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兗州煤業股份有限公司

**YANZHOU COAL MINING COMPANY LIMITED**

(A joint stock limited company incorporated in the People's Republic of China ("PRC") with limited liability)  
(Stock Code: 1171)

**REPORT FOR THE RESULTS OF THE THIRD QUARTER OF 2017**

**IMPORTANT NOTICE**

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance and the disclosure requirement under Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). The board of directors (the "**Board**"), the supervisory committee, the directors (the "**Directors**"), the supervisors, and the senior management of Yanzhou Coal Mining Company Limited ("**Yanzhou Coal**" or the "**Company**") confirm that this report does not contain any misrepresentations, misleading statements or material omissions and jointly and severally accept all responsibilities for the authenticity, accuracy and completeness of the information contained in this report.

The Report for the Results of the Third Quarter of 2017 of the Company (the "**Report**") was considered and approved by the sixth meeting of the seventh session of the Board and all the 11 Directors who were required to attend the meeting were present.

The financial statements in this Report have not been audited.

The "**Reporting Period**" refers to the period from 1 July 2017 to 30 September 2017.

The "**Group**" refers to the Company and its subsidiaries.

The Chairman of the Board, Mr. Li Xiyong, the Chief Financial Officer, Mr. Zhao Qingchun and the head of the Finance Management Department, Mr. Xu Jian, hereby declare the authenticity, accuracy and completeness of the financial statements in this Report.

Summary of the unaudited results of the Group for the third quarter ended 30 September 2017 is set out as follows:

This Report is prepared in accordance with the relevant regulations on Disclosure of Information in Quarterly Reports for Listed Companies promulgated by the China Securities Regulatory Commission.

All financial information contained in this Report is prepared in accordance with the relevant requirements and interpretations under the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the PRC. Shareholders of the Company (the “**Shareholders**”) and public investors are reminded to notice the difference in the reporting standards adopted in this Report, the interim report and the annual report of the Company when trading in the shares of the Company.

Unless otherwise specified, the currency for the purpose of bookkeeping used in this Report is Renminbi (“**RMB**”).

For the third quarter of 2017, the operating income of the Group was RMB38.5944 billion, representing a decrease of RMB1.5477 billion or 3.9% as compared with the corresponding period of last year. The net profit attributable to the shareholders of the parent company was RMB1.5943 billion, representing an increase of RMB1.1687 billion or 274.6% as compared with the corresponding period of last year.

For the first three quarters of 2017, the operating income of the Group was RMB119.2186 billion, representing an increase of RMB54.4413 billion or 84.0% as compared with the corresponding period of last year. Net profit attributable to the shareholders of the parent company was RMB4.7834 billion, representing an increase of RMB3.7654 billion or 369.9% as compared with the corresponding period of last year.

The content of the Report is consistent with the announcement published on the Shanghai Stock Exchange. This announcement is published simultaneously in the PRC and overseas.

## §I General Information of the Group

### (I) Major Financial Data

Unit: RMB'000

	As at the end of the Reporting Period	As at the end of previous year	Increase/decrease at the end of the Reporting Period as compared with the end of previous year (%)
Total assets	188,787,527	145,622,403	29.64
Net assets attributable to the Shareholders	53,776,636	42,023,058	27.97
	From the beginning of the year to the end of the Reporting Period (January-September)	From the beginning of the year to the end of the reporting period of the year 2016 (January-September)	Increase/decrease for the Reporting Period as compared with the corresponding period of last year (%)
Net cash flows from operating activities	8,194,443	2,155,859	280.10
	From the beginning of the year to the end of the Reporting Period (January-September)	From the beginning of the year to the end of the reporting period of the year 2016 (January-September)	Increase/decrease for the Reporting Period as compared with the corresponding period of last year (%)
Operating income	119,218,615	64,777,318	84.04
Net profit attributable to the Shareholders	4,783,394	1,018,012	369.88
Net profit attributable to the Shareholders after deducting extraordinary profits and losses	4,390,918	500,788	776.80
Weighted average return on net assets (%)	10.36	2.39	Increased 7.97 percentage points
Basic earnings per share (RMB)	0.9738	0.2072	369.98
Diluted earnings per share (RMB)	0.9738	0.2072	369.98

Note: In the first three quarters of 2017, the Company consolidated the financial statements of Yancoal Blue Sky Clean Energy Company Limited, Yancoal Mining Engineering Company Limited and Wuxi Dingye Energy Company Limited (“**Wuxi Dingye**”).

**Items and amount of extraordinary profits and losses**

Unit: RMB'000

Items	Amount for the Reporting Period (July-September)	Amount for the period from the beginning of the year to the end of the Reporting Period (January-September)
Profits and losses on disposals of non-current assets	-9,806	-1,020
Government grants recognized in current profits and losses, excluding the government grants which are closely related to the Company's normal business operations, in line with national policies and can be continuously enjoyed according to certain standard quota or quantities	33,818	65,802
Profits and losses on entrusted assets investment and management	0	26,915
Profits and losses on debt restructuring	1,287	1,287
Except effective hedging businesses that relate to the Company's normal operating business, profits and losses from fair value changes on transactional financial assets and liabilities, and investment income from disposal of transactional financial assets, liabilities and available-for-sale financial assets	7,919	117,851
Other non-operating income and expenses excluding the abovementioned items	239,899	375,423
Effect of the equity of minority shareholders (after tax)	-13,501	-22,259
Effect of income tax	-81,957	-171,523
Total	177,659	392,476

(II) Total number of Shareholders at the end of the Reporting Period, the top ten Shareholders and the top ten Shareholders holding tradable shares of the Company which are not subject to trading moratorium

Unit: share

Total number of Shareholders			56,494			
Shareholdings of the top ten Shareholders						
Name of Shareholders (Full name)	Number of shares held at the end of the Reporting Period	Percentage holding of the total capital (%)	Number of shares held subject to trading moratorium	Number of pledged or locked share		Nature of Shareholders
				State of shares	Number of shares	
Yankuang Group Company Limited	2,600,000,000	52.93	0	pledged	520,000,000	State-owned legal person
HKSCC (Nominees) Limited	1,946,367,099	39.62	0	Unknown	-	Foreign legal person
Central Huijin Assets Management Co., Ltd.	19,355,100	0.39	0	-	0	State-owned legal person
Agricultural Bank of China-Invesco Great Wall CSI300 Index Enhanced Securities Investment Fund	9,546,873	0.19	0	-	0	Others
Abu Dhabi Investment Authority	6,958,148	0.14	0	-	0	Others
Gf Fund-ICBC-Icbc Credit Suisse Investment Management Co., Ltd.	5,270,000	0.11	0	-	0	Others
HKSCC Limited	4,582,513	0.09	0	-	0	Foreign legal person
ICBC-Southern Big Data 100 Index Securities Investment Fund	3,796,151	0.08	0	-	0	Others
National Social Security Fund 412 Combination	2,973,100	0.06	0	-	0	Others
Bank of Communications - Changxin Lianghua Pioneer Hybrid Securities Investment Fund	2,804,301	0.06	0	-	0	Others
Top ten Shareholders holding tradable shares not subject to trading moratorium						
Name of Shareholders	Number of tradable shares held not subject to trading moratorium	Class and number of shares held				
		Class of shares	Number of shares			
Yankuang Group Company Limited	2,600,000,000	A shares	2,600,000,000			
HKSCC (Nominees) Limited	1,946,367,099	H shares	1,946,367,099			
Central Huijin Assets Management Co., Ltd.	19,355,100	A shares	19,355,100			

