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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 PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE  
AND RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION  
PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES  
ORDINANCE**

**PROGRESS UPDATE ON THE POTENTIAL TRANSACTIONS**

This announcement is made by Yankuang Energy Group Company Limited (“**Yankuang Energy**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) and pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcement made by Yankuang Energy on 25 May 2022 in relation to the Potential Transactions pursuant to, among other things, Rule 3.7 of the Takeovers Code (the “**Rule 3.7 Announcement**”), (ii) the announcement made by Yancoal on 30 May 2022 in relation to the Potential Transactions, and (iii) the announcement made by Yancoal on 7 June 2022 in relation to the Potential Transactions.

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those in the Rule 3.7 Announcement.

Yankuang Energy notes that in the announcement made by Yancoal on 7 June 2022 in relation to the Potential Transactions, the independent board committee of Yancoal (the

“**Yancoal Independent Board Committee**”) has unanimously concluded that the current proposed terms of the Potential Transactions would not be in the best interests of Yancoal’s minority shareholders, having regard to both the value and the form of the Potential Consideration. Accordingly, the Yancoal Independent Board Committee has informed Yankuang Energy that it cannot support or recommend the Potential Transactions in its current form.

The issues raised by the Yancoal Independent Board Committee are acknowledged. Yankuang Energy would point out that short term factors have caused coal prices to surge in recent times, which has driven the price of Yancoal Shares significantly higher. The Potential Consideration for the Potential Transactions was derived after considering long term factors such as the historical trading price of Yancoal Shares, comparable company valuations, comparable transaction valuations, and market consensus on future coal prices.

Coal companies, including Yancoal, have recently been trading at historic highs, with Yancoal’s share price almost three times its level a year ago (even after the recent payment of an AU\$0.704 dividend). In these circumstances, Yankuang Energy believes the Potential Transactions would provide a reasonable opportunity for those Yancoal Shareholders who wish to exit but are not able to do so at current market prices, including because of the insufficient market liquidity.

The H-Share Convertible Bonds, to be offered as consideration if the Potential Transactions proceed, would provide Yancoal Shareholders with additional flexibility. Yancoal Shareholders could choose to exit their investment by selling their H-Share Convertible Bonds. Yancoal Shareholders who wish to avoid exposure to the price fluctuations of the coal industry could choose to hold the H-Share Convertible Bonds and receive fixed interest and principal payments. Yancoal Shareholders could also choose to convert their H-Share Convertible Bonds into Yankuang Energy’s H Shares, thereby holding the shares of an energy company with a larger scale, more diversified asset portfolio and stronger risk resistance.

Yancoal’s minority shareholders may consider and refer to the view expressed by the Yancoal Independent Board Committee. Yankuang Energy looks forward to continuing its discussions with Yancoal Independent Board Committee.

Further announcement(s) will be made by Yankuang Energy as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

**WARNING: Shareholders and potential investors of Yankuang Energy and Yancoal should be aware that the Potential Transactions are subject to significant uncertainty. The Potential Transactions are subject to market conditions and any decision to proceed by Yankuang Energy, and may or may not proceed. If the Potential Transactions are finalised and decided by Yankuang Energy to be proceeded with, they will be subject to the fulfilment of certain pre-conditions (such as obtaining Yankuang Energy’s shareholders’ approval, the filing with, and approval of, the relevant PRC and overseas governmental and regulatory bodies, and other pre-conditions to be determined based on the potential transaction structure if the**

**Potential Transactions proceed) and conditions, and may or may not be completed. Hence, there is no assurance that the Potential Transactions will proceed, materialise or be consummated, eventually.**

**Shareholders and potential investors of Yankuang Energy and Yancoal are therefore advised to exercise caution when dealing in the shares and/or other securities of Yankuang Energy and Yancoal. Persons who are in doubt as to the action they should take should consult their professional stockbroker, bank manager, solicitor or other professional adviser.**

**Shareholders and potential investors of Yankuang Energy and Yancoal should also be aware that this announcement: (i) 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 Takeovers Code in Hong Kong.**

By order of the board of directors  
**Yankuang Energy Group Company Limited\***  
**Li Wei**  
*Chairman of the board of directors*

Zoucheng, Shandong Province, the  
PRC

7 June 2022

*\* For identification purposes only*

*As of the date of this announcement, the directors of Yankuang Energy 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 Yankuang Energy are Mr. Tian Hui, Mr. Zhu Limin, Mr. Cai Chang, and Mr. Poon Chiu Kwok.*

*The directors of Yankuang Energy 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.*

*This announcement is originally prepared in English. In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.*