This summary is intended to provide you with an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide whether to invest in the Offer Shares. Some of the particular risks of investing in the Offer Shares are set out in "Risk Factors" and you should read that section carefully before you decide to invest in the Offer Shares.

As used in this prospectus, except as otherwise indicated:

- *"**The Group**", "**we**" and "**our**" means the Company, its consolidated subsidiaries and the Company's interests in its associates, joint ventures and joint operations.*
- *"**Our mines**" or "**mines we have ownership interests in and operate**" means HVO, MTW, Moolarben, Stratford Duralie and Yarrabee, each as defined below.*
- *"**100% basis**" means the aggregate of the resources, reserves, production or sales data, or other amount or measure, without taking into account our effective ownership interest therein.*
- *"**Attributable basis**" means our effective ownership interest in the resources, reserves, production or sales data, or other amount or measure, whether established contractually or otherwise.*

OVERVIEW

Introduction

We are Australia's largest pure-play coal producer based on aggregate Coal Reserves and marketable coal production, and have been listed on the ASX since 2012. Of all Australian coal producers, we rank third on both these aforementioned metrics, behind only Glencore and BHP. Our principal business activity is the production of thermal and metallurgical coal for use in the power generation and steel industries in Asian markets. In contrast to coal companies that are currently listed on the Stock Exchange, all of the coal we produce is sold for export to customers located overseas, whether directly, through overseas traders or through other Australian coal companies. We believe that the export-oriented nature of our business is a key differentiator as it allows us to obtain global and market-determined indexed pricing for most of our coal sales.

We have ownership interests in, and operate, five coal mine complexes across New South Wales and Queensland, and manage five others across New South Wales, Queensland and Western Australia. Our mining interests in New South Wales include the Hunter Valley Operations, which is now operated as an unincorporated joint venture with Glencore ("**HVO**"), the integrated operations of the Mount Thorley and Warkworth open cut mines which are located adjacent to each other ("**MTW**"), the open cut and underground mines comprising the Moolarben coal complex ("**Moolarben**"), and the integrated operations of the Stratford and Duralie mines which are located in proximity to each other ("**Stratford Duralie**"). Our mining interests in Queensland are located in the Bowen basin and include the Yarrabee mine ("**Yarrabee**"), and a near-50% share in the Middlemount mine through an incorporated joint venture with Peabody Energy

(“**Middlemount**”). Our mining interests also include the Ashton, Austar and Donaldson mines (the “**Watagan Mines**”) in New South Wales, which we manage on behalf of Watagan Mining Company Pty Ltd (“**Watagan**”), our unconsolidated, wholly-owned subsidiary. Additionally, we manage the Cameby Downs and Premier coal mines in Queensland and Western Australia, respectively, on behalf of our Shanghai and Hong Kong listed controlling shareholder, Yanzhou Coal Mining Company Limited (“**Yanzhou**”). We also have shareholding interests in three major Australian coal export terminals.

As at 30 June 2018, the mines we have ownership interests in and operate (“**our mines**”), Middlemount and the Watagan Mines had, in the aggregate, Coal Reserves of 1,710 Mt, Marketable Coal Reserves of 1,218 Mt, and Measured and Indicated Coal Resources of 5,414 Mt (all on a 100% basis). On an attributable basis, we had Coal Reserves of 1,178 Mt, Marketable Coal Reserves of 837 Mt and Measured and Indicated Coal Resources of 3,964 Mt as at that date. In 2017 and the six months ended 30 June 2018, we sold 19.3 Mt and 16.2 Mt of coal products, respectively, and reported revenue from continuing operations of A$2,601 million and A$2,347 million, respectively.

Our mines and operations employ approximately 4,000 people in addition to the contractors and service providers who support our business, and we seek to continue contributing to the economic growth of the regional Australian areas in which we operate.

History and Material Transactions

We have become the largest Australian pure-play coal producer through both organic growth and a series of corporate acquisitions since our incorporation in November 2004.

We acquired the Southland mine (renamed Austar) in December 2004 and Felix Resources (assets of which included interests in the Moolarben, Yarrabee and Ashton mines) in December 2009. We acquired further interests in the Ashton mine in 2011. We listed on the ASX in June 2012, following our merger with Gloucester Coal, assets of which included interests in the Middlemount, Stratford Duralie and Donaldson mines and the Monash exploration project. Since our listing on the ASX, we have acquired the remaining interests in the Ashton mine and further interests in the Moolarben mine.

In 2014, during the global coal market downturn, we made a major strategic commitment to expand mining operations at Moolarben. Development approval for the Moolarben Stage Two expansion project was received in early 2015 and provided for an increase in Run of Mine (“**ROM**”) production capacity at the low cost Moolarben complex from 8 Mtpa of open cut production to 21 Mtpa across both open cut (13 Mtpa) and underground operations (8 Mtpa). With efficient project management and careful cost control, we were able to execute the Moolarben expansion ahead of schedule and within budget. With construction now complete at both the open cut and underground operations, Moolarben is one of the ten largest producers of thermal coal in Australia based on 2017 saleable production. We have entered into an agreement with KORES, subject to satisfaction of certain conditions precedent, to acquire a 4% interest in Moolarben.

In March 2016, we transferred our interests in the Ashton, Austar and Donaldson mines to Watagan as part of a structured financing transaction, further details of which are set forth in “*Business – Our Mining Operations – Watagan Mines – Watagan Agreements*” and “*Financial Information of the Group – Acquisitions, Disposals and Deconsolidation – Watagan Deconsolidation*”.

On 1 September 2017, we completed the acquisition of 100% of the equity interest in C&A from Rio Tinto (the "**C&A Acquisition**"). The consideration for the C&A Acquisition was US$2.69 billion, comprising US$2.45 billion cash payable on completion and US$240 million in future non-contingent royalty payments over five years following completion, and a coal price-linked contingent royalty. On completion, we acquired:

(i) interests in two of Australia's leading tier-one large-scale, long-life and low-cost coal mines located in the Hunter Valley region of New South Wales, including:

  (a) a 67.6% interest in HVO; and

  (b) an 80.0% interest in the Mount Thorley mine and a 55.6% interest in the Warkworth mine, which are located adjacent to each other and are operationally integrated as MTW; and

(ii) a 36.5% interest in Port Waratah Coal Services ("**PWCS**"), which provides the export infrastructure for the acquired mines.

The C&A Acquisition contributed to a substantial increase in our total assets from A$7,660 million as at 31 December 2016 to A$11,914 million as at 30 June 2018. In addition, we began consolidating the profit and loss accounts of C&A from 1 September 2017, the date of completion of the C&A Acquisition, and our results of operations for 2017 and the six months ended 30 June 2018 reflect the consolidation of C&A's results from 1 September 2017 to 30 June 2018. This contributed to the increase in our total revenue from A$1,238 million in 2016 to A$2,601 million in 2017, and our profit after income tax of A$246 million in 2017 compared to a loss after income tax of A$227 million in 2016. A significant contributor to our profitability in 2017 was other income, consisting of a gain on acquisition of A$177 million in connection with mine assets acquired from C&A and a reversal of impairment of mining tenements of A$100 million for the Moolarben mine, both of which are non-recurring items. Our total revenue increased from A$832 million in the six months ended 30 June 2017 to A$2,347 million in the six months ended 30 June 2018, and we had a loss after income tax of A$14 million and a profit after income tax of A$361 million in the same periods, respectively.

