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兗礦能源集團股份有限公司
YANKUANG ENERGY GROUP COMPANY LIMITED*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1171)

**ANNOUNCEMENT IN RELATION TO
THE RESULTS OF THE GRANT
UNDER THE RESTRICTED A SHARE INCENTIVE SCHEME FOR 2021**

Reference is made to (i) the announcement dated 1 December 2021 in relation to the proposed adoption of the Restricted A Share Incentive Scheme and the connected transaction in respect of the Grant of Restricted A Shares to the Connected Participants under the Incentive Scheme; (ii) the announcement dated 31 December 2021 in relation to amendment to the Restricted A Share Incentive Scheme for 2021 (Draft) and its Summary; (iii) the announcement dated 27 January 2022 in relation to the Grant of Restricted Shares to Participants under the Restricted A Share Incentive Scheme for 2021 (the “**Announcements**”); and the circular dated 12 January 2022 (the “**Circular**”) of Yankuang Energy Group Company Limited (the “**Company**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular.

In accordance with the relevant provisions of the Management Measures for Share Incentives of Listed Companies of the CSRC, the Shanghai Stock Exchange and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (the “**CSDC Shanghai Branch**”), the Company completed the registration for the Restricted A Share Incentive Scheme for 2021 (the “**Incentive Scheme**”) on 24 February 2022 with the CSDC Shanghai Branch.

I. RELEVANT REVIEW AND APPROVAL PROCEDURES COMPLETED FOR THE INCENTIVE SCHEME

1. On 1 December 2021, the Company convened the 18th Meeting of the Eighth Session of the Board, at which the “Resolution in relation to the Discussion and Review of the Company’s Restricted A Share Incentive Scheme for 2021 (Draft) and its Summary”, the “Resolution in relation to the Discussion and Review of the Company’s Regulations Governing the Implementation of the Restricted A Share Incentive Scheme for 2021”, and the “Resolution in relation to the Authorization to the Board to Handle the Relevant Matters of the Company’s Restricted A Share Incentive Scheme for 2021” were considered and approved. The independent Directors of the Company agreed on matters relating to the Incentive Scheme.

2. On 1 December 2021, the Company convened the 11th Meeting of the Eighth Session of the Supervisory Committee, at which the “Resolution in relation to the Discussion and Review of the Company’s Restricted A Share Incentive Scheme for 2021 (Draft) and its Summary”, the “Resolution in relation to the Discussion and Review of the Company’s Regulations Governing the Implementation of the Restricted A Share Incentive Scheme for 2021”, and the “Resolution in relation to the Authorization to the Board to Handle the Relevant Matters of the Company’s Restricted A Share Incentive Scheme for 2021” were considered and approved.
3. In order to better play the role of the Share Incentive Scheme, the Company made amendments to the Company’s “Restricted A Share Incentive Scheme for 2021 (Draft) and its Summary” and the “Regulations Governing the Implementation of the Restricted A Share Incentive Scheme for 2021” in respect of the indicators for performance assessment at the Company’s level according to market changes and expectations in the industry. The Company’s revised “Restricted A Share Incentive Scheme for 2021 (Revised Draft) and its Summary” and “Regulations Governing the Implementation of the Restricted A Share Incentive Scheme for 2021 (Revised Version)” were considered and approved at the 19th Meeting of the Eighth Session of the Board and the 12th Meeting of the Eighth Session of the Supervision Committee of the Company convened on 31 December 2021. The independent Directors of the Company agreed on the amendments in relation to the indicators for performance assessment.
4. From 31 December 2021 to 9 January 2022, the Company publicized the list of Participants under the Incentive Scheme at its office. Upon the expiry of the publicity period, the Supervisory Committee verified the list of Participants under the Incentive Scheme and explained on the information publicized.
5. On 14 January 2022, the Company received the “Approval on the Consent of the Implementation of the Restricted A Share Incentive Scheme for 2021 by Yankuang Energy Group Company Limited” issued by Shandong Energy Group Company Limited stating the agreement on the implementation of the Incentive Scheme by the Company in accordance with the relevant provisions.
6. On 27 January 2022, the Company convened the 2022 first extraordinary general meeting, the 2022 first class meeting of the holders of A shares and H shares respectively, at which the “Resolution in relation to the Company’s Restricted A Share Incentive Scheme for 2021 (Revised Draft) and its Summary”, the “Resolution in relation to the Company’s Regulations Governing the Implementation of the Restricted A Share Incentive Scheme for 2021 (Revised Version)”, and the “Resolution in relation to the Authorization to the Board to Handle the Relevant Matters of the Company’s Restricted A Share Incentive Scheme for 2021” were considered and approved. On the same day, the self-inspection report on the trading in the shares of the Company by owners of inside information of the Incentive Scheme was published, and no owners of relevant inside information were found to trade in the shares of the Company based on the inside information owned.
7. On 27 January 2022, the Company convened the 20th Meeting of the Eighth Session of the Board and the 13th Meeting of the Eighth Session of the Supervisory Committee, at which the “Resolution in relation to Adjustments to Relevant Matters of the Company’s Restricted A Share Incentive Scheme for 2021” and the “Resolution in relation to the Grant of Restricted Shares to Participants under the Restricted A Share Incentive Scheme for 2021” were considered and approved. The independent Directors of the Company agreed on the aforementioned resolutions.

