

6 December 2018

Charlotte Hope
Principal Adviser, Listings Compliance
and
Patrick McCarthy
Adviser, Listings Compliance
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

By email: Charlotte.Hope@asx.com.au; Patrick.McCarthy@asx.com.au

Dear Charlotte and Patrick

**Yancoal Australia Limited (ASX: YAL):
Notice of initial substantial holder – The Stock Exchange of Hong Kong Limited**

Lock-ups under Global Offering

As previously announced, Yancoal Australia Ltd (**Yancoal** or **Company**) (ASX:YAL) is undertaking a Hong Kong initial public offering of its fully paid ordinary shares (**Shares**) on the Main Board of the Stock Exchange of Hong Kong (**HKEx**) (**Global Offering**).

Under the Rule 10.07 of the Listing Rules of HKEx (**HK Listing Rules**), following the Global Offering, Yanzhou Coal Mining Company Limited (**Yanzhou**) and Yankuang Group Company Limited (**Yankuang**) are restricted from disposing of shares as follows:

- (a) for the first 6 months following listing on the HKEx, Yanzhou and Yankuang shall not “dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those securities of [Yancoal]”; and
- (b) for a further period of 6 months (following the expiration of the first 6 month period), Yanzhou and Yankuang shall not “dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interest or encumbrances in respect of [its securities].... if immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, that person or group of persons would cease to be a controlling shareholder [of Yancoal (i.e. a less than 30% shareholder)]”,

(Lock-up Rules). For the purposes of the Global Offering, both Yanzhou and Yankuang will be controlling shareholders of Yancoal. The applicable restrictions under Rule 10.07 of the HK Listing Rules are contained in an undertaking given by Yanzhou and Yankuang in favour of Yancoal and HKEx (**Lock-ups**).

Importantly, the Lock-ups do not impose any restrictions on voting. Additionally, the Lock-ups allow Yanzhou to accept into a successful takeover bid and allow securities to be transferred or cancelled as part of a merger by scheme of arrangement.

ASIC modification

The Australian Securities & Investments Commission (**ASIC**) has granted a modification to section 609 of the *Corporations Act 2001* (Cth) (as modified by ASIC Class Order [CO 13/520]) (**Corporations Act**) such that:

- (a) Yancoal will not be taken to have a relevant interest in its own securities merely by virtue of the Lock-ups; and
- (b) HKEx will not be taken to have a relevant interest in Yancoal securities merely by virtue of the Lock-ups.

The relief also includes a modification to the substantial holding provisions of the Corporations Act such that substantial holding disclosure are required to be made under section 671B of the Corporations Act with respect to the Lock-ups on behalf of HKEx, despite the aforementioned modifications.

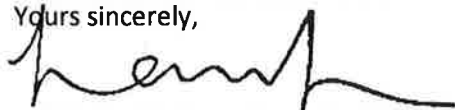
Yancoal has discussed with ASIC that Yancoal would make this disclosure on behalf of HKEx.

Notice of initial substantial holder

Yancoal gives the attached Form 603: *Notice of initial substantial holder* (**Substantial Holder Notice**) on behalf of HKEx with respect to the relevant interest that HKEx would have had as a result of the Lock-ups in the absence of the ASIC modification referred to above.

Copies of the Lock-ups are attached as **Annexure A** to the Substantial Holder Notice, and a copy of ASIC's relief instrument is attached as **Annexure B** to the Substantial Holder Notice.

Yours sincerely,



Laura Ling Zhang
Company Secretary

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Yancoal Australia Ltd (Yancoal)

ACN/ARSN 111 859 119

1. Details of substantial holder (1)

Name The Stock Exchange of Hong Kong Limited (Hong Kong Incorporation Number 0083874) (SEHK)

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 06/12/2018 (upon the listing of Yancoal Australia Ltd on the Hong Kong Stock Exchange (HKEx))

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary securities (Shares)	822,157,715	0 votes*	0%*

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
SEHK*	SEHK does not have a relevant interest by virtue of the Lock-ups pursuant to ASIC Instrument 18-1078.* But for the modifications set out ASIC Instrument 18-1078, SEHK would have a relevant interest under section 608(1)(c) of the Corporations Act.	0 Shares*

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
SEHK*	Yanzhou Coal	Yanzhou Coal	822,157,715 Shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Not applicable – no consideration was paid.

