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# ASX Release:

## HKEx - Issue of Deferred Share Rights and Performance Share Rights

Authorised for lodgement by the Disclosure Committee

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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 Deferred Share Rights and 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 26 February 2021 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 Deferred Share Rights**

The Company has today issued 90,180 deferred share rights (“**STIP Rights**”) under the Company’s Equity Incentive Plan to Mr Ning Zhang, a Co-Vice Chairman and a Director of the Company (“**Director**”), on the terms and conditions set out below, which was approved by the Company’s shareholders at the annual general meeting on 28 May 2021.

#### *Short Term Incentive Plan*

On 28 May 2021, the Company issued a total number of 90,180 STIP Rights at a nil issue price to Mr Ning Zhang, a Co-Vice Chairman and a Director, as part of the revised short term incentive plan (“**STIP**”) under the Equity Incentive Plan, which 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 Rights will vest in approximately equal parts over a two-year period, 45,090 STIP Rights will vest on 1 March 2022, and the remaining 45,090 STIP Rights will vest on 1 March 2023, 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.

If the STIP Rights vest and are exercised and settled in Shares, Mr Ning Zhang will become entitled to receive 1 fully paid ordinary share in the Company (“**Share**”) for each STIP Right. The 90,180 Shares underlying the

*\*For identification purposes only*

STIP Rights issued to the Mr Ning Zhang represents approximately 0.01% 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 forms part of the remuneration package under Mr Ning Zhang's service contract with the Company, such issue is 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 ("**Listing Rules**").

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

The Company has today issued 2,870,651 performance share rights ("**LTIP Rights**") at a nil issue price to the certain senior executives of the Company (of which ten 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. The LTIP Rights are subject to vesting conditions based on relative earnings per share and cost target hurdles. Vesting will be determined following the end of the performance period being 31 December 2023 and remains subject to the Board's discretion.

At the discretion of the Board, any vested LTIP Rights may be settled 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 2,870,651 Shares underlying the LTIP Rights issued to the Eligible Participants represent approximately 0.22% 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 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 Listing Rules.

*By order of the Board*

**Yancoal Australia Ltd**

**Baocai ZHANG**

Chairman

Hong Kong, 28 May 2021

*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. 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.*