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CHINA COAL ENERGY COMPANY LIMITED*

中國中煤能源股份有限公司

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

(Stock Code: 01898)

CONNECTED TRANSACTION
ACQUISITION OF 30% EQUITY INTEREST IN NEW ENERGY COMPANY

I. INTRODUCTION

On 27 October 2025, Pingshuo Group, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Pingshuo Development Company, pursuant to which Pingshuo Group shall acquire the 30% equity interest in New Energy Company held by Pingshuo Development Company at the consideration of RMB114,930,000. Upon completion of the Equity Acquisition, New Energy Company will become an indirect wholly-owned subsidiary of the Company.

II. THE EQUITY TRANSFER AGREEMENT

Date: 27 October 2025

Parties: (1) Pingshuo Development Company (as the transferor); and

(2) Pingshuo Group (as the transferee).

Subject matter: Pursuant to the Equity Transfer Agreement, Pingshuo Development Company shall fully transfer the 30% equity interest held by it in New Energy Company to Pingshuo Group on one-off basis, and Pingshuo Group shall be the transferee of the aforesaid equity interest and pay the corresponding consideration.

Consideration and payment: Pingshuo Group shall pay RMB114,930,000 to Pingshuo Development Company as the consideration of the transfer.

The aforesaid consideration of the transfer was determined after arm's length negotiations between the two parties with reference to the appraised value of all shareholders' equity of New Energy Company as at the Valuation Reference Date, being RMB383,100,000, and the proposed acquisition of 30% equity interest in New Energy Company.

The full consideration of the transfer shall be paid within 15 days from the execution of the Equity Transfer Agreement.

Transitional arrangement: The profit and loss of New Energy Company during the transition period (i.e., the period from the Valuation Reference Date to the date on which the alteration registration procedures for the equity transfer are completed, excluding the Valuation Reference Date) shall be borne by Pingshuo Group (as the transferee). During the transition period, all parties shall ensure normal operation of New Energy Company and safeguard the interests of New Energy Company, and shall not conduct any material agreements or transactions, dispose of any assets or assume any additional liabilities or responsibilities except for the purpose of normal operation. In the event of any material adverse impact, either party shall have the right to suspend the performance of or terminate the Equity Transfer Agreement.

III. INFORMATION ON NEW ENERGY COMPANY

New Energy Company is a limited liability company incorporated under the PRC laws. It was jointly established by Pingshuo Group and Pingshuo Development Company in May 2022 and owned as to 70% and 30%, respectively. It is a professional new energy company integrating new energy power generation, new energy technical service, engineering management and contract energy management.

As of the Valuation Reference Date (being 31 August 2025), under the PRC Accounting Standards for Business Enterprise, the audited total assets and net assets of New Energy Company were approximately RMB802,410,300 and RMB353,881,500, respectively. For each of the two financial years ended 31 December 2024 and the eight months ended 31 August 2025, under the PRC Accounting Standards for Business Enterprise, the audited profit before and after taxation of New Energy Company is as follows:

	For the year ended 31 December 2023 *(RMB'0,000)*	**For the year ended 31 December 2024** *(RMB'0,000)*	**For the eight months ended 31 August 2025** *(RMB'0,000)*
Profit before taxation	8.78	589.16	1,110.41
Profit after taxation	8.78	589.16	1,110.41

IV. VALUATION OF NEW ENERGY COMPANY

In accordance with the appraisal report dated 27 October 2025 issued by the Independent Valuer, the appraised value of all shareholders' equity of New Energy Company as at the Valuation Reference Date (being 31 August 2025) is RMB383,100,000, representing an increase of RMB29,218,500, or 8.26%, as compared to its carrying value of RMB353,881,500 as at the Valuation Reference Date.

1. Valuation Methodology

The valuation conclusion above was reached by the Independent Valuer using the income approach. The adoption of income approach for valuation more objectively reflects the enterprise's overall profitability and the present value of expected returns. The new energy power generation industry in which New Energy Company operates, characterizes the advantages such as low-carbon emissions and environmental friendliness, which is encouraged by the state and supported by multiple preferential policies, and the above valuation results obtained through the income approach fully reflects the excess income brought to new energy power generation enterprises by factors such as the preferential policies to which they are entitled. Therefore, the income approach is appropriate for this valuation.

