

# YANCOAL AUSTRALIA LTD

## NOTICE OF 2022

### ANNUAL GENERAL MEETING



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

Notice is given that the 2022 Annual General Meeting (AGM) of Yancoal Australia Ltd (Yancoal or Company) will be held at 11.00am (AEST) (being 9.00am (HKT)) on Monday, 30 May 2022 at Darling Park, The Pavilion, 201 Sussex Street, Sydney NSW 2000, Australia. Registration will commence at 10.00 am (AEST).

***Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the AGM by way of announcement on ASX and the details will also be made available on our website at [www.yancoal.com.au/page/en/investors](http://www.yancoal.com.au/page/en/investors). For further information, please read the "Information for Shareholders" section on page 4.***

**1**  
YANCOAL  
NOTICE OF  
MEETING  
2022

#### BUSINESS

##### Item 1: Financial Statements and Reports

To receive and consider the Financial Report of the Company and its controlled entities and the Reports of the Directors and the Auditor for the financial year ended 31 December 2021.

##### Item 2: Election of Director

To consider and, if thought fit, pass the following resolution as ordinary resolution:

That Yaomeng Xiao, having been nominated under rule 8.1(i)(2) of the Company's Constitution, be elected as a non-executive Director of the Company with effect from the conclusion of the meeting.

Information about the above candidate appears in the Explanatory Notes.

##### Item 3: Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That the Remuneration Report for the year ended 31 December 2021 and as set out in the 2021 Annual Report on pages 27 to 38 (inclusive) be adopted.

**Note:** In accordance with section 250R(3) of the Corporations Act 2001 (Cth) (**Corporations Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

##### ***Voting exclusion in respect of Item 3 pursuant to section 250R(4) and (5) of the Corporations Act:***

*The Company will disregard any votes cast on Item 3:*

- by or on behalf of a member of the Key Management Personnel (KMP) named in the Remuneration Report for 2021 or their closely related parties, regardless of the capacity in which the vote is cast; or*
- as a proxy by a person who is a member of the KMP at the date of the AGM or their closely related parties, unless the vote is cast as proxy:*
  - for a person entitled to vote on Item 3 as proxy or attorney in accordance with the direction on the proxy form specifying how the proxy is to vote; or*
  - by the Chairman of the AGM for a person entitled to vote on Item 3 pursuant to an express authorisation in the proxy form to vote as the Chairman sees fit (even though the resolution is connected directly or indirectly with the remuneration of the KMP).*

*'Closely related party' is defined in the Corporations Act and includes a spouse, dependent and certain other close family members, of the KMP, as well as any companies controlled by the KMP.*

##### **Item 4: Issue of Rights to Co-Vice Chairman under Equity Incentive Plan**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That, for the purposes of ASX Listing Rule 10.14 and all other purposes, approval be given for the issue of up to 133,723 Deferred Share Rights (as defined in the Explanatory Notes to this Notice of Meeting) to Mr Ning Zhang, the Co-Vice Chairman of the Company, under the Company's Equity Incentive Plan on the terms set out in the Explanatory Notes to this Notice of Meeting.

#### **Voting exclusion statement in respect of Item 4:**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Item 4:

- by a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company's Equity Incentive Plan; or
- any associate of those persons.

(Currently, executive Directors of the Company are the only Directors who are eligible to participate in the Company's Equity Incentive Plan.)

However, the Company need not disregard a vote if it is cast by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman of the AGM as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman of the AGM to vote on the resolution as the Chairman of the AGM decides; or
- a holder acting solely in a nominee, trustee custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - o the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Item 5: Reappointment of Auditor and authorisation to fix Auditor's remuneration**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That ShineWing Australia be reappointed as the independent auditor of the Company and that the Board is authorised to fix the auditor's remuneration for the year ending 31 December 2022.

Information about this resolution appears in the Explanatory Notes.

#### **Item 6: General mandate to issue shares**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That:

- (1) subject to paragraph 6(3) below, and subject to compliance with the prevailing requirements under relevant laws, rules and regulations, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue or otherwise deal with additional shares of the Company (**Shares**) or securities convertible into Shares, and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into Shares) which may require the exercise of such powers, be and is hereby generally and unconditionally approved;

- (2) the approval in paragraph 6(1) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and/or options which may require the exercise of such powers after the end of the Relevant Period;

- (3) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors during the Relevant Period pursuant to paragraph 6(1) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined); or (2) the grant or exercise of any option under the option scheme of the Company or any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; or (3) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Constitution in force from time to time; or (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares, subject to compliance with the prevailing requirements under relevant laws, rules and regulations, shall not exceed 20% of the total number of issued Shares as at the date of passing this resolution and the said approval shall be limited accordingly; and

- (4) for the purpose of this resolution:

- (A) "Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:
  - (a) the conclusion of the next annual general meeting of the Company;
  - (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Constitution to be held; or
  - (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (B) "Rights Issue" means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members on a fixed record date in proportion to their holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).

Information about this resolution appears in the Explanatory Notes.

### Item 7: General mandate to repurchase shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That:

- (1) subject to paragraph 7(2) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (**Stock Exchange**) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by The Securities and Futures Commission of Hong Kong (**Commission**) and the Stock Exchange and, subject to and in accordance with all applicable laws, the Code on Share Buy-backs issued by the Commission and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (2) the aggregate number of the Shares, which the Company is authorised to repurchase pursuant to the approval in paragraph 7(1) above shall not exceed 10% of the total number of issued Shares at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (3) subject to the passing of each of the paragraphs 8(1) and 8(2) of this resolution, any prior approvals of the kind referred to in paragraphs 7(1) and 7(2) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (4) For the purpose of this resolution:  
"Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:
  - (a) the conclusion of the next annual general meeting of the Company;
  - (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Constitution to be held; or
  - (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.

Information about this resolution appears in the Explanatory Notes.

### Item 8: Extension of the general mandate to issue shares by the number of shares repurchased

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That conditional upon the resolutions numbered 6 and 7 as set out in this Notice of Meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares and to make or grant offers, agreements and options which may require the exercise of such powers pursuant to the ordinary resolution numbered 6 above be and is hereby extended by the addition to the aggregate number of Shares which may be allotted by the Directors pursuant to such general mandate of the aggregate number of Shares repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 7 as set out in this Notice of Meeting, provided that such amount shall not exceed 10% of the total number of issued Shares at the date of passing of this resolution.

