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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)

**CONTINUING CONNECTED TRANSACTIONS
THE 2024 DIESEL FUEL SUPPLY AGREEMENT**

On 13 October 2022, HV Operations, a subsidiary of the Company and Yancoal Australia agreed to purchase diesel fuel from GAO during the period from 1 November 2022 to 31 October 2023. On 30 October 2023, HV Operations and GAO agreed to extend the term of the 2022 Diesel Fuel Supply Agreement by two months to 31 December 2023 and set a new cap for transactions pursuant to the 2022 Diesel Fuel Supply Agreement for the period from 1 January 2023 to 31 December 2023.

On 8 December 2023, HV Operations and GAO agreed to enter into a new diesel fuel supply agreement, pursuant to which HV Operations agreed to purchase diesel fuel from GAO during the period from 1 January 2024 to 31 December 2026.

As at the date of this announcement, GAO is a subsidiary of Glencore plc, which is the holding company of Anotero Pty Ltd, a substantial shareholder of HV Operations. GAO is therefore a connected person of the Company at the subsidiary level by virtue of being an associate of a substantial shareholder of the Company's indirect subsidiary.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules, except for the profits ratio which is not applicable) in respect of the maximum annual transaction amounts to be paid by HV Operations to GAO for the purchase of diesel fuel pursuant to the 2022 Diesel Fuel Supply Agreement and its Revised Cap is less than 1%, the continuing connected transactions under the 2022 Diesel Fuel Supply Agreement are fully exempt from the requirements under Rule 14A.76(1)(b) of the Listing Rules. Pursuant to the 2024 Diesel Fuel Supply Agreement, the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules, except for the profits ratio which is not applicable) in respect of the maximum annual transaction amounts to be paid by HV Operations to GAO for the purchase of diesel fuel is more than 1% but less than 5%. Therefore, pursuant to Rule 14A.76(2)(a) of the Listing Rules, the continuing connected transactions under the 2024 Diesel Fuel Supply Agreement are exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules but are subject to the reporting, announcement, and annual review requirements.

I. ENTERING INTO THE 2024 DIESEL FUEL SUPPLY AGREEMENT

Background

Reference is made to the announcements of Yancoal Australia on 13 October 2022 and 30 October 2023 in relation to the 2022 Diesel Fuel Supply Agreement.

Pursuant to the 2022 Diesel Fuel Supply Agreement, HV Operations purchased diesel fuel from GAO during the period from 1 November 2022 to 31 October 2023. As the 2022 Diesel Fuel Supply Agreement expired on 31 October 2023, on 27 October 2023, HV Operations and GAO entered into a supplemental agreement to extend the term of the 2022 Diesel Fuel Supply Agreement by two months to 31 December 2023, with all other terms of the 2022 Diesel Fuel Supply Agreement remain unchanged. Given the extension of the term of the 2022 Diesel Fuel Supply Agreement, the maximum annual transaction amounts for the purchases of diesel fuel from GAO to HV Operations was adjusted from A\$186 million to A\$254 million for the period from 1 January 2023 to 31 December 2023 (the "**Revised Cap**").

As the 2022 Diesel Fuel Supply Agreement is about to expire, on 8 December 2023, HV Operations and GAO agreed to enter into the 2024 diesel fuel supply agreement, pursuant to which HV Operations agreed to purchase diesel fuel from GAO during the period from 1 January 2024 to 31 December 2026.

Date

8 December 2023

Parties

- (1) HV Operations (as the purchaser); and
- (2) GAO (as the seller)

Major Terms

Pursuant to the 2024 Diesel Fuel Supply Agreement, HV Operations agreed to purchase, and GAO agreed to sell diesel fuel at a price agreed and applicable to the monthly quantity delivered as measured in accordance with the agreement. HV Operations will generate a purchase order prior to the month of delivery. GAO will deliver the volume of fuel stated in the purchase order by the date specified in the purchase order and HV Operations will make the payments after delivery of the fuel. The calculation of payments to be made shall be based on the volume delivered and the price determined with reference to the price assessment published in the S&P Global Platts Oilgram Price Report for 10ppm Sulphur Gasoil FOB Singapore, and in accordance with the 2024 Diesel Fuel Supply Agreement.

Term

The term of the 2024 Diesel Fuel Supply Agreement is three years commencing from 1 January 2024 to 31 December 2026.

Historical Transaction Amounts and Annual caps

The aggregate annual transaction amounts between HV Operations and GAO for the purchase of diesel fuel for the period from 1 January 2022 to 31 December 2022 and the period from 1 January 2023 to 31 October 2023 were approximately A\$177.0 million and A\$184.5 million, respectively.

The maximum annual transaction amounts paid by HV Operations to GAO for the periods from 1 January 2022 to 31 October 2022, from 1 November 2022 to 31 December 2022 and from 1 January 2023 to 31 October 2023 for the purchase of diesel fuel were A\$150 million, A\$43 million and A\$186 million, respectively, with the Revised Cap set at A\$254 million for the period from 1 January 2023 to 31 December 2023.

Proposed Annual Caps and Reasons

The maximum annual transaction amounts to be paid by HV Operations to GAO for the purchase of diesel fuel pursuant to the 2024 Diesel Fuel Supply Agreement are set out below:

Period / Year	1 January 2024 to 31 December 2024	1 January 2025 to 31 December 2025	1 January 2026 to 31 December 2026
Caps	US\$220 million	US\$220 million	US\$245 million

The annual caps were calculated by reference to (i) the price as determined in accordance with the 2024 Diesel Fuel Supply Agreement as described above, (ii) the historical transaction amounts, in particular, the actual transaction amounts for the ten months ended 31 October 2023, and (iii) the expected demand for diesel fuel from Yancoal Australia during the term of the 2024 Diesel Fuel Supply Agreement.

