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If you have sold or transferred all your shares in Yankuang Energy Group Company Limited*, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, or a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

- (1) PROPOSED PROFIT DISTRIBUTION PROPOSAL
FOR HALF YEAR OF 2024;**
- (2) PROPOSED CONTINUING CONNECTED TRANSACTIONS AND
PROPOSED ANNUAL CAPS;**
- (3) PROPOSED PROVISION OF INTERNAL LOAN
TO A CONNECTED SUBSIDIARY;**
- (4) PASSIVE FORMATION OF EXTERNAL GUARANTEES FOR THE
PROPOSED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY; AND**
- (5) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The notice convening the EGM to be held at the headquarters of the Company at 949 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 9:00 a.m. on Friday, 25 October 2024 was published on 30 September 2024.

Whether or not you are able to attend the relevant general meeting in person, you are strongly advised to complete and sign the form of proxy in accordance with the instructions printed thereon. The form of proxy shall be lodged with the Company's H Share Registrar, Hong Kong Registrars Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the Office of the Secretary to the Board at 949 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC (for holders of A Shares) as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the relevant meeting or any adjourned meeting (as the case may be).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

For the avoidance of doubt, any holder of treasury shares should abstain from voting in respect of any treasury shares (if any) held by him/her at the EGM.

* For identification purposes only

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meaning:

“Articles of Association”	the articles of association of the Company;
“A Shareholder(s)”	holders of A Shares;
“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 established under the laws of the PRC and the H Shares and A Shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange, 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;
“Existing Bulk Commodities Sale and Purchase Agreement”	the bulk commodities sale and purchase agreement entered into between the Company and Shandong Energy on 25 August 2023;
“Existing Mutual Provision of Labour and Services Agreement”	the mutual provision of labour and services agreement entered into between the Company and Shandong Energy on 28 April 2023;
“Existing Provision of Insurance Fund Administrative Services Agreement”	the provision of insurance fund administrative services agreement entered into between the Company and Shandong Energy on 28 April 2023;
“EGM”	the 2024 first extraordinary general meeting of the Company to be held at the headquarters of the Company, 949 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 9:00 a.m. on Friday, 25 October 2024;
“Group”	the Company and its subsidiaries;
“H Shareholder(s)”	holders of H Shares;

DEFINITIONS

“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”	The Hong Kong Special Administrative Region of the PRC;
“Independent Shareholder(s)”	Shareholder(s) other than Shandong Energy and its associates, who are neither involved nor interested in the Proposed Continuing Connected Transactions;
“Latest Practicable Date”	Thursday, 26 September 2024, being the latest practicable date of ascertaining certain information contained in this circular before the issuing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as revised from time to time);
“Loan Contract”	the loan contract entered into between the Company and Xinjiang Energy on 30 August 2024;
“Luxi Mining”	Shandong Energy Group Luxi Mining Co., Ltd.* (山東能源集團魯西礦業有限公司), a company established with limited liability in 2021 in accordance with the laws of the PRC, which is principally engaged in coal mining, coal washing, sales of coal and coal products, which is owned as to 51% equity interests by the Company and indirectly owned as to 49% equity interests by Shandong Energy as at the Latest Practicable Date, a connected subsidiary of the Company under the Listing Rules of Stock Exchange;
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules;
“PRC”	the People’s Republic of China;
“Proposed Continuing Connected Transactions”	the Proposed Mutual Provision of Labour and Services Agreement, the Proposed Provision of Insurance Fund Administrative Services Agreement and the continuing connected transactions under the Existing Bulk Commodities Sale and Purchase Agreement after the proposed amendments to the existing annual caps for the two financial years ending 31 December 2024 and 2025;

DEFINITIONS

“Proposed Mutual Provision of Labour and Services Agreement”	the mutual provision of labour and services agreement entered into between the Company and Shandong Energy on 30 August 2024;
“Proposed Provision of Insurance Fund Administrative Services Agreement”	the provision of insurance fund administrative services agreement entered into between the Company and Shandong Energy on 30 August 2024;
“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 Latest Practicable Date;
“Shandong Energy Group”	Shandong Energy and its subsidiaries (excluding the Group);
“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 principally engaged in coal mining, coal washing, production of chemical products, sales of coal and coal products, which is owned as to 51% equity interests by the Company and indirectly owned as to 49% equity interests by Shandong Energy as at the Latest Practicable Date, a connected subsidiary of the Company under the Listing Rules of Stock Exchange;
“%”	per cent.