* Yanzhou Coal Mining Company Limited (Yanzhou Coal) and Yankuang Group Corporation Limited (Yankuang) have given an undertaking in favour of HKEx not to dispose of their securities in Yancoal:

- (a) for the first 6 months following listing on the HKEx; and
- (b) for a further period of 6 months (following the expiration of the first 6 month period) if immediately following such disposal they would cease to have less than a 30% shareholding in Yancoal,

(Lock-ups) (copies of which are set out as Annexure A to this notice). The Lock-ups do not give SEHK the right to acquire Yanzhou's shares in Yancoal or to control voting rights attached to these shares. Pursuant to ASIC Instrument 18-1078 (a copy of which is set out as Annexure B to this notice), ASIC has granted a modification to section 609 of the Corporations Act (as modified by ASIC Class Order [CO 13/520]) (Corporations Act) such that:

- (a) Yancoal will not be taken to have a relevant interest in its own securities merely by virtue of the Lock-ups; and
- (b) SEHK will not be taken to have a relevant interest in Yancoal securities merely by virtue of the Lock-ups.

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Not applicable.	

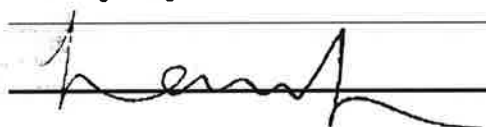
7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
SEHK	11th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
Yanzhou	298 Fushan South Road, Zoucheng, Shandong 273500, PRC
Yankuang	c/- Yanzhou Coal Mining Company Limited, 298 Fushan South Road, Zoucheng, Shandong 273500, PRC

Signature

This notice is given by Yancoal Australia Ltd on behalf of The Stock Exchange of Hong Kong Limited.

print name	Laura Ling Zhang	capacity	Company Secretary, Yancoal Australia Ltd
sign here		date	06/12/2018

Annexure A to Form 603

This is Annexure A of 7 pages referred to in the Form 603: *Notice of initial substantial holder* prepared by Yancoal Australia Ltd on behalf of The Stock Exchange of Hong Kong Limited signed by me and dated 6 December 2018.



Laura Ling Zhang
Company Secretary

21 November 2018
2018 年 11 月 21 日

To: The Stock Exchange of Hong Kong Limited
The Listing Division
12/F Two Exchange Square
8 Connaught Place, Central
Hong Kong

**Attention: Ms. Lin Shi / Ms. Miranda Mak /
Ms. Gloria Chan / Mr. Kelvin Lee /
Ms. Catherine Chan / Mr. Anthony Pun**

致: 香港聯合交易所有限公司
上市科
香港中環康樂廣場 8 號交易廣場二期 8 樓

**收件人: Lin Shi 女士/ Miranda Mak 女士/
Gloria Chan 女士/Kelvin Lee 先生/ Catherine
Chan 女士/Anthony Pun 先生**

and
及

Yancoal Australia Ltd
Level 18, Darling Park 2
201 Sussex Street
Sydney, NSW 2000
Australia

兗煤澳大利亞有限公司
Level 18, Darling Park 2
201 Sussex Street
Sydney, NSW 2000
Australia

Dear Sirs,
敬啟者,

Company : **Yancoal Australia Ltd (the "Company")**
公司 兗煤澳大利亞有限公司 (「公司」)
Case Number : **20180628-I18156-0001**
檔案號 20180628-I18156-0001
Transaction Type : **New Listing – Primary Listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")**
交易類型 新上市 – 于香港聯合交易所有限公司 (「聯交所」) 主板作第一上市
Subject : **Undertaking pursuant to Rule 10.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")**
事由 根據《香港聯合交易所有限公司證券上市規則》(「上市規則」) 第 10.07 條作出的承諾

Unless stated otherwise, terms defined in the draft prospectus to be issued by the Company (the "*Prospectus*") shall have the same meanings in this letter.

