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兗礦能源集團股份有限公司
YANKUANG ENERGY GROUP COMPANY LIMITED*

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

(Stock Code: 01171)

CONNECTED TRANSACTION

**PROVISION OF FINANCIAL ASSISTANCE TO
A CONNECTED SUBSIDIARY**

INTRODUCTION

The Board is pleased to announce that on 30 August 2024, the Company entered into the Loan Contract with Xinjiang Energy, a connected subsidiary of the Company, pursuant to which the Company agreed to provide the internal loan to Xinjiang Energy with a principal amount of RMB5 billion for a term not exceeding three years. The interest rate equivalent to the average interest rate of Xinjiang Energy's prevailing external bank loans over the same period shall be adjusted annually and shall not be lower than the cost of funds of the Company. Xinjiang Energy shall provide a pledge guarantee to the Company with assets of net value not less than the loan amount and will complete the procedures for pledging the relevant assets.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Shandong Energy is a controlling Shareholder of the Company, holding directly and indirectly approximately 52.83% of the issued share capital of the Company, and thus Shandong Energy is a connected person of the Company under the Listing Rules. Xinjiang Energy is a non-wholly-owned subsidiary of the Company, which is 51% directly owned by the Company and 49% indirectly owned by Shandong Energy (through its wholly-owned subsidiary Xinwen Mining Group Co., Ltd.). In accordance with Rule 14A.16 of the Listing Rules, Xinjiang Energy constitutes a connected subsidiary of the Company. Accordingly, the transactions contemplated under the Loan Contract constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules

exceed 0.1% but less than 5%, the transactions contemplated under the Loan Contract shall be subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

GENERAL

In accordance with the relevant provisions of the applicable Listing Rules of Shanghai Stock Exchange and the articles of association of the Company, the Loan Contract and the transactions contemplated thereunder do not constitute related transactions. However, as the gearing ratio of the target of the assistance exceeds 70% and its minority shareholders are related persons of the controlling Shareholders of the Company, the relevant transactions are subject to Shareholders' approval. An extraordinary general meeting will be convened for Shareholders to consider and, where appropriate, approve the Loan Contract and the transactions contemplated thereunder.

I. INTRODUCTION

The Board is pleased to announce that on 30 August 2024, the Company entered into the Loan Contract with Xinjiang Energy, a connected subsidiary of the Company, pursuant to which the Company agreed to provide the internal loan to Xinjiang Energy with a principal amount of RMB5 billion for a term not exceeding three years. The interest rate equivalent to the average interest rate of Xinjiang Energy's prevailing external bank loans over the same period shall be adjusted annually and shall not be lower than the cost of funds of the Company. Xinjiang Energy shall provide a pledge guarantee to the Company with assets of net value not less than the loan amount and will complete the procedures for pledging the relevant assets.

II. PRINCIPAL TERMS OF THE LOAN CONTRACT

Date 30 August 2024

Parties (1) the Company (as lender); and
(2) Xinjiang Energy (as borrower)

Principal amount of the loan RMB 5 billion

Term From 30 August 2024 to 29 August 2027

Interest Rate Average interest rate of external bank loans of Xinjiang Energy over the same period, which shall be adjusted annually and shall not be lower than the cost of funds of the Company.

The interest rate is determined by the Company after taking into account (i) the prevailing interest rate of similar commercial loans currently available to the

Group are lower than those of Xinjiang Energy; and (ii) the prevailing interest rate of similar commercial loans currently offered by commercial banks and in arm's length negotiation with Xinjiang Energy. The Company has also compared the terms of the Loan Contract with those of similar commercial loans provided by commercial banks and available to the Group.

Purpose To replenish the liquidity of Xinjiang Energy and to repay the interest-bearing debts of its affiliated companies.

Guarantee Xinjiang Energy provide a pledge guarantee to the Company with assets of net value not less than the loan amount and will complete the procedures for pledging the relevant assets.

The pledged properties provided by Xinjiang Energy are: i) the equity interest in Yankuang Xinjiang Coal and Chemical Co., Ltd. (兗礦新疆煤化工有限公司) held by Xinjiang Energy; and ii) the equity interest in Yili Xintian Coal Chemical Co., Ltd. (伊犁新天煤化工有限責任公司) held by Xinwen Mining Group (Yili) Energy Development Co., Ltd. (新汶礦業集團(伊犁)能源開發有限責任公司), the wholly-owned subsidiary of Xinjiang Energy.