### Item 9: Amendment to Constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

That, the constitution of the Company (**Constitution**) be amended by:

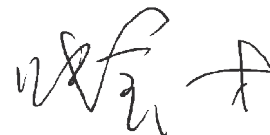
- Replacing references to "Yanzhou" and "Yanzhou Coal Mining Company Limited" with "Yankuang" and "Yankuang Energy Group Company Limited" respectively.
- Replacing Rule 7.9(u) to read:  
*"A recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)) or its nominee(s) may, at the Company's general meetings or creditors meetings, appoint or authorise any number of proxy(ies), attorney(s) or Representative(s) to cast votes attaching to voting shares that it holds in the company, provided that if 2 or more proxies, attorneys or Representatives are appointed or authorised to vote at the same meeting, the proxy form or authorisation must specify the number and class of voting shares in respect of which each proxy, attorney or Representative is appointed or authorised to vote. Each person so authorised under the provisions of this constitution shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise as if it were an individual shareholder of the company."*

Information about the amendment to the Constitution appears in Explanatory Notes.

Information about these resolutions appear in the Explanatory Notes.

Due to the constantly evolving COVID-19 pandemic situation, the Company may be required to change its AGM arrangements at short notice. Shareholders should check the Company's AGM website ([www.yancoal.com.au/page/en/investors](http://www.yancoal.com.au/page/en/investors)) for updates on the AGM.

By order of the Board



**Baocai Zhang**  
Chairman

# INFORMATION FOR SHAREHOLDERS

## VIRTUAL PARTICIPATION AT THE AGM DUE TO COVID-19

In order to minimise health risks created by the COVID-19 pandemic and ensure compliance with current applicable laws relating to public gatherings, the Board of Yancoal (**Board**) encourages shareholders:

- to consider lodging a directed proxy appointing the Chairman as proxy with directions on how to vote each item of business rather than attending the meeting in person; and
- as an alternative to attending the AGM in person, to observe the AGM through a live webcast and submit questions in real time. Details on how to observe and submit questions online are available at [www.yancoal.com.au/page/en/investors](http://www.yancoal.com.au/page/en/investors).

## OBSERVE THE AGM ONLINE AND SUBMIT QUESTIONS

All shareholders are encouraged to:

- submit any questions ahead of the AGM to either the Company or the auditor; and
- appoint the Chairman as proxy with directions on how to vote in each item of business to ensure that each Shareholder's vote is cast and counted with certainty. The Chairman is required to follow your instructions.

Further information on how to appoint a proxy to vote on your behalf is described under the heading "Proxies and Attorneys" under this section "Information for Shareholders". Please pay particular attention to this section in order to correctly appoint a proxy.

Shareholders who wish to observe the AGM through a live webcast and submit questions in real time can visit <https://meetnow.global/MW5992R>. Registration will open 1 hour before the start of the meeting. Details on how to observe and submit questions online are available at [www.yancoal.com.au/page/en/investors](http://www.yancoal.com.au/page/en/investors).

Shareholders are urged to submit questions ahead of the AGM to either the Company or the auditor through submitting a completed form accompanying this Notice of Meeting, or by way of email to [shareholder@yancoal.com.au](mailto:shareholder@yancoal.com.au) and/or [media@yancoal.com.au](mailto:media@yancoal.com.au).

## IN-PERSON ATTENDANCE

Shareholders attending the meeting in person are encouraged to review and follow the Australian Department of Health's instructions and recommendations in relation to the COVID-19 pandemic.

Shareholders are also reminded to observe good personal hygiene at all times during the AGM. To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the venue so as to ensure the health and safety of the attendees at the AGM and compliance with applicable laws.

An electronic copy of the presentation by the Chairman or any Director will be lodged with the ASX and HKSE and will be made available on the Company's website before the AGM commences.

## ELIGIBILITY TO VOTE AND RECORD TIME

In order to qualify for attending and being eligible to vote at the AGM convened by this Notice of Meeting:

- (a) in respect of those shareholders whose ordinary shares in the Company are traded on the Australian Securities Exchange, you must be a registered holder of Yancoal shares as at the Record Time (as defined below); and
- (b) in respect of those shareholders whose ordinary shares in the Company are traded on the Stock Exchange of Hong Kong Limited, all duly completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited located at Shops 1712-1716 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 7.00pm (AEST) (being 5.00pm (HKT)) on Tuesday 24 May 2022) (the **Record Time**).

The Corporations Regulations 2001 and the ASX Settlement Operating Rules require that the time to determine who holds ordinary securities in the Company for the purposes of a meeting of its shareholders may not be more than 48 hours before that meeting. However, in order for the Company to comply with requirements arising from its dual-primary listing on the ASX and The Stock Exchange of Hong Kong Limited, the stipulated Record Time for the Company's AGM will be as set out above, which will fall on the fourth business day before the AGM. This is earlier than what shareholders and investors of the Company in Australia may be accustomed to.

Accordingly, share transfers registered after the Record Time will be disregarded in determining entitlements to vote at the AGM.

In this Notice of Meeting, references to shareholders are references to holders of ordinary shares in the Company.

## VOTING

A shareholder that is an individual may attend and vote in person at the AGM. Please arrive 1 hour prior to the start of the AGM to facilitate the registration process. Otherwise, a shareholder may appoint a proxy or, if he or she holds two or more shares, up to two proxies to attend and vote on his/her behalf, as outlined below. A shareholder or proxy that is a body corporate may appoint an individual to act as its representative to vote at the AGM in accordance with section 250D of the Corporations Act. The appropriate 'Certificate of Appointment of Corporate Representative' should be produced prior to admission to the AGM. A form of the certificate may be obtained from [www.computershare.com](http://www.computershare.com).

If two or more persons are joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s). For this purpose, seniority shall be determined by the order in which the names stand in the principal or branch register of members of the Company in respect of the joint holding.

## PROXIES AND ATTORNEYS

- (1) If you are entitled to vote but do not wish to attend the AGM, you may appoint a proxy to attend and vote on your behalf. A body corporate that is a shareholder may also appoint a proxy to attend and vote on its behalf. A proxy need not be a shareholder.
- (2) If you are entitled to cast two or more votes, you are entitled to appoint up to two proxies to attend the AGM and vote on your behalf and you may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment does not so specify, each proxy may exercise half the votes. Fractions of votes will be disregarded.
- (3) Where a shareholder appoints 2 proxies or 2 attorneys, neither proxy or attorney is entitled to vote on a show of hands, and on a poll, each proxy or attorney may only exercise votes in respect of those shares or voting rights the proxy or attorney represents.
- (4) To be effective, the Company must receive the completed proxy form and, if the form is signed by the shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by **no later than 48 hours before the time appointed for the holding of the AGM (i.e. not later than 11.00am (AEST) (being 9.00am (HKT)) on Saturday, 28 May 2022)**. Any proxy form received after that time will not be valid for the AGM.
- (5) The completion and return of the proxy form shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (6) The proxy form accompanying this Notice of Meeting can be used to appoint a proxy.
- (7) Proxy forms (and any power of attorney or certified copy of that power under which they are signed) may be lodged with Computershare:

