Ignite Capital

2 November 2026

To: The Independent Board Committee and the Independent Shareholders of Yancoal Australia Ltd

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS IN RELATION TO THE COAL SALES TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the 2027 Yankuang Energy Framework Agreement For Coal Sales and the 2027 YIT Framework Agreement For Coal Sales (collectively, the "**Framework Agreements**"), the Coal Sales Transactions (including the Proposed Coal Sales Agreements and the Proposed MOU) and the relevant annual caps, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 2 November 2026 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the announcement of the Company dated 25 August 2026 in relation to the Coal Sales Transactions contemplated under the Framework Agreements, the Proposed Coal Sales Agreements and the Proposed MOU.

With reference to the Letter from the Board, on 23 October 2026, (1) the Company and Yankuang Energy renewed the 2026 Yankuang Energy Framework Agreement For Coal Sales, pursuant to which the Yancoal Group agreed to continue to sell coal to Yankuang Energy and/or its subsidiaries (excluding the Yancoal Group); and (2) the Company and YIT renewed the 2026 YIT Framework Agreement For Coal Sales, pursuant to which the Yancoal Group agreed to continue to sell coal to YIT and/or its associates (excluding the Yankuang Energy Group), in each case for a term commencing on 1 January 2027 and ending on 31 December 2029. The Framework Agreements set out the overarching framework governing the Coal Sales Transactions between the relevant parties, while the terms of the actual coal sales transactions will be set out in separate agreements to be entered into by the relevant parties.

Pursuant to the Framework Agreements, the Company proposes to enter into the Proposed Coal Sales Agreements with three trading companies associated with Yankuang Energy and its controlling shareholder, Shandong Energy, being YIT, YLHK and HII. Further, pursuant to the 2027 YIT Framework Agreement For Coal Sales, the Company proposes to enter into the Proposed MOU with SETI, pursuant to which the Yancoal Group may enter into spot and short-term Export Supply Contracts in respect of additional spot opportunities involving an aggregate volume of up to 2 million tonnes of coal per annum (the "**MOU Maximum Annual Volume**").

The Framework Agreements renew the Current Framework Agreements, being:

(i) the 2026 Yankuang Energy Framework Agreement For Coal Sales entered into between the Company and Yankuang Energy on 25 August 2026 in relation to the sale of coal by the Yancoal Group to Yankuang Energy and/or its subsidiaries (excluding the Yancoal Group) for the period from 1 November 2026 to 31 December 2026; and

(ii) the 2026 YIT Framework Agreement For Coal Sales entered into between the Company and YIT on 25 August 2026 in relation to the sale of coal by the Yancoal Group to YIT and/or its associates (excluding the Yankuang Energy Group) for the period from 1 November 2026 to 31 December 2026.

HONG KONG LISTING RULES IMPLICATIONS

With reference to the Letter from the Board, as at the Latest Practicable Date, Yankuang Energy is a controlling shareholder of the Company, holding approximately 62.26% of the total issued Shares. Accordingly, Yankuang Energy is a connected person of the Company and the transactions contemplated under the 2027 Yankuang Energy Framework Agreement For Coal Sales constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As at the Latest Practicable Date, YIT is a wholly-owned subsidiary of Shandong Energy, the controlling shareholder of Yankuang Energy. Accordingly, YIT is a connected person of the Company by virtue of being an associate of Yankuang Energy and the transactions contemplated under the 2027 YIT Framework Agreement For Coal Sales constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the Coal Sales Transactions will be entered into by the Company with parties that are connected with one another, the Coal Sales Transactions are required to be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As the highest applicable percentage ratio in respect of the aggregate annual caps for the Coal Sales Transactions is more than 5%, such continuing connected transactions will be subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Gregory James Fletcher, Ms. Debra Anne Bakker and Mr. Peter Andrew Smith, being all the Independent Directors, was established to consider and to advise the Independent Shareholders on the terms of the Framework Agreements, the Coal Sales Transactions contemplated thereunder (including the Proposed Coal Sales Agreements and the Proposed MOU), and the relevant annual caps. We, Ignite Capital, have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Yancoal Group, Yankuang Energy, Shandong Energy, YIT, YLHK, HII, SETI or any other parties that could reasonably be regarded as relevant to our independence. During the two years immediately prior to this letter, save for the current appointment, we have not acted as a financial adviser or an independent financial adviser to the Company. Apart from the normal independent financial advisory fees in connection with the current appointment, no arrangements exist whereby we have received or will receive any fees or benefits from the Yancoal Group, Yankuang Energy, Shandong Energy, YIT, YLHK, HII, SETI or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Hong Kong Listing Rules.

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

(i) the Framework Agreements;

(ii) the Company's annual report for the financial year ("**FY**") ended 31 December 2024 (the "**2024 Annual Report**");

(iii) the Company's annual report for FY2025 (the "**2025 Annual Report**");

(iv) the Proposed Coal Sales Agreements;

(v) the Proposed MOU; and

(vi) other information as set out in the Circular.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and the management of the Yancoal Group (collectively, the "**Management**"). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which makes any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial condition and affairs of the Yancoal Group or its future prospects.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules and the ASX Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Framework Agreements, the Coal Sales Transactions contemplated thereunder (including the Proposed Coal Sales Agreements and the Proposed MOU), and the relevant annual caps, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Framework Agreements, the Coal Sales Transactions contemplated thereunder (including the Proposed Coal Sales Agreements and the Proposed MOU), and the relevant annual caps, we have taken into consideration the following principal factors and reasons:

1. Information of the Parties

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.

Shandong Energy

Shandong Energy is a controlling shareholder of Yankuang Energy, holding approximately 52.86% of the shares in Yankuang Energy as of the Latest Practicable Date. Shandong Energy is one of the largest coal mining and energy companies in China. Shandong Energy (formerly known as Yankuang Group Co., Ltd, and renamed as Shandong Energy Group Co., Ltd. in April 2021), is a company with limited liability reformed and established under the laws of the PRC in 1996. Shandong Energy is a large state-owned energy enterprise in Shandong Province, China.