Repayment The principal is repayable in one lump sum on maturity and the interest is payable by instalments, with the 20th day of each quarter-end month being the interest settlement date and the 21st day of each quarter-end month being the interest payment date. The last instalment of interest is paid in full upon maturity of the principal.

Early repayment If the borrower repays the loan in advance, the lender may agree to charge interest on the basis of the actual number of days borrowed. If the lender requests the borrower to make early repayment of the loan and the debt involved, interest will be charged on the basis of the actual number of days borrowed.

Overdue Interest Late repayment of principal: If the borrower is late in repaying the principal amount of the loan, the lender will charge late interest on the overdue principal amount of the loan from the date of overdue repayment, and the standard overdue interest rate will be the interest rate of the loan that is being enforced $\times (1 + 30\%)$.

Interest overdue: If the borrower is late in repaying the interest on the loan, the lender will charge compound interest on the overdue interest from the date of

overdue repayment, with the compound interest rate being the interest rate of the loan that is being enforced $\times (1 + 30\%)$.

III. REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN CONTRACT

The Company is providing financial assistance to Xinjiang Energy to meet its capital needs for its production and operation, which is in line with the overall interests of the Group. Given that (i) the loan will be provided to a subsidiary of the Company rather than to other entities outside the Group, which will ultimately contribute to the performance of the entire Group; (ii) in the short term, the Company will receive interest for the loan at the average interest rate of Xinjiang Energy on loans from external banks of the same duration, which is comparable to loan rates offered by commercial banks in the PRC; and (iii) granting the loan will not have any material adverse impact on the Company's operation and financial performance, nor affecting the normal business operation and capital usage of the Company, the Directors (including the independent non-executive Directors) are of the view that, although the Loan Contract and the transactions contemplated thereunder are not conducted in the ordinary and usual course of business of the Group, they are entered into and conducted on normal commercial terms or better terms, and the terms of the Loan Contract and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The interest rate under the Loan Contract is determined with reference to the prevailing market rates, as well as the financial background and repayment capability of the borrower. The Loan Contract is expected to generate a stable interest income for the Company, which will be beneficial to the Company. The Company has substantial control and influence over Xinjiang Energy and the Company will be able to ensure the safety of the funds of the Company by strengthening its risk control over the business and fund management of its controlled subsidiaries in accordance with the requirements of the existing financial and internal control systems.

IV. INTERNAL CONTROLS MEASURES FOR ENTERING INTO THE LOAN CONTRACT

Xinjiang Energy will provide a pledge guarantee to the Company with assets of net value not less than the loan amount and will complete the procedures for pledging the relevant assets. In addition, Xinjiang Energy is a holding subsidiary of the Company, and the Company will be able to implement comprehensive and effective risk control over its business, finance and capital management. The Company will strengthen the daily operation and management of Xinjiang Energy, closely monitor changes in its production and operation, assets and liabilities, and strengthen the risk control over its financial and capital management to ensure the security of the Company's funds. The risks of the Loan Contract and the transactions contemplated thereunder are within the control of the Company, are conducive to the realization of the Company's overall business objectives, will not have a significant impact on the daily operation of the Company, and will not harm the interests of the Company and all its Shareholders, especially minority Shareholders.

V. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Shandong Energy is a controlling Shareholder of the Company, holding directly and indirectly approximately 52.83% of the issued share capital of the Company, and

thus Shandong Energy is a connected person of the Company under the Listing Rules. Xinjiang Energy is a non-wholly-owned subsidiary of the Company, which is 51% directly owned by the Company and 49% indirectly owned by Shandong Energy (through its wholly-owned subsidiary Xinwen Mining Group Co., Ltd.). In accordance with Rule 14A.16 of the Listing Rules, Xinjiang Energy constitutes a connected subsidiary of the Company. Accordingly, the transactions contemplated under the Loan Contract constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceed 0.1% but less than 5%, the transactions contemplated under the Loan Contract shall be subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

As Mr. Li Wei, Mr. Liu Jian, Mr. Liu Qiang and Mr. Zhang Haijun (all being Directors of the Company) are regarded as having material interests in the transactions contemplated under the Loan Contract, they have abstained from voting on the relevant resolutions of the Board. Save as disclosed above, none of the other Directors has a material interest in the transaction contemplated under the Loan Contract or is required to abstain from voting on the relevant resolutions of the Board.