II. REASONS OF AND BENEFITS FOR ENTERING INTO THE 2024 DIESEL FUEL SUPPLY AGREEMENT

The purchase of diesel fuel is essential to the daily operation of HV Operations. The 2024 Diesel Fuel Supply Agreement will generate revenue for the Company by increasing stability to HV Operations for its production and operation.

The Directors (including the independent non-executive Directors) are of the view that the terms of the 2024 Diesel Fuel Supply Agreement, the transactions contemplated thereunder and proposed annual caps are: (i) on normal commercial terms or better terms and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

III. IMPLICATIONS OF THE HONG KONG LISTING RULES

As at the date of this announcement, Yancoal Australia is a controlled subsidiary of the Company, HV Operations is 51% indirectly owned by Yancoal Australia, HV Operations is therefore an indirect subsidiary of the Company. As GAO is a subsidiary of Glencore plc, which is the holding company of Anotero Pty Ltd, a substantial shareholder of HV Operations, GAO is therefore a connected person of the Company at the subsidiary level by virtue of being an associate of a substantial shareholder of the Company’s indirect subsidiary. Therefore, the 2024 Diesel Fuel Supply Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules, except for the profits ratio which is not applicable) in respect of the maximum annual transaction amounts

to be paid by HV Operations to GAO for the purchase of diesel fuel pursuant to the 2022 Diesel Fuel Supply Agreement and its Revised Cap is less than 1%, the continuing connected transactions under the 2022 Diesel Fuel Supply Agreement are fully exempt from the requirements under Rule 14A.76(1)(b) of the Listing Rules.

Pursuant to the 2024 Diesel Fuel Supply Agreement, the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules, except for the profits ratio which is not applicable) in respect of the maximum annual transaction amounts to be paid by HV Operations to GAO for the purchase of diesel fuel is more than 1% but less than 5%. Therefore, pursuant to Rule 14A.76(2)(a) of the Listing Rules, the continuing connected transactions under the 2024 Diesel Fuel Supply Agreement are exempt from circular and independent shareholders' approval requirements under Rule 14A of the Listing Rules but are subject to the reporting, announcement, and annual review requirements.

In accordance with the internal policies of the Company, the 2024 Diesel Fuel Supply Agreement and the transactions contemplated thereunder are subject to the consideration and approval of the Company's general manager's office meeting but do not require the passing of the relevant resolutions by the Board. The Company has convened the general manager's office meeting to approve the 2024 Diesel Fuel Supply Agreement. The independent Directors of the Company have expressed their independent opinion regarding the aforesaid agreement. None of the Directors of the Company has a material interest in such transactions.

IV. GENERAL

The Company

The Company is principally engaged in the business of mining, high-end chemical new materials, new energy, and high-end equipment manufacturing and smart logistics. The Company'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 such as methanol and acetic acid, etc.

HV Operations

A subsidiary of the Company and Yancoal Australia as at the date of this announcement, its principal business activity includes managing the Hunter Valley Operations, an established large-scale open cut operation located at Lemington, New South Wales, Australia.

GAO

A subsidiary of Glencore plc as at the date of this announcement, its principal business activity is the supply of fuel needed by mining, agricultural and other customers. Its business extends into the wholesale fuel market supplying oil majors where required, as well as being a large supplier to independent enterprises and large volume end users. GAO is a member company of Glencore plc, the shares of which are listed on the London Stock Exchange and the Johannesburg Stock Exchange. Glencore plc is one of the largest global diversified natural resource companies in the world.

V. DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“2022 Diesel Fuel Supply Agreement”	the Diesel Fuel Supply Agreement entered into between HV Operations and GAO on 13 October 2022
“2024 Diesel Fuel Supply Agreement”	the Diesel Fuel Supply Agreement entered into between HV Operations and GAO on 8 December 2023
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“A\$”	Australian dollars, the lawful currency of Australia
“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 incorporated in 1997 under the laws of the PRC, and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (01171.HK) and the Shanghai Stock Exchange (600188.SH), respectively
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“GAO”	Glencore Australia Oil Pty Ltd, a subsidiary of Glencore plc, the holding company of Anotero Pty Ltd which is a substantial shareholder of HV Operations
“Group”	the Company and its subsidiaries
“HV Operations”	HV Operations Pty Ltd, an indirect subsidiary of Yancoal Australia
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“percentage ratio(s)”	has the meaning ascribed thereto under the Listing Rules
“PRC”	the People’s Republic of China
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“US\$”	U.S. dollars, the lawful currency of the United States
“Yancoal Australia”	Yancoal Australia Limited, a controlled overseas subsidiary of the Company, the shares of which are listed on the Australian Stock Exchange (Stock Code: YAL) and the Hong Kong Stock Exchange (Stock Code: 03668)
“%”	percentage

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

Zoucheng, Shandong Province, the PRC
8 December 2023

As at the date of this announcement, the Directors of the Company are Mr. Li Wei, Mr. Xiao Yaomeng, Mr. Liu Jian, Mr. Liu Qiang, Mr. Zhang Haijun, Mr. Su Li and Mr. Huang Xiaolong, and the independent non-executive Directors of the Company are Mr. Peng Suping, Mr. Zhu Limin, Mr. Woo Kar Tung, Raymond and Ms. Zhu Rui.

** For identification purpose only*