### for shareholders whose ordinary shares in the Company are traded on the Australian Securities Exchange

- (a) by mail, to:  
Computershare Investor Services Pty Limited  
GPO Box 242, Melbourne Victoria 3001, Australia
- (b) by facsimile:  
1800 783 447 (within Australia)  
+ 61 3 9473 2555 (outside Australia)
- (c) online via [www.investorvote.com.au](http://www.investorvote.com.au)  
You will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN), postcode and control number as shown on your proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions on the website.  
A proxy cannot be appointed electronically by a person appointed by a shareholder under a Power of Attorney or similar authority.  
Intermediaries with access to Intermediary Online through Computershare Investor Services Pty Limited should lodge their votes through [www.intermediaryonline.com](http://www.intermediaryonline.com).

### for shareholders whose ordinary shares in the Company are traded on The Stock Exchange of Hong Kong Limited

- (a) by mail, to:  
Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
- (b) by facsimile:  
+ 852 2865 0990/+852 2529 6087 (within Hong Kong)  
+ 61 3 9473 2555 (outside Hong Kong)

### Other alternatives

Alternatively, proxy forms may be lodged with the Company:

- (a) **by mail, to the attention of the Company Secretary, at:**  
Yancoal Australia Ltd  
Level 18, Darling Park Tower 2  
201 Sussex Street  
Sydney NSW 2000  
Australia
- (b) **by facsimile, to the attention of the Company Secretary, on:**  
+ 61 2 8583 5399
- (8) Proxies given by corporate holders of ordinary shares must be executed in accordance with their constitutions, or signed by a duly authorised officer or attorney.
- (9) A proxy may decide whether to vote on any motion, except where the proxy is required by law to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction.
- (10) If your appointed proxy does not attend the AGM or does not vote on a poll in accordance with your directions, the Chairman of the AGM will become your proxy and will vote in accordance with any of your directions.
- (11) If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit (subject to any applicable voting exclusions).
- (12) The appointment of a proxy or attorney is not revoked by the appointer attending and taking part at the AGM, but if the appointer votes on a resolution, the proxy or attorney is not entitled to vote, and must not vote, as the appointer's proxy or attorney on the resolution.
- (13) If the Chairman of the AGM is your proxy and you do not specify how your proxy is to vote on an item of business, then by completing and submitting a proxy form you will be expressly authorising the Chairman to exercise your proxy as the Chairman sees fit in relation to adoption of the Remuneration Report (Item 3) even though Item 3 is connected with the remuneration of the key management personnel of the Company. If you wish to appoint the Chairman as proxy with a direction how to vote on an item of business, including Item 3, you should specify this by completing the "For", "Against" or "Abstain" boxes on the proxy form.

- (14) The Chairman of the AGM intends to vote all undirected proxies in favour of each item of business.

## QUESTIONS AND COMMENTS BY SHAREHOLDERS

The Chairman of the AGM will allow a reasonable opportunity for shareholders to ask questions about or make comments relevant to the items of business and on the management of the Company at the AGM. Shareholders may also submit a written question to the Board. Your questions should relate to matters that are relevant to the business of the AGM, as outlined in this Notice of Meeting and Explanatory Notes.

Similarly, a reasonable opportunity will be given to shareholders to ask the Company's external auditor, ShineWing Australia, questions relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to ShineWing Australia (via the Company) if the question is relevant to:

- the content of ShineWing Australia's audit report; or
- the conduct of its audit of the Company's annual financial reports for the year ended 31 December 2021.

ShineWing Australia will either answer the relevant questions at the AGM or table written answers to them at the AGM. If written answers are tabled at the AGM, they will be made available to shareholders as soon as practicable after the AGM, on the Company's website, [www.yancoal.com.au](http://www.yancoal.com.au). A list of those relevant written questions will be made available to shareholders attending the AGM.

Please send any relevant questions for the Board or ShineWing Australia **by 5.00pm (AEST) (3.00pm (HKT)) on Thursday, 19 May 2022** to:

- Computershare (Computershare's contact details are set out on page 5 of this Notice of Meeting); or
- Yancoal Australia Ltd at its registered office, Level 18, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000, Australia, marked for the attention of the Company Secretary.

During the course of the AGM, the Chairman will endeavour to address as many of the more frequently raised shareholder questions as reasonably practicable and, where appropriate, will give a representative of ShineWing Australia the opportunity to answer relevant written questions submitted to the Auditor. However, there may not be sufficient time available at the AGM to address all questions. Please note that individual responses may not be sent to shareholders.

## REQUIRED MAJORITY

### Ordinary Resolutions

The resolutions described in Items 2, 3, 4, 5, 6, 7 and 8 of the Business section of this Notice of Meeting are ordinary resolutions. Each will be passed if more than 50% of votes cast by shareholders entitled to vote on the resolution are cast in favour of the resolution.

### Special Resolutions

The resolution described in Item 9 of the Business section of this Notice is a special resolution. It will be passed if at least 75% of votes cast by ordinary shareholders entitled to vote on the resolution are cast in favour of the resolution.

## CHINESE TRANSLATION

The translation into Chinese language of this Notice of Meeting is for reference only. In case of any inconsistency, the English version shall prevail.

**As of the date of this Notice of Meeting, the executive Director is Mr. Ning Zhang, the non-executive Directors are Mr. Baocai Zhang, Mr. Cunliang Lai, Mr. Xiangqian Wu, Mr. Qingchun Zhao and Mr. Xing Feng and the independent non-executive Directors are Mr. Gregory James Fletcher, Dr. Geoffrey William Raby and Ms. Helen Jane Gillies.**

# EXPLANATORY NOTES

The Explanatory Notes form part of the Notice of Meeting and have been prepared to assist shareholders to understand the business to be put to the shareholders at the AGM.

## Item 1: Financial Statements and Reports

The financial statements and reports relate to the period from 1 January 2021 to 31 December 2021.

The Corporations Act requires the Financial Report (which includes the financial statements and notes, and the Directors' Declaration), the Directors' Report and the Auditor's Report to be laid before the AGM.

There is no requirement in the Corporations Act for shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report. Pursuant to Rule 7.10(a)(2) of the Constitution, the Company's majority shareholder, Yankuang Energy Group Company Limited (formerly known as Yanzhou Coal Mining Company Limited) (**Yankuang Energy**), has approved the financial statements of the Company in writing.

