

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CONTINUING CONNECTED TRANSACTIONS

**REVISION OF THE ANNUAL CAPS FOR THE THREE YEARS ENDING 31
DECEMBER 2026 FOR THE RELEVANT TRANSACTIONS UNDER THE
2024 COAL AND COAL RELATED PRODUCTS AND SERVICES SUPPLY
FRAMEWORK AGREEMENT**

**REVISION OF THE ANNUAL CAPS FOR THE THREE YEARS ENDING 31
DECEMBER 2026 FOR THE RELEVANT TRANSACTIONS UNDER THE 2024 COAL
AND COAL RELATED PRODUCTS AND SERVICES SUPPLY AGREEMENT**

Reference is made to the announcement of the Company dated 25 October 2023, in relation to, among others, the 2024 Coal and Coal Related Products and Services Supply Framework Agreement entered into between the Company and Shanxi Coking Coal and the annual caps for the three years ending 31 December 2026 for the continuing connected transactions thereunder.

On 23 August 2024, the Board resolved to revise the annual caps for the three years ending 31 December 2026 for the transactions of procurement of coal products and coal related products and acceptance of services by the Group from Shanxi Coking Coal Group under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement, while the annual caps for the three years ending 31 December 2026 for the transactions of procurement of coal products and coal related products and acceptance of services by Shanxi Coking Coal Group from the Group remain unchanged.

HONG KONG LISTING RULES IMPLICATIONS

Shanxi Coking, a subsidiary of Shanxi Coking Coal, is a substantial shareholder of China Coal Huajin (a significant subsidiary of the Company). Therefore, Shanxi Coking Coal Group is a connected person at the subsidiary level of the Company under the Hong Kong Listing Rules. Accordingly, continuing transactions contemplated between the Group and Shanxi Coking Coal Group under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) in respect of the Revision of the Annual Caps exceed 1% but are all less than 5%, they are subject to the reporting, annual review and announcement requirements, but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

I. REVISION OF THE ANNUAL CAPS FOR THE THREE YEARS ENDING 31 DECEMBER 2026 FOR THE RELEVANT TRANSACTIONS UNDER THE 2024 COAL AND COAL RELATED PRODUCTS AND SERVICES SUPPLY

(1) Main Terms of 2024 Coal and Coal Related Products and Services Supply Framework Agreement

Date: 25 October 2023

Parties: (i) the Company
(ii) Shanxi Coking Coal

Continuing transactions: Pursuant to the 2024 Coal and Coal Related Products and Services Supply Framework Agreement, the Group has agreed to purchase the coal and coal related products and accept services from Shanxi Coking Coal Group and Shanxi Coking Coal Group has agreed to purchase the coal and coal related products and accept services from the Group. The 2024 Coal and Coal Related Products and Services Supply Framework Agreement does not prevent the Group and Shanxi Coking Coal Group from freely selecting counterparty to the transaction and trading with any third party.

Term and termination: The 2024 Coal and Coal Related Products and Services Supply Framework Agreement is for a term of three years commencing on 1 January 2024 and ending on 31 December 2026. Upon expiry, the 2024 Coal and Coal Related Products and Services Supply Framework Agreement will, subject to compliance with the relevant requirements under the Hong Kong Listing Rules and agreement of the parties, be renewed for a further term of three years.

Price determination:

Under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement, the prices will be based on the following pricing policy and order:

- (i) the price of the infrastructural project and procurement of coal mining facilities shall be arrived by bidding process; and
- (ii) the procurement price of coal products shall be in accordance with the relevant market price.

Under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement, the price of coal mining infrastructural project services provided by Shanxi Coking Coal Group to the Group shall be determined through a bidding process and in compliance with applicable laws, regulations and rules. The Group shall stringently follow the steps and/or measurements as stipulated by the Invitation and Submission of Bids Law of the PRC (《中華人民共和國招標投標法》). The Group has stipulated the internal manual regarding the management of coal mining infrastructural project bidding process.

The bid invitation documents made by the Group include all substantial requirements and all key terms for the conclusion of contracts, including: the project's and equipment's technical requirements, the criteria for examination of the contractors and suppliers, the requirements for the bid price and the standard of evaluation of the bid and so on. The Group's bid evaluation committee is responsible for (i) adhering the process is in accordance with the Invitation and Submission of Bids Law of the PRC (《中華人民共和國招標投標法》); (ii) reviewing, evaluating and monitoring documents from external suppliers based on the technical, commercial and pricing criteria and payment terms in respect of the price of infrastructural project, which will ensure the terms obtained by the Group from Shanxi Coking Coal Group is no less favourable than those available from independent third parties; and (iii) grading the external suppliers and writing recommendation advice. The Group's bid determination committee is responsible for deciding which coal mining infrastructural project supplier will be awarded the 2024 Coal and Coal Related Products and Services Supply Framework Agreement.

