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ASX Release:

HALF-YEAR FINANCIAL REPORT
For the half-year ended 30 June 2020

Authorised for lodgement by the Yancoal Board

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Yancoal Australia Ltd

ABN 82 111 859 119

Half-Year Financial Report
for the half-year ended 30 June 2020

This Half-Year Financial Report contains information required by Appendix 4D of the Australian Securities Exchange ("ASX") Listing Rules. It should be read in conjunction with Yancoal Australia Ltd's Annual Financial Report for the year ended 31 December 2019 and is lodged with the ASX under listing rule 4.2A.

1. Results for Announcement to the Market

	30 June 2020 $M	30 June 2019 $M	% Change
Revenue from ordinary activities	**1,973**	2,350	(16)
Profit before income tax (before non-recurring items)	**(45)**	492	(109)
Profit before income tax (after non-recurring items)	**593**	492	21
Net profit after income tax attributable to members (before non-recurring items)	**(37)**	345	(111)
Net profit after income tax attributable to members (after non-recurring items)	**605**	564	7

2. Earnings per share

	30 June 2020 cents	30 June 2019 cents	% Change
Profit per share (before non-recurring items) - Basic - Diluted	 **(2.8)** **(2.8)**	 26.1 26.1	 (111) (111)
Profit per share (after non-recurring items) - Basic - Diluted	 **45.8** **45.8**	 42.7 42.6	 7 8

3. Net tangible assets per security

	30 June 2020 $	30 June 2019 $	% Change
Net tangible assets per share	**4.82**	4.52	7

4. Distributions

Ordinary share distributions

	2020		**2019**	
	Cents per share	Total AU$'M	Cents per share	Total AU$'M
Final dividend for 2019 paid on 29 April 2020	**21.21**	**280**	-	-
Final dividend for 2018 paid on 30 April 2019	**-**	**-**	28.6	377
		280		377

5. Entities over which control has been gained or lost during the period

a. Acquisitions

The following entity was incorporated during the year:

- Yancoal Moolarben Pty Ltd (incorporated on 6 February 2020)

Whilst the contribution of Yancoal Moolarben Pty Ltd is not material to the Group's results at 30 June 2020 refer to Note E1 for further details which includes the remeasurement of the previously held interest in Moolarben Joint Venture.

No other entities were incorporated or acquired during the year.

b. Disposals

No entities were disposed of or deregistered during the year.

6. Details of associates and joint venture entities

	30 June 2020		30 June 2019	
	Holdings %	**Profit after income tax contribution $M**	Holdings %	Profit after income tax contribution $M
Joint venture entities				
Moolarben Joint Venture (unincorporated)	**95**	**53**	85	179
Hunter Valley Operations Joint Venture (unincorporated)	**51**	**1**	51	268
Warkworth Joint Venture (unincorporated)	**84.472**	**1**	84.472	147
Mount Thorley Joint Venture (unincorporated)	**80**	**(6)**	80	43
Middlemount Joint Venture	**49.9997**	**(35)**	49.9997	9
HVO Entities [(a)]	**51**	**(2)**	51	Immaterial
Boonal Joint Venture (unincorporated)	**50**	**Immaterial**	50	Immaterial
Associate entities				
Newcastle Coal Infrastructure Group Pty Ltd	**27**	**Nil**	27	Nil
Watagan Coal Mining Company Pty Ltd	**100**	**Nil**	100	Nil
Port Waratah Coal Services Pty Ltd	**30**	**2**	30	2

(a) HVO Entities consists of the following entities:

HV Operations Pty Ltd

HVO Coal sales Pty Ltd

HVO Services Pty Ltd

All financial results included in this report are stated in Australian dollars unless otherwise stated. All other information can be obtained from the attached financial statements, accompanying notes and Directors' report.

Directors' report

The Directors present their report on the consolidated entity ("Yancoal" or "the Group") consisting of Yancoal Australia Ltd ("the Company") and the entities it controlled at the end of, or during, the half-year ended 30 June 2020 (the "Period").

Directors

The following persons were Directors of Yancoal Australia Ltd during the Period and until the date of this report. Directors were in office for the duration of the Period unless otherwise stated.

Baocai Zhang
Ning Zhang (appointed on 20 March 2020)
Cunliang Lai
Xiangqian Wu
Qingchun Zhao
Xing Feng
Gregory James Fletcher
Geoffrey William Raby
Helen Jane Gillies
Fucun Wang (resigned on 20 March 2020)
Fuqi Wang (resigned on 5 June 2020)
David James Moult (resigned on 9 March 2020)

Company Secretary

The name of the Company Secretary in office during the Period, and up to the date of this report, is as follows: Laura Ling Zhang

Review of operations

Safety

Yancoal employs approximately 2,900 people across its mines, corporate office and 100% owned subsidiary, Watagan Mining Company Ltd ("Watagan"). There are also the contractors and service providers who support the Group's operations.

Yancoal's Total Recordable Injury Frequency Rate ("TRIFR") at the end of the Period was 6.9, an improvement from 7.3 at the end of 2019.[1]

Yancoal operates its mines to legislative and safety standards. Under the direction of the board of Directors (the "Board") and the Health, Safety, Environment and Community Committee, Yancoal remains committed to operating safely and transparently to achieve its objective of zero harm. During the Period, Yancoal rapidly implemented its pandemic response plan introducing additional safety measures beyond those mandated by the Government to combat the COVID-19 pandemic. The measures have proven successful to date with no known positive cases in the workforce and no material disruption to the operations.

Yancoal continues to implement its Core Hazard and Critical Controls across all operations, identifying key hazards within the workplace and instituting effective controls. Management continually verifies the controls are operating as intended for the safety of our people.

Financial performance

Demand for thermal coal, and consequently the benchmark prices, declined during the Period as a result of the reduced economic activity resulting from the COVID-19 pandemic. The lower coal prices strongly influenced Yancoal's financial performance during the first half of 2020 – which is a non-controllable factor.

The primary controllable factors affecting financial performance, production and operating costs, incrementally improved over the past two years. Cost control has been a particular focus for the Group. As at 30 June 2020, our cash operating costs are running just below the $61/tonne free-on-board ("FOB") level targeted at the start of the year. Lower input costs such as diesel and ongoing optimisation efforts have more than offset the incidental costs associated with the pandemic response plan.

Yancoal continues to implement productivity and cost efficiency initiatives, maximising value from its product blending efforts across the New South Wales operations (both managed and operated).

- Revenue from continuing operations for 1H 2020 was $1,973 million, down $377 million from $2,350 million in 1H 2019.

[1] Attributable TRIFR includes Moolarben, Mount Thorley Warkworth, Stratford Duralie, Yarrabee and the Corporate office; it excludes Middlemount (not operated by Yancoal), Hunter Valley Operations (not operated by Yancoal) and Watagan. The TRIFR figures are as at 14 July 2020.

Lower coal prices were the primary factor behind the lower revenue outcome; this effect carries down through the income statement.

- Total Operating EBITDA (earnings before interest, tax, depreciation and amortisation) was $481 million, down $459 million from $940 million in 1H 2019. The Operating EBITDA Margin for the Period was 24%.
- Total Operating EBIT (earnings before interest and tax) was $95 million before tax, down $551 million from $646 million in 1H 2019.
- Yancoal's profit after income tax was $605 million, up $41 million from $564 million in 1H 2019. The profit includes a gain recognised on the acquisition of an additional 10% interest in the Moolarben unincorporated joint venture (refer to page 20 in the Management Discussion and Analysis section of this report for further commentary).

Cash flow

The half-year net operating cash inflow of $505 million was down from $783 million in 1H 2019. The assets in production during the Period were the same as the prior period, save for minor adjustments in ownership. The Moolarben, Mount Thorley Warkworth ("MTW") and Hunter Valley Operations ("HVO") mines, provide the majority of the saleable coal product. Lower coal price was the main driver of reduced cash flow in 2020.

Net cash outflows from investing activities were $345 million, with payment for property plant and equipment and exploration the primary expenditure, $135 million. The balance of repayments of borrowing from associates was $64 million, and revolver loans provided to Middlemount were $35 million.

Cash flows from financing activities included the net repayment of $432 million in interest-bearing liabilities and $280 million in dividend payments. The total net cash outflow from financing activities was $728 million.

Conservation of capital is an ongoing effort; Yancoal is deferring nonessential expenditure to next year. The Group already had a lean capital profile with most planned expenditure allocated to sustaining capital or capital investment needed to improve productivity. The concentration of capital expenditure related to production and productivity is the reason the revised capital plans for 2020 are predominantly deferrals, rather than permanent reductions.

In July 2020, Yancoal replaced a debt facility that had a US$1.275 billion limit on 31 December 2019 with a new facility which also has a US$1.275 billion limit. The majority of the repayments are now in 2024 and 2025, replacing the repayments in 2020 and 2021.

Mining operations (all asset figures reported on a 100% basis)

Reliable production across Yancoal's tier-one operations (Moolarben, MTW, HVO), has been sustained despite the additional protocols introduced in the pandemic response plan. Total saleable coal production recorded was 25.6Mt a decline of 3%, but the attributable share increased by 7% to 19.0mt due partly to the increased stake in Moolarben and additional output from mines owned outright.

Yancoal achieved total coal sales of 18.4Mt (attributable[2]) for the Period, with a sales split (attributable) for the Period of 16.5Mt thermal coal and 1.9Mt metallurgical coal.

Yancoal continued to manage the Austar, Ashton and Donaldson operations on behalf of Watagan Mining Company Pty Ltd (Watagan). Production volumes from the Watagan mines, along with the stake in the Middlemount Joint Venture are equity accounted and not reported as attributable tonnes.

Yancoal continued to manage the Cameby Downs and Premier Coal operations in Queensland and Western Australia respectively, on behalf of its majority shareholder Yanzhou Coal Mining Company Limited ("Yanzhou") throughout the Period. Production from these operations is not captured in this report.

[2] Attributable sales volume excludes purchased coal.

ROM COAL PRODUCTION	Ownership	1H 2020	1H 2019	Change
Moolarben[3]	95%	11.1	10.9	2%
MTW	82.9%	8.2	9.1	(10%)
HVO	51%	8.4	8.8	(5%)
Yarrabee	100%	1.4	1.1	27%
Stratford Duralie	100%	0.4	0.3	33%
Middlemount	~50%	1.7	2.2	(23%)
Watagan	100%	1.7	2.0	(15%)
Total - 100% Basis		32.9	34.4	(4%)
Total - Attributable[4]		**23.4**	**22.7**	**3%**

SALEABLE COAL PRODUCTION	Ownership	1H 2020	1H 2019	Change
Moolarben	95%	10.2	9.5	7%
MTW	82.9%	5.3	6.1	(13%)
HVO	51%	6.3	6.6	(5%)
Yarrabee	100%	1.5	1.2	25%
Stratford Duralie	100%	0.2	0.2	-%
Middlemount	~50%	1.2	1.7	(29%)
Watagan	100%	0.9	1.1	(18%)
Total - 100% Basis		25.6	26.4	(3%)
Total – Attributable		**19.0**	**17.8**	**7%**

New South Wales (all figures reported on a 100% basis)

In New South Wales, Yancoal operates the Moolarben, MTW and Stratford Duralie mines and manages the Austar, Ashton and Donaldson mines on behalf of Watagan.

- Moolarben (Yancoal ownership: 95%) achieved total run-of-mine ("ROM") production of 11.1Mt (1H 2019: 10.9Mt) and saleable coal production of 10.2Mt (1H 2019: 9.5Mt) for the Period.
- MTW, consisting of Mount Thorley (Yancoal ownership: 80%) and Warkworth (Yancoal ownership: 84.5%), achieved ROM production of 8.2Mt (1H 2019: 9.1Mt) and saleable coal production of 5.3Mt (1H 2019: 6.1Mt) for the Period.
- HVO (Yancoal ownership: 51%) achieved ROM production of 8.4Mt (1H 2019: 8.8Mt) and saleable coal production of 6.3Mt (1H 2019: 6.6Mt) for the Period.
- The Stratford Duralie (Yancoal ownership: 100%) open cut mine achieved total ROM coal production of 0.4Mt (1H 2019: 0.3Mt) and saleable coal production of 0.2Mt (1H 2019: 0.2Mt) for the Period.

Queensland (all figures reported on a 100% basis)

In Queensland, Yancoal operates the Yarrabee open cut operation and has a near 50% equity interest in Middlemount Coal Pty Ltd ("Middlemount") joint venture throughout the Period.

- Yarrabee (Yancoal ownership: 100%) open cut achieved total ROM coal production of 1.4Mt (1H 2019: 1.1Mt) and total saleable coal production of 1.5Mt (1H 2019: 1.2Mt) for the Period.

[3] Moolarben attributable figures include 85% up to and including 31 December 2019, 95% thereafter. Note: Financial attribution is 85% up to and including 31 March 2020, 95% thereafter.
[4] Attributable share is the attributable production as it relates to Yancoal's financial statements and does not include production from Middlemount (incorporated joint venture and accounted for as an equity-accounted investment) and Watagan (equity-accounted investment and deconsolidated from Yancoal in March 2016).

- The Middlemount joint venture (Yancoal ownership: ~50%) achieved total ROM coal production of 1.7Mt (1H 2019: 2.2Mt) and total saleable coal production of 1.2Mt (1H 2019: 1.7Mt) for the Period.

Watagan Assets (100% ownership) (all figures reported on a 100% basis)

- Production at the Ashton and Austar underground mines produced a combined total ROM coal production of 1.7Mt (1H 2019: 2.0Mt) and saleable coal production of 0.9Mt (1H 2019: 1.1Mt) for the Period.

Exploration drilling

The total payments for capitalised exploration and evaluation activities in the Period were $1 million. There were no development activities related to mining structures or infrastructure undertaken in the Period. The drilling totals provided exclude pre-production drilling.

	Moolarben		MTW [5]		HVO		Austar		Ashton	
	Holes	Metres drilled	Holes	Metres drilled	Holes	Metres drilled	Holes	Metres drilled	Holes	Metres drilled
Non-Core Holes	20	1822	10	1163	24	1776	0	0	0	0
Core Holes	0	0	13	1537	10	4889	0	0	0	0

	Yarrabee [6]		Stratford Duralie		Middlemount		Donaldson	
	Holes	Metres drilled	Holes	Metres drilled	Holes	Metres drilled	Holes	Metres drilled
Non-Core Holes	0	0	0	0	0	0	0	0
Core Holes	0	0	0	0	5	650	0	0

Corporate activities

During the Period, Yancoal announced the resignations of Mr Fucun Wang, Mr Fuqi Wang and Mr David James Moult as Directors of the Company; and appointed Mr Ning Zhang as Executive Director, Co-Vice Chair of the Company and Chair of the Executive Committee.

On 9 March 2020, Mr David James Moult assumed the role of Chief Executive Officer ("CEO") after Mr Reinhold Hans Schmidt's resignation. On 1 June 2020, Mr Kevin Su assumed the role of Chief Financial Officer ("CFO") after Mr Lei Zhang's resignation.

Yancoal paid a 2019 unfranked final dividend of $280 million in April 2020.

Significant changes in the state of affairs

The coal market, and the benchmark coal prices, have a history of progressing through cycles of more favourable or less favourable conditions. Currently, global economic conditions and international coal trade circumstances have created a set of less favourable conditions. Other than the coal market setting there have been no significant changes during the Period that significantly affected the operations of the Group, the results of those operations or the state of affairs of Yancoal or the Group. Further details on the significant changes in the state of affairs are provided in the Management Discussion and Analysis section of this report, in particular, the disclosure "COVID-19 IMPACT" on page 14.
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Matters subsequent to the end of the period

After the Period, on 8 July 2020, Yancoal replaced a debt facility that had a US$1.275 billion limit on 31 December 2019. Yancoal will repay the new facility over the next five years, with the majority of the repayment occurring in 2024 and 2025. In contrast, the facility replaced had repayments due during 2020 and 2021.

After the Period, on 12 July 2020, the controlling shareholder of Yancoal, Yanzhou Coal Mining Company Ltd, announced its controlling shareholder, Yankuang Group Company Ltd, was planning a strategic reorganisation with Shandong Energy Group Co. Ltd. At this time, no change to the operating profile of Yancoal is expected from this event.

Further details on the matters subsequent to the end of the Period are provided in the Management Discussion and Analysis section of this report under the heading "Events Occurring after the Reporting Date" on page 24.

Other than as disclosed above, no matters or circumstances have occurred subsequent to the end of the financial period which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of

[5] Select pre-production holes were deepened for the undergrund pre-feasibility study, the capital expenditure component of completed holes is included
[6] Pre-production drilling only (operating expenditure) in 2020

the Group in the subsequent financial period.

Likely developments and expected results of operations

Yancoal continues to pursue its long-term strategy for organic growth via the progression of brownfield expansion and extension projects.

Key projects include the conceptual underground mine at MTW. The initial concept study shows a potential annual production output of saleable coal of around 5Mt. Work is underway to complete a pre-feasibility study for submission to the Board.

At Moolarben, Yancoal has the required approval to increase annual production from 21Mt to 24Mt (16Mt from the open cut mine and 8Mt from underground). Work is underway on a pre-feasibility study for the expansion for submission to the board of Directors. The work includes addressing various licensing requirements and assessing the optimal production profile.

Yancoal will maintain strong cost discipline, with 2020 cash costs (excluding government royalties) expected to be around $60/tonne excluding royalties.

Guidance for attributable saleable coal production in 2020 is approximately 38 million tonnes (2018: 35.6Mt).

The forecast for 2020 capital expenditure is less than $300 million (attributable), set initially as approximately $380 million (attributable) in February 2020.

Directors' Interests in Transactions, Arrangements or Contracts

No transactions, arrangements or contracts of significance in relation to the Group's business to which any of the Company's subsidiaries and fellow subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at any time during the year or at the end of the period.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings).

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001* (*Cth*).

Purchase, sale or redemption of the Company's listed securities

During the period, the Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such securities.

Compliance with the Hong Kong Corporate Governance Code

The Company has adopted the provisions of the Corporate Governance Code in Appendix 14 (the HK Code) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the HK Listing Rules) as part of its corporate governance policy effective upon its listing on The Stock Exchange of Hong Kong Limited (HKEx) on 6 December 2018 (the HK Listing).

On 9 March 2020, Mr David James Moult resigned as Independent Non-Executive Director of the Company, resulting in the Board comprising of six Non-Independent Non-Executive Directors, one Executive Director and three Independent Non-Executive Directors, with the number of independent non-executive directors falling below one-third of the Board as required under Rule 3.10A of the HK Listing Rules. In order to fulfil the requirements of Rule 3.10A of the HK Listing Rules, the Company endeavoured to identify and appoint a new independent non-executive director within three months from the date of Mr Moult's resignation, however, on 5 June 2020, Mr Fuqi Wang resigned as Non-Independent Director, resulting in the Board comprising of five Non-Independent Non-Executive Directors, one Executive Director and three Independent Non-Executive Directors, with the number of independent non-executive directors satisfying the minimum number of independent non-executive directors required under Rule 3.10A of the HK Listing Rules.

Save as disclosed above, in the opinion of the Board, the Company has complied with the code provisions of the HK Code during the Period.

Dealings in Company securities and Director confirmations

By law, and under the Company's Insider Trading Policy, dealing in Company securities is subject to the overriding prohibition on trading while in possession of inside information.

In addition, the Company's Share Trading Policy prohibits dealing in Company securities or Yanzhou securities by directors, senior executives and other relevant employees, as well as their closely related parties, during specified blackout periods each year. General employees are permitted to deal in Company securities outside these blackout periods; however, additional approval requirements apply to Directors, the CEO and the CFO. The Share Trading Policy precludes relevant employees from entering into any hedge or derivative transactions relating to unvested options or share rights granted to them under incentive plans and securities that are subject to holding locks or restrictions on dealing under such plans. There are also restrictions that apply to relevant employees from entering into margin lending arrangements and short-term trading of the Company's securities. Breaches of the policy are treated seriously and may lead to disciplinary action, including dismissal.

The Board approved revisions to its Share Trading Policy in December 2019 with the requirements set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the Model Code) as set out in Appendix 10 of the HK Listing Rules to regulate the Directors' securities transactions, which is also applicable to its employees who are likely to be in possession of unpublished inside information.

A specific enquiry has been made of all the Directors, and they have each confirmed that they have complied with the Company's Share Trading Policy and Insider Trading Policy (which is more stringent than the Model Code) throughout the Period.

Copies of the Company's Share Trading Policy and Insider Trading Policy are available on the Corporate Governance section of the Company's website.

