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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)

INSIDE INFORMATION
PROPOSED SPIN-OFF OF KASONG SCIENCE AND
TECHNOLOGY AND QUOTATION OF ITS SHARES ON
NATIONAL EQUITIES EXCHANGE AND QUOTATIONS

This announcement is published by Yankuang Energy Group Company Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Hong Kong Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and the Inside Information Provisions (as defined in the provisions under the Hong Kong Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) is pleased to announce that the Company proposes to spin off its controlled subsidiary Kasong Science and Technology Co., Ltd.* (“**Kasong Science and Technology**”), and have it quoted on the National Equities Exchange and Quotations (the “**NEEQ**”) (the “**Proposed Spin-off**”). On 22 September 2025, Kasong Science and Technology submitted an application for quotation of its shares on the National Equities Exchange and Quotations Co., Ltd. (the “**NEEQ Co., Ltd.**”).

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

Kasong Science and Technology is mainly engaged in the research and development, production and sales of various industrial lubricants and grease products. Based on the analysis and judgment of the future industry situation, if the Proposed Spin-off is successful, it will help Kasong Science and Technology to give full play to the integration advantages of industrial lubricants and oil and fluids online monitoring business on the basis of refining and strengthening the main business of lubricants, promote technology research and development and software and hardware manufacturing in the fields of oil and fluids online monitoring business, realize technological innovation and promote the transformation of efficient results, continuously promote the development of the high-end equipment manufacturing segment of the Group, and continue to expand the industrial scale of the Group.

The main reasons for and benefits of the Proposed Spin-off are as follows:

- (a) Upon completion of the Proposed Spin-off, it will help Kasong Science and Technology to broaden its financing channels, increase investment in the field of the industrial lubrication business, consolidate its market competitiveness, further expand its business scope, enrich its product lines, and achieve leapfrog development. This will in turn further enhance the profitability and overall competitiveness of the Group's high-end equipment manufacturing segment and help the Company achieve sustainable and healthy long-term development.
- (b) The Proposed Spin-off will help Kasong Science and Technology gain more market exposure and media attention, enhance its recognition and brand image, establish a stronger reputation among customers, suppliers and partners, and attract outstanding talents to join the enterprise, which can enhance the credit qualification of Kasong Science and Technology in financial institutions, make it easier to obtain loans and credit. Meanwhile, it also helps enhance the overall brand image and market influence of the Company, attracts more high-quality resources and cooperation opportunities, and brings synergies to other business segments of the Group.
- (c) During the Proposed Spin-off, Kasong Science and Technology will improve its management and operating systems such as the financial system, information disclosure mechanism and internal control system in accordance with regulatory requirements. These improvements are expected not only to help Kasong Science and Technology raise its management level and financial transparency, reduce operating risks and improve operational efficiency, but also to help the Company establish a more comprehensive governance and control framework at the group level and provide a clearer view of the Company's business and financial conditions to the shareholders of the Company (the "**Shareholders**").
- (d) Upon completion of the Proposed Spin-off, it is expected that the NEEQ will provide market price references for the enterprise valuation of Kasong Science and Technology, which can better reflect its intrinsic value. This will in turn enable a more reasonable valuation of the Group's various business segments in the capital market, so that the value of high-quality assets of the Company can be fully reflected in the capital market and maximize the interests of Shareholders; and
- (e) Upon completion of the Proposed Spin-off, the Company will remain in control of Kasong Science and Technology and will continue to consolidate the financial statements of Kasong Science and Technology. The Company will continue to benefit from the future business development and growth of Kasong Science and Technology.

INFORMATION ON KASONG SCIENCE AND TECHNOLOGY

Kasong Science and Technology was established on 28 April 2005, and as of the date of this announcement, Shandong Energy Group Luxi Mining Co., Ltd.* (山東能源集團魯西礦業有限公司) ("**Luxi Mining**"), in which the Company holds 51% equity interest, holds 51% of the shares of Kasong Science and Technology, and Kasong Science and Technology is an indirect controlled subsidiary of the Company. Kasong Science and Technology is mainly engaged in the research and development, production and sales of various industrial lubricants and grease products.

The main financial information of Kasong Science and Technology as at 30 June 2025, which was prepared in accordance with the Accounting Standards for Business Enterprises of China, is set out below:

Unit: RMB'000

Item	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Total assets	355,491.54	348,764.69
Total liabilities	149,184.18	149,139.00
Net assets	206,307.36	199,625.69

Item	From January to June 2025 (Unaudited)	Year ended 31 December 2024 (Audited)
Operating revenue	153,471.19	332,915.70
Net profit	4,355.12	10,637.38

IMPLICATIONS OF THE HONG KONG LISTING RULES

As of the date of this announcement, Kasong Science and Technology is an indirect controlled subsidiary of the Company, and Luxi Mining, in which the Company holds 51% equity interest, holds 51% of the shares of Kasong Science and Technology. As Kasong Science and Technology does not have plans to intend to issue new shares for the spin-off and listing, immediately after the completion of the Proposed Spin-off, the equity interests of Kasong Science and Technology held by the Company will remain unchanged, and Kasong Science and Technology will remain a controlled subsidiary of the Company, with the financial results of Kasong Science and Technology still continuing to be consolidated in the financial statements of the Company. The Proposed Spin-off will not affect the Company's control over Kasong Science and Technology and the independent listing status of the Company, nor will it have a material impact on the financial position, operating results and continuing operations of the Company.

The Proposed Spin-off will not involve the issuance of new shares by Kasong Science and Technology, and will not constitute a transaction under Chapter 14 and/or Chapter 14A of the Hong Kong Listing Rules. In addition, the Proposed Spin-off is also not subject to the approval of the Board or the general meeting of the Company.

The Company will apply for approval from the relevant regulatory authorities in due course in relation to the Proposed Spin-off, including but not limited to application to the Hong Kong Stock Exchange for the approval of the spin-off in accordance with Practice Note 15 of the Hong Kong Listing Rules. The Proposed Spin-off will be subject to, among other things, the approval of the Hong Kong Stock Exchange and the NEEQ Co., Ltd., and is subject to change in consultation with the competent regulatory authorities. The Company will inform the Shareholders and potential investors of the further development of the Proposed Spin-off in accordance with the Hong Kong Listing Rules and applicable laws and regulations.

Shareholders and potential investors should note that there is no assurance as to whether or when the Proposed Spin-off will proceed. As the Proposed Spin-off may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Zoucheng, Shandong Province, the PRC
22 September 2025

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*