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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)

ANNOUNCEMENT ON THE ISSUANCE OF H-SHARE CONVERTIBLE BONDS TO ACQUIRE FURTHER SHARES IN YANCOAL AUSTRALIA LTD

Subject to compliance with applicable People's Republic of China ("PRC") and overseas laws and regulations and the relevant PRC and overseas regulatory requirements, market conditions, and the satisfaction or (where applicable) waiver of various pre-conditions and conditions, Yankuang Energy Group Company Limited ("**Yankuang Energy**" or the "**Company**") is considering a transaction to acquire further shares in Yancoal Australia Ltd., a subsidiary of the Company ("**Yancoal**", shares in Yancoal, "**Yancoal Shares**") (the "**Potential Acquisition**"), by means of an acquisition structure to be determined by the Company and which is permitted by law and the Hong Kong Code on Takeovers and Mergers (the "**Hong Kong Takeovers Code**"), the consideration of which would be satisfied by the issuance of H-Share Convertible Bonds (as defined below) by the Company (the "**Potential Issuance**", together with the Potential Acquisition, the "**Potential Transactions**"). The Company's aim for the Potential Transactions is to acquire further Yancoal Shares. Depending on the outcome of the Potential Transactions and upon the Company owning such percentage of Yancoal Shares as required by the relevant regulatory requirements, the Potential Transactions may result in the withdrawal of the listing of Yancoal Shares from The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**" or "**HKEX**") and/or from the Australian Securities Exchange (the "**ASX**").

The Potential Transactions may involve the issuance by the Company of H-Shares Convertible Bonds as consideration for the acquisition of further Yancoal Shares to shareholders of Yancoal (whose Yancoal Shares would be acquired by the Company under the Potential Transactions (should they proceed)) which are related parties (under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the "**SSE Listing Rules**"))

and/or connected persons (under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Hong Kong Listing Rules**”) of the Company (such parties and persons, “**Related/Connected Persons**”), thus the Potential Transactions may constitute a related party transaction under the SSE Listing Rules and a connected transaction under the Hong Kong Listing Rules for the Company (such transactions, “**Related/Connected Transactions**”), respectively. The Potential Transactions do not constitute a major asset restructuring for the Company.

The Potential Transactions were approved at the 21st meeting of the eighth session of the board of directors of the Company on 30 March 2022. The Potential Transactions are subject to, among other things, obtaining the Company’s shareholders’ approvals in its shareholders’ meeting, A share class meeting and H Share class meeting, the filing with, and approval of, the relevant PRC and overseas governmental and regulatory bodies, and the fulfilment or (where applicable) waiver of other pre-conditions and conditions to be determined based on the potential transaction structure if the Potential Transactions proceed. According to the Hong Kong Listing Rules, the Potential Transactions may constitute a discloseable transaction for the Company and the issuance of the H-Share Convertible Bonds and H Shares of the Company under the H-Share Convertible Bonds is subject to approval by the Company’s shareholders and the filing with, and approval of, the relevant PRC and overseas governmental and regulatory bodies. Shandong Energy Co., Ltd., the controlling shareholder of the Company, would not be required to abstain from voting on resolutions relating to the Potential Transactions at the shareholders’ meeting, A share class meeting and H Share class meeting of the Company convened for the purpose of considering the Potential Transactions under the SSE Listing Rules and the Hong Kong Listing Rules. The aforementioned board resolution had been kept confidential for suspended disclosure prior to this announcement pursuant to the relevant requirements under the SSE Listing Rules.

The Company will, subject to the market conditions, make the final decision on whether and when to proceed with the Potential Transactions. The Potential Transactions remain subject to, among other things, obtaining the Company’s shareholders’ approvals in its shareholders’ meeting, A share class meeting and H Share class meeting, the filing with, and approval of, the relevant PRC and overseas governmental and regulatory bodies, and the fulfilment or (where applicable) waiver of other pre-conditions and conditions to be determined based on the potential transaction structure if the Potential Transactions proceed. Whether such pre-conditions and conditions can be fulfilled is subject to significant uncertainty, and shareholders and potential investors are advised to pay attention to the investment risks.

