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# ASX Release:

## HKEx Issue of Performance Share Rights

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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 28 February 2020 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 1,449,459 performance share rights (“**STIP Rights**”) under the Company’s Equity Incentive Plan to certain senior executives of the Company, on the terms and conditions set out below.

#### *Short Term Incentive Plan*

On 1 April 2020, the Company issued a total number of 1,449,459 STIP Rights at a nil issue price to 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 on 13 March 2020 and 50% of the STIP Rights will vest in equal parts over a two-year period i.e. 25% (being 724,727 STIP Rights) will vest on 1 March 2021, and the remaining 25% (being 724,732 STIP Rights) will vest on 1 March 2022, and at the discretion of the board of the Company (“**Board**”). Also at the discretion of the Board, such rights may be settled in equity or cash.

The STIP Rights have a nil exercise price and a vesting date of 1 March 2021 (first 25% tranche) and 1 March 2022 (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 1,449,459 Shares underlying the STIP 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 awarded under the Company's Equity Incentive Plan are settled in equity equivalent, Shares issued on vesting and exercise of the STIP Rights will be satisfied by way of existing Shares. As the issue of the STIP 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, 1 April 2020

*As of the date of this announcement, the executive Director is Mr. Ning Zhang, 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 and Ms. Helen Jane Gillies.*