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**中国神华能源股份有限公司**  
**CHINA SHENHUA ENERGY COMPANY LIMITED**

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

**(Stock Code: 01088)**

**MAJOR TRANSACTION AND CONNECTED TRANSACTION  
FURTHER ANNOUNCEMENT ON PERFORMANCE  
COMPENSATION ARRANGEMENTS**

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

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

## **I. BACKGROUND**

On 15 August 2025, the Company entered into the Asset Purchase Agreement with China Energy and its wholly-owned subsidiary, Western Energy, pursuant to which, the Company conditionally agreed to (i) acquire 100% equity interest in Guoyuan Power, 100% equity interest in Xinjiang Energy, 100% equity interest in Chemical Company, 100% equity interest in Wuhai Energy, 100% equity interest in Pingzhuang Coal, 41% equity interest in Shenyang Coal, 49% equity interest in Jinshen Energy, 100% equity interest in Baotou Mining, 100% equity interest in Shipping Company, 100% equity interest in Coal Trading Company, 100% equity interest in E-commerce Company and 100% equity interest in Port Company held by China Energy by way of issuance of Consideration Shares and payment in cash; and (ii) acquire 100% equity interest in Inner Mongolia Construction Investment held by Western Energy by way of payment in cash.

On 19 December 2025, the Company entered into the Supplemental Asset Purchase Agreement with China Energy and Western Energy, pursuant to which (i) the Target Assets under the Transaction were revised to exclude the 100% equity interest in E-commerce Company held by China Energy, while all other Target Assets remained unchanged; and (ii) certain terms of the Transaction, including the transaction consideration and payment arrangements, were further amended and supplemented.

On 19 December 2025, the Company, China Energy and Western Energy entered into the Performance Compensation Agreement in respect of the mining rights assets and the equity interests in certain subsidiaries and associates which were valued and priced using the income approach for the purposes of the Transaction. In addition, for those assets valued using the market approach under the Transaction, such as buildings and other assets, China Energy and Western Energy issued to the Company the Impairment Compensation Undertaking Letter dated 19 December 2025.

## II. PERFORMANCE COMPENSATION SUPPLEMENTAL UNDERTAKING

Save for the assets valued using the income approach as set out in the Performance Compensation Agreement, according to the valuation report and valuation notes issued by China United Appraisal, certain intangible assets involved in the Transaction were valued using the income approach (the “**Income Approach-Valued Intangible Assets**”), being the patent asset group jointly held by the Ordos Coal Liquefaction Branch of the Chemical Company and China Energy Yulin Chemical Co., Ltd. (a wholly-owned subsidiary of the Chemical Company), together with relevant cooperation parties, with a corresponding transaction consideration of RMB168.4105 million. For the purpose of clarifying the performance commitment arrangements in respect of the aforesaid Income Approach-Valued Intangible Assets, on 22 January 2026, China Energy issued a supplemental performance compensation undertaking in favour of the Company (the “**Performance Compensation Supplemental Undertaking**”) in respect of the Income Approach-Valued Intangible Assets.

Under the Transaction, the performance commitment period for the Income Approach-Valued Intangible Assets shall cover the financial year in which the Transaction is completed (being the year in which the equity interests in the Target Companies have completed the relevant industrial and commercial change registration) and the two subsequent financial years, namely the financial years of 2026, 2027 and 2028. In the event that the completion of the Transaction is postponed, the performance commitment period shall be correspondingly extended.

China Energy undertakes that the Income Approach-Valued Intangible Assets shall achieve the following committed net profit during each year of the performance commitment period:

Performance Commitment Period	2026	2027	2028
Forecasted net profit (RMB'000)	311,325.1	756,232.3	392,359.4
Profit sharing ratio (%)	17.10	17.10	17.10
Iteration rate	0.60	0.70	0.80
Committed net profit (RMB'000)	21,294.6	38,794.7	13,418.7

*Note 1:* Net profit from the services generated by the Income Approach-Valued Intangible Assets = revenue from principal activities – cost of sales – taxes and surcharges – selling expenses – administrative expenses – finance costs – research and development expenses – income tax expenses. Revenue from principal activities and cost of sales attributable to the PGA production line are excluded from the above calculation (PGA, or polyglycolic acid is a new product currently under research, development and trial production, and the contribution of the patents subject to this valuation has not been reflected in the revenue and cost of this product.);

*Note 2:* Committed net profit= net profit from the services generated by the Income Approach-Valued Intangible Assets × profit sharing ratio × (1 – iteration rate).

At the time of the Company's annual audit for each financial year during the performance commitment period, the Company shall engage an accounting firm qualified under the Securities Law of the PRC to issue a special review report on the actual net profit achieved by the Income Approach-Valued Intangible Assets for the current period. Such report shall be used by the parties to determine the difference between the cumulative actual net profit achieved by the Income Approach-Valued Intangible Assets as at the end of the current period and the cumulative committed net profit as at the end of the current period.