The structure for the Potential Transactions remains subject to determination and finalisation. If the Company decides to proceed with the Potential Transactions, the Company will comply with the relevant disclosure obligations in accordance with the relevant PRC and overseas regulatory requirements.

Shareholders and potential investors should be aware: (i) that this announcement is not intended to constitute and does not constitute an offer capable of acceptance or to otherwise give rise to any binding contract or commitment; and (ii) is not intended to constitute, and does not constitute, a proposal to make a takeover bid for the purposes

of section 631 of the Australian Corporations Act 2001 (Cth) or any firm intention to make any offer under the Hong Kong Takeovers Code.

Reference is made to (i) the announcement made by the Company on the Shanghai Stock Exchange in relation to the Potential Transactions pursuant to the securities regulatory requirements in the PRC, and (ii) the announcement made by the Company on the Hong Kong Stock Exchange in relation to the Potential Transactions pursuant to, among other things, Rule 3.7 of the Hong Kong Takeovers Code, both dated the date of this announcement.

1. BACKGROUND OF THE POTENTIAL TRANSACTIONS

(1) Basic information of the Potential Transactions

In order to further optimise the overall asset structure of the Company, enhance shareholder equity value and support the development of Yancoal, subject to compliance with applicable PRC and overseas laws and regulations and the relevant PRC and overseas regulatory requirements, market conditions, and the satisfaction or (where applicable) waiver of various pre-conditions and conditions, the Company is considering a transaction to acquire further Yancoal Shares, by means of an acquisition structure to be determined by the Company and which is permitted by law and the Hong Kong Takeovers Code, the consideration of which would be satisfied by the issuance of H-Share Convertible Bonds by the Company. The Company's aim for the Potential Transactions is to acquire further Yancoal Shares. Depending on the outcome of the Potential Transactions and upon the Company owning such percentage of Yancoal Shares as required by the relevant regulatory requirements, the Potential Transactions may result in the withdrawal of the listing of Yancoal Shares from the Hong Kong Stock Exchange and/or from the ASX. As at the date of this announcement, the structure of the Potential Transactions is yet to be determined and finalised.

The Potential Transactions were approved at the 21st meeting of the eighth session of the board of directors of the Company on 30 March 2022. The Potential Transactions are subject to, among other things, obtaining the Company's shareholders' approvals in its shareholders' meeting, A share class meeting and H Share class meeting, the filing with, and approval of, the relevant PRC and overseas governmental and regulatory bodies, and the fulfilment or (where applicable) waiver of other pre-conditions and conditions to be determined based on the potential transaction structure if the Potential Transactions proceed. According to the Hong Kong Listing Rules, the Potential Transactions may constitute a discloseable transaction for the Company, and the issuance of the H-Share Convertible Bonds and H Shares of the Company under the H-Share Convertible Bonds is subject to approval by the Company's shareholders and the filing with, and approval of, the relevant PRC and overseas governmental and regulatory bodies.

The Potential Transactions are subject to the Company's final decision on whether to proceed. As the Potential Transactions remain subject to the filing with, and approval of, various PRC and overseas governmental and regulatory bodies, whether and when they can be ultimately implemented remains uncertain. Given that the Potential Consideration (as defined below) is an important commercial secret, in order to ensure the smooth implementation of the Potential Transactions and fair information disclosure, avoid misleading investors, and earnestly

safeguard the interests of the Company, minority shareholders and the investors, the Company (i) suspended the disclosure of the resolution relating to the Potential Transactions in the announcement of the Company dated 30 March 2022 in relation to the resolution of the board of directors and (ii) completed the relevant procedures for suspended disclosure and maintained confidentiality.