INTERESTS AND POSITIONS IN SHARES

1. Interests of the Directors and Chief Executive of the Company

As at 30 June 2020 the interests and/or short positions (as applicable) of the Directors and the CEO in the fully paid ordinary shares of the Company ("shares"), underlying shares and debentures of the Company and any interests and/or short positions (as applicable) in shares or debentures of any of the Company's associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (SFO)) which (1) have to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (2) are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (3) are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the HK Listing Rules, to be notified to the Company and the HKEx, were as follows:

The Company

Name of Director or CEO	Number of Shares	Interest in Underlying Shares [7],[8]	Combined Total	Nature of Interest	Approximate Percentage
Baocai Zhang	274,404	-	274,404	Beneficial owner	0.02078%
Gregory James Fletcher	2,100	-	2,100	Beneficial owner	0.00016%
Geoffrey William Raby	22,858	-	22,858	Beneficial owner	0.00173%

Associated corporations of the Company

Name of Director	Name of the associated corporation	Number of Shares	Interest in Underlying Shares	Combined Total	Nature of Interest	Approximate percentage
Qingchun Zhao	Yanzhou Coal Mining Company Limited	-	260,000	260,000	Beneficial owner	0.00535%
Xiangqian Wu	Yanzhou Coal Mining Company Limited	10,000	320,000	330,000	Beneficial owner	0.00679%

Save as disclosed above, as at 30 June 2020, none of the Directors or the CEO had an interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of the Company or any interests and/or short positions (as applicable) in the shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) which (i) have to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (ii) are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) are required, pursuant to the Model Code for Securities Transactions by Directors of Listed

[7] These represent the number of shares underlying the performance share rights which were granted pursuant to the Company's Equity Incentive Plan approved by the Board on 18 April 2018. The terms of the Equity Incentive Plan governing the grant of performance share rights are not subject to the provisions of Chapter 17 of the HK Listing Rules as it does not involve the grant of options by the Company to subscribe for new shares of the Company.

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Issuers as set out in Appendix 10 to the HK Listing Rules, to be notified to the Company and the HKEx.

2. Interests of persons other than Directors and CEO of the Company

As at 30 June 2020, the following persons (other than a Director or CEO of the Company) had an interest and/or short position (as applicable) in the Shares or underlying Shares which were recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares Held or Interested	Approximate Percentage (%)
Yanzhou	Beneficial interest	822,157,715	62.26
Yankuang[9]	Interest in controlled entity	822,157,715	62.26
Cinda International HGB Investment (UK) Limited	Beneficial interest	209,800,010	15.89
China Agriculture Investment Limited	Interest in controlled entity	209,800,010	15.89
International High Grade Fund B, LP.	Interest in controlled entity	209,800,010	15.89
Cinda International GP Management Limited	Interest in controlled entity	209,800,010	15.89
China Cinda (HK) Asset Management Co., Ltd[10]	Interest in controlled entity	209,800,010	15.89
Cinda Strategic (BVI) Limited	Interest in controlled entity	209,800,010	15.89
Cinda International Holdings Limited	Interest in controlled entity	209,800,010	15.89
Cinda Securities Co., Ltd	Interest in controlled entity	209,800,010	15.89
China Cinda (HK) Holdings Company Limited	Interest in controlled entity	209,800,010	15.89
China Cinda Asset Management Co., Ltd	Interest in controlled entity	209,800,010	15.89
Glencore Coal Pty Ltd	Beneficial interest	84,497,858	6.40
Glencore Holdings Pty Limited	Interest in controlled entity	84,497,858	6.40
Glencore plc[11]	Interest in controlled entity	84,497,858	6.40
CSIL[12]	Beneficial interest	71,428,571	5.41
Shandong Lucion Investment Holdings Group Co., Ltd	Interest in controlled entity	71,428,571	5.41

Save as disclosed above, as at 30 June 2020, none of the substantial shareholders or other persons, (other than the Directors and CEO of the Company) had any interest or short position in the Shares and/or underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

Pre-emptive rights on the new issue of shares

Under the *Corporations Act 2001* (*Cth*) and the constitution of the Company, shareholders do not have the right to be offered any shares which are newly issued for cash before those shares can be offered to non-shareholders.

Share Option Scheme

As of 30 June 2020, the Group has no share option scheme.

Disclosure of Directors' information pursuant to Rule 13.51B(1) of the HK Listing Rules

Other than the Company's market announcements detailing the resignation and appointment of Directors, there is no change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the HK Listing Rules subsequent to the publication of the 2019 Annual Report of the Company.

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[9] Yankuang is deemed to be interested in the 822,157,715 Shares which Yanzhou is interested in as beneficial owner as it is entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of Yanzhou.
[10] Cinda International HGB Investment (UK) limited, an indirect wholly owned subsidiary of China Cinda Asset Management Co., Ltd, is interested in 209,800,010 Shares which are held by J P Morgan Nominees Australia Limited as nominee. China Cinda Asset Management Co., Ltd., China Cinda (HK) Holdings Company Limited, Cinda International Holdings Limited, Cinda Securities Co., Ltd, Cinda Strategic (BVI) Limited, China Cinda (HK) Asset Management Co., Ltd, Cinda International GP Management Limited, International High Grade Fund B, L.P. and China Agriculture Investment Limited are each deemed to be interested in the 209,800,010 Shares which Cinda International HGB Investment (UK) Limited is interested in as beneficial owner.
[11] Glencore plc and Glencore Holdings Pty Limited are deemed to be interested in the 84,497,858 Shares which Glencore Coal Pty Ltd is interested in as beneficial owner. Glencore plc wholly owns Glencore Holdings Pty Ltd which in turn wholly owns Glencore Coal Pty Ltd.
[12] CSIL, a wholly owned subsidiary of Shandong Lucion Investment Holdings Group Co., Ltd, is interested in 71,428,572 Shares which are held by HSBC Custody Nominees (Australia) Limited – A/C 2 as nominee.

Public Float

Based on the information available to the Company as of 30 June 2020, approximately 15.41% of the issued ordinary shares of the Company are held by the public. Accordingly, the Company has complied with the waiver granted by HKEx under Rule 8.08(1) of The Rules Governing the Listing of Securities as part of the Company's listing in Hong Kong. Rule 8.08(1)(a) of the HK Listing Rules requires that at least 25% of an issuer's total issued share capital must at all times be held by the public.

Based on the information that is publicly available to the Company and within the knowledge of the Directors as 30 June 2020, the Company has maintained the minimum public float of approximately 15.37% under the HK Listing Rules.

Use of Proceeds

In connection with the global offering in Hong Kong, which was completed on 3 January 2019 (the Global Offering), the Company allotted and issued 59,441,900 new shares on 6 December 2018, 563,881 new shares on 28 December 2018 and 4,361,900 new shares on 3 January 2019 at a price of HK$23.48 per share and raised HK$1,511 million ($268 million) in total gross proceeds. The net proceeds from the Global Offering amounted to approximately HK$1,305 million after deduction of related expenses of approximately HK$206 million (the Net Proceeds).

The following table sets out the breakdown of the use of proceeds from the HK Listing as at 30 June 2020:

S/N	Purpose of Net Proceeds	Amount Allocated HK$'000	Amount Utilised HK$'000	Balance HK$'000
1	Debt Repayment (48%)	626,507	626,507	-
2	M&A (30%)	391,567	391,567	-
3	Moolarben JV Acquisition (12%)	156,627	156,627	-
4	General Working Capital (10%)	130,522	130,522	-
	Total (Net Proceeds)	**1,305,223**	**1,305,223**	**-**

The above utilisations are in accordance with the intended use of the net proceeds and percentage allocated, as stated in the Company's prospectus for the Global Offering dated 26 November 2018.

Review by the audit and risk management committee

The interim financial statements of the Company and its subsidiaries for the half-year ended 30 June 2020 have not been audited, but have been reviewed by the audit and risk management committee of the Company and the Company's auditor, ShineWing, in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.*

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 (*Cth*) is set out on page 27.

Rounding of amounts

The Group is of a kind referred to in Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in this Directors' Report and financial statements. Amounts in the Directors' Report and financial statements have been rounded off to the nearest million dollars in accordance with that legislative instrument.

This report is made in accordance with a resolution of the Directors.

Ning Zhang
Director
Sydney

19 August 2020

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Yancoal operates a diversified portfolio of world class assets consisting of both large-scale open cut and underground mines comprising five coal mine complexes in Australia.

As a leading low-cost coal producer in the global seaborne market, Yancoal's coal mining operations produce a mix of premium thermal, semi-soft coking, and pulverised coal injection ("PCI") coals, together with mid-to–high ash thermal coals. The Group's financial results are largely dependent on the demand for thermal and metallurgical coal, which in turn depends on macroeconomic trends, including regional and global economic activity, and the price and availability of alternative forms of energy production.

Our customers are located throughout the Asia-Pacific region with Japan, Singapore, China, Taiwan and South Korea accounting for approximately 75% of our revenue from coal sales in the half-year ended 30 June 2020.

Thermal coal is primarily used in electricity generation and its ends users are typically power and utilities companies. Metallurgical coal is primarily used to produce coke for blast furnace steel production and its end users are typically steel plants. We also sell coal to customers in the commodities trading business, who purchase the Group's coal for trading purposes or to on-sell to their end customers. Commodity traders are similarly exposed to regional and global demand trends in the coal market.

The Group's export thermal coal is generally priced on either an index price, an annual fixed price or on a spot price basis. Generally, lower ash products are priced relative to the GlobalCOAL Newcastle index and higher ash products are priced relative to the Argus/McCloskey API5 index. Annual fixed price contracts are mostly priced against the Japanese Power Utility Reference Price, which is the contract price agreed between major Australian Suppliers and Japanese Power Utilities. The balance of our sales are priced on a fixed spot price negotiated at the time of settlement that also reflect the term of the arrangement.

The Group's export metallurgical coal is either priced on a benchmark or spot price basis. Most term contracts are priced against a benchmark pricing mechanism which is negotiated on a quarterly price basis between major Australian suppliers and Japanese steel mills. Spot sales are priced relative to the market at the time and are mostly transacted on a fixed price basis. The large majority of the Group's semi-soft coking coal out of Newcastle and low volatile PCI coal out of Queensland is priced relative to the quarterly benchmark.

During the Period, lower economic activity negatively affected the demand for thermal and metallurgical coals. The COVID-19 pandemic has had a more pronounced and ongoing effect on demand than supply dynamics. Nevertheless, coal price indices did demonstrate some price stability towards the end of the Period. Reduced steel-making activities during the Period in Japan, Korea and India resulted in hard-coking coal displacing low-grade met coal in regional markets, and the PCI price fell sharply early in the second quarter before stabilising.

Yancoal actively considers the effect that its supply level can have on specific coal markets and responds appropriately to prevailing market conditions. To counter the anticipated short-term volatility in thermal coal price indices, we continue to optimise the product quality and volume we place into the market and actively seek to expand our customer base and sales to new markets.

Australia is expected to retain a market share of around 26% of the growing world seaborne thermal coal requirement and to play a critical role as a primary source of premium grade coals. Ongoing challenges associated with obtaining development approvals for greenfield projects has the potential to support premium coal prices and domestic exporters with brownfield expansion opportunities, such as Yancoal, should benefit from such conditions.

The Group's coal sales revenue is typically recognised on a FOB basis when coal is loaded at the load port in Australia.

The Group's overall average ex-mine selling price of coal decreased by 25% from A$124 per tonne in 1H 2019 to A$94 per tonne in 1H 2020, mainly as a result of (i) a decrease in global USD coal prices and (ii) a higher proportion of thermal coal sales being Moolarben's higher ash product partially offset by the Australian dollar weakening against the US dollar from an average of 0.7061 in 1H 2019 to 0.6577 in 1H 2020. The Group's average selling price of thermal coal decreased from A$112 per tonne to A$88 per tonne and the average selling price of metallurgical coal decreased from A$184 per tonne to A$140 per tonne.

The Group's overall average cash operating costs per product tonne, excluding government royalties, decreased from A$62 per tonne in 1H 2019 to A$60 per tonne in 1H 2020.

The table below sets out the ROM and saleable production for each Yancoal owned mine on a 100% basis during the Group's period of ownership.

	Half-year ended 30 June		
	2020 Mt	**2019 Mt**	**Change %**
ROM production			
Moolarben	11.1	10.9	2%
MTW	8.2	9.1	(10%)
HVO	8.4	8.8	(5%)
Yarrabee	1.4	1.1	27%
Stratford Duralie	0.4	0.3	33%
Middlemount	1.7	2.2	(23%)
Watagan	1.7	2.0	(15%)
Total – 100% basis	**32.9**	**34.4**	**(4%)**
Saleable production			
Moolarben	10.2	9.5	7%
MTW	5.3	6.1	(13%)
HVO	6.3	6.6	(5%)
Yarrabee	1.5	1.2	25%
Stratford Duralie	0.2	0.2	-%
Middlemount	1.2	1.7	(29%)
Watagan	0.9	1.1	(18%)
Total – 100% basis	**25.6**	**26.4**	**(3%)**

On a 100% basis, ROM coal production was down 4% from 34.4Mt in 1H 2019 to 32.9Mt in 1H 2020. This included a decrease in the three tier-one assets (being Moolarben, MTW and HVO) of 4% from 28.8Mt in 1H 2019 to 27.7Mt in 1H 2020.

Saleable coal production was down 3% from 26.4Mt in 1H 2019 to 25.6Mt in 1H 2020. This included an increase in the three tier-one assets of 2% from 22.2Mt in 1H 2019 to 21.8Mt in 1H 2020.

Moolarben's ROM production increased by 0.2Mt (2%) and its saleable production increased by 0.7Mt (7%). The increase in ROM was due to a 0.6Mt increase in the underground due to favourable mining conditions partially offset by a 0.4Mt decrease in the open cut. The increase in saleable production was primarily attributable to an increase proportion of bypass coal from the underground.

MTW's ROM production decreased by 0.9Mt (10%) and its saleable production decreased by 0.8Mt (13%) primarily due to wet weather encountered in the first quarter.

HVO's ROM production decreased by 0.4Mt (5%) and saleable production decreased by 0.3Mt (5%) primarily due to wet weather and mine sequencing.

The below table sets out the Group's ongoing equity interest in the saleable production for each Yancoal owned mine that contributes to the financial results of the Group. i.e. excludes Watagan.

		Half-year ended 30 June		
	Ownership % (1)	**2020 Mt**	**2019 Mt**	**Change %**
Saleable production				
Moolarben (2)	95	9.2	8.1	14%
MTW	82.9	4.4	5.0	(12%)
HVO	51	3.2	3.3	(3%)
Yarrabee	100	1.5	1.2	25%
Stratford Duralie	100	0.2	0.2	-%
		18.5	**17.8**	**4%**
Middlemount (equity-accounted)	~50	0.6	0.8	(25%)
Total – equity basis		**19.1**	**18.6**	**3%**
Thermal		16.3	14.8	10%
Metallurgical		2.8	3.8	(26%)
		19.1	**18.6**	**3%**

(1) Ownership percentage stated as at 30 June 2020.
(2) Includes saleable production of 85% of the Moolarben unincorporated joint venture up to and including 31 March 2020 and 95% thereafter.

The Group's saleable coal production, excluding Middlemount, was up 4% from 17.8Mt in 1H 2019 to 18.5Mt in 1H 2020 and including Middlemount was up 3% from 18.6Mt in 1H 2019 to 19.1Mt in 1H 2020. This included an increase in the three tier-one assets of Moolarben, MTW and HVO of 2% from 16.4Mt in 1H 2019 to 16.8Mt in 1H 2020.

The saleable production contribution of the Group's tier-one assets remained flat at 88%.

Thermal coal saleable production increased by 10% from 14.8Mt in 1H 2019 to 16.3Mt in 1H 2020 and metallurgical coal saleable production decreased by 26% from 3.8Mt in 1H 2019 to 2.8Mt in 1H 2020. Thermal coal represented 85% of total saleable coal production in 1H 2020 an increase from 80% in 1H 2019.

COVID-19 IMPACT

The health and wellbeing of all Yancoal employees remains a key focus in response to the ongoing COVID-19 pandemic. Pleasingly, the work practices and measures implemented to mitigate COVID-19 related risks have so far proven successful, with no known COVID-19 cases across our workforce and minimal disruption to our operations to date.

Our 12-month rolling TRIFR[12] at the end of Q2 2020 was 6.91; down from 7.19 at the end of Q1 2020.

We are closely monitoring the state of international coal markets and critical supply chains to assess how the pandemic is likely to impact on our business over the remainder of 2020 and beyond. The supply and demand dynamics resulting from COVID-19 will continue to influence both thermal and metallurgical coal prices significantly. Yancoal's realised average price for Q2 2020 decreased by 25% compared to the same period last year.

Given the ongoing uncertain economic and market conditions, we are deferring non-essential capital expenditure until 2021.

We replaced an existing debt facility after the end of the Period; this is beneficial to our financial flexibility as it extends the debt repayment schedule by five years.

Our focus has been on the controllable elements of our business; particularly optimising production and reducing operating costs wherever possible.

[12] Attributable TRIFR includes Moolarben, Mount Thorley Warkworth, Stratford Duralie, Yarrabee and the Corporate office; it excludes Middlemount (not operated by Yancoal), Hunter Valley Operations (not operated by Yancoal) and Watagan. The TRIFR figures are as at 14 July 2020.

FINANCIAL RESULTS REVIEW

RESULTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

For the management discussion and analysis, the Group's operating results for the half-year ended 30 June 2020 are compared with the operating results for the half-year ended 30 June 2019.

All financial numbers included below, and in the commentary to follow, are stated in Australian dollars (A$ or $) unless otherwise stated.

	Half-year ended 30 June						
	2020			2019			
	IFRS Reported $m	**Non-operating $m**	**Operating $m**	**IFRS Reported $m**	**Non-operating $m**	**Operating $m**	**Change %**
Revenue	**1,973**	**7**	**1,980**	**2,350**	**13**	**2,363**	**(16%)**
Other income	700	(662)	38	16	(10)	6	533%
Changes in inventories of finished goods and work in progress	(19)	-	(19)	38	-	38	(150%)
Raw materials and consumables	(343)	-	(343)	(352)	-	(352)	(3%)
Employee benefits	(295)	-	(295)	(260)	-	(260)	13%
Transportation	(276)	-	(276)	(293)	-	(293)	(6%)
Contractual services and plant hire	(186)	-	(186)	(189)	-	(189)	(2%)
Government royalties	(131)	-	(131)	(164)	-	(164)	(20%)
Coal purchases	(199)	-	(199)	(177)	-	(177)	12%
Other operating expenses	(101)	48	(53)	(69)	26	(43)	23%
Share of (loss)/profit of equity-accounted investees, net of tax	(35)	-	(35)	11	-	11	(418%)
EBITDA	**1,088**	**(607)**	**481**	**911**	**29**	**940**	**(49%)**
EBITDA %	***55%***		***24%***	***39%***	***-***	***40%***	
Depreciation and amortisation	(386)	-	(386)	(294)	-	(294)	31%
EBIT	**702**	**(607)**	**95**	**617**	**29**	**646**	**(85%)**
EBIT %	***36%***	***-***	***5%***	***26%***	***-***	***27%***	
Net finance costs	(109)	31[(1)]	(78)	(125)	36 [(1)]	(89)	(12%)
Non-operating items	-	576	576	-	(65)	(65)	986%
Profit before income tax	**593**	**-**	**593**	**492**	**-**	**492**	**21%**
Profit before income tax %	***30%***	***-***	***30%***	***21%***	***-***	***21%***	
Income tax benefit / (expense)	12	-	12	72	(219)	(147)	(108%)
Profit after income tax	**605**	**-**	**605**	**564**	**(219)**	**345**	**75%**
Profit after income tax %	***31%***	***-***	***31%***	***24%***	***-***	***15%***	
Attributable to:							
- Owners of Yancoal	**605**	**-**	**605**	**564**	**(219)**	**345**	**75%**
- Non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(1) Includes the reclassification of interest income of $59 million (1H 2019: $62 million) from Revenue to Net finance costs and Bank fees and other charges of $28 million (1H 2019: $26 million) from Other operating expenses to Net finance costs as these amounts are excluded from Operating EBITDA.

To supplement the Group's consolidated financial statements, which are presented in accordance with International Financial Reporting Standards ("IFRSs") the Group also uses adjusted Operating EBITDA and Operating EBIT as additional financial measures, as set out in the table above, which are unaudited and not required by or presented in accordance with, IFRSs. These financial measures are presented because they are used by management to evaluate the Group's financial performance. These non-IFRSs measures provide additional information to investors and others in understanding and evaluating the consolidated results of operations in the same manner as they help management compare the financial results across accounting periods with those of our peer companies, by removing one-off or non-operating items.

