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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 Ltd (the “**Company**”) dated 30 May 2018 on the website of the Australian Securities Exchange and the Company’s prospectus dated 26 November 2018 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 2,161,669 performance share rights (“**LTIP Rights**”) at a nil issue price to the executive director and certain senior executives of the Company (of which eight are also directors of subsidiaries of the Company) (“**Eligible Participants**”) pursuant to the 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 2021. The LTIP Rights are subject to vesting conditions based on relative earnings per share and cost target conditions, to be determined and vesting at the end of the measurement period being 31 December 2021.

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 fully paid ordinary share in the Company (“**Share**”) for each LTIP Right. The 2,161,669 Shares underlying the LTIP Rights issued to the Eligible Participants represent approximately 0.16% of the issued share capital of the Company as at the date of this announcement.

Where the LTIP Rights awarded under the Company’s Equity Incentive Plan are settled in equity equivalent, Shares issued on vesting and exercise of the LTIP Rights will be satisfied by way of existing Shares. As the issue of the LTIP Rights to the Eligible Participants forms part of the remuneration package under their

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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, 28 June 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.