中国神华
CHINA SHENHUA

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)

PROPOSED CHANGE OF ACCOUNTING FIRMS

IMPORTANT NOTICE:

- Names of the proposed accounting firms to be appointed: Ernst & Young Hua Ming LLP ("**EYHM**") and Ernst & Young ("**Ernst & Young**", collectively with EYHM, "**EY**")

- Names of the former accounting firms appointed: KPMG Huazhen LLP ("**KPMG Huazhen**") and KPMG (collectively with KPMG Huazhen, "**KPMG**")

- Brief reasons for the change of accounting firms and information on any objection of the former auditors: as approved at the 2024 annual general meeting of China Shenhua Energy Company Limited, the term of KPMG to provide domestic and international audit services to the Company for 2025 expired upon the conclusion of the 2025 annual general meeting of the Company. Due to the expiration of KPMG's term of appointment and based on the results of selection and procurement of external auditors, the Company proposes to appoint EY as the domestic and international auditors of the Company for 2026. The Company has communicated with KPMG in respect of the proposed change of accounting firms. KPMG has no objection to the proposed change, and there are no other matters in connection with the change of accounting firms that need to be brought to the attention of the audit and risk committee, the board of directors and the shareholders of the Company. The proposed appointment is subject to the consideration and approval at the general meeting of the Company.

At the 19th meeting of the sixth session of the board of directors of China Shenhua Energy Company Limited (the "**Company**") on 26 June 2026, the "Resolution Regarding the Appointment of External Auditors of the Company for 2026" was considered and approved: the Company proposes to appoint Ernst & Young Hua Ming LLP and Ernst & Young as the domestic and international auditors of the Company for 2026, respectively, to hold their respective terms of office until the conclusion of the 2026 annual general meeting. The fees for domestic audit services to be provided by EYHM to the Company for 2026 are RMB11.54 million (of which the audit fee for the annual financial statements is RMB10.16 million and the audit fee for the internal control is RMB1.38 million); the fees for international audit services to be provided by Ernst & Young to the Company for 2026 are RMB4.94 million. The total fees for domestic and international audit services to be provided by EYHM and Ernst & Young to the Company for 2026 are RMB16.48 million, and a director panel consisting of the general manager (also an executive director) of the Company and the chairman of the audit and risk committee of the board of directors (the "**Audit and Risk Committee**") is authorized to adjust the remuneration within a reasonable range based on the actual circumstances during the service period. The proposed appointment is subject to the consideration and approval at the general meeting of the Company. The explanation on the relevant circumstances is set out below:

I. BASIC INFORMATION ON THE PROPOSED APPOINTMENT OF THE DOMESTIC AUDITOR

(I) Information on the Institution

1. Basic Information

Ernst & Young Hua Ming LLP ("**EYHM**") was established in September 1992; and completed localization and restructuring in August 2012, transitioning from a sino-foreign cooperative limited liability firm to a special general partnership. EYHM is headquartered in Beijing and its registered address is Rooms 01-12, 17/F, Ernst & Young Tower, Oriental Plaza, No.1 East Chang'an Avenue, Dongcheng District, Beijing.

2. Personnel Information

As at the end of 2025, EYHM has 249 partners, and the chief partner of EYHM is Mr. Mao Anning. It has more than 1,500 practicing CPAs possessing experience in securities-related business services, of whom more than 550 practicing CPAs have signed audit reports on securities service business.

3. Business Scale

EYHM's total audited business revenue for 2025 was RMB6.501 billion, of which the audit business revenue amounted to RMB6.284 billion, the domestic securities service business revenue amounted to RMB1.693 billion, and the total revenue from domestic and overseas securities service-related businesses was RMB3.4 billion. For 2025, EYHM served a total of 158 A-share listed companies for annual financial statement audit services, with total fees of RMB1.611 billion. The listed companies are principally engaged in industries including manufacturing, financial services, wholesale and retail trade, information transmission, software and information technology services, mining, among others. Among them, the accounting firm has six listed company audit clients operating in the same industry as the Company.

4. Investor Protection Capability

EYHM possesses sound investor protection capability and has made provisions for occupational risk funds and purchased occupational insurance in accordance with the requirements of relevant laws and regulations of the PRC. The insurance coverage extends to the Beijing head office and all branch offices. The aggregate sum of the accumulated occupational risk fund provision and the aggregate indemnity limit of the occupational insurance purchased exceeds RMB200 million. EYHM has not incurred any civil liability arising from civil litigation related to its professional conduct in the past three years.