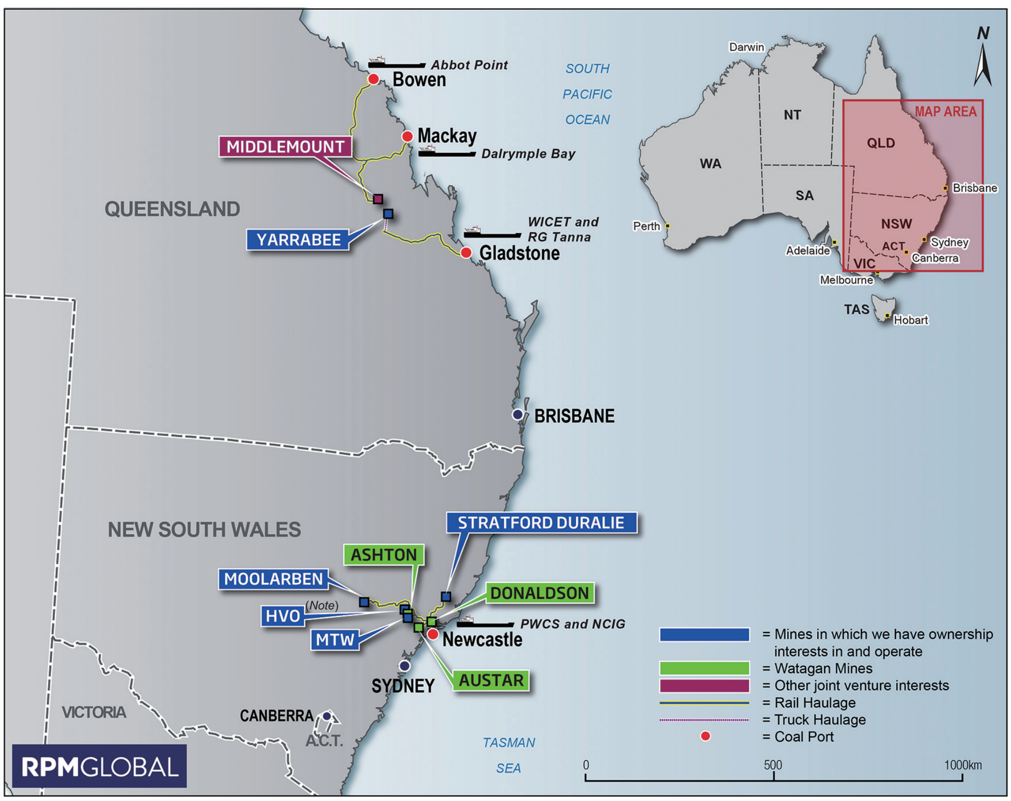
On 7 March 2018, we completed a transaction to acquire an additional 28.9% interest in the unincorporated Warkworth joint venture from MDP for consideration of US$230 million, subject to final post-closing working capital adjustments (the "**Warkworth Transaction**"), which increased our ownership of the Warkworth joint venture from 55.6% to 84.5%.

On 4 May 2018, we completed the sale of a 16.6% interest in the HVO mine to Glencore, reducing our interest in the HVO unincorporated joint venture from 67.6% to 51%, resulting in a 51%:49% unincorporated joint venture between us and Glencore (the "**Glencore Transaction**"). Glencore acquired its 49% interest for consideration of US$1,139 million, of which (i) US$710 million was paid to HVO Resources Pty Ltd ("**HVOR**") for its 32.4% interest in HVO and (ii) US$429 million (with further post-closing adjustments) was paid to us for a 16.6% interest in HVO. As part of this transaction, our effective ownership interest in PWCS was reduced to 30%.

We have entered into an agreement with KORES, subject to satisfaction of certain conditions precedent, to acquire a 4% interest in Moolarben for total consideration of A$84 million, which will be paid in four installments through to 31 December 2019 (the "**Moolarben Acquisition**"), and adjusted for the economic benefit of the 4% interest from 15 April 2018 that will flow to us. We intend to finance the Moolarben Acquisition with a portion of the expected proceeds from the Global Offering. See "*Future Plans and Use of Proceeds*" for further details. The Moolarben Acquisition will raise our interest in the unincorporated Moolarben JV to 85%.

Locations

The following map shows the location of the coal mines we have ownership interests in and operate, the Middlemount joint venture, the Watagan Mines, and the ports and railway network serving these areas:



Note:

HVO is operated as a 51:49 unincorporated joint venture with Glencore. The HVO JV is jointly controlled by us and Glencore through a joint venture management committee ("**JVMC**") and is operated by a manager, HV Operations Pty Ltd ("**HV Ops**"), which is appointed by us and Glencore and reports to the JVMC. See "*Business – Joint Venture Agreements – HVO*" for further details of the joint venture agreement with Glencore.

OUR BUSINESS OPERATIONS

Our principal coal products are thermal coal and metallurgical coal. Thermal coal is primarily used as an energy source in the generation of electricity, as well as in cement manufacturing and other major energy intensive industries which use heat and/or steam in their production processes. As a result, thermal coal demand is strongly driven by electricity generation and is generally sold at prices which reflect demand and quality. Metallurgical coal is also known as coking coal. Hard coking coal ("**HCC**") is essential for the production of a strong coke which is used primarily in the steel making process. Semi-hard coking coal ("**SHCC**") and semi-soft coking coal ("**SSCC**") are lower grades of coking coal that are often blended with HCC to reduce the overall cost of coal for steel production. SSCC can also be used as a substitute for thermal coal. Pulverised coal injection ("**PCI**") coal is generally a high calorific value coal, which is injected directly into a blast furnace to provide the carbon and heat in the iron-making process and can be used as a cost effective replacement for coking coal to some extent. The table below sets forth average coal characteristics of the coal sold by the mines we have ownership interests in and operate, and Middlemount:

Coal type	Region	Calorific value	Ash	Total moisture	Fixed carbon	Sulphur	Phosphorous	Volatile matter (%)	HGI	Free swelling index	Fluidity
		(Kcal/kg)	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*			*(ddpm)*
Low Ash Thermal	Hunter Valley	6,322	≤15%	10	53	0.55	0.008	31	50	NA	NA
High Ash Thermal	Hunter Valley	<6,322	>15%	10	53	0.55	0.008	31	50	NA	NA
SSCC	Hunter Valley	6,784	9.5	10	52	0.65	0.023	36	50	7	800
PCI	Queensland	6,767	11.5	9	77.8	0.68	0.096	9.2	72	NA	NA
Coking Coal	Queensland	NA	10	10	69.5	0.43	0.039	19	85	6	20

All of the coal we produce is sold for export to customers located in various key markets across the Asia Pacific region, whether directly, through overseas traders or through other Australian coal companies.

Mines we have ownership interests in and operate

Our flagship mines are Moolarben, HVO (which is operated as an unincorporated joint venture with Glencore) and MTW, which are respectively the second, third and fifth largest majority Australian-owned thermal coal mines (meaning mines for which thermal coal comprises at least 50% of saleable production) in terms of aggregate thermal and metallurgical coal production on a 100% basis in the first half of 2018. All of these mines are located in New South Wales, and in the aggregate accounted for approximately 91.6% of total attributable coal we sold from our mines in the six months ended 30 June 2018 on a pro forma basis (as if the C&A Acquisition, the Warkworth Transaction, the Glencore Transaction and the Moolarben Acquisition had been completed on 1 January 2017). All three mining operations are large, with long mine life, and produce coal at relatively low cost that is in the first and second quartiles of the FOB cash cost curve and the first quartile of the FOB cash margin curve. Our other mines in which we have ownership interests and operate include Stratford Duralie located in New South Wales and Yarrabee located in Queensland. See "*Business – Our Mining Operations*" for further details.

Middlemount joint venture

Middlemount is an open cut mine operated by Middlemount JV, an incorporated joint venture in which we have a near 50% interest. We acquired our interest in the joint venture as a result of our merger with Gloucester Coal Ltd in June 2012.

Watagan Mines

Our interests in the Ashton, Austar and Donaldson mines are held under Watagan, which is one of our wholly-owned subsidiaries. On account of certain financing transactions, however, from 31 March 2016 we were determined to have lost accounting control of Watagan and its subsidiaries and ceased to consolidate it, further details of which are set forth in "*Financial Information of the Group – Acquisitions, Disposals and Deconsolidation – Watagan Deconsolidation*".

