Generation Project	Jining, Shandong	Thermal Power	In commercial operation	1,200MW
Bohai No.1	Shandong Energy Bozhong Offshore Wind Power Site A Project	Dongying, Shandong	Wind Power	In commercial operation	501MW
Bohai No.2	Shandong Energy Bozhong Offshore Wind Power Site B Project	Dongying, Shandong	Wind Power	In commercial operation	399.5MW
Shenglu Alxa	Shandong Energy Shanghai Temple to Shandong UHV Transmission Channel Alxa Base 400MW Wind Power Project	Alxa, Inner Mongolia	Wind Power	In commercial operation	400MW
Shenglu Ordos	Shandong Energy Inner Mongolia Hangjin Banner Yihewusu Wind Farm 100MW Project	Ordos, Inner Mongolia	Wind Power	In commercial operation	100MW
Pingchuan Shenglu	Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Pingchuan Shuiquan 250MW Photovoltaic Power Generation Project	Baiyin, Gansu	Photovoltaic	In commercial operation	250MW
Lingtai New Energy	Shandong Energy Lingtai County Phase I 100,000kW Photovoltaic Agricultural Complementary Power Generation Project	Pingliang, Gansu	Photovoltaic	In commercial operation	100MW
New Energy Zoucheng	New Energy Zoucheng Distributed Photovoltaic	Jining, Shandong	Photovoltaic	In commercial operation	43.22MW
New Energy Yishui	New Energy Yishui Distributed Photovoltaic	Linyi, Shandong	Photovoltaic	In commercial operation	21.53MW
New Energy Yiyuan	New Energy Yiyuan Distributed Photovoltaic	Zibo, Shandong	Photovoltaic	In commercial operation	8MW
New Energy Zaozhuang	New Energy Zaozhuang Distributed Photovoltaic	Zaozhuang, Shandong	Photovoltaic	In commercial operation	7.16MW
New Energy Rizhao	New Energy Rizhao Distributed Photovoltaic	Rizhao, Shandong	Photovoltaic	In commercial operation	5.99MW
Shenglu Power	Shenglu Power Plant 5.95MWp Distributed Photovoltaic Project	Ordos, Inner Mongolia	Photovoltaic	In commercial operation	5.95MW
New Energy Zibo	New Energy Zibo Distributed Photovoltaic	Zibo, Shandong	Photovoltaic	In commercial operation	5.93MW
New Energy Chengwu	New Energy Chengwu Distributed Photovoltaic	Heze, Shandong	Photovoltaic	In commercial operation	2.05MW
New Energy Tancheng	New Energy Tancheng Distributed Photovoltaic	Linyi, Shandong	Photovoltaic	In commercial operation	1.75MW

Company Name	Project	Location	Type	Project Status	Installed Capacity
New Energy Dongying	Shandong Energy Group Dongying 2×200MWh Independent Shared Energy Storage Phase I Project	Dongying, Shandong	Energy Storage	In commercial operation	100MW/200MWh
Bohai No.3	Shandong Energy Bozhong Offshore Wind Power Site G Project	Dongying, Shandong	Wind Power	Grid-connected but not yet In commercial operation/Under construction and not yet grid-connected	400.4MW/163.8MW
Jingtai Shenglu	Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Jingtai Gangdongliangxi 200MW Wind Farm Project	Baiyin, Gansu	Wind Power	Grid-connected but not yet In commercial operation	200MW
	Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Jingtai Hongshan 100MW Wind Farm Project	Baiyin, Gansu	Wind Power	Grid-connected but not yet In commercial operation	100MW
Jingyuan Shenglu	Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Jingyuan Beitai 300MW Wind Farm Project	Baiyin, Gansu	Wind Power	Grid-connected but not yet In commercial operation	300MW
Huixin Lijin	Shandong Energy Bozhong Offshore Wind Power Base B1 Project	Dongying, Shandong	Wind Power	Grid-connected but not yet In commercial operation	100MW
Jingtai Shenglu	Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Jingtai Shangshawo Fumin 200MW Photovoltaic Power Generation Project	Baiyin, Gansu	Photovoltaic	Grid-connected but not yet In commercial operation	200MW
	Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Jingtai Sitan East 150MW Photovoltaic Power Generation Project	Baiyin, Gansu	Photovoltaic	Grid-connected but not yet In commercial operation	150MW
Pingchuan Shenglu	Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Pingchuan Baoji 200MW Photovoltaic Power Generation Project	Baiyin, Gansu	Photovoltaic	Grid-connected but not yet In commercial operation	200MW
Jingyuan Shenglu	Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Jingyuan Beitai 100MW Photovoltaic Power Generation Project	Baiyin, Gansu	Photovoltaic	Grid-connected but not yet In commercial operation	100MW
Jingyuan Shenglu	Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Jingyuan Yongxin 150MW/600MWh Energy Storage Project	Baiyin, Gansu	Energy Storage	Grid-connected but not yet In commercial operation	150MW/600MWh

Company Name	Project	Location	Type	Project Status	Installed Capacity
Xintai Power Generation	Xintai 2×600,000kW Coal-fired Power Generation Project	Tai'an, Shandong	Thermal Power	Under construction and not yet grid-connected	1,320MW
Guanxian Wind Power	Shandong Energy Power Group Guanxian No.1 Wind Power Project	Liaocheng, Shandong	Wind Power	Under construction and not yet grid-connected	400MW

*Note 1:* As of the date of this announcement, among the above-mentioned grid-connected but not yet commercially operational projects, the projects that have entered commercial operation have an aggregate installed capacity of 1,250MW, specifically including: Shandong Energy Bozhong Offshore Wind Power Site G Project (400.4MW), Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Jingtai Hongshan 100MW Wind Farm Project, Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Jingyuan Beitai 300MW Wind Farm Project, Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Jingtai Shangshawo Fumin 200MW Photovoltaic Power Generation Project, Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Jingtai Sitan East 150MW Photovoltaic Power Generation Project, and Shandong Energy “Gansu Power to Shandong” Supporting Baiyin New Energy Base Jingyuan Beitai 100MW Photovoltaic Power Generation Project.