As presented by the management, Operating EBITDA represents profit or loss before income tax for the half-year as adjusted for net finance costs, depreciation and amortisation and any significant non-operating items, while Operating EBIT represents profit or loss before income tax as adjusted for net finance costs and any significant non-operating items.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Profit after income tax increased by 7% from $564 million in 1H 2019 to $605 million in 1H 2020 and was fully attributable to the owners of Yancoal with no non-controlling interests.

Profit attributable to the owners of Yancoal of $605 million was impacted by a number of non-operating items during 1H 2020. These totaled a net profit before tax impact of $576 million comprising a $653 million gain on bargain purchase recognised on the acquisition of an additional 10% interest in the Moolarben unincorporated joint venture, $15 million of stamp duty also on the Moolarben acquisition, a $66 million fair value loss recycled from the hedge reserve, a $9 million contingent royalty revaluation gain and a $5 million royalty revaluation loss. These are discussed in more detail separately below, refer “Overview of non-operating items”, and have been excluded from the operating commentary.

OVERVIEW OF OPERATING RESULTS

The below comparison of the financial results for the half-years ended 30 June 2020 and 30 June 2019 is impacted by changes in the Group’s portfolio of assets, most significantly the acquisition of a further 10% interest in the Moolarben joint venture from 1 April 2020.

The analysis in this section includes ex-mine sales tonnes and ex-mine revenue comprising (i) 85% of the Moolarben unincorporated joint venture up to and including 31 March 2020 and 95% thereafter (ii) 51% of the unincorporated HVO joint venture (iii) 82.9% of the unincorporated MTW joint venture and (iv) 100% of Yarrabee and Stratford Duralie.

The results of Middlemount and Watagan are excluded from the line by line commentary below because their results, as incorporated equity-accounted investments, are included in share of profits of equity-accounted investees, net of tax in the statement of profit and loss and is discussed separately below.

REVENUE

	Half-year ended 30 June		
	2020 $m	**2019 $m**	**Change %**
Ex-mine coal sales [(1)]	1,665	2,064	(19%)
Sale of purchased coal	226	200	13%
Other	6	8	(25%)
Sale of coal	**1,897**	**2,272**	**(17%)**
Mining service fees	29	25	(16%)
Sea freight	38	50	(24%)
Other	16	16	-%
Revenue	**1,980**	**2,363**	**(16%)**

[(1)] Ex-mine coal sales include only coal that has been produced at one of the Group’s mines. They exclude the sale of coal that has been purchased from third parties.

Total revenue decreased by 16% from $2,363 million in 1H 2019 to $1,980 million in 1H 2020, primarily due to a 17% decrease in coal sales revenue from $2,272 million in 1H 2019 to $1,897 million in 1H 2020. With respect to coal sales revenue, the key factors were:

	Half-year ended 30 June		
	2020	**2019**	**Change %**
Thermal coal			
Average selling price (A$ per tonne)	88	112	(22%)
Sales volume (Mt)	15.9	13.7	16%
% of total ex-mine sales volume	89%	83%	6%
Total ex-mine thermal coal revenue (A$ million)	1,399	1,540	(9%)
Metallurgical coal			
Average selling price (A$ per tonne)	140	184	(24%)
Sales volume (Mt)	1.9	2.8	(33%)
% of total ex-mine sales volume	11%	17%	(6%)
Total ex-mine metallurgical coal revenue (A$ million)	266	524	(49%)

Total coal			
Average selling price (A$ per tonne)	94	124	(25%)
Total ex-mine sales volume (Mt)	17.8	16.5	8%
Total ex-mine coal revenue (A$ million)	**1,665**	**2,064**	**(19%)**

A decrease in the Group's overall average ex-mine selling price of coal of 25% from A$124 per tonne in 1H 2019 to A$94 per tonne in 1H 2020 resulting from (i) a decrease in global USD coal prices with the weekly average GlobalCOAL Newcastle thermal coal index price falling by US$26/t (30%) during the same period and the average semi-soft coking coal benchmark price falling by US$31/t (24%) during the same period and (ii) a higher proportion of thermal coal sales being Moolarben's higher ash product partially offset by the Australian dollar weakening against the US dollar by 7% from an average of 0.7061 in 1H 2019 to 0.6577 in 1H 2020.

Lower economic activity negatively affected the demand for thermal and metallurgical coals. The COVID-19 pandemic has had a more pronounced and ongoing effect on demand than supply dynamics. Nevertheless, coal price indices did demonstrate some price stability towards the end of the Period. Reduced steel-making activities during the Period in Japan, Korea and India resulted in hard-coking coal displacing low-grade met coal in regional markets, and the PCI price fell sharply early in the second quarter before stabilising.

The Group's average selling price of thermal coal decreased from A$112 per tonne to A$88 per tonne. The Group's average selling price of metallurgical coal decreased from A$184 per tonne to A$140 per tonne.

An increase in the Group's ex-mine sales volume of coal of 8% from 16.5Mt in 1H 2019 to 17.8Mt in 1H 2020, mainly due to a 1.3Mt increase in sales at Moolarben.

	Half-year ended 30 June			
	2020		**2019**	
	Amount	**% of revenue**	**Amount**	**% of revenue**
	$'m	**%**	**$'m**	**%**
Japan	359	19%	554	24%
Singapore	319	17%	311	14%
China	307	16%	304	13%
Taiwan	229	12%	234	10%
South Korea	218	12%	238	11%
Australia	180	9%	316	14%
Thailand	167	9%	193	9%
Others (1)	118	6%	122	5%
Total revenue from external customers	**1,897**	**100%**	**2,272**	**100%**

(1) Others includes Vietnam, USA, India and Germany (1H 2019 also included Hong Kong, Switzerland, United Arab Emirates)

Sales by customer location as a percentage of total coal sales revenue remained largely stable across 1H 2019 and 1H 2020.

The decrease in Japan was primarily due to a conservative buying pattern due to reduced demand from the industry slow down due to COVID-19 particularly impacting demand from the steel industry.

The increase in Singapore was primarily due an increase in sales to traders, domiciled in Singapore, particularly to assist in developing new end markets in South East Asia.

The decrease in Australia was primarily on lower sales to other local coal producers for their blending purposes.

Other income

	Half-year ended 30 June		
	2020 $m	**2019 $m**	**Change %**
Net gain on foreign exchange	36	-	-
Sundry income	2	6	(66%)
Other income	**38**	**6**	**(533%)**

Other income increased from $6 million in 1H 2019 to $38 million in 1H 2020. In 1H 2020 this included a net gain on foreign exchange of $36 million primarily recognised on holding USD cash balances as the Australian dollar weakened during 1H 2020. In 1H 2019 this was a net loss on foreign exchange of $4 million and is included in Other operating expenses.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress decreased from an increase of $38 million in 1H 2019 to a decrease of $19 million in 1H 2020. Whilst production of saleable coal exceeded sales tonnes in 1H 2020, total inventory decreased due to a decrease in ROM coal stocks.

PRODUCTION COSTS

All-in total production costs, which include cash and non-cash operating costs, represent costs directly attributable to the production, transportation and selling of coal as well as indirect corporate costs, in particular, corporate employee costs, but excluding transaction costs. Cash operating costs comprise the cost of raw materials and consumables used, employee benefits, contractual services and plant hire and transportation. Non-cash operating costs include depreciation and amortisation.

Per ex-mine sales tonne (1)	**Half -year ended 30 June**	
	2020	**2019**
	$/t	**$/t**
Cash operating costs		
Raw materials and consumables used	19	21
Employee benefits	17	16
Transportation	16	18
Contractual services and plant hire	10	11
Cash operating costs (excluding royalties)	**62**	**66**
Royalties	7	10
Cash operating costs	**69**	**76**
Non-cash operating costs		
Depreciation and amortisation	22	18
Total production costs	**91**	**94**
Total production costs (excluding royalties)	84	84

(1) Ex-mine sales tonnes includes (i) 85% of the Moolarben unincorporated joint venture up to and including 31 March 2020 and 95% thereafter (ii) 51.0% of the unincorporated HVO joint venture (iii) 82.9% of the unincorporated MTW joint venture (iv) 100% of Yarrabee and Stratford Duralie.

The table above is prepared on a cost per sales tonne basis. Over a financial year ex-mine sales tonnes and saleable production are generally consistent with the Group maintaining level coal stocks (2019: sales 35.6Mt, production 35.6 Mt; 2018: sales 33.5Mt, production 33.6Mt). However, the first half-year results ex-mine sales tonnes have been significantly below saleable production (1H 2020: sales 17.8Mt, production 18.5Mt; 1H 2019: sales 16,.5Mt; production 17.8Mt) primarily due to building coal stocks to allow blending flexibility across the Group and in 2020 due to the impacts of COVID-19.

The table above does not adjust for the increase in inventory at 30 June 2019 and 30 June 2020 and as such does not accurately represent the cost of production per tonne. The table below has been restated on a per saleable production tonne basis to remove the impact of inventory movements. Royalties have been removed as these are based on sales revenue and are driven by ex-mine sale tonnes.

Per saleable production tonne	**Half -year ended 30 June**	
	2020	**2019**
	$/t	**$/t**
Cash operating costs		
Raw materials and consumables used	19	20
Employee benefits	16	15
Transportation	15	16
Contractual services and plant hire	10	11
Cash operating costs (excluding royalties)	**60**	**62**
Non-cash operating costs		
Depreciation and amortisation	21	16
Total production costs (excluding royalties)	**81**	**78**

Raw materials and consumables used

Raw materials and consumables used decreased by 3% from $352 million in 1H 2019 to $343 million in 1H 2020, primarily due to lower diesel prices. This contributed to a decrease in per saleable production tonne raw materials and consumables used from $20 to $19 over the same period.

Employee benefits

Employee benefits expenses increased by 13% from $260 million in 1H 2019 to $295 million in 1H 2020, primarily due to an increase in employees at HVO due to a decrease in contractors, site redundancy payments, wage inflation, salary increases and bonus payments. This contributed to an increase in per saleable production tonne employee benefits expense from $15 to $16 over the same period.

Transportation

Transportation costs decreased by 6% from $293 million in 1H 2019 to $276 million in 1H 2020, primarily due to a decrease in sales where Yancoal incurs the sea freight. This contributed to a decrease in per saleable production tonne transportation costs from $16 to $15 over the same period.

Contractual services and plant hire

Contractual services and plant hire expenses decreased by 2% from $189 million in 1H 2019 to $186 million in 1H 2020. This contributed to a decrease in per saleable production tonne contractual services and plant hire costs from $11 to $10 over the same period.

Government royalties

Government royalty expenses decreased by 20% from $164 million in 1H 2019 to $131 million in 1H 2020, primarily due to an 19% decrease in ex-mine coal sales revenue. Royalties are determined on an ad valorem basis by reference to the value of coal sold, the type of mine and the State the mine is in and are payable to the appropriate State government. This contributed to a decrease in per ex-mines sales tonne government royalties from $10 to $7 over the same period.

Coal purchases

Coal purchases increased by 12% from $177 million in 1H 2019 to $199 million in 1H 2020.

Other operating expenses

Other operating expenses increased by 23% from $43 million in 1H 2019 to $53 million in 1H 2020 and included a $6 million increase in insurance costs and a $5 million increase in duties and levies.

Share of (loss) / profit of equity-accounted investees, net of tax

Share of profit of equity-accounted investees, net of tax decreased from $11 million in 1H 2019 to a net loss of $35 million in 1H 2020 primarily due to the declining profit after tax performance of the incorporated Middlemount joint venture negatively impacted by a 25% decrease in realised A$ coal price and a 30% decrease in sales tonnes impacted by the ongoing challenging geotechnical conditions. At 30 June 2020, the Group's equity-accounted investment in Watagan is held on the balance sheet at nil value such that the loss after tax of the Watagan group of $79 million for the half-year ended 30 June 2020, is not reflected in the Group's statement of profit and loss for the same period.

Operating EBITDA and operating EBITDA margin

Operating EBITDA decreased by 49% from $940 million in 1H 2019 to $481 million in 1H 2020. The $459 million decrease was due to (i) a $351 million (15%) decrease in revenue and other income primarily due to lower coal prices; (ii) a $63 million (4%) increase in costs primarily due to increased production; and (iii) a $46 million decrease in equity accounted loss/profit. Operating EBITDA margin as a percentage of operating revenue decreased from 40% in 1H 2019 to 24% in 1H 2020.

Depreciation and amortisation

Depreciation and amortisation expenses increased by 31% from $294 million in 1H 2019 to $386 million in 1H 2020. The increase was primarily due to i) increased production, particularly on the Moolarben underground which carries a higher per tonne depreciation charge; ii) increased depreciation at Moolarben on higher depreciable asset values following the recognition of the gain on bargain purchase; and iii) the impact of some accelerated depreciation recognised at HVO and Stratford Duralie. Per ex-mine sales tonne depreciation and amortisation costs increased from $16 to $21 over the same period.

Operating EBIT and operating EBIT margin

Operating EBIT decreased by 85% from $646 million in 1H 2019 to $95 million in 1H 2020 primarily due to 49% decrease in Operating EBITDA and a 31% increase in depreciation and amortisation as noted above. Operating EBIT margin as a percentage of operating revenue decreased from 27% in 1H 2019 to 5% in 1H 2020.

Net finance costs

Net finance costs decreased by 12% from $89 million in 1H 2019 to $78 million in 1H 2020, primarily due to (i) an overall reduction in interest-bearing liabilities compared to 1H 2019 following several voluntary loan repayments; (ii) a reduction in the Yanzhou guarantee fee provided on the Group's syndicated facility in 1H 2019; and (iii) a decrease in the Group's LIBOR based debt facilities from an average of 7.05% in 1H 2019 to an average of 5.02% in 1H 2020 partially offset by a decrease in the AUD:USD exchange rate during the period from an average of 0.7061 in 1H 2019 to an average of 0.6577 in 1H 2020 resulting in an increase in the Australian dollar value finance charge, where the Group's loans are denominated in US dollars.

Operating profit before income tax and profit before income tax margin

As a result of the aforementioned reasons, operating profit before income tax decreased by 97% from $557 million in 1H 2019 to $17 million in 1H 2020. Operating profit before income tax margin as a percentage of operating revenue decreased from 24% to 1% over the same period.

Profit before income tax and profit before income tax margin

As a result of the aforementioned reasons, and the non-operating items discussed below, profit before income tax increased by 21% from $492 million in 1H 2019 to $593 million in 1H 2020. Profit before income tax margin as a percentage of operating revenue increased from 21% to 30% over the same period.

Income tax benefit / (expense)

Income tax benefit increased from a net expense of $147 million in 1H 2019 to a net benefit of $12 million in 1H 2020. The effective tax rate was 29.9% and -2.0% in the same periods, respectively, compared to the Australian corporate income tax rate of 30%. In 1H 2020 the lower effective tax rate primarily resulted from the non-taxable gain on bargain purchase of $653 million and the non-deductible equity accounted losses of $35 million.

Profit after income tax and profit after income tax margin

As a result of the aforementioned reasons profit after income tax increased by 75% from $345 million in 1H 2019 to $605 million in 1H 2020. Profit after income tax margin as a percentage of operating revenue increased from 15% to 31% over the same period.

OVERVIEW OF NON-OPERATING ITEMS

Non-operating items in the half-year ended 30 June 2020 and 2019 included the following:

	Half-year ended 30 June	
	2020	**2019**
	$m	**$m**
Non-operating items		
Gain on bargain purchase	653	-
Fair value losses recycled from hedge reserve	(66)	(75)
Re-measurement of royalty receivable	(5)	6
Re-measurement of contingent royalty	9	4
Stamp duty expensed	(15)	-
Profit before tax impact	**576**	**(65)**
Tax base finalisation	**-**	**219**
Profit after tax impact	**576**	**(154)**

Gain on bargain purchase of $653 million represents the accounting gain recognised on the acquisition of the additional 10% interest in the unincorporated Moolarben joint venture. In accordance with accounting standards and the terms of the Moolarben joint venture agreements the acquisition of the additional 10% interest, increasing Yancoal's overall interest in the unincorporated Moolarben joint venture to 95%, resulted in Yancoal gaining accounting control of Moolarben. As such Yancoal is required to fair value its entire 95% interest in Moolarben with any increase over its current book value being recognised as a gain on bargain purchase.

Fair value losses recycled from the hedge reserve of $66 million (1H 2019: $75 million) represent retranslation losses on the Group's US dollar-denominated loans which are attributable to changes in USD:AUD foreign exchange rates. Under the

Group's natural hedge policy, such losses are recycled to the statement of profit and loss based on the scheduled loan maturity dates. The amount of any fair value loss or gain recycled from the hedge reserve in a period is a function of the amount of the hedged US dollar loan scheduled to mature in that period and the respective USD:AUD exchange rates at the time the hedge was put in place and at the time the loan matured.

Re-measurement of the royalty receivable down by $5 million (1H 2019: up by $6 million) relates to the change in the estimated fair value of the Group's Middlemount royalty receivable recognised on its right to receive a royalty of 4% of Free on Board Trimmed Sales on 100% of the Middlemount mine coal sales.

Re-measurement of contingent royalty down by $9 million (1H 2019: down by $4 million) represents a decrease in the provision recognised on the Coal & Allied acquisition with respect to the contingent coal price-linked royalty potentially payable to Rio Tinto from 1 September 2020 due to a softening of the thermal coal price forecasts.

In 1H 2019 non-operating items also included $219 million relating to the finalisation of the tax base attributable to the Group on the Coal & Allied acquisition.

CASH FLOW ANALYSIS

	Half -year ended 30 June		
	2020 $m	**2019 $m**	**Change $m**
Net operating cash flows	505	783	(278)
Net investing cash flows	(345)	(165)	(180)
Net financing cash flows	(728)	(1,054)	326
Net decrease in cash	**(568)**	**(436)**	**(132)**

Net operating cash flows

Net operating cash inflows decreased by $278 million (36%) to $505 million reflecting a decrease in net receipts from customers over payments to suppliers primarily due to a 16% decrease in revenue over the same period.

Net investing cash flows

Net investing cash outflows increased by $180 million (109%) to $345 million mainly reflecting the acquisitions undertaken by the Group. In 1H 2020 investing cash outflows included (i) $104 million of instalment payments for a further 10% in the Moolarben joint venture; (ii) $136 million of capital expenditure, including exploration; (iii) a net $64 million provided to Watagan under the Watagan loan facility; and (iv) $35 million of revolver loans provided to Middlemount. In 1H 2019 investing cash outflows included (i) a $21 million instalment payment for a further 4% in the Moolarben joint venture (ii) $98 million of capital expenditure and (iii) a net $64 million provided to Watagan under the Watagan loan facility.

Net financing cash flows

Net financing cash outflows decreased by $326 million (31%) to an outflow of $728 million. In 1H 2020 the net financing cash outflow included (i) $432 million (US$300 million) of mandatory debt repayments; and (ii) $280 million of dividends. In 1H 2019 the net financing cash outflow included (i) $698 million (US$500 million) of voluntary debt repayments and (ii) $377 million final dividend.

FINANCIAL RESOURCES AND LIQUIDITY

	30 June 2020 $m	**31 December 2019 $m**	**Change $m**
Current assets	1,140	1,773	(633)
Current liabilities	(1,911)	(2,112)	201
Net current assets	**(771)**	**(339)**	**(432)**
Total assets	11,514	11,093	421
Total liabilities	(5,029)	(4,930)	(99)
Total equity	**6,485**	**6,163**	**322**

Current assets decreased by $633 million to $1,140 million at 30 June 2020 mainly reflecting a decrease in cash on hand of $539 million and trade and other receivables of $80 million.

Current liabilities decreased by $201 million to $1,911 million at 30 June 2020 mainly reflecting the debt repayments of $432 million noted above partially offset by a $213 million increase in trade and other payables.

Total assets increased by $421 million to $11,514 million at 30 June 2020 mainly reflecting an $883 million increase in mining tenements primarily resulting from the Moolarben gain on bargain purchase, a $121 million increase in property plant and equipment, and a $64 million increase in interest bearing loans to Watagan partially offset by a decrease in current assets of $633 million noted above.

Total liabilities increased by $99 million to $5,029 million at 30 June 2020 mainly reflecting the debt repayments of $432 million noted above partially offset by a $238 million increase in deferred tax liabilities.

Total equity increased by $322 million to $6,485 million at 30 June 2020 mainly reflecting the $605 million profit after income tax for the year partially offset by dividend payments of $280 million.

The Group's primary source of liquidity was operating cash flows that contributed $505 million in the half-year ended 30 June 2020. Together with the opening cash position this enabled the payment of dividends of $280 million and the further repayment of interest-bearing liabilities of $432 million during the half-year ended 30 June 2020.