Agricultural Bank of China-Invesco Great Wall CSI300 Index Enhanced Securities Investment Fund	9,546,873	A shares	9,546,873
Abu Dhabi Investment Authority	6,958,148	A shares	6,958,148
Gf Fund - ICBC - Icbc Credit Suisse Investment Management Co., Ltd.	5,270,000	A shares	5,270,000
HKSCC Limited	4,582,513	A shares	4,582,513
ICBC-Southern Big Data 100 Index Securities Investment Fund	3,796,151	A shares	3,796,151
National Social Security Fund 412 Combination	2,973,100	A shares	2,973,100
Bank of Communications - Changxin Lianghua Pioneer Hybrid Securities Investment Fund	2,804,301	A shares	2,804,301
Connected relationship or concerted-party relationship among the above Shareholders	One of Yankuang Group's subsidiaries incorporated in Hong Kong holds 180 million H shares of the Company through HKSCC (Nominees) Limited. Save for the above, connected relationship or concerted-party relationship among other Shareholders is unknown.		
Preferred shareholder with recovered voting right and the number of shares held	No		

Notes:

1. All the information above, including “Total number of Shareholders” and “The top ten Shareholders and the top ten Shareholders holding tradable shares of the Company which are not subject to trading moratorium at the end of the Reporting Period”, is prepared in accordance with the registers of the Shareholders provided by the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. and Hong Kong Securities Registration Co., Ltd.

2. As the clearing and settlement agent for the Company's H shares, HKSCC (Nominees) Limited holds the Company's H shares in the capacity of a nominee. HKSCC (Nominees) Limited is the nominal shareholder of the Company's shares in Shanghai-Hong Kong Stock Connect Program.

3. Among the 2,600,000,000 A shares of the Company held by Yankuang Group Company Limited (“**Yankuang Group**”), 780,000,000 A shares were used as guarantee shares for its 2017 non-public issuance of exchangeable corporate bonds, among which, 480,000,000 A shares of the Company were used as guarantee shares for the 2017 non-public issuance of exchangeable corporate bonds (the first tranche) and 300,000,000 A shares of the Company were used as guarantee shares for the 2017 non-public issuance of exchangeable corporate bonds (the second tranche), which were transferred to the guarantee securities account and trust securities account jointly opened by Yankuang Group and CITIC Securities Co., Ltd. on 13 April and 8 September 2017, respectively.

4. As at 30 September 2017, Yankuang Group has pledged 520,000,000 A shares of the Company for a term of 24 months commencing from 26 November 2015.

(III) Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As far as the Directors are aware, as at 30 September 2017, other than the Directors, supervisors or chief executives of the Company, there were no other persons who were substantial shareholders of the Company or had interests or short positions in the shares or underlying shares of the Company, which should: (i) be disclosed pursuant to Sections 2 and 3 under Part XV of the Securities and Futures Ordinance of Hong Kong (“SFO”); (ii) be recorded in the register to be kept pursuant to Section 336 of the SFO; or (iii) notify the Company and the Hong Kong Stock Exchange in other way.

Name of substantial shareholders	Class of shares	Capacity	Number of shares held (shares)	Nature of interests	Percentage in H share capital of the Company	Percentage in total share capital of the Company
Yankuang Group	A shares (state-owned legal person shares)	Beneficial owner	2,600,000,000	Long position	—	52.93%
		Beneficial owner	780,000,000	Short position	—	15.88%
Yankuang Group ( <i>Note 1</i> )	H shares	Interest of controlled corporations	180,000,000	Long position	9.22%	3.66%
JPMorgan Chase & Co.	H shares	Beneficial owner	41,026,108	Long position	2.10%	0.84%
			18,207,217	Short position	0.93%	0.37%
		Investment manager	78,000	Long position	0.00%	0.00%
		Custodian corporation/ approved lending agent	196,130,154	Long position	10.05%	3.99%
Templeton Asset Management Ltd.	H shares	Investment manager	176,462,000	Long position	9.04%	3.59%

BNP Paribas Investment Partners SA	H shares	Investment manager	117,641,207	Long position	6.03%	2.39%
BlackRock, Inc.	H shares	Interest of controlled corporations	98,750,454	Long position	5.06%	2.01%
			1,012,000	Short position	0.05%	0.02%

Notes:

1. Such H shares are held by Yankuang Group's controlled subsidiary incorporated in Hong Kong in the capacity of beneficial owner.
2. The percentage figures above have been rounded off to the nearest second decimal place.
3. Information disclosed herein is based on the information available on the website of Hong Kong Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk).

## §II Significant Events

### (I) General Operating Performance

Items	Third quarter			First three quarters		
	2017	2016	Increase /decrease (%)	2017	2016	Increase /decrease (%)
1. Coal business (kilotonne)						
Raw coal production	21,062	15,952	32.03	57,464	47,543	20.87
Saleable coal production	19,563	14,837	31.85	54,281	44,085	23.13
Sales volume of saleable coal	22,584	18,140	24.50	64,281	50,696	26.80
2. Railway transportation business (kilotonne)						
Transportation volume	3,328	4,199	-20.74	9,969	9,067	9.95
3. Coal chemical business (kilotonne)						
Methanol production	430	403	6.70	1,164	1,204	-3.32
Methanol sales volume	432	446	-3.14	1,149	1,246	-7.78
4. Electrical power business (10,000 kWh)						
Power generation	75,747	84,556	-10.42	197,063	219,675	-10.29
Electricity sales volume	47,358	59,936	-20.99	119,638	146,877	-18.55

Note: There are significant differences in the amounts of power generation and electricity sales volume of electrical power business in the above table, which were mainly due to the fact that the electrical power produced by the Group was to be sold externally after satisfying self-use demand.

## (II) Operating Performance of Each Business Segment

### 1. Coal business

#### (1) Coal production

For the first three quarters of 2017, the raw coal production of the Group was 57.46 million tonnes, representing an increase of 9.92 million tonnes or 20.9% as compared with the corresponding period of last year. The saleable coal production was 54.28 million tonnes, representing an increase of 10.20 million tonnes or 23.1% as compared with the corresponding period of last year.