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

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, 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. Shandong Energy is the controlling shareholder of Yankuang Energy.

YIT

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

HII

HII was established in September 2018 and is 49.83% owned by Shandong Energy, 43.39% owned by Hainan Taizhong Group, 5.67% owned by Yankuang Energy Group Co., Ltd and 1.11% owned by China Huaneng Group Fuel Co., Ltd. To the best of the Company's knowledge, information and belief, and having made all reasonable enquiries, Hainan Taizhong Group and China Huaneng Group Fuel Co., Ltd are third parties independent of the Company. HII's main business models include bulk commodity trading, intelligent trading finance services (i.e., ability to accept RMB) and warehouse logistics. HII has an extensive sales channel in the Southern part of China (i.e., Hainan and surrounding provinces) and provides various services that could not be provided by Yancoal in China.

YLHK

YLHK engages in domestic and international trading and logistics of bulk commodities including iron ore, coal, steel and steel scrap. YLHK has a registered capital of RMB200 million with 51% of its share capital owned by Yankuang Energy and 49% owned by Century Lucky Group Corporation. To the best of the Company's knowledge, information and belief, and having made all reasonable enquiries, Century Lucky Group Corporation is a third party independent of the Company.

In 2025, YLHK traded a total of 3.22 million tonnes of iron ore, 3.675 million tonnes of coal and 3.337 million tonnes of steel (including steel scrap). YLHK has extensive relationships with power plants, general industry customers and steel plants in China.

SETI

Shandong Energy Group Theme International Trading Co., Ltd. was established in July 2024. Shandong Energy Group Co., Ltd. holds 51% of the shares, while Deep Source Holdings Limited holds 49%. The registered capital is 800 million Hong Kong dollars. The company's main business is low-risk, large-scale, end-to-end "international and domestic trade of bulk commodities", including black metals scrap steel, steel products, coal and coke etc. In light of business development, it will opportunistically engage in trade of chromium, manganese, pig iron, methanol, ethane and other commodities.

2. Reasons for and benefits of the Coal Sales Transactions

With reference to the Letter from the Board, the Company's principal business activity is the production of thermal and metallurgical coal. Yankuang Energy, a controlling Shareholder, is engaged in the business of mining, preparation, processing and sales of coal and coal chemicals. YIT is engaged in the business of sales of coal and coal chemicals. Each of Yankuang Energy and YIT has been a consistent and reliable customer of the Company in the PRC.

The Company believes that through supplying coal to Yankuang Energy (including its subsidiaries but excluding the Yancoal Group) and YIT (including its associates but excluding the Yankuang Energy Group) in the Company's ordinary and usual course of business, the Company could (i) benefit from a stable source of offtake of coal from Yankuang Energy and YIT during the three years ending 31 December 2027, 2028 and 2029 (the "**Relevant Period**"); and (ii) utilise the Yancoal Group's production ability to supply up to 8 million tonnes per year to Yankuang Energy and YIT.

Industry and market background

We noted from the report titled "Coal 2025: Analysis and forecast to 2030"[1] published by the International Energy Agency in December 2025 that coal consumption in the PRC was projected to remain broadly stable at approximately 4,953 million tonnes in 2025, representing approximately 56% of global coal consumption. We also noted that power generation remained the principal driver of coal consumption in the PRC. These data indicate that the PRC continues to represent a sizeable market for coal, notwithstanding that its overall coal consumption is expected to remain broadly stable.

We further noted from the 2025 Annual Report that PRC accounted for approximately 24% of the Yancoal Group's coal sales revenue in FY2025 and was one of its major markets by end-destination of coal sold. We understand that the PRC is a major import market for the 5,000 to 5,500 kcal/kg NAR thermal coal produced by the Yancoal Group, which is the principal category of coal proposed to be supplied under the Proposed Coal Sales Agreements. We therefore consider that the Proposed Coal Sales Agreements are in line with the Yancoal Group's existing geographical market exposure and the characteristics of the thermal coal produced by the Yancoal Group.

[1] Source: https://www.iea.org/reports/coal-2025/demand

Benefits of the Proposed Coal Sales Agreements

Based on our discussions with the Management, we understand that the Yancoal Group generally seeks to place a substantial proportion of its coal production under term contracts. Such contracts provide greater certainty over offtake and delivery schedules and facilitate production planning, rail and port logistics and inventory management, while reducing the Yancoal Group's exposure to fluctuations in spot demand. The Proposed Coal Sales Agreement with YLHK will be entered into pursuant to the 2027 Yankuang Energy Framework Agreement For Coal Sales, while the Proposed Coal Sales Agreements with YIT and HII will be entered into pursuant to the 2027 YIT Framework Agreement For Coal Sales. Accordingly, the Proposed Coal Sales Agreements are expected to provide the Yancoal Group with a stable source of demand for its thermal coal during the Relevant Period.

We further understand that YIT, YLHK and HII have established domestic sales channels and logistics capabilities to serve customers in the PRC requiring RMB settlement, extended credit terms or delivery-inclusive pricing, which may not be acceptable to the Yancoal Group. Such sales are not intended to target the Yancoal Group's existing direct customers. Accordingly, the Proposed Coal Sales Agreements are expected to broaden the Yancoal Group's customer reach in the PRC without requiring it to assume the same level of additional credit, currency and logistics risks associated with domestic sales.

We have reviewed the historical delivery data made available to us in respect of the existing coal sales arrangements for the period from 1 November 2023 to 31 August 2026 and noted that the Yancoal Group has maintained established trading relationships with the relevant counterparties, with recurring deliveries observed during the period under review. Such historical trading relationships and delivery records demonstrate continuing demand from the relevant counterparties and provide support for the proposed annual contracted quantity under the Proposed Coal Sales Agreements.

