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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE REVOLVING LOAN

1. INTRODUCTION

On 21 December 2021, Gloucester (SPV), a wholly-owned subsidiary of the Company, and Peabody (as lenders) and Middlemount (as borrower) entered into an amendment agreement to the Interim Shareholders Agreement which was entered into on 24 December 2010, pursuant to which Gloucester (SPV) and Peabody agreed to, among other things, reduce the limit of the Revolving Loan from A\$160 million to A\$50 million and extend the maturity date of the Revolving Loan, being 31 December 2021, for a further term of two years ending on 31 December 2023. The Revolving Loan has been and, if provided during the availability period set out below, will be provided by the lenders in proportion to their respective interests in Middlemount.

As at the date of this announcement, Gloucester (SPV) and Peabody held 49.9997% and 50.0003% interests in Middlemount, respectively.

2. INTERIM SHAREHOLDERS AGREEMENT (AS AMENDED)

Pursuant to the Interim Shareholders Agreement (as amended on 21 December 2021),

- (i) the limit of the Revolving Loan will be reduced to A\$50 million from A\$160 million, which, if provided during the availability period set out below, will be provided by Gloucester (SPV) and Peabody in proportion to their respective interests in Middlemount;
- (ii) the maturity date of the Revolving Loan will be extended to 31 December 2023 (the "**Maturity Date**") and the Revolving Loan will be terminated on the earlier of the Maturity Date and the date on which the Revolving Loans are cancelled or terminated (the "**Termination Date**"). The availability period of the Revolving Loan is from 21 December 2021 until the Termination Date;

**For identification purposes only*

- (iii) the interest rate will remain at 10% per annum; and
- (iv) the Borrower must repay the full amount of the Revolving Loan outstanding on the Termination Date and all accrued interest on the Revolving Loan is to be paid to the Lender on the last business day of the calendar month and (if earlier) on the Termination Date.

3. REASONS FOR, AND BENEFITS OF, THE REVOLVING LOAN

The Middlemount mine is an open cut mine located in Queensland. As at the date of this announcement, the Company, through Gloucester (SPV), a wholly-owned subsidiary of the Company, held a 49.9997% interest in the Borrower. The Company is also the marketing agent of the Borrower for all the major Northeast Asian markets representing approximately 60% the sales of Middlemount mine. The provision of the Revolving Loan by the Company in proportion to its interest in the Borrower is to support the funding requirements of the Borrower, which in turn, could generate revenue for the Company.

The Board considers that the terms of the Interim Shareholders Agreement (as amended on 21 December 2021), which were mutually agreed by the parties, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

4. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Revolving Loan under the Interim Shareholders Agreement (as amended on 21 December 2021), after aggregation with the existing outstanding loans from Gloucester (SPV) to the Borrower, exceeds 5% but is less than 25%, the Revolving Loan constitutes a discloseable transaction under Chapter 14 of the Listing Rules. Accordingly, the Revolving Loan as contemplated under the Interim Shareholders Agreement (as amended on 21 December 2021) is subject to the notification and announcement requirements, but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

5. INFORMATION ON THE COMPANY AND THE BORROWER

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 Company's shares have been listed on the Australian Securities Exchange and the Stock Exchange since 2012 and 2018, respectively.

Peabody is a wholly owned subsidiary of Peabody Energy Australia Pty Ltd, a leading coal producer, providing essential products to fuel baseload electricity for emerging and developed countries and create the steel needed to build foundational infrastructure. The shares of Peabody Energy Australia Pty Ltd are listed on the Midwest Stock Exchange and the New York Stock Exchange, respectively.

The Borrower is an incorporated joint venture, holding the relevant exploration licenses of the Middlemount mine. To the best of the information and belief of the directors of the Company, the Borrower and its ultimate beneficial owners (in respect of the interest held by Peabody) are third parties independent of and not connected with the Company and its connected persons.

6. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise

“Board”	the board of Directors of the Company
“Borrower” or “Middlemount”	Middlemount Coal Pty Ltd (ACN 122 348 412), an incorporated joint venture established in Australia
“Company”	Yancoal Australia Ltd (ACN 111 859 119), a company incorporated in Australia with limited liability, whose ordinary shares are listed on The Australian Securities Exchange and the Stock Exchange
“Gloucester (SPV)”	Gloucester (SPV) Pty Ltd (ACN 145 498 380), a company incorporated in Australia with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Interim Shareholders Agreement”	the interim shareholders agreement entered into among Gloucester (SPV), Peabody and Middlemount on 24 December 2010
“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
“Peabody”	Peabody Custom Mining Pty Ltd (ACN 109 159 471), a company incorporated in Australia with limited liability
“Revolving Loan”	the revolving loan provided pursuant to the Interim Shareholders Agreement (as amended on 21 December 2021)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Yancoal Australia Ltd
Baocai ZHANG
Chairman

Hong Kong, 21 December 2021

As of the date of this announcement, 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.