The Independent Valuer's valuation using the income approach involves calculation of discounted cash flows. Pursuant to Rule 14.61 of the Hong Kong Listing Rules, the relevant valuation is regarded as a profit forecast on all shareholders' equity of New Energy Company. The Reporting Accountant, Ernst & Young, has reported the arithmetic calculations underlying the discounted future estimated cash flows on which the Independent Valuer has prepared the valuation. Pursuant to the relevant requirement of Rule 14.60A of the Hong Kong Listing Rules, the Reporting Accountant of the Company has issued a letter confirming that it has reviewed the accounting policy and calculation method for the aforesaid profit forecast; the Board has confirmed that the aforesaid profit forecast have been made after due and careful enquiry by the Board. The relevant letter from the Reporting Accountant and the letter from the Board are included in Appendix I and Appendix II of this announcement, respectively.

2. Valuation Assumptions

The main assumptions adopted by the Independent Valuer in applying the income approach are as below:

(1) this valuation is based on the premise of going concern. Going concern here means that the production and operation business of the appraised enterprise can continue under its current conditions and that no material change will occur in the foreseeable future;

(2) the value type of this valuation is the market value, and the impact of the economic behaviors involved in the purpose of this valuation on business operation of the enterprise is not considered;

(3) this valuation is based on the current national laws and regulations, tax policies and financial policies and does not take into account the material changes that may occur on the Valuation Reference Date but cannot be foreseen under the current conditions;

(4) this valuation is conducted on the basis that the future management team of the appraised enterprise will perform its duties diligently and continue to adopt its current model of operation and management, and that the operating activities of, and the services provided by the appraised enterprise are in line with national industry policies, and that all operating activities are legal and will not have any material changes in the foreseeable future;

(5) this valuation is a reasonable forecast for the future based on the current market conditions without taking into account any future material change and fluctuation in the market which are currently unpredictable;

(6) the forecast of future earnings in this valuation does not take into account the impact of changes and fluctuations in the foreign exchange market; and

(7) it is assumed that the basic information and financial information provided by the entrusting party and the appraised enterprise is true, accurate, and complete.

3. Inputs and Calculation of the Valuation

According to the valuation method adopted in the appraisal report, the appraised value of all shareholders' equity of New Energy Company as at the Valuation Reference Date refers to the overall enterprise value (i.e. the sum of (A) the value of operating assets; and (B) the value of surplus assets and non-operating assets) less (C) the value of interest-bearing liabilities.

(A) Value of operating assets

The value of operating assets was appraised with the income approach using the free cash flow discount model, which represents the sum of the discounted value of the enterprise's free cash flow in each period from the Valuation Reference Date, being approximately RMB635,400,000.

Free cash flow

The free cash flow estimation of New Energy Company is calculated based on the following forecasts: (i) revenue and costs of the principal business; (ii) administrative expenses; (iii) taxes and surcharges; (iv) financial expenses; (v) enterprise income tax; (vi) depreciation, amortization and capital expenditures; and (vii) increment in working capital. As the revenue of the principal business of New Energy Company derives from its photovoltaic power generation projects, the forecast period and revenue period are estimated within the 25-year lifespan of relevant photovoltaic power stations.

For revenue of the principal business, it was mainly calculated by summing up the estimated electricity sales revenue (i.e., estimated electricity sales volume multiplied by estimated electricity sales price) of each photovoltaic power generation project held by New Energy Company; among them, for projects that have been connected to the grid for power generation for more than one year, the electricity sales volume was estimated based on the average volume of historical power generation, and the electricity sales price was estimated with reference to the average historical settlement price while taking into account the impact of electricity price fluctuations and changes in electricity price settlement methods; for projects still in the commissioning period, the electricity sales volume was estimated with statistical data and the utilization hours of similar surrounding photovoltaic power stations as the evaluation base, while considering the impact of changes in electrical load on market-oriented electricity volume, and the electricity sales price was estimated in accordance with local transaction policies.