Under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement, the price of coal mining facilities provided by the Group to Shanxi Coking Coal Group shall be determined through a bidding process and in compliance with applicable laws, regulations and rules. The Group shall strictly comply with the Invitation and Submission of Bids Law of the PRC (《中華人民共和國招標投標法》) and all the essential requirements set out in the bid invitation of Shanxi Coking Coal Group in the bidding process. In preparing for the submission of a tender, a tender review meeting of the relevant subsidiary of the Group will be held to perform a thorough analysis of the project management guidelines, the collection of cost and other essential data. In pricing a tender, the relevant department of the Group will also make references to recent project quotations and related market information to ensure that the tender price and the tender clauses to be offered by the Group are fair and reasonable and no more favourable than the price and terms offered by the Group to the independent third parties.

The sales of coal products between the Group and Shanxi Coking Coal Group shall be paid in installments or at sight pursuant to the documents of settlement. As for the coal mine facilities provided by the Group to Shanxi Coking Coal Group, the payment shall be made by Shanxi Coking Coal Group in installments in accordance with the time nodes or other methods agreed by the parties. As for the coal mine construction services provided by Shanxi Coking Coal Group to the Group, the payment shall be made by the Group in installments in accordance with the progress of the projects or other methods agreed by the parties. The purchase prices under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement shall be paid in cash, notes or other methods agreed by the parties. The payment method of purchase prices and service fees under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement shall follow the separate implementation agreements entered into between the parties for each of the specific transactions contemplated under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement during the term thereof.

(2) Details of the Revised Annual Caps

On 23 August 2024, the Board resolved to revise the annual caps for the three years ending 31 December 2026 for the transactions of procurement of coal products and coal related products and acceptance of services by the Group from Shanxi Coking Coal Group under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement, while the annual caps for the three years ending 31 December 2026 for the transactions of procurement of coal products and coal related products and acceptance of services by Shanxi Coking Coal Group from the Group remain unchanged. Details of the proposed revision are set out below:

The applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the current annual caps for the three years ending 31 December 2026 for the transactions of procurement of coal products and coal related products and acceptance of services by the Group from Shanxi Coking Coal Group under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement are all less than 1%, and therefore they are fully exempt from the reporting, annual review, announcement and independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

As of 30 June 2024, the actual amount for the transactions of procurement of coal products and coal related products and acceptance of services by the Group from Shanxi Coking Coal Group under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement was approximately RMB509 million.

The Directors have been monitoring the transaction amount contemplated under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement. As of the date of this announcement, the actual amount for the continuing connected transactions contemplated under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement did not exceed the annual caps.

Revised Annual Caps

The revised annual caps for the three years ending 31 December 2026 for the transactions of procurement of coal products and coal related products and acceptance of services by the Group from Shanxi Coking Coal Group under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement are set out below:

Transaction	Year ending 31 December 2024 (RMB)	Year ending 31 December 2025 (RMB)	Year ending 31 December 2026 (RMB)
Procurement of coal products and coal related products and acceptance of services by the Group from Shanxi Coking Coal Group (fees payable by the Group to Shanxi Coking Coal Group)	1,900,000,000	2,500,000,000	2,500,000,000

In arriving at the above revised annual caps, the Directors have mainly taken into account the following factors:

- (i) In 2024, in order to optimise the business model of coal procurement, China Coal Sales Company, a subsidiary of the Company, has vigorously expanded the coal procurement business of the northern port platform companies by purchasing thermal coal from the Shanxi Coking Coal Group as coal blending to satisfy the needs of downstream customers in the power and cement industries; and
- (ii) For the three years ending 31 December 2026, in order to adapt to the changes in the market situation and meet the operation needs, it is expected that the Group will mainly purchase high-calorie thermal coal from Shanxi Coking Coal Group, with an annual purchase volume of approximately 2.30 million tonnes, 3.10 million tonnes and 3.10 million tonnes respectively and an annual transaction amount of approximately RMB1,832 million, RMB2,469 million and RMB2,469 million based on the current market price trend.

II. REASONS FOR AND BENEFITS OF THE REVISION OF THE ANNUAL CAPS

The Company is of the view that the 2024 Coal and Coal Related Products and Services Supply Framework Agreement enables (i) the Group to secure a stable supply of the coal products, coal mine construction and related services from Shanxi Coking Coal Group in its ordinary course of business at market prices; and (ii) Shanxi Coking Coal Group to secure a stable supply of the coal products, coal mining facilities and related services from the Group in its ordinary course of business at market prices.

The Board has been closely monitoring the performance of the 2024 Coal and Coal Related Products and Services Supply Framework Agreement. Taking into consideration of the above-mentioned factors, the Revision of the Annual Caps aligns with the future development and business needs of the Group, which will allow the Group to conduct relevant transactions with Shanxi Coking Coal Group flexibly and rapidly within the scope of higher amount, and thus raise the Group's revenue.

III. IMPLEMENTATION AGREEMENTS AND INTERNAL CONTROL MEASURES

Members of the Group and members of Shanxi Coking Coal Group will enter into, from time to time and as necessary, separate implementation agreements for each of the specific transactions contemplated under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement during the term thereof. Any such implementation agreement will be within the scope of the provisions of the 2024 Coal and Coal Related Products and Services Supply Framework Agreement and the relevant annual caps for the transactions thereunder, and if exceeded, the Company will comply with the relevant Hong Kong Listing Rules accordingly.

