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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)

CONTINUING CONNECTED TRANSACTIONS ENTERING INTO 2026 FACTORING SERVICES AGREEMENT

ENTERING INTO 2026 FACTORING SERVICES AGREEMENT

The Company entered into the 2026 Factoring Services Agreement with Guoneng Factoring on 19 December 2025, pursuant to which, Guoneng Factoring agreed to provide Members of the Group with factoring services and factoring-related services such as consulting, agency, asset management and supply chain finance platform services. The Factoring Services Agreement shall become effective from the date when it is approved by the Board, and signed by the legal representatives or authorized representatives of both parties and affixed with the company seal or special contract seal, with a valid period from 1 January 2026 to 31 December 2026.

HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, Guoneng Factoring is an indirect wholly-owned subsidiary of China Energy. China Energy is the controlling shareholder of the Company. Accordingly, Guoneng Factoring is a connected person of the Company as defined under the Hong Kong Listing Rules. The 2026 Factoring Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

For the proposed annual caps of providing factoring services by Guoneng Factoring to Members of the Group under the 2026 Factoring Services Agreement, as one or more of the applicable percentage ratios (calculated under Rule 14.07 of the Hong Kong Listing Rules) exceed 0.1% but all of them are less than 5%, the provision of factoring services by Guoneng Factoring to Members of the Group under the 2026 Factoring Services Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules but is exempt from the independent shareholders' approval requirements.

For the expected total amount of Other Factoring-related Services under the 2026 Factoring Services Agreement, as the applicable percentage ratios (calculated under Rule 14.07 of the Hong Kong Listing Rules) are less than 0.1%, Other Factoring-related Services under the 2026 Factoring Services Agreement are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

As disclosed in the announcement of the Company dated 28 April 2023, the Company entered into the 2023 to 2025 Factoring Services Agreement with Guoneng Factoring on 28 April 2023, pursuant to which, Guoneng Factoring provided Members of the Group with factoring services and Other Factoring-related Services, and the annual caps for the three years ending 31 December 2025, respectively. The 2023 to 2025 Factoring Services Agreement was to remain valid until 31 December 2025.

As disclosed in the announcement of the Company dated 22 March 2024, the Company entered into the New Factoring Services Agreement with Guoneng Factoring on 22 March 2024, revising the annual caps for the maximum daily balance for providing factoring services by Guoneng Factoring to Members of the Group for the two years ending 31 December 2025, while the annual caps for other transactions remained unchanged. The New Factoring Services Agreement is drafted with reference to the relevant terms of the 2023 to 2025 Factoring Services Agreement. The New Factoring Services Agreement shall be effective from 1 January 2024 and expire on 31 December 2025.

The Company entered into the 2026 Factoring Services Agreement with Guoneng Factoring on 19 December 2025. The 2026 Factoring Services Agreement is formulated with reference to the relevant terms of the New Factoring Services Agreement entered into on 22 March 2024. The 2026 Factoring Services Agreement shall be effective from 1 January 2026 and expire on 31 December 2026.

2026 FACTORING SERVICES AGREEMENT

Date

19 December 2025

Parties

The Company and Guoneng Factoring

Contents of Transactions

According to the 2026 Factoring Services Agreement, Guoneng Factoring will provide Members of the Group with the following services:

- (1) providing Members of the Group with factoring services; and

- (2) providing Members of the Group with Other Factoring-related Services such as consulting, agency, asset management and supply chain finance platform services.

Term and Termination

The 2026 Factoring Services Agreement shall become effective from the date when it is approved by the Board, and signed by the legal representatives or authorized representatives of both parties and affixed with the company seal or special contract seal, with a valid period from 1 January 2026 to 31 December 2026.