Certain figures in this circular have been subject to rounding. The figures set out in this circular may be slightly different from the result calculated based on the relevant individual data presented in this circular due to rounding.

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LETTER FROM THE BOARD



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)

Directors:

Li Wei
Liu Jian
Liu Qiang
Zhang Haijun
Su Li
Huang Xiaolong

Registered office:

949 South Fushan Road
Zoucheng
Shandong Province
PRC
Postal Code: 273500

Independent non-executive Directors:

Peng Suping
Zhu Limin
Woo Kar Tung, Raymond
Zhu Rui

Principal place of business in Hong Kong:

40th Floor, Sunlight Tower
248 Queen's Road East
Wanchai
Hong Kong

30 September 2024

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED PROFIT DISTRIBUTION PROPOSAL
FOR HALF YEAR OF 2024;**
**(2) PROPOSED CONTINUING CONNECTED TRANSACTIONS AND
PROPOSED ANNUAL CAPS;**
**(3) PROPOSED PROVISION OF INTERNAL LOAN
TO A CONNECTED SUBSIDIARY;**
**(4) PASSIVE FORMATION OF EXTERNAL GUARANTEES FOR THE
PROPOSED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY; AND**
(5) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

I. INTRODUCTION

The purpose of this circular is to provide you with information relating to (1) the proposed Profit Distribution Proposal for Half Year of 2024; (2) the proposed continuing connected transactions and proposed annual caps; (3) the proposed provision of internal loan to a connected subsidiary; (4) the passive formation of external guarantees for the proposed disposal of equity interest in a subsidiary; and (5) the proposed amendments to the Articles of Association.

LETTER FROM THE BOARD

II. PROPOSED PROFIT DISTRIBUTION PROPOSAL FOR HALF YEAR OF 2024

Basis of Dividend Distribution

The Articles of Association stipulate that the Company may make interim cash dividends distribution upon the approval of the Board and the shareholders' general meeting.

The Regulatory Guidelines for Listed Companies No. 3 – Cash Dividends Distribution of Listed Companies of the CSRC stipulates that listed companies are encouraged to increase the frequency of cash dividends distribution upon satisfaction of the conditions for profit distribution to stabilize the expectation of investors on dividends distribution.

The Decision on Amending Several Provisions on Cash Dividends Distribution of Listed Companies of the CSRC stipulates that the financial accounting reports of listed companies for interim cash dividends distribution may not be audited by accounting firms.

Description of the Dividend Distribution Proposal

In the first half of 2024, the Company realised a net profit of RMB7,568 million (unaudited) in accordance with PRC Accounting Standards and a net profit of RMB7,406 million (unaudited) in accordance with International Financial Reporting Standards, and distributed a cash dividend for the half year of 2024 on the basis of the net profit realized in accordance with PRC Accounting Standards.

The Company intended to implement the distribution of this cash dividend with a dividend ratio of 30%, and the cash dividend for the half year of 2024 was RMB0.23 per share (tax inclusive) based on the total share capital of approximately 10.04 billion shares as of 30 September 2024.

Distribution of Interests

The Company distributed cash dividends to A Shareholders and H Shareholders in the register based on the total number of share capital on the record date for dividend distribution, and the record date of the shares will be 8 November 2024.

Cash dividends on A Shares are paid in RMB and cash dividends on H Shares are paid in HK\$. The cash dividend will be distributed both domestically and overseas within two months after the conclusion of the EGM.

LETTER FROM THE BOARD

III. PROPOSED CONTINUING CONNECTED TRANSACTIONS AND PROPOSED ANNUAL CAPS

References are made to the announcement of the Company dated 28 April 2023 and the circular of the Company dated 9 June 2023 in relation to, among other things, the Existing Mutual Provision of Labour and Services Agreement and the Existing Provision of Insurance Fund Administrative Services Agreement entered into between the Company and Shandong Energy, and the announcement of the Company dated 25 August 2023 and the circular of the Company dated 28 September 2023 in relation to, among other things, the Existing Bulk Commodities Sale and Purchase Agreement entered into between the Company and Shandong Energy.

