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Yancoal Australia Ltd

ACN 111 859 119

兗煤澳大利亞有限公司*

(Incorporated in Victoria, Australia with limited liability)

(Hong Kong stock code: 3668)

(Australian Stock Code: YAL)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO BANK GUARANTEES PROVIDED IN FAVOUR OF ASSOCIATES OF THE CONTROLLING SHAREHOLDER

Reference is made to (i) the continuing connected transactions in relation to the use of the overall bank guarantee facilities by certain subsidiaries of Yankuang Energy under the financing facilities entered into by the Group as disclosed in the prospectus issued by the Company on 26 November 2018 (the "**Prospectus**"); (ii) the announcement of the Company dated 20 December 2023 (the "**2023 Announcement**") in relation to, among others, the use of overall bank guarantee facilities under the financing facilities entered or to be entered into by the Group by the Australian Entities and/or their subsidiaries during the three years ending 31 December 2026 under the 2024 Australian Entities Framework Bank Guarantee Agreement and (iii) the announcement of the Company dated 18 December 2024 (the "**2024 Announcement**") in relation to, among others, (a) the use of overall bank guarantee facilities under the financing facilities entered or to be entered into by the Group by Premier Coal and/or its subsidiaries during the year ending 31 December 2025 under the 2025 Premier Coal Framework Bank Guarantee Agreement; and (b) the amendment of the 2024 Australian Entities Framework Bank Guarantee Agreement.

The Company has entered into new guarantee facility agreements with financiers which are independent third-party financial institutions. To align with such new facility agreements, on 10 December 2025, the Company entered into (i) the 2026 Australian Entities Framework Bank Guarantee Agreement with the Australian Entities for a term of three years commencing on 1 January 2026 and expiring on 31 December 2028, pursuant to which the Australian Entities and/or their subsidiaries may use overall bank guarantee facilities under the financing facilities entered or to be entered into by the Group; and (ii) the 2026 Premier Coal Framework Bank Guarantee Agreement with Premier Coal for a term of one year commencing on 1 January 2026 and expiring on 31 December 2026, pursuant to which Premier Coal and/or its subsidiaries may use overall bank guarantee facilities under the financing facilities entered or to be entered into by the Group.

**For identification purposes only*

The 2025 Premier Coal Framework Bank Guarantee Agreement will expire on 31 December 2025. The 2026 Australian Entities Framework Bank Guarantee Agreement supersedes the 2024 Australian Entities Framework Bank Guarantee Agreement which is due to expire on 31 December 2026. Accordingly, the Company and the Australian Entities have agreed to terminate the 2024 Australian Entities Framework Bank Guarantee Agreement on 31 December 2025.

As at the date of this announcement, Yankuang Energy is a controlling shareholder of the Company, holding approximately 62.26% of the total issued shares of the Company and each of the Australian Entities and Premier Coal is a wholly-owned subsidiary of Yankuang Energy. Accordingly, each of the Australian Entities and Premier Coal is a connected person of the Company by virtue of being an associate of the Company's controlling shareholder. Accordingly, the use of bank guarantees under the financing facilities entered into by the Group by any of the Australian Entities, Premier Coal and/or their subsidiaries constitutes a continuing connected transaction of the Company.

As the 2026 Framework Bank Guarantee Agreements were entered into by the Company with parties who are connected with one another, the transactions contemplated under the 2026 Framework Bank Guarantee Agreements are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregate annual caps for the continuing connected transactions under the 2026 Framework Bank Guarantee Agreements is more than 0.1% but less than 5%, such continuing connected transactions will be subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the continuing connected transactions in relation to the use of the overall bank guarantee facilities by certain subsidiaries of Yankuang Energy under the financing facilities entered into by the Group as disclosed in the Prospectus, the 2023 Announcement and the 2024 Announcement.

The Company has entered into new guarantee facility agreements with financiers which are independent third-party financial institutions. To align with such new facility agreements, on 10 December 2025, the Company entered into (i) the 2026 Australian Entities Framework Bank Guarantee Agreement with the Australian Entities for a term of three years commencing on 1 January 2026 and expiring on 31 December 2028, pursuant to which the Australian Entities and/or their subsidiaries may use overall bank guarantee facilities under the financing facilities entered or to be entered into by the Group; and (ii) the 2026 Premier Coal Framework Bank Guarantee Agreement with Premier Coal for a term of one year commencing on 1 January 2026 and expiring on 31 December 2026, pursuant to which Premier Coal and/or its subsidiaries may use overall bank guarantee facilities under the financing facilities entered or to be entered into by the Group.

The 2025 Premier Coal Framework Bank Guarantee Agreement will expire on 31 December 2025. The 2026 Australian Entities Framework Bank Guarantee Agreement supersedes the 2024 Australian Entities Framework Bank Guarantee Agreement which is due to expire on 31 December 2026. Accordingly, the Company and the Australian Entities have agreed to terminate the 2024 Australian Entities Framework Bank Guarantee Agreement on 31 December 2025 .