Benefits of the Proposed MOU

Separately, pursuant to the 2027 YIT Framework Agreement For Coal Sales, the Proposed MOU provides a framework under which the Yancoal Group may enter into spot and short-term Export Supply Contracts with SETI up to the MOU Maximum Annual Volume. The relevant coal may be sourced from the Yancoal Group's mines in Australia, including Kestrel, or from third-party mines, and may include Kestrel coking coal or third-party coking or thermal coal.

Unlike the aggregate annual contracted quantity of 6 million tonnes of thermal coal under the Proposed Coal Sales Agreements, the MOU Maximum Annual Volume does not represent a committed annual offtake quantity. The Proposed MOU does not impose any binding obligation on the parties to enter into any Export Supply Contract, and the commercial terms of each spot or short-term transaction will be separately negotiated and agreed.

We consider that the Proposed MOU provides the Yancoal Group with additional flexibility to pursue spot and short-term sales or trading opportunities as and when commercially attractive opportunities arise, without requiring the Yancoal Group to commit to any minimum transaction volume. The Proposed MOU is therefore complementary to, but commercially distinct from, the stable offtake arrangements under the Proposed Coal Sales Agreements.

Consistency with the principal business and production capacity of the Yancoal Group

According to the Company's annual reports for the five financial years ended 31 December 2025, revenue generated from the sale of coal accounted for more than 97% of the Yancoal Group's total revenue for each of those financial years. Accordingly, the Coal Sales Transactions are consistent with the principal business and revenue-generating activities of the Yancoal Group.

As set out in the Letter from the Board, the Proposed Coal Sales Agreements provide for the sale of an aggregate of 6 million tonnes of thermal coal per annum, representing approximately 12% of the Yancoal Group's saleable coal production of approximately 51 million tonnes (on a 100% basis) in FY2025. Having considered the scale of such production and the historical delivery records under the existing coal sales arrangements, we consider that the Yancoal Group has sufficient production capacity to supply the aggregate annual contracted quantity under the Proposed Coal Sales Agreements.

Our views

In view of the above, in particular, (i) the importance of the PRC as a major market by end-destination of coal sold for the Yancoal Group and the suitability of the relevant thermal coal products for the PRC market; (ii) the stable source of offtake provided by the Proposed Coal Sales Agreements; (iii) the established domestic sales channels and logistics capabilities of YIT, YLHK and HII; (iv) the historical trading relationships and delivery records with the relevant counterparties; (v) the additional operational flexibility provided by the Proposed MOU; and (vi) the consistency of the Coal Sales Transactions with the principal business of the Yancoal Group and the Yancoal Group's sufficient production capacity to supply the contracted quantity under the Proposed Coal Sales Agreements, we consider that the Framework Agreements and the Coal Sales Transactions contemplated thereunder (including the Proposed Coal Sales Agreements and the Proposed MOU) are in the interests of the Company and the Shareholders as a whole.

3. Principal Terms of the Framework Agreements, the Proposed Coal Sales Agreements and the Proposed MOU

2027 Yankuang Energy Framework Agreement For Coal Sales

The material terms of the 2027 Yankuang Energy Framework Agreement For Coal Sales are summarised below.

(i) Subject Matter

The 2027 Yankuang Energy Framework Agreement For Coal Sales sets out the framework for how the coal sales transactions between the parties will be conducted and provides that all transactions in relation to the sale of coal by the Yancoal Group to Yankuang Energy and/or its subsidiaries (excluding the Yancoal Group) must be (i) in the ordinary and usual course of business of the Yancoal Group, (ii) on an arm's length basis, (iii) on normal commercial terms or better and (iv) in compliance with, among other things, the Hong Kong Listing Rules and applicable laws (which includes the ASX Listing Rules). The terms of the actual coal sales transactions will be set out in separate agreements to be entered into by the parties.

The 2027 Yankuang Energy Framework Agreement For Coal Sales will become effective after and subject to the Company obtaining the approval of the Independent Shareholders for the transactions contemplated under the agreement (including the annual caps in respect of such transactions) and the receipt of all regulatory and corporate approvals required by Yankuang Energy for renewing the agreement.

(ii) Term and Termination

The 2027 Yankuang Energy Framework Agreement For Coal Sales will commence on 1 January 2027 and will continue up to and including 31 December 2029 (i.e. the Yankuang Energy Renewed Term), unless terminated earlier in accordance with the terms of the agreement. Subject to compliance with the applicable requirements of the Hong Kong Listing Rules and the ASX Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the Yankuang Energy Renewed Term or subsequent renewal term, the 2027 Yankuang Energy Framework Agreement For Coal Sales is automatically renewed for a successive period of three years thereafter (or such other period permitted under the Hong Kong Listing Rules and the ASX Listing Rules).

Any renewal of the 2027 Yankuang Energy Framework Agreement For Coal Sales is subject to compliance with the then relevant requirements of the laws, rules and regulations to which either of the Company and Yankuang Energy is subject to.

(iii) Basis of Consideration

Taking into consideration the nature of coal, the sale price will be determined with reference to (i) industry index prices, being API5, which is an internationally recognised, US dollar currency index representing sales and offers from Newcastle for 5,500 kcal/kg NAR coal on a Free On Board basis and which is well-recognised as the basis for pricing coal for sales into China, (ii) coal quality characteristics and (iii) market alternatives to optimise value to the Company. In relation to market alternatives, the Company will consider comparable annual contracts which have been agreed with non-related Chinese end users for the same quality of coal, with deliveries in the same delivery period and for a comparable contract volume. By pricing the coal to be sold under the Proposed Coal Sales Agreements to be entered into pursuant to the 2027 Yankuang Energy Framework Agreement For Coal Sales at the weighted average relativity of coal sold under the comparable annual contracts, the Yancoal Group will be securing term sales at the average market price, and which will not be subject to price discounting below the average market price.

