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# ASX Release:

## HKEx DISCLOSEABLE TRANSACTION

Authorised for lodgement by the Laura Ling Zhang, Company Secretary

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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 AGREEMENT**

**1. INTRODUCTION**

On 8 May 2020, Gloucester (SPV), a wholly-owned subsidiary of the Company (as lender), and Middlemount (as borrower) entered into the Revolving Loan Agreement, pursuant to which Gloucester (SPV) agreed to provide a A\$59,999,640 revolving loan with a fixed interest rate of 10% per annum. As at the date of this announcement, Gloucester (SPV) held a 49.9997% interest in Middlemount.

**2. REVOLVING LOAN AGREEMENT**

**(a) Maturity Date and Availability Period**

The maturity date of the Revolving Loan is 31 December 2020 (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 in accordance with the Revolving Loan Agreement (the “**Termination Date**”). The availability period of the Revolving Loan is from 8 May 2020 until the Termination Date.

**(b) Conditions Precedent**

The obligations of the Lender to provide the first Revolving Loan is conditional upon, among other things, (i) the provision of a revolving loan by Peabody on a pro-rata basis in accordance with Gloucester (SPV)’s and Peabody’s proportionate interest in the Borrower and on the same terms as the Revolving Loan, (ii) the serving of a notice by the Borrower to the Lender, and (iii) the Borrower giving the Lender (in form and substance satisfactory to the Lender) a cash flow forecast (which includes any anticipated drawdowns from the Lender and any anticipated repayments to the Lender for the 13 week period starting on the prior Monday) (the “**First Cash Flow Forecast**”).

*\*For identification purposes only*

The obligations of the Lender to make any further Revolving Loan is conditional upon them approving each cash flow forecast (including the First Cash Flow Forecast) and being satisfied that the requested funding is not greater than the amounts set out in the most recent cash flow forecast and will not (when aggregated with all other revolving loans) exceed the limit of the Revolving Loan.

**(c) Repayment**

The Borrower must repay the full amount of the Revolving Loan outstanding on the Termination Date.

**(d) Interest payment**

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.

**(e) Cancellation**

If any event of default occurs, then during the period the Revolving Loan subsists the Lender may declare that the Revolving Loan be cancelled immediately, and all amounts drawn down and interests accrued thereon immediately due and payable. An event of default includes any statement, representation or warranty made or repeated by the Borrower under the Revolving Loan Agreement being incorrect, any breaches by the Borrower of any undertaking under the Revolving Loan Agreement or any insolvency event occurs with respect to the Borrower.

**3. REASONS FOR, AND BENEFITS OF, THE PROPOSED ACQUISITION**

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 Asian markets representing approximately 85% 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 terms of the Revolving Loan Agreement were determined after arm's length negotiations. The Board considers that the terms of the Revolving Loan Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

**4. LISTING RULES IMPLICATIONS**

As at the date of this announcement, Gloucester (SPV) and Peabody directly held 49.9997% and 50.0003% interests in Middlemount, respectively. As the highest applicable percentage ratio in respect of the Revolving Loan, 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 Revolving Loan Agreement 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.

The Borrower is an unincorporated 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

<b>"Board"</b>	the board of Directors of the Company
<b>"Borrower" or "Middlemount"</b>	Middlemount Coal Pty Ltd (ACN 122 348 412), an unincorporated joint venture established in Australia
<b>"Company"</b>	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
<b>"Gloucester (SPV)"</b>	Gloucester (SPV) Pty Ltd (ACN 145 498 380), a company incorporated in Australia with limited liability and a wholly-owned subsidiary of the Company
<b>"Group"</b>	the Company and its subsidiaries
<b>"Listing Rules"</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
<b>"Peabody"</b>	Peabody Custom Mining Pty Ltd (ACN 109 159 471), a company incorporated in Australia with limited liability, the ultimate beneficial owner of which is Peabody Energy, Inc
<b>"Revolving Loan"</b>	the revolving loan as contemplated under the Revolving Loan Agreement
<b>"Revolving Loan Agreement"</b>	the revolving loan agreement entered into between Gloucester (SPV) and the Borrower in relation to the Revolving Loan on 8 May 2020
<b>"Stock Exchange"</b>	The Stock Exchange of Hong Kong Limited

*By order of the Board*  
**Yancoal Australia Ltd**

**Baocai ZHANG**  
Chairman

Hong Kong, 8 May 2020

*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. Fuqi Wang, 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.*