Mining ceased at Donaldson's Abel underground mine in June 2016. Donaldson's coal operation was moved to a "care and maintenance" phase and feasibility studies have been commenced to explore potential future mining options including the introduction of a longwall mining method. As at the Latest Practicable Date, Donaldson had not recommenced operations. Moreover, during the Track Record Period, Austar experienced geotechnical issues, safety issues and suspension of longwall production as a result of coal burst incidents, which resulted in investigations and discussions with the Resources Regulator and certain prohibition notices being issued against Austar. Operations at Austar recommenced on 14 August 2018 subject to certain restrictions and remediation measures set out in a notice issued by the Resources Regulator on 3 August 2018. This prohibition notice imposes certain conditions (e.g. with respect to stress measurement tests, amongst other things) relating to mining up to a particular location in the current B4 longwall panel where the longwall equipment will then be recovered and relocated to the next longwall panel for further mining. As at the Latest Practicable Date, the prohibition notice issued on 3 August 2018 remained in force. Further details of geotechnical issues at Austar are set out in "*Risk Factors – Multiple coal bursts and other incidents have occurred at the Austar mine which have resulted in property and site damage, production shutdowns and fatalities, and further such incidents and outcomes may occur, including permanent shutdown. Investigations into challenging geological structures at Austar may lead to similar outcomes, including permanent shutdown", "Appendix III – JORC Coal Reserves – Reserves Comments"* and in *"Business – Health, Safety and Environmental Matters – Safety Incidents*". Furthermore, the open cut project of the Ashton operation (the "**South East Open Cut**") requires that we come to a commercial arrangement with a privately owned property which forms part of the proposed mining area. We have until April 2020 (or April 2022 if extended) to secure such an arrangement. No such arrangement has been agreed to date. We may seek to extend the deadline beyond 2022 to reach agreement with the owner of such property. Given that the South East Open Cut is not included in the Ashton mine's current five-year plan forecasts and Ashton otherwise remains fully operational, we do not expect any material near-term impact on our operations.

The following table sets forth certain information relating to each of the coal mines in which we have ownership interests and operate, the Middlemount joint venture and the Watagan Mines:

	Mines we have ownership interests in and operate					Other joint venture interests	Watagan Mines			
	HVO (OC)(1)(2)(10)	MTW (OC)(1)(10)	Moolarben (OC/UG)(1)	Stratford Duralie (OC)(1)	Yarrabee (OC)(1)	Middlemount (OC)(1)	Ashton(3) (OC/UG)(1)	Austar(3) (UG)(1)	Donaldson(3) (UG)(1)	Total(11)
Background data										
Location	NSW	NSW	NSW	NSW	QLD	QLD	NSW	NSW	NSW	–
Date of initial operation	1949	1981	2010	1995	1982	2011	2005	1916	2006	–
Interest at the Latest Practicable Date (%)	51.0	Mount Thorley: 80 Warkworth: 84.5 Share of coal production: 82.9	81	100	100	49.9997	100	100	100	–
Designed annual production capacity (Mt)(4)	20.0	18.5	21.0	4.6	3.5	5.4	5.5	5.0	5.1	88.6
Permitted annual production capacity (Mt)(4)	38.0	28.0	21.0	5.6	4.0	5.7	8.6	3.6	6.1	120.6
Tenement expiry dates(5)	14 Apr 2019 – 19 Apr 2038	23 Feb 2020 – 17 Mar 2038	12 Feb 2020 – 31 Aug 2036	5 Apr 2019 – 8 Apr 2037	13 Nov 2018 – 31 May 2044	30 Apr 2020 – 30 Sep 2031	21 May 2020 – 16 May 2035	7 Dec 2018 – 3 Feb 2039	21 Jul 2019 – 30 Jun 2038	–
Remaining mine life (years)	43	23	20	35	38	20	13	17	11	–
Coal Resources (as at 30 June 2018)(4)(12)										
Measured (Mt) (100% basis)	704	MT:27 W:197	OC:438 UG: 287	OC:11 UG: –	94	73	OC:25 UG: 52	70	OC: 10 UG: 178	2,165
Indicated (Mt) (100% basis)	1,430	MT:75 W:713	OC:105 UG: 131	OC:196 UG: 1	80	47	OC:49 UG: 18	80	OC: – UG: 326	3,249
Measured and Indicated (Mt) (100% basis)	2,134	MT:102 W:910	OC: 543 UG: 418	OC:207 UG: 1	174	120	OC:74 UG: 70	150	OC: 10 UG: 503	5,414
Inferred (Mt) (100% basis)	1,654	MT: 153 W: 527	OC: 69 UG: 129	OC:76 UG: 35	20	1	OC:70 UG: 15	69	OC: – UG: 95	2,913
Total (100% basis)	3,788	MT:255 W: 1,437	OC:612 UG: 547	OC:283 UG: 36	194	121	OC:144 UG: 85	219	OC: 10 UG: 598	8,327
Attributable to the Group(7)										5,916

	Mines we have ownership interests in and operate					Other joint venture interests	Watagan Mines			
	HVO (OC)(1)(2)(10)	MTW (OC)(1)(10)	Moolarben (OC/UG)(1)	Stratford Duralie (OC)(1)	Yarrabee (OC)(1)	Middlemount (OC)(1)	Ashton(3) (OC/UG)(1)	Austar(3) (UG)(1)	Donaldson(3) (UG)(1)	Total(11)
Coal Reserves (proved and probable, as at 30 June 2018)(6)(12)										
Coal Reserves (Mt)										
100% basis	796	MT:8 W:314	OC:189 UG: 67	44	55	87	OC:14 UG: 33	41	62	1,710
Attributable to the Group(7)										1,178
Marketable Coal Reserves (Mt)										
100% basis	554	MT:5 W:220	OC:148 UG: 67	26	42	67	OC:7.8 UG: 18	31	32	1,218
Attributable to the Group(7)										837
Product type	Met/ Thermal	Met/ Thermal	Thermal	Met/ Thermal	Met/ Thermal	Met/ Thermal	Met	Met/ Thermal	Thermal	–

	Mines we have ownership interests in and operate					Other joint venture interests	Watagan Mines			
	HVO (OC)(1)(2)(10)	MTW (OC)(1)(10)	Moolarben (OC/UG)(1)	Stratford Duralie (OC)(1)	Yarrabee (OC)(1)	Middlemount (OC)(1)	Ashton(3) (OC/UG)(1)	Austar(3) (UG)(1)	Donaldson(3) (UG)(1)	Total
ROM coal production (Mt)(8)										
2015	–	–	9.0	1.9	3.4	5.5	3.0	0.8	1.8	25.4
2016	–	–	12.2	1.2	3.6	5.3	2.4	1.2	0.3	26.2
2017	19.5	17.7	14.7	0.9	3.4	5.3	2.8	2.0	–	66.3
1H2018	9.1	8.5	9.8	0.3	1.3	2.5	1.0	0.4	–	32.9
Marketable coal production (Mt)(8)										
2015	–	–	6.9	1.4	2.8	4.4	1.4	0.7	1.3	18.9
2016	–	–	9.3	0.9	3.1	4.1	1.1	1.1	0.2	19.8
2017	14.8	11.8	12.4	0.7	2.9	3.9	1.2	1.9	–	49.4
1H2018	6.4	6.0	8.8	0.2	1.1	2.1	0.4	0.4	–	25.4
Coal sales volume (Mt)(9)										
2015	–	–	5.6	1.5	3.0	–	1.3	0.6	1.4	13.4
2016	–	–	7.4	0.9	3.2	–	0.4	0.1	0.1	12.1
2017	3.1	2.5	10.2	0.7	2.8	–	–	–	–	19.3
1H2018	3.8	4.5	6.5	0.3	1.1	–	–	–	–	16.2

Notes:

(1) UG refers to underground mining operations and OC refers to open cut mining operations.

(2) HVO is operated as a 51:49 unincorporated joint venture with Glencore. The HVO JV is jointly controlled by us and Glencore through the JVMC and is operated by a manager, HV Ops, which is appointed by us and Glencore and reports to the JVMC. See "*Business – Joint Venture Agreements – HVO*" for further details of the joint venture agreement with Glencore.

(3) Owned but not controlled by us under the applicable accounting standards. See "*Financial Information of the Group – Acquisitions, Disposals and Deconsolidation – Watagan Deconsolidation", "Business – Our Mining Operations – Watagan Mines – Watagan Agreements*" and "*Risk Factors – Multiple coal bursts and other incidents have occurred at the Austar mine which have resulted in property and site damage, production shutdowns and fatalities, and further such incidents or outcomes may occur, including permanent shutdown. Investigations into challenging geological structures at Austar may lead to similar outcomes including permanent shutdown*" for further details.