(iv) Historical Amounts

The aggregate annual transaction amounts received by the Yancoal Group from Yankuang Energy and/or its subsidiaries (excluding the Yancoal Group) for the sale of coal for the two months ended 31 December 2023 ("**2M2023**"), the two years ended 31 December 2024 and 2025 and the nine months ended 30 September 2026 ("**9M2026**") under the 2023 Yankuang Energy Framework Agreement For Coal Sales were approximately US$14.6 million, US$200.5 million, US$146.0 million and US$135.8 million, respectively.

2027 YIT Framework Agreement For Coal Sales

The material terms of the 2027 YIT Framework Agreement For Coal Sales are summarised below.

(i) Subject Matter

The 2027 YIT Framework Agreement For Coal Sales sets out the framework for how the coal sales transactions between the parties will be conducted and provides that all transactions in relation to the sale of coal by the Yancoal Group to YIT and/or its associates (excluding the Yankuang Energy Group) must be (i) in the ordinary and usual course of business of the Yancoal Group, (ii) on an arm's length basis, (iii) on normal commercial terms or better and (iv) in compliance with, among other things, the Hong Kong Listing Rules and applicable laws (which includes the ASX Listing Rules). The terms of the actual coal sales transactions will be set out in separate agreements to be entered into by the parties.

The 2027 YIT Framework Agreement For Coal Sales will become effective after and subject to the Company obtaining the approval of the Independent Shareholders for the transactions contemplated under the agreement (including the annual caps in respect of such transactions) and receipt of all regulatory and corporate approvals required by YIT for renewing the agreement.

(ii) Term and Termination

The 2027 YIT Framework Agreement For Coal Sales will commence on 1 January 2027 and will continue up to and including 31 December 2029 (i.e. the YIT Renewed Term), unless terminated earlier in accordance with the terms of the agreement. Subject to compliance with the applicable requirements of the Hong Kong Listing Rules and the ASX Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the YIT Renewed Term or subsequent renewal term, the 2027 YIT Framework Agreement For Coal Sales is automatically renewed for a successive period of three years thereafter (or such other period permitted under the Hong Kong Listing Rules and the ASX Listing Rules).

Any renewal of the 2027 YIT Framework Agreement For Coal Sales is subject to compliance with the then relevant requirements of the laws, rules and regulations to which either of the Company and YIT is subject to.

(iii) Basis of Consideration

Taking into consideration the nature of coal, the sale price will be determined with reference to (i) industry index prices, being API5 (details of which are set out above), (ii) coal quality characteristics and (iii) market alternatives to optimise value to the Company. In relation to market alternatives, the Company will consider comparable annual contracts which have been agreed with non-related Chinese end users for the same quality of coal, with deliveries in the same delivery period and for a comparable contract volume. By pricing the coal to be sold under the Proposed Coal Sales Agreements to be entered into pursuant to the 2027 YIT Framework Agreement For Coal Sales at the weighted average relativity of coal sold under the comparable annual contracts, the Yancoal Group will be securing term sales at the average market price, and which will not be subject to price discounting below the average market price.

(iv) Historical Amounts

The aggregate annual transaction amounts received by the Yancoal Group from YIT and/or its associates (excluding the Yankuang Energy Group) for 2M2023, the two years ended 31 December 2024 and 2025 and 9M2026 under the 2023 YIT Framework Agreement For Coal Sales were approximately US$38.1 million, US$417.6 million, US$299.4 million and US$186.5 million, respectively.

Proposed Coal Sales Agreements

The principal terms of the Proposed Coal Sales Agreements are set out in the section headed "**ADDITIONAL INFORMATION REQUIRED UNDER ASX LISTING RULES**" in the Circular. Set out below is a summary of the key terms relevant to our analysis.

The Proposed Coal Sales Agreement with YLHK will be entered into pursuant to the 2027 Yankuang Energy Framework Agreement For Coal Sales, while the Proposed Coal Sales Agreements with YIT and HII will be entered into pursuant to the 2027 YIT Framework Agreement For Coal Sales. The coal to be supplied principally comprises Australian thermal coal with calorific values of 5,500, 5,250 and 5,100 kcal/kg NAR. The sale price will be determined by reference to API5, the Annual Relativity and the relevant coal quality characteristics.

Proposed MOU

The principal terms of the Proposed MOU are set out in the section headed "**ADDITIONAL INFORMATION REQUIRED UNDER ASX LISTING RULES**" in the Circular. Set out below is a summary of the key terms relevant to our analysis.

The Proposed MOU will be entered into pursuant to the 2027 YIT Framework Agreement For Coal Sales. Pursuant to the Proposed MOU, the Yancoal Group may enter into spot and short-term Export Supply Contracts with SETI during the Relevant Period up to the MOU Maximum Annual Volume. The relevant coal may be sourced from the Yancoal Group's mines in Australia, including Kestrel coking coal or coking or thermal coal sourced from third-party mines.

The price of coal under each Export Supply Contract will be negotiated and agreed separately on an arm's length basis with reference to prevailing coal market conditions. As set out in the Circular and as advised by the Management, prior to entering into any transaction under the Proposed MOU, the Yancoal Group's marketing team will canvass existing customers and potential buyers to determine the party offering the best overall commercial outcome. A transaction with SETI will only proceed where the proposed terms are considered commercially equivalent to, or more favourable than, the next best reasonably available alternative. The contract for each delivery will be entered into on the Yancoal Group's standard terms and conditions or on terms consistent with the relevant third-party coal purchase contract, as applicable.

The Proposed MOU does not impose any binding obligation on the parties to enter into any Export Supply Contract. Accordingly, the MOU Maximum Annual Volume represents the maximum annual transaction volume contemplated under the Proposed MOU rather than a committed annual offtake quantity.