Shareholders will be given a reasonable opportunity at the AGM to ask questions and make comments on these reports and on the business and operations of the Company. Shareholders will also be able to ask questions of the Auditor, ShineWing Australia.

The documents are available on the Company's website at [www.yancoal.com.au](http://www.yancoal.com.au).

## Item 2: Election of Director

The Company must hold an election of Directors each year in accordance with ASX Listing Rule 14.5.

Yaomeng Xiao, has been nominated by the Directors and if elected, will be a Non-Executive Director.

Below are the biographical details for Yaomeng Xiao.

Yaomeng Xiao, M.Eng., aged 50

### Experience and expertise

Yaomeng Xiao joined Yankuang Energy's predecessor in 1994. Mr Xiao was appointed as the director of the Safety Inspection Department of Dongtan Coal Mine of the Yankuang Energy in 2013, and the chairman and the general manager of Guizhou Wulunshan Coal Mining Company Limited in 2014. In 2016, he was appointed as the deputy general manager of Yankuang Guizhou Neng Hua Company Limited. In July 2018, he was appointed as the manager of Jining No. 3 Coal Mine of Yankuang Energy. In April 2020, he was appointed as the deputy general manager of Yankuang Energy. In July 2021, he was appointed as general manager of Yankuang Energy and was appointed as the director of the Yankuang Energy in August 2021.

Mr. Xiao graduated from China University of Mining and Technology. He is a research fellow in applied engineering technology with a master's degree of engineering.

### Other positions with the Company or any of its subsidiaries

None

### Other current key directorships

Director of Yankuang Energy Group Company Limited (1171.HK)

Executive Director of Yankuang Donghua Heavy Industry Company Limited

### Former directorships in other listed companies in last three years and other major appointment and professional qualifications

None

### Interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, laws of Hong Kong) (SFO)

None

### Service terms with the Company

Subject to the approval of shareholders at the AGM, Mr Xiao will enter into a letter of appointment with the Company, which shall specify the main terms and conditions of the appointment, for an unlimited term commencing on the date of the AGM, subject to any provisions of the letter of appointment and the Constitution. Mr Xiao will not receive any director's fee or remuneration package as a non-executive Director.

Mr Xiao serves as a director of Yankuang Energy, the controlling shareholder of the Company. As at 21 April 2022 (**Latest Practicable Date**), Yankuang Energy is interested in approximately 62.26% of the shares in the Company. Save as disclosed above, Mr Xiao does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

In addition, there are no other matters that need to be brought to the attention of the shareholders nor is there any other information required to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the HK Listing Rules.

In accordance with ASX Listing Rule 14.4, code provision B.2.2 of Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (**HK Listing Rules**), and 8.1(d) of the Constitution, a Director must not hold office (without re-election) beyond the third annual general meeting following the meeting at which the Director was elected or re-elected. Cunliang Lai, non-executive director, was re-elected on 31 May 2019 and due to be re-elected at the meeting, however, intends to retire from the Company's Board at the conclusion of the meeting and does not offer himself for re-election.

### Recommendation

The Board unanimously recommends that shareholders vote in favour of the election of Yaomeng Xiao.

### Item 3: Remuneration Report

The Board submits its Remuneration Report for the year ended 31 December 2021 to shareholders for consideration and adoption by way of non-binding resolution.

The Remuneration Report is set out on pages 27 to 38 (inclusive) of the 2021 Annual Report. This report can also be found on the Company's website at [www.yancoal.com.au](http://www.yancoal.com.au). The report:

- explains the Company's remuneration principles relating to the nature and amount of the remuneration of Directors and senior executives of the Company; and
- sets out the remuneration details for each Director and for each relevant executive of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the AGM.

The vote on the Remuneration Report is advisory only and will not bind the Company.

A voting exclusion applies to this item of business, as set out in this Notice of Meeting.

#### Recommendation

The Board recommends that shareholders vote in favour of the adoption of the Remuneration Report.

### Item 4: Issue of Rights to Co-Vice Chairman under Equity Incentive Plan

Under the Equity Incentive Plan (**Plan**), the Board has the discretion to offer awards in the form of rights to acquire shares in the Company for nil consideration (**Rights**). The Board has determined to award deferred share Rights under the short term incentive plan (**Deferred Share Rights**) to Mr Ning Zhang, a Co-Vice Chairman and a Director of the Company in accordance with the Plan rules.

The Plan was previously approved by shareholders in 2018 for the purposes of what was then ASX Listing Rule 7.2, Exception 9(b) (but is now Listing Rule 7.2, Exception 13(b)). For the purposes of ASX Listing Rule 10.15.9, details of the key terms of the Plan are provided in the table below.

|                    |   |
|--------------------|---|
| <b>Eligibility</b> | Eligibility to participate in the Plan will be determined by the Board.   |
| <b>Offers</b>      | The Board may offer Awards (as defined below) to any eligible employee from time to time as determined by the Board by making an offer or invitation to the eligible employee ( <b>Eligible Employee</b> ). |

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|-----------------------------|---|
| <b>Awards</b>               | <p>Under the Plan, the Board will have the discretion to offer awards (<b>Awards</b>) in the form of:</p> <ul style="list-style-type: none"> <li>rights to acquire shares in the Company for an exercise price (<b>Options</b>);</li> <li>rights to acquire shares in the Company for nil consideration (<b>Rights</b>);</li> <li>shares, including to be acquired under a limited recourse loan funded arrangement; and/or</li> <li>restricted shares, to be held under the Plan subject to disposal restrictions.</li> </ul> <p>Each Option or Right will entitle to receive such number of shares determined by the Board and specified in the relevant offer, or to receive a cash amount equivalent to the value of such number of shares, on and subject to the rules of the Plan and the terms of the offer.</p>   |
| <b>Terms and conditions</b> | <p>The Board has the discretion to determine the terms and conditions applicable to an offer of Awards under the Plan, including:</p> <ul style="list-style-type: none"> <li>the number and type of Awards being offered;</li> <li>any performance, service, or other conditions which must be satisfied or waived before the Awards vest (<b>Vesting Conditions</b>);</li> <li>in the case of Awards in the form of Options or Rights, any further conditions which must be satisfied or waived before vested Options or Rights may be exercised (<b>Exercise Conditions</b>);</li> <li>any acquisition price payable for the grant of Awards;</li> <li>in the case of Awards in the form of Options, any exercise price payable on the exercise of the Options;</li> <li>in the case of Awards in the form of Options or Rights, any rights to receive a payment equivalent to the value of dividends paid on shares during the vesting period attaching to the Options or Rights;</li> <li>the terms of any loan pursuant to which the Company or a subsidiary (<b>Group Company</b>) will lend the Eligible Employee an amount to fund the acquisition price (if any) or exercise price (if any) payable for the Awards; and</li> <li>any disposal and/or forfeiture restrictions applicable to shares acquired under the Plan, including following the vesting of shares granted under the Plan or shares acquired on the exercise of Options or Rights (<b>Disposal Conditions</b>).</li> </ul> |