References are made to the announcement of continuing connected transactions of the Company dated 30 August 2024 (the “**Continuing Connected Transaction Announcement**”) and the notice of extraordinary general meeting of the Company dated 30 September 2024 (which was published on the same day as the despatch of this circular to shareholders) in relation to, among other things, (i) the Company and Shandong Energy entered into the Proposed Mutual Provision of Labour and Services Agreement and the Proposed Provision of Insurance Fund Administrative Services Agreement to renew and supersede the Existing Mutual Provision of Labour and Services Agreement and the Existing Provision of Insurance Fund Administrative Services Agreement; and (ii) the proposed amendments to the existing annual caps for the transactions for the purchase of bulk commodities by the Group from the Shandong Energy Group and its associates under the Existing Bulk Commodities Sale and Purchase Agreement for the two financial years ending 31 December 2024 and 2025.

As at the latest practicable date, Shandong Energy is a controlling Shareholder 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. Accordingly, the Proposed Mutual Provision of Labour and Services Agreement, the Proposed Provision of Insurance Fund Administrative Services Agreement and the Existing Bulk Commodities Sale and Purchase Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A 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 Proposed Continuing Connected Transactions, 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 Proposed Continuing Connected Transactions.

Proposed Mutual Provision of Labour and Services Agreement

On 30 August 2024, the Company entered into the Proposed Mutual Provision of Labour and Services Agreement with Shandong Energy to renew and supersede the Existing Mutual Provision of Labour and Services Agreement on substantially the same terms. In order to better regulate the provision of labour and services between the Group and the Shandong Energy Group and its associates, the Company and Shandong Energy decided to make adjustments to the service scope under the Existing Mutual

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Supply of Labour and Services Agreement to include the addition of the Group's receipt of the provision of training services, mine rescue services and labour export related services by the Shandong Energy Group and its associates; the expansion of canteen operation services into backup services (including canteen operation, property cleaning and catering and accommodation); and the addition of the provision of mine rescue services, engineering construction services and labour export related services by the Group to the Shandong Energy Group and its associates.

Unless otherwise agreed by the parties in writing, the Proposed Mutual Provision of Labour and Services Agreement shall take effect upon execution by the respective legal representative or the authorized representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2024 and ending on 31 December 2025. When the Proposed Mutual Provision of Labour and Services Agreement becomes effective, (i) the Existing Mutual Provision of Labour and Services Agreement will be superseded with effect from 1 January 2024; and (ii) all transactions performed under the Existing Mutual Provision of Labour and Services Agreement since 1 January 2024 will be classified as the transactions performed under the Proposed Mutual Provision of Labour and Services Agreement.

The Board proposed that the total amounts of the service fees payable by the Group to Shandong Energy Group and its associates under the Proposed Mutual Provision of Labour and Services Agreement shall not exceed RMB5,662,000,000 and RMB4,809,000,000 for the two financial years ending 31 December 2024 and 2025, respectively, and the total amounts of the service fees payable by Shandong Energy Group and its associates to the Group under the Proposed Mutual Provision of Labour and Services Agreement shall not exceed RMB1,360,000,000 and RMB920,000,000 for the two financial years ending 31 December 2024 and 2025, respectively.

As all the highest applicable percentage ratios relating to the annual caps for the transactions contemplated under the Proposed Mutual Provision of Labour and Services Agreement for the two financial years ending 31 December 2024 and 2025 exceed 0.1% but are less than 5%, those continuing connected transactions and their annual caps are subject to reporting, annual review and announcement requirement but are exempt from Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. In accordance with the relevant provisions of the applicable listing rules of the Shanghai Stock Exchange and the Articles of Association, the Proposed Mutual Provision of Labour and Services Agreement and the transactions contemplated thereunder are subject to Independent Shareholders' approval, and Shandong Energy is required to abstain from voting.