(4) As defined in the JORC Code and as at 30 June 2018.

(5) See "*Business – Mining and Exploration Licences – Approvals, Permits and Licences to be Obtained*" and "*Appendix III – Competent Person's Report – Appendix F. Tenements*" for further details of the expiry dates of the tenements for each mine site.

(6) As defined in the JORC Code and as at 30 June 2018.

(7) Attributable data is based on our effective ownership interest as at the Latest Practicable Date and is provided on an aggregate, not per mine, basis.

(8) Reported on a 100% basis and subject to the limitations and qualifications set forth in *"Appendix III – Competent Person's Report"*.

(9) Represents ex-mine sales volume reported on an attributable basis and does not include the sales of Middlemount, which is an incorporated joint venture, and Watagan following its deconsolidation from the Group in March 2016.

(10) HVO and MTW were not part of the Group in 2015 and 2016.

(11) Data is subject to rounding, which may result in minor tabulation differences.

(12) The coal resources and reserves stated above must be read in conjunction with the Competent Person's Report in Appendix III to this prospectus which includes disclosures required as per the JORC Code.

Managed Mines

We manage the Cameby Downs and Premier Coal mines, located in Queensland and Western Australia, respectively, on behalf of Yanzhou, our majority shareholder. The management services provided by us include corporate support (comprising human resources, treasury, payroll, insurance, financial accounting, reporting, compliance, management support, technical support, marketing and logistics, corporate communications, government and industry relations, business development, IT services and corporate procurement services), operations management (comprising carrying out exploration programs, preparing business plans, using all reasonable endeavors to meet business KPIs, preparing plans of operations as may be required by laws, and other operational services) and other general services. For the provision of these services, we charge a fee on cost plus 5% margin basis, except for any third party charges attributable to the provision of the management services which will be charged (proportionately) at cost. We will also purchase coal produced by the managed mines for back-to-back on-sale to end customers, with the purchase price being determined with reference to industry index prices and coal quality characteristics.

Production Process and Blending

We utilise large scale open cut mining methods in our open cut mining operations, which include the removal and storage of topsoil material via truck and front-end-loader ("**FEL**") methods, drilling of a blast pattern, blasting of fragment rock, excavation of waste material with truck and shovel or excavator in the upper benches and by draglines in lower benches, and digging, loading and hauling of coal via truck and excavator or FEL methods. Our open cut mines include HVO, MTW, Stratford Duralie, Middlemount and Yarrabee, as well as portions of Moolarben and Ashton.

We utilise longwall mining in our underground mining operations. Longwall mining roadways are cut by continuous miners around the perimeter of a rectangular block or panel of coal to form ventilation and access passageways. Our underground mines include Austar and portions of Moolarben and Ashton.

The products produced by our operations are a mix of premium thermal coal (<15% Ash), semi-soft coking and PCI coals together with mid – high ash thermal coals (15% – 30% Ash). Our premium grade products are typically sold to premium markets where the value of the coal can be reflected by the quality of the product. However, in some circumstances and some markets coal may be blended to satisfy customer requirements. We focus on ensuring that blends satisfy the customers' requirements, but we also pursue blending strategies to optimise our revenue return that would otherwise have been received by selling the products independently. Due to the number of pits, product types and required product specification of our customers, we have the ability to blend ROM coal and washed coal to optimise products and add value.

Infrastructure, Transport and Logistics

Product coal at each of our mines is transferred from loading points within the mines to coal carts (save for Yarrabee in Queensland which is road hauled to the Boonal load out facility on the Blackwater railway system) for transport by rail to PWCS or the Newcastle Coal Infrastructure Group ("**NCIG**") coal terminals in the Port of Newcastle (for HVO, MTW, Moolarben, Ashton, Austar and Donaldson in NSW) or Abbot Point Coal Terminal at the Port of Abbot Point or the Dalrymple Bay Coal Terminal at the Port of Hay Point (for Middlemount in Queensland) or RG Tanna or Wiggins Island Coal Terminals at the Port of Gladstone (for Yarrabee in Queensland). The table below sets forth the allocated capacity and utilisation of our port and rail allocations in 2017:

Infrastructure[(Note)]	Service provider	Capacity allocated to	Contracted capacity in 2017	Utilisation percentage	Excess
			(Mt)		(Mt)
New South Wales					
Port	PWCS, NGIC	Austar, Ashton, Donaldson, Hunter Valley Operations, Moolarben, Mt Thorley Warkworth, Stratford.	54.56	77%	12.63
Above Rail	Pacific National, Aurizon		42.40	96%	1.50
Below Rail	ARTC		46.13	95%	2.44
Queensland					
Port	RGTanna, WICET, APCT		6.20	92%	0.47
Above Rail	Aurizon, Pacific National	Yarrabee, Middlemount	6.20	94%	0.37
Below Rail	Aurizon Network		6.20	94%	0.37

Note:

The above rail infrastructure consists of locomotives and wagons and the below rail infrastructure consists of train tracks.

Our contracts for port and rail infrastructure are generally under long-term take-or-pay agreements with the relevant operators. See "*Business – Infrastructure, Transportation and Logistics*" for further details.

OUR CUSTOMERS AND SUPPLIERS

Our customers are located throughout the Asia-Pacific region, with South Korea, the PRC, Singapore and Japan comprising our largest jurisdictions by revenue during the Track Record Period. We have established long term relationships with major power utilities and steel mills in these and other countries. During the Track Record Period, we also supplied coal to power and steel mills in India, South America and Europe on an ad hoc basis. See "*Financial Information of the Group – Description of Major Line Items in Our Consolidated Statements of Profit or Loss and Other Comprehensive Income – Revenue*" for a breakdown of our revenue by geographic region. We also sell coal to customers in the commodities trading business, who purchase our coal for trading purposes or to on-sell the coal to their end customers. However, we are reducing our focus on trading customers in favour of end customers such as power utilities and steel mills. For the financial years ended 31 December 2015, 2016 and 2017 and the six months ended 30 June 2018, revenue from our five largest customers in aggregate amounted to A$630 million, A$480 million, A$839 million and A$788 million, respectively, representing approximately 47.8%, 38.8%, 32.3% and 33.8% of our revenue, respectively, and revenue from our largest customer in those periods amounted to A$247 million, A$162 million, A$216 million and A$225 million, respectively, representing approximately 19%, 13%, 8% and 9.7% of our revenue, respectively.

Our main supply contracts include those for infrastructure, fuel and electricity, explosives for blasting and critical spare parts from original equipment manufacturer suppliers. We have entered into master supply agreements at the Group level with fuel suppliers for the supply of diesel and lubricants to our mining operations. We contract with blasting services experts for the provision of explosives and related explosive application and blasting services. We also have master supply agreements for the supply of spare parts which support our heavy mining equipment. For the financial years ended 31 December 2015, 2016 and 2017 and the six months ended 30 June 2018, our purchases from our five largest suppliers in aggregate amounted to A$333 million, A$353 million, A$508 million and A$326 million, respectively, representing 20.8%, 24.8%, 21.5% and 23.4% of our total purchases for the relevant period, and our purchases from our largest supplier amounted to A$89 million, A$94 million, A$133 million and A$89 million, respectively, representing 5.6%, 6.6%, 5.6% and 6.4% of our total purchases for the relevant period.

MINING AND EXPLORATION LICENCES

Our mining operations in New South Wales are conducted in accordance with the conditions of Mining Leases and Coal Leases granted under the NSW Mining Act, 1992, while exploration activities are undertaken in accordance with Exploration Licences, Authorisations and Assessment Leases, each as issued by the NSW Department of Resources and Energy.

Our mining operations in Queensland are conducted in accordance with the conditions of Mining Leases granted under the *Mineral Resources Act 1989 (QLD)*, while our exploration activities are undertaken in accordance with Exploration Permits for Coal and Mineral Development Licences issued under the *Mineral Resources Act 1989 (QLD)*.

See "*Appendix III – Competent Person's Report – Appendix F. Tenements*" for details on our licences with respect to each mine.

OUR COMPETITIVE STRENGTHS

We believe that the following key strengths provide us with a competitive advantage and position us well to pursue current and future growth opportunities.