The following table sets out the coal production of the Group for the first three quarters of 2017:

Unit: kilotonne

Items	Third quarter			First three quarters		
	2017	2016	Increase /decrease (%)	2017	2016	Increase /decrease (%)
I. Raw coal production	21,062	15,952	32.03	57,464	47,543	20.87
1. The Company	7,570	8,328	-9.10	23,958	25,643	-6.57
2. Shanxi Neng Hua <sup>①</sup>	182	491	-62.93	1,046	1,348	-22.40
3. Heze Neng Hua <sup>②</sup>	565	755	-25.17	1,785	2,404	-25.75
4. Ordos Neng Hua <sup>③</sup>	3,306	532	521.43	7,613	1,283	493.37
5. Haosheng Coal <sup>④</sup>	1,510	—	—	3,619	—	—
6. Yancoal Australia <sup>⑤</sup>	6,126	4,265	43.63	14,026	12,038	16.51
7. Yancoal International <sup>⑥</sup>	1,803	1,581	14.04	5,417	4,827	12.22
II. Saleable coal production	19,563	14,837	31.85	54,281	44,085	23.13
1. The Company	7,569	8,347	-9.32	23,941	25,655	-6.68
2. Shanxi Neng Hua	182	490	-62.86	1,028	1,336	-23.05
3. Heze Neng Hua	558	752	-25.80	1,762	2,395	-26.43
4. Ordos Neng Hua	3,306	532	521.43	7,613	1,283	493.37
5. Haosheng Coal	1,510	—	—	3,619	—	—
6. Yancoal Australia	4,855	3,214	51.06	11,366	8,963	26.81
7. Yancoal International	1,583	1,502	5.39	4,952	4,453	11.21

Notes:

- ① **Shanxi Neng Hua** refers to Yanzhou Coal Shanxi Neng Hua Company Limited. For the first three quarters of 2017, the raw coal production and saleable coal production of Shanxi Neng

Hua decreased as compared with the corresponding period of the previous year, which was mainly due to the fact that all local coal mines including Tianchi Coal Mine subordinated to Shanxi Neng Hua suspended production because of security rectification in the middle of August 2017.

- ② **Heze Neng Hua** refers to Yanmei Heze Neng Hua Company Limited.
- ③ **Ordos Neng Hua** refers to Yanzhou Coal Ordos Neng Hua Company Limited. For the first three quarters of 2017, the production volume of raw coal and saleable coal of Ordos Neng Hua increased as compared with the corresponding period of the previous year, which was mainly due to the fact that Zhuanlongwan Coal Mine and Yingpanhao Coal Mine of Ordos Neng Hua were put into commercial production in the second half of 2016 and September 2017, respectively.
- ④ **Haosheng Coal** refers to Inner Mongolia Haosheng Coal Mining Company Limited, of which Shilawusu Coal Mine was put into commercial operation in January 2017.
- ⑤ **Yancoal Australia** refers to Yancoal Australia Limited. The production volume of raw coal and saleable coal of Coal & Allied Industries Limited (“C&A”) was consolidated into Yancoal Australia since September 2017.
- ⑥ **Yancoal International** refers to Yancoal International (Holding) Co., Ltd.

## (2) Coal prices and sales

Taking advantage of the stable performance of China’s macro-economy with good momentum for growth, the supply-side structural reform of coal industry and the promotion of other policies, the average coal price of the Group increased for the first three quarters of 2017 as compared with the corresponding period of the previous year.

The sales volume of saleable coal for the first three quarters of 2017 was 64.28 million tonnes, representing an increase of 13.59 million tonnes or 26.8 % as compared with the corresponding period of the previous year, which was mainly due to: (1) the sales volume of traded coal increased by 3.52 million tonnes; (2) the sales volume of saleable coal of Ordos Neng Hua and Haosheng Coal increased by 5.52 million tonnes and 3.48 million tonnes respectively, which was attributed to the commence of commercial operation of the newly-constructed coal mines.

The following table sets out the Group’s production and sales volume of saleable coal by coal types for the first three quarters of 2017:

	First three quarters of 2017			First three quarters of 2016		
	Coal production	Sales volume	Sales price	Coal production	Sales volume	Sales price
	(kilotonne)	(kilotonne)	(RMB/tonne)	(kilotonne)	(kilotonne)	(RMB/tonne)
1. The Company	23,941	23,757	588.06	25,655	24,769	359.47
No. 1 clean coal	104	101	891.74	97	78	479.02
No. 2 clean coal	7,160	7,237	768.87	8,074	7,902	454.78

No. 3 clean coal	1,770	1,900	624.31	1,793	1,844	388.16
Lump coal	1,704	1,741	646.61	1,932	1,885	411.06
Sub-total of clean coal	10,738	10,979	725.60	11,896	11,709	437.41
Screened raw coal	13,203	12,778	469.89	12,861	12,400	299.52
Mixed coal & Others	-	-	-	898	660	103.07
2. Shanxi Neng Hua	1,028	1,049	345.18	1,336	1,299	186.46
Screened raw coal	1,028	1,049	345.18	1,336	1,299	186.46
3. Heze Neng Hua	1,762	1,375	987.48	2,395	2,080	456.04
No. 2 clean coal	1,548	1,375	987.48	1,823	1,841	488.50
Screened raw coal	214	-	-	374	136	254.43
Mixed coal & Others	-	-	-	198	103	143.20
4. Ordos Neng Hua	7,613	6,639	235.53	1,283	1,120	203.48
Screened raw coal	7,613	6,639	235.53	1,283	1,120	203.48
5. Haosheng Coal	3,619	3,478	292.15	-	-	-
Screened raw coal	3,619	3,478	292.15	-	-	-
6. Yancoal Australia	11,366	11,012	499.29	8,963	8,567	350.24
Semi-hard coking coal	175	169	686.03	523	500	488.98
Semi-soft coking coal	270	263	672.90	445	425	428.50
PCI coal	1,764	1,709	761.46	1,630	1,558	447.08
Thermal coal	9,157	8,871	440.08	6,365	6,084	308.57
7. Yancoal International	4,952	4,879	324.06	4,453	4,291	279.10
Thermal coal	4,952	4,879	324.06	4,453	4,291	279.10
8. Traded coal	-	12,092	563.03	-	8,570	318.88
9. Total for the Group	54,281	64,281	500.27	44,085	50,696	340.33

(3) Costs of sales of coal

For the first three quarters of 2017, the sales cost of the coal business of the Group was

RMB17.5994 billion, representing an increase of RMB6.7492 billion or 62.2% as compared with the corresponding period of last year, which was mainly due to: (1) the increase in sales volume of traded coal caused an increase of RMB3.9748 billion as compared with the corresponding period of last year; (2) the commencement of commercial operation of newly-constructed coal mines of Ordos Neng Hua and Haosheng Coal and consolidation of C&A in the financial statements of the Group during the reporting period contributed to the increase of sales volume of coal mines of Ordos Neng Hua, Haosheng Coal and Yancoal Australia, resulting in an increase of sales cost of coal business of RMB1.7809 billion as compared with the corresponding period of last year; (3) the sales cost of the Company increased by RMB1.0008 billion as compared with the corresponding period of last year.

