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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 ADJUSTMENT TO THE RESTRICTED
SHARES 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; and (iii) the circular dated 12 January 2022 (the “**Circular**”) of Yankuang Energy Group Company Limited (the “**Company**”). Unless otherwise indicated, capitalised terms used in this announcement shall have the same meanings as those defined in the announcements and the Circular.

On 27 January 2022, the Company convened the 20th Meeting of the Eighth Session of the Board, at which the “Resolution in relation to Adjustment to the Relevant Matters of Restricted A Share Incentive Scheme for 2021” of the Company was considered and approved. According to the authorization at the 2022 first extraordinary general meeting, the 2022 first class meeting of the holders of A shares and the 2022 first class meeting of the holders of H shares, the Board of the Company has made adjustments to the list of Participants to be granted, the number of Restricted Shares, and the relevant repurchase terms under the Restricted A Share Incentive Scheme for 2021 (the “**Incentive Scheme**”) (the “**Adjustment**”). The relevant matters are described as follows:

I. RELEVANT APPROVAL PROCEDURES PERFORMED

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 Considered and Approved the Restricted A Share Incentive Scheme for 2021 (Draft) and its Summary” of the Company, the “Resolution in relation to the Discussion and Considered and Approved the Regulations Governing the Implementation of the 2021 Restricted A Share Incentive Scheme” of the Company, and the “Resolution in relation to the Authorization to the Board to Handle the Relevant Matters of Restricted A Share Incentive Scheme for 2021” of the Company were considered and approved. The independent Directors of the Company have agreed on matters relating to the Share 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 Considered and Approved the Restricted A Share Incentive Scheme for 2021 (Draft) and its Summary” of the Company, the “Resolution in relation to the Discussion and Considered and Approved the Regulations Governing the Implementation of the 2021 Restricted A Share Incentive Scheme” of the Company, and the “Resolution in relation to the Authorization to the Board to Handle the Relevant Matters of Restricted A Share Incentive Scheme for 2021” of the Company were considered and approved.
3. In order to better play the role of the Share Incentive Scheme, according to changes and expectations in the industry market, the Company amended the performance appraisal indicators at the Company’s level involved in the “Restricted A Share Incentive Scheme for 2021 (Draft) and its Summary” and the “Regulations Governing the Implementation of the 2021 Restricted A Share Incentive Scheme”. The amended “Restricted A Share Incentive Scheme for 2021 (Revised Draft) and its Summary” and the “Regulations Governing the Implementation of the 2021 Restricted A Share Incentive Scheme (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 Supervisory Committee of the Company on 31 December 2021. The independent Directors of the Company agreed with the revision of performance appraisal indicators.
4. From 31 December 2021 to 9 January 2022, the Company publicized the list of Participants of the Incentive Scheme at its office. After the publicity period expired, the Supervisory Committee verified the list of Participants of the Incentive Scheme and explained the publication.
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” by Shandong Energy Group Company Limited, which agreed that the Company to implement the Incentive Scheme 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 the 2022 first class meeting of the holders of H shares, at which the “Resolution in relation to the Restricted A Share Incentive Scheme for 2021 (Revised Draft) and its Summary” of the Company, the “Resolution in relation to the Regulations Governing the Implementation of the 2021 Restricted A Share Incentive Scheme (Revised Version)”, and the “Resolution in relation to the Authorization to the Board to Handle the Relevant Matters of Restricted A Share Incentive Scheme for 2021” were considered and approved. On the same day, the self-examination report on the trading of the Shares of the Company by the owners of insider information of the Incentive Scheme was announced, and no relevant owners of insider information were found to have used the insider information to trade in the Company’s Shares.
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 Adjustment to the Relevant Matters of Restricted A Share Incentive Scheme for 2021” of the Company and the “Resolution in relation to the Grant of Restricted Shares to Participants of the 2021 Restricted A Share Incentive Scheme” were considered and approved. The independent Directors of the Company agreed with both aforementioned resolutions.

II. DESCRIPTION OF THE ADJUSTMENT

In the Incentive Scheme: 11 Participants voluntarily gave up all the Restricted Shares to be granted due to their personal reasons; 1 Participant lost the eligibility to participate in the Incentive Scheme due to the change of job position, and the number of Restricted Shares to be granted was reduced by 640,000 shares. In addition, in accordance with the Guidelines for the Implementation of Option Incentive in Listed Companies Controlled by Central Enterprises and with reference to market practice, the Company intends to amend the relevant repurchase terms. In accordance with the relevant authorizations at the 2022 first extraordinary general meeting of the Company, the 2022 first class meeting of the holders of A shares and the 2022 first class meeting of the holders of H shares, the Board of the Company adjusted the number of Participants, the number of Restricted Shares to be granted and the relevant repurchase terms.

The Participants to be granted under the Incentive Scheme were adjusted from 1,268 to 1,256, and the adjusted Participants were all personnel identified in the Company's Restricted A Share Incentive Scheme for 2021 (Revised Draft) and its summary, which was considered and approved at the 2022 first extraordinary general meeting, the 2022 first class meeting of the holders of A shares and the 2022 first class meeting of holders of H shares of the Company, and the number of Restricted Shares to be granted was adjusted from 62,980,000 shares to 62,340,000 shares. The relevant repurchase terms are adjusted as follows: in the case of repurchase due to failure to meet the set performance target for unlocking shares, failure to meet the performance appraisal indicators, resignation or termination of engagement for personal reasons by the Participant, or the termination of the Company's implementation of the Incentive Scheme, 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 one trading day preceding the date of the Board considering the repurchase).

III. IMPACT OF THE ADJUSTMENT ON THE COMPANY

The Adjustment will not have a material impact on the Company's financial position and operating results.

IV. OPINIONS OF THE INDEPENDENT DIRECTORS

The independent Directors are of the view: that the Adjustment is in compliance with the relevant provisions of the Measures for the Administration of Equity Incentives of Listed Companies (the “**Administrative Measures**”) and other laws and regulations and the Incentive Scheme. The Adjustment is within the scope of the authorization given to the Board of the Company at the 2022 first extraordinary general meeting, the 2022 first class meeting of the holders of A Shares and the 2022 first class meeting of the holders of H Shares, and the procedure of the Adjustment is in compliance with the laws and regulations. Therefore, the independent Directors agree with the Adjustment by the Company.

V. OPINIONS OF THE SUPERVISORY COMMITTEE

The Supervisory Committee of the Company is of the opinion that: the Adjustment is in compliance with the laws and regulations such as the Administrative Measures and the Adjustment does not prejudice the interests of the Company and its Shareholders. The adjusted Participants are in compliance with the laws and regulations such as the Administrative Measures and the conditions of the Participants stipulated in the Incentive Scheme and are legal and effective as the Participants of the Incentive Scheme.

In addition to the Adjustment, the list of the Participants and the number of Restricted Shares of the Grant by the Company are consistent with the list of the Participants and the number of Restricted Shares approved at the 2022 first extraordinary general meeting, the 2022 first class meeting of the holders of A Shares and the 2022 first class meeting of the holders of H Shares of the Company.

VI. CONCLUSION OF THE LEGAL OPINION

Shanghai Allbright Law Offices has issued the legal opinion on matters related to the Adjustment of the Incentive Scheme and believes that: as of the date of issuance of the legal opinion, the Adjustment has obtained the necessary approvals and authorizations at this stage, and the Adjustment complies with the Administrative Measures, the Articles of Association, and the relevant requirements of the Incentive Scheme.

This announcement is written in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail over its English version.

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
Chairman of the Board
Li Wei

Zoucheng, Shandong Province, the PRC
27 January 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*