As at the latest practicable date, the transaction amount of continuing connected transactions under the Existing Mutual Provision of Labour and Services Agreement did not exceed the original annual cap for the financial year ending 31 December 2024. For details of the principal terms, payment, pricing, historical amounts, proposed annual

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caps and reasons, reasons and benefits of entering into the transactions and internal control measures under the Proposed Mutual Provision of Labour and Services Agreement, please refer to the Continuing Connected Transaction Announcement.

Proposed Provision of Insurance Fund Administrative Services Agreement

On 30 August 2024, the Company entered into the Proposed Provision of Insurance Fund Administrative Services Agreement with Shandong Energy to renew and supersede the Existing Provision of Insurance Fund Administrative Services Agreement on substantially the same terms. In order to protect the interests of employees and satisfy the need for social insurance contributions, the Company and Shandong Energy have decided to make adjustments to the Existing Provision of Insurance Fund Administrative Services Agreement by adding the provision of insurance fund administrative and transfer services by the Group to the Shandong Energy Group and its associates to the service scope.

Unless otherwise agreed by the parties in writing, the Proposed Provision of Insurance Fund Administrative Services Agreement shall take effect upon execution by the respective legal representative or the authorized representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2024 and ending on 31 December 2025. When the Proposed Provision of Insurance Fund Administrative Services Agreement becomes effective, (i) the Existing Provision of Insurance Fund Administrative Services Agreement will be superseded with effect from 1 January 2024; and (ii) all transactions performed under the Existing Provision of Insurance Fund Administrative Services Agreement since 1 January 2024 will be classified as transactions performed under the Proposed Provision of Insurance Fund Administrative Services Agreement.

According to the relevant requirements of social insurance administration, the social insurance fund of some employees of Luxi Mining and Xinjiang Neng Hua are required to be transferred by Shandong Energy Group and its associates. Accordingly, the Company estimates that the amounts of the insurance fund transferred under the free transfer services provided by Shandong Energy Group and its associates to the Group under the Proposed Provision of Insurance Fund Administrative Services Agreement for the two financial years ending 31 December 2024 and 2025 will be approximately RMB648,000,000 and RMB709,000,000, respectively. Based on the total wages of the relevant personnel for the previous year and the social insurance contribution ratio, the Company estimates that the amounts of insurance fund of the free transfer services provided by the Group to Shandong Energy Group and its associates under the Proposed Provision of Insurance Fund Administrative Services Agreement for the two financial years ending 31 December 2024 and 2025 will be RMB296,000,000 and RMB315,000,000, respectively.

The provision of insurance fund administrative services under the Proposed Provision of Insurance Fund Administrative Services Agreement is on a free-of-charge basis, and no annual cap is required to be set for the provision of such services.

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As the highest applicable percentage ratios relating to the annual caps for the transactions contemplated under the Proposed Provision of Insurance Fund Administrative Services Agreement for the two financial years ending 31 December 2024 and 2025 are less than 0.1%, those continuing connected transactions are exempt from all the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In accordance with the relevant provisions of the applicable listing rules of the Shanghai Stock Exchange and the Articles of Association, the Proposed Provision of Insurance Fund Administrative Services Agreement and the transactions contemplated thereunder are subject to Independent Shareholders' approval, and Shandong Energy is required to abstain from voting.

For details of the principal terms, pricing, historical amounts, reasons and benefits of entering into the transactions and internal control measures under the Proposed Provision of Insurance Fund Administrative Services Agreement, please refer to the Continuing Connected Transaction Announcement.

Proposed Amendments to the Annual Caps Under the Existing Bulk Commodities Sale and Purchase Agreement