VI. INFORMATION ON THE PARTIES

The Company

The Company is principally engaged in mining, high-end chemicals and new materials, new energy, high-end equipment manufacturing and intelligent logistics business. Products of the Company are mainly thermal coals for large power plants, coking coal for metallurgical production, high-quality low-sulfur coal for pulverized coal injection and chemical products such as methanol and acetic acid.

Shandong Energy

Shandong Energy is a state-controlled limited liability company, 90% equity interest of which is held directly and indirectly by Shandong Provincial People's Government State-owned Assets Supervision and Administration Commission* (山東省人民政府國有資產監督管理委員會), and the remaining 10% equity interest of which is indirectly held by the Shandong Province Finance Bureau. Shandong Energy is principally engaged in mining, high-end chemicals, electricity, high-end equipment manufacturing, new energy and materials, and modern trade and logistics. As at the date of this announcement, Shandong Energy is the controlling Shareholder of the Company, holding directly and indirectly approximately 52.83% of the issued share capital of the Company, and is hence a connected person of the Company.

Xinjiang Energy

Xinjiang Energy is a company established with limited liability in 2007 in accordance with the laws of the PRC. It is a non-wholly-owned subsidiary of the Company, which is directly owned by the Company as to 51% and indirectly owned by Shandong Energy (through its wholly-owned subsidiary Xinwen Mining Group Co., Ltd.) as to 49%. Xinjiang Energy is principally engaged in coal mining, coal washing, production of chemical products, sales of coal and coal products, etc.

VII. GENERAL

In accordance with the relevant provisions of the applicable Listing Rules of Shanghai Stock Exchange and the articles of association of the Company, the Loan Contract and the transactions contemplated thereunder do not constitute related transactions. However, as the gearing ratio of the target of the assistance exceeds 70% and its minority shareholders are related persons of the controlling Shareholders of the Company, the relevant transactions are subject to Shareholders' approval. An extraordinary general meeting will be convened for Shareholders to consider and, where appropriate, approve the Loan Contract and the transactions contemplated thereunder.

VIII. DEFINITIONS

“A Share(s)”	domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Yankuang Energy Group Company Limited* (兗礦能源集團股份有限公司), a joint stock limited company incorporated under the laws of the PRC in 1997, and the H Shares and A Shares of which are listed on the Stock Exchange (01171.HK) and the Shanghai Stock Exchange (600188.SH), respectively
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan Contract”	the loan contract entered into between the Company and Xinjiang Energy on 30 August 2024
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People's Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Shandong Energy”	Shandong Energy Group Company Limited* (山東能源集團有限公司), a state-controlled limited liability company and the controlling Shareholder of the Company holding directly and indirectly approximately 52.83% of the issued share capital of the Company as at the date of this announcement
“Share(s)”	A Shares and H Shares
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Xinjiang Energy”	Yankuang Xinjiang Energy & Chemical Co., Ltd.* (兗礦新疆能化有限公司), a company established with limited liability in 2007 in accordance with the laws of the PRC, which is owned as to 51% and 49% equity interests by the Company and Shandong Energy respectively as at the date of this announcement, a connected subsidiary of the Company
“%”	per cent

By order of the Board
Yankuang Energy Group Company Limited*
Li Wei
Chairman of the Board

Zoucheng, Shandong Province, the PRC
30 August 2024

As at the date of this announcement, the Directors of the Company are Mr. Li Wei, Mr. Xiao Yaomeng, Mr. Liu Jian, Mr. Liu Qiang, Mr. Zhang Haijun, Mr. Su Li and Mr. Huang Xiaolong, and the independent non-executive Directors of the Company are Mr. Peng Suping, Mr. Zhu Limin, Mr. Woo Kar Tung, Raymond and Ms. Zhu Rui.

** For identification purpose only*