The Company has established an adequate internal control system with specific designated departments and persons in charge for the execution, monitoring and review of the 2024 Coal and Coal Related Products and Services Supply Framework Agreement. The transactions under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement shall be reviewed annually by the independent non-executive directors and auditor of the Company, so as to ensure that such transactions are conducted within the scope of the 2024 Coal and Coal Related Products and Services Supply Framework Agreement and on normal commercial terms, and are in the interest of the Company and its Shareholders as a whole.

For details of the internal control measures, please refer to the Company's announcement dated 25 October 2023.

IV. HONG KONG LISTING RULES IMPLICATIONS

Shanxi Coking, a subsidiary of Shanxi Coking Coal, is a substantial shareholder of China Coal Huajin (a significant subsidiary of the Company). Therefore, Shanxi Coking Coal Group is a connected person at the subsidiary level of the Company under the Hong Kong Listing Rules. Accordingly, continuing transactions contemplated between the Group and Shanxi Coking Coal Group under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) in respect of the Revision of Annual Caps exceed 1% but are all less than 5%, they are subject to the reporting, annual review and announcement requirements, but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

V. DIRECTORS' CONFIRMATION

The Directors are of the view that the 2024 Coal and Coal Related Products and Services Supply Framework Agreement (i) have been negotiated on an arm's length basis; (ii) will be conducted on normal commercial terms, or on terms no less favourable than those available to or from independent third parties; (iii) are entered into in the ordinary and usual course of business of the Group; and (iv) are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and that the Revision of the Annual Caps is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

There are no Director that has material interest in the Revision of the Annual Caps and is required to abstain from voting on relevant resolution at the Board meeting.

VI. GENERAL INFORMATION OF THE PARTIES OF THE TRANSACTIONS

The Company

The Company is principally engaged in coal production, sales and trading, coal chemical business, coal mining equipment manufacturing, pithead power generation and other related operations in China.

Shanxi Coking Coal

Shanxi Coking Coal is a limited liability company incorporated in the PRC. It is mainly engaged in coal, power generation, coke, logistic and trade, and also building and construction and mechanical and electrical repairs and manufacturing. The ultimate controller of Shanxi Coking Coal is Shanxi SASAC. Shanxi SASAC is an ad-hoc organization directly subordinated to the People's Government of Shanxi Province, and is mainly responsible for supervising and managing the state-owned assets of enterprises (excluding financial enterprises) under the supervision of the People's Government of Shanxi Province.

VII. DEFINITIONS

“A Share(s)”	the domestic ordinary share(s) of RMB1.00 each in the share capital of the Company, which are listed on the Shanghai Stock Exchange and traded in RMB
“associate”	has the meaning ascribed to it under the Hong Kong Listing Rules and the SSE Listing Rules
“Board”	the Board of Directors of the Company
“China Coal Huajin”	China Coal Huajin Energy Group Limited* (中煤華晉集團有限公司), as of the date of this announcement, 51% and 49% of the shares of which are held by the Company and Shanxi Coking respectively
“China Coal Sales Company”	China Coal Sales and Transportation Company Limited* (中國煤炭銷售運輸有限責任公司), as of the date of this announcement, which is a wholly-owned subsidiary 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 under the stock code of 01898 and the A Shares of which are listed on the Shanghai Stock Exchange under the stock code of 601898
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	the share(s) of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited amended from time to time
“PRC” or “China”	the People’s Republic of China, but for the purposes of this circular only, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC;
“Revision of the Annual Caps”	the revision of the annual caps for the three years ending 31 December 2026 for the transactions of procurement of coal products and coal related products and acceptance of services by the Group from Shanxi Coking Coal Group under the 2024 Coal and Coal Related Products and Services Supply Framework Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s), including A Shares and H Shares
“Shareholder(s)”	the shareholder(s) of the Company, including holder(s) of H Shares and holder(s) of A Shares
“Shanxi Coking”	Shanxi Coking Co., Ltd.* (山西焦化股份有限公司), a subsidiary of Shanxi Coking Coal as of the date of this announcement
“Shanxi Coking Coal”	Shanxi Coking Coal Group Co., Ltd.* (山西焦煤集團有限責任公司), a limited liability company incorporated in the PRC and a substantial shareholder of China Coal Huajin, 90% and 10% of which are held by Shanxi SASAC and the Shanxi Regulatory Bureau of the Ministry of Finance respectively as of the date of this announcement
“Shanxi Coking Coal Group”	Shanxi Coking Coal and its associates
“Shanxi SASAC”	the State-owned Assets Supervision and Administration Commission of Shanxi Provincial Government
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) amended from time to time

“subsidiary”	has the meaning ascribed to it under the Hong Kong Listing Rules and the SSE Listing Rules
“substantial shareholders”	has the meaning ascribed to it under the Hong Kong Listing Rules
“%”	per cent

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

Beijing, the PRC
23 August 2024

As at the date of this announcement, the Company’s executive directors 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*