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Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

This announcement is made pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Cap. 571W of the Laws of Hong Kong) and the applicable Australian legal and regulatory requirements of the Australian Securities and Investments Commission.



Yancoal Australia Ltd

ACN 111 859 119

兗煤澳大利亞有限公司*

(Incorporated in Victoria, Australia with limited liability)

(Stock Code: 3668)

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION, STABILISING ACTIONS AND END OF STABILISATION PERIOD

Partial Exercise of the Over-allotment Option

The Company announces that the Over-allotment Option described in the Prospectus was partially exercised by Morgan Stanley & Co. International plc (“**Morgan Stanley International**”) on 28 December 2018 in respect of an aggregate of 4,361,900 new Shares (the “**Over-allotment Shares**”), representing approximately 7.34% of the total number of Offer Shares initially available under the Global Offering before the exercise of the Over-allotment Option.

The Over-allotment Shares will be allotted and issued by the Company at HK\$23.48 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

* For identification purposes only

Stabilising Actions and End of Stabilisation Period

The Company further announces that the stabilisation period in connection with the Global Offering ended on Saturday, 29 December 2018, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

Further information of stabilising actions undertaken by Morgan Stanley Asia Limited, the Stabilising Manager, or any person acting for it during the stabilisation period is set out below in this announcement.

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus was partially exercised by Morgan Stanley International on 28 December 2018 in respect of an aggregate of 4,361,900 new Shares, representing approximately 7.34% of the total number of Offer Shares initially available under the Global Offering before the exercise of the Over-allotment Option. The portion of the Over-allotment Option which has not been exercised by Morgan Stanley International lapsed on Saturday, 29 December 2018.

The Over-allotment Shares will be allotted and issued by the Company at HK\$23.48 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering. The Over-allotment Shares will be used to cover over-allocations in the International Offering.

Approval of Listing

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Hong Kong Stock Exchange. Listing of and dealings in the Over-allotment Shares are expected to commence on the Main Board of the Hong Kong Stock Exchange at 9:00 a.m. on Thursday, 3 January 2019.

Shareholding Structure upon the Partial Exercise of the Over-allotment Option

The shareholding structure of the Company immediately before and immediately after the completion of the allotment and issue of the Over-allotment Shares by the Company is as follows:

	Immediately before the issue and allotment of the Over-allotment Shares		Immediately after the issue and allotment of the Over-allotment Shares	
	Number of Shares	Approximate percentage of the Company's issued share capital (%)	Number of Shares	Approximate percentage of the Company's issued share capital (%)
Yanzhou	822,157,715	62.47%	822,157,715	62.26%
Cinda	209,800,010	15.94%	209,800,010	15.89%
Glencore	84,497,858	6.42%	84,497,858	6.40%
CSIL	71,428,572	5.43%	71,428,572	5.41%
Others	128,193,382	9.74%	132,555,282	10.04%
Total	1,316,077,537 <i>(Note)</i>	100.0%	1,320,439,437 <i>(Note)</i>	100.0%

Note: Total number of Shares include 563,881 Shares issued pursuant to the retail tranche of the Australian Entitlement Offer.

Use of Proceeds

The additional net proceeds of approximately HK\$99.86 million from the issue of the Over-allotment Shares after deducting the underwriting commissions and estimated expenses paid or payable by the Company relating to the exercise of the Over-allotment Option will be used by the Company for the purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

STABILISING ACTIONS AND END OF STABILISATION PERIOD

The Company further announces that the stabilisation period in connection with the Global Offering ended on Saturday, 29 December 2018, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

The stabilising actions undertaken by Morgan Stanley Asia Limited, the Stabilising Manager, or any person acting for it during the stabilisation period were as follows:

- (i) over-allocation of an aggregate of 8,916,200 Shares in the International Offering, representing approximately 15% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option);

- (ii) the borrowing of an aggregate of 8,916,200 Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), by Morgan Stanley International from Yanzhou pursuant to the Stock Borrowing Agreement to cover the over-allocations in the International Offering. Such Shares will be returned and redelivered to Yanzhou in accordance with the terms of the Stock Borrowing Agreement;
- (iii) successive purchases of an aggregate of 4,554,300 Shares in the price range of HK\$21.80 to HK\$23.35 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%) on the market during the stabilisation period. The last purchase made by the Stabilising Manager on the market during the course of the stabilisation period was on 28 December 2018 at the price of HK\$22.20 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%); and
- (iv) the partial exercise of the Over-allotment Option by Morgan Stanley International on 28 December 2018 in respect of an aggregate of 4,361,900 Shares, representing approximately 7.34% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price per Share.

PUBLIC FLOAT

The Hong Kong Stock Exchange has granted a waiver to the Company from strict compliance with the requirements under Rule 8.08(1) of the Listing Rules, pursuant to which the public float may fall below 25% of the total issued share capital of the Company. The minimum public float of the Company shall be the higher of (i) 15.05%; and (ii) the percentage of Shares to be held by the public immediately after completion of the Global Offering and exercise of the Over-allotment Option.

Immediately following the allotment and issue of the Over-allotment Shares, the number of the Company's Shares held by the public will represent approximately 15.39% of the total issued share capital of the Company, which satisfies the minimum public float requirement under Rule 8.08(1) of the Listing Rules as amended by the public float waiver granted by The Hong Kong Stock Exchange to the Company.

By order of the Board
Yancoal Australia Ltd
Baocai ZHANG
Chairman

Hong Kong, 31 December 2018

As of the date of this announcement, the executive Director is Mr. Fucun Wang, the non-executive Directors are Mr. Baocai Zhang, Mr. Cunliang Lai, Mr. Xiangqian Wu, Mr. Fuqi Wang, Mr. Qingchun Zhao and Mr. Xing Feng and the independent non-executive Directors are Mr. Gregory James Fletcher, Dr. Geoffrey William Raby, Mr. David James Moulton and Ms. Helen Jane Gillies.