*Note 2:* In addition to the above projects, as of the date of this announcement, New Energy Group has planned power generation projects with approved or filed total installed capacity of 1,240MW, among which, wind power installed capacity is 930MW and photovoltaic power installed capacity is 310MW.

#### **(4) Financial Data**

The principal consolidated financial data (consolidated basis) of New Energy Group for the three years ended 31 December 2023, 2024 and 2025, prepared in accordance with Chinese Accounting Standards, are as follows:

	<i>RMB</i>		
	<b>For the year ended 31 December 2023</b> <i>(Audited)</i>	<b>For the year ended 31 December 2024</b> <i>(Audited)</i>	<b>For the year ended 31 December 2025</b> <i>(Audited)</i>
Revenue	6,177,289,008.11	6,789,418,263.38	7,710,174,940.27
Profit before tax	1,100,415,948.28	1,193,701,028.74	1,298,224,210.33
Profit after tax	1,084,288,975.81	1,157,263,758.05	1,173,335,438.02
	<b>As at 31 December 2023</b> <i>(Audited)</i>	<b>As at 31 December 2024</b> <i>(Audited)</i>	<b>As at 31 December 2025</b> <i>(Audited)</i>
Total assets	28,824,849,953.20	33,640,052,953.43	44,510,732,696.65
Total liabilities	19,276,653,807.93	23,429,784,812.76	32,913,617,160.60
Net assets	9,548,196,145.27	10,210,268,140.67	11,597,115,536.05

The original cost of the equity interests in New Energy Group held by Shandong Energy and Yankuang Hong Kong is the amount directly injected by them over the years, i.e., RMB6,588,194,999.62.

## (5) Valuation Summary

### Overall Situation of Asset Valuation

The Independent Valuer of the Transactions, using 31 January 2026 as the Valuation Benchmark Date, adopted the asset-based approach to appraise the entire shareholders' equity of New Energy Group, and issued the Asset Valuation Report.

According to the valuation results, as of the Valuation Benchmark Date, the book value of the total assets of New Energy Group was RMB16,002 million, with an appraised value of RMB24,151 million, representing an appreciation of RMB8,149 million and an appreciation rate of 50.92%; the book value of total liabilities was RMB8,581 million, with an appraised value of RMB8,581 million, representing no appreciation; the book value of net assets was RMB7,421 million, with an appraised value of RMB15,570 million, representing an appreciation of RMB8,149 million and an appreciation rate of 109.81%. The summary of the valuation is detailed in the table below:

Unit: RMB'0000

Item	Book Value A	Appraised Value B	Increase/ Decrease C = B-A	Appreciation Rate % D = C/A × 100
Current assets	394,675.76	394,675.76	–	–
Non-current assets	1,205,514.38	2,020,381.64	814,867.26	67.59
Including: Long-term equity investments	1,202,671.69	2,017,428.51	814,756.83	67.75
Fixed assets	251.15	359.24	108.09	43.04
Right-of-use assets	2,478.86	2,478.86	–	–
Intangible assets	7.89	10.22	2.34	29.64
Long-term prepaid expenses	104.79	104.79	–	–
Total assets	1,600,190.14	2,415,057.40	814,867.26	50.92
Current liabilities	641,896.46	641,896.46	–	–
Non-current liabilities	216,195.14	216,195.14	–	–
Total liabilities	858,091.60	858,091.60	–	–
Owners' equity (or shareholders' equity)	742,098.55	1,556,965.80	814,867.26	109.81

## *Rationality Analysis of Valuation*

The main reason for the appreciation in the valuation of New Energy Group is that certain subsidiaries corresponding to the long-term equity investment projects have strong profitability, resulting in a relatively large appreciation amount. The main entities contributing to the appreciation are New Energy Dongying, Shenglu Electric Power, Lingtai Thermal Power, Luxi Power Generation:

The appraised value of the entire shareholders' equity of New Energy Dongying under the income approach was RMB5,821.7184 million, representing an appreciation of RMB1,602.6614 million compared to its book net assets, with an appreciation rate of 37.99%. The main reason for the appreciation is that the offshore wind power projects, currently operated by Bohai No.1 and Bohai No.2, subsidiaries under New Energy Dongying, have good returns, a mature operation and maintenance system, strong overall profitability, and the projects have long-term sustainable profit-generating capability.

The appraised value of the entire shareholders' equity of Shenglu Electric Power under the income approach was RMB4,276.4900 million, representing an appreciation of RMB2,193.1416 million compared to its book net assets, with an appreciation rate of 105.27%. The main reason for the appreciation is that the high-efficiency thermal power units have stable revenue from electricity sales and capacity tariff, and based on the current business operations, financial position and asset characteristics, the future operating income is expected to be good.