For the year ending 31 December 2020 the primary source of liquidity is expected to continue to be operating cash flows for ongoing business supplemented by refinancing existing interest-bearing liabilities due within the next 12 months and potentially additional interest-bearing liabilities for any possible transactions. Historically, the Group's primary sources of liquidity have consisted of operating cash flows, interest-bearing liabilities, including shareholder loans, and new equity.
The Group's capital structure and gearing ratio is set out in the table below.

	30 June 2020 $m	**31 December 2019 $m**	**Change $m**
Interest-bearing liabilities	3,120	3,498	(378)
Less: cash and cash equivalents	(423)	(962)	539
Net debt	**2,697**	**2,536**	**161**
Total equity	6,485	6,163	322
Net debt + total equity	**9,182**	**8,699**	**483**
Gearing ratio (1)	0.29	0.29	

(1) The Group's gearing ratio is defined as net debt (being interest-bearing liabilities less cash and cash equivalents) divided by net debt + total equity.

The Group's objective when managing its capital structure is to provide sustainable dividends to equity holders, pay down interest-bearing liabilities to a supportable level whilst providing capital towards sustaining capital expenditure and organic and inorganic expansion opportunities.

The gearing ratio remained consistent at 29% for both periods.

The Group's interest-bearing liabilities include secured bank loans of A$1,852 million (31 December 2019: A$2,240 million) and unsecured loans from related parties of A$1,189 million (31 December 2019: A$1,164 million) both denominated in US dollars and lease liabilities of A$79 million (31 December 2019: A$94 million) denominated in Australian dollars.

Secured bank loans carry a floating interest rate calculated with reference to the 3-month LIBOR rate for which the average all-in rate for the half-year ended 30 June 2020 was 5.02% (1H 2019: 7.05%). Unsecured loans from related parties carry a fixed interest rate for which the rate for the half-year ended 30 June 2020 was 7.00% (1H 2019: 7.00%).

During the Period Yancoal repaid US$300 million (mandatory repayment) of its US$1,275 million secured bank loan. After the Period end, on 8 July 2020, US$300 million was drawn as a part of a total replacement facility (which also had a US$1,275 million limit). The majority of the repayments are now in 2024 and 2025, replacing the previous repayments in 2020 and 2021.

The Group's cash and cash equivalents includes A$245 million (31 December 2019: A$395 million), US$122 million (31 December 2019: US$346 million) and HK$ nil (31 December 2019: HK$396 million).

While the Group operates entirely in Australia and its costs are primarily denominated in its functional currency, the A$, foreign currency exposure arises particularly in relation to coal supply contracts, which generally are priced and payable in USD, procurement of diesel and imported plant and equipment, which can be priced in USD or other foreign currencies, and debt denominated in USD.

The impact of exchange rate movements will vary depending on factors such as the nature, magnitude and duration of the movements, the extent to which currency risk is hedged under forward exchange contracts or other hedging instruments and the terms of these contracts.

The hedging policy of the Company aims to protect against the volatility of cash expenditures or reduced collection in the abovementioned transactions as well as to reduce the volatility of profit or loss for retranslation of US dollar denominated loans at each period end.

Operating foreign exchange risk that arises from firm commitments or highly probable transactions is managed through the use of bank issued forward foreign currency contracts. The Company hedges a portion of contracted USD sales and asset purchases settled in foreign currencies in each currency to mitigate the adverse impact on cash flow due to the future rise or fall in the A$ against the relevant currencies.

More details on interest-bearing liabilities, cash and cash equivalents and equity including types of instrument used, security provided, maturity profile of interest-bearing liabilities, interest rates and hedging strategies are included in Notes D2, D4 and D9 of the Group's Annual Report for the year ended 31 December 2019.

Available debt facilities

As at 30 June 2020 the Group has A$566 million of undrawn debt under its A$1,400 million unsecured facility from related parties.

As at 30 June 2020 the Group has $183 million of undrawn bank guarantee facilities that are provided for operational purposes in favour of port, rail, government departments and other operational functions in the normal course of business.

CAPITAL EXPENDITURE AND COMMITMENTS

During the half-year ended 30 June 2020 capital expenditure cash flows of the Group amounted to $136 million (1H 2019: $98 million) comprising $135 million (1H 2019: $96 million) of property, plant and equipment and $1 million (1H 2019: $2 million) of exploration.

As at 30 June 2020 commitments of the Group comprised capital commitments of $48 million.

SIGNIFICANT INVESTMENTS

The Company continues to look for high quality acquisition opportunities.

On 31 March 2020, Yancoal Moolarben Pty Ltd a 100% owned subsidiary of the Group acquired a 10% interest in the unincorporated Moolarben joint venture previously owned by Sojitz Corporation. With the 10% acquisition the Group now holds a 95% interest in Moolarben. The cash consideration paid and payable is $300 million split into four instalments over a period of 12 months and an $8 million effective date adjustment. The acquisition will be funded from operating cashflows together with part of the Hong Kong listing proceeds of HK$396 million (A$83 million), including interest, that was reserved for future M&A activity.

The Company will inform the market as required if and when any transaction occurs. The Group also focuses on organic growth opportunities and business as usual capital expenditure.

The Group continues to pursue its long-term strategy for organic growth, with a commitment to progressing its brownfield expansion and extension projects.

In the year ahead, the Group will continue to focus on exploration and expansion works across the tier-one assets of MTW, Moolarben and HVO, to be funded from operating cash flows.

At MTW, Yancoal has identified a coal resource that could support an underground operation. The initial concept study shows a potential annual production output of saleable coal of around 5Mt. Work is underway to inform a pre-feasibility study for submission to the Board.

At Moolarben, Yancoal has the required approval to increase annual production from 21Mt to 24Mt (16Mt from the open cut mine and 8Mt from underground). Work is underway on a pre-feasibility study for the expansion for submission to the Board. The work includes addressing various licensing requirements and assessing the optimal production profile.

Organic growth opportunities are expected to be funded through operating cashflows as part of the group's overall capital expenditure program.

Funding of any inorganic opportunities will be assessed on a case by case basis and could include funding from operating cashflows, interest-bearing liabilities or equity.

MATERIAL ACQUISITIONS AND DISPOSALS

On 31 March 2020, Yancoal Moolarben Pty Ltd a 100% owned subsidiary of the Group acquired a 10% interest in the unincorporated Moolarben joint venture previously owned by Sojitz Corporation. With the 10% acquisition the Group now holds an 95% interest in Moolarben. The cash consideration paid and payable is $300 million split into four instalments over a period of 12 months and an $8 million effective date adjustment.

EMPLOYEES

As at 30 June 2020, the Group had approximately 2,900 employees (including contract labour who are full time equivalents), all located in Australia, in addition to other contractors and service providers who support the Group's operations by delivering fixed scopes of work. For the Period, the total employee costs (including director's emoluments, HVO employees who are not included in the employee number above and excluding contract labour, contractors and service providers whose costs are included in Contractual services and plant hire) amounted to $292 million (1H 2019: $260 million).

Remuneration packages and benefits are determined in accordance with market terms, industry practice as well as the nature of duties, performance, qualifications and experience of employees and are reviewed an on annual basis. Remuneration packages include base wages or salaries, short-term site production bonuses, short and long-term staff incentives, non-monetary benefits, superannuation and long service leave contributions and insurance.

The Group's remuneration policies ensure remuneration is equitable, aligns with the long-term interests of the Group and Shareholders, comply with the diversity policy, provide market competitive remuneration to attract and retain skilled and motivated employees and structure incentives to link rewards with performance.

Details of the Group's incentive plans are included in the Remuneration Report in the Groups' Annual Report for the year ended 31 December 2019.

The Company believes that capable and competent employees contribute to the success of the Group. The Group invests in competence development and assurance programs to ensure statutory compliance and zero harm to its employees. The Group also contributes to the ongoing professional development of its employees. This investment contributes to a pipeline of employees who are ready to transition into new roles as well as creating a value proposition for new employees looking to join the Group.

EVENTS OCCURRING AFTER THE REPORTING DATE

Other than as disclosed below, no matters or circumstances have occurred subsequent to the end of the Period which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state-of-affairs of the Group.

On 8 July 2020, the Group replaced a debt facility that had a US$1.275 billion limit at 31 December 2019 with scheduled repayments due in 2020 and 2021. The Group will repay the new facility over the next five years, with $100 million repaid over the first three years and the balance repaid in two payments at the end of the fourth and fifth year.

On 12 July 2020, the controlling shareholder of Yancoal, Yanzhou Coal Mining Company Ltd, announced its controlling shareholder, Yankuang Group Company Ltd, was planning a strategic reorganisation with Shandong Energy Group Co. Ltd. At this time, no change to the operating profile of Yancoal is expected from this event.

FINANCIAL AND OTHER RISK MANAGEMENT

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include currency risk, price risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies and procedures for management of these risks.

Currency Risk

The Group operates entirely in Australia and its costs are primarily denominated in its functional currency, the Australian dollar. Export coal sales are denominated in US dollars and a strengthening of the Australian dollar against the US dollar has an adverse impact on earnings and cash flow settlement. Liabilities for some plant and equipment purchases and loans are denominated in currencies other than the Australian dollar and a weakening of the Australian dollar against other currencies has an adverse impact on earnings and cash flow settlement.

The hedging policy of the Group aims to protect against the volatility of cash expenditures or reduced collections in the above-mentioned transactions as well as to reduce the volatility of profit or loss for retranslation of US dollar denominated loans at each period end. The latter is achieved through the use of a natural cash flow hedge whereby unrealised foreign exchange gains or losses arising on US dollar denominated loans are deferred on the balance sheet in a hedge reserve included in equity. Such deferred gains or losses are recycled to the profit or loss during the six-month period in which the loan is scheduled to be repaid. There is no guarantee that that this natural cash flow hedge will be sufficient to offset any foreign exchange losses, and material foreign exchange losses could negatively impact our financial condition.

Price Risk

The price risk of the Group includes coal price risk. Recently, as a consequence of COVID-19, the Group has seen a decrease in coal indices globally which impacts the revenue the Group can generate.

The Group does not enter into commodity contracts other than coal purchases to meet the Group's expected usage and sales requirements, such contracts are not settled net. The royalty receivable from Middlemount is exposed to fluctuations in coal price. The Group currently does not have any derivative hedges in place against the movement in the spot coal price.

See Note D7 to the financial statements in this report for the royalty receivable coal price sensitivity analysis.

Coal sales are predominately provisionally priced initially. Provisionally priced sales are those for which price finalisation, referenced to the relevant index, is outstanding at the reporting date. Provisional pricing mechanisms embedded within these sales arrangements have the character of a commodity derivative and are carried at fair value through profit and loss as part of trade receivables. The final sales price is determined normally 7 to 90 days after delivery to the customer. At 30 June 2020, there are $106 million of provisionally priced sales still to be finalised, of which $97 million is yet to be received. If prices were to increase by 10% provisionally priced sales would increase by $10 million.

Interest Rate Risk

The Group is subject to interest rate risk that arises from borrowings and cash and cash equivalents. Generally, no variable interest is receivable or payable on the Group's trade and other receivables or payables where applicable as they are fixed in nature and therefore they are not exposed to the interest rate risk.

The Group's cash flow interest rate risk for assets primarily arises from cash at bank and deposits subject to market bank rates. Floating rate borrowings bearing LIBOR rates are re-set on a quarterly basis.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 30 June 2020 the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the Consolidated Balance Sheet and the amount of contingent liabilities in relation to financial guarantees issued by the Group.

In order to minimise credit risk, management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Letters of Credit in favour of Yancoal are requested from some customers. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced. The Group maintains its cash and cash equivalents with reputable banks. Therefore, the Directors consider that the credit risk for such amounts are minimal.

Liquidity Risk

Liquidity risk includes the risk that the Group will not be able to meet its financial obligations as they fall due. The Group will be impacted in the following ways:

(i) will not have sufficient funds to settle transactions on the due date;
(ii) will be forced to sell financial assets at a value which is less than what they are worth; or
(iii) may be unable to settle or recover a financial asset at all.

Liquidity risk is managed by maintaining sufficient cash and liquid deposit balances and [having readily accessible standby facilities in place] in accordance with the Board's risk management policy.

CONTINGENT LIABILITIES

The contingent liabilities of the Group as at 30 June 2020 comprise (i) $828 million (31 December 2019: $921 million) of bank guarantees comprising $397 million (31 December 2019: $417 million) of performance guarantees provided to third parties and $431 million (31 December 2019: $504 million) of guarantees provided in respect of the cost of restoration of certain mining leases given to government departments as required by statute with respect to the Group's owned and managed mines (ii) a letter of support provided to the Middlemount Coal Pty Limited joint venture and (iii) a number of claims that have been made against the Group, including in respect of personal injuries, and in relation to contracts which Group members are party to as part of the Group's day to day operations.

See Note D6 to the financial statements in this report for further details on the Group's contingent liabilities.

CHARGES ON ASSETS

The Group has a Syndicated Bank Guarantee Facility provided by a syndicate of nine Australian and International banks totalling A$975 million. The Syndicated Bank Guarantee facility was extended on 3 June 2020 for a three-year term with a new syndicate group of banks. As at 30 June 2020 the facility was drawn to A$807 million.

The Group has a Syndicated Term Loan facility provided by a syndicate of five Australian and International banks totalling US$300 million. As at 30 June 2020 the facility was fully drawn.

The Syndicated Bank Guarantee and Term Loan facilities are both secured by the assets of the consolidated group of Yancoal Resources Ltd and Coal & Allied Industries Ltd (both wholly owned subsidiaries of Yancoal) with a carrying value of $5,861 million as at 30 June 2020.

FUTURE PROSPECTS

Yancoal will maintain strong cost discipline, with 2020 cash costs (excluding government royalties) expected to be around A$60/t (2019: A$61/t).

2020 guidance for saleable coal production of about 38 million tonnes (attributable). Expected 2020 capital expenditure cash flow is expected to be less than A$300 million (attributable).

Yancoal has a long-term strategic commitment to organic growth, through brownfield expansion and extension projects. The current focus remains on exploration and expansion works across MTW and Moolarben.

ShineWing AUSTRALIA
Advisors & Accountants

Take the lead

Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* to the directors of Yancoal Australia Ltd

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2020 there have been:

i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and

ii. No contraventions of any applicable code of professional conduct in relation to the review.

ShineWing Australia

ShineWing Australia
Chartered Accountants

R Blayney Morgan

R Blayney Morgan
Partner

Sydney, 19 August 2020

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	Notes	**30 June 2020 $M**	30 June 2019 $M
Revenue	B2	**1,973**	2,350
Other income	B3	**700**	16
Changes in inventories of finished goods and work in progress		**(19)**	38
Coal purchases		**(199)**	(177)
Raw materials and consumables used		**(343)**	(352)
Employee benefits	B4	**(295)**	(260)
Depreciation and amortisation		**(386)**	(294)
Transportation		**(276)**	(293)
Contractual services and plant hire		**(186)**	(189)
Government royalties		**(131)**	(164)
Other operating expenses	B4	**(101)**	(69)
Finance costs	B4	**(109)**	(125)
Share of (loss) / profit of equity-accounted investees, net of tax	E2	**(35)**	11
Profit before income tax		**593**	492
Income tax benefit	B5	**12**	72
Profit after income tax		**605**	564
Profit is attributable to:			
Owners of Yancoal Australia Ltd		**605**	564
Non-controlling interests		**-**	-
		605	564
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges:			
Fair value losses		**(66)**	(11)
Fair value losses transferred to profit and loss		**66**	75
Deferred income tax expense		**-**	(19)
Other comprehensive income, net of tax		**-**	45
Total comprehensive income		**605**	609
Total comprehensive income for the period attributable to owners of Yancoal Australia Ltd arises from:			
Continuing operations		**605**	609
		605	609
Profit per share attributable to the ordinary equity holders of the Company:			
Basic profit per share (cents)	B6	**45.8**	42.7
Diluted profit per share (cents)	B6	**45.8**	42.6

These Half-Year Financial Statements should be read in conjunction with the accompanying notes.

	Notes	**30 June 2020 $M**	31 December 2019 $M
ASSETS			
Current assets			
Cash and cash equivalents		**423**	962
Trade and other receivables	C7	**373**	453
Inventories	C8	**253**	261
Royalty receivable	D7	**15**	21
Non-contingent royalty receivable		**4**	4
Derivative financial instruments		**-**	1
Assets classified as held for sale		**45**	45
Other current assets		**27**	26
Total current assets		**1,140**	1,773
Non-current assets			
Trade and other receivables	C7	**288**	282
Property, plant and equipment	C1	**3,061**	2,940
Mining tenements	C2	**4,930**	4,047
Exploration and evaluation assets	C4	**559**	555
Intangible assets	C5	**113**	97
Interest bearing loan to associate	D1	**965**	901
Royalty receivable	D7	**210**	205
Non-contingent royalty receivable		**-**	4
Investments accounted for using the equity method	E2	**233**	273
Other non-current assets		**15**	16
Total non-current assets		**10,374**	9,320
Total assets		**11,514**	11,093
LIABILITIES			
Current liabilities			
Trade and other payables	C9	**1,015**	802
Interest-bearing liabilities	D2	**855**	1,267
Provisions		**27**	30
Non-contingent royalty payable		**14**	13
Total current liabilities		**1,911**	2,112
Non-current liabilities			
Trade and other payables		**4**	4
Interest-bearing liabilities	D2	**2,265**	2,231
Provisions		**600**	558
Deferred tax liabilities		**249**	11
Non-contingent royalty payable		**-**	14
Total non-current liabilities		**3,118**	2,818
Total liabilities		**5,029**	4,930
Net assets		**6,485**	6,163
EQUITY			
Contributed equity		**6,482**	6,482
Reserves	D5	**(487)**	(484)
Retained earnings		**488**	163
Capital and reserves attributable to the owners of Yancoal Australia Ltd		**6,483**	6,161
Non-controlling interests		**2**	2
Total equity		**6,485**	6,163

These Half-Year Financial Statements should be read in conjunction with the accompanying notes.

	Notes	Attributable to owners of Yancoal Australia Ltd					
		Contributed equity $M	Reserves $M	Retained earnings / (accumulated losses) $M	Total $M	Non-controlling interests $M	Total equity $M
Balance at 1 January 2019		6,482	(484)	(42)	5,836	2	5,838
Profit after income tax				564	564		564
Other comprehensive income		-	45	-	45	-	45
Total comprehensive income		**-**	**45**	**564**	**609**	**-**	**609**
Transactions with owners in their capacity as owners:							
Dividends paid		-	-	(377)	(377)	-	(377)
		-	-	(377)	(377)	-	(377)
Balance at 30 June 2019		**6,482**	**(439)**	**145**	**6,068**	**2**	**6,070**
Balance at 1 January 2020		**6,482**	**(484)**	**163**	**6,161**	**2**	**6,163**
Profit after income tax		-	-	605	605	-	605
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**605**	**605**	**-**	**605**
Transactions with owners in their capacity as owners:							
Dividends paid		-	-	(280)	(280)	-	(280)
Movements in other reserves		-	(3)	-	(3)	-	(3)
		-	(3)	(280)	(283)	-	(283)
Balance at 30 June 2020		**6,482**	**(487)**	**488**	**6,483**	**2**	**6,485**

These Half-Year Financial Statements should be read in conjunction with the accompanying notes.

	Notes	**30 June 2020 $M**	30 June 2019 $M
Cash flows from operating activities			
Receipts from customers		**2,093**	2,415
Payments to suppliers and employees		**(1,567)**	(1,515)
Interest paid		**(64)**	(131)
Interest received		**43**	27
Transaction costs paid		**-**	(9)
Stamp duty paid		**-**	(4)
Net cash inflow from operating activities		**505**	783
Cash flows from investing activities			
Payments for property, plant and equipment		**(135)**	(96)
Payments for capitalised exploration and evaluation activities		**(1)**	(2)
Proceeds from sale of property, plant and equipment		**-**	12
Payment of non-contingent royalties		**(15)**	(28)
Receipts of non-contingent royalties		**4**	8
Payments for acquisition of interest in joint operation (net of cash acquired)	E1	**(104)**	(21)
Repayment of loan from joint venture		**-**	21
Advances of borrowing to joint venture		**(35)**	-
Repayment of borrowings from associates		**165**	26
Advance of borrowings to associates		**(229)**	(90)
Dividends received		**5**	5
Net cash outflow from investing activities		**(345)**	(165)
Cash flows from financing activities			
Repayment of interest bearing liabilities		**(432)**	(349)
Repayment of interest bearing liabilities - related entities		**-**	(349)
Dividends paid	D3	**(280)**	(377)
Receipts from promissory note		**-**	40
Payment of lease liabilities		**(16)**	(19)
Net cash outflow from financing activities		**(728)**	(1,054)
Net decrease in cash and cash equivalents		**(568)**	(436)
Cash and cash equivalents at the beginning of the financial year		**962**	1,031
Effects of exchange rate changes on cash and cash equivalents		**29**	(5)
Cash and cash equivalents at the end of the period		**423**	590

These Half-Year Financial Statements should be read in conjunction with the accompanying notes.