For costs of the principal business, they mainly consist of depreciation costs, labor costs, work safety costs, operation and maintenance costs, material costs, etc. Among them, depreciation costs were estimated based on the fixed assets as of the Valuation Reference Date, and the appraised enterprise's depreciation accounting policies; labor costs were estimated with reference to the number of historical annual personnel and salary and welfare levels, and the changing trend of the local average social labor cost and the appraised enterprise's future human resource planning; work safety costs were calculated in accordance with the extraction standards for power production enterprises; operation and maintenance costs were estimated based on the contracts to be signed by the appraised enterprise; material costs shall be predicted with reference to the appraised enterprise's estimated rate level, the total installed capacity of each project and the operation period.

For administrative expenses, they mainly include insurance costs and other expenses such as office expenses and travel expenses (calculated based on the comprehensive analysis and judgment of the actual occurrence data in historical years by the appraised enterprise's management).

For taxes and surcharges, they were mainly estimated based on the applicable tax types, tax rates and estimated income levels.

For financial expenses, they were mainly estimated based on the book interest expenses and handling fees as well as subsequent financing scale and interest rates as of the Valuation Reference Date.

For enterprise income tax, it was mainly estimated based on the applicable income tax rate and relevant income tax reduction and exemption policies.

For depreciation, amortization and capital expenditures, the estimated depreciation was mainly calculated by considering the depreciation of both existing fixed assets and new fixed assets required for the appraised enterprise's production expansion in future years; the capital expenditures were estimated by taking into account the purchase expenditures for new assets in the future, and the appraised enterprise's development plan and operation plan.

For increment in working capital, it was mainly calculated through comprehensive analysis based on New Energy Company's operating conditions, historical operating assets and profits/losses, revenue and cost expenses, as well as the estimated revenue and costs of each year during the future operating period.

Discount rate

The discount rate for the valuation is calculated using the Weighted Average Capital Cost (WACC) model, in which the equity capital cost involved is calculated using the Capital Asset Pricing Model (CAPM). The discount rate is 7.27% for 2025, 6.78% for 2026 to 2028, and 6.30% for 2029 and beyond.

(B) Surplus assets and non-operating assets

Surplus assets refer to the assets that exceed those necessary for the enterprise's production and operation as at the Valuation Reference Date and are not involved in the enterprise's free cash flow estimation after the Valuation Reference Date. Non-operating assets refer to the difference between the total non-operating assets and the total non-operating liabilities as at the Valuation Reference Date. Non-operating assets and non-operating liabilities refer to the assets and liabilities irrelevant to production and operation and not involved in the free cash flow estimation after the Valuation Reference Date. Surplus assets and non-operating assets are valued based on the carrying amounts of relevant assets and liabilities as of the Valuation Reference Date, amounting to approximately RMB87,687,900.

(C) Value of interest-bearing liabilities

The interest-bearing liabilities are recognized based on the audited carrying value of New Energy Company's interest-bearing liabilities as of the Valuation Reference Date, amounting to approximately RMB340,000,000.

4. Adjustments to the Valuation

When determining the discount rate, it is necessary to consider the differences between the appraised enterprise and industry peers in various aspects, such as the business scale, development stage, core competencies, reliance on upstream and downstream sectors, financing ability and financing cost, as well as the soundness of profit forecasts, with a view to determining a specific risk factor. During the valuation, the Independent Valuer conducted a comparative analysis on New Energy Company and industry peers, and concluded that the specific risk factor was 2%.

V. REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

Through the Equity Acquisition, Pingshuo Group will hold 100% equity of New Energy Company, which will help to smooth property rights and management relationships, further integrate the new energy industry layout within the Pingshuo Mine Area, and promote the enterprise's green and low-carbon development.