Under the Existing Bulk Commodities Sale and Purchase Agreement, the Group and the Shandong Energy Group and its associates may, from time to time, sell or purchase coal, iron ores, rubber and other bulk commodities from each other for a term of two years commencing from 1 January 2024 and expiring on 31 December 2025, where the annual caps for the purchase of bulk commodities by the Group from the Shandong Energy Group and its associates for the two financial years ending 31 December 2024 and 2025 are RMB2,800 million and RMB2,800 million, respectively. In order to standardize the sales process of subsidiaries, Luxi Mining has carried out purchase and external sales of coal produced by Linyi Mining Group Heze Coal Power Co., Ltd. (“**Heze Coal**”), which is a connected subsidiary of the Company, resulting in a consequential increase in the amount of coal purchased by the Group from its connected subsidiaries. Accordingly, the existing annual caps for the continuing connected transactions of the purchase of bulk commodities by the Group from the Shandong Energy Group and its associates under the Existing Bulk Commodity Sale and Purchase Agreement for the two financial years ending 31 December 2024 and 2025 are not expected to be sufficient to meet the actual needs of the Group. In view of the above, on 30 August 2024, the Board has considered and approved the amendment to the respective existing annual caps for the transactions in respect of the purchase of bulk commodities by the Group from the Shandong Energy Group and its associates under the Existing Bulk Commodities Sale and Purchase Agreement for the two financial years ending 31 December 2024 and 2025, and the terms of the Existing Bulk Commodities Sale and Purchase Agreement will remain unchanged and shall remain in full force and effect. The Board proposes to amend the existing annual caps for the transactions for the purchase of bulk commodities by the Group from the Shandong Energy Group and its associates under the Existing Commodity Purchase and Sale Agreement for the two financial years ending 31 December 2024 and 2025, and the revised annual caps are RMB4,439 million and RMB4,937 million, respectively.

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As all the highest applicable percentage ratios relating to the proposed amendments to the annual caps for the transactions for the purchase of bulk commodities by the Group from the Shandong Energy Group and its associates contemplated under the Existing Bulk Commodities Sale and Purchase Agreement for the two financial years ending 31 December 2024 and 2025 exceed 0.1% but are less than 5%, those continuing connected transactions and amendments to the annual caps are subject to reporting, annual review and announcement requirement but are exempt from Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. In accordance with the relevant provisions of the applicable listing rules of the Shanghai Stock Exchange and the Articles of Association, the proposed amendments to the existing annual caps for the transactions for the purchase of bulk commodities by the Group from the Shandong Energy Group and its associates under the Existing Bulk Commodities Sale and Purchase Agreement for the two financial years ending 31 December 2024 and 2025 are subject to Independent Shareholders' approval, and Shandong Energy is required to abstain from voting.

As at the latest practicable date, the transaction amount of continuing connected transactions under the Existing Bulk Commodities Sale and Purchase Agreement did not exceed the original annual cap for the financial year ending 31 December 2024. For details of the existing annual caps, historical amounts, the revised annual caps and reasons, reasons and benefits of entering into the transactions and internal control measures under the Existing Bulk Commodities Sale and Purchase Agreement, please refer to the Continuing Connected Transaction Announcement.

IV. PROPOSED PROVISION OF INTERNAL LOAN TO A CONNECTED SUBSIDIARY

References are made to the announcement in relation to the connected transaction of the Company dated 30 August 2024 (the "**Connected Transaction Announcement**") and a notice of extraordinary general meeting of the Company dated 30 September 2024 (which was issued on the same day as this circular was sent to shareholders) in relation to, among other things, the Company entered into the Loan Contract with Xinjiang Energy to provide the internal loan to Xinjiang Energy with a principal amount of RMB5 billion.

On 30 August 2024, the Company entered into the Loan Contract with Xinjiang Energy, 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. For details of the principal terms of the Loan Contract, the reasons and benefits for entering into the Loan Contract, and the internal control measures, please refer to the Connected Transaction Announcement.

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As at the latest practicable date, 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 are 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.

In accordance with the relevant provisions of the applicable listing rules of the Shanghai Stock Exchange and the Articles of Association, 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.

In summary, the Loan Contract and the transactions contemplated thereunder, after being reviewed and approved by the Board of the Company, are required to submit to the general meeting of the Company for discussion and consideration, and no Shareholder is required to abstain from voting.

V. PASSIVE FORMATION OF EXTERNAL GUARANTEES FOR THE PROPOSED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

In order to protect the construction of the mine water treatment project, the Company provided the guarantees for bank loans of RMB137 million to Yantai Jinzheng Eco-Technology Co., Ltd. ("**Jinzheng Eco**", which is indirectly held as to 45% by the Company) in March 2023 for a period of three years, with counter-guarantees provided by Li Yuebiao and Zhang Zhuo, shareholders of Jinzheng Eco. The Company currently has entered into an agreement to sell its equity in Jinzheng Eco, and after the completion of the disposal, the Company will no longer have an equity relationship with Jinzheng Eco, and the above-mentioned guarantees will be passively converted into external guarantees provided to companies without any relationships of property rights. The details are as follows:

LETTER FROM THE BOARD

Basic Information of the Guaranteed Party

Founded in July 2012, with a registered capital of RMB100 million, Jinzheng Eco is mainly engaged in the design, research and development, production, sale, installation and technical consulting of reverse osmosis pure water and sewage treatment equipment.