(2) The Potential Transactions may constitute Related/Connected Transactions

The Potential Transactions may involve the issuance by the Company of H-Share Convertible Bonds to Related/Connected Persons, thus may constitute Related/Connected Transactions for the Company and may be subject to the Company's non-related shareholders' approval and independent shareholders' approval pursuant to the SSE Listing Rules and the Hong Kong Listing Rules, respectively.

The Potential Issuance by the Company to the Related/Connected Persons and the issuance of the H Shares upon conversion of the H-Share Convertible Bonds to the Related/Connected Persons would be subject to the circular, independent financial advice and independent shareholders' approval requirements under the Hong Kong Listing Rules. Shandong Energy Co., Ltd., the controlling shareholder of the Company, would not be required to abstain from voting on resolutions relating to the Potential Transactions at the shareholders' meeting, A share class meeting and H Share class meeting of the Company under the SSE Listing Rules and the Hong Kong Listing Rules.

(3) The Potential Transactions do not constitute a major asset restructuring

The Potential Transactions do not constitute a major asset restructuring for the Company as stipulated in the Measures for the Administration of Major Asset Restructuring of Listed Companies.

2. POTENTIAL COUNTERPARTIES

The potential counterparties of the Potential Transactions are eligible shareholders of Yancoal (other than the Company) whose Yancoal Shares would be acquired by the Company under the Potential Transactions (should they proceed).

3. BASIC INFORMATION OF THE TARGET

(1) Basic information

The target of the Potential Transactions is Yancoal, a company incorporated in Sydney, Australia in 2004 and listed on the ASX (ASX stock code: YAL) and the Hong Kong Stock Exchange (HKEX stock code: 03668) since 2012 and 2018 respectively. As of the date of this announcement, Yancoal is Australia's largest pure coal company with 63.2 million tonnes of raw coal production in 2021 (calculated on the basis of Yancoal holding 100% interest in various coal mines).

(2) Shareholding structure

As of the date of this announcement, Yancoal is a subsidiary of the Company, and the Company holds 822,157,715 Yancoal Shares, representing 62.26% of Yancoal Shares in issue. According to the annual report published by Yancoal for the year ended 31 December 2021, as of 31 December 2021, the list of major shareholders who were interested in 5% or more of the shareholding in Yancoal and the corresponding Yancoal Shares held or owned are as follows:

No.	Name of shareholder	Number of Yancoal Shares held or owned (shares)	Shareholding percentage
1	Yankuang Energy Group Company Limited	822,157,715	62.26%
2	Cinda International HGB Investment (UK) Limited	209,800,010	15.89%
3	Glencore Coal Pty Ltd	84,497,858	6.40%
4	China Shandong Investment Limited	71,428,571	5.41%
5	Other shareholders	132,555,283	10.04%
Total		1,320,439,437	100.00%

(3) Key Financial Information

The key audited financial information of Yancoal in the past five years are as follows:

Monetary Unit: AUD

Item	As of 2021 year end	As of 2020 year end	As of 2019 year end	As of 2018 year end	As of 2017 year end
Total assets	11.800 billion	11.055 billion	11.093 billion	11.379 billion	12.313 billion
Net assets	6.146 billion	5.193 billion	6.163 billion	5.838 billion	5.026 billion
Item	2021	2020	2019	2018	2017
Operating income	5.404 billion	3.473 billion	4.459 billion	4.850 billion	2.601 billion
Net profit (before non-	861 million	-295 million	680 million	868 million	211 million

recurring items)					
Net profit (after non-recurring items)	791 million	-1.04 billion	719 million	852 million	229 million

Notes: Yancoal's financial statements are prepared in accordance with Australian Accounting Standards, in which (1) the total assets in the financial data of 2018 has been restated (due to the fact that Yancoal offsetted the deferred tax assets and liabilities on 1 January 2019 in accordance with the accounting standards and the data as of 31 December 2018 was restated accordingly), and amounted to AUD 12.408 billion prior to such restatement; (2) the operating income in the financial data of 2019 has been restated (due to the fact that Yancoal made a reclassification adjustment in the 2020 financial statements to the royalty revenue from Middlemount Coal Pty Ltd disclosed in the financial statements of 2019), and amounted to AUD 4.460 billion prior to such restatement; (3) Yancoal suffered losses in 2020 as a result of, among others, the pandemic, natural disasters and non-operating impairments.