MATERIAL TERMS OF THE 2026 AUSTRALIAN ENTITIES FRAMEWORK BANK GUARANTEE AGREEMENT

The 2026 Australian Entities Framework Bank Guarantee Agreement provides that all transactions in relation to the use of bank guarantees by the Australian Entities and/or their subsidiaries must be (i) on an arm's length basis, (ii) on normal commercial terms with bank guarantee fees to be paid by the Australian Entities and/or their subsidiaries to the Company equal to the bank guarantee fees to be paid by the Group to the relevant financiers plus a 8.25% margin within 20 Business Days after the payment by the Group, and (iii) in compliance with, amongst other things, all applicable provisions of the financing facilities entered into by the Group to facilitate the transactions under the 2026 Australian Entities Framework Bank Guarantee Agreement, the Listing Rules and applicable laws.

The term of the 2026 Australian Entities Framework Bank Guarantee Agreement is for a period of three years commencing on 1 January 2026 and expiring on 31 December 2028.

MATERIAL TERMS OF THE 2026 PREMIER COAL FRAMEWORK BANK GUARANTEE AGREEMENT

The 2026 Premier Coal Framework Bank Guarantee Agreement provides that all transactions in relation to the use of bank guarantees by Premier Coal and/or its subsidiaries must be (i) on an arm's length basis, (ii) on normal commercial terms with bank guarantee fees to be paid by Premier Coal and/or its subsidiaries to the Company equal to the bank guarantee fees to be paid by the Group to the relevant financiers plus a 8.25% margin within 20 Business Days after the payment by the Group, and (iii) in compliance with, amongst other things, all applicable provisions of the financing facilities entered into by the Group to facilitate the transactions under the 2026 Premier Coal Framework Bank Guarantee Agreement, the Listing Rules and applicable laws.

The term of the 2026 Premier Coal Framework Bank Guarantee Agreement is for a period of one year commencing on 1 January 2026 and expiring on 31 December 2026.

REASONS FOR, AND BENEFIT OF, THE CONTINUING CONNECTED TRANSACTIONS

As set out in the Prospectus, the Company manages certain mines, which are located in Australia, on behalf of the Australian Entities, Premier Coal and/or their subsidiaries. In the ordinary and usual course of business, the Australian Entities, Premier Coal and/or their subsidiaries holding the managed mines may require credit support documents issued by commercial banks or other financiers for their respective business operations. Given the relevant commercial banks or other financiers can issue credit support documents pursuant to existing facility agreements generally within 5 business days after receiving a request, which is a much shorter period of time and simpler process as compared to those required by other financiers to issue credit support documents without an existing facility agreement and the relationship between the Company and the managed mines, as an integral part of the management services rendered by the Company in support of the operation of the managed mines, the Australian Entities, Premier Coal and/or their subsidiaries holding the managed mines will use the overall bank guarantee facilities under the financing facilities entered or to be entered into by the Group and pay the Company bank guarantee fees.

Having considered the reasons set out above and that the Company also receives management fees from the Australian Entities, Premier Coal and/or their subsidiaries in relation to the managed mines, the Company considers that the using of the overall bank guarantee facilities by the Australian Entities, Premier Coal and/or their subsidiaries holding managed mines is in the interest of the Company and the Shareholders as a whole.

HISTORICAL TRANSACTION AMOUNTS

The aggregate maximum daily outstanding principal amount and the bank guarantee fees received under the credit support documents issued by the relevant financiers in favour of the Australian Entities and/or their subsidiaries for the two years ended 31 December 2023, 2024 and the nine months ended 30 September 2025 were approximately A$55 million, A$52 million and A$49 million respectively.

The aggregate maximum daily outstanding principal amount and the bank guarantee fees received under the credit support documents issued by the relevant financiers in favour of Premier Coal and/or its subsidiaries for the two years ended 31 December 2023, 2024 and the nine months ended 30 September 2025 were approximately A$30 million, A$30 million and A$30 million respectively.

ANNUAL CAPS

The aggregate maximum daily outstanding principal and the bank guarantee fees to be received under the credit support documents issued by the financiers in favour of the Australian Entities and/or their subsidiaries pursuant to the 2026 Australian Entities Framework Bank Guarantee Agreement for each of the years ending 31 December 2026, 2027, and 2028 will not exceed A$60 million.

The above annual caps were calculated by reference to the historical transaction amounts as well as the expected future demand for bank support documents by the Australian Entities and/or their subsidiaries.

The aggregate maximum daily outstanding principal and the bank guarantee fees to be received under the credit support documents issued by the financiers in favour of Premier Coal and/or its subsidiaries pursuant to the 2026 Premier Coal Framework Bank Guarantee Agreement from 1 January 2026 to 31 December 2026 will not exceed A$35 million.