The appraised value of the entire shareholders' equity of Lingtai Thermal Power under the income approach was RMB2,513.9330 million, representing an appreciation of RMB1,095.7089 million compared to its book net assets, with an appreciation rate of 77.26%. The main reason for the appreciation is that as the core peak-shaving power source for the "Gansu Power to Shandong" transmission project, the thermal power assets have good operating returns from ultra-supercritical units, comprehensively reflecting the future long-term profitability.

The appraised value of the entire shareholders' equity of Luxi Power Generation under the income approach was RMB4,339.4538 million, representing an appreciation of RMB2,009.6581 million compared to its book net assets, with an appreciation rate of 86.26%. The main reason for the appreciation is that the thermal power assets have the protection of long-term coal supply contracts and capacity tariff, coupled with the synergistic benefits of cogeneration, resulting in expectations of sustained and stable profitability in the future.

The full text of the Asset Valuation Report on New Energy Group will be included in the circular to be issued by the Company in due course.

## 2. Shandong Energy Electricity Sales

### (1) Basic Information

Shandong Energy Electricity Sales was established in January 2016 with a registered capital of RMB792,514,200 and is a wholly-owned subsidiary of Shandong Energy, primarily engaged in electricity sales and power generation.

As at the date of this announcement, the shareholding structure of Shandong Energy Electricity Sales is as follows:

Target Company	Second Vendor	Subscribed Registered Capital (RMB)	Subscribed Ratio	Paid-up Registered Capital (RMB)	Ratio of the Total Paid-up Capital Contribution
Shandong Energy Electricity Sales	Shandong Energy	792,514,200.00	100.00%	792,514,100.00	100.00%

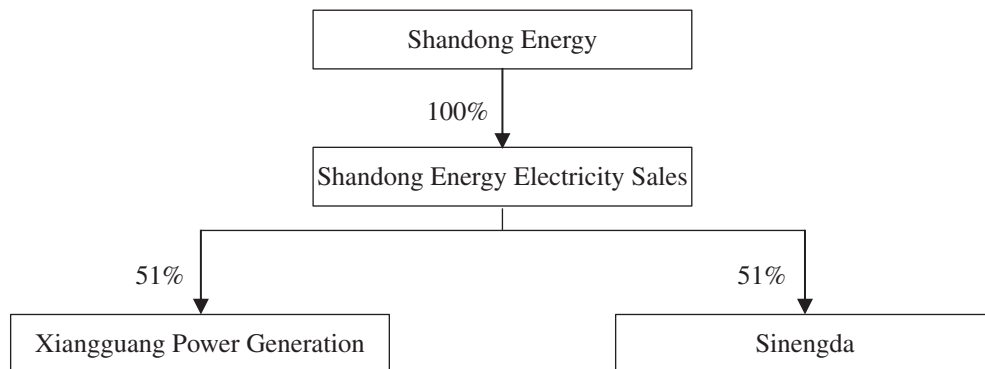
Upon closing of the Second Equity Transfer Agreement, the shareholding structure of Shandong Energy Electricity Sales will be as follows:

Target Company	The Company	Subscribed Registered Capital (RMB)	Subscribed Ratio	Paid-up Registered Capital (RMB)	Ratio of the Total Paid-up Capital Contribution
Shandong Energy Electricity Sales	Yankuang Energy Group Company Limited	792,514,200.00	100.00%	792,514,100.00	100.00%

Upon closing of the Second Equity Transfer Agreement, the Company will hold 100% equity interest in Shandong Energy Electricity Sales; and Shandong Energy Electricity Sales will become a subsidiary of the Company, and its financial results will be consolidated into the Group's financial statements.

## (2) Holding Subsidiaries

As at the date of this announcement, Shandong Energy Electricity Sales has a total of 2 direct holding subsidiaries, the shareholding structures of which are as follows:



The details of the subsidiaries are as follows:

No.	Company Name	Investment Ratio	Registered Capital (RMB)	Principal Business
1	Liaocheng Xiangguang Power Generation Co., Ltd. (聊城祥光發電有限公司) ("Xiangguang Power Generation")	51%	RMB1,100 million	Power production and sales
2	Shandong Sinengda Energy Development Co., Ltd. (山東思能達能源發展有限公司) ("Sinengda")	51%	RMB12 million	Power production and sales

## (3) Power Project Operation Status

Shandong Energy Electricity Sales is engaged in agency electricity sales business, while its subsidiaries are engaged in power generation business, including thermal power generation and photovoltaic power generation. As of 31 January 2026, the overall situation of each type of power generation business is shown in the table below:

Project Type	Installed Capacity (MW)			Total	Power Generation in 2025 (billion kWh)	Electricity Sales in 2025 (billion kWh)
	In commercial operation	Grid-connected but not yet in commercial operation	Under construction and not yet grid-connected			
Thermal Power	–	–	1,320	1,320	–	–
Photovoltaic Power	6	–	–	6	0.05	0.05
<b>Total</b>	<b>6</b>	<b>–</b>	<b>1,320</b>	<b>1,326</b>	<b>0.05</b>	<b>0.05</b>

As at 31 January 2026, the basic information of the power projects of Shandong Energy Electricity Sales' subsidiaries is shown in the table below:

Company Name	Project	Location	Type	Project Status	Installed Capacity
Xiangguang Power Generation	Shandong Energy Liaocheng Xiangguang 2×660,000 kW Cogeneration Project	Liaocheng, Shandong	Thermal Power	Under construction and not yet grid-connected	1,320MW
Sinengda	5.7MWp Distributed Photovoltaic Power Generation Project	Tai'an, Shandong	Photovoltaic	In commercial operation	5.7MW

#### (4) Financial Data

The principal consolidated financial data (on a consolidated basis) of Shandong Energy Electricity Sales for the three years ended 31 December 2023, 2024 and 2025, prepared in accordance with Chinese Accounting Standards, are as follows:

	<i>RMB</i>		
	<b>For the year ended 31 December 2023 (Audited)</b>	<b>For the year ended 31 December 2024 (Audited)</b>	<b>For the year ended 31 December 2025 (Audited)</b>
Revenue	27,497,149.95	32,663,551.62	48,015,849.35
Profit before tax	6,654,653.05	23,770,684.90	-17,238,319.65
Profit after tax	4,953,058.89	18,017,304.76	-12,545,667.33
	<b>As at 31 December 2023 (Audited)</b>	<b>As at 31 December 2024 (Audited)</b>	<b>As at 31 December 2025 (Audited)</b>
Total assets	1,368,689,432.59	1,390,938,194.85	3,174,236,404.52
Total liabilities	146,463,769.09	150,571,552.19	1,946,373,100.75
Net assets	1,222,225,663.50	1,240,366,642.66	1,227,863,303.77

The original cost of the equity interest in Shandong Energy Electricity Sales held by Shandong Energy is the amount directly injected by it over the years, i.e., RMB792,514,100.

## **(5) Valuation Summary**

### ***Overall Situation of Asset Valuation***

The Independent Valuer of the Transactions, using 31 January 2026 as the Valuation Benchmark Date, adopted both the asset-based approach and the income approach to appraise the entire shareholders' equity of Shandong Energy Electricity Sales, and issued the Asset Valuation Report.

The book value of the total assets of Shandong Energy Electricity Sales was RMB844 million, the book value of total liabilities was RMB14 million, and the book value of owners' equity was RMB830 million. The appraised value of the entire shareholders' equity under the income approach was RMB845 million, representing an increase of RMB15 million and an appreciation rate of 1.83%.

### ***Rationality Analysis of Valuation***

The appreciation in the valuation of Shandong Energy Electricity Sales is mainly attributable to the fact that, leveraging high-quality user resources and a large-scale electricity sales foundation, coupled with the growth potential of value-added businesses such as integrated energy services, green electricity trading, and ancillary services, the future performance of the electricity sales business will maintain stable development.

The full text of the Asset Valuation Report on Shandong Energy Electricity Sales will be included in the circular to be issued by the Company in due course.

## **3. Risk Warning and Countermeasures**

### ***(1) Risks of macroeconomic fluctuations, insufficient grid absorption, decline in electricity prices lead to lower-than-expected operating results of the Target Companies***

#### ***(a) Risk warning***

The power industry is closely related to the macroeconomic operating and development cycles. Considering the numerous uncertainties in the current domestic and international economic development situation, if the macroeconomic fluctuates in the future leading to a decline in the overall electricity market demand, this will have an adverse impact on the production and operation of the generating units.

Grid operators need to adjust the power generation scale of various types of generating units according to changes in electricity consumption, so as to maintain a balance between total grid power generation and electricity consumption. Fluctuations in social electricity consumption, spatio-temporal mismatches of new energy units, or increases in installed power generation capacity may lead to insufficient grid absorption capacity. Under conditions of limited absorption, the actual generation hours of generating units may fall short of expectations.

Since 2025, the market-oriented reform of new energy feed-in tariffs has been comprehensively advanced. Against the background of full market entry of new energy electricity and the continuous increase in social installed capacity, the feed-in tariff is more directly affected by market supply and demand dynamics. There is uncertainty as to whether the current electricity price level can be maintained in the future. If the market electricity tariff declines, the revenue and profit of the generating units will be adversely affected.

In summary, if the above factors change adversely, there is a risk that the operating results of the Target Companies may fall short of expectations.

*(b) Countermeasures*

The Company will closely monitor macroeconomic trends and changes in industrial policies, grasp the direction of macro-control policies, proactively adjust power generation plans and actively participate in power market transactions, so as to enhance the overall risk resistance capability and market competitiveness of the Target Companies, and the Company will promptly negotiate and discuss plans with the First Vendors and the Second Vendors on industrial policy changes that may have an impact. At the same time, to safeguard the interests of the Company and minority shareholders, the First Vendors have provided a commitment. For details, please refer to the relevant content of the “Letter of Performance Commitment” in this announcement.

**(2) Risk of receipt and repayment of offshore wind power fiscal subsidies**

*(a) Risk Warning*

The wind power projects under Bohai No.1 and Bohai No.2 are eligible for the offshore wind power subsidy policy of Shandong Province, involving the collection of fiscal subsidies from the Shandong Provincial Finance and the Dongying Municipal Finance. Among which, the Shandong Provincial Finance is expected to allocate subsidies of RMB140.28 million to Bohai No.1 and RMB111.86 million to Bohai No.2 by 31 December 2032. Such amounts have been included in the valuation scope of this transaction; the Dongying Municipal Finance is expected to allocate subsidies of RMB200.40 million to Bohai No.1 and RMB159.80 million to Bohai No.2. Such amounts were not considered in this valuation.