4. KEY INFORMATION ON THE POTENTIAL TRANSACTIONS

(1) The structure of the Potential Transactions

Subject to compliance with applicable PRC and overseas laws and regulations and the relevant PRC and overseas regulatory requirements, market conditions, and the satisfaction or (where applicable) waiver of various pre-conditions and conditions, the Company is considering a transaction to acquire further Yancoal Shares, by means of an acquisition structure to be determined by the Company and which is permitted by law and the Hong Kong Takeovers Code, the consideration of which would be satisfied by the issuance of H-Share Convertible Bonds by the Company. The Company's aim for the Potential Transactions is to acquire further Yancoal Shares. Depending on the outcome of the Potential Transactions and upon the Company owning such percentage of Yancoal Shares as required by the relevant regulatory requirements, the Potential Transactions may result in the withdrawal of the listing of Yancoal Shares from the Hong Kong Stock Exchange and/or from the ASX. As at the date of this announcement, the structure of the Potential Transactions is yet to be determined and finalised.

(2) The shares subject to the Potential Transactions

The shares subject to the Potential Transactions are all the Yancoal Shares in issue which are not held by the Company. As at the date of this announcement, the number of Yancoal Shares in issue which are not held by the Company amount to 498,281,722 Yancoal Shares, representing approximately 37.74% of Yancoal Shares in issue.

(3) The consideration of the Potential Transactions

Shareholders' approval to be sought from the Company's shareholders will be for a consideration in the form of H-Share Convertible Bonds for a principal amount of US\$3.6 per Yancoal Share, which will be the consideration for the Potential Transactions (the "**Potential Consideration**"). Assuming all the Yancoal Shares in issue (other than those already owned by the Company) remain unchanged and were to be acquired by the Company, the total Potential

Consideration will be in the amount of approximately US\$1.794 billion. If any cash dividend or other distribution is made or paid by Yancoal prior to the completion of the payment of the Potential Consideration, the Potential Consideration would be reduced by the amount of such dividend or distribution.

The Potential Consideration is determined by the Company having comprehensively considered (among other factors) Yancoal's asset conditions, profitability and business development.

(4) Payment of the consideration

The Potential Consideration would be satisfied by the issuance by the Company of corporate bonds convertible into overseas listed foreign shares of the Company (the “**H Shares**”) (the “**H-Share Convertible Bonds**” or “**Convertible Bonds**”). The major terms of the Convertible Bonds (subject to the finalization of, among others, the structure and size of the Potential Issuance) are as follows:

1. Issuer: Yankuang Energy Group Company Limited.
2. Size of issuance: Assuming all the Yancoal Shares in issue (other than those already owned by the Company) remain unchanged and were to be acquired by the Company, the principal amount of the H-Share Convertible Bonds under the Potential Issuance is approximately US\$1.794 billion.
3. Type of issuance: Senior unsecured convertible bonds.
4. Conversion shares: H Shares of the Company, the final size of issuance of which shall be determined according to the conversion price pricing mechanism to be finalised.
5. Conversion price: A price at not less than a 50% premium over the volume-weighted average price of the H Shares of the Company for 20 trading days prior to the latest practicable date in the composite document as determined by any one director of the Company as authorised or approved by the Company's shareholders with reference to the market conditions at the time of the Potential Transactions. The conversion price will be subject to adjustment arising from certain events arising after the issuance of the H-Share Convertible Bonds, including but not limited to share placements, share issuances, bonus issues, dividends, share splits, capital reduction in respect of the shares of the Company, based on the adjustment mechanism to be determined.
6. Target of issuance: Eligible shareholders of Yancoal (other than the Company) whose Yancoal Shares would be acquired by the Company under the Potential Transactions (should they proceed).
7. Purpose: To satisfy the payment of consideration in full without any fundraising.
8. Maturity, coupon interest, redemption, payment, listing and other terms related to the Potential Issuance shall be determined by any one director of the Company as authorised or approved by the Company's shareholders with reference to the market conditions at the time of the Potential Transactions.