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| <p><b>Shares as an Award or on exercise of an Award</b></p> | <p>Shares acquired under the Plan (including shares acquired on the exercise of Options or Rights) may, at the discretion of the Board, be delivered:</p> <ul style="list-style-type: none"> <li>• through the issue of new shares; and/or</li> <li>• the transfer of existing shares, including shares held in an employee share plan trust, acquired on-market or acquired through an off-market transaction.</li> </ul> <p>Shares acquired under the Plan will rank equally in all respects, and carry the same rights and entitlements, as existing shares from the date of acquisition, including in respect of dividends and distributions, rights issues, bonus rights and voting.</p> <p>The Company will apply for official quotation of any shares issued under the Plan, in accordance with the ASX Listing Rules.</p> <p>Subject to the terms of the relevant offer, shares acquired under the Plan may be subject to Disposal Conditions which may restrict the shares from being disposed of or dealt with for a period of time and/or may result in the shares being forfeited if certain further conditions are not satisfied.</p> |
| <p><b>Waiver</b></p>  | <p>The Board may, at its discretion, reduce or waive any Vesting Conditions, Exercise Conditions and/or Disposal Conditions attaching to Awards at any time, subject to applicable law.</p>  |
| <p><b>Vesting of Shares</b></p>                             | <p>Shares granted under the Plan which have not been forfeited under the Plan will vest if and when any applicable Vesting Conditions have been satisfied or waived by the Board.</p> <p>Upon vesting, subject to any Disposal Conditions specified in the relevant offer, shares will cease to be subject to disposal restrictions and the forfeiture provisions of the Plan (except where shares have been acquired using a loan provided by a Group Company and the Eligible Employee breaches the loan agreement).</p>   |

|  |   |
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| <p><b>Vesting and exercise of Options and Rights</b></p> | <p>Options and Rights which have not lapsed under the Plan will vest if and when any applicable Vesting Conditions have been satisfied or waived by the Board. However, vested Options or Rights will not become exercisable until any applicable Exercise Conditions have been satisfied or waived by the Board.</p> <p>Subject to applicable law, following the valid exercise of an Option or Right, the Company will issue or arrange the transfer of such number of shares to the Eligible Employee that relate to the Option or Right being exercised or make a cash payment equivalent to the value of such shares in lieu the issue or transfer such shares (at the discretion of the Board).</p>           |
| <p><b>Rights attaching to Options and Rights</b></p>     | <p>Options and Rights awarded under the Plan will not carry any voting or dividend rights.</p> <p>Options and Rights do not confer the right to participate in new issues of shares or other securities in the Company. However, the Plan provides for adjustments to be made to the number of shares to which a participant would be entitled on the exercise of Options or Rights or the exercise price (if any) of the Options or Rights in the event of a bonus issue or pro-rata issue to existing holders of shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) or a reorganisation of capital.</p> <p>Options and Rights will not be quoted on ASX.</p> |
| <p><b>Expiry</b></p>                                     | <p>Options or Rights which have not been exercised by the date determined by the Board and specified in the offer (<b>Expiry Date</b>), will lapse unless the Board determines otherwise.</p>   |

|   |  |
|---|--|
| <p><b>Forfeiture/ lapse of Awards</b></p> | <p>Unless otherwise determined by the Board, a share granted under the Plan will be forfeited, and an Option or Right will lapse, in certain circumstances including:</p> <ul style="list-style-type: none"> <li>• where the Board determines that any Vesting Condition or Exercise Condition applicable to the Award cannot be satisfied;</li> <li>• where the participant purports to dispose of the Award, or enter into any arrangement in respect of the Award, in breach of any disposal or hedging restrictions;</li> <li>• in the case of an Option or Right, on the Expiry Date applicable to the Option or Right;</li> <li>• where the Award has been acquired using a loan provided by a Group Company and the participant breaches the loan agreement;</li> <li>• in certain circumstances if the participant’s employment is terminated (see ‘Cessation of employment’ below);</li> <li>• if the Board determines that the Award will be forfeited or lapse in the event of a change of control in respect of the Company (see ‘Change of control’ below); and</li> <li>• if the Board determines that the Award is liable to clawback (see ‘Clawback’ below).</li> </ul>  |
| <p><b>Cessation of employment</b></p>     | <p>The rules of the Plan contain provisions regarding the treatment of vested and unvested Awards in the event that a participant ceases employment with the Group, as summarised below. However, an offer may prescribe that a specific grant of Awards will be treated in a different manner to the manner set out in the Plan rules.</p> <p>Generally, under the Plan rules, if a participant ceases employment in ‘bad leaver’ circumstances (including resignation (other than due to death, terminal illness, total and permanent disablement, mental illness, redundancy or retirement) or dismissal for cause or poor performance), unless the Board determines otherwise, all of their unvested Awards will be forfeited or lapse, and the participant will be required to exercise any vested Options or Rights within 60 days or they will also lapse.</p> <p>If a participant ceases employment in ‘good leaver’ circumstances, unless the Board determines otherwise, the participant will be entitled to retain a pro-rata amount of their unvested Awards based on the proportion of any applicable vesting period which has elapsed at the date that employment ceases, and all other unvested Awards will be forfeited or lapse. Unless the Board determines otherwise, any retained Awards will remain on foot subject to any applicable Vesting Conditions, Exercise Conditions and Disposal Conditions.</p> <p>Notwithstanding the above, the Board has discretion to treat Awards in a different manner to that set out above, subject to any requirement for shareholder approval.</p> |
| <p><b>Clawback</b></p>                    | <p>If the Board becomes aware of a material misstatement in the Company’s financial statements, that a participant has committed an act of fraud, negligence or gross misconduct or failed to comply in a material respect with any restrictive covenant or that some other event has occurred which, as a result, means that a participant’s Award should be reduced or extinguished, or should not vest, then the Board may clawback or adjust any such Award at its discretion to ensure no unfair benefit is derived by the participant.</p>   |

