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ASX Release:

HKEX - Continuing Connected Transactions

Authorised for lodgement by the Board of Yancoal Australia

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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)

CONTINUING CONNECTED TRANSACTIONS – PURCHASE OF COAL FROM YANKUANG ENERGY GROUP AND POSCO

Reference is made to the announcement (the “**Announcement**”) of the Company dated 22 December 2023 in relation to, inter alia, the Yankuang Energy Framework Coal Purchase Agreement and the MT Sales Agreement (together, the “**Framework Agreements**”).

As each of the Framework Agreements will expire on 31 December 2026 and the Company expects to continue to carry on the relevant continuing connected transactions after the end of 2026, on 23 October 2026, the Company renewed each of the Framework Agreements and/or set their respective annual caps (as the case may be) for the continuing connected transactions as set out in this announcement.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the annual caps for the continuing connected transactions under each of the Framework Agreements is more than 1% but all are less than 5%, such continuing connected transactions are only subject to reporting, announcement and annual review requirements and are exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

A. INTRODUCTION

On 23 October 2026, the Company renewed the agreements and/or set the annual caps (as the case may be) from 1 January 2027 to 31 December 2029 for the following continuing connected transactions:

- (1) the purchase of coal by the Group from Yankuang Energy Group pursuant to the Yankuang Energy Framework Coal Purchase Agreement; and
- (2) the purchase of coal by the Group from POSCO, a connected person at the Company’s subsidiary level, pursuant to the MT Sales Agreement in relation to Mount Thorley mining operations only.

**For identification purposes only*

B. MATERIAL TERMS OF THE CONTINUING CONNECTED TRANSACTIONS

(1) Purchase of Coal by the Group from Yankuang Energy Group pursuant to the Yankuang Energy Framework Coal Purchase Agreement

The Company entered into a framework coal purchase agreement with Yankuang Energy (the “**Yankuang Energy Framework Coal Purchase Agreement**”) on 8 October 2018 to govern all existing and future purchase of coal by the Group from Yankuang Energy Group. As disclosed in the Announcement, the Yankuang Energy Framework Coal Purchase Agreement was renewed for a period of three years commencing from 1 January 2024 and ending 31 December 2026.

The Yankuang Energy Framework Coal Purchase Agreement will expire on 31 December 2026 and will be automatically renewable for successive periods of three years thereafter, subject to compliance with the applicable provisions of the Listing Rules and unless terminated earlier by not less than three months’ prior notice or otherwise in accordance with the terms thereunder.

On 23 October 2026, the Yankuang Energy Framework Coal Purchase Agreement was renewed for a further three years commencing from 1 January 2027 and the Board set the annual caps for the three years ending 31 December 2029 for the transactions thereunder.

Subject Matter

The Yankuang Energy Framework Coal Purchase Agreement provides that all transactions in relation to the purchase of coal by the Group from Yankuang Energy Group must be (i) in the ordinary and usual course of business of the Group, (ii) on an arm’s length basis, (iii) on normal commercial terms and (iv) in compliance with, amongst other things, the Listing Rules and applicable laws.

Basis of Consideration

Considering the nature of coal, the sale price will be determined with reference to the prevailing market price for the relevant type of coal, taking into account (i) the industry index prices, typically being McCloskey API 5 Index (“**API5**”), (ii) coal quality characteristics and (iii) market alternatives to optimise value for the Company.

Historical Amounts and Annual Caps

The aggregate annual transaction amounts paid by the Group to Yankuang Energy Group for the two years ended 31 December 2024, 2025 and the nine months ended 30 September 2026 were US\$36.3 million, US\$19.8 million and US\$25.4 million, respectively.

The maximum annual transaction amount to be paid by the Group to Yankuang Energy Group for the three years ending 31 December 2027, 2028 and 2029 will not exceed US\$110 million.

The annual caps were determined primarily with reference to [(i) the expected spot demand for coal from Yankuang Energy Group for back-to-back on-sale of such coal by the Group to its end customers over the next three years and (ii) the estimated increase in the sale price for the coal.

Reasons for, and benefits of, the Yankuang Energy Framework Coal Purchase Agreement

The Group has purchased, and expects to continue to purchase, coal from Yankuang Energy Group, in particular Australian based subsidiaries of Yankuang Energy holding mines which are managed by the Group, for back-to-back on-sale to end customers. Considering that the purpose of such purchase is to fulfil customer requirements and maintain customer relationships and the coal will be purchased at market price, the Company believes the transactions under the Yankuang Energy Framework Coal Purchase Agreement are in the best interest of the Company and its shareholders as a whole.

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 Yankuang Energy Framework Coal Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the annual caps for the continuing connected transaction under the Yankuang Energy Framework Coal Purchase Agreement is more than 1% but all are less than 5%, such continuing connected transaction is only subject to reporting, announcement and annual review requirements and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

(2) Purchase of Coal by the Group from POSCO pursuant to the MT Sales Agreement in relation to Mount Thorley Mining Operations only

The participants of the unincorporated joint venture in relation to Mount Thorley operations (the "**MT JV**") namely, POSCO Australia Pty Ltd (previously known as Pohang Steel Australia Pty Ltd) ("**POSCO**") and Mount Thorley Operations Pty Ltd (previously known as R. W. Miller & Co. Pty Ltd) ("**MT Operations**"), a wholly-owned subsidiary of the Company holding the relevant mining and exploration licences of Mount Thorley on behalf of the MT JV, entered into a sales contract with Miller Pohang Coal Co. Pty Ltd (the "**MT SalesCo**") on 10 November 1981 (the "**MT Sales Agreement**"). The MT Sales Agreement will last during the economic life of the Mount Thorley coal mine.

