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HKEX - RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE COAL SALES TRANSACTIONS

Authorised for lodgement by the Board of Yancoal Australia

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YANCOAL
兖煤澳大利亚有限公司

Yancoal Australia Ltd
ACN 111 859 119
兗煤澳大利亞有限公司*

(Incorporated in Victoria, Australia with limited liability)
(Hong Kong stock code: 3668)
(Australian stock code: YAL)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE COAL SALES TRANSACTIONS

THE COAL SALES TRANSACTIONS

On 25 August 2026, the Company entered into (1) the 2026 Yankuang Energy Framework Agreement For Coal Sales with Yankuang Energy, pursuant to which the Yancoal Group agreed to continue to sell coal to Yankuang Energy and/or their subsidiaries (excluding the Yancoal Group) and (2) the 2026 YIT Framework Agreement For Coal Sales with YIT, pursuant to which the Yancoal Group agreed to continue to sell coal to YIT and/or its associates (excluding the Yankuang Energy Group), in each case for the period from 1 November 2026 to 31 December 2026. These framework agreements renew the framework agreements for coal sales entered into by the Company with Yankuang Energy and YIT on 14 September 2023.

The framework agreements set out the framework for how the coal sales transactions between the parties will be conducted and provide that such transactions must be (i) in the ordinary and usual course of business of the Yancoal Group, (ii) on an arm's length basis, (iii) on normal commercial terms or better and (iv) in compliance with, among other things, the Hong Kong listing Rules and applicable laws. The terms of the actual coal sales transactions will be set out in separate agreements to be entered into by the parties.

HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, Yankuang Energy is a controlling shareholder of the Company, holding approximately 62.26% of the total issued shares of the Company. Accordingly, Yankuang Energy is a connected person of the Company and the transactions contemplated under the 2026 Yankuang Energy Framework Agreement For Coal Sales constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As at the date of this announcement, YIT is a wholly-owned subsidiary of Shandong Energy, the controlling shareholder of Yankuang Energy. Accordingly, YIT is a connected person of the Company by virtue of being an associate of Yankuang Energy and the transactions contemplated

* *For identification purposes only*

under the 2026 YIT Framework Agreement For Coal Sales constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the Coal Sales Transactions will be entered into by the Company with parties who are connected with one another, the Coal Sales Transactions are required to be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As all applicable percentage ratios (other than the profits ratio) in respect of the aggregate maximum transaction amounts for the continuing connected transactions contemplated under the Coal Sales Transactions are less than 5%, pursuant to Rule 14A.76(2)(a), such continuing connected transactions are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

A. INTRODUCTION

On 25 August 2026, the Company entered into (1) the 2026 Yankuang Energy Framework Agreement For Coal Sales with Yankuang Energy, pursuant to which the Yancoal Group agreed to continue to sell coal to Yankuang Energy and/or their subsidiaries (excluding the Yancoal Group) and (2) the 2026 YIT Framework Agreement For Coal Sales with YIT, pursuant to which the Yancoal Group agreed to continue to sell coal to YIT and/or its associates (excluding the Yankuang Energy Group), in each case for the period from 1 November 2026 to 31 December 2026.

These framework agreements renew the previous framework agreements for coal sales entered into by the Company on 14 September 2023, being:

- the framework agreement with Yankuang Energy for the sale of coal to Yankuang Energy and/or its subsidiaries (excluding the Yancoal Group) for a three-year period commencing 1 November 2023 and ending 31 October 2026 (the "**2023 Yankuang Energy Framework Agreement For Coal Sales**"); and
- the framework agreement with YIT for the sale of coal to YIT and/or its associates (excluding the Yankuang Energy Group) for a three-year period commencing 1 November 2023 and ending 31 October 2026 (the "**2023 YIT Framework Agreement For Coal Sales**"),

(together, the "**Current Framework Agreements**").

The existing terms of the Current Framework Agreements commence on 1 November 2023 for a period of three years until 31 October 2026. With a view to reducing the work and cost of the annual review of the coal sales transactions, the Board has proposed to set the annual caps with reference to the Company's financial year. Under Rule 14A.52 of the Hong Kong Listing Rules, the period for the agreement for continuing connected transactions must not exceed three years except in special circumstances.

Accordingly, the Board has structured the renewal of the Current Framework Agreements as follows: (i) a transitional renewal for a period of two months from 1 November 2026 to 31 December 2026 under the 2026 Yankuang Framework Agreement For Coal Sales and the 2026 YIT Framework Agreement For Coal Sales, which are the subject of this announcement; and (ii) a subsequent three year renewal from 1 January 2027 to 31 December 2029, details of which will be included in a separate announcement.