VI. HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, Pingshuo Development Company is held by China Coal Group and Pingshuo Group (a wholly-owned subsidiary of the Company) as to approximately 71.54% and 28.46%, respectively. China Coal Group, which directly and indirectly holds approximately 58.43% of the issued share capital of the Company, is the controlling shareholder of the Company and a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, under Chapter 14A of the Hong Kong Listing Rules, Pingshuo Development Company is an associate of China Coal Group and thus a connected person of the Company, and the Equity Acquisition constitutes a connected transaction of the Company.

The Equity Acquisition constitutes an acquisition under Chapter 14A of the Hong Kong Listing Rules. The Equity Acquisition shall be aggregated with the Previous Acquisition Transaction as required by Rule 14A.81 of the Hong Kong Listing Rules. As one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Hong Kong Listing Rules and aggregated with the Previous Acquisition Transaction as required by Rule 14A.81 of the Hong Kong Listing Rules) of the Equity Acquisition, exceed 0.1% but are less than 5%, the Equity Acquisition shall be subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

VII. DIRECTORS' CONFIRMATION

Mr. Wang Shudong, Mr. Liao Huajun and Mr. Zhao Rongzhe, being the Directors of the Company, who are also directors or senior management of China Coal Group, are deemed to have material interests in the Equity Acquisition, and thus have abstained from voting on the resolution in relation to the Equity Acquisition at the Board meeting. Save as mentioned above, none of the other Directors has a material interest in the Equity Acquisition.

The Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreement was entered into on normal commercial terms, and although the Equity Acquisition was not conducted in the ordinary and usual course of business of the Company, the terms and conditions therein are fair and reasonable, in line with the overall development strategy of the Group and in the interests of the Company and its shareholders as a whole.

VIII. GENERAL INFORMATION ON THE PARTIES TO THE TRANSACTION

Pingshuo Group

Pingshuo Group is a limited liability company incorporated in the PRC, a wholly-owned subsidiary of the Company. Pingshuo Group is principally engaged in mining and sales of coal, electricity production, production and sales of coal chemical products, etc.

Pingshuo Development Company

Pingshuo Development Company is a company incorporated in the PRC with limited liability, which is held by China Coal Group and Pingshuo Group as to approximately 71.54% and 28.46%, respectively. Pingshuo Development Company is principally engaged in mine operation, equipment maintenance, product processing and manufacturing, emerging industries, trade and auxiliary logistics services, etc. The major businesses of China Coal Group include the production and trade of coal, coal chemical business, pithead power generation, construction of coal mines, coal mining equipment manufacturing and related engineering technical services. The ultimate controller of China Coal Group is SASAC.

IX. EXPERTS AND CONSENTS

The followings set out the qualifications of the respective experts who provide their conclusions or opinions in this announcement:

Name	Qualification
Shenzhen Pengxin Appraisal Limited	Qualified PRC Valuer
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor

The above experts have given and have not withdrawn their written consents to the issue of this announcement with the inclusion herein of their letters in the form and context in which they respectively appear.

To the best knowledge of the Company, as at the date of this announcement, the above experts do not have any effective interest in any equity interest of any member of the Group, nor any right to subscribe for or nominate others to subscribe for securities of any member of the Group (whether legally enforceable or not).

X. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

"Board"	the board of Directors of the Company
"China Coal Group"	China National Coal Group Corporation* (中國中煤能源集團有限公司), a state-owned enterprise established under the laws of the PRC and the controlling shareholder of the Company
"Company"	China Coal Energy Company Limited* (中國中煤能源股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 01898) and the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 601898)