Contents of the notes to the consolidated financial statements

A Basis of preparation of half-year financial statements

These financial statements for the half-year ended 30 June 2020 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These half-year financial statements are for the consolidated entity (the "Group") consisting of Yancoal Australia Ltd (the "Company") and the entities it controlled at the end of, or during, the half-year ended 30 June 2020 ("the period"). These half-year financial statements do not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and any public announcements made by Yancoal Australia Ltd during the half-year ended 30 June 2020 in accordance with the continuous disclosure requirements of the *Corporations Act 2001*, Australian Securities Exchange and the Stock Exchange of Hong Kong.

These half-year financial statements were authorised for issue in accordance with a resolution of the Directors on 19 August 2020.

The accounting policies adopted are consistent with those of the most recent Annual Financial Report and the corresponding half-year financial report in the prior period, except for the following changes noted below.

The outbreak of the Novel Coronavirus (“COVID-19”) was declared as a ‘Global Pandemic’ by the World Health Organisation on 11 March 2020, developments throughout 2020 has caused great uncertainty for the coal industry and the global and Australian economy. This uncertainty has created risks and conditions that the Group has not encountered before. As a result, there has been a continual assessment of the impacts of COVID-19 on the financial statements arising from this major global risk.

Compliance with IFRS

The half-year financial statements of the Group also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Auditor sign-off

The independent auditor’s report of these consolidated half-year financial statements is unqualified and unmodified.

In addition:

The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards. The Group is of a kind referred to in ASIC Legislative Instrument 2016/191 and in accordance with that instrument, all financial information presented in Australian dollars has been rounded to the nearest million dollars unless otherwise stated.

- the half-year financial statements have been reviewed by the Company's external auditors per Appendix 16 paragraph 46(6) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”); and
- the accounting information given in the half-year financial report has not been audited per Appendix 16 paragraph 43 of the Listing Rules.

(a) New and amended accounting standards adopted by the Group

New and amended accounting standards, amendments and interpretations effective for the current reporting period include:

- AASB 2018-6 *Amendments to Australian Accounting Standards - Definition of a Business;* and
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Material;* and
- *Conceptual Framework for Financial Reporting, and relevant amending standards*.

The adoption of the amendments and conceptual framework have not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods.

(b) Impact of standards issued but not yet applied by the Group

Australian Accounting Standards and Interpretations issued but not yet applicable for the half-year ended 30 June 2020 have not been early adopted by the Group. The Group has not yet determined the potential impacts of other amendments on the Group’s financial statements.

(c) Current net asset deficiency

The current net asset deficiency position of the Group as at 30 June 2020 is $771 million (31 December 2019: $339 million). The factors that contributed to the current net asset deficiency position include:

(i) an interest-bearing liability of $826 million has been classified as current at 30 June 2020 due to a maturity date within 12 months of 30 June 2020, this interest bearing liability has been refinanced as disclosed in Note D2;
(ii) excluding the impact of the above classification, the Group has current net assets of $64 million;
(iii) US$300 million has been drawn down on the 10 July 2020 under the refinanced facility which will be classified as a non-current facility, further improving the net current asset position of the Group; and
(iv) the Group has continued to generate cash inflows from operating activities in the current period of $505 million (12 months to 31 December 2019: $1,548 million).

A Basis of preparation of half-year financial statements (continued)

(c) Current net asset deficiency (continued)

The Directors continually monitor the Group's working capital position including forecast working capital requirements in light of the Group's existing debt facilities and available cash reserves and are satisfied that the Group will be able to pay its debts as and when they fall due for a period of 12 months from the date of the financial statements.

(d) New accounting policy

As detailed in Note E1 the Group now has control of the Moolarben JV. Previously this joint venture was accounted for as a joint operation as per the accounting policy in Note E2 of the 31 December 2019 annual report. These assets and liabilities are now proportionality consolidated as a 'controlled operation', also referred to as a 'deemed separate entity' in AASB10 *Consolidated Financial Statements*. The Group recognises its proportional right to assets, liabilities, revenue and expenses which have been incorporated into the financial statements under the appropriate line items.

B Performance

B1 Segment information

(a) Accounting Policies

Management has determined the operating segments based on the strategic direction and organisational structure of the Group together with reports reviewed by the Chief Operating Decision Makers ("CODM"), defined as the Executive Committee, that are used to make strategic decisions including resource allocation and assessment of segment performance.

The reportable segments are considered at a regional level being New South Wales ("NSW") and Queensland ("QLD").

Non-operating items of the Group are presented under the segment Corporate which includes administrative expenses, foreign exchange gains and losses on interest-bearing liabilities, and the elimination of intersegment transactions and other consolidation adjustments.

(b) Segment information

The segment information for the reportable segments for the half-year ended 30 June 2020 is as follows:

	Coal mining			
30 June 2020	**NSW**	**QLD**	**Corporate**	**Total**
	$M	$M	$M	$M
Total segment revenue*	1,717	180	(66)	1,831
Add: Fair value losses recycled from hedge reserve	-	-	66	66
Revenue from external customers	1,717	180	-	1,897
Operating EBIT	148	(51)	(2)	95
Operating EBITDA	509	(30)	2	481
Material income or expense items				
Non-cash items				
Depreciation and amortisation expense	(361)	(21)	(4)	(386)
Gain on acquisition of interest in joint operation	-	-	653	653
Remeasurement of contingent royalty	-	-	9	9
Remeasurement of royalty receivable	-	-	(5)	(5)
Stamp duty expense	(15)	-	-	(15)
	(376)	(21)	653	256
Total capital expenditure	**171**	**10**	**1**	**182**

	Coal Mining			
	NSW	**QLD**	**Corporate**	
	$M	$M	$M	$M
30 June 2020				
Segment assets	8,917	614	1,750	11,281
Investment in joint venture and associate	181	-	52	233
Total assets	**9,098**	**614**	**1,802**	**11,514**

B Performance (continued)

B1 Segment information (continued)

(b) Segment information (continued)

The segment information for the reportable segments for the half-year ended as at 30 June 2019 and segment assets as at 31 December 2019 are as follows:

30 June 2019	**Coal mining NSW**	**QLD**	**Corporate**	
	$M	$M	$M	$M
Total segment revenue*	2,008	264	(75)	2,197
Add: Fair value losses recycled from hedge reserve	-	-	75	75
Revenue from external customers	2,008	264	-	2,272
Operating EBIT	696	8	(58)	646
Operating EBITDA	969	25	(54)	940
Material income or expense items				
Non-cash items				
Depreciation and amortisation expense	(273)	(17)	(4)	(294)
Remeasurement of royalty receivable	-	-	6	6
Remeasurement of contingent royalty	-	-	4	4
	(273)	(17)	6	(284)
Total capital expenditure	123	3	2	128
31 December 2019				
Segment assets	8,770	670	1,379	10,819
Investment in joint venture and associate	184	-	89	273
Derivative financial instruments	-	-	1	1
Total assets	**8,954**	**670**	**1,468**	**11,093**

* Total segment revenue consists of revenue from the sale of coal whereas revenue disclosed in the profit or loss also includes other revenue such as management fees, sea freight, rents and sub-lease rentals, interest income, dividend income and royalty income.

Apart from the items included as non-cash items, and the fair value losses there was no impairment charge or other significant non-cash items recognised during the half-years ended 30 June 2019 and 30 June 2020.

(c) Other segment information

(i) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties for the reportable segments are measured in a manner consistent with that in the profit or loss.

Revenue from external customers are derived from the sale of coal from operating mines and coal purchases. Segment revenues are allocated based on the country in which the customer is located refer to Note B2 for revenue from external customers split by geographical regions.

Revenues from the top five external customers were $518 million (30 June 2019: $866 million) which in aggregate represent approximately 27% (30 June 2019: 38%) of the Group's revenues from the sale of coal. These revenues are attributable to the NSW and QLD coal mining segments.

Segment revenue reconciles to total revenue as follows:

	30 June 2020 $M	30 June 2019 $M
Total segment revenue	**1,831**	2,197
Interest income	**59**	62
Mining services fees	**29**	25
Sea freight	**38**	50
Other revenue	**16**	16
Total revenue (note B2)	**1,973**	2,350

B Performance (continued)

B1 Segment information (continued)

(c) Other segment information (continued)

(ii) Operating EBITDA

The Executive Committee assesses the performance of the operating segments based on a measure of Operating EBITDA. This measure excludes the effects of non-recurring expenditure or income from the operating segments such as restructuring costs, business combination related expenses and impairments of cash-generating units. Furthermore, the measure excludes the effects of fair value remeasurements and unrealised gains/(losses) on interest-bearing liabilities.

A reconciliation of Operating EBITDA to profit before income tax is provided as follows:

	30 June 2020 $M	30 June 2019 $M
Operating EBITDA	**481**	940
Depreciation and amortisation	**(386)**	(294)
Operating EBIT	**95**	646
Gain on acquisition of interest in joint operation	**653**	-
Interest income	**59**	62
Finance costs	**(109)**	(125)
Bank fees and other charges	**(28)**	(26)
Fair value losses recycled from hedge reserve - USD loans	**(66)**	(75)
Stamp duty	**(15)**	-
Remeasurement of royalty receivable	**(5)**	6
Remeasurement of contingent royalty	**9**	4
Profit before income tax	**593**	492

(iii) Segment capitalised expenditure

Amounts with respect to capital expenditure are measured in a manner consistent with that of the financial statements. Reportable segments' capital expenditure is set out in Note B1(b).

All segment assets are located in Australia.

(iv) Segment liabilities

A measure of total liabilities for reportable segments are not provided to the Executive Committee. The Executive Committee reviews the liabilities of the Group at a consolidated level.

B2 Revenue

Contracts with customers

The Group has recognised the following amounts relating to revenue in the profit or loss:

	30 June 2020 $M	30 June 2019 $M
From continuing operations		
Sales revenue		
Sale of coal	**1,897**	2,272
Fair value losses recycled from hedge reserve	**(66)**	(75)
	1,831	2,197
Other revenue		
Interest income	**59**	62
Mining services fees	**29**	25
Sea freight	**38**	50
Other	**16**	16
	142	153
	1,973	2,350

At 30 June 2020 there are $106 million (30 June 2019: $802 million) of provisionally priced sales, still to be finalised, of which $97 million is yet to be collected (30 June 2019: $364 million).

B Performance (continued)

B2 Revenue (continued)

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market and major products/service lines of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's three reportable segments (see Note B1):

30 June 2020	NSW $M	QLD $M	Corporate $M	Total $M
Primary geographical markets				
Japan	311	48	-	359
Singapore	291	28	-	319
China	307	-	-	307
Taiwan	218	11	-	229
South Korea	189	29	-	218
Australia (Yancoal's country of domicile)	180	-	-	180
Thailand	167	-	-	167
All other foreign countries	54	64	-	118
Total	**1,717**	**180**	**-**	**1,897**
Major product/service lines				
Thermal coal	1,549	28	-	1,577
Metallurgical coal	168	152	-	320
Total	**1,717**	**180**	-	**1,897**

30 June 2019	NSW $M	QLD $M	Corporate $M	Total $M
Primary geographical markets				
Japan	480	74	-	554
Australia (Yancoal's country of domicile)	281	35	-	316
Singapore	264	47	-	311
China	295	9	-	304
South Korea	159	79	-	238
Taiwan	227	7	-	234
Thailand	193	-	-	193
All other foreign countries	108	14	-	122
Total	**2,007**	**265**	**-**	**2,272**
Major product/service lines				
Thermal coal	1,681	13	-	1,694
Metallurgical coal	326	252	-	578
Total	**2,007**	**265**	-	**2,272**

In 2020 8.8% of coal sales were attributable to the largest customer and 27.3% to the top five customers (2019: 12.4% and 38.1% respectively).

Contract balances

The group has recognised the following revenue-related receivables, contract assets and liabilities:

	30 June 2020 $M	30 December 2019 $M
Receivables from contracts with customers	**252**	276

There are no contract assets or liabilities or costs as at 30 June 2020 or 31 December 2019.

B Performance (continued)

B3 Other income

	30 June 2020 $M	30 June 2019 $M
Gain on acquisition of interest in joint operation (refer to Note E1)	**653**	-
Net gain on foreign exchange	**36**	-
Gain on remeasurement of contingent royalty	**9**	4
Gain on remeasurement of royalty receivable	**-**	6
Sundry income	**2**	6
	700	16

There is no impact on the conversion of US dollar denominated interest-bearing liabilities (2019: nil).

B4 Expenses

	30 June 2020 $M	30 June 2019 $M
Profit before income tax includes the following specific expenses:		
(a) Employee benefits		
Employee benefits	**272**	239
Superannuation contributions	**23**	21
Total employee benefits	**295**	260

During the period to 30 June 2020 $4 million of employee benefits were capitalised (2019: $3 million)

(b) Finance costs

	30 June 2020 $M	30 June 2019 $M
Lease charges	**3**	4
Unwinding of discount on provisions and deferred payables	**8**	7
Amortisation of non-substantial loan refinance	**3**	4
Other interest expenses	**95**	110
Total finance costs	**109**	125

(c) Other operating expenses

	30 June 2020 $M	30 June 2019 $M
Bank fees and other charges	**28**	26
Stamp duty	**15**	-
Duties and other levies	**14**	9
Insurance	**12**	6
Information technology	**10**	7
Travel and accommodation	**5**	5
Loss on remeasurement of royalty receivable	**5**	-
Net loss on disposal of property, plant and equipment	**2**	2
Rental expense	**1**	1
Net loss on foreign exchange	**-**	4
Other operating expenses	**9**	9
Total other operating expenses	**101**	69

(e) Largest suppliers

In 2020 6.5% of total operating expenses related to one supplier and 21.0% to the top five suppliers (2019 5.8% and 21.9% respectively).

B Performance (continued)

B5 Income tax benefit

(a) Income tax benefit

	30 June 2020 $M	30 June 2019 $M
Income tax benefit	**12**	72
Income tax benefit is attributable to:		
Continuing operations	**12**	72

(b) Numerical reconciliation of income tax benefit to prima facie tax payable

	30 June 2020 $M	30 June 2019 $M
Profit from continuing operations before tax	**593**	492
Tax at the Australian tax rate of 30% (2019 - 30%)	**(178)**	(148)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Movements in tax base of assets	**-**	219
Gain on acquisition of interest in joint operation	**196**	-
Share of (loss) / profit of equity-accounted investees not deductible	**(10)**	4
Other	**4**	(3)
Income tax benefit	**12**	72

In finalising the opening tax base of the acquired Coal and Allied Industries Ltd in 2019 an adjustment to deferred tax assets of $219 million was recognised.

The income tax benefit is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the financial period. The estimated average tax rate used for the half-year ended 30 June 2020 excluding the gain on acquisition of interest in joint operation is 31.0% (2019: 29.9% once adjusted for the movement in tax base of assets). The estimated average tax rate takes into account permanent differences that may arise from thin capitalisation, transfer pricing and the equity accounting of associates.

The Group has assessed that the likelihood of generating sufficient taxable earnings in future periods will be sufficient to utilise the prior and current year tax loss asset recognised on the balance sheet. At 30 June 2020 the amount of recognised tax losses and offsets in the deferred tax assets are $277 million (31 December 2019: $330 million).

B6 Earnings per share

(a) Basic and diluted earnings per share

	30 June 2020	30 June 2019
Total basic earnings per share (cents)	**45.8**	42.7
Total diluted earnings per share (cents)	**45.8**	42.6

(b) Weighted average number of shares used in calculating profit per share

	30 June 2020 Number	30 June 2019 Number
Ordinary shares on issue at the start of the period	**1,320,439,437**	1,320,439,437
Less: weighted average of treasury shares held	**(31,225)**	(31,225)
Weighted average number of ordinary shares used in basic earnings per share	**1,320,408,212**	1,320,408,212
Adjusted for rights and options on issue	**1,191,481**	3,283,860
Weighted average shares used in diluted earnings per share	**1,321,599,693**	1,323,692,072

B Performance (continued)

B6 Earnings per share (continued)

(c) Reconciliation of earnings used in calculating profit per share

	30 June 2020 $M	30 June 2019 $M
Basic and diluted earnings per share		
Earnings used in calculating the basic and diluted earnings per share:		
From continuing operations	**605**	564

C Operating assets and liabilities

C1 Property, plant and equipment

	Assets under construction $M	**Freehold land and buildings $M**	**Mine development $M**	**Plant and equipment $M**	**Leased plant and equipment $M**	**Total $M**
At 31 December 2019						
Cost or fair value	224	383	1,712	3,095	113	5,527
Accumulated depreciation	-	(73)	(524)	(1,955)	(35)	(2,587)
Net book amount	224	310	1,188	1,140	78	2,940
Half-year ended 30 June 2020						
Opening net book amount	224	310	1,188	1,140	78	2,940
Additions	133	-	45	4	2	184
Transfer assets under construction	(130)	11	28	81	-	(10)
Acquisition through business combinations	17	8	90	72	6	193
Other disposals	-	-	-	(3)	(3)	(6)
Depreciation	-	(5)	(68)	(149)	(18)	(240)
Closing net book amount	244	324	1,283	1,145	65	3,061
At 30 June 2020						
Cost or fair value	244	402	1,842	3,234	117	5,839
Accumulated depreciation	-	(78)	(559)	(2,089)	(52)	(2,778)
Net book amount	244	324	1,283	1,145	65	3,061

During the period ended 30 June 2020 $3 million of depreciation was capitalised (31 December 2019: $3 million).

C2 Mining tenements

	30 June 2020 $M	31 December 2019 $M
Opening net book amount	**4,047**	4,218
Acquisition through business combination	**1,000**	-
Transfers from exploration and evaluation	**30**	-
Transfers from mine development	**-**	41
Amortisation	**(147)**	(212)
Closing net book amount	**4,930**	4,047

C3 Impairment of assets

(a) CGU assessment

The Group operates on a regional basis within NSW and as such the NSW mines of Moolarben, Mount Thorley Warkworth, Hunter Valley Operations and Stratford Duralie are considered to be one Cash Generating Unit ("CGU"). Yarrabee and Middlemount are considered separate CGU's due to their location and ownership structure.

(b) Assessment of fair value

Each CGU's fair value less costs of disposal has been determined using a discounted cash flow model over the expected life of mine (17 - 54 years). The fair value model adopted has been categorised as level 3 in the fair value hierarchy.

C Operating assets and liabilities (continued)

C3 Impairment of assets (continued)

(b) Assessment of fair value (continued)

The key assumptions in the model include:

Key assumptions	**Description**
Coal prices	The Group's cash flow forecasts are based on estimates of future coal prices, which assume benchmark prices will revert to the group's assessment of the long term real coal prices of US$46 – US$102 per tonne (2019: US$51 – US$100 per tonne) for thermal and US$112 – US$217 per tonne (2019: US$90 – US$176 per tonne) for metallurgical coal. The Group receives long term forecast coal price data from multiple external sources when determining its benchmark coal price forecasts and then makes adjustments for specific coal qualities. The external sources have determined their benchmark coal price forecasts having regard to the latest International Energy Agency (IEA) Stated Policies Scenario, the Nationally Determined Contributions submitted in the lead-up to the Paris Agreement in 2015 and National Energy Policies as they are updated. This contemplates the global seaborne demand for thermal coal will remain relatively consistent to showing a decline of 5.5% from 2020 through to 2040 whilst the global seaborne demand for metallurgical coal will increase up to 2040. Key risks to the outlooks are increasing decarbonisation trends, trade disputes, protectionism, import control policies in China, shareholder activism to divest from coal, the pace of renewable technology advancement and investor behaviour to coal project financing. The Group has considered the impacts of a more rigorous international response to climate change under the Paris Agreement and notes that the average mine life required for the recoverable amount to continue to exceed the book value, holding all inputs constant, including coal prices, is 9, 18 and 8 years for the NSW, Yarrabee and Middlemount CGUs, respectively. The NSW CGU has an approximate 91% exposure to thermal coal and 9% exposure to metallurgical coal whilst Yarrabee and Middlemount are both metallurgical coal mines. The Group concludes that whilst a more rigorous international response to climate change could reduce the future demand for coal the likely impact of any such action are not expected to materially impact during the time periods noted above and hence would not result in the recoverable amount falling below book value. For both thermal and metallurgical coal the Group's forecast coal price is within the range of external price forecasts. These forecasts include the assumption that the world economy will return to the growth trajectory that was occurring before the COVID-19 pandemic, China will increase its imports of seaborne coal and that limited supply will be brought online due to low investment in new coal production capacity over the last five to ten years.
Foreign exchange rates	The long-term AUD/USD forecast exchange rate of $0.75 (2019: $0.75) is based on external sources. The 30 June 2020 AUD/USD exchange rate was $0.69 per the Reserve Bank of Australia.
Production and capital costs	Production and capital costs are based on the Group's estimate of forecast geological conditions, stage of existing plant and equipment and future production levels. This information is obtained from internally maintained budgets, the five year business plan, life of mine models, life of mine plans, JORC reports, and project evaluations performed by the Group in its ordinary course of business.
Coal reserves and resources	The Group estimates its coal reserves and resources based on information compiled in accordance with the JORC 2012 Code and ASX Listing Rules 2014. Further discussion is included in Note C2 of the Group's Annual Financial Report for the year ended 31 December 2019.