Annual Caps and Historical Transactions

The following table sets out the historical transaction amounts for the two financial years ended 31 December 2024 and the nine months ended 30 September 2025, the annual caps per annum under the 2023 to 2025 Factoring Services Agreement and New Factoring Services Agreement, and the annual cap under the 2026 Factoring Services Agreement for the year ending 31 December 2026 in respect of the provision of factoring services by Guoneng Factoring to Members of the Group:

The Maximum Daily Balance (Including Interest, Factoring Service Fee and Other Related Financing Fees) for Providing Factoring Services by Guoneng Factoring to Members of the Group

Historical annual caps and transaction amounts

For the year ended 31 December 2023		For the year ended 31 December 2024		For the year ending 31 December 2025	For the nine months ended 30 September 2025
Annual Cap (RMB million)	Historical Transaction Amount (RMB million)	Annual Cap (RMB million)	Historical Transaction Amount (RMB million)	Annual Cap (RMB million)	Historical Transaction Amount (RMB million)
2,000	1,982	5,000	3,262	5,000	2,888

2026 annual cap

**Proposed annual
caps for the
year ending
31 December
2026
(RMB million)**

The maximum daily balance (including interest, factoring service fee and other related financing fees) for providing factoring services by Guoneng Factoring to Members of the Group

10,000

The annual caps on the maximum daily balance for providing factoring services by Guoneng Factoring to Members of the Group under the 2026 Factoring Services Agreement are determined by taking into account the following factors:

- (1) History of factoring service transactions: Members of the Group have significant demand for factoring services, and the maximum daily balance for providing factoring services by Guoneng Factoring to Members of the Group has been increasing over the past three years. In 2023, the maximum daily balance for providing factoring services by Guoneng Factoring to Members of the Group was RMB1.982 billion (close to the annual cap of RMB2.0 billion for that year). In 2024, the maximum daily balance for providing factoring services by Guoneng Factoring to Members of the Group increased to RMB3.262 billion, representing a year-on-year increase of approximately 65%. For the nine months ended 30 September 2025, the maximum daily balance for providing factoring services by Guoneng Factoring to Members of the Group reached RMB2.888 billion, which had exceeded the full-year level of 2023, reflecting the increasingly prominent role of factoring services in the Company's capital management. According to preliminary statistics, the maximum daily balance for providing factoring services by Guoneng Factoring to Members of the Group in 2025 is estimated to be approximately RMB3.0 billion. For 2026, taking into account the Group's existing coal sales, power sales, transportation and other businesses, and the related factoring service demand remaining generally stable, the maximum daily balance for providing factoring services by Guoneng Factoring to Members of the Group is expected to remain at the actual transaction level of 2025 in the amount of approximately RMB3.0 billion.
- (2) Potential asset acquisition transaction increases the demand for factoring services: The Company proposes to acquire relevant assets, including coal, pithead coal power, coal-to-oil, coal-to-gas, and coal chemical assets, held by the controlling shareholder, China Energy via the issuance of A Shares and cash payment, and to raise supporting funds in the A-share market. In 2025, Guoneng Factoring has already provided factoring services to the target companies related to these potential transactions. According to preliminary statistics, the maximum daily balance for the related factoring services in 2025 is estimated to be approximately RMB6.0 billion. For 2026, if the potential asset acquisition transaction is completed, and the relevant target assets and their factoring service demand remain generally stable, the scale of factoring business conducted by Members of the Group is expected to increase by approximately RMB6.0 billion.
- (3) Provision of a 10% buffer space: Taking a prudent approach and considering the fluctuations in the Company's future business volume and financing needs, a buffer of approximately 10% has been reserved.

Other Related Services (Including but not Limited to Providing Consulting, Agency, Management and Other Services) Provided by Guoneng Factoring to Members of the Group

Taking into account factors such as the business development needs of the Group, the Company expects the total amount for Other Factoring-related Services to remain at a relatively low level. Upon calculation, the applicable percentage ratios (calculated under Rule 14.07 of the Hong Kong Listing Rules) for the total amount of Other Factoring-related Services are less than 0.1%. Therefore, these transactions are fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, the total amount for providing other related services (including but not limited to providing consulting, agency, management and other services) by Guoneng Factoring to Members of the Group under the 2023 to 2025 Factoring Services Agreement and New Factoring Services Agreement has not exceeded the annual cap disclosed by the Company.