*(b) Countermeasures*

The First Equity Transfer Agreement explicitly stipulates that if the subsidies actually allocated by the Shandong Provincial Finance to Bohai No.1 and Bohai No.2 by 31 December 2032 are lower than the expected amounts, the shortfall shall be compensated by Shandong Energy and Yankuang Hong Kong to the Company; if after such compensation, Bohai No.1 or Bohai No.2 subsequently recovers the shortfall subsidies, the Company shall refund the corresponding amount to Shandong Energy and Yankuang Hong Kong; if the Dongying Municipal Finance subsidies are actually received in the future, the Company shall refund such amounts to Shandong Energy and Yankuang Hong Kong. For details, please refer to “II. First Equity Transfer Agreement” in this announcement.

**(3) Existence of material dispute over project cost settlement**

*(a) Risk Warning*

Two subsidiaries under New Energy Group have project cost settlement disputes with the general contractor. The First Audit Report and the First Equity Asset Valuation Report have measured the amounts based on the amounts confirmed by the two subsidiaries under New Energy Group. The amounts claimed by the general contractor exceed the amounts confirmed by such subsidiaries by RMB118.3851 million. The two subsidiaries under New Energy Group and the general contractor are still communicating regarding the disputed amounts, and no litigation has been involved yet.

*(b) Countermeasures*

The First Equity Transfer Agreement explicitly stipulates that if the actual debt borne by the two subsidiaries under New Energy Group exceeds the amounts recognised in the First Audit Report and the First Equity Asset Valuation Report, the excess amount shall be fully compensated by Shandong Energy and Yankuang Hong Kong to the Company; if such debt is lower than the amounts recognised in the First Audit Report and the First Equity Asset Valuation Report, the difference shall be refunded by the Company to Shandong Energy and Yankuang Hong Kong. For details, please refer to “II. First Equity Transfer Agreement” in this announcement.

**(4) Risk of compensation difference for land reserve of designated land use**

*(a) Risk Warning*

Luxi Power Generation, a subsidiary of New Energy Group, holds one parcel of state-owned designated use land with an area of 196,411 square meters, and the right holder recorded on the certificate is Shandong Province Luxi Prison. The appraised value of this parcel of land recognised in the First Equity Asset Valuation Report is RMB35.2777 million. The local government has issued a statement indicating its intention to implement the land reserve for this parcel of land. There is a risk that no compensation will be paid upon land reserve, or that the compensation paid will be lower than the appraised value of this parcel of land.

*(b) Countermeasures*

The First Equity Transfer Agreement explicitly stipulates that if there is no compensation for the land reserve of this parcel of land, or the compensation is lower than the appraised value of this parcel of land recognised in the First Equity Asset Valuation Report, the shortfall shall be compensated by Shandong Energy and Yankuang Hong Kong to the Company; if the land reserve compensation exceeds the appraised value of this parcel of land recognised in the First Equity Asset Valuation Report, the excess amount shall be refunded by the Company to Shandong Energy and Yankuang Hong Kong. For details, please refer to “II. First Equity Transfer Agreement” in this announcement.

**(5) *Issues relating to defects in land and property ownership and project construction procedures***

**(a) *Risk Warning***

As of the date of this announcement, for some projects of the holding subsidiaries of New Energy Group and the holding subsidiaries of Shandong Energy Electricity Sales, there are still circumstances of incomplete property rights registration for land use rights and properties, as well as incomplete construction procedures such as construction project planning, construction, fire safety design review and acceptance. These are mainly due to historical legacies, project construction cycles and completion acceptance progress, etc. No administrative penalties have been imposed as a result of the aforementioned circumstances. However, it cannot be ruled out that the relevant competent government authorities may impose penalties on the relevant companies in the future for such defects in land and property ownership and defects in project construction procedures.

**(b) *Countermeasures***

After the completion of the Transactions, the Company will continue to promote the follow-up procedures for re-application, property rights perfection and completion acceptance to ensure the compliant operation of the projects.

At the same time, to protect the Company's rights and interests, the First Vendors and the Second Vendors of the Transactions have undertaken in the First Equity Transfer Agreement and the Second Equity Transfer Agreement that all liabilities, losses and responsibilities arising from the ownership of aforementioned land and properties and the approval procedures for project construction prior to the closing date shall be fully borne and compensated by the transferring parties. For details, please refer to "II. First Equity Transfer Agreement" and "III. Second Equity Transfer Agreement" in this announcement.

**(6) *Part of the registered capital of the Target Companies not yet paid up***

**(a) *Risk Warning***

Shandong Energy has not yet fulfilled its paid-up capital contribution obligation of RMB3,222 million to New Energy Group and RMB100 to Shandong Energy Electricity Sales. Pursuant to the relevant arrangements under the First Equity Transfer Agreement and the Second Equity Transfer Agreement, such paid-up capital contribution obligations will all be transferred to the Company for full performance. The above unpaid registered capital is not included in the appraised value of the entire shareholders' equity of New Energy Group and Shandong Energy Electricity Sales in this transaction.

**(b) *Countermeasures***

After the completion of the Transactions, the Company will timely and fully fulfill its paid-up capital contribution obligations to New Energy Group and Shandong Energy Electricity Sales.

## **APPENDIX II – PRINCIPAL ASSUMPTIONS FOR PROFIT FORECAST**

In the Asset Valuation Reports, the valuation of certain assets was prepared based on the income approach, and therefore constitutes a profit forecast under Rule 14.61 of the Listing Rules.