B. MATERIAL TERMS OF THE 2026 YANKUANG ENERGY FRAMEWORK AGREEMENT FOR COAL SALES

(a) Subject Matter

The 2026 Yankuang Energy Framework Agreement For Coal Sales sets out the framework for how the coal sales transactions between the parties will be conducted and provides that all transactions in relation to the sale of coal by the Yancoal Group to Yankuang Energy and/or its subsidiaries (excluding the Yancoal Group) must be (i) in the ordinary and usual course of business of the Yancoal Group, (ii) on an arm's length basis, (iii) on normal commercial terms or better and (iv) in compliance with, among other things, the Hong Kong listing Rules and applicable laws (which includes the ASX Listing Rules). The terms of the actual coal sales transactions will be set out in separate agreements to be entered into by the parties.

(b) Term and Termination

The 2026 Yankuang Energy Framework Agreement For Coal Sales will commence on 1 November 2026 and will continue up to and including 31 December 2026 (the "**Yankuang Energy Renewed Term**"), unless terminated earlier in accordance with the terms of the agreement. Subject to compliance with the applicable requirements of the Hong Kong Listing Rules and the ASX Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the Yankuang Energy Renewed Term or subsequent renewal term, the 2026 Yankuang Energy Framework Agreement For Coal Sales is automatically renewed for a successive period of three years thereafter (or such other period permitted under the Hong Kong Listing Rules and the ASX Listing Rules).

Any renewal of the 2026 Yankuang Energy Framework Agreement For Coal Sales is subject to compliance with the then relevant requirements of the laws, rules and regulations to which either of the Company and Yankuang Energy is subject to.

(c) Basis of Consideration

Taking into consideration the nature of coal, the sale price will be determined with reference to (i) industry index prices, being McCloskey API 5 Index ("**API5**"), which is an internationally recognised, US dollar currency index representing sales and offers from Newcastle for 5500 kcal/kg NAR coal on a Free On Board basis and which is well-recognised as the basis for pricing coal for sales into China, (ii) coal quality characteristics and (iii) market alternatives to optimise value to the Company. The management team will consider at least two comparable deals with independent third parties for the same period when determining the reasonable consideration of any coal sales transaction under the 2026 Yankuang Energy Framework Agreement For Coal Sales.

(d) Historical Amounts

The aggregate annual transaction amounts received by the Yancoal Group from Yankuang Energy and/or its subsidiaries (excluding the Yancoal Group) for the sale of coal for the two months ended 31 December 2023, the two years ended 31 December 2024, 2025 and the six months ended 30 June 2026 under the 2023 Yankuang Energy Framework Agreement For Coal Sales were approximately US$14.6 million, US$200.5 million, US$146.0 million and US$98.6 million, respectively.

C. MATERIAL TERMS OF THE 2026 YIT FRAMEWORK AGREEMENT FOR COAL SALES

(a) Subject Matter

The 2026 YIT Framework Agreement For Coal Sales sets out the framework for how the coal sales transactions between the parties will be conducted and provides that all transactions in relation to the sale of coal by the Yancoal Group to YIT and/or its associates (excluding the Yankuang Energy Group) must be (i) in the ordinary and usual course of business of the Yancoal Group, (ii) on an arm's length basis, (iii) on normal commercial terms or better and (iv) in compliance with, among other things, the Hong Kong listing Rules and applicable laws (which includes the ASX Listing Rules). The terms of the actual coal sales transactions will be set out in separate agreements to be entered into by the parties.

(b) Term and Termination

The 2026 YIT Framework Agreement For Coal Sales will commence on 1 November 2026 and will continue up to and including 31 December 2026 (the "**YIT Renewed Term**"), unless terminated earlier in accordance with the terms of the agreement. Subject to compliance with the applicable requirements of the Hong Kong Listing Rules and the ASX Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the YIT Renewed Term or subsequent renewal term, the 2026 YIT Framework Agreement For Coal Sales is automatically renewed for a successive period of three years thereafter (or such other period permitted under the Hong Kong Listing Rules and the ASX Listing Rules).

Any renewal of the 2026 YIT Framework Agreement For Coal Sales is subject to compliance with the then relevant requirements of the laws, rules and regulations to which either of the Company and YIT is subject to.

(c) Basis of Consideration

Taking into consideration the nature of coal, the sale price will be determined with reference to (i) industry index prices, being API5 (details of which are set out above), (ii) coal quality characteristics and (iii) market alternatives to optimise value to the Company. The management team shall consider at least two comparable deals with independent third parties for the same period when determining the reasonable consideration of any coal sales transaction under the 2026 YIT Framework Agreement For Coal Sales.