C Operating assets and liabilities (continued)

C3 Impairment of assets (continued)

(b) Assessment of fair value (continued)

Discount rate	The Group has applied a post-tax nominal discount rate of 10.5% (2019: 10.5%) to discount the forecast future attributable post-tax cash flows. Due to the ongoing geotechnical issues at Middlemount a 0.5% premium has been added to this CGU's discount rate. The post-tax discount rate applied to the future cash flow forecasts represents an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. This rate is also consistent with the Group's five year business plan, life of mine models and project evaluations performed in ordinary course of business.

Based on the above assumptions at 30 June 2020 the recoverable amount is determined to be above book value for all CGU’s resulting in no impairment.

Impairment provision recorded as at 30 June 2020 is $60 million for Stratford Duralie. Stratford Duralie is included in the NSW CGU. Management may consider reversals of the impairment provision previously recognised if there is either an increase in the average long term real revenue over the life of the mine due to either an increase in USD coal prices, or a weakening of the AUD/USD foreign exchange rate or a combination of both, or reductions in the current and life of mine operating costs, capital expenditure requirements, or an increase in the reserves.

In determining the value assigned to each key assumption, management has used: external sources of information; the expertise of external consultants; as well as the experience of experts within the Group to validate entity specific assumptions such as coal reserves and resources. Additionally, various sensitivities have been determined and considered with respect to each of the key assumptions, further supporting the above fair value conclusions.

(c) Key sensitivity

The most sensitive input in the fair value model is forecast revenue, which is primarily dependent on estimated future coal prices and the AUD/USD forecast exchange rate.

The Yarrabee goodwill was not subject to an impairment charge as the recoverable amount is greater than the carrying value for this CGU.

2020	**NSW $M**	**Yarrabee $M**	**Middlemount $M**
Book Value	6,228	309	303
Recoverable Amount	10,542	394	538
Head Room	4,314	85	235
US$ Coal Price (i)			
+10%	2,437	292	187
-10%	(2,437)	(323)	(200)
Exchange Rate (ii)			
+5 cents	(1,410)	(188)	(113)
-5 cents	1,604	196	125
Discount Rate (iii)			
+50 bps	(414)	(12)	(18)
-50 bps	446	14	19

(i) This represents the change in recoverable amount due to a +/- 10% change to our coal price assumption.

(ii) This represents the change in recoverable amount due to a +/- 5 cents change to the long term AUD/USD foreign exchange rate adopted.

(iii) This represents the change in recoverable amount due to a +/- 50bps change in discount rate adopted.

If coal prices were 10% lower over life of mine the NSW and Middlemount CGU recoverable amounts would exceed book value however for Yarrabee the book value would exceed the recoverable amount by $238 million. If the AUD/USD long term forecast exchange rate was $0.80, the recoverable amount would exceed book value for NSW and Middlemount however for Yarrabee the book value would exceed recoverable amount by $103 million. If the WACC was 11.5%, or 0.5% higher, the recoverable amount would exceed book value for all CGU's.

C Operating assets and liabilities (continued)

C4 Exploration and evaluation assets

	30 June 2020 $M	31 December 2019 $M
Opening net book amount	**555**	563
Acquisition through business combination	**34**	-
Transfers to mining tenements	**(30)**	-
Transfers to mine development	**-**	(11)
Other additions	**-**	3
Closing net book amount	**559**	555

C5 Intangible assets

	Goodwill $M	**Computer software $M**	**Water rights $M**	**Other $M**	**Total $M**
At 31 December 2019					
Cost	60	29	18	15	122
Accumulated amortisation	-	(23)	-	(2)	(25)
Net book amount	60	6	18	13	97
Half year ended 30 June 2020					
Opening net book amount	60	6	18	13	97
Acquisition through business combination	-	-	9	-	9
Transfers - assets under construction	-	-	10	-	10
Amortisation charge	-	(1)	-	(2)	(3)
Closing net book amount	60	5	37	11	113
At 30 June 2020					
Cost	60	29	37	15	141
Accumulated amortisation	-	(24)	-	(4)	(28)
Net book amount	60	5	37	11	113

(a) Impairment tests for goodwill

The goodwill relates to the acquisition of Yancoal Resources Limited (formally known as Felix Resources Limited) from an independent third party in an arm's length transaction and was allocated to the Yarrabee mine. Refer to Note C3 for the details regarding the fair value less costs on disposal calculation performed at 30 June 2020. The CGU for which goodwill was allocated was not subject to an impairment charge as the recoverable amount is greater than the carrying value of the CGU.

C6 Leases

(a) Amounts recognised in profit or loss

	30 June 2020 $M	**30 June 2019 $M**
Other income from equipment leasing	**2**	2
Depreciation on right of use assets (refer Note C1)	**(18)**	(17)
Expenses relating to short-term and variable leases	**(16)**	(17)
Interest on lease liabilities	**(3)**	(4)

C Operating assets and liabilities (continued)

C6 Leases (continued)

(b) As a lessee

Right-of-use assets

$M	Buildings	Plant and equipment	Total
Opening balance at 31 December 2019	14	64	78
Acquisition through business combination	-	6	6
Additions	-	2	2
Other disposals	-	(3)	(3)
Depreciation	(1)	(17)	(18)
Closing balance at 30 June 2020	**13**	**52**	**65**

An undiscounted maturity analysis of lease liabilities is disclosed in Note D2(d).

The cash outflow for capitalised leases was $16 million for the period to 30 June 2020 (30 June 2019: $19 million).

C7 Trade and other receivables

	30 June 2020 $M	31 December 2019 $M
Current		
Trade receivables from contracts with customers	**252**	276
Other trade receivables	**61**	96
Receivables from joint venture (i)	**60**	25
Other receivable	**-**	56
	373	453
Non - current		
Receivables from joint venture (ii)	**208**	203
Receivables from other entities (iii)	**14**	14
Long service leave receivables	**66**	65
	288	282

(i) Current receivables from joint venture includes revolver loans provided to Middlemount Coal Pty Ltd ("Middlemount") with a maturity date of 31 December 2020 and interest rate of 10%. The revolver loan is fully drawn with a balance of $60 million at 30 June 2020 (31 December 2019: $25 million)

(ii) Receivables from joint venture includes a loan provided to Middlemount with a face value of $212 million (2019: $212 million). From 1 January 2019 the shareholders of Middlemount agreed to make the loan interest free for 24 months. At 30 June 2020 the effective interest rate method has adjusted the carrying value to $208 million with the difference being recognised through profit and loss.

(iii) Receivables from other entities includes the Group's investments in securities issued by Wiggins Island Coal Export Terminal Pty Ltd ("WICET"). These include E Class Wiggins Island Preference Securities ("WIPS") with a carrying value of nil (2019: nil) and Gladstone Island Long Term Securities ("GiLTS") of $14 million (2019: $14 million).

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis, as appropriate. The following is an aged analysis of trade receivables based on the invoice dates at the reporting dates:

	30 June 2020 $M	31 December 2019 $M
0 - 90 days	**235**	265
91 - 180 days	**4**	10
181 - 365 days	**12**	-
Over 1 year	**1**	1
Total	**252**	276

C Operating assets and liabilities (continued)

C7 Trade and other receivables (continued)

(a) Past due but not impaired

The ageing analysis of the Group's and the Company's trade receivables, that were past due but not yet impaired as at 30 June 2020 and 31 December 2019, is as follows:

	30 June 2020 $M	31 December 2019 $M
0 - 90 days	**17**	21
91 - 180 days	**4**	10
181 - 365 days	**12**	-
Over 1 year	**1**	1
Total	**34**	32

The Group does not hold any collateral over these balances. Management closely monitors the credit quality of trade receivables and considers the balance that are neither past due or impaired to be of good quality.

C8 Inventories

	30 June 2020 $M	31 December 2019 $M
Coal - at lower of cost or net realisable value	**157**	171
Tyres and spares - at cost	**93**	86
Fuel - at cost	**3**	4
	253	261

(a) Inventory expense

Write downs of inventories to net realisable value recognised as a provision at 30 June 2020 amounted to $13 million (31 December 2019: $3 million). Any movement in the provision has been included in "Changes in inventories of finished goods and work in progress" in the profit or loss.

C9 Trade and other payable

	30 June 2020 $M	31 December 2019 $M
Trade payables	**349**	387
Payroll costs payable	**101**	103
Other payables	**363**	148
Tax sharing and funding payables to Watagan	**202**	164
	1,015	802

The following is an aged analysis of trade payable based on the invoice dates at the reporting date:

	30 June 2020 $M	31 December 2019 $M
0 - 90 days	**348**	383
91 - 180 days	**-**	-
181 - 365 days	**-**	-
Over 1 year	**1**	4
Total	**349**	387

The average credit period for trade payable is 90 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

D Capital structure and financing

D1 Interest-bearing loan to associate

	30 June 2020 $M	31 December 2019 $M
Opening balance	**901**	835
Repayments	**(165)**	(227)
Drawdowns	**229**	293
Closing balance	**965**	901

On 31 March 2016, the Group transferred its interest in three of its 100% owned NSW coal mining operations, being the Austar, Ashton and Donaldson coal mines, to Watagan Mining Company Pty Limited ("Watagan") for a purchase price of $1,363 million. The purchase price was funded by way of a $1,363 million loan from Yancoal Australia Ltd to Watagan bearing interest of BBSY plus 7.06% with a maturity date of 1 April 2025. The outstanding interest and principal of this loan is guaranteed by Yankuang Group Co. Ltd, the Group's ultimate parent entity. Watagan can make prepayments of the outstanding loan balance with any such prepayment capable of redraw in the future.

At 31 December 2019, it was determined that due to the deterioration in the current and forecast operating results of Watagan there had been a significant increase in credit risk of the loan at the reporting date compared to the credit risk at inception of the loan. On this basis, the Group has changed the expected credit loss ("ECL") calculation for the Watagan loan from an allowance for 12 month ECLs to an allowance for lifetime ECLs. Having regard to the calculation of lifetime ECL the directors have considered the enforceability of the Yankuang guarantee noted above and have received written confirmation in February 2020 from Yankuang re-confirming that they remain bound by the Guarantee and will honour their obligations under it. The directors have also considered Yankuang's financial position and are satisfied that Yankuang has the necessary financial resources to fulfil the guarantee.

Based on the above, the lifetime ECL on the Watagan loan at 31 December 2019 and 30 June 2020 is determined to be nil. If no such reliance was able to be placed on the Yankuang guarantee it is considered highly likely that a material lifetime ECL would be recognised.

D2 Interest-bearing liabilities

	30 June 2020 $M	31 December 2019 $M
Current		
Secured bank loans	**826**	1,236
Secured lease liabilities	**29**	31
	855	1,267
Non-current		
Secured bank loans	**1,026**	1,004
Secured lease liabilities	**50**	63
Unsecured loans from related parties	**1,189**	1,164
	2,265	2,231
Total interest-bearing liabilities	**3,120**	3,498

Reconciliation of liabilities arising from financing activities:

	Secured lease liabilities $'M	**Loans from related parties $'M**	**Secured bank loan $'M**
Opening balance at 31 December 2019	94	1,164	2,240
Additions	2	-	-
Repayments	(20)	-	(432)
Unwind of interest expenses	3	-	-
Unwind of non-substantial loan modification	-	-	3
Foreign exchange movements	-	25	41
Closing balance at 30 June 2020	**79**	**1,189**	**1,852**

D Capital structure and financing (continued)

D2 Interest-bearing liabilities (continued)

During 2017 a non-substantial loan modification adjustment was recognised in line with AASB 9 *Financial Instruments*. At 30 June 2020 the remaining balance to be amortised in finance costs is $5 million (31 December 2019: $8 million).

(a) Secured bank loans

The secured bank loans are made up of the following facilities:

		30 June 2020		31 December 2019	
	Facility US $M	**Facility $M**	**Utilised $M**	Facility $M	Utilised $M
Secured bank loans					
Syndicated facility (i)*	975	**1,420**	**1,420**	1,820	1,820
Syndicated term loan (ii)	300	**437**	**437**	428	428
		1,857	**1,857**	2,248	2,248

* Facility balance excludes the remaining fair value adjustment balance of AU$5 million recorded at 30 June 2020 (31 December 2019 AU$8 million).

(i) Syndicated Facility

On 8 July 2020 the Syndicated Facility has been refinanced with a new agreement and syndication of banks. Repayments are US$25m each due after six months, the first, second and third anniversary with the balance split over the fourth and fifth anniversary. On 16 June 2020 US$300 million was repaid under the old facility and redrawn under the new facility on 10 July 2020 (31 December 2019 US$250 million was repaid). In 2009 the original Syndicated facility of US$2,900 million was taken out and fully drawn down to fund the acquisition of the Felix Resources Group.

Security is held over this loan in the form of a corporate guarantee issued by the Company's majority shareholder, Yanzhou Coal Mining Company Limited ("Yanzhou"), for the full amount of the facility in return for a 1.5% guarantee fee.

The new Syndicated Facility includes the following financial covenants that remain the same as compared to 31 December 2019 to be tested half-yearly:

(a) The interest cover ratio is greater than 1.40;
(b) The gearing ratio of the Group will not exceed 0.75; and
(c) The consolidated net worth of the Group are greater than AU$3,000 million.

The calculation of the above covenants include certain exclusions with regard to unrealised gains and losses including foreign exchange gains and losses. The Syndicated Facility also includes the following minimum balance requirements to be satisfied daily and at each end of month:

- The Company is to maintain in the Lender Accounts an daily average balance of not less than AU$25 million, this is tested at the end of each month, and;
- The Company is to maintain in the Lender Accounts an end of month balance of not less than AU$50 million.

There was no breach of covenants at 30 June 2020.

(ii) Syndicated Term Loan

During 2018 a Syndicated Term Loan of US$300 million was taken out and all proceeds were used to partially repay the Syndicated Facility. The Syndicated Term Loan facility is provided from a syndicate of five domestic and international banks.

The Syndicated Term Loan is secured by the assets of the consolidated groups of Yancoal Resources Ltd and Coal & Allied Industries Ltd with carrying value of $5,861 million.

The Syndicated Term Loan includes the following financial covenants based on consolidated results of Yancoal Resources Ltd and Coal & Allied Industries Ltd groups to be tested half-yearly:

(a) The interest cover ratio is greater than 5.0 times;
(b) The finance debt to EBITDA ratio is less than 3.0 times; and
(c) The net tangible assets is greater than AU$1,500 million.

There was no breach of covenants at 30 June 2020.

(b) Bank guarantee facilities

The Group is party to the following bank guarantee facilities which have been issued for operational purposes in favour of port, rail, government departments and other operational functions:

D Capital structure and financing (continued)

D2 Interest-bearing liabilities (continued)

(b) Bank guarantee facilities (continued)

Provider	US $M	AU $M	Utilised AU $M	Security
Syndicate of nine domestic and international banks *	-	975	807	Secured by the assets of the consolidated groups of Yancoal Resources Ltd and Coal & Allied Industries Ltd with carrying value of $5,861 million. Facility expires on 3 June 2023.
Bank of China**	25	36	21	Unsecured facility expires on 27 December 2020.
Total	**25**	**1,011**	**828**	

* The Syndicated Bank Guarantee facility was extended on 3 June 2020 for a three year term with a new syndicate group of banks.

** This facility can be drawn in both AU$ and US$.

The Syndicated Bank Guarantee Facility includes the same financial covenants as the Syndicated Term Loan. The Bank of China bank guarantee facility includes the same financial covenants as the Syndicated Facility.

(c) Unsecured loans from related parties

- Facility 1: AU$1,400 million - the purpose of the facility is to fund working capital and capital expenditure. The facility can be drawn in both AUD and USD. At 30 June 2020 US$573 million (AU$835 million) was drawn (31 December 2019 US$573 million (AU$817 million)). During the period no amounts have been repaid or drawn down.
- Facility 2: US$243 million - initially the facility totalled US$807 million with the purpose of the facility being to fund the coupon payable on subordinated capital notes ("SCN"). On 31 January 2018 all remaining SCN's were redeemed limiting the facility to the current drawn amount US$243 million (AU$354 million) (31 December 2019: US$243 million (AU$347 million)). During the period no amount has been repaid or drawn down.

Both of the facilities have a term of 10 years (with principal repayable at maturity, 31 December 2024) and are provided on an unsecured and subordinated basis with no covenants.

(d) Contractual maturities and cash flows of interest-bearing liabilities

The table below analyses the Group's interest-bearing liabilities (including the refinanced Syndicated Facility on 8 July 2020) into relevant maturity grouping based on their contractual maturities. Carrying amount includes the balance at 30 June 2020 of $3,041 million plus the US$300 million (AU$437 million) drawn down on 10 July 2020. The amounts disclosed in the table are the contractual undiscounted cash flows, which also includes interest, arrangement fees and withholding tax.

	Less than 1 year $M	Between 1 and 2 years $M	Between 2 and 5 years $M	Greater than 5 years $M	Total contractual cash flows $M	Carrying Amount $M
At 30 June 2020						
Lease liabilities	34	28	19	8	89	79
Other interest bearing liabilities	240	657	2,620	859	4,376	3,478
	274	**685**	**2,639**	**867**	**4,465**	**3,557**

D3 Dividends

(a) Dividends

	2020 cents per share	2020 Total AU$'M	2019 cents per share	2019 Total AU$'M
Dividend for 2018 paid on 30 April 2019	-	-	28.6	377
Dividend for 2019 paid on 29 April 2020	21.21	280	-	-
		280		377

D Capital structure and financing (continued)

D4 Share-based payments

Generally, participation in the Share Based Payment program (Long Term Incentive Program, "LTIP") by the issuing of Rights is limited to Senior Executives of the Group. All Rights are redeemable on a one-for-one basis for the Group's shares, subject to the achievement of performance hurdles. Dividends are not payable on the Rights.

Details	**Date of measurement / grant**	**Number of Rights***	**Date of Expiry**	**Conversion Price ($)**
Management performance rights				
2018 Long Term Incentive Plan	30 May 2018	1,438,170	1 January 2021	Nil
2019 Long Term Incentive Plan	1 January 2019	2,161,669	1 January 2022	Nil
		3,599,839		
2018 Long Term Incentive Plan	30 May 2018	454,105	1 January 2021	Nil
2019 Long Term Incentive Plan	1 January 2019	699,628	1 January 2022	Nil
2020 Long Term Incentive Plan	1 January 2020	1,076,025	1 January 2023	Nil
		2,229,758		

	2020 No. of Rights	2019 No. of Rights
Balance at beginning of the year	**3,599,839**	3,093,010
Granted during the period	**1,076,025**	2,161,669
Cancellation of 2018 STIP (i)	**-**	(1,609,198)
Forfeited during the period (ii)	**(2,466,106)**	(45,642)
Balance at the end of period	**2,209,758**	3,599,839

(i) The 2018 STIP has been transferred to other payables with the expectation of being cash settled in future periods.
(ii) Certain executives including the Chief Executive Officer, Chief Financial Officer and Chairman of the Executive Committee resigned during 2020 and previously allocated LTIP performance rights were forfeited upon their departure.

There are a maximum of 2,209,758 shares available for issue, which, if issued as new shares, would represent 0.2% of share capital in issue at 30 June 2020 (31 December 2019: 3,599,839 shares representing 0.3% of share capital).

The LTIP has been valued using the volume weighted average price of Yancoal's ordinary shares across a 10 day trading period before grant date.

The LTIP performance rights will vest dependent upon the outcome of a cost and Earnings Per Share target. The rights are split 40% and 60% respectively to these conditions.