- We are Australia's largest pure-play coal producer with a seaborne business focused on major Asian export markets including the PRC.
- We have a diversified portfolio of world class assets that produce high value coal products for our major export markets.
- We have a sustainable platform for future growth.
- Our experienced management team is well positioned to pursue growth opportunities and create further shareholder value.
- We have valuable and strategic operational and trade relationships as well as strong support from our key shareholders.

See "*Business – Our Competitive Strengths*" for further details.

OUR BUSINESS STRATEGIES

We are committed to continuing our strategic growth and to maximising new opportunities to build our business as a leading low cost coal producer in the global seaborne market with a focus on creating long term value for our shareholders. Our management team remains focused on investing in the Australian resources sector, implementing operational efficiencies, reducing costs, exploring new market opportunities and providing our customers with the certainty of product quality and delivery. Key elements of our strategy include the following:

- Evaluate and execute portfolio expansion through value accretive organic and inorganic opportunities.
- Continued focus on operational efficiencies to increase mine productivity and reduce operating costs.
- Grow our business in existing markets and new markets, aided by a dynamic product mix strategy.
- Sustain financial discipline and strengthen our balance sheet to support future growth.
- Maintain high standards of safety and responsible working practices.

See "*Business – Our Business Strategies*" for further details.

KEY RISK FACTORS

Our business is subject to numerous risks and there are uncertainties relating to an investment in the Shares. These risks and uncertainties can be categorised as (i) risks relating to our business and industry and (ii) risks relating to the Global Offering. The following are some of the key risks that affect our business:

- The trading price of our Shares has been volatile and the Minimum Offer Price is higher than the recent trading price of the Shares, which may result in substantial losses for investors subscribing for or purchasing our Shares pursuant to the Global Offering.

- Coal prices are cyclical and subject to fluctuations, and any significant decline in the prices we receive for our coal products would materially and adversely affect our business, financial condition and results of operations.

- Our coal production is subject to conditions and events beyond our control that could result in high expenses and decreased supply.

- Coal markets are highly competitive and are affected by factors beyond our control.

- Multiple coal bursts and other incidents have occurred at the Austar mine which have resulted in property and site damage, production shutdowns and fatalities, and further such incidents and outcomes may occur, including permanent shutdown. Investigations into challenging geological structures at Austar may lead to similar outcomes, including permanent shutdown.

- We will be required to re-consolidate Watagan once we re-acquire control of it, which could result in adverse consequences to our financial condition and results of operations.

- We derive a significant portion of our revenue from a limited number of customers, and the loss of, or a reduction in, sales to any of these customers could materially and adversely affect our business, financial condition and results of operations.

- Our existing and future indebtedness could restrict our financial and operational flexibility and adversely affect our financial condition.

- We may not be able to meet our capital expenditure requirements or secure additional financing on favourable terms, whether from external sources or our major shareholders, in the future.

- We have had negative reserves and accumulated losses during the Track Record Period, and did not declare or pay any dividends for 2015, 2016 or 2017.

- We operate through a number of joint venture and similar structures, and our operational and financial results will be affected by how these arrangements are managed.

- Our investments in, and obligations with respect to, the Wiggins Island Coal Export Terminal may be adversely impacted by, among other things, the insolvency of its other shareholders.

- We are exposed to fluctuations on exchange rates and interest rates.

See "*Risk Factors*" for further details.

OUR CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, Yankuang Group Company Limited ("**Yankuang**"), our ultimate controlling shareholder, was, directly and indirectly, interested in approximately 51.81% of the shares in Yanzhou, our controlling shareholder, and Yanzhou was interested in approximately 65.45% of the Shares in the Company. Yankuang is principally engaged in the production and sale of coal, coal chemicals and aluminium, power generation, machinery manufacturing and financial investments. Yanzhou is principally engaged in the production of coal and coal chemicals, manufacturing of mechanical and electrical equipment and power and heat generation. Yanzhou has been listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange since 1998.

Immediately following the completion of the Global Offering, (i) Yanzhou will be interested in approximately 62.5% of the Shares in issue (assuming the Over-allotment Option is not exercised), (ii) the Company will remain as a non-wholly owned subsidiary of Yankuang and Yanzhou and (iii) Yankuang and Yanzhou will be the controlling shareholders of the Company.

RECENT DEVELOPMENTS OF OUR BUSINESS SUBSEQUENT TO THE TRACK RECORD PERIOD

Since 30 June 2018,

(i) we have entered into an agreement with KORES, subject to satisfaction of certain conditions precedent, for the Moolarben Acquisition. We intend to finance the Moolarben Acquisition with a portion of the expected proceeds from the Global Offering. See "*Future Plans and Use of Proceeds*" for further details; and

(ii) on 20 August 2018, we obtained a US$300 million term debt facility from certain banks which are party to our A$1,000 million bank guarantee facility from a syndicate of seven domestic and international banks. On 23 August 2018, we fully drew down the US$300 million under this facility. We used this amount to repay a portion of the Syndicated Facility, resulting in an outstanding balance on the Syndicated Facility of US$1,650 million. On 17 September 2018 and 17 October 2018, respectively, we further repaid US$150 million of our debt (US$75 million on the Syndicated Facility and US$75 million on our unsecured loans from related parties) and US$100 million of our debt (US$50 million on the Syndicated Facility and US$50 million on our unsecured loans from related parties) using excess cash flows generated from operations.

As far as the Directors are aware, other than as disclosed above, there have not been any material changes in our operations, nor in the general economic and market conditions in the regions or the industries in which we operate that materially and adversely affected our business operations or financial condition since 30 June 2018 and up to the date of this prospectus, and no material changes have occurred since the effective date of the Competent Person's Report.

SUMMARY FINANCIAL AND OPERATING INFORMATION

Summary Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Year ended 31 December						Six months ended 30 June			
	2015		2016		2017		2017		2018	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	A$ million	*%*	*A$ million*	*%*	*A$ million*	*%*	*A$ million* (unaudited)	*%*	*A$ million*	*%*
Revenue	1,319	100.0	1,238	100.0	2,601	100.0	832	100.0	2,347	100.0
Costs and expenses[(1)]	(1,672)	(126.8)	(1,553)	(125.4)	(2,630)	(101.1)	(885)	(106.4)	(1,980)	(84.3)
Others[(2)]	(1)	(0.1)	3	0.2	364	14.0	35	4.2	172	7.3
Income tax (expense)/benefit	63	4.8	85	6.9	(89)	(3.4)	4	0.5	(178)	(7.6)
Profit/(loss) after income tax	(291)	(22.1)	(227)	(18.3)	246	9.5	(14)	(1.7)	361	15.4
Other comprehensive (expense)/income for the year	(319)		63		404		274		(141)	
Total comprehensive (expense)/income for the year	(610)		(164)		650		260		220	

We incurred loss after tax of A$291 million in 2015 and A$227 million in 2016, due in significant part to the adverse coal price environment in those years. Our average selling price was A$80 per tonne in those years, compared to A$114 per tonne that we were able to obtain in 2017. As a consequence, our operating cash flows were negatively affected which, combined with increased finance costs, resulted in losses in those years.

Notes:

(1) Includes raw materials and consumables used, employee benefits expenses, depreciation and amortisation, transportation, contractual services and plant hire, government royalties expense, changes in deferred mining costs, coal purchases, other operating expenses and finance costs.

(2) Includes other income, changes in inventories of finished goods and work in progress and share of profit/(loss) of equity-accounted investees, net of tax. In 2017, our other income included a non-recurring gain on acquisition of A$177 million in connection with the acquisition of C&A and a reversal of impairment of mining tenements of A$100 million for the Moolarben mine, both of which were a significant contributor to our profitability in that year.