The following table sets out the sales cost of the coal business by operating entities.

Items		Unit	First three quarters		
			2017	2016	Increase/decrease (%)
The Company	Total cost of sales	RMB'000	5,613,597	4,612,833	21.70
	Cost of sales per tonne	RMB	234.75	181.47	29.36
Shanxi Neng Hua	Total cost of sales	RMB'000	205,426	160,406	28.07
	Cost of sales per tonne	RMB	195.74	123.46	58.55
Heze Neng Hua	Total cost of sales	RMB'000	626,471	688,887	-9.06
	Cost of sales per tonne	RMB	402.09	277.58	44.86
Ordos Neng Hua	Total cost of sales	RMB'000	822,484	128,014	542.50
	Cost of sales per tonne	RMB	123.89	114.34	8.35
Haosheng Coal	Total cost of sales	RMB'000	500,051	-	-
	Cost of sales per tonne	RMB	143.79	-	-
Yancoal Australia	Total cost of sales	RMB'000	2,593,090	2,006,760	29.22
	Cost of sales per tonne	RMB	235.48	234.28	0.51
Yancoal International	Total cost of sales	RMB'000	1,182,466	996,784	18.63
	Cost of sales	RMB	242.38	228.45	6.10

	per tonne				
Traded coal	Total cost of sales	RMB'000	6,686,276	2,711,460	146.59
	Cost of sales per tonne	RMB	552.94	316.40	74.76

Analysis of the reasons for changes in sales cost of coal per tonne of the Company: (1) The decrease in sales volume of saleable coal resulted in an increase of RMB13.91 in the sales cost per tonne as compared with that of last year; (2) The increase of employees' wages resulted in an increase of RMB9.27 in the sales cost per tonne as compared with that of last year; (3) The decrease of special reserve usage during the reporting period resulted in an increase of RMB22.00 in the sales cost per tonne as compared with that of last year.

Analysis of reasons for changes in sales cost of coal per tonne of Shanxi Neng Hua: (1) The decrease in sales volume of saleable coal resulted in an increase of RMB37.62 in the sales cost per tonne as compared with that of last year; (2) The increase of fully-mechanized equipment lease expenses resulted in an increase of RMB15.47 in the sales cost per tonne as compared with that of last year; (3) The increase in usage of special reserve fund during the reporting period resulted in a decrease of RMB4.91 in the cost per tonne; (4) The increase of employees' wages resulted in an increase of RMB26.87 in the sales cost per tonne as compared with that of last year.

Analysis of reasons for changes in sales cost of coal per tonne of Heze Neng Hua: (1) The decrease in sales volume of saleable coal resulted in an increase of RMB98.42 in the sales cost per tonne as compared with that of last year; (2) The decrease of special reserve fund usage during the reporting period resulted in an increase of RMB7.22 in the sales cost per tonne as compared with that of last year; (3) The increase of employees' wages resulted in an increase of RMB13.71 in the sales cost per tonne as compared with that of last year.

## 2. Railway transportation business

For the first three quarters of 2017, the transportation volume of the Company's railway assets for coal transportation was 9.97 million tonnes, representing an increase of 0.90 million tonnes or 9.9% as compared with the corresponding period of last year. The income from railway transportation business was RMB208.1 million, representing an increase of RMB7.905 million or 3.9% as compared with the corresponding period of last year. The cost of railway transportation business was RMB107.3 million, representing a decrease of RMB17.329 million or 13.9% as compared with the corresponding period of last year.

## 3. Coal chemicals business

The following table sets out the operation circumstances of methanol business of the Group for the first three quarters of 2017:

	Production of methanol (kilotonne)	Sales of methanol (kilotonne)
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	First three quarters of 2017	First three quarters of 2016	Increase/decrease (%)	First three quarters of 2017	First three quarters of 2016	Increase/decrease (%)
1. Yulin Neng Hua <sup>①</sup>	516	508	1.57	510	504	1.19
2. Ordos Neng Hua	648	696	-6.90	639	742	-13.88

	Sales income (RMB'000)			Sales cost (RMB'000)		
	First three quarters of 2017	First three quarters of 2016	Increase/decrease (%)	First three quarters of 2017	First three quarters of 2016	Increase/decrease (%)
1. Yulin Neng Hua	933,666	683,664	36.57	752,193	542,028	38.77
2. Ordos Neng Hua	1,161,268	969,403	19.79	816,695	558,494	46.23

Notes:

①“Yulin Neng Hua” refers to Yanzhou Coal Yulin Neng Hua Co., Ltd.

②The increase in sales cost of methanol of Yulin Neng Hua and Ordos Neng Hua as compared with the corresponding period of last year was due to the increase in coal price.

#### 4. Electricity Power business

The following table sets out the operation circumstances of electricity power business of the

Group for the first three quarters of 2017:

	Power generation (10,000 kWh)			Electricity sales volume (10,000 kWh)		
	First three quarters of 2017	First three quarters of 2016	Increase/decrease (%)	First three quarters of 2017	First three quarters of 2016	Increase/decrease (%)
1. Hua Ju Energy	62,587	69,423	-9.85	20,592	26,700	-22.88
2. Yulin Neng Hua	21,807	21,420	1.81	1,383	1,859	-25.61

3. Heze Neng Hua	112,669	128,832	-12.55	97,663	118,318	-17.46
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Note: “**Hua Ju Energy**” refers to Shandong Hua Ju Energy Company Limited.

	Sales income (RMB'000)			Sales cost (RMB'000)		
	First three quarters of 2017	First three quarters of 2016	Increase/decrease (%)	First three quarters of 2017	First three quarters of 2016	Increase/decrease (%)
1. Hua Ju Energy	85,100	111,691	-23.81	67,980	84,431	-19.48
2. Yulin Neng Hua	2,581	3,705	-30.34	6,495	5,265	23.36
3. Heze Neng Hua	313,654	351,483	-10.76	334,119	269,388	24.03

#### 5. Heat business

For the first three quarters of 2017, Hua Ju Energy generated heat energy of 1.01 million steam tonnes, of which 50 thousand steam tonnes were sold, with sales income of RMB11.195 million and sales cost of RMB5.527 million.

#### 6. Electrical and mechanical equipment manufacturing

The following table sets out the operation of the electrical and mechanical equipment manufacturing of the Group:

	Sales income (RMB'000)			Sales cost(RMB'000)		
	First three quarters of 2017	First three quarters of 2016	Increase/decrease (%)	First three quarters of 2017	First three quarters of 2016	Increase/decrease (%)
1. Hydraulic support	20,626	406,197	-94.92	11,245	317,023	-96.45
2. Road header	1,850	3,019	-38.72	1,466	2,562	-42.78
3. Chain /belt conveyor	70,526	146,670	-51.92	41,147	130,710	-68.52
4. Frequency converter / Switchbox (Set)	56,509	61,397	-7.96	29,329	37,752	-22.31

Note: The changes of the sales income and sales cost of various products were mainly due to the increase of the Group's internal sales and decrease of the Group's external sales.

