



**YANCOAL AUSTRALIA LTD**

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30 October 2023

# ASX Release:

## HKEX - Continuing Connected Transaction

Authorised for lodgement by the Board of Yancoal Australia

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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**

### **EXTENSION OF TERM AND REVISION OF ANNUAL CAP FOR THE 2022 DIESEL FUEL SUPPLY AGREEMENT**

#### **INTRODUCTION**

Reference is made to the announcement (the “**Announcement**”) issued by Yancoal Australia Ltd (the “**Company**”) on 13 October 2022 in relation to the 2022 Diesel Fuel Supply Agreement. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, HV Operations Pty Ltd (“**HV Operations**”), a subsidiary of the Company, agreed to purchase diesel fuel from Glencore Australia Oil Pty Ltd (“**GAO**”) during the period from 1 November 2022 to 31 October 2023. The maximum annual transaction amount to be paid by HV Operations to GAO for the period from 1 January 2023 to 31 October 2023 for the purchase of diesel fuel pursuant to the 2022 Diesel Fuel Supply Agreement will not exceed A\$186 million (the “**Existing Cap**”).

#### **SUPPLEMENTAL AGREEMENT**

As the 2022 Diesel Fuel Supply Agreement will expire on 31 October 2023 and the parties are still in the process of finalising the terms of the new diesel fuel supply agreement, on 30 October 2023, HV Operations and GAO entered into a supplemental agreement (the “**Supplemental Agreement**”) to extend the term of the 2022 Diesel Fuel Supply Agreement by two months to 31 December 2023. This will allow HV Operations to continue to purchase diesel fuel from GAO without any disruption pending the entering into of the new diesel fuel supply agreement. Save for the foregoing, all other terms of the 2022 Diesel Fuel Supply Agreement as set out in the Announcement remain unchanged.

*\*For identification purposes only*

## Historical Transaction Amounts

The aggregate annual transaction amounts between HV Operations and GAO for the purchase of diesel fuel pursuant to the 2022 Diesel Fuel Supply Agreement for the period from 1 November 2022 to 31 December 2022 and the period from 1 January 2023 to 30 September 2023 were approximately A\$35.5 million and A\$163.8 million, respectively.

## Revised Cap

In view of the extension of the term of the 2022 Diesel Fuel Supply Agreement, the Company revised the Existing Cap of A\$186 million so that the maximum annual transaction amount to be paid by HV Operations to GAO for the purchase of diesel fuel pursuant to the 2022 Diesel Fuel Supply Agreement for the period from 1 January 2023 to 31 December 2023 will not exceed A\$254 million (the “**Revised Cap**”).

The Revised Cap was calculated by reference to (i) the purchase price as determined in accordance with the 2022 Diesel Fuel Supply Agreement; (ii) the historical transaction amounts, in particular, the actual transaction amounts for the nine months ended 30 September 2023; and (iii) the expected demand for diesel fuel from the Group during the extended term of the 2022 Diesel Fuel Supply Agreement.

## DIRECTORS' CONFIRMATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the 2022 Diesel Fuel Supply Agreement and the Supplemental Agreement (including the Revised Cap) are fair and reasonable, the transactions are in the ordinary and usual course of business of the Group, on normal commercial terms or better and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the 2022 Diesel Fuel Supply Agreement and the Supplemental Agreement and the transactions contemplated thereunder, and therefore no Director abstained from voting on the relevant resolution of the Board in respect of the Supplemental Agreement and the Revised Cap.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, HV Operations was 51% indirectly owned by the Company and 49% owned by Anotero Pty Ltd. Accordingly, HV Operations is a subsidiary of the Company under the Listing Rules.

As GAO is a subsidiary of Glencore plc, which is the holding company of Anotero Pty Ltd, a substantial shareholder of HV Operations, GAO is a connected person of the Company by virtue of being an associate of a substantial shareholder of the Company's subsidiary.

As the extension of the term constitutes a material change to the terms of the 2022 Diesel Fuel Supply Agreement, the Company is required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions pursuant to Rule 14A.54 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the maximum annual transaction amount to be paid by HV Operations to GAO for the purchase of diesel fuel pursuant to the 2022 Diesel Fuel Supply Agreement (as amended by the Supplemental Agreement) is more than 1% but all of the applicable percentage ratios are less than 5%, pursuant to Rule 14A.76(2)(a) of the Listing Rules, the continuing connected transactions under the 2022 Diesel Fuel Supply Agreement (as

amended by the Supplemental Agreement) are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, announcement and annual review requirements.

## **INFORMATION IN RELATION TO THE COMPANY AND GAO**

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.

GAO's principal business activity is the supply of fuel needs of mining, agricultural and other customers. Its business extends into the wholesale fuel market of supplying oil majors where required, as well as being a large supplier to independents and large volume end users. GAO is a member of Glencore plc, the shares of which are listed on the London Stock Exchange and the Johannesburg Stock Exchange. Glencore plc is one of the largest global diversified natural resources companies in the world.

*By order of the Board*  
**Yancoal Australia Ltd**  
**Gang RU**  
Chairman

Hong Kong, 30 October 2023

*As of the date of this announcement, the executive Director is Mr. Ning Yue, the non-executive Directors are Mr. Gang Ru, Mr. Yaomeng Xiao, Mr. Xiaolong Huang and Mr. Changyi Zhang and the independent non-executive Directors are Mr. Gregory James Fletcher, Dr. Geoffrey William Raby and Ms. Helen Jane Gillies.*