



REUTERS

HD Hedge fund presses for vote on Yancoal \$2.3 bln bond sale

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MELBOURNE, Nov 24 (Reuters) - A hedge fund on Monday asked Australia's Takeovers Panel to order **Chinese**-controlled Yancoal Australia Ltd to hold a vote on a planned \$2.3 **billion** bond **sale**, in a bid to block Yancoal's parent Yanzhou **Coal Mining** Co Ltd from taking it over.

The move by Senrigan Capital and its founder Nick Taylor, who owns Yancoal shares, came two weeks after Yancoal, struggling amid a **coal**-price slump, announced plans to raise \$2.3 **billion** by selling convertible notes to shareholders, which could pave the way for Yanzhou to take it over.

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Yanzhou, which owns 78 percent of Yancoal, failed in an attempt earlier this year to buy out its subsidiary as the **company**'s second-largest shareholder, **Hong Kong**-based trader Noble Group, pressed for a higher offer.

Under the planned notes offer, if Yanzhou converts its notes into shares and no other shareholders bought notes or converted them, Yanzhou would end up owning close to 99 percent of Yancoal.

Senrigan told the Takeovers Panel the rights offer was part of a strategy to enable Yanzhou to convert its notes into shares "so as to permit the compulsory **acquisition** of minorities cheaply," without seeking a shareholder vote, the panel quoted it as saying.

Senrigan wants the panel to order Yancoal to seek approval from shareholders, excluding Yanzhou, for the rights offer or order it to withdraw the offer and block it from doing any deal that would let shareholders who own more than 20 percent to increase their **stake** without a shareholder vote.

The Takeovers Panel said it has yet to decide whether to hold any proceedings on Senrigan's application.

Yancoal said the panel should reject the application.

"Yancoal and the Issuer do not believe that the application has merit," Yancoal Chairman Xiyong Li wrote in the prospectus for the notes offer released on Monday. (Reporting by Sonali Paul; Editing by Richard Borsuk)

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CO yaptyl : Yancoal Australia Limited | ynzmn : Yanzhou Coal Mining Co Ltd | yankua : Yankuang (Group) Corp

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