



YANCOAL AUSTRALIA LTD

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ASX Release:

HKEx Continuing Connected Transaction

Authorised for lodgement by Yancoal Disclosure Committee

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Additional information about the company can be found at www.yancoal.com.au

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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)

SUPPLEMENTAL ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTION IN RELATION TO THE 2020 POSCO COAL SALES AGREEMENTS

Reference is made to the announcement issued by the Company on 19 December 2019 in relation to the 2020 POSCO Coal Sales Agreements (the “**Announcement**”). Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcement. As disclosed in the Announcement, the Company will make a further announcement in respect of the cap for the transactions under the 2020 POSCO Coal Sales Agreements for the period from 1 January 2021 to 31 March 2021.

The Company announces that the maximum value cap for the transactions under the 2020 POSCO Coal Sales Agreements for the period from 1 January 2021 to 31 March 2021 will not exceed a cap of US\$150 million. Such cap was calculated by reference to (i) the historical transaction amounts, (ii) the expected demand for coal from POSCO and/or its associates for the three months ending 31 March 2021, (iii) the estimated sale price for the coal the Group typically charges and (iv) in particular, the estimated sales volume of approximately 0.675 million tonnes of coal for the three months ending 31 March 2021, based on the spot opportunities that may exist. The Directors (including the independent non-executive Directors) are of the view that such cap as well as the annual cap for the transactions under the 2020 POSCO Coal Sales Agreements for the year ending 31 December 2020 (which was disclosed in the Announcement) are fair and reasonable. None of the Directors has a material interest in the 2020 POSCO Coal Sales Agreements and the transactions contemplated thereunder, and therefore no Director has abstained from voting on the relevant resolution of the Board in respect of the cap for the transactions under the 2020 POSCO Coal Sales Agreements for the period from 1 January 2021 to 31 March 2021.

By order of the Board
Yancoal Australia Ltd
Baocai ZHANG

**For identification purposes only*

Chairman

Hong Kong, 10 February 2020

As of the date of this announcement, the executive Director is Mr. Fucun Wang, the non-executive Directors are Mr. Baocai Zhang, Mr. Cunliang Lai, Mr. Xiangqian Wu, Mr. Fuqi Wang, Mr. Qingchun Zhao and Mr. Xing Feng and the independent non-executive Directors are Mr. Gregory James Fletcher, Dr. Geoffrey William Raby, Mr. David James Moulton and Ms. Helen Jane Gillies.