#### (III) Significant Changes of the Accounting Items and Financial Indicators of the Company and

the Reasons

1. Significant changes of items in balance sheet and the reasons

	30 September 2017		31 December 2016		Increase/ decrease (%)
	(RMB'000)	Percentage of total assets (%)	(RMB'000)	Percentage of total assets (%)	
Cash at bank and on hand	31,932,390	16.91	20,012,569	13.74	59.56
Accounts receivable	4,077,340	2.16	2,849,858	1.96	43.07
Prepayments	2,820,886	1.49	2,080,189	1.43	35.61
Inventories	4,388,157	2.32	2,653,747	1.82	65.36
Other current assets	5,492,603	2.91	2,971,057	2.04	84.87
Long-term equity investment	6,865,871	3.64	5,198,663	3.57	32.07
Fixed assets	39,379,751	20.86	30,475,190	20.93	29.22
Construction in progress	9,006,682	4.77	24,890,595	17.09	-63.81
Intangible assets	52,441,396	27.78	26,090,933	17.92	100.99
Bills payable	2,512,525	1.33	1,486,998	1.02	68.97
Accounts payable	7,236,878	3.83	4,677,974	3.21	54.70
Taxes payable	779,340	0.41	1,333,918	0.92	-41.58
Non-current liabilities due within one year	8,506,564	4.51	12,182,912	8.37	-30.18
Long-term borrowings	33,601,277	17.80	22,453,491	15.42	49.65
Long-term payables	598,983	0.32	1,368,579	0.94	-56.23
Estimated liabilities	1,922,974	1.02	812,905	0.56	136.56
Deferred income tax liabilities	10,674,347	5.65	7,632,334	5.24	39.86
Other equity instruments	10,218,599	5.41	6,662,191	4.57	53.38
Capital reserve	1,768,304	0.94	1,258,653	0.86	40.49
Special reserves	1,806,323	0.96	1,178,849	0.81	53.23
Minority interests	22,187,793	11.75	9,027,992	6.20	145.77

Analysis of reasons for changes in cash at bank and on hand: (1) The Company increased borrowings, causing the cash at bank and on hand increased by RMB8.7455 billion; (2) Yancoal Australia's cash at bank and on hand increased by RMB1.6474 billion, mainly due to the consolidation of financial statements of C&A during the reporting period.

Analysis of reasons for changes in accounts receivable: (1) Yancoal Australia's accounts receivable increased by RMB638.6 million; (2) The trade receivables of Yancoal International and Qingdao Zhongyin Ruifeng International Trade Co., Ltd. ("**Qingdao Zhongyin Ruifeng**") increased by RMB674.8 million.

Analysis of reasons for changes in prepayments: (1) The Group's purchases of new equipment and trade prepayments increased by RMB169.4 million; (2) Ordos Neng Hua's capacity replacement and project section prepayments increased by RMB317.7 million; (3) Haosheng Coal's capacity replacement prepayment increased by RMB136.2 million.

Analysis of reasons for changes in inventories: (1) The coal inventories of Heze Neng Hua, Yancoal Australia and Donghua Heavy Industry increased by RMB970.7 million; (2) The trade inventories of Qingdao Zhongyin Ruifeng and Zhongyan Trade Company Limited increased by RMB689.8 million.

Analysis of reasons for changes in other current assets: An increase of USD429 million for 16.6% equity interest of the HVO Joint Venture that Yancoal Australia intended to sell.

Analysis of reasons for changes in long-term equity investment: (1) Yancoal Australia holds an additionally acquired 36.5% equity interest in PWCS of AUD199 million; (2) The changes in profit or loss of the investee in the equity method of the Group resulted in an increase of RMB392.2 million in long-term equity investment.

Analysis of reasons for changes in fixed assets: (1) Shilawusu Coal Mine was officially put into commercial operation in January 2017 and transferred from "construction in progress" to "fixed assets", resulting in an increase of fixed assets by RMB2.6809 billion; (2) Yingpanhao Coal Mine was officially put into commercial operation in September 2017 and transferred from "construction in progress" to "fixed assets", resulting in an increase of fixed assets by RMB3.1295 billion; (3) The fixed assets increased by RMB3.8056 billion due to the consolidation of the financial statements of C&A by Yancoal Australia.

Analysis of reasons for changes in construction in progress: (1) Shilawusu Coal Mine was officially put into commercial operation in January 2017, and its mining rights, mine buildings and equipment were transferred from "construction in progress" to "fixed assets" or "intangible assets", resulting in a decrease of construction in progress of RMB14.7291 billion; (2) Yingpanhao Coal Mine was officially put into commercial operation in September 2017 and some of its "construction in progress" was transferred into "fixed assets" or "intangible assets", resulting in a decrease of construction in progress of RMB3.3172 billion; (3) Yancoal Australia's construction in progress increased by RMB588.3 million; (4) The acquisition of Wuxi Dingye by way of debt restructuring increased construction in progress by RMB508.1 million; (5) Wanfu Coal Mine's construction in progress increased by RMB297.5 million; (6) The construction in progress of Yancoal Blue Sky Clean Energy Company Limited increased by RMB203.0 million.

Analysis of reasons for changes in intangible assets: (1) Shilawusu Coal Mine was put into

commercial operation in January 2017 and its mining rights were transferred from "construction in progress" to "intangible assets", resulting in an increase of RMB12.2281 billion in intangible assets; (2) Yingpanhao Coal Mine was put into commercial operation in September 2017 and its mining rights were transferred from "construction in progress" to "intangible assets", resulting in an increase of RMB448.7 million in intangible assets; (3) The intangible assets increased by RMB10.3635 billion due to the consolidation of the financial statements of C&A by Yancoal Australia.

Analysis of reasons for changes in bills payable: (1) The bills payable of Qingdao Zhongyin Ruifeng increased by RMB637.6 million; (2) The bills payable of Zhongyin Financial Leasing Co., Ltd. (“**Zhongyin Financial Leasing**”) increased by RMB532.2 million.

Analysis of reasons for changes in accounts payable: (1) Yancoal Australia consolidated the financial statements of C&A, resulting in an increase of RMB2.2932 billion in accounts payable; (2) The trade accounts payable of Yancoal International increased by RMB391.1 million.

Analysis of reasons for changes in taxes payable: The income taxes payable of the Company decreased by RMB515.5 million.

Analysis of reasons for changes in non-current liabilities due within one year: (1) Due to the Company to repay borrowings, the non-current liabilities due within one year decreased by RMB1.1991 billion; (2) Due to Yancoal International repaying the corporate bonds of USD450.0 million issued in 2012, the non-current liabilities due within one year decreased by RMB2.5645 billion.