The following is an extract from the Asset Valuation Reports, setting out the assumptions (including commercial assumptions) used by the Independent Valuer in the preparation of the Asset Valuation Reports:

The Independent Valuer prepared the Asset Valuation Report on New Energy Group based on the following:

### **(I) General Assumptions**

1. Transaction assumption: it is assumed that all assets to be appraised are already in a transaction process, and the appraiser estimates the value by simulating the market based on the transaction conditions of the assets to be appraised;
2. Open market assumption: it means that assets can be freely bought and sold in a fully competitive market, and their price level depends on the value judgment of independent buyers and sellers under the supply conditions of a particular market. An open market is a fully competitive market with many buyers and sellers. In this market, buyers and sellers have equal status, each has the opportunity and time to obtain sufficient market information, and their transactions are conducted voluntarily and rationally, not under duress or unconstrained conditions;
3. It is assumed that there are no material changes in the current relevant laws, regulations and policies of the state, nor in the national macroeconomic situation, and that there are no material changes in the political, economic and social environment of the region where each party to this transaction is located;
4. Based on the actual condition of the assets as at the Valuation Benchmark Date, it is assumed that the enterprise will continue as a going concern;
5. It is assumed that there are no material changes after the Valuation Benchmark Date in the tax bases and tax rates, as well as policy-related levies, applicable to the appraised entity;
6. It is assumed that the management of the appraised entity is responsible, stable and capable of performing its duties after the Valuation Benchmark Date;
7. It is assumed that the appraised entity fully complies with all relevant laws and regulations;
8. It is assumed that there are no force majeure events or unforeseen factors that would materially and adversely affect the appraised entity after the Valuation Benchmark Date.

## **(II) Special Assumptions**

1. It is assumed that, after the Valuation Benchmark Date, the accounting policies adopted by the appraised entity are consistent in material respects with the accounting policies adopted in the preparation of this valuation report;
2. It is assumed that, after the Valuation Benchmark Date, the scope and manner of operations of the appraised entity remain consistent with the current scope and manner, based on the existing management model and level;
3. It is assumed that, after the Valuation Benchmark Date, the appraised entity receives net cash flows evenly throughout each year;
4. It is assumed that all information provided by the client and the appraised entity in connection with this valuation is true, complete, lawful and valid;
5. It is assumed that the financial reports, transaction data, etc. of the benchmark companies relied upon by the appraisers are true and reliable;
6. It is assumed that the office and production/business premises originally leased by the parent company and its subsidiaries can be sustainably leased during the operating period;
7. It is assumed that the transaction structure ratio and transaction price for green certificate trading will remain relatively stable in future years;
8. This valuation assumes that the power business licences of the relevant subsidiaries can be normally renewed upon expiry of their validity periods;
9. It is assumed that no new generating units will be rebuilt after the expiry of the economic life of the relevant subsidiaries' generating units, and the related assets will be disposed of;
10. It is assumed that upon expiry of the generating units, each asset will be recovered at its carrying amount or appraised value, and this valuation does not consider any price changes that may occur to each asset from the Valuation Benchmark Date to the time of disposal at the end of the period;

## 11. Assumptions regarding tax benefits

- (1) According to the *Announcement of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation on Adjusting the Value-added Tax Policy for Wind Power Generation* (《財政部 海關總署 稅務總局關於調整風力發電等增值稅政策的公告》) (Announcement No. 10 [2025] of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation), from 1 November 2025 to 31 December 2027, a 50% immediate refund policy applies to the value-added tax on electricity products generated by taxpayers using offshore wind power and sold by them. This valuation assumes that companies including Shandong Bohai No.1 Wind Power Co., Ltd. (山能渤海一號風電有限公司) will normally enjoy the above tax benefits during this period.
- (2) According to the *Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households with Tax Policies* (《財政部 稅務總局 關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》) (Announcement No. 12 [2023] of the Ministry of Finance and the State Administration of Taxation), from 1 January 2023 to 31 December 2027, a 50% reduction applies to resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities trading), cultivated land occupation tax, education surcharge and local education surcharge for small-scale VAT taxpayers, small and micro enterprises and individual industrial and commercial households; and a policy of calculating taxable income at 25% and paying corporate income tax at a rate of 20% applies to small and micro enterprises. This valuation assumes that companies including Shanneng New Energy (Chengwu) Co., Ltd. (山能新能源(成武)有限公司) will normally enjoy the above tax benefits during this period.
- (3) According to the relevant provisions of the *Corporate Income Tax Law of the People's Republic of China* (《中華人民共和國企業所得稅法》), the *Implementing Regulations of the Corporate Income Tax Law of the People's Republic of China* (《中華人民共和國企業所得稅法實施條例》), and the *Notice of the Ministry of Finance and the State Administration of Taxation on Issues Concerning Corporate Income Tax Preferential Policies for Public Infrastructure Projects and Environmental Protection, Energy Conservation and Water Conservation Projects* (《財政部 國家稅務總局關於公共基礎設施項目和環境保護節能節水項目企業所得稅優惠政策問題的通知》) (Cai Shui [2012] No. 10), from 1 January 2013, resident enterprises engaged in new construction projects of power grids (power transmission and transformation facilities) that meet the conditions and standards set out in the *Catalogue of Corporate Income Tax Preferential Policies for Public Infrastructure Projects* (《公共基礎設施項目企業所得稅優惠目錄》) may enjoy a “three-year exemption and three-year half-reduction” corporate income tax preferential policy. This valuation assumes that companies including Shandong Bohai No.1 Wind Power Co., Ltd. will normally enjoy the above tax benefits during this period.