4. Annual caps

4.1. Historical annual caps

2023 Yankuang Energy Framework Agreement For Coal Sales

The historical transaction amounts and corresponding utilisation rates under the 2023 Yankuang Energy Framework Agreement For Coal Sales for 2M2023, FY2024, FY2025 and 9M2026 are as follows:

	2M2023 *(US$ Million)*	**FY2024** *(US$ Million)*	**FY2025** *(US$ Million)*	**9M2026** *Note 1* *(US$ Million)*
Historical transaction amounts	14.6	200.5	146	135.8
Existing annual cap	66.7	300	300	233.3
Utilisation rate	21.9%	66.8%	48.7%	58.2%

Note: The historical transaction amount and corresponding utilisation rate for 9M2026 were based on the unaudited management accounts of the Company for 9M2026 and the historical approved annual cap for ten months ending 31 October 2026. The relevant data is presented for illustrative comparison purposes only.

As shown in the above table, the historical transaction amounts under the 2023 Yankuang Energy Framework Agreement For Coal Sales amounted to approximately US$14.6 million, US$200.5 million, US$146.0 million and US$135.8 million for 2M2023, FY2024, FY2025 and 9M2026, respectively. The corresponding utilisation rates were approximately 21.9%, 66.8%, 48.7% and 58.2%, respectively, with the utilisation rate for 9M2026 presented for illustrative comparison purposes only.

Based on the information provided by the Management, we noted that the historical transaction volumes for FY2024, FY2025 and, on an annualised basis, 9M2026 remained broadly consistent with, or exceeded, the relevant annual contracted quantity of 2 million tonnes contemplated under the relevant coal sales arrangement entered into pursuant to the 2023 Yankuang Energy Framework Agreement For Coal Sales.

Notwithstanding the relatively stable transaction volumes, the actual average selling prices for FY2024, FY2025 and 9M2026 were below the reference price of US$150 per tonne adopted in determining the relevant annual caps, with the average selling price for FY2025 being lower than that for FY2024. Accordingly, the utilisation rates for FY2024, FY2025 and 9M2026 primarily reflected the difference between the actual average selling prices and the reference price adopted in determining the relevant annual caps, rather than a material shortfall in transaction volume.

2023 YIT Framework Agreement For Coal Sales

The historical transaction amounts and corresponding utilisation rates under the 2023 YIT Framework Agreement For Coal Sales for 2M2023, FY2024, FY2025 and 9M2026 are as follows:

	2M2023 *(US$ Million)*	**FY2024** *(US$ Million)*	**FY2025** *(US$ Million)*	**9M2026** *Note 1* *(US$ Million)*
Historical transaction amounts	38.1	417.6	299.4	186.5
Existing annual cap	133.4	600	600	466.6
Utilisation rate	28.6%	69.6%	49.9%	40.0%

Note: The historical transaction amount and corresponding utilisation rate for 9M2026 were based on the unaudited management accounts of the Company for 9M2026 and the historical approved annual cap for ten months ending 31 October 2026. The relevant data is presented for illustrative comparison purposes only.

As shown in the above table, the historical transaction amounts under the 2023 YIT Framework Agreement For Coal Sales amounted to approximately US$38.1 million for 2M2023, approximately US$417.6 million for FY2024, approximately US$299.4 million for FY2025 and approximately US$186.5 million for 9M2026. The corresponding utilisation rates were approximately 28.6%, 69.6%, 49.9% and 40.0%, respectively, with the utilisation rate for 9M2026 presented for illustrative comparison purposes only.

Based on the information provided by the Management, we noted that the transaction volumes for FY2024 and FY2025 were approximately 4.7 million tonnes and 4 million tonnes, respectively, and therefore remained broadly consistent with, or exceeded, the aggregate annual contracted quantity of 4 million tonnes contemplated under the relevant coal sales arrangements entered into pursuant to the 2023 YIT Framework Agreement For Coal Sales. On an annualised basis, the transaction volume for 9M2026 was below the aggregate annual contracted quantity of 4 million tonnes.

The Management explained that YIT historically purchased coal on a spot basis and was not subject to a fixed contractual obligation to purchase a minimum volume of coal. Due to the prevailing market conditions in early 2026, YIT did not enter into an annual contract for FY2026 and instead entered into spot contracts during 9M2026. Accordingly, its transaction volume during 9M2026 was dependent on prevailing market conditions and YIT's purchase requirements.

Notwithstanding such transaction volumes, the actual average selling prices for FY2024, FY2025 and 9M2026 were below the reference price of US$150 per tonne adopted in determining the relevant annual caps, with the average selling price for FY2025 being lower than that for FY2024. Accordingly, the utilisation rates for FY2024 and FY2025 primarily reflected the difference between the actual average selling prices and the reference price adopted in determining the relevant annual caps, rather than a material shortfall in transaction volume. For 9M2026, the utilisation rate of approximately 40.0% reflected both the lower annualised transaction volume under the MOU sales arrangements and the actual average selling price being below the reference price of US$150 per tonne.

4.2. Proposed annual caps

The proposed annual caps under the 2027 Yankuang Energy Framework Agreement For Coal Sales (the "**Yankuang Energy Annual Caps**") for the Relevant Period are as follows:

	FY2027	**FY2028**	**FY2029**
	(US$ Million)	*(US$ Million)*	*(US$ Million)*
Yankuang Energy Annual Cap	300	300	300

The proposed annual caps under the 2027 YIT Framework Agreement For Coal Sales (the "**YIT Annual Caps**") for the Relevant Period are as follows:

	FY2027	**FY2028**	**FY2029**
	(US$ Million)	*(US$ Million)*	*(US$ Million)*
YIT Annual Cap	900	900	900

Basis of determination of the Yankuang Energy Annual Caps and the YIT Annual Caps