8. On 24 February 2022, the Company completed the registration for the Grant of the Restricted Shares with the CSDC Shanghai Branch, and the actual grant of a total of 61,740,000 Restricted Shares to 1,245 Participants was registered.

II. GRANT UNDER THE INCENTIVE SCHEME

(I) Basic Information on the Grant

1. Grant Date: 27 January 2022
2. Number of shares granted: 61,740,000
3. Number of grantees: 1,245
4. Grant price: RMB11.72 per share
5. Source of shares: Ordinary A shares denominated in RMB issued by the Company to specific Participants
6. Relevant explanation: In the process of payment for subscription after the review of relevant matters of the Grant by the Board of the Company, 11 Participants voluntarily waived all of their Restricted Shares granted by the Company for personal reasons, representing a total of 600,000 Restricted Shares being waived. Therefore, the number of Participants has been adjusted from 1,256 to 1,245 and the number of Restricted Shares granted has been adjusted from 62,340,000 to 61,740,000.

(II) List of Grantees and Information on the Grant under the Incentive Scheme

A total of 1,245 Participants were actually granted with the Restricted Shares under the Incentive Scheme, including Directors (excluding external Directors), senior management, middle-level management and key personnel. Particulars of allocation are set out in the table below:

Name	Position	Total equity granted (0'000 shares)	Percentage of total equity granted	Percentage of total share capital
Xiao Yaomeng	Secretary to the Party committee, Director and general manager	20	0.32%	0.004%
Wang Ruolin	Deputy secretary to the Party committee, chairman of the Labour Union and employee director	16	0.26%	0.003%
Gong Zhijie	Deputy general manager	16	0.26%	0.003%
Zhang Yanwei	Deputy general manager	16	0.26%	0.003%
Zhao Qingchun	Director and chief financial officer	16	0.26%	0.003%
Zhang Chuanchang	Deputy general manager	16	0.26%	0.003%
Tian Zhaohua	Deputy general manager	16	0.26%	0.003%
Liu Qiang	Deputy general manager	16	0.26%	0.003%
Li Weiqing	Deputy general manager	16	0.26%	0.003%
Huang Xiaolong	Director and secretary to the Board	16	0.26%	0.003%
Directors and senior management (10 persons) in total		164	2.66%	0.031%
Other Participants (1,235 persons) in total		6,010	97.34%	1.23%
Total		6,174	100.00%	1.27%

Notes: 1. Any difference between the figures shown as total and the sum of the corresponding figures above is due to the rounding of the percentages;

2. As at the Grant Date of the Incentive Scheme (i.e. 27 January 2022), the total share capital of the Company comprised 4,874,000,000 shares. The “Percentage of total share capital” shown in the table above is calculated based on the total share capital comprising 4,874,000,000 shares.

III. VALIDITY PERIOD, LOCK-UP PERIOD AND UNLOCKING ARRANGEMENTS OF THE INCENTIVE SCHEME

- (I) The Validity Period of the Incentive Scheme commences from the date of completion of registration of the Grant of Restricted Shares and ends on the date when all the Restricted Shares granted to the Participants are unlocked or repurchased for cancellation, and shall not exceed 60 months in any event.
- (II) The Lock-up Period of the Incentive Scheme shall be 24 months, 36 months and 48 months from the date of completion of registration of the Grant of Restricted Shares respectively. The Restricted Shares granted to the Participants under the Incentive Scheme shall be subject to lock-up restrictions and shall not be transferred, pledged for any guarantee or used for repayment of debt during the Lock-up Period.
- (III) The Unlocking Periods and arrangements for each of the Unlocking Periods of the Restricted Shares granted under Incentive Scheme are set out in the table below:

Unlocking arrangements	Unlocking Periods	Proportion of Restricted Shares to be unlocked
First Unlocking Period	Commencing from the first trading day upon the expiry of 24 months from the date of completion of registration of the Restricted Shares and ending on the last trading day of the 36-month period from the date of completion of registration of the Restricted Shares	33%
Second Unlocking Period	Commencing from the first trading day upon the expiry of 36 months from the date of completion of registration of the Restricted Shares and ending on the last trading day of the 48-month period from the date of completion of registration of the Restricted Shares	33%
Third Unlocking Period	Commencing from the first trading day upon the expiry of 48 months from the date of completion of registration of the Restricted Shares and ending on the last trading day of the 60-month period from the date of completion of registration of the Restricted Shares	34%

If the Company's targets for performance assessment for a particular Unlocking Period of the Restricted Shares are not met, all the Restricted Shares of the Participants for that period shall not be unlocked and shall be repurchased by the Company for cancellation. The repurchase price shall not be higher than the lower of the Grant Price and the market price of the shares (being the average trading price of the Company's underlying shares on the trading day immediately preceding the date on which the Board considers the repurchase).