In respect of the Income Approach-Valued Intangible Assets, if, as at the end of any financial year during the performance commitment period, the cumulative actual net profit achieved fails to reach the cumulative committed net profit as at the end of the current period, China Energy shall compensate the Company for the shortfall.

The compensation arrangements applicable to the performance commitment in respect of the Income Approach-Valued Intangible Assets shall follow the relevant provisions set out in the section headed "4. Performance Commitment and Compensation Arrangements – A. Performance Commitment and Compensation Arrangements for the Income Approach-Priced Portion – (D) Performance Compensation and Impairment Test for the Income Approach-Priced Portion" in the letter from the Board of the Circular.

The compensation cap payable by China Energy to the Company shall be subject to the arrangements set out in the section headed "(5) Compensation Cap" on page 50 of the Circular.

Pursuant to applicable PRC regulatory requirements and the relevant implementation arrangements, China Energy, Western Energy and the Company are expected to enter into a tripartite agreement on 26 January 2026, pursuant to which the performance compensation arrangements in respect of the Income Approach-Valued Intangible Assets as set out in the Performance Compensation Supplemental Undertaking will be documented in contractual form. The terms of such tripartite agreement will be consistent with the Performance Compensation Supplemental Undertaking as disclosed in this announcement.

Save as disclosed above, all other terms of the Performance Compensation Agreement and the Impairment Compensation Undertaking Letter remain unchanged.

### **III. REASONS FOR ISSUANCE OF THE PERFORMANCE COMPENSATION SUPPLEMENTAL UNDERTAKING**

The Performance Compensation Supplemental Undertaking was issued by China Energy with a view to ensuring that the performance commitment and compensation arrangements in respect of certain intangible assets involved in the Transaction which were valued using the income approach are appropriately addressed within the overall framework of the Transaction.

In light of the applicable PRC regulatory requirements, the Company considers it appropriate to ensure that the performance commitment arrangements under the Transaction apply consistently to all assets valued using the income approach, including the Income Approach-Valued Intangible Assets. Accordingly, the Performance Compensation Supplemental Undertaking operates within and by reference to the existing performance commitment and compensation framework as disclosed in the Circular, and applies such framework to the Income Approach-Valued Intangible Assets, so as to maintain the consistency and completeness of the performance commitment arrangements under the Transaction.

The issuance of the Performance Compensation Supplemental Undertaking does not change the overall transaction structure, consideration arrangements, valuation basis or other principal commercial terms of the Transaction as disclosed in the Circular, nor does it impose any additional obligation on the Company. Instead, the arrangements thereunder operate within the existing framework of the Transaction and provide that the Company may, where applicable, enforce its entitlement to compensation in accordance with the agreed mechanism.

The Directors (including the independent non-executive Directors) consider that the issuance of the Performance Compensation Supplemental Undertaking by China Energy and the terms therein, are fair and reasonable, and in the best interests of the Company and its Shareholders as a whole.

### **IV. HONG KONG LISTING RULES IMPLICATIONS**

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

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

## **V. POTENTIAL ARRANGEMENTS IN RESPECT OF CERTAIN EXPLORATION MINING RIGHTS**

In addition to the performance compensation arrangements in respect of the Income Approach-Valued Intangible Assets as disclosed above, the Company wishes to inform Shareholders that, in connection with the Transaction, certain exploration mining rights currently held by Pingzhuang Coal may, in due course, be subject to further arrangements with a view to further safeguarding the interests of the Company and its Shareholders. Such arrangements, if implemented, are intended to be effected by way of the provision of impairment compensation undertakings by China Energy in respect of the relevant exploration mining rights (including arrangement pursuant to which, in the event that the relevant commitment requirements are not satisfied, China Energy would, in accordance with the terms of the undertakings, repurchase the relevant exploration mining rights).

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

Further, the Directors (including the independent non-executive Directors) consider that the potential implementation of any such arrangements would not affect Shareholders' ability to make an informed decision in respect of the Transaction. Any such arrangements are intended solely to provide additional protection to the Company and its Shareholders and do not introduce any new obligations, risks or uncertainties to Shareholders beyond those already disclosed in the Circular.

As at the date of this announcement, no definitive arrangement has been determined in respect of the aforesaid exploration mining rights. The Company will make further announcement(s) as and when appropriate in accordance with the Hong Kong Listing Rules.

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

Beijing, 22 January 2026

*As at the date of this announcement, the Board comprises the following: Mr. Zhang Changyan as executive director, Mr. Kang Fengwei and Mr. Li Xinhua as non-executive directors, Dr. Yuen Kwok Keung, Dr. Chen Hanwen and Mr. Wang Hong as independent non-executive directors, and Ms. Jiao Lei as employee director.*