With reference to the Letter from the Board, the annual caps set out above were determined primarily with reference to the following: (i) taking into consideration the business requirements of Yankuang Energy and YIT and the current and last three years review of market pricing for the quality of coal to be supplied, the Company expects to maintain such sales volume in future years pursuant to the respective Proposed Coal Sales Agreements, (ii) the expected additional spot demand for coal from Yankuang Energy and/or its subsidiaries (excluding the Yancoal Group) and YIT and/or its associates (excluding the Yankuang Energy Group) over the next three years; (iii) the expected volume of the additional spot opportunities under the Proposed MOU based on the maximum volume set out in the Proposed MOU; and (iv) the estimated sale price for the coal the Company typically charges. Please refer to the section headed "**ADDITIONAL INFORMATION REQUIRED UNDER ASX LISTING RULES**" which sets out further details of the Proposed Coal Sales Agreements and the Proposed MOU, including the maximum annual quantity of coal to be sold under each of such agreements and the pricing basis, which have been used in arriving at the annual caps set out above. The annual caps for the transactions to be entered into under the 2027 Yankuang Energy Framework Agreement for Coal Sales and YIT Framework Agreement for Coal Sales referred to above have been arrived at using an assumed price of US$150/mt for API5 standard quality coal. This assumed price was arrived at after taking into account the current forward price of US$110/mt for API5 standard quality coal and adjusting for historical volatility of the API5 coal price that arises due to geopolitical events along with cyclical changes to the supply and demand outlook for thermal coal. The assumed price for API5 standard quality coal used in arriving at the annual caps under the 2023 and 2026 Yankuang Energy Framework Agreement For Coal Sales and YIT Framework Agreement For Coal Sales was also US$150/mt. However, as the actual price of the coal sold under the 2023 and 2026 Yankuang Energy Framework Agreement For Coal Sales and YIT Framework Agreement For Coal Sales was below US$150/mt, this impacted the percentage utilisation of the annual caps under those framework agreements.

5. Our analysis

5.1. Annual caps

In assessing the fairness and reasonableness of the Yankuang Energy Annual Caps and the YIT Annual Caps, we have reviewed the information provided by the Management and discussed with the Management the bases and assumptions adopted in determining such annual caps.

We noted that the Yankuang Energy Annual Caps of US$300 million and the YIT Annual Caps of US$900 million for each year of the Relevant Period were determined based on: (i) annual volume assumptions of 2 million tonnes and up to 6 million tonnes under the 2027 Yankuang Energy Framework Agreement For Coal Sales and the 2027 YIT Framework Agreement For Coal Sales, respectively; and (ii) a reference coal price of US$150 per tonne (the "**Reference Price**"). The annual volume assumption of 2 million tonnes under the 2027 Yankuang Energy Framework Agreement For Coal Sales represents the annual contracted quantity under the Proposed Coal Sales Agreement with YLHK. The annual volume assumption of up to 6 million tonnes under the 2027 YIT Framework Agreement For Coal Sales comprises an aggregate annual contracted quantity of 4 million tonnes under the Proposed Coal Sales Agreements with YIT and HII and the MOU Maximum Annual Volume.

In comparison with the previous arrangement, the Yankuang Energy Annual Caps remain unchanged, with both the current and previous annual caps being determined based on an annual volume assumption of 2 million tonnes and the Reference Price of US$150 per tonne. The YIT Annual Caps, however, increase from US$600 million to US$900 million per annum, primarily reflecting the inclusion of the MOU Maximum Annual Volume, in addition to the aggregate annual contracted quantity of 4 million tonnes under the Proposed Coal Sales Agreements with YIT and HII. Accordingly, the aggregate annual caps under the Framework Agreements increase from US$900 million to US$1,200 million per annum.

(a) Annual volume

2027 Yankuang Energy Framework Agreement For Coal Sales

In respect of the annual volume assumption of 2 million tonnes under the 2027 Yankuang Energy Framework Agreement For Coal Sales, we noted that the relevant Proposed Coal Sales Agreement with YLHK provides for the same annual contracted quantity. As discussed under the section headed "Historical annual caps" above, the historical transaction volumes for FY2024, FY2025 and, on an annualised basis, 9M2026 remained broadly consistent with, or exceeded, the proposed annual contracted quantity. Accordingly, we consider that the annual volume assumption of 2 million tonnes is supported by the relevant contractual arrangement and the historical transaction volumes.

Proposed Coal Sales Agreements with YIT and HII

In respect of the aggregate annual contracted quantity of 4 million tonnes under the Proposed Coal Sales Agreements with YIT and HII, we noted that the historical transaction volumes under the 2023 YIT Framework Agreement For Coal Sales were approximately 4.7 million tonnes and 4 million tonnes for FY2024 and FY2025, respectively. Such historical transaction volumes were broadly consistent with, or exceeded, the proposed aggregate annual contracted quantity of 4 million tonnes and therefore provide support for the volume assumption. However, on an annualised basis, the transaction volume for 9M2026 remained below the proposed aggregate annual contracted quantity of 4 million tonnes.

As discussed under the section headed "Historical annual caps" above, YIT historically purchased coal on a spot basis and was not subject to a fixed contractual obligation to purchase a minimum volume of coal. In contrast, the Proposed Coal Sales Agreements with YIT and HII provide for an annual contracted quantity of 2 million tonnes each during the Relevant Period. We consider that such term contractual arrangements provide the Yancoal Group with a greater degree of certainty and visibility over its coal offtake and sales during the Relevant Period.

Having considered (i) the historical transaction volumes for FY2024 and FY2025; and (ii) the greater degree of certainty over offtake provided by the Proposed Coal Sales Agreements, including the replacement of YIT's previous spot-based purchasing arrangement with a term contractual arrangement, we consider that the proposed aggregate annual contracted quantity of 4 million tonnes is reasonable.

