UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF THE GROUP

The following is the unaudited pro forma consolidated statement of profit or loss of the Group for the purpose of providing additional information to potential investors. The unaudited pro forma consolidated statement of profit or loss for the Group is for illustrative purpose only and set out below to illustrate the effect of the acquisition of Coal & Allied Industries Ltd ("C&A"), the acquisition of a further 28.9% interest in the Warkworth joint venture ("Warkworth") and the disposal of a 16.6% interest in the Hunter Valley Operations joint venture ("HVO") (collectively referred to as the "Acquisitions and Disposal") on the consolidated statements of profit or loss of the Group attributable to the owners of the Company for the year ended 31 December 2017 and for the six months ended 30 June 2018 as if the Acquisitions and Disposal had taken place on 1 January 2017.

Details of the Acquisitions and Disposal are set out as "Financial information – Acquisitions, Disposals and deconsolidation" section of this prospectus.

The unaudited pro forma consolidated statement of profit or loss 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 statements of profit or loss of the Group for the year ended 31 December 2017 and for the six months ended 30 June 2018, or at any future date following the Acquisitions and Disposal.

The unaudited pro forma consolidated statement of profit or loss of the Group is prepared based on the consolidated statements of profit or loss of the Group attributable to the owners of the Company for the year ended 31 December 2017 and for six months ended 30 June 2018 as set out in the Accountants' Report of the Company, the text of which is set out in Appendix IA to this prospectus, and adjusted as follows.

(i) unaudited pro forma consolidated statements of profit or loss of the Group attributable to the owners of the Company for the year ended 31 December 2017

	The Group as original for the year ended 31 December 2017	C&A for the eight months ended 31 August 2017	Pro forma adjustments for: Adjustments arising from acquisition accounting for acquisition of C&A, (including 55.6% interest in Warkworth & 67.6% interest in HVO)	Pro forma adjustments for: Acquisition of additional 28.9% interest in Warkworth	Pro forma adjustments for: Disposal of 16.6% interest in HVO	Unaudited pro forma consolidated statement of profit or loss of the Group for the year ended 31 December 2017
	A$'M	*A$'M*	*A$'M*	*A$'M*	*A$'M*	*A$'M*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*	
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 expenses	(89)	169	(320)	(20)	12	(248)
Profit (loss) for the year	**246**	**681**	**(355)**	**49**	**(27)**	**594**

Notes:

(1) The audited consolidated statement of profit or loss of the Group for the year ended 31 December 2017 is extracted from the Accountants' Report of the Group as set out in Appendix IA to this Prospectus.

(2) The audited consolidated statement of profit or loss of C&A for the eight months ended 31 August 2017 is extracted from the Accountants' Report of C&A as set out in Appendix IB to this Prospectus. To conform with the presentation of the audited consolidated statement of profit or loss of the Group (i) distribution expenses of A$110 million have been reclassified as transportation expense (ii) distribution expenses of A$111 million have been reclassified as government royalties, and (iii) net foreign exchange differences of A$1 million have been aggregated into other operating expense. The tax benefit of A$169 million includes an adjustment to the deferred tax bases of assets of A$331 million which is eliminated in the consolidated financial statements of the Group for the year ended 31 December 2017.

(3) The adjustments arising from acquisition accounting for the acquisition of C&A including:

a. An increase in revenue of A$46 million to reflect the partial release of the BLCP sales contract provision recognised as if the acquisition had occurred on 1 January 2017. The BLCP Agreement is a long-term sales offtake contract as detailed in Note 28(ii) to the Accountants' Report of the Group. Based on management's provisional long-term coal price forecast the contract is "below market" and as such a provision has been recognised representing the discounted, after tax, "below market" value of the contract.

b. An increase in amortisation of A$55 million to reflect the amortisation of additional mining tenements and intangibles recognised on acquisition.

c. An increase in depreciation of A$42 million to reflect the depreciation of the uplift in value of property, plant and equipment as if the acquisition had occurred on 1 January 2017.

d. A decrease in transportation expenses of A$26 million to reflect the partial release of the excess take-or-pay ("ToP") provision calculated as if the acquisition had occurred on 1 January 2017.

e. An increase in finance costs of A$10 million to reflect the unwind of the discount on the non-contingent royalty payable, contingent royalty payable and BLCP and ToP provisions.

f. An increase in tax expense of A$320 million, of which A$331 million (which is included in the consolidated financial statements of C&A for the eight months ended 31 August 2017) reflects the reversal of deferred tax effect on tax base pushed down to C&A legal entities as part of the Group's acquisition tax allocation at the consolidation level of the Group (as stated in note 2 above).

(4) The adjustment to the statement of profit or loss on the acquisition of an additional 28.9% interest in Warkworth, (representing an 18.8% economic interest in the Mount Thorley Warkworth mine complex) for the year ended 31 December 2017 including:

a. 18.8% of profit and loss of Mount Thorley Warkworth for the year ended 31 December 2017, including the pro rata proportion of the acquisition accounting applied to the 64.1% interest in Mount Thorley Warkworth recognised as part of the C&A Acquisition, attributable to the Group as if the acquisition completed on 1 January 2017.

b. An increase in transaction costs of A$16 million to reflect the stamp duty not already included in "other operating expense" of the statement of profit and loss for the year ended 31 December 2017.

c. There is no gain or loss of the acquisition recognized as at acquisition completion date i.e. 7 March 2018. Due to the various price adjustments it is not practical to calculate the gain on acquisition as at 1 January 2017.