5. Integrity Record

In the past three years, EYHM has received zero criminal penalties, zero administrative penalties, three supervisory measures, one self-regulatory measure, and zero disciplinary sanctions in respect of its professional conduct. Nineteen practicing professionals have received zero criminal penalties, two administrative penalties, four supervisory measures, two self-regulatory measures, one industry sanction, and zero disciplinary sanctions in respect of their professional conduct over the past three years. Two practicing professionals have each received one administrative regulatory measure for personal conduct over the past three years, which did not involve the quality of audit engagements. In accordance with the provisions of applicable laws and regulations of the PRC, the foregoing matters do not affect EYHM's continued eligibility to undertake or perform securities service business and other business.

(II) Engagement Team Information

1. Basic Information

The engagement partner and signing CPA is Mr. Zhang Siwei, who became a CPA in 2007, commenced auditing listed companies in 2005, and began practicing with EYHM in 2005. He will provide audit services for the Company starting from 2026. In the past three years, he has signed/reviewed the annual financial statements/internal control audits of several listed companies, covering industries including production and supply of electric power and heat, and mining and processing of non-ferrous metal ores, etc.

The signing CPA is Mr. Cui Naiwen, who became a CPA in 2014, commenced auditing listed companies in 2011, and began practicing with EYHM in 2011. He will provide audit services for the Company starting from 2026. In the past three years, he has provided annual financial statements/internal control audit services for several listed companies, covering industries including production and supply of electric power and heat, and support activities for mining.

The engagement quality control review partner is Mr. Li Xiaodong, who became a CPA in 2010, commenced auditing listed companies in 2004, and began practicing with EYHM in 2001. He will provide audit services for the Company starting from 2026. In the past three years, he has signed/reviewed the annual financial statement audits of several listed companies, covering industries including construction and manufacturing, etc.

2. Integrity Records

None of the engagement partner, signing CPAs, or engagement quality control reviewer has received any criminal penalty, administrative penalty, or supervisory measure imposed by the CSRC or its local offices, competent industry authorities, or any self-regulatory measure or disciplinary sanction imposed by stock exchanges, industry associations, or other self-regulatory organizations in respect of their professional conduct over the past three years.

3. Independence

EYHM and the above-mentioned engagement partner, signing CPAs, engagement quality control reviewer and other relevant personnel have not violated the independence requirements stipulated in the Independence Standards No. 1 for Chinese Certified Public Accountants and the Code of Professional Ethics for Chinese Certified Public Accountants.

4. Audit Fees

The audit service fees of EYHM are determined based on factors such as the business scale, complexity and work requirements of the Company, as well as the necessary working conditions, workload, number of personnel and hours required for the audit engagement, and the professional skills and work experience of staff at all levels required to be invested.

The fees for domestic audit services provided by EYHM to the Company for 2026 are RMB11.54 million (of which the annual financial statement audit fee is RMB10.16 million and the internal control audit fee is RMB1.38 million); the fees for overseas audit services provided by Ernst & Young to the Company for 2026 are RMB4.94 million. The total fees for domestic and overseas audit services provided by EYHM and Ernst & Young to the Company for 2026 are RMB16.48 million, representing an increase of approximately 29% compared to the audit service fees of the Company for 2025, mainly due to the change in the scope of consolidated assets resulting from the Company's completion of the issuance of shares and payment of cash to purchase the equity interests in 12 target companies directly and indirectly held by China Energy Investment Corporation Limited.

In addition, the Board intends to propose to the general meeting to authorise a committee comprising the Chief Executive Officer (also an executive Director) and the Chairman of the Audit and Risk Committee to adjust the audit fees within a reasonable range based on the actual situation during the engagement period. The audit fees for 2026 are subject to the approval of the general meeting of the Company.

II. EXPLANATION ON THE PROPOSED CHANGE OF ACCOUNTING FIRMS

(I) Information on the former accounting firms and the auditors' opinions of last year

As of 2025, KPMG Huazhen LLP and KPMG, as the Company's former accounting firms, have provided domestic and international audit services to the Company for seven consecutive years. KPMG audited the Company's financial statements for 2025 and the effectiveness of internal control over financial reporting as of 31 December 2025, and issued a standard unqualified audit report. The Company has not dismissed any previously appointed accounting firm after they had commenced partial audit engagement.