除非另有說明，否則在公司將刊發的招股章程稿 (「招股章程」) 中界定的詞語用于本函中具有相同涵義。

We, being the controlling shareholders of the Company, hereby undertake to the Stock Exchange and to the Company that, except pursuant to the Global Offering and any lending of Shares pursuant to the Stock Borrowing Agreement, we will not and will procure that the relevant registered holder(s) will not:

我們，即公司的控股股東，特此向聯交所及公司承諾，除根據全球發售和借股協議借出股份或外，我們不會，並將促使相關登記持有人不會：

- (a) in the period commencing on the date by reference to which disclosure of our holding of Shares is made in the Prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which we are shown by the Prospectus to be the beneficial owner; or

自招股章程中披露我們持有股份當日起至上市日期起計滿六個月之日期止期間，出售招股章程所列示由其實益擁有的股份；就該等實益擁有的股份訂立任何協議出售，或設立任何選擇權、權利、利益或產權負擔；或

- (b) in the period of six months commencing on the date on which the period referred to in paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, we would cease to be a controlling shareholder of the Company,

自上述 (a) 段所述的期限屆滿當日起計的六個月內，出售上述 (a) 段的任何股份，或就該等股份訂立任何協議出售有關股份，或設立任何選擇權、權利、利益或產權負擔，以致我們在出售股份或行使或執行有關選擇權、權利、利益或產權負擔後不再成為公司的控股股東，

in each case, save as:

在上述每一情况下，下述情况除外：

- (1) permitted under the Listing Rules;

属上市规则允许者；

- (2) to accept a takeover bid that has been made for 100% (or some lesser percentage, in the event of a proportional takeover bid) of the Shares in the Company and in circumstances where at least 50% of the Shares held by non-locked up Shareholders that are the subject of the takeover bid have also accepted that takeover bid, provided that if the takeover bid is a conditional takeover bid and does not become unconditional, then the Shares which had been accepted into the takeover bid will not be released from the restrictions and undertakings contained in this letter; or

旨在接纳已就公司 100% 股份（或在按比例作出要约收购的情况下，某一较低百分比的股份）提出的要约收购，以及持有至少 50% 股份作为要约收购对象的非禁售股东亦已接纳上述要约收购，但前提是，如果要约收购属有条件要约收购而且并未成为无条件，则已被接纳入要约收购的股份将不会获解除本函所载的限制和承诺；或

- (3) to have our Shares in the Company acquired by a bidder following a scheme of arrangement in relation to the Company.

旨在促使我们所持有的公司的股份于公司的协议安排后被某竞投入收购。

We hereby further undertake to the Company and to the Stock Exchange that, within the period commencing on the date by reference to which disclosure of our holding of Shares is made in the Prospectus and ending on the date which is 12 months from the Listing Date, we will and will procure that the relevant registered holder(s) will:

我们特此进一步向公司及联交所承诺，自招股章程中披露我们持有股份的参考日起至上市日期后 12 个月届满之日止期间，我们将，并会促使相关登记持有人将：

- (i) when we pledge or charge any Shares beneficially owned by us in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform the Company of such pledge or charge together with the number of Shares so pledged or charged; and

当我们根据上市规则第 10.07 (2) 条之附注 (2) 将名下实益拥有的股份质押或押记予认可机构（定义见香港法例第 155 章《银行业条例》）作受惠人，将立即通知公司该项质押/押记事宜以及所质押/押记的股份数目；及

- (ii) when we receive indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares will be disposed of, immediately inform the Company of such indications.

当我们接到承押人/承押记人的指示（不论是口头或书面），指任何该等用作质押/押记的股份将被沽售，将立即将该等指示内容通知公司。

For the avoidance of doubt, nothing in this letter places any restriction on our ability to exercise our voting power in relation to our Shares in the Company.

为避免疑义，本函无任何内容限制我们就我们持有的公司股份行使表决权的能力。

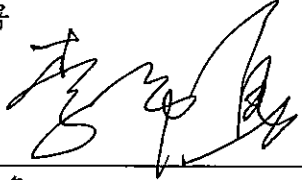
Yours faithfully,

顺颂

商祺!

For and on behalf of
Yanzhou Coal Mining Company Limited
兖州煤业股份有限公司

代表签署

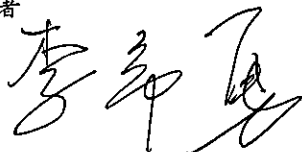
A handwritten signature in black ink, appearing to be 'Li Xiyong', written over a horizontal line.

Name/姓名: Li Xiyong

Title/职务: Director

For and on behalf of
Yankuang Group Company Limited
兖矿集团有限公司

代表签署

A handwritten signature in black ink, appearing to be '李希勇' (Li Xiyong), written over a horizontal line.

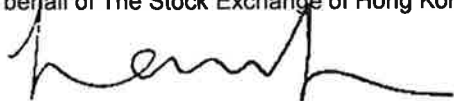
Name/姓名: Li Xiyong

Title/职务:

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Annexure B to Form 603

This is Annexure B of 4 pages referred to in the Form 603: *Notice of initial substantial holder* prepared by Yancoal Australia Ltd on behalf of The Stock Exchange of Hong Kong Limited signed by me and dated 6 December 2018.