(5) Comparison of value

The Potential Consideration of US\$3.60 (equivalent to HK\$28.26) per Yancoal Share (to be satisfied in the form of H-Share Convertible Bonds) under the Potential Transactions (if they proceed) represents:

(a) a premium of approximately 2.38% over the average closing price (on an ex-dividend basis) of approximately HK\$27.60 per Yancoal Share as quoted on the Hong Kong Stock Exchange for the 60 trading days immediately prior to and including 25 May 2022 (the “**Last Trading Date**”);

(b) a premium of approximately 21.86% over the average closing price (on an ex-dividend basis) of approximately HK\$23.19 per Yancoal Share as quoted on the Hong Kong Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Date; and

(c) a premium of approximately 36.36% over the average closing price (on an ex-dividend basis) of approximately HK\$20.72 per Yancoal Share as quoted on the Hong Kong Stock Exchange for the 120 trading days immediately prior to and including the Last Trading Date.

The Potential Consideration of US\$3.60 (equivalent to A\$5.07) per Yancoal Share (to be satisfied in the form of H-Share Convertible Bonds) under the Potential Transactions (if they proceed) represents:

(a) a premium of approximately 4.08% over the average closing price (on an ex-dividend basis) of approximately A\$4.87 per Yancoal Share as quoted on the ASX for the 60 trading days immediately prior to and including the Last Trading Date;

(b) a premium of approximately 26.03% over the average closing price (on an ex-dividend basis) of approximately A\$4.02 per Yancoal Share as quoted on the ASX for the 90 trading days immediately prior to and including the Last Trading Date; and

(c) a premium of approximately 44.86% over the average closing price (on an ex-dividend basis) of approximately A\$3.50 per Yancoal Share as quoted on the ASX for the 120 trading days immediately prior to and including the Last Trading Date.

5. REASONS FOR THE POTENTIAL TRANSACTIONS AND ITS IMPACT

Yancoal has a significant resources reserve, with 6.013 billion tonnes of coal resources (in terms of measured, indicated and inferred coal resources) and 819 million tonnes of saleable coal reserves (in terms of marketable proved and probable coal reserves) in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (the JORC Code) as of the end of 2021. Yancoal is currently Australia’s largest pure coal company with 63.2 million tonnes of raw coal production (calculated on the basis of Yancoal holding 100% interests in various coal mines) and 38.6 million tonnes of equity saleable coal production in 2021, comprising 31.1 million tonnes of thermal coal and 7.5 million tonnes of metallurgical coal. Yancoal’s Hunter Valley Operations, Mount Thorley Warkworth and Moolarben mines are all world-class coal assets with long mine life, low operating costs and well-developed operations. Yancoal targets the global seaborne coal market, with the main markets being Japan, Taiwan of China, Korea, Singapore and other regions. Yancoal has maintained good operating conditions, having completed the acquisition of Rio Tinto's Coal & Allied Industries Limited in 2017, consolidated its business in 2018-2019 and overcome the challenges posed by the pandemic and natural disasters in 2020. In 2021,

Yancoal's operating performance significantly improved, attaining audited profit after tax of A\$791 million.

As a result of the Potential Transactions, the Company would acquire further Yancoal Shares, and the shareholders of the Company would enjoy an increased equity interest in coal resources and reserves, production and economic benefits. The assets of Yancoal would provide complementary and risk-hedging benefits to the Company in terms of geographical location, coal types and sales markets. The acquisition of further Yancoal Shares would help the Company to further consolidate its resources, strengthen the synergy amongst its assets, increase its core competitiveness and risk resistance and achieve sustainable development, all of which would be in the long-term interests of the Company and its shareholders.