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| <b>Change of control</b>         | In the event of a change in control or other circumstances where the Board determines it is not practical or appropriate for unvested Awards to continue on foot, the Board has the discretion to determine the extent to which all or part of any unvested Awards should vest, lapse or otherwise be treated.  |
| <b>Restrictions</b>              | Awards may not be sold, transferred, mortgaged, pledged, charged, granted as security or otherwise disposed of, without the prior approval of the Board, or unless required by law.<br>Participants must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure to any unvested shares, or Options or Rights.  |
| <b>Employee share plan trust</b> | A trust may be established in connection with the operation and administration of the Plan. The trust, if established, may be used to acquire shares that are then used to satisfy the Company's obligations to deliver shares to participants upon the exercise of Option and Rights under the Plan.   |
| <b>Amendments</b>                | The Board may, in its discretion, amend the Plan rules, or waive or modify the application of the Plan rules in relation to a participant, provided that (except in specified circumstances) if such amendment would reduce the rights of a participant in respect of their Awards acquired under the Plan, the Board must obtain the consent of the participant. |

ASX Listing Rule 10.14 requires shareholders' approval for the acquisition of equity securities in the Company under an employee incentive scheme by a Director, an associate of a Director, or any other person whose relationship with the Company is, in ASX's opinion, such that shareholders' approval should be obtained. The issue of the Deferred Share Rights to Mr Zhang under the Plan falls within ASX Listing Rule 10.14.1 on the basis that Mr Zhang is a Director, and therefore requires the approval of the Company's shareholders.

The resolution contained in Item 4 seeks the required shareholders' approval to the issue of the Deferred Share Rights under the Plan for the purposes of Listing Rule 10.14.

If shareholders' approval is obtained under ASX Listing Rule 10.14 for the issue of Deferred Share Rights to Mr Zhang under Item 4, the Deferred Share Rights will be issued to Mr Zhang as soon as practicable after the AGM, but in any event within 12 months after the date of the AGM.

If shareholders' approval is not obtained under ASX Listing Rule 10.14 for the issue of Deferred Share Rights to Mr Zhang under Item 4, the Deferred Share Rights will not be issued to Mr Zhang.

Details of any securities issued under the Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in the issue of securities under Plan after the resolution is approved and who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14.

As Mr Zhang is a Director and therefore a connected person of the Company under the HK Listing Rules, the issue of Deferred Share Rights to Mr Zhang constitutes a connected transaction under the HK Listing Rules. It is the Company's current intention to satisfy the Deferred Share Rights by way of either the transfer of existing Shares or the payment of a cash amount equivalent to the value of such number of shares, on and subject to the rules of the Plan and the terms of the grant. As the Deferred Share Rights form part of the remuneration package under Mr Zhang's service contract with the Company, such connected transaction is exempt from the reporting, announcement and independent shareholders' approval requirements under the HK Listing Rules.

An overview of the key terms of the proposed grant of Deferred Share Rights to Mr Zhang, a Co-Vice Chairman and Director of the Company, including information required under ASX Listing Rule 10.15, is set out in the table below (except for information required under ASX Listing Rule 10.15.9, which is set out in the table above).

|   |  |
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| <b>Details of the proposed grant</b>                      | <p>The proposed grant to Mr Zhang is up to 133,723 Deferred Share Rights. The proposed grant is being provided as Deferred Share Rights because Deferred Share Rights create share price alignment between Mr Zhang and shareholders, but do not provide Mr Zhang with the full benefits of share ownership (such as dividend and voting rights) unless and until the Board exercises discretion to equity settle once the vesting conditions have been met.</p> <p>Subject to satisfying the employment conditions under the Plan, 66,861 Deferred Share Rights will vest on 1 March 2023 and 66,862 Deferred Share Rights will vest on 1 March 2024.</p> |
| <b>Price payable on grant or exercise</b>                 | <p>The Deferred Share Rights to be granted to Mr Zhang will be for nil consideration. Mr Zhang will not be required to pay any amount to exercise the Deferred Share Rights on vesting.</p>  |
| <b>Details of current total remuneration package</b>      | <p>\$519,634, comprising a fixed base salary and superannuation.</p>   |
| <b>Number of securities previously issued to Mr Zhang</b> | <p>90,180 Deferred Share Rights issued under the 2020 deferred STIP.</p> <p>Mr Zhang was previously granted 344,390 long term incentive plan (LTIP) Rights for nil consideration, which were approved by shareholders at the annual general meeting held in 2020. On 26 February 2021, Mr Zhang elected to forfeit the LTIP Rights granted and not participate in the 2021 and 2022 LTIP.</p>  |
| <b>Date of grant</b>                                      | <p>If shareholder approval is obtained, the Deferred Share Rights will be granted to Mr Zhang as soon as practicable after the AGM, but in any event within 12 months after the date of the AGM.</p>   |

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| <b>Material terms of the Deferred Share Rights</b> | <p><i>Rights attaching to Deferred Share Rights</i></p> <p>Deferred Share Rights awarded to Mr Zhang will not carry any voting or dividend rights, and do not confer the right on Mr Zhang to participate in new issues of shares or other securities in the Company. Shares allocated on exercise of Deferred Share Rights rank equally with other ordinary Shares on issue, including in relation to dividend and voting rights.</p> <p><i>Vesting Conditions</i></p> <p>Unless the Deferred Share Rights lapse under the terms of the Plan, 66,861 Deferred Share Rights will vest on 1 March 2023 and 66,862 Deferred Share Rights will vest on 1 March 2024 (each a <b>Vesting Date</b>). Following each Vesting Date, the Deferred Share Rights will be exercised in the form and manner determined by the Board and Mr Zhang will be entitled to receive either one ordinary share in the Company in respect of each exercised Deferred Share Right or a cash payment equivalent to the value of such shares, at the discretion of the Board for each vested Deferred Share Right.</p> <p><i>Right of exercise</i></p> <p>Following satisfaction of the Vesting Conditions, Mr Zhang will be entitled to receive either one ordinary share in the Company in respect of each exercised Deferred Share Right or a cash payment equivalent to the value of such shares, at the discretion of the Board, for each vested Deferred Share Right.</p> <p><i>Cessation of employment prior to vesting</i></p> <p>If Mr Zhang ceases to be employed by the Company prior to the Vesting Dates, he will be entitled to retain a pro-rata amount of his Deferred Share Rights subject to the Plan rules, unless his employment is terminated due to resignation, for cause or poor performance in which case his unvested Deferred Share Rights will lapse. Unless the Board determines otherwise, any retained Deferred Share Rights will remain subject to the Vesting Conditions.</p> |
|--|---|

|  |   |
|--|---|
| <p><b>Determining the number of Deferred Share Rights</b></p>      | <p>The dollar value of Deferred Share Rights is \$373,850.</p> <p>The number of Deferred Share Rights has been determined by dividing the dollar value of the Deferred Share Rights by the volume weighted average price of the Company's ordinary shares traded on the ASX across a 20 day trading period spread 10 days on either side of 31 December 2021, rounded down to the nearest whole number.</p> |
| <p><b>Other information required by ASX Listing Rule 10.15</b></p> | <p>Mr Zhang, as executive Director, is the only person referred to in ASX Listing Rule 10.14 presently entitled to participate in the Plan.</p> <p>No loan will be made available to Mr Zhang in connection with the acquisition or exercise of the Deferred Share Rights proposed to be granted to him if the resolution in Item 4 is approved.</p>  |

A voting exclusion applies to this item of business, as set out in the Notice of Meeting.