As of the end of June 2024, Jinzheng Eco had total assets of RMB2,828 million, total liabilities of RMB3,009 million, net assets of RMB-181 million, and the gearing ratio of 106.4%, with a cumulative operating revenue of RMB199 million and total profit of RMB-80 million from January to June 2024.

Overview of Guarantees

Background Introduction

In December 2020, Yancoal International (Holding) Company Limited signed the Investment Agreement with Jinzheng Eco as well as Li Yuebiao and Zhang Zhuo, its shareholders, pursuant to which Yancoal International (Holdings) Company Limited contributed the capital of US\$17.75 million to indirectly subscribe for 45% equity in Jinzheng Eco.

Subject to the consideration and approval of the 2021 Annual General Meeting of the Company, the Company and its holding companies were authorised to provide financing guarantees to the holding/invested companies in an aggregate amount not exceeding the equivalent of US\$5 billion. Pursuant to the above authorisation, the Company provided the guarantees for the bank loan of Jinzheng Eco of RMB137 million in March 2023, with a guarantee period of three years from the expiration of the debt performance period, and Li Yuebiao and Zhang Zhuo provided counter-guarantees to the Company in proportion to their capital contributions.

As of the end of July 2024, the balance of such guarantee was RMB123 million, and the related main debt will be due by instalments from March 2026 to May 2026.

Passive Guarantee

After the consideration and approval of the General Manager's Work Meeting of the Company, the Company intends to transfer 45% equity held in Jinzheng Eco. After the completion of the transfer, the Company will no longer have an equity relationship with Jinzheng Eco, and the above-mentioned guarantees will be passively converted into external guarantees provided by the Company to companies without any relationships of property rights.

There is no additional amount in the passive guarantees, which will not adversely affect the normal production and operation of the Company.

LETTER FROM THE BOARD

Risk Prevention Measures

Jinzheng Eco has formulated a repayment proposal, and at the same time promised in writing to repay the loan on time after the maturity, otherwise it will be liable for compensation to the Company.

The Company signed an agreement with Li Yuebiao and Zhang Zhuo, and both of them will provide the Company with 100% joint -liability guarantees for the balance of guarantee with all of their personal property from the date of completion of the registration of equity change.

Approval Process

In accordance with the applicable listing rules of the Shanghai Stock Exchange and with reference to market cases, the passive guarantee matters are subject to discussion and consideration at the shareholders' general meeting of the Company.

VI. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The tenth meeting of the ninth session of the Board of the Company considered and approved the "Resolution in Relation to the Amendments to the Articles of Association" (the "**Proposed Amendments**") and agreed to submit the same to the general meeting of the Company for discussion and consideration.

As disclosed in the Company's announcement dated 30 August 2024 in relation to the proposed amendments to the Articles of Association, in order to optimise the procedures of interim dividend distribution and enhance the efficiency of decision-making, the Board hereby proposed to revise the relevant article in relation to the interim dividend distribution of Articles of Association according to the practical needs of the operation of the Company.

Details of the Proposed Amendments are set out in Appendix I to this circular.

VII. EGM

The notice convening the EGM by the Company was published on 30 September 2024.

The following resolutions will be proposed to the Shareholders at the EGM:

As ordinary resolutions:

1. To consider and approve the Profit Distribution Proposal for Half Year of 2024 of the Company.
2. To consider and approve each of the following ordinary resolutions.
 - (2.01) To consider and approve the Proposed Mutual Provision of Labour and Services Agreement and its proposed annual caps thereunder;

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- (2.02) To consider and approve the Proposed Provision of Insurance Fund Administrative Services Agreement and its proposed annual caps thereunder; and
- (2.03) To consider and approve the proposed amendments to the existing annual caps for the transactions for the purchase of bulk commodities by the Group from the Shandong Energy Group and its associates under the Existing Bulk Commodities Sale and Purchase Agreement for the two financial years ending 31 December 2024 and 2025.
3. To consider and approve the provision of internal loan to a connected subsidiary by the Company.
4. To consider and approve the passive formation of external guarantees for the disposal of equity interest in a subsidiary by the Company.