Price Determination

- (1) For the provision of factoring services by Guoneng Factoring to Members of the Group, subject to compliance with the relevant laws and regulations of relevant regulatory authorities and relevant requirements, the financing cost shall not be higher than that determined by an independent third-party factoring company for providing the same kind of services to Members of the Group, and it should be determined on normal commercial terms. When the financing fee determined by the independent third-party factoring company for providing the same kind of services is difficult to obtain, it shall not be higher than the financing fee calculated based on the Loan Prime Rate (LPR) of the People's Bank of China for the same period.
- (2) For the service fee charged from the provision of other relevant services by Guoneng Factoring to Members of the Group, the service fee shall not be higher than that charged by an independent third-party factoring company for providing the same kind of services to Members of the Group, and it should be determined on normal commercial terms. When the service fee charged by the independent third-party factoring company for providing the same kind of services is difficult to obtain, it shall be determined at the cost plus a reasonable profit margin (around 10%).

IMPLEMENTATION AGREEMENT AND PAYMENT

Members of the Group may, from time to time and as necessary, enter into separate implementation agreements with Guoneng Factoring for each specific transaction contemplated under the 2026 Factoring Services Agreement, but they shall not conflict with the 2026 Factoring Services Agreement. Each implementation agreement shall set out the specific circumstances for the transaction. The implementation agreements provide for the services as contemplated under the 2026 Factoring Services Agreement, as such, they do not constitute new categories of connected transactions. Any of these implementation agreements will not exceed the scope of the 2026 Factoring Services Agreement and annual caps thereunder.

All payments made pursuant to the 2026 Factoring Services Agreement and its implementation agreements will be by electronic transfer or other payment methods agreed by both parties.

RISK CONTROL MEASURES

- (1) Guoneng Factoring shall dispatch personnel with financial service experience and sense of responsibility to carry out the service work with diligence to ensure the smooth operation of the relevant business of Members of the Group. Prior to Guoneng Factoring providing factoring services or Other Factoring-related Services to Members of the Group, the Company shall consult quotation from at least two independent third-party factoring companies in respect of the same kind of services for comparison.

- (2) Guoneng Factoring shall assist in monitoring the maximum daily balance of factoring services (including related financing fees) of Members of the Group and the total amount of agency fee, handling fee, consulting fee or other service fees charged for factoring-related services (including but not limited to providing consulting, agency, management and other services) per annum, and within 15 working days after the end of each month, notify the Company in writing of the maximum daily balance of factoring services (including related financing fees) for the year and the total amount of agency fee, handling fee, consulting fee or other service fees charged for factoring-related services (including but not limited to providing consulting, agency, management and other services) per annum to ensure that the relevant amount does not exceed the annual caps of related party/connected transactions. If the relevant cap for the year is reached, Members of the Group shall discontinue the provision of such services with Guoneng Factoring for the rest of the year unless otherwise approved by the Board and the general meeting of the Company (if applicable).
- (3) During the annual audit period for the Company, the external auditors shall review and issue opinions on the related party/connected transactions of both parties, and the Company shall fulfil its information disclosure obligations in a timely manner in accordance with the requirements of the listing rules of the place where the shares of the Company are listed. Guoneng Factoring shall provide necessary cooperation, including but not limited to providing information such as the amount and balance of relevant services.
- (4) Both parties agree to, under the requests and recommendations of relevant securities regulatory authorities where the shares of the Company are listed, independent non-executive Directors of the Company and independent financial adviser (if any), adjust risk control measures mentioned above, including but not limited to adding and modifying relevant risk control measures, upon agreement by negotiation.

REASONS FOR ENTERING INTO THE 2026 FACTORING SERVICES AGREEMENT AND ITS BENEFITS TO THE COMPANY

The Group has established a long-term and stable cooperation with Guoneng Factoring. With a deep understanding of the development needs of the Group's coal, power, transportation and other industries, Guoneng Factoring is able to provide high-quality, multi-dimensional and innovative full-cycle factoring products and services. The Group's entering into of the 2026 Factoring Services Agreement with Guoneng Factoring for the continued provision of factoring services by Guoneng Factoring for the Group is conducive to meeting the business development needs of the Group, revitalising accounts receivable, reducing capital occupancy, actively broadening financing channels, mitigating the pressure on accounts receivable collection through the use of commercial factoring, enhancing capital efficiency, and reducing financing costs.

HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, Guoneng Factoring is an indirect wholly-owned subsidiary of China Energy. China Energy is the controlling shareholder of the Company. Accordingly, Guoneng Factoring is a connected person of the Company as defined under the Hong Kong Listing Rules. The 2026 Factoring Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

For the proposed annual caps of providing factoring services by Guoneng Factoring to Members of the Group under the 2026 Factoring Services Agreement, as one or more of the applicable percentage ratios (calculated under Rule 14.07 of the Hong Kong Listing Rules) exceed 0.1% but all of them are less than 5%, the provision of factoring services by Guoneng Factoring to Members of the Group under the 2026 Factoring Services Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules but is exempt from the independent shareholders' approval requirements.

For the expected total amount of Other Factoring-related Services under the 2026 Factoring Services Agreement, as the applicable percentage ratios (calculated under Rule 14.07 of the Hong Kong Listing Rules) are less than 0.1%, Other Factoring-related Services under the 2026 Factoring Services Agreement are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

The Company is a world-leading coal-based integrated energy company. The main business of the Group includes production and sales of coal and power, railway, port and ship transportation, and coal-to-olefins and other related chemical processing business. As at the date of this announcement, China Energy directly holds 13,812,709,196 A shares of the Company and indirectly holds 11,593,528 A shares of the Company through China Energy Capital Holdings Co., Ltd., in aggregate representing 69.5789% of the total number of issued shares of the Company.

China Energy and its subsidiaries have various industrial sectors, including coal, thermal power, new energy, hydropower, transportation, chemical industry, technology and environmental protection and finance, and are principally engaged in coal production, power generation business, transportation, coal-based chemical processing business, as well as investment and finance activities. China Energy is the controlling shareholder of the Company. The ultimate beneficial owner of China Energy is the State-owned Assets Supervision and Administration Commission of the State Council.

The business scope of Guoneng Factoring mainly includes: factoring financing; sales ledger management; collection business related to the assigned accounts receivable; non-commercial bad debt guarantee; customer credit investigation and evaluation; consulting services related to commercial factoring; other businesses approved and recognised by the relevant state authorities. As at the date of this announcement, China Energy Capital Holdings Co., Ltd. holds 100% equity interest in Guoneng Factoring, and China Energy holds 100% equity interest in China Energy Capital Holdings Co., Ltd.

BOARD APPROVAL

The Board resolved and approved the 2026 Factoring Services Agreement and the annual caps thereunder on 19 December 2025. Among the Directors attending the Board meeting, Mr. Kang Fengwei and Mr. Li Xinhua have abstained from voting on the relevant resolution as they are considered to have a material interest in the transactions contemplated under the 2026 Factoring Services Agreement due to their employment with China Energy. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Directors has any material interest in the 2026 Factoring Services Agreement and the proposed annual caps thereunder.

The Directors (including independent non-executive Directors) consider that the 2026 Factoring Services Agreement and the transactions contemplated thereunder will be entered into in the ordinary and usual course of business of the Group; will be conducted on normal commercial terms or better; and the terms and conditions of the agreement, the annual caps and the pricing principles are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

DEFINITIONS

The following expressions have the following meaning unless the context requires otherwise:

“2023 to 2025 Factoring Services Agreement”	the factoring services agreement dated 28 April 2023 entered into between the Company and Guoneng Factoring
“2026 Factoring Services Agreement”	the factoring services agreement dated 19 December 2025 entered into between the Company and Guoneng Factoring
“Board”	the board of Directors of the Company
“China Energy”	China Energy Investment Corporation Limited (國家能源投資集團有限責任公司), the controlling shareholder (as defined under the Hong Kong Listing Rules) of the Company
“Company”	China Shenhua Energy Company Limited (中國神華能源股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Hong Kong Stock Exchange and A shares of which are listed on the Shanghai Stock Exchange
“Director(s)”	the director(s) of the Company
“Group” or “Members of the Group”	the Company and its subsidiaries
“Guoneng Factoring”	Guoneng (Beijing) Commercial Factoring Co., Ltd. (國能(北京)商業保理有限公司), a limited liability company incorporated in the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“New Factoring Services Agreement”	the factoring services agreement dated 22 March 2024 entered into between the Company and Guoneng Factoring
“Other Factoring-related Services”	other factoring-related services provided by Guoneng Factoring to Members of the Group under the 2026 Factoring Services Agreement, including consulting, agency, asset management and supply chain finance platform services
“PRC”	the People’s Republic of China
“RMB”	the lawful currency of the PRC

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

Beijing, 19 December 2025

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.