

7 June 2022

# ASX Release:

## Update on potential Yankuang Energy transaction

On 30 May 2022, Yancoal Australia Ltd (“Yancoal” or the “Company”) announced that its majority shareholder, Yankuang Energy Group Company Limited (“Yankuang Energy”) is considering a transaction to acquire further Yancoal ordinary shares (“Yancoal Shares”) by means of an acquisition structure to be determined by Yankuang Energy, the consideration of which would be satisfied by the issuance of H-Share Convertible Bonds by Yankuang Energy and which may result in the de-listing of Yancoal shares from the Hong Kong Stock Exchange and/or from the ASX (“Potential Transaction”).

The Independent Board Committee (“IBC”) appointed by the board of directors of Yancoal to evaluate and respond to the Potential Transaction, after due and careful consideration and having taken advice from its advisers (Gilbert + Tobin as Australian legal adviser, Freshfields Bruckhaus Deringer as Hong Kong legal adviser and Deloitte Corporate Finance as strategic and commercial adviser), has unanimously concluded that the current proposed terms of the Potential Transaction would not be in the best interests of Yancoal’s minority shareholders, having regard to both the value and the form of the proposed consideration (details of which are set out in Yankuang Energy’s announcement dated 25 May 2022 which was appended to the Company’s announcement dated 30 May 2022).

Accordingly, the IBC has informed Yankuang Energy that it cannot support or recommend the Potential Transaction in its current form.

The Company will continue to update shareholders as and when appropriate or required under its continuous disclosure obligations and/or the Hong Kong Code on Takeovers and Mergers (the “Hong Kong Takeovers Code”) (including making monthly announcement(s) in compliance with Rule 3.7 of the Hong Kong Takeovers Code setting out the progress of the Potential Transaction until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Hong Kong Takeovers Code or of a decision not to proceed with an offer).

For completeness, the IBC notes that Yancoal has not, to date, received any formal offer or proposal from Yankuang Energy in relation to the Potential Transaction capable of acceptance by Yancoal shareholders or otherwise giving rise to any binding contract or commitment, and therefore Yancoal shareholders do not need to take any action in relation to the Potential Transaction at this stage. **There is no certainty that the Potential Transaction will proceed, materialise or be consummated. Yancoal shareholders and potential investors are therefore advised to exercise caution when dealing in the shares and/or other securities of Yancoal.**

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Authorised for lodgement by the Independent Board Committee

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