(II) Reasons for the proposed change of the accounting firms

As approved at the 2024 annual general meeting of the Company, the Company appointed KPMG as the domestic and international auditors of the Company for 2025, to hold their respective terms of office until the conclusion of the 2025 annual general meeting of the Company. The Company convened the 2025 annual general meeting on 26 June 2026, at which the terms of KPMG expired. The Company completed the selection procedures for external auditors in accordance with relevant systems and procedures, and conducted an evaluation by comprehensively considering factors such as the audit fee quotations of the candidate auditors, the qualifications of the accounting firms, professional track record, quality management standards, work plans, manpower and other resource allocation, information security management, and risk-bearing capacity levels. According to the selection and procurement results, EY was recommended as the proposed candidate for the domestic and international auditors of the Company for 2026.

(III) Communication between the Company and its former and subsequent accounting firms

The Company has communicated with KPMG in respect of the relevant matters of the proposed change of accounting firms. KPMG has no objection to the proposed change, and there are no other matters in connection with the change of accounting firms that need to be brought to the attention of the Audit and Risk Committee, the board of directors and the shareholders of the Company. The Company has allowed EY to communicate with KPMG. All parties have been clearly informed of the proposed change and have no objection to the proposed change. The former and subsequent accounting firms will carry out subsequent communication and coordination work in accordance with the relevant requirements under the PRC Auditing Standard for Certified Public Accountants No. 1153 – Communication between Former Certified Public Accountants and Subsequent Certified Public Accountants and other requirements.

III. PROCEDURES TAKEN FOR THE PROPOSED CHANGE OF ACCOUNTING FIRMS

(I) Audit opinion of the Audit and Risk Committee

Based on the information provided by EY, the Audit and Risk Committee has evaluated its suitability to act as the domestic and international auditors of the Company, and focused on considering factors such as the governance and quality management systems of EY, its compliance with professional ethics and independence requirements, its industry knowledge and professional competence, its engagement team allocation and resource commitment, its communication arrangements with the Audit and Risk Committee, and past regulatory inspection records. EY and the engagement partner, signing CPA, and engagement quality control reviewer have maintained their independence in accordance with the requirements of the code of professional ethics. EY provides audit services to several companies listed on The Stock Exchange of Hong Kong Limited and has extensive experience in handling audit and related regulatory compliance matters of listed companies. The Audit and Risk Committee has reviewed the composition of EY's professional team, the audit plan, and audit fees, and is of the view that EY possesses sufficient professional manpower and technical resources to support large-scale audit projects. Audit fees are determined based on factors including the business scale and complexity of the Company, engagement requirements, as well as the required working conditions, workload, number of people and hours of the audit engagement, and the professional skills and work experience of the staff at all levels required to be committed.

The Audit and Risk Committee has thoroughly understood and reviewed the basic information, supporting documents for engagement qualifications, business scale, personnel information, professional competence, investor protection capabilities, independence, and integrity status of EY, and formed a review opinion on the appointment of EY as the domestic and international auditors of the Company for 2026. It is of the view that EY possesses the professional competence, experience, and qualifications to provide audit services to the Company, has corresponding independence and investor protection capabilities, and maintains a good integrity record in the past three years, thereby meeting the requirements of the Company's audit engagement for 2026. The reasons for changing the accounting firms are appropriate and in the overall interests of the Company and its shareholders. The Audit and Risk Committee agreed to propose to the board of directors to appoint EY as the domestic and international auditors of the Company for 2026.

(II) Consideration and voting by the board of directors

At the 19th meeting of the sixth session of the board of directors of the Company on 26 June 2026, the "Resolution Regarding the Appointment of External Auditors of the Company for 2026" was considered and approved: it is agreed to propose the appointment of Ernst & Young Hua Ming LLP and Ernst & Young as the domestic and international auditors of the Company for 2026 respectively to the general meeting of the Company for consideration and approval, to hold their respective terms of office until the conclusion of the 2026 annual general meeting; the remuneration of RMB16.48 million/year for the audit and related special services of the above-mentioned two auditors for 2026 was approved, and a director panel consisting of the general manager (also an executive director) of the Company and the chairman of the Audit and Risk Committee was authorized to adjust the remuneration within a reasonable range based on the actual circumstances during the service period.

(III) Effective date

The Company has been actively and steadily promoting the selection and approval procedures for the external auditors for 2026, but failed to complete them before the latest practicable date of the circular for the 2025 annual general meeting of the Company. Therefore, the Company intends to convene an extraordinary general meeting as soon as possible to present the resolution in relation to the appointment of external auditors for 2026.

The proposed appointment of the accounting firms for 2026 is subject to consideration at the general meeting of the Company, and will become effective from the date of consideration and approval at the general meeting.

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

Beijing, 26 June 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.