D5 Reserves

	30 June 2020 $M	31 December 2019 $M
Hedging reserve	**(489)**	(489)
Employee compensation reserve	**2**	5
	(487)	(484)

	30 June 2020 $M	31 December 2019 $M
Movements:		
Hedging reserve		
Opening balance	**(489)**	(611)
Fair value losses recognised on USD interest bearing liabilities	**(66)**	(15)
Fair value losses recycled to profit or loss	**66**	190
Deferred income tax expense	**-**	(53)
Closing balance	**(489)**	(489)

D Capital structure and financing (continued)

D5 Reserves (continued)

If interest-bearing liabilities that are a natural hedge to future coal sales are repaid prior to the original designated date then the hedge gain/loss incurred prior to repayment will be released to the profit or loss in line with the original sales to which they were designated. This has resulted in the following pre-tax release profile as at 30 June 2020:

Period to 30 June	2020 $M	2021 $M	2022 $M	2024 $M	Total $M
Hedge loss to be recycled in future periods	136	184	238	140	698
Of which:					
Hedges related to loans repaid prior to designated repayment date	-	32	238	36	306
Hedges related to loans yet to be repaid	136	152	-	104	392
					698
Deferred income tax benefit					(209)
Closing balance					489

Hedging reserve

The hedging reserve is used to record gains or losses on cash flow hedges that are recognised directly in equity, through other comprehensive income. The closing balance relates to the effective portion of the cumulative net change in the fair value of the natural cash flow hedge using the United States dollar denominated interest-bearing liabilities against future coal sales.

During the period ended 30 June 2020, losses of $66 million were transferred from other comprehensive income to profit or loss in respect of the hedging reserve (31 December 2019 a loss of $190 million).

Employee compensation reserve

The fair value of equity plans granted is recognised in the employee compensation reserve over the vesting period. This reserve will be reversed against treasury shares when the underlying shares vest and transfer to the employee at the fair value. The difference between the fair value at grant date and the amount received against treasury shares is recognised in retained earnings (net of tax).

During the period the movements related to any 2020 additional performance rights issued or forfeited as disclosed in Note D4.

D6 Contingencies

(a) Contingent liabilities

The Group had contingent liabilities at 30 June 2020 in respect of:

(i) Bank guarantees

	30 June 2020 $M	31 December 2019 $M
Parent entity and consolidated entity		
Performance guarantees provided to external parties	**137**	151
Guarantees provided in respect of the cost of restoration of certain mining leases given to government departments as required by statute	**62**	135
	199	286
Joint operations (equity share)		
Performance guarantees provided to external parties	**159**	160
Guarantees provided in respect of the cost of restoration of certain mining leases given to government departments as required by statute	**304**	285
	463	445
Guarantees held on behalf of related parties (refer Note E3 (d))		
Performance guarantees provided to external parties	**101**	106
Guarantees provided in respect of the cost of restoration of certain mining leases given to government departments as required by statute	**65**	84
	166	190
	828	921

D Capital structure and financing (continued)

D6 Contingencies (continued)

(a) Contingent liabilities (continued)

(ii) Letter of Support provided to Middlemount

The Company has issued a letter of support dated 4 March 2015 to Middlemount, a joint venture of the Group confirming:

- it will not demand for the repayment of any loan due from Middlemount, except to the extent that Middlemount agrees otherwise or as otherwise provided in the loan agreement; and
- it will provide financial support to Middlemount to enable it to meet its debts as and when they become due and payable, by way of new shareholder loans in proportion to its share of the net assets of Middlemount.

This letter of support will remain in force whilst the Group is a shareholder of Middlemount or until notice of not less than 12 months is provided or such shorter period as agreed by Middlemount.

(iii) Other contingencies

A number of claims have been made against the Group, including in respect of personal injuries, and in relation to contracts which Group members are party to as part of the Group's day to day operations. The personal injury claims which have been made against the Group have largely been assumed by the insurers of the Group under the Group's insurance policies. The Directors do not believe that the outcome of the personal injury or day to day operations claims will have a material impact on the Group's financial position.

D7 Fair value measurement of assets and liabilities

(a) Fair value hierarchy

The Group uses various methods in estimating the fair value of financial instruments. AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level in accordance with the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2020 and 31 December 2019:

At 30 June 2020	**Level 1 $M**	**Level 2 $M**	**Level 3 $M**	**Total $M**
Assets				
Royalty receivable	-	-	225	225
Total assets	**-**	**-**	**225**	**225**

At 31 December 2019	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
Assets				
Royalty receivable	-	-	226	226
Total assets	-	-	226	226

The Group did not measure any financial assets or financial liabilities on a non-recurring basis as at 30 June 2020.

(b) Valuation techniques

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for the royalty receivable.

D Capital structure and financing (continued)

D7 Fair value measurement of assets and liabilities (continued)

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the half-year ended 30 June 2020:

	30 June 2020 Royalty Receivable $M	31 December 2019 Royalty receivable $M
Opening balance	**226**	193
Cash received / receivable	**(7)**	(19)
Unwinding of the discount	**11**	20
Remeasurement of the royalty receivable recognised in profit and loss	**(5)**	32
Closing balance	**225**	226

(i) Royalty receivable

The fair value of the royalty receivable as at 30 June 2020 has been calculated as the fair value of the right to receive a royalty of 4% of Free on Board Trimmed Sales from the Middlemount Mine. The financial asset has been determined to have a finite life being the life of the Middlemount Mine and is measured on a fair value basis.

The fair value is determined using the discounted future cash flows that are dependent on the following unobservable inputs: forecast sales volumes, coal prices and foreign exchange rates. The forecast sales volumes are based on the internally maintained budgets, five year business plan and life of mine models. The forecast coal prices and foreign exchange rates are based on the same external data used for impairment assessments (refer to Note C3). The risk-adjusted post-tax discount rate used to determine the future cash flows is 9.0% (31 December 2019: 10.0%).

The estimated fair value would increase if the sales volumes and coal prices were higher and if the Australian dollar weakens against the US dollar. The estimated fair value would also increase if the risk-adjusted discount rate was lower.

Sensitivity

The following table summarises the sensitivity analysis of royalty receivable. The analysis assumes that all other variables remain constant.

	30 June 2020 Fair value increase/ (decrease) $M	31 December 2019 Fair value increase/ (decrease) $M
Coal price		
+10%	**20**	21
-10%	**(20)**	(20)
Exchange rates		
+5 cents	**(12)**	(11)
-5 cents	**14**	13
Discount rates		
+50 bps	**(7)**	(7)
-50 bps	**8**	8

(d) Fair values of other financial instruments

The carrying amount is assumed to approximate the fair value for the following:

(i) Trade and other receivables
(ii) Other financial assets
(iii) Trade and other payables
(iv) Interest-bearing liabilities

E Group structure

E1 Business combinations

(a) Acquisition of 10% interest in Moolarben Coal Joint Venture

(i) Summary of acquisition

On 31 March 2020, Yancoal Moolarben Pty Ltd a 100% owned subsidiary of Yancoal Australia Ltd acquired a 10% interest in Moolarben Coal Joint Venture ("Moolarben JV") previously owned by Sojitz Corporation ("Sojitz"). The Moolarben JV is accounted for as a joint operation. With the 10% acquisition the Group now holds an 95% interest in the Moolarben JV. The cash consideration paid and payable is $300 million split into four installments over a period of 12 months plus a $8 million effective date adjustment whereby the cash consideration was increased by 10% of the Moolarben JV's net cash outflows from 1 January 2020 to completion date.

On acquiring the 10% interest from Sojitz the Group is deemed to now control the activities of Moolarben JV by holding all voting rights on the Joint Venture Policy Committee. Under AASB 3 *Business Combinations* the Group is required to also remeasure its 85% interest to fair value at the acquisition date. The change in accounting treatment from joint control to control has resulted in a deemed disposal of the previously held 85% interest and a deemed acquisition of the new 95% interest. The net book value of assets which were deemed to be disposed was $2,232 million. The fair value of the net assets deemed to be acquired was $3,187 million.

The accounting for the acquisition of the additional 10% interest in Moolarben JV together with the revaluation of the previously held 85% interest has been determined on a provisional basis at 30 June 2020. Any adjustments to the provisional values as a result of completing work on the fair values of assets and liabilities acquired will be recognised within 12 months of the acquisition date and will be recognised as if they had occurred as at the date of acquisition.

Details of the purchase consideration, the net assets and liabilities acquired and gain on the additional interest in the Moolarben JV are as follows:

	$M
Purchase consideration	
Discounted purchase price	**294**
Effective date adjustment	**8**
Total purchase consideration	**302**
Deemed acquisition of 95% interest	**3,187**
Deemed disposal of previously held 85% interest	**(2,232)**
Net fair value from deemed disposal and acquisition ((refer ii) below)	**955**
Gain on acquisition and remeasurement of 95% interest	**653**

(ii) Assets and liabilities acquired

The net adjustment to the assets and liabilities from the deemed disposal and acquisition are as follows:

	Fair value $M
Cash	**4**
Trade and other receivables	**21**
Inventories	**6**
Other assets	**2**
Property, plant and equipment	**193**
Mining tenements	**1,000**
Exploration and evaluation assets	**34**
Intangible assets	**9**
Trade and other payables	**(12)**
Lease liabilities	**(6)**
Provisions	**(8)**
Deferred tax liabilities	**(288)**
Net fair value from deemed disposal and acquisition	**955**

The Group recognised a gain on acquisition of $653 million, split $93 million relating to the 10% interest and $560 million on the revaluation of the prevously held 85% interest, is disclosed in other income in the profit or loss for the period ended 30 June 2020.

E Group structure (continued)

E1 Business combinations (continued)

(a) Acquisition of 10% interest in Moolarben Coal Joint Venture (continued)

(iii) Revenue and profit contribution

The acquired interest contributed revenue of $39 million and net profit of $13 million to the Group for the period from 1 April 2020 to 30 June 2020. If the acquisition had occurred on 1 January 2020, consolidated revenue and net profit for the period ended 30 June 2020 would have been higher by $79 million and $29 million respectively. These amounts have been calculated using the Group's accounting policies.

E2 Interests in other entities

(a) Joint and controlled operations

Controlled entities, Moolarben Coal Mines Pty Ltd and Yancoal Moolarben Pty Ltd, have a combined 95% (85% up to 31 March 2020) interest in the Moolarben Joint Venture whose principal activity is the development and operation of open-cut and underground coal mines.

A controlled entity, Coal & Allied Operations Pty Ltd has a 51% interest in the Hunter Valley Operations Joint Venture whose principal activity is the development and operation of open-cut coal mines.

A controlled entity, Mount Thorley Pty Ltd has an 80% interest in the Mount Thorley Joint Venture whose principal activity is the development and operation of open-cut coal mines.

Controlled entities, CNA Warkworth Australasia Pty Ltd and CNA Resources Ltd, have a combined 84.5% interest in the Warkworth Joint Venture whose principal activity is the development and operation of open-cut coal mines.

A controlled entity, Yarrabee Coal Company Pty Ltd, has a 50% interest in the Boonal Joint Venture, whose principal activity is the provision of a coal haul road and train load out facility.

The principal place of business for the above joint operations is in Australia.

(b) Interests in associates and joint ventures

Set out below are the associates and joint ventures of the Group as at 30 June 2020. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business / country of incorporation	% of ownership interest		Nature of relationship	Measurement method	Carrying amount of investment	
		2020	2019			2020 $M	2019 $M
Watagan Mining Company Pty Ltd (i)	Australia	100	100	Associate	Equity method	-	-
Port Waratah Coal Services Ltd (i)	Australia	30	30	Associate	Equity method	181	184
Newcastle Coal Infrastructure Group Pty Ltd (i)	Australia	27	27	Associate	Equity method	-	-
Middlemount Coal Pty Ltd (ii)	Australia	49.9997	49.9997	Joint Venture	Equity method	52	87
HVO Coal Sales Pty Ltd (i)	Australia	51	51	Joint Venture	Equity method	-	2
HVO Operations Pty Ltd (i)	Australia	51	51	Joint Venture	Equity method	-	-
HVO Services Pty Ltd (i)	Australia	51	51	Joint Venture	Equity method	-	-
Total						**233**	**273**

(i) Interests in associates

Watagan Mining Company Pty Ltd

During 2015 the Group established a 100% owned subsidiary, Watagan Mining Company Pty Ltd ("Watagan"). On 18 February 2016, the Group executed a Bond Subscription Agreement, together with other agreements (the "Watagan Agreements") that, on completion, transferred the Group's interest in three of its 100% owned NSW coal mining operations, being the Austar, Ashton and Donaldson coal mines (the "three mines"), to Watagan for a purchase price of $1,363 million (an amount equal to the book value of the three mines at completion). The purchase price was funded by way of a $1,363 million loan from Yancoal Australia Ltd to Watagan bearing interest at BBSY plus 7.06% with a maturity date of 1 April 2025. Yankuang Group Co., Ltd ("Yankuang"), the Group's ultimate parent entity, guarantees payment of any amount owed to Yancoal Australia Ltd under the loan if Watagan does not pay Yancoal Australia Ltd such amount when due. The completion date of the transaction was 31 March 2016.

E Group structure (continued)

E2 Interests in other entities (continued)

(b) Interests in associates and joint ventures (continued)

On completion Watagan issued US$775 million of secured debt bonds with a term of approximately nine years to three external financiers ("Bondholders"). The Bondholders receive interest on the face value outstanding on the bonds comprising a fixed interest component, as well as a variable interest component that is tied to the EBITDA performance of Watagan. As a result of the terms of the Watagan Agreements, it was determined that the Bondholders obtained accounting control of Watagan; accordingly, the Group de-consolidated Watagan.

This change in accounting control was determined to occur on the issuance date of the bonds on the basis that the Bondholders obtained power over the key operating and strategic decisions of Watagan and no longer resided with the Group. Specifically, those powers were transferred to the Bondholders under the terms of the Watagan Agreements as the Bondholders were given control of Watagan's board of directors via appointment of the majority of directors. This change in accounting control resulted in the Group de-consolidating the results of Watagan from the transaction completion date and the Group began to equity account for its 100% equity interest in Watagan as an associate, given the Group retains significant influence in Watagan.

On 4 January 2019 BOCI, one of the Bondholders, notified Watagan and Yankuang that it was exercising its put option over US$200 million of bonds. As a consequence, Yankuang became the bondholder of the put bonds following completion of the purchase of those bonds by Yankuang on 1 April 2019. No security was given by Watagan in favour of Yankuang. As the put bonds represent less than 50.1% of the face value of the bonds, and the put option was not exercised by the instructing bondholder, the put option is not deemed to have been exercised as to all the bonds, nor has the group regained accounting control of Watagan. Accordingly, the Group continues to equity account its interest in Watagan.

Whilst Watagan is equity accounted rather than consolidated for accounting purposes, as a result of the Group's ongoing 100% equity ownership it remains within the Group's tax consolidated group.

The book value of Watagan's net liabilities has declined since inception and at 30 June 2020 Yancoal has assessed the book value of liabilities exceeded the book value of assets by $1,373 million. Watagan's loss after tax for the half year ended 30 June 2020 was $79 million. These losses have not been recognised by Yancoal as the accumulated losses exceeds the value of the investment by the Group.

The net liabilities at 30 June 2020 of $1,373 million include the recognition of a $973 million impairment provision, before tax, against the non-current assets recognised on Watagan's balance sheet during the year ended 31 December 2019 based on the Group's assessment of the carrying value of the Watagan assets, following finalisation of a number of detailed technical studies. For the year ended 31 December 2019 the total impairment provision recognised of $973 million included $328 million at Austar, $528 million at Ashton and $117 million at Donaldson.

The Watagan group financial statements for the year ended 31 December 2019 have not yet been finalised by Watagan.

The book value of Watagan's non-current assets, after the recognition of the above impairment, is $862 million and includes, $105 million, $274 million and $297 million for the Austar, Ashton and Donaldson mines, respectively. These balances include net deferred tax assets of $88 million, $82 million and liabilities of $6 million respectively.

Under the Watagan Agreements, Yancoal will regain accounting control of Watagan and need to re-consolidate the Watagan Group if:

- either Industrial Bank (as more than 50.1% of the total bonds will have been put to Yankuang) or UNE (as the instructing bondholder) exercise their put options to Yankuang during an exercise window (the next window being January 2021);
- Watagan redeems all the bonds; or
- some other change of circumstance occurs that re-establishes Yancoal's control of Watagan, including amendments or replacement of existing accounting standards.

If reconsolidation occurs Yancoal will i) cease recognising interest income on the Watagan loan amounting to $75 million in the year ended 31 December 2019, forego the fees and margin received under the various service agreements amounting to $10 million in the year ended 31 December 2019 and de-recognise the Watagan loan receivable balance of $965 million at 30 June 2020 as these amounts will become intercompany balances and will be eliminated on consolidation; ii) recognise an interest expense on the Watagan bonds amounting to $69 million in the year ended 31 December 2019 (or the Yankuang loan if the put option has been fully exercised or any external funding used to refinance either the Watagan bonds or Yankuang loan) and recognise the fair value of the Watagan Bonds, with a face value of US$775 million (A$1,129 million) at 30 June 2020; and iii) recognise the ongoing operating results of Watagan, including the three Watagan mines, in the profit and loss and recognise the fair value of the assets and liabilities of Watagan, including the Watagan Bonds, on the balance sheet at that time.

E Group structure (continued)

E2 Interests in other entities (continued)

(b) Interests in associates and joint ventures (continued)

The book value of Watagan's net liabilities at 30 June 2020 was $1,373 million. Upon the potential reconsolidation of Watagan, Yancoal will be required to recognise the fair value of the assets and liabilities of Watagan on its balance sheet at the date of reconsolidation, and whilst book value is not necessarily equal to fair value the Yancoal directors believe the net asset deficiency of $1,373 million is a reasonable approximation of fair value at 30 June 2020. As such, had the potential reconsolidation of Watagan by Yancoal occurred at 30 June 2020 Yancoal may be required to recognise a loss on reconsolidation of approximately $1,373 million. The net asset deficiency of Watagan could increase in the future if Watagan incurs additional after tax losses, additional asset impairments or there is a weakening of the AUD:USD exchange rate resulting in an increase in the AUD equivalent of the US$775 million bonds.

On 24 January 2020, it was announced to Austar employees that the mine will suspend production and transition to care and maintenance operations after 31 March 2020, following the completion of works within the current Bellbird South mining area. Work continues to be undertaken by Watagan in respect of the very challenging geological, geotechnical, ventilation and gas conditions at the mine's Stage 3 area to assess if a re-entry to this mining area is feasible and economic. In the year ended 31 December 2019, based on the latest available technical information, received in the second half of 2019, it was determined to impair the carrying value of the Austar mine to $nil reflecting the increased significant uncertainty regarding any future operations at the Austar mine.

The Ashton mine continues to face geotechnical challenges with regard to mining the Lower Barrett seam on completion of the current Upper Lower Liddell seam together with ongoing land acquisition challenges with regard to the proposed South East Open Cut mine ("SEOC"). In the year ended 31 December 2019, based on the latest available technical information and regulatory approval status of SEOC, updated in the second half of 2019, it was determined to impair the carrying value of the Ashton mine to $112 million, including exploration, reflecting the increased geotechnical risk and related negative economic impact on the Lower Barrett seam and the increased uncertainty regarding development of SEOC.

Donaldson remains on care and maintenance and work remains ongoing to explore potential future mining operations. In the year ended 31 December 2019, based on the latest available technical information, it was determined to impair the carrying value of Donaldson to $228 million, including exploration, primarily reflecting an increase in forecast operating cash costs.

The value of the non-current assets in Watagan continue to carry operational risks, including that:

- Ashton mines the Lower Barrett seam on completion of mining the Upper Lower Liddell seam; and
- Donaldson will recommence operations at some time in the future which is management's current intention.

The key assumptions in the fair value model of Watagan are broadly consistent with those disclosed in Note C3 noting that; (i) the Group's assessment of the long term coal prices of US$46 - US$102 per tonne for thermal coal and US$112 - US$217 per tonne from metallurgical coal for Watagan mines is toward the bottom of the range of external forecasts, and (ii) to reflect the increased operational risks when determining the recoverable amount of the Watagan mines a 1.5% risk premium has been applied to the discount rate for Ashton's current operations, increasing to 3.5% for Lower Barrett, and a 3.5% risk premium has been applied to Austar and Donaldson.

If it is determined that either or both, Ashton or Donaldson, are unable to operate at future forecast production levels or there are further materially negative changes to other operating assumptions, impacting both mines, including coal prices, exchange rates, operating costs, capital expenditure, life of mine production, geological conditions, approvals or changes to existing lease conditions or regulatory outcomes it is likely that the fair value of these mines would be reduced further. Any further impairment of the assets of Watagan would increase Watagan's net asset deficit. In that event, a further impairment may be recognised by the Group on its loan receivable from Watagan, refer to Note D1 for details on the loan, or on the future reconsolidation of Watagan.