On 23 October 2026, the Board set the annual caps for the three years ending 31 December 2029 for the transactions under the MT Sales Agreement. The existing terms of the MT Sales Agreement remain unchanged.

Subject Matter and Basis of Consideration

Pursuant to the MT Sales Agreement: (i) each of POSCO and MT Operations agrees to sell all of its entitled portion of finished coal product in saleable form that is produced by the tenements held by the MT JV to the MT SalesCo only and the MT SalesCo agrees to purchase each of POSCO's and MT Operations' entitled portion of coal product; (ii) the amount payable to each of POSCO and MT Operations shall be the total amount received by the MT SalesCo for that portion of product under each sales contract entered into between the MT SalesCo and its customers; and (iii) payment by the MT SalesCo to POSCO and MT Operations shall be no later than 7 days after receipt by the MT SalesCo of payment from its customers.

Historical Amounts and Annual Caps

The aggregate annual transaction amount distributed by the MT SalesCo to POSCO for the two years ended 31 December 2024 and 2025 and the nine months ended 30 September 2026 were approximately US\$76.8 million, US\$61.9 million and US\$46.6 million, respectively.

The maximum annual transaction amount to be distributed by the MT SalesCo to POSCO for the three years ending 31 December 2027, 2028 and 2029 will not exceed US\$90 million.

The estimated maximum annual transaction amounts are determined mainly based on the current expected amount and price of the coal to be sold by the MT SalesCo, with reference to the historical transaction amount and the annual production capacity of Mount Thorley.

Reasons for, and Benefits of, the MT Sales Agreement

The reason for entering into the MT Sales Agreement and the business objective of the MT SalesCo are to facilitate the sale of coal produced by the MT JV, given the MT JV, which is an unincorporated joint venture, does not have the legal capacity to enter into sales agreements itself. The arrangement under the MT Sales Agreement is to make the coal attributable to the relevant participants available to the MT SalesCo for its on-sale and MT SalesCo distributes all amounts received by it from the sales of coal to the participants. Accordingly, MT SalesCo is not operated for profit as it does not retain any sales revenue received by it and does not receive any fees from the participants for the sales function carried out by it. Considering the above, the Company considers that the transactions under the MT Sales Agreement are in the best interest of the Company and its shareholders as a whole.

Listing Rules Implications

As at the date of this announcement, MT SalesCo is a company jointly controlled by MT Operations and POSCO with MT Operations and POSCO holding 80% and 20% of its interest, respectively. Both the MT SalesCo and the MT JV are subsidiaries of the Company under the Listing Rules. As POSCO holds more than 10% of the interest in the MT SalesCo and has more than 10% participating interest in the MT JV, POSCO will be a connected person of the Company by virtue of being a substantial shareholder of the subsidiaries of the Company. Accordingly, the transaction between the MT SalesCo and POSCO constitutes a continuing connected transaction of the Company under the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the annual caps for the continuing connected transaction under the MT Sales Agreement is more than 1% but all are less than 5%, such continuing connected transaction is only subject to reporting, announcement and annual review requirements and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

C. DIRECTORS' CONFIRMATION

The Directors (including the independent non-executive Directors) are of the view that the terms of each of the Framework Agreements (including the relevant annual caps thereunder) are fair and reasonable. The transactions under each of the Framework Agreements are in the ordinary and usual course of business of the Group, on normal commercial terms or better and in the interests of the Company and its shareholders as a whole.

With respect to the transactions under the Yankuang Energy Framework Coal Purchase Agreement, Mr. Ning Yue, Mr. JiuHong Wang, Mr. Xiaolong Huang and Mr. Zhiguo Zhao have declared that they hold certain positions in Yankuang Energy. However, the articles of association of the Company do not preclude such Directors from voting. Accordingly, none of

the Directors abstained from voting on the relevant resolutions of the Board approving the transactions under the Yankuang Energy Framework Coal Purchase Agreement (including the relevant annual caps thereunder).

None of the Directors abstained from voting on the relevant resolutions of the Board approving the respective transactions under the MT Sales Agreement (including the relevant annual caps thereunder).

D. INFORMATION IN RELATION TO THE COMPANY, YANKUANG ENERGY AND POSCO

(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) Yankuang Energy

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 and 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.

(iii) POSCO

POSCO was launched on 1 April 1968 with the national mission of industrialisation. The shares of POSCO are listed on the Korean Exchange. As the first integrated steel mill in Korea, it has grown to produce 41 million tons of crude steel a year, and it is conducting various global businesses, e.g. production and sales in 53 countries in the world.

E. DEFINITIONS

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

"Board"	the board of Directors
"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
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as amended from time to time
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“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 People’s Republic of China 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 Group)
“%”	per cent.

By order of the Board
Yancoal Australia Ltd
Gang RU
Chairman

Hong Kong, 23 October 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.