Price and Sales Volume of Coal

The table below sets forth, for the years indicated, a breakdown of our ex-mine[(1)] sales volume and average selling price between thermal and metallurgical coal[(2)], presented on an attributable basis:

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
Thermal coal					
Average selling price (A$ per tonne)	68	71	102	90	117
Sales volume (Mt)	8.1	8.8	15.5	4.9	13.8
Total ex-mine thermal coal revenue (A$ million)	548	617	1,585	447	1,607
Average Newcastle 6,000 NAR spot price (A$ per tonne)[(3)]	76	90	115	107	135
Metallurgical coal					
Average selling price (A$ per tonne)	100	106	165	174	191
Sales volume (Mt)	5.3	3.3	3.8	1.3	2.4
Total ex-mine metallurgical coal revenue (A$ million)	526	350	619	224	468
Average premium hard-coking coal FOB spot price (A$ per tonne)[(3)]	118	195	246	240	273
Total coal					
Average selling price (A$ per tonne)	80	80	114	108	128
Sales volume (Mt)	13.4	12.1	19.3	6.2	16.2
Total ex-mine coal revenue (A$ million)	1,074	967	2,204	670	2,075
Coal purchases[(4)] (A$ million)	214	232	355	165	156
Other[(5)] (A$ million)	–	–	64	–	19
Total coal revenue from customers (A$ million)	1,288	1,199	2,623	835	2,250

Notes:

(1) Ex-mine coal represents coal directly produced at our mines, and excludes coal purchased from other parties.

(2) Includes our attributable interest in production from (a) in 2015, the Moolarben, Yarrabee, Stratford Duralie and Watagan mines, (b) in 2016, the Moolarben, Yarrabee, Stratford Duralie and Watagan mines (until 31 March 2016), (c) in 2017, the Moolarben, Yarrabee, Stratford Duralie, and C&A mines (HVO (67.6%) and MTW (64.1%), from 1 September 2017) and (d) in 2018, the Moolarben, Yarrabee, Stratford Duralie, and C&A mines (HVO (67.6% until 30 April 2018 and 51% thereafter) and MTW (64.1% until 28 February and 82.9% thereafter). Does not include the results of Middlemount, which is an incorporated joint venture in which we hold a 49.9997% interest. For accounting purposes, we equity account for our share of the profit or loss after tax of Middlemount as a single line item.

(3) According to the Industry Report. The A$ per tonne is calculated at an US$:A$ foreign exchange rate of 1.33, 1.35, 1.30, 1.33 and 1.33 in 2015, 2016 and 2017 and the six months ended 30 June 2017 and 2018, respectively. The average premium HCC price represents the most readily-available index price for metallurgical coal.

(4) Represents sales made as part of our coal blending strategy attributable to coal purchased from related parties and third parties and any increase or decrease in ex-mine revenue recognised on coal purchased from our mines. See "*Financial Information of the Group – Description of Major Line Items in Our Consolidated Statements of Profit or Loss and Other Comprehensive Income – Coal Purchases*" for further details.

(5) Other coal revenue mainly represented acquisition accounting fair value adjustments with respect to the below market customer contract with BLCP Power Limited ("**BLCP**"), which we took on as part of the C&A Acquisition and which obligates us to deliver coal to BLCP at a price that we deem to be below market relative to our long-term coal price forecast.

Operating and Production Costs

The tables below set forth, for the years indicated, a breakdown of our overall and per sales tonne costs:

	Year ended 31 December			Six months ended 30 June	
	2015	**2016**	**2017**	**2017**	**2018**
			A$ million		
Cash operating costs					
Workforce employment	227	184	299	100	253
Consumables	149	138	248	76	227
Fuel, electricity, water and other utilities services	64	49	101	33	109
Contractual services and plant hire	195	110	213	62	181
On and off site administration	17	14	22	5	12
Environmental protection and monitoring	8	5	9	4	5
Transportation of workforce	–	–	–	–	–
Product marketing and transport	261	267	312	122	274
Non-income taxes, royalties and other government charges	77	71	173	53	161
Contingency allowances	–	–	–	–	–
Total cash operating costs	998	838	1,377	455	1,222
Non-cash operating costs					
Depreciation and amortisation	200	133	256	80	244
Total production costs	1,198	971	1,633	535	1,466

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
			A$ per tonne		
Cash operating costs					
Workforce employment	17	15	15	16	16
Consumables	11	11	13	12	14
Fuel, electricity, water and other utilities services	5	4	5	5	7
Contractual services and plant hire	15	9	12	10	11
On and off site administration	1	1	1	1	1
Environmental protection and monitoring	1	1	–	1	–
Transportation of workforce	–	–	–	–	–
Product marketing and transport	19	22	16	20	17
Non-income taxes, royalties and other government charges	6	6	9	9	10
Contingency allowances	–	–	–	–	–
Total cash operating costs	75	69	71	74	76
Non-cash operating costs					
Depreciation and amortisation	15	11	14	12	15
Total production costs	90	80	85	86	91

Our total production cost per sales tonne was A$90, A$80, A$85, A$86 and A$91 in 2015, 2016 and 2017 and the six months ended 30 June 2017 and 2018, respectively. The decrease in 2016 was primarily due to the deconsolidation of the Watagan underground mines and reduced operations at Stratford Duralie, together with ongoing cost saving initiatives across all sites. The increase in 2017 and 2018 was primarily due to the additional depreciation and amortisation of property, plant and equipment and mining tenements recognised on the C&A Acquisition and an increase in raw materials and consumables used.

Our cash operating cost per sales tonne before non-income taxes, royalties and other government charges and contingency allowances, was A$69, A$63, A$62, A$65 and A$66 in 2015, 2016 and 2017 and the six months ended 30 June 2017 and 2018, respectively. The decrease in 2016 was primarily due to the deconsolidation of the Watagan underground mines and reduced operations at Stratford Duralie, together with ongoing cost saving initiatives across all sites. Between 2016 and 2017, there was a slight decrease from A$63 to A$62 per sales tonne, and between the six months ended 30 June 2017 and the six months ended 30 June 2018 there was a slight increase from A$65 to A$66 per sales tonne. Cash operating costs between these periods remained relatively unchanged despite an increase in market-driven costs of consumables such as diesel and electricity and despite the fact that in each of the former periods Moolarben (which is a low cost mine that is in the first quartile of the cash cost curve) had a materially high weighting in our overall portfolio. While HVO and MTW are higher operating cost mines than Moolarben, they still fall within the second quartile of the cash cost curve (and rank higher than Moolarben on the cash margin curve) and as such are considered low cost mines. See "*Industry Overview – Competitive Landscape – Cost Competitiveness Analysis*" and "*Financial Information of the Group – Significant Factors Affecting Our Results of Operations and Financial Condition – Operating and Production Costs*" for further details.

Summary Consolidated Statements of Financial Position

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	A$ million			
Current assets	2,124	738	1,689	1,370
Current liabilities	(638)	(499)	(1,013)	(906)
Net current assets	1,486	239	676	464
Non-current assets	5,746	6,922	10,624	10,544
Non-current liabilities	(5,544)	(5,809)	(6,257)	(5,743)
Total equity	1,688	1,352	5,043	5,265

Indebtedness

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	A$ million			
Indebtedness repayable within:				
Less than one year	11	20	17	17
One to two years	80	12	12	415
Two to five years	1,329	2,439	3,316	2,414
Five or more years	3,312	2,479	1,378	1,454
Total indebtedness	4,732	4,950	4,723	4,300

The above table excludes an amount of A$24 million and A$16 million as at 31 December 2017 and 30 June 2018, respectively, with respect to the fair value gain on refinancing of secured bank loans recognised during those periods on the adoption of IFRS 9. See "*Financial Information of the Group – Indebtedness*" for further details on the material terms of our indebtedness, including security interests and guarantees.

Summary Consolidated Cash Flow Statement

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
			A$ million		
				(unaudited)	
Net cash (used in)/generated from operating activities	(108)	(24)	408	282	712
Net cash (used in)/generated from investing activities	(314)	(466)	(3,449)	(133)	228
Net cash generated from/(used in) financing activities	366	525	3,062	(14)	(698)
Net (decrease)/increase in cash and cash equivalents	(56)	35	21	135	242
Cash and cash equivalents at the beginning of the year	204	159	190	190	207
Effects of exchange rate changes on cash and cash equivalents	11	(4)	(4)	(8)	36
Transfer to assets held for sale	(5)	–	–	–	–
Cash and cash equivalents at the end of the period	154	190	207	317	485

Key Financial Ratios

	As at or for the year ended 31 December			As at or for the six months ended 30 June
	2015	2016	2017	2018
Return on assets(1)	(3.8)%	(2.9)%	2.5%	6.0%(4)
Return on equity(2)	(13.9)%	(14.9)%	7.7%	14.0%(4)
Gearing ratio(3)	2.80x	3.66x	0.93x	0.81x

Notes:

(1) Return on assets is calculated by dividing profit after income tax by average total assets and multiplying the resulting value by 100%. Average total assets equal total assets at the beginning of the period plus total assets as at the end of the period, divided by two.