- (4) According to the *Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Extending the Corporate Income Tax Policy for the Western Development Programme* (《財政部 稅務總局 國家發展改革委關於延續西部大開發企業所得稅政策的公告》) (Announcement No. 23 [2020] of the Ministry of Finance), from 1 January 2021 to 31 December 2030, a reduced corporate income tax rate of 15% applies to enterprises in encouraged industries located in the western region. This valuation assumes that companies including Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd. will normally enjoy the above tax benefits during this period.
- (5) The subsidiary, Shandong Energy Inner Mongolia Shenglu Power Co., Ltd., has been recognised as a National High-tech Enterprise and enjoys the tax preference of corporate income tax calculated at the rate of 15%. For this valuation, on the premise that the ratio of the subsidiary's R&D expenditure to revenue during the forecast period is not less than 3% and that it can satisfy other conditions for recognition as a High-tech Enterprise, it is assumed that it can continuously maintain its High-tech Enterprise qualification during the income period and obtain the corporate income tax preference.

According to the *provisions of the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Improving the Policy of Additional Deduction of R&D Expenses before Tax* (《財政部 稅務總局 關於進一步完善研發費用稅前加計扣除政策的公告》) (Announcement No. 7 [2023] of the Ministry of Finance and the State Administration of Taxation), “For the R&D expenses actually incurred by an enterprise in R&D activities that are not capitalised into intangible assets and are recorded in current profit or loss, on the basis of the actual deduction amount in accordance with the regulations, starting from 1 January 2023, an additional deduction of 100% of the actual amount incurred is allowed before tax; for those that are capitalised into intangible assets, starting from 1 January 2023, amortisation is allowed before tax at 200% of the cost of the intangible asset.”

This valuation assumes that Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. can normally enjoy the above tax preferences during its income period.

The Independent Valuer prepared the Asset Valuation Report on Shandong Energy Electricity Sales based on the following:

### **(I) General Assumptions**

1. Transaction assumption: it is assumed that all assets to be appraised are already in a transaction process, and the appraiser estimates the value by simulating the market based on the transaction conditions of the assets to be appraised;
2. Open market assumption: it means that assets can be freely bought and sold in a fully competitive market, and their price level depends on the value judgment of independent buyers and sellers under the supply conditions of a particular market. An open market is a fully competitive market with many buyers and sellers. In this market, buyers and sellers have equal status, each has the opportunity and time to obtain sufficient market information, and their transactions are conducted voluntarily and rationally, not under duress or unconstrained conditions;

3. It is assumed that there are no material changes in the current relevant laws, regulations and policies of the state, nor in the national macroeconomic situation, and that there are no material changes in the political, economic and social environment of the region where each party to this transaction is located;
4. Based on the actual condition of the assets as at the Valuation Benchmark Date, it is assumed that the enterprise will continue as a going concern;
5. It is assumed that there are no material changes after the Valuation Benchmark Date in the tax bases and tax rates, as well as policy-related levies, applicable to the appraised entity;
6. It is assumed that the management of the appraised entity is responsible, stable and capable of performing its duties after the Valuation Benchmark Date;
7. It is assumed that the appraised entity fully complies with all relevant laws and regulations;
8. It is assumed that there are no force majeure events or unforeseen factors that would materially and adversely affect the appraised entity after the Valuation Benchmark Date.

## **(II) Special Assumptions**

1. It is assumed that, after the Valuation Benchmark Date, the accounting policies adopted by the appraised entity are consistent in material respects with the accounting policies adopted in the preparation of this valuation report;
2. It is assumed that, after the Valuation Benchmark Date, the scope and manner of operations of the appraised entity remain consistent with the current scope and manner, based on the existing management model and level;
3. It is assumed that, after the Valuation Benchmark Date, the appraised entity receives net cash flows evenly throughout each year;
4. It is assumed that all information provided by the client and the appraised entity in connection with this valuation is true, complete, lawful and valid;
5. The financial reports, transaction data, etc. of the benchmark companies relied upon by the appraisers are true and reliable;
6. The office and production/business premises originally leased by the parent company and its subsidiaries can be sustainably leased during the operating period.



**Independent assurance report to the board of directors of Yankuang Energy Group Company Limited**

We have examined the calculations of the discounted future estimated cashflows on which the valuation prepared by Beijing Huaya Zhengxin Asset Appraisal Co., Ltd.\* (北京華亞正信資產評估有限公司) dated 16 May 2026 in respect of the appraisal of the fair value of the companies as set out in the Appendix to this report as at 31 January 2026 (the “**Valuation**”) in connection with the proposed acquisition of 100% equity interest in Shandong Energy Group New Energy Group Co., Ltd.\* (山東能源集團新能源集團有限公司) and Shandong Energy Electricity Sales Co., Ltd.\* (山東能源電力銷售有限公司) (together, the “**Target Companies**”) is based. The Valuation, prepared based on the discounted future cash flows, is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

**Directors’ responsibilities**

The directors of the Company are responsible for the preparation of the discounted future estimated cashflows in accordance with the bases and assumptions (the “**Assumptions**”) determined by the directors and as set out in the valuation reports of the Valuer dated 16 May 2026. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cashflows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Our independence and quality management**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Our responsibility**

Our responsibility is to form an assurance conclusion on the calculations of the discounted future estimated cashflows on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.60A(2) of the Listing Rules, and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the directors have properly compiled the discounted future estimated cashflows based upon the Assumptions. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

## **Opinion**

In our opinion, so far as the calculations are concerned, the discounted future estimated cashflows have been properly compiled, in all material aspects, based upon the Assumptions.