**Recommendation**

The Board (with Mr Ning Zhang abstaining) recommends that shareholders vote in favour of this resolution.

**Item 5: Reappointment of Auditor and authorisation to fix Auditor's remuneration**

Shareholder's approval is sought by way of ordinary resolution for the re-appointment of ShineWing Australia as the independent auditor of the Company and authorising the Directors to fix the amount of the Auditor's remuneration for the year ending 31 December 2022.

**Reasons for resolution**

In accordance with HK Listing Rule 13.88, the Company must at each annual general meeting appoint an auditor to hold office from the conclusion of that meeting until the next annual general meeting. In accordance with Rule 7.10(b)(11) of the Constitution, the shareholders have the power to fix the auditor's remuneration and in accordance with Rule 7.10(d), the shareholders may instruct the Board to do so by a resolution of the Company. The reason for this resolution is to comply with the requirement under HK Listing Rule 13.88 and the Directors consider that the authorisation will provide the Company with flexibility in fixing auditor's remuneration.

**Recommendation**

The Board recommends that shareholders vote in favour of this resolution.

**Item 6: General mandate to issue shares**

The Company's existing mandate to issue Shares was approved by its shareholders at the annual general meeting held on 28 May 2021. Unless otherwise renewed, the existing mandate to issue Shares will lapse at the conclusion of the AGM. Shareholders' approval is sought by way of ordinary resolution for granting a general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares in the share capital of the Company representing up to 20% of the total number of issued Shares immediately after the passing of the resolution in relation to such general mandate.

**Reasons for resolution**

The reason for this resolution is to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue new Shares. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to such general mandate.

As at the Latest Practicable Date, the number of Shares on issue was 1,320,439,437. Assuming no further Shares will be issued before the date of the AGM, the Directors would be granted a general mandate to issue up to a maximum of 264,087,887 Shares.

This resolution is commonly sought for companies publicly-listed in Hong Kong. Unless the Company obtains this general mandate, its ability to exercise its right to issue shares under ASX Listing Rule 7.1 without obtaining shareholder approval is limited. Regardless of the passing of this resolution, ASX Listing Rule 7.1 will continue to apply to the Company (the Company is ineligible to seek shareholder approval under ASX Listing Rule 7.1A). This means that shareholder approval would be required for the issue of such number of shares as exceeded the 15% placement capacity which is set out in ASX Listing Rule 7.1. The Company confirms that it will comply with all regulatory requirements under the Corporations Act and with the relevant ASX Listing Rules if it were to issue shares that are not within the Company's capacity under ASX Listing Rule 7.1.

**Recommendation**

The Board recommends that shareholders vote in favour of this resolution.

### Item 7: General mandate to repurchase shares

The Company's existing mandate to repurchase Shares was approved by its shareholders at the annual general meeting held on 28 May 2021. Unless otherwise renewed, the existing mandate to repurchase Shares will lapse at the conclusion of the AGM. Shareholder approval is sought by way of ordinary resolution for granting a general mandate to the Directors to repurchase shares not exceeding 10% of the total number of issued Shares as at the date of the relevant resolution approving such mandate (**Proposed Repurchase Mandate**) to the Directors to exercise the powers of the Company to repurchase shares representing up to 10% of the total number of issued shares immediately after the passing of the resolution in relation to the Proposed Repurchase Mandate.

#### Explanation statement and reasons for resolution

##### *Share Capital*

As at the Latest Practicable Date, there were in issue a total of 1,320,439,437 Shares. Subject to the passing of the ordinary resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 132,043,943 Shares which represent 10% of the total number of issued Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required to be held by law or by the Constitution, or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in general meeting.

Rule 10.06(5) of HKEx Listing Rules provides that the listing of all shares purchased by the Company is automatically cancelled and that the certificates for those Shares must be cancelled and destroyed.

Any repurchase of Shares by the Company would also need to comply with the requirements imposed by the Corporations Act and the ASX Listing Rules, including the lodging of an Appendix 3C in relation to the proposed share buy-back.

##### *Reasons and funding of Repurchases*

The Directors believe that it is in the best interest of the Company and the shareholders as a whole, to seek the Proposed Repurchase Mandate from the shareholders to enable the Company to repurchase Shares on the Stock Exchange. The Directors have sought the grant of the proposed Repurchase Mandate to give the Company the flexibility to repurchase the Shares if and when appropriate. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the shareholders as a whole.

Repurchases of Shares will be financed out of funds legally available for such purpose and in accordance with the Constitution, the Corporations Act, the ASX Listing Rules and HK Listing Rules. However, the Directors did not have a concrete plan to exercise the Proposed Repurchase Mandate as at the Latest Practicable Date and, accordingly, did not have the associated proposal on the source of

funds to finance the repurchase, if any. When the Directors consider that it is appropriate and beneficial to the Company and the shareholders for them to exercise the Proposed Repurchase Mandate, the Directors will consider whether internal resources, loans or other forms of finance would be the most appropriate source of funds and, in this regard will take into account, among other things, the financial position of the Group and the costs of the funds.

At present, the Directors have no intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interest of the Company. There could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements of the Company as at 31 December 2021, being the latest published audited financial statements of the Company), if the Share Repurchase mandate is exercised in full at any time. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### General

As at the Latest Practicable Date, none of the Directors nor any of their respective close associates (as defined in the HK Listing Rules) have any present intention to sell any Shares to the Company or its subsidiaries in the event that the Proposed Repurchase Mandate is approved at the AGM and is exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the HK Listing Rules and the applicable laws of Australia.

As at the Latest Practicable Date, no core connected person has notified the Company that he/she has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Proposed Repurchase Mandate is approved at the AGM and is exercised.

If, as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Code on Takeovers and Mergers (**Takeovers Code**). Accordingly, a shareholder, or a group of shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date and to the best knowledge and belief of the Directors, Shandong Energy Group Co. Ltd (**Shandong**) is the controlling shareholder of Yankuang Energy, which directly holds a total of 822,157,715 Shares. As Shandong is entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of Yankuang Energy, Shandong is taken to have an interest under the SFO in the same block of 822,157,715 Shares, representing approximately 62.26% of the issued Shares.