(d) Historical Amounts

The aggregate annual transaction amounts received by the Yancoal Group from YIT and/or its associates (excluding the Yankuang Energy Group) for the sale of coal for the two months ended 31 December 2023, the two years ended 31 December 2024, 2025 and the six months ended 30 June 2026 under the 2023 YIT Framework Agreement For Coal Sales were approximately US$38.1 million, US$417.6 million, US$299.4 million and US$119.4 million, respectively.

D. AGGREGATE MAXIMUM TRANSACTION AMOUNTS FOR THE 2026 YANKUANG ENERGY FRAMEWORK AGREEMENT FOR COAL SALES AND THE 2026 YIT FRAMEWORK AGREEMENT FOR COAL SALES

The maximum transaction amount to be received by the Yancoal Group from Yankuang Energy and/or its subsidiaries (excluding the Yancoal Group) for the two months ending 31 December 2026 will not exceed US$66.6 million.

The maximum transaction amount to be received by the Yancoal Group from YIT and/or its associates (excluding the Yankuang Energy Group) for the two months ending 31 December 2026 will not exceed US$133.3 million.

The maximum transaction amounts set out above were determined primarily with reference to the following: (i) taking into consideration the business requirements of Yankuang Energy and YIT and the current and last three years review of market pricing for the quality of coal to be supplied, the Company expects to maintain such sales volume during the two months ending 31 December 2026, (ii) the expected additional spot demand for coal from Yankuang Energy and/or its subsidiaries (excluding the Yancoal Group) and YIT and/or its associates (excluding the Yankuang Energy Group) during the two months ending 31 December 2026 and (iii) the estimated sale price for the coal the Company typically charges.

E. REASONS FOR, AND BENEFITS OF, THE COAL SALES TRANSACTIONS

The Company's principal business activity is the production of thermal and metallurgical coal. Yankuang Energy is principally engaged in the business of mining, high-end chemicals and new materials, new energy, high-end equipment manufacturing, and intelligent logistics. YIT is engaged in the business of sales of coal and coal chemicals. Each of Yankuang Energy and YIT has been a consistent and reliable customer of the Company in the PRC.

The Company believes that through supplying coal to Yankuang Energy (including its subsidiaries but excluding the Yancoal Group) and YIT (including its associates but excluding the Yankuang Energy Group) in the Company's ordinary and usual course of business, the Company could benefit from (i) a stable source of offtake of coal from Yankuang Energy and YIT and (ii) the Group's production ability to supply 6 million tons per year to Yankuang Energy and YIT.

F. DIRECTORS' CONFIRMATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the 2026 Yankuang Energy Framework Agreement For Coal Sales and the 2026 YIT Framework Agreement For Coal Sales (including the relevant maximum transaction amounts thereunder) are fair and reasonable. The Coal Sales Transactions are in the ordinary and usual course of business of the Yancoal Group, on normal commercial terms or better and in the interests of the Company and its shareholders as a whole.

Mr. Ning Yue, Mr. Gang Ru, Mr. Jiuhong Wang, Mr. Xiaolong Huang and Mr. Zhiguo Zhao declared that they hold certain positions in Yankuang Energy or Shandong Energy. However, the articles of association of the Company does not preclude such Directors from voting. In addition, taking into consideration that none of the above Directors (i) receives substantial remuneration or some other benefit from the Coal Sales Transactions or (ii) is a director of two companies which transact with each other under the Coal Sales Transactions and receives director's fees from both companies and the remuneration is performance-related in a way which is relevant to the transactions or (iii) considers that adopting a particular stance on the matter would jeopardise his future remuneration or career prospects with his employer, the Board is of the view that none of the above Directors has a material interests in the Coal Sales Transactions, and none of them should abstain from voting on the relevant resolutions of the Board. Accordingly, none of the Directors abstained from voting on the relevant resolutions of the Board approving the 2026 Yankuang Energy Framework Agreement For Coal Sales and the 2026 YIT Framework Agreement For Coal Sales (including the relevant maximum transaction amounts).

G. HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, Yankuang Energy is a controlling shareholder of the Company, holding approximately 62.26% of the total issued Shares. Accordingly, Yankuang Energy is a connected person of the Company and the transactions contemplated under the 2026 Yankuang Energy Framework Agreement For Coal Sales constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As at the date of this announcement, YIT is a wholly-owned subsidiary of Shandong Energy, the controlling shareholder of Yankuang Energy. Accordingly, YIT is a connected person of the Company by virtue of being an associate of Yankuang Energy and the transactions contemplated under the 2026 YIT Framework Agreement For Coal Sales constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the Coal Sales Transactions will be entered into by the Company with parties who are connected with one another, the Coal Sales Transactions are required to be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As all applicable percentage ratios (other than the profits ratio) in respect of the aggregate maximum transaction amounts for the Coal Sales Transactions are less than 5%, pursuant to Rule 14A.76(2)(a), such continuing connected transactions are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

H. INFORMATION ABOUT THE PARTIES

(i) The Company

The Company's principal business activity is the production of thermal and metallurgical coal for use in the power generation and steel industries in Asian markets. The shares of the Company have been listed on the Australian Securities Exchange and the Hong Kong Stock Exchange since 2012 and 2018, respectively.