(2) Return on equity is calculated by dividing profit after income tax by average total equity and multiplying the resulting value by 100%. Average total equity equals total equity at the beginning of the period plus total equity as at the end of the period, divided by two.

(3) Gearing ratio is calculated as gross debt divided by total equity at the end of the period. Gross debt consists of the total balance of interest-bearing liabilities as at the end of the period.

(4) On an annualised basis.

Non-IFRS Financial Measures

Operating EBITDA and operating EBIT are key metrics that our management uses to assess the performance of our individual segments and make decisions on the allocation of resources. Neither operating EBITDA nor operating EBIT is a standard measure under IFRS. As presented by our management, operating EBITDA represents profit or loss before income tax for the year as adjusted for net interest expense, depreciation and amortisation and any significant non-operating items, while operating EBIT represents profit or loss before income tax as adjusted for net interest expense and any significant non-operating items.

While operating EBITDA and operating EBIT provide additional financial measures for investors to assess our operating performance, the use of operating EBITDA and operating EBIT has certain limitations because they do not reflect all items of income and expense that affect our operations. In addition, operating EBITDA and operating EBIT do not reflect changes in working capital, capital expenditure or other investing and financing activities and therefore should not be considered a measure of our liquidity.

As a measure of our operating performance, we believe that the most directly comparable IFRS measure to operating EBITDA and operating EBIT is profit before income tax. The table below sets forth, for the periods indicated, a reconciliation of operating EBITDA and operating EBIT with profit before income tax under IFRS:

	Year ended 31 December			**Six months ended 30 June**	
	2015	**2016**	**2017**	**2017**	**2018**
			A$ million		
Profit before income tax	(354)	(312)	335	(18)	539
Adjustments for:					
Finance costs	162	209	294	105	152
Bank fees and other charges	116	113	109	49	62
Interest income	(50)	(125)	(114)	(57)	(58)
Stamp duty	–	12	167	3	16
Fair value losses recycled from hedge reserve	22	133	229	101	45
Gain on acquisition	(6)	–	(177)	–	–
Gain on disposal	–	–	–	–	(78)
Impairment reversal of mining tenements for Moolarben	–	–	(100)	–	–
Gain on refinance	–	–	(31)	–	–
GILTs and WIPs remeasurement and impairment[(1)]	–	–	–	–	50
Transaction costs	–	3	33	21	10
JV receipt	–	–	(5)	(5)	–
Royalty remeasurement	(2)	6	(8)	(2)	(2)
Operating EBIT	(112)	39	732	197	736
Adjustment for depreciation and amortisation	200	133	256	80	244
Operating EBITDA	88	172	988	277	980

Note:

(1) GILTs and WIPs represent our investments in long-term securities and preference securities, respectively, issued by WICET Holdings Pty Limited. See "*Risk Factors – Our investments in, and obligations with respect to, the Wiggins Island Coal Export Terminal may be adversely impacted by, among other things, the insolvency of its other shareholders*."

In 2015, 2016 and 2017 and the six months ended 30 June 2017 and 2018, our operating EBIT margin (calculated as operating EBIT divided by revenue and multiplied by 100%) was (8.5)%, 3.2%, 28.1%, 23.7% and 31.4%, respectively, while our operating EBITDA margin (calculated as operating EBITDA divided by revenue and multiplied by 100%) was 6.7%, 13.9%, 38.0%, 33.3% and 41.8%, respectively.

Operating EBITDA and operating EBIT should not be considered in isolation or construed as a substitute for analysis of IFRS financial measures. In addition, because operating EBITDA and operating EBIT may not be calculated in the same manner by all companies, our operating EBITDA and operating EBIT may not be comparable to the same or similarly titled measures presented by other companies.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE ENLARGED GROUP

The table below sets forth selected unaudited pro forma combined income statement data for the year ended 31 December 2017 and the six months ended 30 June 2018 as if the C&A Acquisition, the Glencore Transaction and the Warkworth Transaction (together, the "**Pro Forma Transactions**") had been completed on 1 January 2017. Such pro forma financial information has been prepared using the procedures and adjustments as described in more detail in Appendix IIB to this prospectus, and should be read in conjunction with the related notes thereto.

		Pro forma adjustments[1] for		
	The audited Group as at the six months ended 30 June 2018[2]	Acquisition of additional 28.9% interest in Warkworth	Disposal of 16.6% interest in HVO	Unaudited pro forma consolidated statement of profit or loss of the Group for the six months ended 30 June 2018
		A$ million		
Revenue	2,347	48	(89)	2,306
Other income	115	–	(78)	37
Changes in inventories of finished goods and work in progress	24	1	–	25
Raw materials and consumables used	(337)	(9)	18	(328)
Employee benefits	(254)	(5)	10	(249)
Depreciation and amortisation	(244)	(4)	–	(248)
Transportation	(274)	(3)	7	(270)
Contractual services and plant hire	(206)	(5)	11	(200)
Government royalties	(161)	(4)	7	(158)
Coal purchases	(182)	–	–	(182)
Other operating expenses	(170)	–	3	(167)
Finance costs	(152)	–	(1)	(153)
Share of profit of equity-accounted investees, net of tax	33	–	–	33
Profit before income tax	539	19	(112)	446
Income tax expenses	(178)	(6)	34	(150)
Profit for the period	361	13	(78)	296

	The audited Group for the year ended 31 December 2017	Audited C&A for the eight months ended 31 August 2017	Pro forma adjustments[1] for: Adjustment for acquisition accounting on C&A Acquisition, including 55.6% interest in Warkworth & 67.6% interest in HVO	Pro forma adjustments[1] for: Acquisition of additional 28.9% interest in Warkworth	Pro forma adjustments[1] for: Disposal of 16.6% interest in HVO	Unaudited pro forma consolidated statement of profit or loss of the Enlarged Group for the year ended 31 December 2017
			A$ million			
Revenue	2,601	1,424	46	261	(288)	4,044
Other income	325	26	–	–	78	429
Changes in inventories of finished goods and work in progress	7	(11)	–	3	(2)	(3)
Raw materials and consumables used	(349)	(274)	–	(50)	56	(617)
Employee benefits	(302)	(140)	–	(33)	27	(448)
Depreciation and amortisation	(256)	(78)	(97)	(27)	–	(458)
Transportation	(312)	(110)	26	(19)	20	(395)
Contractual services and plant hire	(274)	(169)	–	(26)	39	(430)
Government royalties	(173)	(111)	–	(21)	23	(282)
Coal purchases	(340)	–	–	–	–	(340)
Other operating expenses	(330)	(26)	–	(19)	7	(368)
Finance costs	(294)	(3)	(10)	–	1	(306)
Share of profit of equity-accounted investees, net of tax	32	(16)	–	–	–	16
Profit/(Loss) before income tax	335	512	(35)	69	(39)	842
Income tax (expense)/benefit	(89)	169	(320)	(20)	12	(248)
Profit/(Loss) for the year	246	681	(355)	49	(27)	594

Note:

(1) See the Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group in Appendix IIB to this prospectus for further details on the adjustments for the Pro Forma Transactions.

(2) Includes the financial results of C&A for the six months ended 30 June 2018.

FUTURE PLANS AND USE OF PROCEEDS

The net proceeds from the Global Offering which the Company will receive, after deducting the underwriting commissions and the estimated expenses in relation to the Global Offering and assuming the Over-allotment Option is not exercised, will be:

- approximately HK$1,183 million, assuming an Offer Price of HK$23.48 (being the Minimum Offer Price);

- approximately HK$1,251 million, assuming an Offer Price of HK$24.66 (being the mid-point of the Offer Price Range); or

- approximately HK$1,320 million, assuming an Offer Price of HK$25.84 (being the Maximum Offer Price).

