

Foreword

Yancoal owns and operates a portfolio of mines across Australia, with a large-scale, low-cost production profile, supplying export coal predominantly to the Asia-Pacific region. In 2024, the group's mines returned to steady state operations, delivering our 2024 performance targets, with attributable saleable coal production of 36.9 million tonnes, and operating EBITDA of \$2.6 billion translating to a margin of 37%.

2024 was a year of continued cost inflation, affecting most parts of our business. A critical element of the group's achievements during the year was our ability to target and achieve flat unit costs. Through continual optimisation across different parts of the business and reinvestment in our assets, we reduced our cash operating costs to \$93 per tonne.

The year ended with a strong cash position of \$2.5 billion, enabling the declaration of a final dividend of \$687 million, and the retention of a sufficient cash balance to pursue potential growth opportunities in 2025.

Tax contributions occur across the stages of the mining life cycle. Yancoal's assets are in full production and, after a period of COVID-19 and wet weather interruptions, have returned to steady production, and is now in a consistent cycle of tax payments.

In 2024, Yancoal's total cash tax contributions exceeded \$1.5 billion, including corporate tax payments of \$655 million and government royalties of \$609 million. Our significant contributions to the Australian economy demonstrates Yancoal's ongoing commitment to good corporate citizenship and our long-term vision of building a world class mining enterprise that provides resources benefiting modern society.

With our proven track record of growth and development, as well as resilience in challenging cyclical coal markets and wet weather events, we remain optimistic about the future and look forward to delivering another year of strong results for our shareholders.

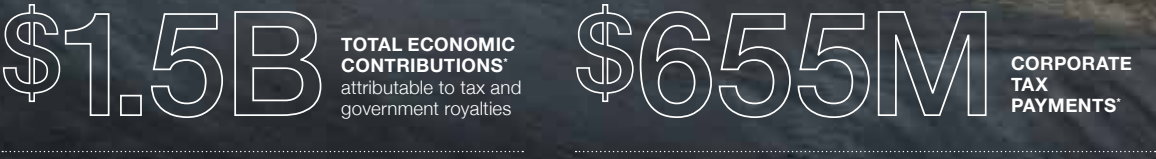
About this report

*This Report provides tax and related information on Yancoal Australia Ltd group operations for the period 1 January 2024 to 31 December 2024. It has been prepared in accordance with the Board of Taxation's Voluntary Tax Transparency Code. Yancoal is a public company, listed on both the Australian Securities Exchange (ASX:YAL) and the stock exchange of Hong Kong (HKEx: 3668). Yancoal is majority owned by Yankuang Energy Group Company Limited, which is listed on the HKEx (HKEx: 1171) and Shanghai Stock Exchange (SSE: 600188).*

*All dollar figures in this Report are expressed in Australian Dollars unless otherwise specified. References to 'Yancoal', 'we', 'the Group', 'the Company' and 'our' refer to Yancoal Australia Ltd and controlled subsidiaries.*

*This Report should be read in conjunction with Yancoal Australia Ltd's 2024 Annual Report, The 2024 Tax Transparency Report, along with the 2024 Annual Report, 2024 Sustainability Report and 2024 Economic Contribution Report are all available on our website: [www.yancoal.com.au](http://www.yancoal.com.au).*

2024 Snapshot



\* Tax and Government payments made by Yancoal reporting group. This includes ownership interests in joint ventures.

Corporate directory

**REGISTERED AND PRINCIPAL PLACE OF BUSINESS**  
Level 18 Darling Park, Tower 2  
201 Sussex Street  
Sydney NSW 2000  
Australia  
T: +61 2 8583 5300

**AUSTRALIAN COMPANY NUMBER**  
111 859 119

**AUSTRALIAN SECURITIES EXCHANGE LTD (ASX)**  
Stock code: YAL

**STOCK EXCHANGE OF HONG KONG LIMITED (HKEX)**  
Stock code: 3668

**SHARE REGISTRY**  
Computershare Investor Services Pty Limited  
6 Hope Street  
Ermington NSW 2115  
Australia  
T: +61 2 8234 5000  
Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queens Road East  
Wan Chai  
Hong Kong  
T: +852 2862 8555

**COUNTRY OF INCORPORATION**  
Incorporated in Victoria, Australia with limited liability

**WEB ADDRESS**  
[www.yancoal.com.au](http://www.yancoal.com.au)

**SHAREHOLDER ENQUIRIES**  
[shareholder@yancoal.com.au](mailto:shareholder@yancoal.com.au)



Our approach to tax

Our approach to tax is a key pillar of Yancoal's commitment to our continued growth and good corporate citizenship.

Our tax strategy goes beyond compliance, it is a part of the way we operate and deliver outcomes to our stakeholders.

The Yancoal tax framework operates to ensure the tax function effectively supports the organisation in delivering on its objectives, having regard to Board-endorsed principles of:

- Compliance with the Group's tax and tax-related obligations
- Properly identifying, understanding, assessing and managing tax risks
- Adopting positions that are appropriate and substantiated
- Having open, transparent and collaborative dealings with tax and revenue authorities

We believe this approach to tax is key to delivering a sustainable tax function that supports Yancoal in achieving long-term organisational growth and shareholder value. As part of our commitment, we aim to continue engaging in meaningful communication with our stakeholders.