Analysis of reasons for changes in long-term borrowings: The Company's long-term borrowing increased by RMB11.2921 billion.

Analysis of reasons for changes in long-term payables: (1) The financial lease of the Company decreased by RMB385.8 million; (2) The financial lease of Yancoal Australia decreased by RMB213.1 million.

Analysis of reasons for changes in estimated liabilities: Due to Yancoal Australia's acquisition of C&A, the non-contingent royalty payable increased by RMB1.1134 billion.

Analysis of reasons for changes in deferred income tax liabilities: Yancoal Australia consolidated the financial statements of C&A, resulting in an increase of RMB3.6463 billion in deferred income tax liabilities.

Analysis of reasons for changes in other equity instruments: (1) The Company issued the first 2017 renewable corporate bonds of RMB5.0 billion; (2) During the reporting period, the Company repaid the first 2014 non-public issuance of financing instruments of RMB1.5 billion.

Analysis of reasons for changes in capital reserve: The net assets of Yancoal Australia

proportionally owned by the Company increased by RMB509.7 million.

Analysis of reasons for changes in special reserves: The special reserves used by the Group decreased in the first three quarters.

Analysis of reasons for changes in minority interests: (1) Yancoal International issued senior guaranteed perpetual capital securities of USD500.0 million, which increased minority interests by RMB3.4174 billion; (2) The allotted shares of Yancoal Australia increased minority interests by RMB9.0185 billion.

## 2. Significant changes of items in income statement and the reasons

Unit: RMB'000

	First three quarters of 2017	First three quarters of 2016	Increase/decrease (%)	Main reasons for change
Operating income	119,218,615	64,777,318	84.04	(1) The increase of coal sales volume and price of self-produced coal resulted in an increase of operating income by RMB10.8288 billion as compared with that of last year; (2) The increase of sales income of traded coal increased by RMB4.0755 billion as compared with that of last year; (3) Other business income increased by RMB39.6194 billion as compared with that of last year.
Operating cost	103,285,447	57,122,653	80.81	(1) The sales cost of self-produced coal increased by RMB2.7744 billion as compared with that of last year; (2) The sales cost of traded coal increased by RMB3.9748 billion as compared with that of last year; (3) Other business cost increased by RMB39.3169 billion as compared with that of last year.
Taxes and surcharges	1,548,725	624,189	148.12	(1) Affected by reform of business tax replaced by value-added tax, taxes like

				land usage tax, house property tax and stamp duty, which were previously calculated in "administrative expense" were adjusted and included in "taxes and surcharges", resulting in an increase of taxes and surcharges by RMB312.4 million; (2) The resources tax increased by RMB370.2 million as compared with that of last year.
Sales expense	2,467,385	1,903,768	29.61	In accordance with the proportion of sales income of Yancoal Australia and Yancoal International, the royalty paid increased by RMB572.6 million as compared with that of last year.
General and administrative costs	4,035,551	3,120,741	29.31	(1) The stamp duty, auditing consultation fee, etc. from C&A acquisition by Yancoal Australia resulted in an increase of general and administrative cost by RMB1.1819 billion as compared with that of last year; (2) Affected by reform of business tax replaced by value-added tax, taxes like land usage tax, house property tax and stamp duty, which previously calculated in "administrative expense" was adjusted and included in "taxes and surcharges", resulting in a decrease of management cost of RMB312.4 million.
Investment income	699,418	482,383	44.99	Changes in profit and loss of the investee under the equity method of the Group resulted

				in the increase of investment income as compared with that of last year.
Non-operating income	491,250	701,810	-30.00	The Group's subsidence infrastructure maintenance support funds received from governments decreased by RMB261.0 million as compared with that of last year.
Income tax expense	1,473,718	305,925	381.73	The Group's taxable income increased as compared with that of last year.

### 3. Significant changes of items in cash flow statement and the reasons

Unit: RMB'000

	First three quarters of 2017	First three quarters of 2016	Increase/decrease (%)	Main reasons for change
Net cash flows from operating activities	8,194,443	2,155,859	280.10	(1) The cash received from merchandise sales and labor supplies increased by RMB56.8976 billion as compared with that of last year; (2) The cash paid for goods purchase and labor acceptance increased by RMB45.436 billion as compared with that of last year; (3) The tax paid increased by RMB2.4435 billion as compared with that of last year; (4) The cash received from other operating activities decreased by RMB3.5541 billion as compared with that of last year.
Net cash flows from investing activities	-21,101,511	-9,048,374	-	(1) The cash received from investment increased by RMB515.7 million as compared with that of last year; (2) Cash received in other investment activities increased by RMB394.2 million as compared with that of last year; (3) Cash paid for acquisition of C&A of

				Yancoal Australia was RMB16.0775 billion; (4) Cash paid for other assets acquisition and equity investment decreased by RMB3.2290 billion as compared with that of last year.
Net cash flows from financing activities	21,848,526	2,437,831	796.23	(1) Cash received through absorbing investment, obtaining borrowing and issuing bonds increased by RMB25.4983 billion as compared with that of last year; (2) Cash paid for reimbursement of debt and distributions of dividends and profits or reimbursement of interest increased by RMB3.8918 billion as compared with that of last year; (3) Cash paid for other financing activities increased by RMB2.381 billion as compared with that of last year.
Net increase in cash and cash equivalents	8,869,795	-4,192,195	-	-

#### (IV) Progress and Impact of Significant Events and Analysis of Resolutions

##### 4.1 Lawsuits initiated during the Reporting Period

A lawsuit on contractual dispute initiated by Qingdao Yancoal Dongqi Energy Co., Ltd. (“**Yancoal Dongqi**”) against Shanghai Greenland Linggang Electric Fuel Co., Ltd. (“**Greenland Linggang**”):

On 13 August 2017, citing a breach of the Coal Supply and Demand Contract, Yancoal Dongqi, a wholly-owned subsidiary of Shandong Yanmei Rizhao Port Coal Storage and Blending Co., Ltd. which is a controlled subsidiary of the Company, sued Greenland Linggang, Zhenjiang Tianyun Trade Co., Ltd. (“**Zhenjiang Tianyun**”) and Jiangsu Jicao Biotech Co., Ltd. (“**Jiangsu Jicao**”) to the Shanghai First Intermediate People's Court, asking for the termination of Coal Supply and Demand Contract signed between Yancoal Dongqi and Greenland Linggang, the return of payment for goods amounting to RMB82.2062 million and relevant interest and the undertaking of joint repayment obligation by Zhenjiang Tianyun and Jiangsu Jicao.

In May 2014, Yancoal Dongqi and Greenland Linggang signed Coal Supply and Demand Contract, agreeing on the coal supply by Greenland Linggang. Both parties should fulfill their respective obligations as soon as the contract being signed. As at 30 September 2017, Greenland Linggang

still owed Yancoal Dongqi the coal supply valued to RMB82.2062 million.

Due to the pending in the first instance of the case, the Company is unable to accurately estimate the impact of the litigation on the current profit and future profit at present.