"Director(s)"	the director(s) of the Company
"Equity Acquisition"	the acquisition of the 30% equity interest in New Energy Company by Pingshuo Group from Pingshuo Development Company pursuant to the Equity Transfer Agreement
"Equity Transfer Agreement"	the Equity Transfer Agreement entered into between Pingshuo Group and Pingshuo Development Company on 27 October 2025, pursuant to which Pingshuo Group shall acquire the 30% equity interest held by Pingshuo Development Company in New Energy Company at a consideration of RMB114,930,000
"Group"	the Company and its subsidiaries
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Valuer"	Shenzhen Pengxin Appraisal Limited
"New Energy Company"	Shanxi China Coal Pingshuo New Energy Co., Ltd.* (山西中煤平朔新能源有限公司), a company incorporated in the PRC with limited liability
"Pingshuo Development Company"	China Coal Pingshuo Development Group Co., Ltd.* (中煤平朔發展集團有限公司), a company incorporated in the PRC with limited liability, which is held by China Coal Group and Pingshuo Group as to approximately 71.54% and 28.46%, respectively
"Pingshuo Group"	China Coal Pingshuo Group Company Limited* (中煤平朔集團有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
"Previous Acquisition Transaction"	During the 12-month period prior to the Equity Acquisition, China Coal Huajin Group Co., Ltd.* (中煤華晉集團有限公司), a subsidiary of the Company, acquired the 100% equity interest in Shanxi China Coal Pingshuo Clean Energy Co., Ltd.* (山西中煤平朔清潔能源有限責任公司) from Pingshuo Development Company at the consideration of RMB78,525,111.48
"Reporting Accountant"	Ernst & Young
"RMB"	Renminbi, the lawful currency of the PRC

"SASAC"	the State-Owned Assets Supervision and Administration Commission, mainly responsible for supervising the state-owned assets of central enterprises (excluding financial enterprises) and their preservation and appreciation, etc.
"Valuation Reference Date"	31 August 2025
"%"	percentage

By Order of the Board
China Coal Energy Company Limited
Wang Shudong
Chairman of the Board, Executive Director

Beijing, the PRC
27 October 2025

As at the date of this announcement, the executive directors of the Company are Wang Shudong, Liao Huajun and Zhao Rongzhe; non-executive director is Xu Qian; independent non-executive directors are Jing Fengru, Zhan Yanjing and James Kong Tin Wong.

* *For identification purpose only*

Appendix I Letter from the Reporting Accountant

The following is the text of the letter from the Reporting Accountant dated 27 October 2025, prepared for inclusion in this announcement.

China Coal Energy Company Limited
No. 1 Huangsidajie, Chaoyang District, Beijing
The People's Republic of China

REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW FORECAST IN CONNECTION WITH THE VALUATION OF 100% EQUITY INTEREST IN SHANXI CHINA COAL PINGSHUO NEW ENERGY CO., LTD.

TO THE DIRECTORS OF CHINA COAL ENERGY COMPANY LIMITED

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the "**Forecast**") on which the valuation dated 27 October 2025 prepared by Shenzhen Pengxin Appraisal Limited in respect of Shanxi China Coal Pingshuo New Energy Co., Ltd. (the "**Target**") as at 31 August 2025 is based. The valuation is set out in the announcement of China Coal Energy Company Limited (the "**Company**") dated 27 October 2025 (the "**Announcement**") in connection with the acquisition of the 30% equity interest of the Target. The valuation based on the Forecast is regarded as a profit forecast under paragraph 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 (the "**Directors**") are solely responsible for the preparation of the Forecast in accordance with the bases and assumptions (the "**Assumptions**") determined by the Directors and as set out in the section headed IV. VALUATION OF NEW ENERGY COMPANY of the Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Forecast and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

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 behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and 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.

Reporting Accountants' responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

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 arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. 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.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 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.

Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

Ernst & Young
Certified Public Accountants

Hong Kong
27 October 2025

Appendix II Confirmation Letter from the Board

CONNECTED TRANSACTION: ACQUISITION OF 30% EQUITY INTEREST IN SHANXI CHINA COAL PINGSHUO NEW ENERGY CO., LTD.

We have reviewed the basis and assumptions underlying the valuation of Shanxi China Coal Pingshuo New Energy Co., Ltd. prepared by Shenzhen Pengxin Appraisal Limited. We confirm that the profit forecast of Shanxi China Coal Pingshuo New Energy Co., Ltd. has been made after due and careful enquiry by us in accordance with the relevant requirement under Rule 14.60A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board
China Coal Energy Company Limited
Wang Shudong
Chairman of the Board, Executive Director

27 October 2025