Tax Profile

Yancoal Australia Ltd and its wholly owned subsidiaries are part of a tax consolidated group headed by Yancoal Australia Ltd. The tax consolidated group differs immaterially to the reporting group due to the inclusion of non-wholly owned but controlled subsidiaries in the reporting group.

Since 2022, Yancoal has been in a tax payable position. In 2023, Yancoal's company income tax payments were higher relative to its net profit. This was due to the majority of 2022 income tax payments being paid in 2023, as it was the first year of income tax payments after some years of tax losses, in addition to the payment of 2023 PAYG instalments.

At 31 December 2024, the net income tax expense of the Group was \$473 million. The payment of income tax increased the Group's franking account balance, which has enabled dividends distributed to shareholders in 2024 to be fully franked.

Reconciliation of accounting profit to income tax expense and income tax payable

A reconciliation of the Group's income tax expense, and income tax payable is detailed in this report. Further detail can be found in Note B6 of Yancoal's 2024 Annual Report. Annual Report disclosures are prepared in accordance with the relevant Australian Accounting Standards.

In 2024, the total income tax expense of \$473 million is comprised of current tax expense of \$530 million and net deferred tax benefit of \$57 million. After adjusting for PAYG instalments paid, the net income tax payable at 31 December 2024 is \$91 million. Refer to Yancoal's 2024 Annual Report for further detail.

Temporary and Non-Temporary Differences

The Group recognises deferred tax assets and deferred tax liabilities in accordance with the relevant Australian Accounting Standards.

A temporary difference arises when the timing in the assessment or deductibility of an asset or liability is different. This gives rise to a difference between the carrying value of an asset or liability and its tax base, resulting in a deferred tax asset or liability. The main temporary differences of the Group during 2024 related to mining tenements, plant and equipment, and general provisions and accruals

A non-temporary difference arises from a difference between the carrying amount of an asset or liability and its tax base that does not reverse over time. These differences do not result in deferred tax assets or liabilities. There were no material non-temporary differences during 2024.

Effective Tax Rate

The Group's 2024 Annual Report discloses an effective tax rate of 28% for 2024 and 29.6% for 2023, compared with the Australian corporate income tax rate of 30%. The effective tax rate is calculated by dividing income tax expense by the accounting profit. The variance of the effective tax rate from the corporate income tax rate primarily resulted from the non-assessable equity accounted profit of Yancoal's ownership in an incorporated joint venture operation and non-temporary differences.

Yancoal's tax strategy goes beyond compliance, it is a part of the way we operate and deliver outcomes to our stakeholders. We have implemented a tax management framework that underpins how we address tax issues in a responsible and transparent manner.

Reconciliation of accounting profit to income tax expense and income tax payable	2024 ASM	2023 ASM
Profit before tax	1,689	2,583
Prima facie income tax at Australian rate of 30%	507	775
Over provision in prior years	(22)	(13)
Profit from equity accounted investees not assessable	(9)	(9)
Other	(3)	11
Income tax expense	473	764
Temporary differences		
Provisions	49	10
Finance lease liabilities	(5)	(25)
Property, plant and equipment	(14)	6
Mining tenements and exploration and evaluation assets	31	57
Other	(4)	(10)
Current tax expense	530	802
PAYG Instalments paid and prior year over/under provisions	(439)	(580)
Total income tax payable	91	222

Tax contributions	2024 ASM	2023 ASM
Company income tax	655	2,123
Royalties	609	691
Employee (PAYG)	179	191
Payroll tax and workers compensation	37	57
Fringe benefits tax	3	3
Withholding tax	-	1
Land tax	4	3
Local rates, fees and levies	19	23
Total	1,506	3,092

Material offshore related party and connected party dealings

Yancoal has dealings with offshore related and connected parties operating in different tax jurisdictions. Our dealings with related parties and connected parties adhere to ASX/HKEx, Australian and Hong Kong regulatory requirements (including arm's length principles) and are in line with ATO guidelines.

At 31 December 2024, Yancoal's major shareholder is Yankuang Energy Group Company Limited (incorporated in the People's Republic of China). The ultimate Shareholding entity is Shandong Energy Group Corporation Limited (incorporated in the People's Republic of China).

Yancoal's operations and workforce are 100% located in Australia. In 2024, Yancoal had no related party / connected party loans. The key dealings with offshore related parties and connected parties and the respective jurisdictions the Tax Group transacted with during the year are covered in the table below.

The group owns a captive insurance company, located and operated offshore, in Guernsey. The operation of the captive insurance company is immaterial to the overall Group.

Material offshore related party and connected party dealings		Jurisdiction
Sales	Yancoal has coal sales transactions with related parties, and connected parties, which are determined on third party arm's length terms and have been entered into in the ordinary course of business of the group, on normal commercial terms, and are fair and reasonable in the interest of the shareholders of Yancoal.	China
		Hong Kong
Leases	Yancoal has a lease liability with a related party / connected party on which it pays interest.	Hong Kong



# Tax policy, governance and contributions