Laura Ling Zhang
Company Secretary

**Australian Securities and Investments Commission
Corporations Act 2001 – Paragraphs 655A(1)(b) and 673(1)(b) – Declaration**

Enabling legislation

1. The Australian Securities and Investments Commission (*ASIC*) makes this instrument under paragraph 655A(1)(b) and 673(1)(b) of the *Corporations Act 2001* (the *Act*).

Title

2. This instrument is ASIC Instrument 18-1078.

Commencement

3. This instrument commences on the date it is signed.

Declarations

4. Chapter 6 and 6C of the Act applies to Yancoal Australia Limited ACN 111 859 119 (*Yancoal*) as if section 609 were modified or varied by, after subsection (13) (as notionally inserted by ASIC Class Order [CO 13/520]), inserting:

“(13A) A body corporate does not have a relevant interest in its own securities merely because it accepts an undertaking given by a holder of securities pursuant to Rule 10.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (*HKEx*).

(13B) *HKEx* does not have a relevant interest in securities merely because it accepts an undertaking given by a holder of securities pursuant to Rule 10.07 of the Rules Governing the Listing of Securities on *HKEx*.”.

5. Chapters 6 and 6C of the Act apply to Yancoal as if section 9 were modified or varied by, after subparagraph (a)(ii)(C) in the definition of *substantial holding* (as notionally inserted by ASIC Class Order [CO 13/520]), inserting:

“or

(D) subsection 609(13A) (securities subject of *HKEx* undertaking).”.

6. Chapter 6C of the Act applies to Yancoal as if section 671B were modified or varied by, omitting “.” in paragraph (7)(c) (as notionally inserted by ASIC Class Order [CO 13/520]), inserting:

“or

(d) subsection 609(13A) (securities subject of HKEx undertaking).”.

Where the exemption applies

7. This instrument applies in relation to an undertaking given by *Security Holder* to Yancoal and HKEx under and for the purposes of Rule 10.07 of the Rules Governing the Listing of Securities on HKEx where:
- (a) Yancoal is listed on a prescribed financial market;
 - (b) Yancoal has applied for its ordinary shares to be admitted to trading on HKEx and is undertaking or will undertake a Hong Kong initial public offering of its fully paid ordinary shares (*Offer*);
 - (c) the undertaking given by each Security Holder:
 - (i) restricts disposal of, but not the exercise of voting rights attaching to, the certain Yancoal ordinary shares (*Escrowed Securities*) held by the relevant Security Holder;
 - (ii) in the case of a takeover bid (including a proportional takeover bid) for Yancoal ordinary shares (*Bid*) allows each Security Holder to accept into the bid where holders of at least half of the bid class securities that are not subject to an escrow arrangement have accepted into the bid;
 - (iii) requires that the Escrowed Securities be returned to escrow if the Bid does not become unconditional;
 - (iv) allows the Escrowed Securities to be transferred or cancelled as part of a merger by way of compromise or arrangement under Part 5.1 of the Act;
 - (v) terminates on the date that is no more than 12 months after the date on which the Escrowed Securities listed on HKEx; and
 - (vi) subject to subparagraphs (i) to (v) above, is in substantially in the same form as the draft “Undertaking from Controlling Shareholders” provided to ASIC on 24 September 2018.
 - (d) Yancoal discloses on the markets announcement platform operated by the ASX the following information:

- (i) a brief announcement explaining the effect of the undertaking provided by the Security Holders under Rule 10.07 of the Rules Governing the Listing of Securities on HKEx;
- (ii) a copy of this instrument; and
- (iii) a copy of each executed undertaking provided by the Security Holders under Rule 10.07 of the Rules Governing the Listing of Securities on HKEx.


Interpretation

In this instrument:

Security Holder means any of the following persons or entities who hold shares in Yancoal:

- (a) The Stock Exchange of Hong Kong Limited (Incorporation Number: 0083874)
- (b) Yanzhou Coal Mining Company Limited (9 1 370000 166122374 N)
- (c) Yankuang Group Company Limited (9 1 370000 166120002 R)

Dated this 22nd day of November 2018



Signed by Lydia Sia
as a delegate of the Australian Securities and Investments Commission