As a special resolution:

5. To consider and approve the amendments to the Articles of Association of the Company.

Whether or not you are able to attend the meeting in person, you are strongly advised to complete and sign the form of proxy dated 30 September 2024 in accordance with the instructions printed thereon. For holders of H Shares of the Company, the proxy form shall be lodged with the Company's H Share Registrar, Hong Kong Registrars Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. For holders of A Shares of the Company, the proxy form shall be lodged at the Office of the Secretary to the Board at 949 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the relevant meeting or any adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish. For the avoidance of doubt, any holder of treasury shares should abstain from voting in respect of any treasury shares (if any) held by him/her at the EGM.

VIII. CLOSURE OF H SHARE REGISTER OF MEMBERS OF THE COMPANY

1. Attending the EGM

The H Share register of members of the Company will be closed from Friday, 18 October 2024 to Friday, 25 October 2024 (both days inclusive), during which period no transfer of the Company's H Shares will be registered for the purpose of ascertaining the eligibility of Shareholders to attend the EGM. In order to attend the EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged for registration with the Company's H Share Registrar, Hong Kong Registrars Limited, at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 17 October 2024 for registration. H

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Shareholders whose names appear on the H Share register of members of the Company maintained by Hong Kong Registrars Limited at the close of business on Thursday, 17 October 2024 will be eligible to attend the EGM.

2. Receipt of Interim Cash Dividends Distribution

An ordinary resolution will be proposed at the EGM to consider and approve the Company's Profit Distribution Proposal for Half Year of 2024. For the purpose of ascertaining the identity of Shareholders entitled to the interim cash dividends, the H Share register of members of the Company will be closed from Friday, 1 November 2024 to Friday, 8 November 2024 (both days inclusive), during which period no transfer of the Company's H shares will be registered. In order to qualify for the interim cash dividends, H shareholders who have not registered their transfer documents are required to deposit the transfer documents together with the relevant share certificates with the Company's H Share Registrar, Hong Kong Registrars Limited, at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 31 October 2024 for registration.

IX. RECOMMENDATION

The Directors believe that the resolutions set out in the notices of the EGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the EGM.

X. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

XI. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

As disclosed in the Company’s announcement dated 30 August 2024 in relation to the proposed amendments to the Articles of Association, in order to optimise the procedures of interim dividend distribution and enhance the efficiency of decision-making, the Board hereby proposed to revise the relevant article in relation to the interim dividend distribution of the Articles of Association according to the practical needs of the operation of the Company.

Details of the Proposed Amendments are set out as follows:

Original Articles	Amended Articles
Chapter 12 Financial and Accounting Systems, Profit Distribution and Internal Audit	
<p>Article 174 The profit distribution policies of the Company</p> <p style="text-align: center;">.....</p> <p>Final dividends shall be paid once a year. The shareholders shall by way of an ordinary resolution authorize the board of directors to declare and pay final dividends of the Company. The Company may distribute interim cash dividends upon obtaining approval from the board of directors and the shareholders’ general meeting. The specific implementation shall be drafting an interim dividend distribution plan by the board of directors and submitted it to the general meeting of Shareholders for approval and implementation, or authorizing the board of directors to formulate and implement the interim dividend distribution plan by the annual general meeting of shareholders.</p> <p style="text-align: center;">.....</p>	<p>Article 174 The profit distribution policies of the Company</p> <p style="text-align: center;">.....</p> <p>Final dividends shall be paid once a year. The shareholders shall by way of an ordinary resolution authorize the board of directors to declare and pay final dividends of the Company. <u>The board of directors may distribute interim dividends or bonus unless the shareholders’ general meeting decides otherwise.</u></p> <p style="text-align: center;">.....</p>

The Proposed Amendments are finally subject to the change of registration by the municipal registration authority of Jining City, Shandong Province, and the other terms of the Articles of Association remain unchanged except for the Proposed Amendments.