

This information set out in this Appendix does not form part of the Accountants' Report from the joint reporting accountants, SHINEWING (HK) CPA Limited, Certified Public Accountants, Hong Kong and ShineWing Australia, Chartered Accountants, Australia, independent members of ShineWing International Limited, as set out in Appendix IA, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section heading "Financial Information of the Group" in this prospectus and the Accountants' Report of the Group set out in Appendix IA to this prospectus.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group, prepared in accordance with Rule 4.29 of the Listing Rules and is for illustrative purpose only, and is set out below to illustrate the effect of the Proposed Listing on the consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2018 as if the Proposed Listing had taken place on 30 June 2018.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group was prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group as at 30 June 2018, or at any future date following the Proposed Listing.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2018 as set out in the Accountants' Report of Yancoal Australia Ltd, the text of which is set out in Appendix IA to this prospectus, and adjusted as follows.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2018	Estimated net proceeds from the Proposed Listing	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company	Unaudited pro forma adjusted net tangible assets of the Group attributable to the owners of the Company per share	Unaudited pro forma adjusted net tangible assets of the Group attributable to the owners of the Company per share
	A\$'M (Note 1)	A\$'M (Note 2)	A\$'M	A\$ (Note 3)	HK\$ (Note 5)
Based on an Offer Price of HK\$23.48 per Share	5,165	224	5,389	4.10	23.54
Based on an Offer Price of HK\$25.84 per Share	5,165	249	5,414	4.12	23.65

- (1) The consolidated net tangible assets attributable to owners of the Company as at 30 June 2018 was determined as follows:

	A\$'M
Audited consolidated net assets of the Group set out in Appendix IA to this prospectus	5,265
Less: Non-Controlling interests	(2)
Less: Intangible assets attribute to owners of the Company	(98)
	5,165
Audited consolidated net tangible assets attributable to owners of the Company	5,165

- (2) The estimated net proceeds from the Share Offer are based on the issue of 59,441,900 new shares at the Offer Price of HK\$23.48 and HK\$25.84 per Share, respectively, after deduction of the underwriting fees and other related expenses payable by the Company and take no account of any Shares which may be issued upon the completion of the Australian Entitlement Offer on Australian Securities Exchange ("ASX") and exercise of the over-allotment option.
- (3) The unaudited pro forma net tangible assets of the Group attributable to owners of the Company per Share is arrived at after the adjustments referred to in Notes 1 and 2 above and on the basis that 1,315,513,656 Shares were in issue assuming that the Share Offer and share consolidation (one share for every 35 shares) has been completed on 30 June 2018 but takes no account of any Shares which may be issued upon the completion of the Australian Entitlement Offer on ASX and exercise of the over-allotment option.
- (4) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 June 2018, including but not limited to the effect of the interim dividend of A\$130,000,000 declared and payable by the Company for the period ended 30 June 2018 on 15 August 2018 (the "Transaction"). The dividend was paid on 21 September 2018. Had the Transaction been completed on 30 June 2018, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share would be A\$4.00 or HK\$22.96 (assuming an Offer Price of HK\$23.48 per share) and A\$4.02 or HK\$23.08 (assuming an Offer Price of HK\$25.84 per share).
- (5) For the purpose of presentation of the unaudited pro forma financial information, the exchange rate adopted is A\$1 = HK\$5.7405, which is based on a rate of A\$1 = US\$0.7332 and US\$1 = HK\$7.8295.

No representation is made that the amounts in Australian dollars ("A\$") or US dollars ("US\$") were or could have been or could be converted into Hong Kong dollars ("HK\$") and/or that amounts in Hong Kong Dollars were or could have been or could be converted into Australian dollars or US dollars at such rate or any other exchange rates.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION IN
ACCORDANCE WITH RULES 4.29 OF THE LISTING RULES ON THE STOCK
EXCHANGE OF HONG KONG**



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26 November 2018

The Directors
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Australia

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Yancoal Australia Ltd (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2018 and related notes as set out on pages IIA-1 to IIA-2 of Appendix IIA to the prospectus (the "Prospectus") dated 26 November 2018 in connection with the proposed listing (the "Proposed Listing") of shares of the Company on The Stock Exchange of Hong Kong Limited. The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages in Appendix IIA to the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Proposed Listing on the Group's net tangible assets as of 30 June 2018 as if the Proposed Listing had been taken place at 30 June 2018. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's financial information for the six months ended 30 June 2018, on which accountants' reports of the Company has been included in the Appendix IA to the Prospectus.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (“IESBA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firms apply International Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in prospectus is solely to illustrate the impact of the Proposed Listing on unadjusted financial information of the Group as if the Proposed Listing had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Listing at 30 June 2018 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

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