

29 March 2021

ASX Release:

HKEx Issue of Deferred Share Rights

Authorised for lodgement by Laura Zhang, Company Secretary

Investor Relations Contact: Brendan Fitzpatrick, GM Investor Relations

Email: Brendan.Fitzpatrick@yancoal.com.au

Additional information about the company can be found at www.yancoal.com.au

Australian Securities Exchange, Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

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 1,817,150 deferred 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 29 March 2021, the Company issued a total number of 1,817,150 STIP Rights at a nil issue price to certain senior executives of the Company (of which 10 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, 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 awards will be delivered in two components: 50% of the award was delivered as a cash payment on 15 March 2021 and 50% of the STIP Rights will vest in approximately equal parts over a two-year period i.e. 908,571 STIP Rights (being approximately 25% of the STIP Rights) will vest on 1 March 2022, and the remaining 908,579 STIP Rights (being approximately 25% of the 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.

**For identification purposes only*

The STIP Rights have a nil exercise price and, as set out above, a vesting date of 1 March 2022 (first 25% tranche) and 1 March 2023 (second 25% tranche), respectively.

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 1,817,150 Shares underlying the STIP Rights issued to the Eligible Participants represent approximately 0.14% 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, 29 March 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.