#### 4.2 Illustration of the lawsuits progressed during the Reporting Period

A lawsuit on contractual disputes initiated by Jining Gaoxin Chengjian Investment Co., Ltd. (“**Jining Chengjian Investment**”) against Shandong Coal Trade Center Co., Ltd. (“**Coal Trade Center**”):

On 18 April 2017, Jining Chengjian Investment appealed to Jining Municipal Intermediate People’s Court against Coal Trade Center to pay the remaining transfer fee of RMB65.1431 million and the corresponding liquidated damages of the Innovation Tower in Jining High-tech District. Coal Trade Center believed that payment terms for the remaining transfer price were not available due to the Jining High-tech District Innovation Tower Transfer Agreement which was signed on 19 April 2013 by both sides.

On 28 July 2017, Jining Municipal Intermediate People’s Court judged in the first instance that Coal Trade Center shall pay the remaining transfer fee of RMB65.1431 million and the corresponding liquidated damages to Jining Chengjian Investment (calculation method for liquidated damages: taking RMB65.1431 million as the base number, with reference to the 130% standard of the loan rate for the corresponding period and the same kind of the People’s Bank of China, calculating from 25 February 2017 to the date when fully paid).

Jining Chengjian Investment didn’t accept the judgment on the calculation method for liquidated damages and filed an appeal to the Higher People’s Court of Shandong Province. As at the disclosure date of this report, the Higher People’s Court of Shandong Province didn’t accept the case. At present, the Company is unable to accurately estimate the impact of the lawsuit on the current profit and future profit.

#### 4.3 Major connected/related transactions

##### Acquisition of the Equity Interest in Warkworth Joint Venture

On 12 June 2017, Yancoal Australia was granted an irrevocable right by Mitsubishi Development Pty. Ltd. (“**MDP**”) to purchase the MDP’s 28.898% of equity interest in Warkworth Joint Venture with an exercise price of USD230 million (the “**Call Option**”). Yancoal Australia may exercise the option at any time from the completion of C&A acquisition, i.e. 1 September 2017, up to 31 December 2018.

At the fourth meeting of the seventh session of the Board on 26 September 2017, Yancoal Australia was approved to exercise the Call Option to acquire 28.898% of Warkworth Interest from MDP for a consideration of USD230 million. As at the date of this Report, Yancoal Australia has not yet exercised the option.

For details, please refer to the announcement in relation to the resolution of the fourth meeting of the seventh session of the Board and the announcement on connected/related transaction dated 26 September 2017. The above announcements were also posted on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Company and/or China Securities Journal and Shanghai Securities News.

#### 4.4 Changes of the Directors, the Supervisor and the Senior Management of the Company

Mr. Jia Shaohua (“**Mr. Jia**”), an independent non-executive director of the Company submitted a written resignation report to the Company on 25 September 2017. Mr. Jia applied to resign from the position of an independent non-executive director of the Company and his respective position at the special committee of the Board due to personal health issue. Mr. Jia should continue to perform his duties of an independent non-executive director of the Company according to the laws, administrative requirements and the articles of association of the Company prior to the election and appointment of a new independent non-executive director at a general meeting of the Company.

For details, please refer to the announcement in relation to the resignation of an independent non-executive director dated 25 September 2017. The above announcement was also posted on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Company and/or China Securities Journal and Shanghai Securities News.

As reviewed and approved at the fifth meeting of the seventh session of the Board held on 13 October 2017, Mr. Cai Chang was nominated as a candidate for the independent non-executive director in the seventh session of the Board, which will be proposed to the 2017 third extraordinary general meeting for election.

For details, please refer to the announcement in relation to the resolution of the fifth meeting of the seventh session of the Board and the notice of the 2017 third extraordinary general meeting dated 13 October 2017. The above announcements were also posted on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Company and/or China Securities Journal and Shanghai Securities News.

#### 4.5 Other Significant Events

##### (1) Acquisition of Equity Interest in C&A by Yancoal Australia

As reviewed and approved at the 2017 second extraordinary meeting held on 25 August 2017, Yancoal Australia acquired 100% equity of C&A, which was formerly owned by Australian Coal Holdings Pty Limited and Hunter Valley Resources Pty Ltd, wholly-owned members of Rio Tinto plc for a consideration of USD2.45 billion. Within five years after delivery, a total of USD240 million will be paid for non-contingent royalties. As at 1 September 2017, the acquisition transaction has been completed with all of the conditions precedent fulfilled. Upon the completion, C&A has become a wholly-owned subsidiary of Yancoal Australia and thus a consolidated

subsidiary in the combined financial statements of the Company.

For details, please refer to the announcements dated 24 January 2017, 24 May 2017, 11 June 2017, 12 June 2017, 20 June 2017, 26 June 2017, 27 July 2017, 1 August 2017 respectively, the announcement of resolutions passed at the 2017 second extraordinary general meeting dated 25 August 2017 and the announcement in relation to the completion of allotting shares, converting hybrid bonds to shares and the acquisition of C&A by Yancoal Australia dated 1 September 2017, which were posted on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website and/or China Securities Journal and Shanghai Securities News.

(2) Subscription of allotted shares of Yancoal Australia and implementation of converting convertible hybrid bonds to shares

As reviewed and approved at the second meeting of the seventh session of the Board held on 25 July 2017, the Company agreed to subscribe right issues by Yancoal Australia and wholly or partially convert the USD1.8 billion convertible hybrid bonds of Yancoal Australia which it held to ordinary shares of Yancoal Australia. As at 31 August 2017, the Company completed the subscription of right issues of Yancoal Australia and the implementation of converting convertible hybrid bonds into shares, the shareholding of Yancoal Australia held by the Company dropped from 78% to 65%.

For details, please refer to the announcement of resolutions passed at the second meeting of the seventh session of the Board held on 26 July 2017, the announcement in relation to the subscription of allotted shares of Yancoal Australia and the implementation of converting convertible hybrid bonds to shares dated 1 August 2017 and the announcement in relation to the completion of allotting shares, converting hybrid bonds to shares and the acquisition of C&A by Yancoal Australia dated 1 September 2017. The above announcements were also posted on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website and/or China Securities Journal and Shanghai Securities News.

(V) Commitment Not Fulfilled during the Reporting Period

Not applicable.

(VI) Warning or explanation on any estimated losses or signification changes in the aggregate net profit from the beginning of 2017 to the end of the next reporting period when compared with that of the corresponding period of last year

Not applicable.

### **§III. Directors**

As at the date of this Report, the Directors are Mr. Li Xiyong, Mr. Li Wei, Mr. Wu Xiangqian, Mr. Wu Yuxiang, Mr. Guo Dechun, Mr. Zhao Qingchun and Mr. Guo Jun, and the independent

non-executive Directors are Mr. Kong Xiangguo, Mr. Jia Shaohua, Mr. Pan Zhaoguo and Mr. Qi Anbang.