E Group structure (continued)

E2 Interests in other entities (continued)

(b) Interests in associates and joint ventures (continued)

Sensitivities

Apart from the geotechnical issues noted at Ashton and the ongoing work on recommencing mining at Donaldson that directly impact the physical and cost inputs, the most sensitive inputs to the fair value model of Watagan is forecast revenue, which is primarily dependent on estimated future coal prices, the AUD:USD forecast exchange rate, and the discount rate:

	Watagan $M
Book Value	182
Recoverable Amount	202
Head Room	20
US$ Coal Price (i)	
+10%	160
-10%	(145)
Exchange Rate (ii)	
+5 cents	(87)
-5 cents	103
Discount Rate (iii)	
+50 bps	(13)
-50 bps	14
Exchange Rate (iv)	
+5 cents	(77)
-5 cents	89

(i) This represents change in recoverable amount due to +/- 10% change to our coal price assumption.

(ii) This represents the change in recoverable amount due to a +/- 5 cents change to the long-term AUD/USD foreign exchange rate adopted.

(iii) This represents the change in recoverable amount due to a +/- 50bps change in discount rate adopted.

(iv) This represents the change in the AUD equivalent of the US$775 million bonds due to a +/- 5 cent change in the AUD/USD foreign exchange rate.

For the valuation of the Watagan assets there may be changes in circumstances that give rise to an increase in the recoverable amount not currently reflected above, these include:

- Due to the geotechnical issues noted at Ashton, the valuation of the Lower Barrett seam currently includes percentage risk weighting. A favourable conclusion to ongoing technical studies could result in the reassessment of this weighting resulting in an increase in the recoverable amount.
- Due to the uncertainty regarding the development of SEOC, the current valuation includes a percentage risk weighting. A reduction in this uncertainty could result in the reassessment of this weighting resulting in an increase in the recoverable amount.

For Yancoal, an increase in the recoverable amount, all else being equal, may decrease any loss on reconsolidation, conversely, a decrease in the recoverable amount may increase any loss on reconsolidation. Whilst the recoverable amount exceeds the book value by $20 million, given the immaterial headroom, the sensitivity outcomes noted above and the ongoing risks the Directors have determined not to reverse any of the previously recognised impairment provisions.

Port Waratah Coal Services Ltd

The Group holds a direct shareholding in Port Waratah Coal Services Ltd ("PWCS") totaling 30% (2019: 30%) of the ordinary shares of PWCS. Under the shareholder agreement between the Group and other shareholders, the Group has 30% of the voting power of PWCS. The Group has the right to appoint a director and is currently represented on the Board to partake in policy-making processes. The principal activities of PWCS were the provision of coal receivable, blending, stockpiling and ship loading services in the Port of Newcastle.

E Group structure (continued)

E2 Interests in other entities (continued)

(b) Interests in associates and joint ventures (continued)

Newcastle Coal Infrastructure Group Pty Ltd

The Group holds 27% (2019: 27%) of the ordinary shares of Newcastle Coal Infrastructure Group Pty Ltd ("NCIG"). Under the shareholder agreement between the Group and other shareholders, the Group has 27% of the voting power of NCIG. The Group has the right to appoint a director and is currently represented on the Board to partake in policy-making processes.

Summarised financial information of associates

The information disclosed below reflects the Group's share of the results of its principal associates and the aggregated assets and liabilities. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	Watagan		PWCS		NCIG	
	30 June 2020 $M	31 December 2019 $M	**30 June 2020 $M**	31 December 2019 $M	**30 June 2020 $M**	31 December 2019 $M
Cash and cash equivalents	**5**	14	**64**	72	**63**	59
Other current assets	**34**	69	**52**	47	**41**	37
Current assets	**39**	83	**116**	119	**104**	96
Property, plant and equipment	**349**	347	**1,291**	1,365	**2,029**	2,079
Exploration and evaluation assets	**150**	154	**-**	-	**-**	-
Deferred tax asset	**149**	153	**-**	-	**-**	-
Other non-current assets	**214**	175	**64**	43	**424**	399
Non-current assets	**862**	829	**1,355**	1,408	**2,453**	2,478
Total assets	**901**	912	**1,471**	1,527	**2,557**	2,574
Current liabilities	**46**	60	**189**	289	**55**	53
Deferred tax liability	**-**	-	**68**	71	**-**	-
Other non-current liabilities	**2,228**	2,146	**612**	555	**3,916**	3,843
Non-current liabilities	**2,228**	2,146	**680**	626	**3,916**	3,843
Total liabilities	**2,274**	2,206	**869**	915	**3,971**	3,896
Net (liabilities) / assets	**(1,373)**	(1,294)	**602**	612	**(1,414)**	(1,322)
Group's ownership interest in the Net Assets	**(1,373)**	(1,294)	**181**	184	**(382)**	(357)

	Watagan		PWCS		NCIG	
	30 June 2020 $M	30 June 2019 $M	**30 June 2020 $M**	30 June 2019 $M	**30 June 2020 $M**	30 June 2019 $M
Revenue	**151**	161	**168**	170	**232**	215
Management fees (Yancoal Australia Ltd)	**(33)**	(27)	**-**	-	**-**	-
Interest paid / payable (Bondholders)	**(39)**	(34)	**-**	-	**-**	-
Interest paid / payable (Yancoal Australia Ltd)	**(35)**	(39)	**-**	-	**-**	-
Other finance costs	**(5)**	(3)	**(11)**	(70)	**(126)**	(119)
Impairment of assets	**-**	(100)	**-**	-	**-**	-
Depreciation and amortisation	**(21)**	(72)	**(60)**	(58)	**(52)**	(53)
Net loss on foreign exchange	**(21)**	(9)	**-**	-	**(125)**	(48)
Other expenses	**(110)**	(89)	**(84)**	(29)	**(48)**	(48)
Income tax benefit / (expense)	**34**	63	**(5)**	(5)	**27**	12
(Loss) / profit after tax	**(79)**	(149)	**8**	8	**(92)**	(41)
Other comprehensive income	**-**	-	**-**	-	**-**	-
Total comprehensive (expense) / income	**(79)**	(149)	**8**	8	**(92)**	(41)
Group's ownership interest in (loss) / profit after tax	**(79)**	(149)	**2**	2	**(25)**	(11)

Movements in carrying amounts

The Group's share of the Watagan and NCIG profit / (loss) after tax has not been recognised for the half-year ended 30 June 2020 and year ended 31 December 2019 since the Group's share of the associates' accumulated losses exceeds its interest in the associates at 30 June 2020 and year ended 31 December 2019.

E Group structure (continued)

E2 Interests in other entities (continued)

(b) Interests in associates and joint ventures (continued)

As the Group does not have contractual agreements or a constructive obligation to contribute to these associates no additional liabilities have been recognised.

Movements in PWCS carrying amounts	**30 June 2020 $M**	31 December 2019 $M
Opening net book value	**184**	190
Share of profit of equity accounted investee, net of tax	**2**	4
Dividends received	**(5)**	(10)
Closing net book value	**181**	184

(ii) Interest in joint ventures

Middlemount Coal Pty Ltd

A controlled entity, Gloucester (SPV) Pty Ltd, has a 49.9997% interest in the net assets of Middlemount Coal Pty Ltd ("Middlemount"), an incorporated joint venture, whose principal activity is the development and operation of open-cut coal mines in the Bowen Basin.

HVO entities

On completion of the establishment of the 51%:49% unincorporated joint venture with Glencore on 4 May 2018, the Group holds 51% of the shares in HVO Coal Sales Pty Ltd, HVO Operations Pty Ltd and HVO Services Pty Ltd (together the "HVO Entities"). From this date the Group has determined that from 4 May 2018 the Group jointly controls these companies and equity accounts the financial results of these companies.

Summarised financial information of joint venture

The following table provides summarised financial information for the HVO Entities and Middlemount. They have been amended to reflect adjustments made by the Group when using the equity method, including acquisition accounting adjustments and modifications for differences in accounting policy.

	HVO Entities		**Middlemount**	
	30 June 2020 $M	31 December 2019 $M	**30 June 2020 $M**	31 December 2019 $M
Cash and cash equivalents	**5**	5	**41**	8
Other current assets	**79**	113	**77**	80
Total current assets	**84**	118	**118**	88
Total non-current assets	**25**	32	**932**	828
Total current liabilities	**74**	108	**445**	231
Deferred tax liabilities	**-**	-	**34**	59
Other non-current liabilities	**38**	38	**467**	452
Total non-current liabilities	**38**	38	**501**	511
Net assets	**(3)**	4	**104**	174
Group's ownership interest in net assets	**(1)**	2	**52**	87

	HVO Entities		**Middlemount**	
	30 June 2020 $M	30 June 2019 $M	**30 June 2020 $M**	30 June 2019 $M
Revenue	**-**	-	**179**	340
Depreciation and amortisation	**-**	-	**(31)**	(17)
Other expenses	**(5)**	(1)	**(221)**	(276)
Interest expenses	**-**	-	**(19)**	(11)
Income tax (expense) / benefit	**(2)**	-	**22**	(17)
(Loss) / profit after tax	**(7)**	(1)	**(70)**	19
Movements in reserves, net of tax	**-**	-	**-**	-
	(7)	(1)	**(70)**	19
Group's ownership interest in profit after tax	**(3)**	-	**(35)**	9

E Group structure (continued)

E2 Interests in other entities (continued)

(b) Interests in associates and joint ventures (continued)

The Group's share of the HVO entities profit / (loss) after tax has not been fully recognised for the half-year ended 30 June 2020 since the Group's share of the joint ventures accumulated loss exceeded its interest during the period.

The liabilities of Middlemount include an interest-bearing liability of $208 million (face value of $212 million) due to the Group at 30 June 2020 (31 December 2019: $203 million) and a $60 million drawn revolver facility (31 December 2019 $25 million). During the current period, Middlemount has not made any loan repayments to the Group (31 December 2019: $21 million). The liabilities of Middlemount also include a royalty payable of $24 million due to the Group at 30 June 2020 (31 December 2019: $15 million).

Movements in carrying amounts

	Middlemount	
	30 June 2020 $M	31 December 2019 $M
Opening net book amount	**87**	116
Share of loss of equity-accounted investees, net of tax	**(35)**	(29)
Movement in reserves, net of tax	**-**	-
Closing net book amount	**52**	87

(iii) Commitments and contingent liabilities in respect of associates and joint venture

There were no commitments and no contingent liabilities in respect of the Group's associates and HVO Entities as at 30 June 2020.

There were no commitments and no contingent liabilities in respect of the Group's interest in Middlemount at 30 June 2020.

Other contingent liabilities in respect of the Group's interest in Middlemount are set out in Note D6.

E3 Related party transactions

(a) Parent entities

The parent entity within the Group is Yancoal Australia Ltd. The Group's majority shareholder is Yanzhou Coal Mining Company Limited ("Yanzhou") (incorporated in the People's Republic of China). The ultimate parent entity and ultimate controlling party is Yankuang Group Corporation Limited (incorporated in the People's Republic of China).

Yancoal International Resource Development Co., Ltd, Yancoal International Trading Co., Ltd (up to 30 April 2020) are owned by Yanzhou and incorporated in Hong Kong. Yankuang Resources Pty Ltd is owned by Yankuang, incorporated in Australia and the Company manages this on behalf of Yankuang.

(b) Yancoal International (Holding) Co., Ltd

Yancoal International (Holding) Co., Ltd is a wholly owned subsidiary of Yanzhou and has the following subsidiaries: Yancoal Technology Development Holdings Pty Ltd, Athena Holdings Pty Ltd, Tonford Holdings Pty Ltd, Wilpeena Holdings Pty Ltd, Premier Coal Holdings Pty Ltd, Premier Coal Ltd, Oz Star Ningbo Trading Co., Ltd, Yancoal Energy Pty Ltd and Syntech Resources Pty Ltd ("Yancoal International Group"). The Company manages these entities on behalf of Yanzhou.

(c) Associates and joint ventures

Refer to Note E2 for further details on the associates and joint ventures.

(d) Transactions with other related parties

The following transactions occurred with related parties:

	30 June 2020 $'000	30 June 2019 $'000
Sales of goods and services		
Sales of coal to Watagan Mining Company Pty Ltd	**-**	18,230
Sales of coal to Yancoal International (Holding) Co., Ltd (i)	**67,705**	79,211
Provision of marketing and administrative services to Watagan Group	**2,993**	2,941
Provision of marketing and administrative services to Yancoal International Group (ii)	**5,050**	4,440
Purchases of goods and services		
Purchases of coal from Syntech Resources Pty Ltd (i)	**-**	(7,531)
Purchase of coal from Watagan Group	**(75,479)**	(42,941)
Purchase of equipment from Yancoal International Group	**-**	(850)

E Group structure (continued)

E3 Related party transactions (continued)

(d) Transactions with other related parties (continued)

	30 June 2020 $'000	30 June 2019 $'000
Advances and loans		
Repayment of loans from Yanzhou	**-**	(349,211)
Repayment of loans from Watagan Mining Company Pty Ltd	**164,555**	26,080
Advances of loans to Watagan Mining Company Pty Ltd	**(229,097)**	(89,924)
Repayment of loans from Middlemount	**-**	21,000
Repayment of promissory note from Yankaung Ozstar	**-**	40,037
Advances of loan receivable to Middlemount	**(35,000)**	-
Finance costs		
Interest expenses on loans from Yancoal International Resources Development Co., Ltd (ii)	**(6,286)**	(6,718)
Interest expenses on loans from Yancoal International (Holding) Co., Ltd (ii)	**(2,607)**	(3,029)
Interest expenses on loans from Yancoal International Trading Co., Ltd	**-**	(3,241)
Interest expenses on loans from Yanzhou (ii)	**(33,223)**	(28,332)
Other costs		
Corporate guarantee fee to Yanzhou	**(15,545)**	(12,565)
Port charges to NCIG Holdings Pty Limited	**(56,491)**	(62,500)
Port charges to PWCS	**(18,659)**	(15,287)
Finance income		
Interest income on loan to Watagan Mining Company Pty Ltd	**34,558**	38,773
Interest income released from loan receivable with Middlemount	**5,307**	5,175
Interest income received from loan receivable with Middlemount	**2,525**	-
Interest income received from Premier Coal Holdings Pty Ltd	**-**	95
Other income		
Mining services fees charged to Watagan Group	**28,972**	24,532
Royalty income charged to Middlemount	**7,447**	14,117
Bank guarantee fee charged to Yancoal International Group (ii)	**1,456**	1,440
Longwall hire fee charged to Austar Coal Mine Pty Ltd	**1,185**	1,500
Bank guarantee fee charged to Watagan Group	**704**	1,159
Dividend income received from PWCS	**6,755**	6,640

(e) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	30 June 2020 $'000	31 December 2019 $'000
Current assets		
Trade and other receivables		
Receivable from Yancoal International Group in relation to cost reimbursement	**2,683**	2,734
Other receivable from Watagan	**3,865**	-
Other receivable from Yankuang Resources Pty Ltd	**50**	52
Royalty receivable from Middlemount	**23,599**	15,428
Loans receivable		
Loan receivable advanced to Middlemount	**60,000**	25,000
Interest income receivable from Middlemount	**493**	318
	90,690	43,532
Non-current assets		
Advances to joint venture		
Receivable from Middlemount being an unsecured, non-interest-bearing advance	**207,977**	202,670
Receivable from Watagan Mining Company Pty Ltd being an unsecured, interest-bearing loan	**965,134**	900,591
	1,173,111	1,103,261

E Group structure (continued)

E3 Related party transactions (continued)

(e) Outstanding balances (continued)

	30 June 2020 $'000	31 December 2019 $'000
Current liabilities		
Other payables		
Payables to Yanzhou	**118,288**	102,211
Payables to Yancoal International Resources Development Co., Ltd	**5,696**	5,654
Payables to Yancoal International (Holding) Co., Ltd	**2,363**	2,345
Tax sharing and funding arrangement with Watagan Group	**202,011**	164,026
Other payable to Watagan Group	**-**	3,451
	328,358	277,687
Non-current liabilities		
Other payables to Yanzhou and its subsidiaries		
Payable to Yancoal International Resources Development Co., Ltd being an unsecured, interest-bearing loan (ii)	**196,707**	192,692
Payable to Yancoal International (Holding) Co., Ltd being an unsecured, interest-bearing loan (ii)	**81,592**	79,927
Payable to Yanzhou being an unsecured, interest-bearing loan (ii)	**910,212**	891,634
	1,188,511	1,164,253

The terms and conditions of the related party non-current liabilities is detailed in Note D2(c) above.

(i) Continuing connected transaction under Chapter 14A of HK listing rules.
(ii) Fully exempt continuing connected transaction under Chapter 14A of HK listing rules.

(f) Guarantees

The financiers of the Group have issued undertakings and guarantees to government departments, and various external parties on behalf of the following related entities:

	30 June 2020 $'000	31 December 2019 $'000
Yancoal International Group		
Syntech Resources Pty Ltd	**64,879**	84,172
AMH (Chinchilla Coal) Pty Ltd	**49**	49
Premier Coal Ltd	**29,000**	29,000
Tonford Holdings Pty Ltd	**10**	10
Athena Joint Venture	**3**	3
Watagan Group		
Ashton Coal Mines Ltd	**28,843**	28,843
Austar Coal Mine Pty Ltd	**32,193**	37,993
Donaldson Coal Pty Ltd	**11,096**	9,764
Other		
Yankuang Resources Pty Ltd	**108**	45
	166,181	**189,879**

Refer to Note D6 for details of the nature of the guarantees provided.

(g) Terms and conditions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The terms of the loan facilities from Yanzhou are as follows:

On 31 December 2014 an AU$1,400 million facility was provided by Yanzhou at a fixed interest rate of 7% on any amounts drawn. During 2020 no amounts were drawn or repaid (2019: US$250 million was repaid and no additional amounts were drawn). As at 30 June 2020 a total of US$573 million has been drawn.

E Group structure (continued)

E3 Related party transactions (continued)

(g) Terms and conditions (continued)

On 31 December 2014 an AU$807 million facility was provided by Yanzhou at a fixed interest rate of 7% on any amounts drawn. During 2020 no amounts were drawn (2019: no amount was drawn) (Note D2(c)). As at 30 June 2020 a total of US$243 million has been drawn.

Yanzhou provided corporate guarantees as security for the following facilities:

- Syndicated facility and syndicated bank guarantee facility a fixed rate of 1.5% from 1 April 2018 is charged on the outstanding loan principal and bank guarantee facility limit.

The Directors of Yanzhou have provided a letter of support whereby unless revoked by giving not less than 24 months notice, for so long as Yanzhou owns at least 51% of the shares of Yancoal, Yanzhou will ensure that Yancoal continues to operate so that it remains solvent.

F Other information

F1 Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	30 June 2020 $M	31 December 2019 $M
Property, plant and equipment		
Not later than one year		
Share of joint operations	**42**	46
Other	**-**	2
	42	48
Exploration and evaluation		
Not later than one year		
Share of joint operations	**6**	5
	48	53

F2 Events occurring after the reporting period

After the period, on 8 July 2020, the Group replaced a debt facility that had a US$1.275 billion limit at 31 December 2019. The Group will repay the new facility over the next five years, with the majority of the repayment occurring in years four and five. In contrast, the facility replaced had repayments due during 2020 and 2021.

After the period, on 12 July 2020, the controlling shareholder of the Company, Yanzhou Coal Mining Company Ltd, announced its controlling shareholder, Yankuang Group Company Ltd, was planning a strategic reorganisation with Shandong Energy Group Co. Ltd. At this time, no change to the operating profile of Yancoal is expected from this event.

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or Company in subsequent financial periods.

In the Directors' opinion:

(a) the financial statements and notes set out on pages 28 to 63 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and
- (ii) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the half-year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Ning Zhang
Director

19 August 2020

ShineWing AUSTRALIA
Advisors & Accountants

Take the lead

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF YANCOAL AUSTRALIA AND CONTROLLED ENTITIES

Report on the Half-year Financial Statements

Conclusion

We have reviewed the half-year financial statements of Yancoal Australia Ltd ("the Company") and its controlled entities ("the Group") which comprises the consolidated balance sheet as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes to the financial statements and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial statements of the Group is not in accordance with the *Corporations Act 2001*, including:

1. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the half-year ended on that date; and
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-year Financial Report

The directors of the Company are responsible for the preparation of half-year financial statements that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial statements are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2020 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of half-year financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

ShineWing Australia
Chartered Accountants

R Blayney Morgan
Partner

Sydney, 19 August 2020