## **Other matter**

The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from those used in the Valuation and the variation may be material. Our opinion is not qualified in respect of this matter.

For the purpose of this engagement, we do not review the accounting policies for the Valuation as the Valuation relates to discounted future cash flows and no accounting policies have been adopted in the preparation of the Valuation. We are not reporting on the appropriateness and validity of the Assumptions on which the Valuation is based and our work does not constitute any valuation of the Target Companies or an expression of an audit or review opinion on the Valuation.

Baker Tilly Hong Kong Limited  
Certified Public Accountants  
Hong Kong, 3 June 2026  
Wan Wing Ping  
Practising certificate number P07471

\* *English name for identification purpose only*

## List of companies

- 1 Shandong Luxi Power Generation Co., Ltd.\* (山東魯西發電有限公司)
- 2 Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd.\* (山東能源集團靈台火力發電有限公司)
- 3 Shanneng Huixin Smart Wind Power (Lijin) Co., Ltd.\* (山能匯鑫智慧風電(利津)有限公司)
- 4 Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd.\* (山東能源盛魯能化阿拉善盟新能源有限公司)
- 5 Shanneng New Energy (Yishui) Co., Ltd.\* (山能新能源(沂水)有限公司)
- 6 Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd.\* (山東能源盛魯能化鄂爾多斯市新能源有限公司)
- 7 Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd.\* (山東能源集團靈台盛魯新能源有限公司)
- 8 Shandong Energy Inner Mongolia Shenglu Power Sales Co., Ltd.\* (山東能源內蒙古盛魯售電有限公司)
- 9 Shanneng New Energy (Zoucheng) Co., Ltd.\* (山能新能源(鄒城)有限公司)
- 10 Shanneng New Energy (Zaozhuang) Co., Ltd.\* (山能新能源(棗莊)有限公司)
- 11 Shanneng New Energy (Zibo Zichuan District) Co., Ltd.\* (山能新能源(淄博淄川區)有限公司)
- 12 Shanneng New Energy (Yiyuan) Co., Ltd.\* (山能新能源(沂源)有限公司)
- 13 Shanneng New Energy (Rizhao) Co., Ltd.\* (山能新能源(日照)有限公司)
- 14 Shanneng New Energy (Chengwu) Co., Ltd.\* (山能新能源(成武)有限公司)
- 15 Shanneng New Energy (Dongying) Co., Ltd.\* (山能新能源(東營)有限公司)
- 16 Shandong Bohai No.1 Wind Power Co., Ltd.\* (山東渤海一號風電有限公司)
- 17 Shandong Bohai No.2 Wind Power Co., Ltd.\* (山東渤海二號風電有限公司)
- 18 Shandong Energy Inner Mongolia Shenglu Power Co., Ltd.\* (山東能源內蒙古盛魯電力有限公司)
- 19 Shanneng New Energy Development (Tancheng) Co., Ltd.\* (山能新能源發展(鄒城)有限公司)
- 20 Shandong Energy Electricity Sales Co., Ltd.\* (山東能源電力銷售有限公司)
- 21 Shandong Sinengda Energy Development Co., Ltd.\* (山東思能達能源發展有限公司)

\* English name for identification purpose only

## APPENDIX IV – LETTER FROM THE BOARD IN RELATION TO THE PROFIT FORECAST

The following is the text of a letter from the Board in relation to the profit forecast prepared for the purpose of incorporation in this announcement.

The Listing Division  
The Stock Exchange of Hong Kong Limited  
12/F, Two Exchange Square  
8 Connaught Place  
Central, Hong Kong

3 June 2026

Dear Sir or Madam,

**Company: Yankuang Energy Group Company Limited (the “Company”)**

**Re: Discloseable and Connected Transaction in relation to the Acquisition of Equity Interest in the Target Companies**

We refer to the announcement of the Company dated 3 June 2026 (the “**Announcement**”), of which this letter forms part. Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used herein.

Reference is made to (i) the valuation report on New Energy Group dated 16 May 2026; and (ii) the valuation report on Shandong Energy Electricity Sales (together with the valuation of New Energy Group, the “**Valuations**”) dated 16 May 2026, prepared by the Independent Valuer, Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. (the “**Independent Valuer**”) (collectively, the “**Asset Valuation Report(s)**”). In the Asset Valuation Report(s), the valuation of certain assets was prepared based on the income approach and therefore constitutes a profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Listing Rules.

We have discussed with the Independent Valuer and reviewed the bases and assumptions based upon which the Profit Forecast was prepared. We have also engaged Baker Tilly Hong Kong Limited to report on the calculations of the Profit Forecast used in the Asset Valuation Report(s) and considered the report from Baker Tilly Hong Kong Limited. Based on the aforesaid, we confirm that the Profit Forecast as contained in the Asset Valuation Report(s) has been made after due and careful inquiry.

Yours faithfully,

For and on behalf of the Board  
**Yankuang Energy Group Company Limited\***  
**Li Wei**  
*Chairman*