In the event that the Directors should exercise in full the Proposed Repurchase Mandate, the shareholding of each of Shandong and Yankuang Energy in the Company will be increased to approximately 69.18% of the issued Shares (if the present shareholding remains the same). Taking into account that each of Shandong and Yankuang Energy is already holding more than 50% of the issued shares of the Company, it is not expected that the repurchase of Shares would give rise to a mandatory offer obligation under Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any other consequence which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Proposed Repurchase Mandate.

Rule 8.08(1)(a) of the HK Listing Rules requires that at least 25% of an issuer's total issued share capital must at all times be held by the public. The Company obtained a waiver under Rule 8.08(1)(d) of the HK Listing Rules to accept a lower public float percentage and the Company's minimum public float is approximately 15.37%. Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date, the Company has maintained the minimum public float of approximately 15.37% under the HK Listing Rules. In the opinion of the Directors, the exercise of the Proposed Repurchase Mandate may reduce public float to below 15.37% of the total number of Shares in issue as approved by the Stock Exchange. At present, the Directors have no intention to repurchase Shares to such extent as to result in the number of Shares held in the hands of the public falling below the prescribed limit as approved by The Stock Exchange of Hong Kong Limited.

*Share Repurchase made by the Company*

No repurchase of Shares has been made by the Company (whether on the Stock Exchange, ASX Limited or otherwise) in the six months preceding the Latest Practicable Date.

*Share Prices*

The highest and lowest traded prices for the Shares recorded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

| Month   | Highest traded prices HK\$ | Lowest traded prices HK\$ |
|---|----------------------------|---------------------------|
| <b>2021</b>   |                            |                           |
| May   | 13.500                     | 12.960                    |
| June  | 14.400                     | 11.880                    |
| July  | 13.200                     | 12.800                    |
| August  | 14.940                     | 12.800                    |
| September   | 20.000                     | 14.600                    |
| October   | 22.500                     | 14.800                    |
| November  | 18.040                     | 15.900                    |
| December  | 17.800                     | 16.640                    |
| <b>2022</b>   |                            |                           |
| January   | 19.780                     | 17.340                    |
| February  | 19.780                     | 17.600                    |
| March   | 36.200                     | 22.000                    |
| April (up to and including the Latest Practicable Date) | 31.35                      | 25.55                     |

**Recommendation**

The Board recommends that shareholders vote in favour of this resolution.

**Item 8: Extension of the general mandate to issue shares by the number of shares repurchased**

Shareholders' approval is sought by way of ordinary resolution for, subject to the passing of the resolutions numbered 6 and 7, extending the authority given to the Directors pursuant to resolution numbered 6 to issue Shares by adding the number of issued Shares repurchased under resolution numbered 7.

**Reasons for resolution**

The reason for this resolution is to ensure flexibility to the Directors to exercise the powers of the Company to allot and issue more Shares in the event that the Proposed Repurchase Mandate is exercised.

**Recommendation**

The Board recommends that shareholders vote in favour of this resolution.

**Item 9: Amendment to Constitution**

Reference is made to the announcement of the Company made on or about the date of this Notice, wherein the Company announced that the Board has approved the proposed amendments set out below.

Shareholder approval is sought for an amendment to the Constitution. Under section 136 of the Corporations Act, a Company must have shareholder approval by way of special resolution to modify its constitution. This will require approval of 75% of the votes cast by shareholders entitled to vote on the resolution in order to be passed. This requirement is also set out in Rule 7.10(b)(1) of the Constitution.

Accordingly, Item 9 seeks shareholder approval to adopt the amendments to the Constitution set out below.

| Before amendment   | After amendment   |
|--|---|
| <b>Rule 1.1 and Rule 7.9(b)</b><br>References to "Yanzhou" and "Yanzhou Coal Mining Company Limited" | <b>Rule 1.1 and Rule 7.9(b)</b><br>References to "Yankuang" and "Yankuang Energy Group Company Limited" |

**Effect of amendment**

It is proposed that references to "Yanzhou" and "Yanzhou Coal Mining Company Limited" in Rule 1.1 and Rule 7.9(b) of the Constitution be amended to "Yankuang" and "Yankuang Energy Group Company Limited" respectively.

**Reasons for amendment**

The Company's majority shareholder's name has changed from "Yanzhou Coal Mining Company Limited" to "Yankuang Energy Group Company Limited" and the Company's Constitution needs to be updated to reflect this change.

| Before amendment   | After amendment   |
|--|---|
| <p><b>Rule 7.9(u)</b></p> <p>For the purposes of this rule 7.9, a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or its nominee(s) may appoint or authorise any number of proxy(ies), attorney(s) or Representative(s) to cast votes attaching to voting shares that it holds in the company, provided that if 2 or more proxies, attorneys or Representatives are appointed or authorised to vote at the same general meeting, the proxy form or authorisation must specify the number and class of voting shares in respect of which each proxy, attorney or Representative is appointed or authorised to vote. Each person so authorised under the provisions of this constitution shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise as if it were an individual shareholder of the company.</p> | <p><b>Rule 7.9(u)</b></p> <p>A recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)) or its nominee(s) may, <u>at the Company's general meetings or creditors meetings</u>, appoint or authorise any number of proxy(ies), attorney(s) or Representative(s) to cast votes attaching to voting shares that it holds in the company, provided that if 2 or more proxies, attorneys or Representatives are appointed or authorised to vote at the same meeting, the proxy form or authorisation must specify the number and class of voting shares in respect of which each proxy, attorney or Representative is appointed or authorised to vote. Each person so authorised under the provisions of this constitution shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise as if it were an individual shareholder of the company.</p> |

**Reasons for amendment**

The HKEx recently introduced a new requirement such that the Hong Kong Securities Clearing Company Limited must be entitled to appoint proxies or corporate representatives to attend the Company's general meetings and creditors meetings. The said requirement applies to all Hong Kong listed issuers starting from 1 January 2022. The current Rule 7.9(u) of the Constitution allows a recognised clearing house to appoint proxies or corporate representatives to attend a general meeting but not a creditors meeting. The proposed amendment to this rule ensures that creditors meetings are also covered in satisfaction of the new HK Listing Rules requirement.

**Recommendation**

The Board recommends that shareholders vote in favour of this resolution.

**Effect of amendment**

It is proposed that Rule 7.9(u) of the Constitution be amended to allow for a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), to appoint proxies or corporate representatives to attend the Company's general meetings and creditors meetings.