6. RISK ANALYSIS OF THE POTENTIAL TRANSACTIONS

(1) Macroeconomic and market price fluctuation risks

Yancoal's main product is coal, which is an important basic energy source. Its market price is not only affected by changes in supply and demand, but also closely related to the global economic conditions and the development needs of related application fields. In addition, coal price fluctuations have been under the influence of the periodic activities in the power, steel, chemical and other industries. If changes of the above factors lead to fluctuations in coal prices, it will bring greater uncertainty to the selling prices of Yancoal's products, which may adversely affect Yancoal's financial condition and results of operation.

The Company will pay close attention to the macroeconomic trends and changes in industry policies, and actively adjust its business plan to enhance the overall risk resistance capabilities of Yancoal.

(2) Risk of regulatory approval

The Potential Transactions remain subject to relevant regulatory approval and filing procedures, and there are uncertainties as to whether and when the relevant approvals and filings can be obtained and completed.

The Company will submit all relevant application documents and supplementary materials in accordance with the requirements and feedback from the relevant regulatory authorities, and at the same time maintain close communication with the relevant regulatory authorities and strive to obtain the approvals from the relevant regulatory authorities.

(3) Liquidity risk arising from future principal and interest payments

Assuming all the Yancoal Shares in issue (other than those already owned by the Company) remain unchanged and were to be acquired by the Company, the Potential Consideration will be approximately US\$1.794 billion. Although the consideration will be satisfied in the form of H-Share Convertible Bonds, the amount of principal and interest payments in the subsequent years will be relatively large. As at 31 December 2021, the balance of the Company's monetary fund was RMB45.572 billion with sufficient self-owned fund reserves and the Company has sufficient cash inflows from its operating activities, which is expected to fund the principal and interest payments in relation to the issuance of the Convertible Bonds under the Potential

Transactions. However, in the event of unexpected occurrences such as macroeconomic fluctuations, changes in industry regulations, changes in market demands and changes in the market competitive landscape, large amount payments may have certain impact on the Company's liquidity and daily production and operation.

The Company will make funding plan in advance to avoid the adverse impact of the principal and interest payments of the Convertible Bonds on the Company's liquidity. The Company will also continue improving its asset quality and operational efficiency. The holders of the Convertible Bonds may also elect to convert their Convertible Bonds, thereby reducing the Company's capital pressure regarding the principal and interest payments.

7. APPROVAL PROCESS AND PRE-CONDITIONS AND CONDITIONS FOR THE POTENTIAL TRANSACTIONS

(1) Consideration and approval of the board of directors

On 30 March 2022, the relevant resolution on the Potential Transactions was approved at the 21st meeting of the eighth session of the board of directors of the Company. As none of the members of the board of directors of the Company are the related directors for the Potential Transactions, the directors were not required to abstain from voting on the relevant resolution on the Potential Transactions. The board of directors of the Company comprises 11 directors, and the 11 directors who attended the board meeting unanimously approved the resolution. The 11 directors formed a quorum and the procedures for consideration and approval are lawful and valid.

Before the relevant resolution on the Potential Transactions was presented to the board of directors for consideration and approval, the four independent non-executive directors of the Company gave their prior approval and agreed to present the relevant resolution on the Potential Transactions to the board of directors for consideration and approval, and gave their independent opinion as follows:

- “1. The consideration and approval procedures for the “Proposal in relation to the Company’s issuance of H-Share Convertible Bonds to acquire shares in Yancoal” complied with the relevant laws, regulations, the regulatory requirements of the stock exchanges on which the Company’s shares are listed, and the articles of association of the Company;
2. The issuance of the H-Share Convertible Bonds by the Company to acquire further Yancoal Shares can help the Company strengthen its control over strategic resources, leverage its resource advantages, steadily achieve its development goals, and further enhance its core competitiveness, which are in line with the Company’s development strategy and in the interests of its shareholders as a whole;
3. The transaction method and transaction structure proposed by the Company in relation to the Potential Transactions are determined on normal commercial terms which are fair and reasonable and in the interests of the Company and its shareholders as a whole, and will not cause negative impact to the Company’s current and future financial condition and results of operation.”