(ii) Shandong Energy

Shandong Energy is the controlling shareholder of Yankuang Energy. Shandong Energy focuses on six pillar industries of mining, high-end chemicals, electric power, new energy and new materials, high-end equipment manufacturing, and modern logistics and trade. *It is a highly-internationalized coal enterprise, 22nd among China's Top 500 Companies and 82nd among Fortune Global 500 in 2025.*

(iii) Yankuang

Yankuang Energy is principally engaged in the business of mining, high-end chemicals and new materials, new energy, high-end equipment manufacturing, and intelligent logistics. Yankuang Energy's main products are steam coal for use in large-scale power plants, coking coal for metallurgical production, prime quality low sulphur coal for use in pulverized coal injection and chemical products methanol, acetic acid etc. The H Shares and A Shares of Yankuang Energy are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively.

(iv) YIT

YIT was established in 2011 and is principally engaged in the business of sales of coal and coal chemicals in the PRC. As at the date of this announcement, YIT is a wholly owned subsidiary of Shandong Energy.

I. DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings:

"2023 Yankuang Energy Framework Agreement For Coal Sales"	the 2023 Yankuang Energy framework agreement for coal sales entered into between the Company and Yankuang Energy on 14 September 2023 in relation to the sale of coal by the Yancoal Group to Yankuang Energy and/or its subsidiaries (excluding the Yancoal Group)
"2023 YIT Framework Agreement For Coal Sales"	the 2023 YIT framework agreement for coal sales entered into between the Company and YIT on 14 September 2023 in relation to the sale of coal by the Yancoal Group to YIT and/or its associates (excluding the Yankuang Energy Group)
"2026 Yankuang Energy Framework Agreement For Coal Sales"	the 2026 Yankuang Energy framework agreement for coal sales entered into between the Company and Yankuang Energy on 25 August 2026 in relation to the sale of coal by the Yancoal Group to Yankuang Energy and/or its subsidiaries (excluding the Yancoal Group)
"2026 YIT Framework Agreement For Coal Sales"	the 2026 YIT framework agreement for coal sales entered into between the Company and YIT on 25 August 2026 in relation to the sale of coal by the Yancoal Group to YIT and/or its associates (excluding the Yankuang Energy Group)
"ASX"	the Australian Securities Exchange
"ASX Listing Rules"	the official listing rules of the ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of the ASX, each as amended from time to time, except to the extent of any express written waiver by the ASX

"Board"	the board of Directors
"Coal Sales Transactions"	the coal sales transactions contemplated under the 2026 Yankuang Energy Framework Agreement For Coal Sales and the 2026 YIT Framework Agreement For Coal Sales
"Company"	Yancoal Australia Ltd, a company incorporated under the laws of Australia with limited liability, whose shares are listed on the ASX and the Hong Kong Stock Exchange
"connected person"	has the meaning ascribed to it under the Hong Kong Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Director(s)"	the director(s) of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as amended from time to time
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China, and for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Shandong Energy"	Shandong Energy Group Company Limited* (山東能源集團有限公司), a company with limited liability reformed and established under the laws of the PRC on 12 March 1996, the controlling shareholder of Yankuang Energy and the ultimate controlling shareholder of the Company
"Shares"	the shares of the Company
"Shareholder(s)"	holder(s) of Share(s)
"subsidiary(ies)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Yancoal Group"	the Company and its subsidiaries
"Yankuang Energy"	Yankuang Energy Group Co. Limited* (兗礦能源集團股份有限公司), a joint stock company established in the PRC with limited liability, the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively

"Yankuang Energy Group"	Yankuang Energy and its subsidiaries (excluding the Yancoal Group)
"%"	per cent.

By order of the Board
Yancoal Australia Ltd
Gang RU
Chairman

Hong Kong, 25 August 2026

As of the date of this announcement, the executive Director is Mr. Ning Yue, the non-executive Directors are Mr. Gang Ru, Mr. Jiuhong Wang, Mr. Xiaolong Huang, Mr. Zhiguo Zhao and Ms. Ping Nie and the independent non-executive Directors are Mr. Gregory James Fletcher, Ms. Debra Anne Bakker and Mr. Peter Andrew Smith.