IV. CAPITAL VERIFICATION FOR SUBSCRIPTION AMOUNTS OF THE RESTRICTED SHARES

Xin Lianyi Certified Public Accountants LLP ((新聯誼會計師事務所) (特殊普通合夥)) issued the Capital Verification Report (Xin Lianyi Yan Zi (2022) No. 0001): As at 12 February 2022, the Company received subscription amounts of RMB723,592,800 paid by 1,245 Participants for the subscription of 61,740,000 Restricted Shares, with RMB61,740,000 of which being included in share capital and RMB661,852,800 of which being included in capital reserve.

V. REGISTRATION OF RESTRICTED SHARES

The registration procedures for the Grant of Restricted Shares under the Incentive Scheme were completed on 24 February 2022, and the CSDC Shanghai Branch issued a Certificate of Registration of Changes in Securities therefor.

VI. EFFECTS ON THE CONTROLLING SHAREHOLDER OF THE COMPANY BEFORE AND AFTER THE GRANT

Upon completion of registration of the Grant under the Incentive Scheme (the date of registration is 24 February 2022), the total number of shares of the Company increased from 4,874,184,060 to 4,935,924,060, resulting in the change in the percentage of shareholding of the controlling shareholder of the Company. Before the Grant, Shandong Energy Group Company Limited, the controlling shareholder of the Company, directly and indirectly held 2,718,036,288 shares of the Company, representing 55.76% of the total share capital of the Company before registration of the Grant. Upon completion of registration of the Grant, its shares held represent 55.07% of the total share capital of the Company and it remains as the controlling shareholder of the Company.

VII. CHANGES IN THE SHAREHOLDING STRUCTURE

After the Grant under the Incentive Scheme, the changes in the A share capital of the Company as at the date of registration are as follows:

Unit: share(s)

Class	Before the changes	Changes	After the changes
Shares subject to lock-up restrictions	0	61,740,000	61,740,000
Shares without lock-up restrictions	2,974,184,060	0	2,974,184,060
Total	2,974,184,060	61,740,000	3,035,924,060

VIII. PLAN ON THE USE OF PROCEEDS

The proceeds of RMB723,592,900 raised by the Company from the issuance of ordinary A shares of the Company to specific Participants will be fully used to replenish the working capital of the Company.

IX. EFFECTS OF THE NEW SHARES ISSUED UNDER THE GRANT ON THE FINANCIAL REPORT

The Company determined the fair value of the Restricted Shares on the Grant Date and subsequently recognized the share-based payment expenses under the Incentive Scheme according to the relevant requirements of the accounting standards. Such expenses will be recognized in installments over the course of the implementation of the Incentive Scheme in proportion to the number of Restricted Shares to be unlocked. The total incentive costs arisen from the Incentive Scheme are estimated to be RMB790,272,000 and the amortization of the costs of the Restricted Shares during the period from 2022 to 2026 is set out in the table below:

Number of Restricted Shares granted (0'000 shares)	Total amortization costs (RMB0'000)	2022 (RMB0'000)	2023 (RMB0'000)	2024 (RMB0'000)	2025 (RMB0'000)	2026 (RMB0'000)
6,174	79,027.20	26,078.98	28,449.79	16,496.93	7,441.73	559.78

The final result of the effects of the implementation of the Incentive Scheme on the financial position of the Company shall be subject to the annual audited report issued by the accounting firm.

This announcement has been prepared in both Chinese and English. In the case of any discrepancies between the Chinese version and the English version, the Chinese version shall prevail.

Investors and shareholders are advised by the Board of the Company to exercise caution when dealing in the securities of the Company.

By order of the Board
Yankuang Energy Group Company Limited*
Li Wei
Chairman of the Board

Zoucheng City, Shandong Province, the PRC
25 February 2022

As at the date of this announcement, the Directors of the Company are Mr. Li Wei, Mr. Liu Jian, Mr. Xiao Yaomeng, Mr. Zhu Qingrui, Mr. Zhao Qingchun, Mr. Wang Ruolin and Mr. Huang Xiaolong, and the independent non-executive Directors of the Company are Mr. Tian Hui, Mr. Zhu Limin, Mr. Cai Chang, and Mr. Poon Chiu Kwok.

* For identification purpose only