In accordance with the Hong Kong Listing Rules, the Company has established an independent board committee, comprising all the independent non-executive directors of the Company. The independent board committee will, after considering the advice of the independent financial adviser to be engaged by it, advise the independent shareholders of the Company on whether the connected transactions contemplated under the Potential Transactions are in the interests of the Company and its shareholders as a whole and whether the terms thereof are on normal commercial terms and are fair and reasonable so far as the independent shareholders of the Company are concerned pursuant to the Hong Kong Listing Rules.

(2) Approvals to be obtained and pre-conditions and conditions to be satisfied in relation to the Potential Transactions

If the Company decides to proceed with the Potential Transactions subject to market conditions, the Potential Transactions remain subject to the obtaining of the relevant approvals and the satisfaction or (where applicable) waiver of certain pre-conditions including:

1. approvals of the Potential Transactions in the shareholders' meeting, the A share class meeting and the H Share class meeting of the Company;
2. the filing with, and approval of, the relevant PRC and overseas governmental and regulatory bodies in relation to the Potential Transactions;
3. the filing with, and approval of, the relevant PRC and overseas governmental and regulatory bodies in relation to the Potential Issuance and the issuance of the H Shares upon conversion of the H-Share Convertible Bonds;
4. execution of an implementation deed between and by the Company and Yancoal;
5. compliance with the requirements under the Hong Kong Takeovers Code and the circular, independent financial advice and independent shareholders' approval requirements under the Hong Kong Listing Rules in relation to the Potential Transactions; and
6. other pre-conditions to be determined based on the potential transaction structure if the Potential Transactions proceed.

Given the nature of these pre-conditions, it is not currently possible to specify whether or when these pre-conditions will be satisfied or (where applicable) waived.

If the Potential Transactions are to proceed, they will also be subject to a number of conditions. Those conditions will include (among other things) (i) receipt of regulatory approvals and completion of regulatory filings, (ii) no "prescribed occurrences" (being the matters listed in section 652C of the Australian *Corporations Act 2001* (Cth)) occurring in relation to Yancoal and (iii) the Hong Kong Stock Exchange granting the listing of and permission to deal in the H Shares arising from the conversion of the H-Share Convertible Bonds on the Hong Kong Stock Exchange. The full terms of the Potential Transactions (including a full list of the pre-conditions and conditions) will be set out in a further announcement to the market should the Company decide to proceed with the Potential Transactions.

To the extent permitted by law and the Takeovers Code, the Company reserves the right to waive any pre-condition or condition.

8. DOCUMENTS FOR INSPECTION

1. Resolutions passed at the 21st meeting of the eighth session of the board of directors of Yankuang Energy Group Company Limited
2. Prior approved opinion and independent opinion given by the independent non-executive directors

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

Zoucheng, Shandong Province, the PRC
25 May 2022

As at the date of this announcement, the directors of the Company are Mr. Li Wei, Mr. Liu Jian, Mr. Xiao Yaomeng, Mr. Zhu Qingrui, Mr. Zhao Qingchun, Mr. Wang Ruolin and Mr. Huang Xiaolong, and the independent non-executive directors of the Company are Mr. Tian Hui, Mr. Zhu Limin, Mr. Cai Chang, and Mr. Poon Chiu Kwok.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

Unless specified otherwise, conversion of USD into AUD and USD into HKD is based on the exchange rates of US\$1.00 to A\$1.4070 and US\$1.00 to HK\$7.8493, respectively. The exchange rates have been used, where applicable, for the purpose of illustration only and do not constitute a representation that any amount was or may have been exchanged at these or any other rates or at all.

** For identification purpose only*