



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP17/41

Thursday, 10 August 2017

Yancoal Australia Limited 03 – Panel Receives Application

The Panel has received an application from Mt Vincent Holdings Pty Ltd and Osendo Pty Ltd in relation to the affairs of Yancoal Australia Limited (ASX: YAL).

Details of the application, as submitted by the applicants, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

The background facts relating to the application are described in the Panel's media release yesterday for Yancoal Australia Limited 02 (see [TP17/40](#)).

Details

The applicants are indirect wholly-owned subsidiaries of Noble Group Limited, which has a relevant interest in 13.16% of Yancoal ordinary shares. They submit (among other things) that:

- the entitlement offer is unacceptably dilutive and disproportionately affects the interest of existing minority shareholders and is highly unattractive to new investors
- together with the placement, the entitlement offer has the effect of transferring value and control of Yancoal to Yancoal's majority shareholder (Yanzhou Coal Mining Company Limited), the underwriters and the placement investors in a way "*that is inconsistent with the Corporations Act*" and is deliberately designed to circumvent the Panel's orders in *Yancoal Australia Limited* [2014] ATP 24
- dispersion strategies put in place by Yancoal are of no practical value to existing minority shareholders and
- certain pre-existing relationships exist between Yancoal, Yanzhou, the underwriters and the placement investors that give rise to a relationship of association, and therefore the voting power of Yanzhou and its associates will increase as a result of the entitlement offer and placement.

The applicants have sought interim orders that Yancoal be restrained from taking any action to pursue or undertake the entitlement offer, placement, underwriting and conversion of subordinated capital notes (SCNs) until termination of the proceedings.

The applicants have sought final orders including orders preventing the entitlement offer, placement, underwriting and conversion of SCNs proceeding on the terms announced or substantially similar terms.

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