MOU Maximum Annual Volume

The MOU Maximum Annual Volume represents the maximum annual transaction volume contemplated under the Proposed MOU rather than a committed annual offtake quantity. As the relevant transactions will arise on a spot or short-term basis, the specific product mix, transaction volume and timing of such transactions cannot be determined in advance. We understand that the MOU Maximum Annual Volume is intended to provide the Yancoal Group with sufficient flexibility to pursue commercially attractive sales or trading opportunities as and when they arise. Given that the Proposed MOU does not require the parties to enter into any minimum transaction volume and each transaction will be subject to the applicable pricing and internal control procedures, we consider that the MOU Maximum Annual Volume provides operational flexibility without obliging the Yancoal Group to undertake transactions unless commercially acceptable terms are available. The Management further advised that the MOU Maximum Annual Volume represents approximately 5% of the Yancoal Group's total managed sales volume.

Having considered (i) the terms of the Proposed Coal Sales Agreements; (ii) the historical transaction volumes under the existing coal sales arrangements; (iii) the greater degree of certainty over offtake provided by the Proposed Coal Sales Agreements; and (iv) the non-committed and opportunity-based nature of the MOU Maximum Annual Volume and the fact that 2 million tonnes represents approximately 5% of the Yancoal Group's total managed sales volume, we consider that the annual volume assumptions adopted in determining the Yankuang Energy Annual Caps and the YIT Annual Caps are reasonable.

(b) Reference Price

Based on our discussions with the Management, we understand that the Reference Price of US$150 per tonne was adopted as a common price assumption for the purpose of determining the Yankuang Energy Annual Caps and the YIT Annual Caps and remains unchanged throughout the Relevant Period. We further note that the same reference price was adopted in determining the annual caps under the 2023 Yankuang Energy Framework Agreement For Coal Sales and the 2023 YIT Framework Agreement For Coal Sales. The Reference Price is an assumption adopted solely for annual cap-setting purposes and does not represent the actual transaction price or a forecast of the selling price of coal during the Relevant Period. The actual transaction prices will be determined in accordance with the applicable pricing mechanisms and prevailing market conditions.

The Management further explained that the Reference Price was adopted having regard to the volatility of coal prices and the uncertainty arising from geopolitical and market developments, which make future coal prices difficult to predict. Obtaining revised annual caps would also involve additional time and costs. Accordingly, the Reference Price includes headroom to accommodate potential increases in coal prices and provide operational flexibility during the Relevant Period.

Proposed Coal Sales Agreements

When we reviewed the historical weekly API5 data from January 2021 up to July 2026, we noted that the Reference Price of US$150 per tonne represents headroom of approximately US$46.8 per tonne, or approximately 45.3%, over the average API5 of approximately US$103.2 during the period under review, which is equivalent to approximately 1 standard deviation above the average API5. We also noted that API5 ranged from approximately US$53.9 per tonne to approximately US$284.2 per tonne during the period under review, with the maximum API5 being approximately 5.3 times the minimum API5. Whilst the Reference Price is higher than the historical average API5 during the period under review, we consider that such headroom is reasonable for annual cap-setting purposes, having regard to (i) the significant historical fluctuations in API5, as demonstrated by the range and standard deviation set out above; (ii) the possibility that coal prices may increase during the three-year term of the Framework Agreements; and (iii) the difficulty in forecasting coal prices over such period due to changing market and geopolitical conditions.

We noted from the website of Argus Media that API5 was launched in May 2012 and is a key physical coal benchmark representing the price of Australian thermal coal with a calorific value of 5,500 kcal/kg NAR exported from Newcastle on a free-on-board basis. Given that the Proposed Coal Sales Agreements principally relate to Australian thermal coal with calorific values of 5,500, 5,250 and 5,100 kcal/kg NAR, we consider API5 to be an appropriate benchmark for assessing the reasonableness of the Reference Price for annual cap-setting purposes in respect of the aggregate annual contracted quantity of 6 million tonnes under the Proposed Coal Sales Agreements.

Proposed MOU

We noted that the MOU Maximum Annual Volume may comprise Kestrel coking coal or coking or thermal coal sourced from third-party mines. As advised by the Management, the majority of the coal sales contemplated under the Proposed MOU are expected to comprise thermal coal. Given the limited opportunities to sell coking coal into the PRC on a spot basis, coking coal sales are expected to represent only a limited proportion of the transactions under the Proposed MOU.

Having considered the expected product mix under the Proposed MOU and the relatively small proportion of the Yancoal Group's total managed sales volume represented by the MOU Maximum Annual Volume, we consider that the Reference Price of US$150 per tonne is reasonable for annual cap-setting purposes in respect of the Proposed MOU.

Our views

Having considered the annual volume assumptions and the Reference Price adopted in determining the Yankuang Energy Annual Caps and the YIT Annual Caps, including the factors discussed above, we consider that the Yankuang Energy Annual Caps and the YIT Annual Caps are fair and reasonable.

Shareholders should note that the Yankuang Energy Annual Caps and the YIT Annual Caps relate to future transactions and were determined by reference to assumptions which may or may not remain valid throughout the Relevant Period. The annual caps do not represent forecasts of the transaction amounts or revenue to be generated from the Coal Sales Transactions. Accordingly, we express no opinion as to the extent to which the actual transaction amounts will correspond with the relevant annual caps.

5.2. Pricing mechanism

Proposed Coal Sales Agreements

As set out in the Letter from the Board, the transaction prices under the Proposed Coal Sales Agreements will be determined with reference to API5, the relevant coal quality characteristics and available market alternatives.

We understand that the pricing mechanism under the Proposed Coal Sales Agreements will comprise API5 and the Annual Relativity applicable to the relevant coal product. The Annual Relativity will be determined by reference to the weighted average of the adjustment to the API5 reflected in comparable annual contracts entered into between the Yancoal Group and independent customers in the PRC.