The Company intends to use the net proceeds of HK$1,251 million, assuming an Offer Price of HK$24.66 (being the mid-point of the Offer Price Range), from the Global Offering as follows:

- approximately HK$600.7 million (or approximately 48% of the net proceeds) will be used to repay outstanding indebtedness of the Group under the Syndicated Facility and, potentially, unsecured loans from related parties. The Syndicated Facility has an interest rate of LIBOR plus 2.8% to 3.1% plus Yanzhou guarantee fees and the unsecured loans from the related parties have an interest rate of 7%. The Syndicated Facility matures in instalments and the unsecured loans from the related parties are due between 2022 and 2024. In each case, the loans have been utilised primarily to finance our capital expenditure and working capital requirements. (See "*Financial Information of the Group – Indebtedness*" for further details);

- approximately HK$375.4 million (or approximately 30% of the net proceeds) will be used to finance potential acquisitions (as at the Latest Practicable Date, the Company has not identified any targets to be acquired). In deciding whether to invest in or acquire a particular asset or business, we consider multiple key factors, including, among others (i) strategic value-accretion, (ii) the return on investment and (iii) future growth potential and the level of synergies created by the investment;

- approximately HK$150.2 million (or approximately 12% of the net proceeds) will be used to finance the acquisition of an additional 4% interest in the unincorporated Moolarben joint venture (see "*Financial Information of the Group – Acquisitions, Disposals and Deconsolidation – Moolarben Acquisition*" for further details); and

- approximately HK$125.1 million (or approximately 10% of the net proceeds) will be used for working capital and general corporate purposes.

In the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the Offer Price Range, the net proceeds from the Global Offering will be allocated to the above purposes on a *pro rata* basis, except that if the proceeds to be allocated to the Moolarben Acquisition exceed the purchase price, the difference will be reallocated to repay outstanding indebtedness of the Group under the Syndicated Facility and, potentially, unsecured loans from related parties.

DIVIDENDS AND DIVIDEND POLICY

We did not declare or pay any dividends during the Track Record Period. On 15 August 2018, we declared a dividend of approximately A$130 million on our ordinary shares, which was paid on 21 September 2018. Subject in each case to applicable laws, the ongoing cash needs of the business, the statutory and common law duties of the Directors and shareholders' approval, the Directors may pay interim and/or final dividends, and in accordance with our Constitution must:

(i) subject to (ii) below, pay as interim and/or final dividends not less than 40% of net profit after tax (pre-abnormal items) in each financial year; and

(ii) if the Directors determine that it is necessary in order to prudently manage our financial position, pay as interim and/or final dividends not less than 25% of net profit after tax (pre-abnormal items) in any given financial year.

Our Australian legal advisers have advised that under Australian law, a company is able to pay dividends out of current year profits even though it has accumulated losses, and there is no restriction in our Constitution that would prevent current year profits from being paid out as dividends in this way. Accordingly, the Company's accumulated losses do not prevent it from being able to pay dividends, provided that current year profits are not used to offset prior period losses and the Company is otherwise able to satisfy the other legal requirements of paying a dividend under Australian law. As a result, the amount of any dividends to be declared or paid will depend on, among other things, our results of operations, cash flows, financial condition, operating and capital requirements and applicable laws and regulations.

GLOBAL OFFERING STATISTICS

	Based on an Offer Price of HK$23.48	Based on an Offer Price of HK$25.84
Market capitalisation of our Shares(1)	HK$30,888 million	HK$33,993 million
Unaudited pro forma adjusted net tangible asset value per Share(2)	HK$23.54	HK$23.65

Notes:

(1) The calculation of the market capitalisation is based on the assumption that 1,315,513,656 Shares will be in issue and outstanding immediately following the Global Offering (assuming the Over-allotment Option is not exercised).

(2) The unaudited pro forma adjusted net tangible asset value per Share is calculated after the adjustments referred to in the Unaudited Pro Forma Financial Information in Appendix IIA to this prospectus and on the basis of 1,315,513,656 Shares in issue immediately following the Global Offering (assuming the Over-allotment Option is not exercised).

The Company is applying for the Listing under the market capitalisation/revenue test of Rule 8.05(3) of the Listing Rules.

AUSTRALIAN ENTITLEMENT OFFER

In connection with the Global Offering, the Company will undertake an accelerated renounceable entitlement offer (or rights offer) of its Shares to the existing Shareholders of the Company (i.e. the Australian Entitlement Offer) which is expected to be announced on Friday, 30 November 2018. The Australian Entitlement Offer is made in compliance with the ASX Listing Rules.

Pursuant to the Australian Entitlement Offer, the Company will issue up to 67,667,409 Shares (representing an offer ratio of 0.05387 new Shares for each existing Share held) at the same price as the final Offer Price for the Global Offering. The Australian Entitlement Offer will be launched shortly after the Offer Price under the Global Offering has been determined. The Offer Shares to be offered pursuant to the Global Offering (other than any Shares which may be issued pursuant to the Over-allotment Option) will form part of the Shares offered pursuant to the Australian Entitlement Offer, as further explained below.

The Australian Entitlement Offer will consist of two tranches as follows:

(a) **institutional tranche:** this will comprise the offer of rights to subscribe for 59,441,900 Shares to the Company's major shareholders, being Yanzhou, CSIL and Cinda (the "**Major Shareholders**"), which hold in aggregate approximately 87.8% of the Shares as at the Latest Practicable Date. The institutional tranche will be conducted immediately following the launch of the Australian Entitlement Offer and settlement of the institutional tranche will take place on the Listing Date; and

(b) **retail tranche**: this will comprise the offer of rights to subscribe for 8,225,509 Shares to the Company's existing Shareholders (other than the Major Shareholders), which hold in aggregate approximately 12.2% of the Shares as at the Latest Practicable Date. The retail tranche will be open for a period of 8 business days commencing from the business day after the Listing Date.

The Major Shareholders have agreed to renounce their rights to participate in the institutional tranche of the Australian Entitlement Offer in respect of an aggregate of 59,441,900 Shares, representing approximately 87.8% of the Shares to be offered pursuant to the Australian Entitlement Offer. Those Shares which are renounced by the Major Shareholders will comprise the Offer Shares which will be offered to investors in the Global Offering.

The remaining approximately 12.2% of the Shares to be offered pursuant to the Australian Entitlement Offer (i.e. 8,225,509 Shares) will not form part of the Global Offering and will be made available in the retail tranche of the Australian Entitlement Offer. Existing Shareholders of the Company (other than the Major Shareholders) may take up their rights or renounce them privately in the retail tranche of the Australian Entitlement Offer. The Shares relating to any unexercised rights at the close of the retail tranche of the Australian Entitlement Offer will be offered in an institutional bookbuild to be conducted in Australia during a business day that is within 4 business days after the close of the retail tranche of the Australian Entitlement Offer. Any proceeds received in excess of the offer price for the Australian Entitlement Offer (net of any expenses and withholdings as required by law) will be returned to the renouncing Shareholders. There is no guarantee that the renounced entitlements will be sold or that a premium will be achieved from any such sale.

The Australian Entitlement Offer is not underwritten (other than to the extent that the Shares of the Major Shareholders are included in the Global Offering in the manner described above). Therefore, the number of Shares to be issued by the Company upon completion of the Australian Entitlement Offer will depend on the extent of the rights being taken up by the existing Shareholders of the Company (or by their assignees) and may not necessarily result in all the Shares offered under the Australian Entitlement Offer being issued.

The Shares to be issued pursuant to any exercise of the Over-Allotment Option will be issued by the Company pursuant to its general power under the ASX Listing Rules to issue shares up to 15% of its issued share capital, and will constitute up to 0.71% of the Company's issued share capital at the date of this prospectus.

LISTING EXPENSES

Total expenses (including estimated underwriting commissions) expected to be incurred in relation to the Listing are A$37.4 million (HK$214.5 million), of which approximately A$29.7 million (HK$170.3 million) is expected to be charged to the consolidated statement of profit or loss of the Group and approximately A$7.7 million (HK$44.2 million) is expected to be capitalised.