(5) The adjustment to the statement of profit or loss on the disposal of a 16.6% interest in HVO for the year ended 31 December 2017 comprises:

a. 16.6% of profit or loss of HVO for the year ended 31 December 2017,including the pro rata proportion of the acquisition accounting applied to the 67.6% interest in HVO recognised as part of the C&A Acquisition, attributable to the Group as if the transaction had been completed on 1 January 2017.

b. A gain on disposal of A$78 million representing;

i. the surplus of cash proceeds receivable from Glencore over the book value of the 16.6% interest in HVO. In accordance with the Asset Sale Agreement the cash proceeds receivable from Glencore is US$429 million (A$569 million) including adjustments of (i) a decrease of US$28 million (A$38 million) for the net cash inflows of the 16.6% HVO interest between completion of the C&A Acquisition and completion of the Glencore Transaction, (ii) an increase of US$2 million (A$3 million) for HVO cash, working capital and bank guarantee adjustments, and (iii) an increase of US$45 million (A$59 million) representing 27.9% of the non-contingent royalty paid to Rio Tinto on the C&A Acquisition up to the date of completion of the Glencore Transaction. The gain on disposal of A$78 million represents the gain calculated as at 1 May 2018. Due to the various price adjustments noted above it is not practical to calculate the gain on disposal as at 1 January 2017.

ii. the recognition of a US$21 million (A$27 million) receivable for the non-contingent royalty now receivable from Glencore.

iii. the de-recognition of US$31 million (A$39 million) of the contingent royalty, BLCP and ToP provisions recognised on the C&A Acquisition to be assumed by Glencore.

iv. Disposal of US$438 million (A$581 million) of book value assets and liabilities.

(ii) unaudited pro forma consolidated statements of profit or loss of the Group attributable to the owners of the Company for six months ended 30 June 2018

		Pro forma adjustments for		
	The Group as original for the six months ended 30 June 2018	**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$'M *(Note 6)*	*A$'M* *(Note 7)*	*A$'M* *(Note 8)*	*A$'M*
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 (loss) before income tax	**539**	**19**	**(112)**	**446**
Income tax expenses	(178)	(6)	34	(150)
Profit (loss) for the period	**361**	**13**	**(78)**	**296**

Notes:

(6) The audited consolidated statement of profit or loss of the Group for the six months ended 30 June 2018 is extracted from the Accountants' Report of the Group as set out in Appendix IA to this Prospectus.

(7) The adjustment to the statement of profit or loss on the acquisition of an additional 28.9% interest in Warkworth, a joint operation of the Company (representing an 18.8% economic interest in the Mount Thorley Warkworth mine complex) for the two months ended 28 February 2018 representing the pre-acquisition period, including:

a. 18.8% of profit or loss of Mount Thorley Warkworth for the two months ended 28 February 2018, including the pro rata proportion of the acquisition accounting applied to the 64.1% interest in Mount Thorley Warkworth recognised as part of the acquisition of Coal & Allied Industries Limited (the "C&A Acquisition"), attributable to the Group as if the acquisition completed on 1 January 2017.

(8) The adjustment to the statement of profit or loss on the disposal of a 16.6% interest in HVO, a joint operation of the Company, for the four months ended 30 April 2018 representing the pre-disposal period, including:

a. 16.6% of profit or loss of HVO for the four months ended 30 April 2018, including the pro rata proportion of the acquisition accounting applied to the 67.6% interest in HVO recognised as part of the C&A Acquisition, attributable to the group as if the transaction had been completed on 1 January 2017.

b. A decrease in other income of A$78 million which reflects the reversal of gain on disposal of HVO recognized in actual result for the six months ended 30 June 2018 as if the transaction had been completed on 1 January 2017. Details also set out in note 5b of this statement.

(9) No adjustments have been made to adjust any trading results or other transactions of the Group subsequent to 30 June 2018.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

This information set out in this Appendix does not form part of the Accountants' Reports 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 IB, 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" in this prospectus and the Accountants' Report of the Group set out in Appendix IA to this prospectus and Accountants' report of Coal & Allied Industries Ltd set out in Appendix IB to this prospectus.

信永中和 ShineWing

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ShineWing Australia
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26 November 2018

The Directors
Yancoal Australia Ltd
Level 18, Darling Park Tower 2,
201 Sussex Street,
Sydney NSW 2000,
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 in connection with the acquisition of Coal & Allied Industries Ltd ("C&A"), the acquisition of a further 28.9% interest in the Warkworth joint venture ("Warkworth") and the disposal of a 16.6% interest in the Hunter Valley Operations joint venture ("HVO") (collectively referred to as the "Acquisitions and Disposal") consists of the unaudited pro forma statement of consolidated statements of profit or loss of the Group for the year ended 31 December 2017 and for the six months ended 30 June 2018 and related notes as set out on pages IIB-2 to IIB-6 of Appendix IIB to the prospectus (the "Prospectus") dated 26 November 2018. 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 IIB to the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Acquisitions and Disposal on the Group's financial performance for the year ended 31 December 2017 and for six months ended 30 June 2018 as if the Acquisitions and Disposal had been taken place at 1 January 2017. As part of this process, information about the Group's financial performance has been extracted by the directors of the Company from the Group's consolidation financial statements for the year ended 31 December 2017 and for the six months ended 30 June 2018, on which the Accountants' Report of the Group 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 prepared 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") 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 Charter 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 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 an investment circular is solely to illustrate the impact of the Acquisition and Disposal on unadjusted financial information of the Group as if the Acquisition and disposal 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 Acquisition and Disposal at 31 December 2017 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.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Chan Wing Kit
Practising Certificate Number: P03224
Hong Kong

ShineWing Australia
Chartered Accountants
Rami Eltchelebi
Sydney