Under the previous coal sales arrangements, the applicable price adjustment was fixed for the relevant contractual period. Accordingly, if the relativity to API5 reflected in comparable contracts with independent customers subsequently increased, the Yancoal Group would be unable to adjust the transaction price upward to capture the higher market relativity. Conversely, if the prevailing market relativity decreased, the fixed transaction price could become less competitive and may affect the relevant connected counterparty's willingness to purchase coal. Under the Proposed Coal Sales Agreements, the Annual Relativity will be updated annually by reference to comparable annual contracts with independent customers, allowing the applicable relativity to be adjusted upward or downward to reflect prevailing market conditions more closely.

We consider that the Annual Relativity mechanism reduces the risk of the transaction prices diverging from the pricing terms available in comparable independent transactions and supports the continued competitiveness of the Proposed Coal Sales Agreements.

Review of the Annual Relativity mechanism

We noted that the Annual Relativity for each relevant coal product will be calculated based on the weighted average of the adjustment to the API5 under comparable annual contracts entered into by the Yancoal Group with independent Chinese end-user customers for the same coal quality and delivery period. The calculation will also be verified by an independent external auditor appointed by the Company.

As the Annual Relativity is determined by reference to the pricing terms of comparable transactions with independent customers and will be updated annually, we consider that the mechanism provides a reasonable basis for ensuring that the transaction prices under the Proposed Coal Sales Agreements remain aligned with prevailing arm's length market terms.

Proposed MOU

The pricing mechanism under the Proposed MOU differs from that under the Proposed Coal Sales Agreements, as the relevant transactions may involve different types and sources of coal and will be entered into on a spot or short-term basis. The price of coal under each Export Supply Contract will be separately negotiated and agreed on an arm's length basis with reference to prevailing coal market conditions.

As set out in the Letter from the Board, prior to entering into any transaction under the Proposed MOU, the Yancoal Group's marketing team will canvass existing customers and potential buyers to identify the option offering the best overall commercial outcome. A transaction with SETI will only proceed where the terms offered by SETI are commercially equivalent to, or more favourable than, the next best reasonably available alternative. Each cargo will also be supported by documented commercial justification.

As advised by the Management, the Yancoal Group's marketing team will approach the global market and solicit bids for the spot availability of coal. The Management will consider at least two comparable bids from independent third parties and assess the available alternatives having regard to a range of commercial factors before entering into any transaction under the Proposed MOU.

Having considered the market canvassing process and the comparison against at least two comparable bids from independent third parties, we consider that the pricing mechanism under the Proposed MOU is fair and reasonable and provides a reasonable basis for assessing whether the terms offered by SETI are commercially equivalent to, or more favourable than, the next best reasonably available alternative.

Historical implementation of the existing pricing controls

To assess the historical implementation of the pricing controls under the previous arrangements, we randomly selected one transaction from each of 2M2023, FY2024, FY2025 and 9M2026 under each of the 2023 Yankuang Energy Framework Agreement For Coal Sales and the 2023 YIT Framework Agreement For Coal Sales. We obtained and reviewed the relevant internal approval records and supporting documents for the selected transactions.

From our review, we noted that API5 was used in determining the transaction price and the applicable price adjustment was applied consistently with the relevant pricing terms. We also noted that the transaction prices were compared against the prices offered by independent third parties or the prices adopted in recent transactions between the Yancoal Group and independent third parties.

We also reviewed the 2024 Annual Report and the 2025 Annual Report and noted that the Independent Directors and the auditor of the Company had conducted the annual reviews required under Chapter 14A of the Hong Kong Listing Rules in respect of the continuing connected transactions, including the transactions conducted under the previous framework agreements, for FY2024 and FY2025.

Our views

Having considered (i) the use of API5 and the Annual Relativity under the Proposed Coal Sales Agreements; (ii) the annual update of the Annual Relativity by reference to comparable contracts with independent customers; (iii) the market canvassing process, the comparison against at least two comparable bids from independent third parties and the relevant commercial factors to be taken into account under the Proposed MOU; (iv) the relevant internal review and approval procedures; and (v) the historical implementation of the pricing controls under the 2023 Yankuang Energy Framework Agreement For Coal Sales and the 2023 YIT Framework Agreement For Coal Sales, we consider that the respective pricing mechanisms applicable to the Coal Sales Transactions under the Framework Agreements are fair and reasonable and provide appropriate safeguards to ensure that the transactions contemplated thereunder will be conducted on an arm's length basis and on normal commercial terms.

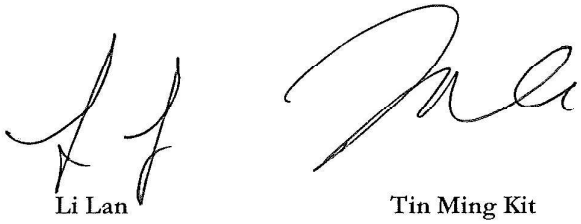
OPINION AND RECOMMENDATION

Based on the above principal factors and reasons, we are of the view that the terms of the 2027 Yankuang Energy Framework Agreement For Coal Sales, the 2027 YIT Framework Agreement For Coal Sales (including the transactions contemplated thereunder and the relevant annual caps), the Proposed Coal Sales Agreements and the Proposed MOU are fair and reasonable and on normal commercial terms, and that the transactions contemplated thereunder are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the 2027 Yankuang Energy Framework Agreement For Coal Sales and the 2027 YIT Framework Agreement For Coal Sales (including the transactions contemplated thereunder and the relevant annual caps), the Proposed Coal Sales Agreements and the Proposed MOU.

For and on behalf of

Ignite Capital (Asia Pacific) Limited



Li Lan **Tin Ming Kit**

Managing Director *Director*

Mr. Li Lan is a Managing Director of Ignite Capital and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Li has over 20 years of corporate finance experience in Hong Kong and has participated in and completed various financial advisory and independent financial advisory transactions.

Mr. Tin Ming Kit is a Director of Ignite Capital and is licensed under the SFO as a licensed person to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Tin has over 20 years of investment banking and corporate finance experience in Hong Kong and has participated in and completed various initial public offerings, corporate financial advisory and independent financial advisory transactions.