The above annual cap was calculated by reference to the historical transaction amounts as well as the expected future demand for bank support documents by Premier Coal and/or their subsidiaries.

DIRECTORS' CONFIRMATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the 2026 Framework Bank Guarantee Agreements (including the relevant annual caps thereunder) and the continuing connected transactions between the Company and Australian Entities as well as the Company and Premier Coal in relation to the use of bank guarantees are fair and reasonable. Although the continuing connected transactions are not in the ordinary and usual course of business of the Group, they are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

Mr. Ning Yue, Mr. Gang Ru, Mr. Jiuhong Wang, Mr. Xiaolong Huang and Mr. Zhiguo Zhao declared that they hold certain positions in Yankuang Energy or Shandong Energy. However, the Constitution of the Company does not preclude such Directors from voting. Accordingly, none of the Directors abstained from voting on the relevant resolutions of the Board approving the continuing connected transactions under the 2026 Framework Bank Guarantee Agreements (including the relevant annual caps).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Yankuang Energy is a controlling shareholder of the Company, holding approximately 62.26% of the total issued shares of the Company and each of the Australian Entities and Premier Coal is a wholly-owned subsidiary of Yankuang Energy. Accordingly, each Australian Entity and Premier Coal is a connected person of the Company by virtue of being an associate of the Company's controlling shareholder. Accordingly, the use of bank guarantees under the financing facilities entered into by the Group by any of the Australian Entities, Premier Coal and/or their subsidiaries constitutes a continuing connected transaction of the Company.

As the 2026 Framework Bank Guarantee Agreements were entered into by the Company with parties who are connected with one another, the transactions contemplated under the 2026 Framework Bank Guarantee Agreements are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregate annual caps for the continuing connected transactions under the 2026 Framework Bank Guarantee Agreements is more than 0.1% but less than 5%, such continuing connected transactions will be subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INFORMATION IN RELATION TO THE COMPANY, THE AUSTRALIAN ENTITIES AND PREMIER COAL

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 ASX and the Stock Exchange since 2012 and 2018, respectively.

Both of the Australian Entities and Premier Coal are wholly-owned subsidiaries of Yankuang Energy incorporated in Australia. 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. 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. Shandong Energy's annual production capacity of coal at home and abroad totals 340 million tons, and its coal output ranks the third in China's coal industry.

DEFINITIONS

"2024 Australian Entities Framework Bank Guarantee Agreement"	the framework bank guarantee agreement dated 20 December 2023 entered into between the Company and the Australian Entities
"2025 Premier Coal Framework Bank Guarantee Agreement"	the framework bank guarantee agreement dated 18 December 2024 entered into between the Company and Premier Coal

"2026 Australian Entities Framework Bank Guarantee Agreement"	the framework bank guarantee agreement dated 10 December 2025 entered into between the Company and the Australian Entities
"2026 Framework Bank Guarantee Agreements"	the 2026 Australian Entities Framework Bank Guarantee Agreement and the 2026 Premier Coal Framework Bank Guarantee Agreement
"2026 Premier Coal Framework Bank Guarantee Agreement"	the framework bank guarantee agreement dated 10 December 2025 entered into between the Company and Premier Coal
"Australian Entities"	Athena Holdings Pty Ltd, Tonford Holdings Pty Ltd, Wilpeena Holdings Pty Ltd and Yancoal Energy Pty Ltd
"Board"	the board of Directors of the Company
"Business Day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
"Company"	Yancoal Australia Ltd, a company incorporated under the laws of Australia with limited liability, whose ordinary shares are listed on The Australian Securities Exchange and The Stock Exchange of Hong Kong Limited
"connected person"	has the meaning ascribed to it in the Listing Rules
"controlling shareholder"	has the meaning ascribed to it in the Listing Rules
"Director"	a director of the Company
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Premier Coal"	Premier Coal Holdings Pty Ltd
"Shandong Energy"	Shandong Energy Group Company Limited* (山東能源集團有限公司), a large energy enterprise incorporated in July 2020, upon an agreed merger between the former Yankuang Group and the former Shandong Energy Group, the controlling shareholder of Yankuang Energy and the ultimate controlling shareholder of the Company
"Shareholder(s)"	holder(s) of Shares
"Shares"	ordinary shares in the share capital of the Company
"Yankuang Energy"	Yankuang Energy Group Co. Limited* (兗礦能源集團股份有限公司), a joint stock company established in the PRC with limited liability, the H shares and A shares of

which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively

By order of the Board
Yancoal Australia Ltd
Gang RU
Chairman

Hong Kong, 10 December 2025

As of the date of this announcement, the executive Director is Mr. Ning Yue, the non-executive Directors are Mr. Gang Ru, Mr. Jiuhong Wang, Mr. Xiaolong Huang, Mr. Zhiguo Zhao and Mr. Ang Li and the independent non-executive Directors are Mr. Gregory James Fletcher, Ms. Debra Anne Bakker and Mr Peter Andrew Smith.