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**Yancoal Australia Ltd**  
ACN 111 859 119

**兗煤澳大利亞有限公司\***

*(Incorporated in Victoria, Australia with limited liability)*

(Hong Kong stock code: 3668)

(Australian stock code: YAL)

## **VOLUNTARY ANNOUNCEMENT**

### **Issue of Performance Share Rights**

#### **Introduction**

Reference is made to the announcement of Yancoal Australia Limited (the “**Company**”) dated 30 May 2018 on the website of the Australian Securities Exchange, the Company’s prospectus dated 26 November 2018 and the Company’s results announcement dated 25 February 2019 regarding the overarching equity incentive plan of the Company (the “**Equity Incentive Plan**”), which was approved by the Company’s shareholders at the annual general meeting on 30 May 2018.

#### **Issue of Performance Share Rights**

The Company has today issued 1,744,704 performance share rights (“**STIP Rights**”) and 1,483,811 performance share rights (“**LTIP Rights**”) under the Company’s Equity Incentive Plan to the executive director and certain senior executives of the Company, on the terms and conditions set out below.

#### *Short Term Incentive Plan*

On 4 March 2019, the Company issued a total number of 1,744,704 STIP Rights at a nil issue price to the executive director and certain senior executives of the Company (of which six are also directors of subsidiaries of the Company) (“**Eligible Participants**”), as part of the revised short term incentive plan (“**STIP**”) under the Equity Incentive Plan that is designed to reward Eligible Participants for the achievements of the Company, the business and the Eligible Participants’ individual goals that are aligned to the Company’s financial, operational and strategic priorities. The STIP awards will be delivered in two components, with 50% of the award delivered as a cash payment around April 2019 and 50% of the award to be delivered in fully paid ordinary shares in the Company (“**Shares**”), which vests in equal parts over a two-year period i.e. 25% (being 872,352 STIP Rights) will vest on 1 March 2020, and the remaining 25% (being 872,352 STIP Rights) will vest on 1 March 2021, and at the discretion of the board of the Company (“**Board**”), Eligible Participants may be permitted to settle any vested STIP Rights in Shares or a cash equivalent amount.

The STIP Rights have a nil exercise price and a vesting date of 1 March 2020 (first 25% tranche) and 1 March 2021 (second 25% tranche), respectively.

*\*For identification purposes only*

If the STIP Rights vest, and are exercised and settled in Shares, each Eligible Participant will become entitled to receive 1 Share for each STIP Right. The 1,744,704 Shares underlying the STIP Rights issued to the Eligible Participants represent approximately 0.13% of the issued share capital of the Company as at the date of this announcement.

#### *Long Term Incentive Plan*

On 4 March 2019, the Company issued 1,483,811 LTIP Rights at a nil issue price to the Eligible Participants pursuant to the new long term incentive plan (“**LTIP**”) under the Company’s Equity Incentive Plan. The LTIP Rights have a nil exercise price and a vesting date of 31 December 2020. The LTIP Rights are subject to vesting conditions based on relative earnings per share and cost target conditions.

At the discretion of the Board, Eligible Participants may be permitted to settle any vested LTIP Rights in Shares or a cash equivalent amount.

If the LTIP Rights vest, and are exercised and settled in Shares, each Eligible Participant will become entitled to receive 1 Share for each LTIP Right. The 1,483,811 Shares underlying the LTIP Rights issued to the Eligible Participants represent approximately 0.11% of the issued share capital of the Company as at the date of this announcement.

Where the STIP Rights/LTIP Rights awarded under the Company’s Equity Incentive Plan are settled in equity equivalent, Shares issued on vesting and exercise of the STIP Rights and LTIP Rights will be satisfied by way of existing Shares. As the issue of the STIP Rights and/or LTIP Rights to the Eligible Participants forms part of the remuneration package under their respective service contracts with the Company, such issues are exempt from the reporting, announcement and independent shareholders’ approval requirements pursuant to Rule 14A.73(6) and Rule 14A.95 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

*By order of the Board*

**Yancoal Australia Ltd**  
**Baocai ZHANG**  
Chairman

Hong Kong, 4 March 2019

*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.*