**Yanzhou Coal Mining Company Limited**

**Li Xiyong**

*Chairman of the Board*

30 October 2017

## Appendices

### Consolidated Balance Sheet

30 September 2017

Prepared by: Yanzhou Coal Mining Company Limited

Unit: RMB'000

ITEMS	As at 30 September 2017	As at 31 December 2016
<b>CURRENT ASSETS :</b>		
Cash at bank and on hand	31,932,390	20,012,569
Derivative financial assets	2,256	-
Bills receivable	8,222,394	6,886,001
Accounts receivable	4,077,340	2,849,858
Prepayments	2,820,886	2,080,189
Interest receivable	110,438	13,123
Dividends receivable	51,316	5,000
Other receivables	2,700,629	2,674,200
Inventories	4,388,157	2,653,747
Held-to-sale assets	-	-
Non-current assets due within one year	2,328,862	2,074,630
Other current assets	5,492,603	2,971,057
<b>TOTAL CURRENT ASSETS</b>	<b>62,127,271</b>	<b>42,220,374</b>
<b>NON-CURRENT ASSETS :</b>		
Available-for-sale financial assets	2,235,155	2,624,003
Held-to-maturity investments	-	69,427
Long-term accounts receivable	5,621,779	4,667,837
Long-term equity investments	6,865,871	5,198,663
Real estate investment	716	752
Fixed assets	39,379,751	30,475,190
Construction in progress	9,006,682	24,890,595
Construction materials	76,842	19,293
Intangible assets	52,441,396	26,090,933
Development expenditure	-	-
Goodwill	351,135	338,107
Long-term deferred expenses	21,776	22
Deferred tax assets	9,583,647	8,062,957
Other non-current assets	1,075,506	964,250
<b>TOTAL NON-CURRENT ASSETS</b>	<b>126,660,256</b>	<b>103,402,029</b>
<b>TOTAL ASSETS</b>	<b>188,787,527</b>	<b>145,622,403</b>
<b>CURRENT LIABILITIES:</b>		
Short-term borrowings	6,732,231	5,662,216
Financial liabilities at FVTPL	-	-
Bills payable	2,512,525	1,486,998
Accounts payable	7,236,878	4,677,974
Advances from customers	3,294,581	2,685,783

Salaries and wages payable	1,655,917	1,538,809
Taxes payable	779,340	1,333,918
Interest payable	869,963	569,808
Dividend payable	92,889	2,781
Other payables	5,797,450	5,220,994
Held-to-sale liabilities	-	-
Non-current liabilities due within one year	8,506,564	12,182,912
Other current liabilities	17,409,193	16,185,562
<b>TOTAL CURRENT LIABILITIES</b>	<b>54,887,531</b>	<b>51,547,755</b>
<b>NON-CURRENT LIABILITIES:</b>		
Long-term borrowings	33,601,277	22,453,491
Bonds payable	10,466,831	10,526,605
Long-term payable	598,983	1,368,579
Long-term salaries and wages payable	685	1,925
Special accounts payable	206,593	145,403
Estimated liabilities	1,922,974	812,905
Deferred revenue	69,484	67,107
Deferred tax liabilities	10,674,347	7,632,334
Other non-current liabilities	394,393	15,249
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>57,935,567</b>	<b>43,023,598</b>
<b>TOTAL LIABILITIES</b>	<b>112,823,098</b>	<b>94,571,353</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital	4,912,016	4,912,016
Other equity instruments	10,218,599	6,662,191
Including: preferred shares	-	-
perpetual bonds	10,218,599	6,662,191
Capital reserves	1,768,304	1,258,653
Less: treasury stock	-	-
Other comprehensive income	-6,351,452	-9,217,545
Special reserves	1,806,323	1,178,849
Surplus reserves	5,900,135	5,900,135
Undistributed earnings	35,522,711	31,328,759
<b>Equity attributable to shareholders of the parent company</b>	<b>53,776,636</b>	<b>42,023,058</b>
Minority interest	22,187,793	9,027,992
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>75,964,429</b>	<b>51,051,050</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>188,787,527</b>	<b>145,622,403</b>

The financial statements from Page 27 to Page 37 are signed by the following responsible officers:

Legal Representative of the Company: Li Xiyong      Chief Financial Officer: Zhao Qingchun

Head of Finance Management Department: Xu Jian

## Balance Sheet of the Parent Company

30 September 2017

Prepared by: Yanzhou Coal Mining Company Limited

Unit: RMB'000

ITEMS	As at 30 September 2017	As at 31 December 2016
<b>CURRENT ASSETS :</b>		
Cash at bank and on hand	22,988,494	14,242,948
Bills receivable	8,121,968	6,422,831
Accounts receivable	866,031	727,958
Prepayments	161,082	56,117
Interests receivable	1,293,824	2,171,944
Dividends receivable	51,316	5,000
Other receivables	27,222,150	22,656,316
Inventories	377,471	423,869
Held-to-sale assets	-	-
Non-current assets due within one year	8	8
Other current assets	1,894,570	1,894,570
<b>TOTAL CURRENT ASSETS</b>	<b>62,976,914</b>	<b>48,601,561</b>
<b>NON-CURRENT ASSETS :</b>		
Available-for-sale financial assets	533	11,014,714
Held-to-maturity investment	2,772,000	7,522,000
Long-term accounts receivable	-	-
Long-term equity investments	65,869,004	46,616,256
Investment real estate	-	-
Fixed assets	6,789,081	5,873,907
Construction in progress	244,657	73,783
Intangible assets	1,631,576	1,768,109
Development expenditure	-	-
Goodwill	-	-
Long-term deferred expenses	16	22
Deferred tax assets	1,248,220	1,255,485
Other non-current assets	117,926	117,926
<b>TOTAL NON-CURRENT ASSETS</b>	<b>78,673,013</b>	<b>74,242,202</b>
<b>TOTAL ASSETS</b>	<b>141,649,927</b>	<b>122,843,763</b>
<b>CURRENT LIABILITIES:</b>		
Short-term borrowings	4,970,000	5,264,900
Financial liabilities at FVTPL	-	-
Bills payable	450,029	351,299

Accounts payable	1,309,916	1,309,541
Advances from customers	799,826	780,930
Salaries and wages payable	838,482	1,055,981
Taxes payable	400,640	916,100
Interest payable	852,636	811,904
Dividends payable	-	-
Other payable	10,548,182	7,938,851
Held-to-sale liabilities	-	-
Non-current liabilities due within one year	6,260,462	8,650,764
Other current liabilities	16,869,596	15,860,350
<b>TOTAL CURRENT LIABILITIES</b>	<b>43,299,769</b>	<b>42,940,620</b>
<b>NON-CURRENT LIABILITIES:</b>		
Long-term borrowings	26,233,687	14,941,547
Bonds payable	8,956,071	8,947,492
Long-term payables	824,115	1,548,707
Long-term salaries and wages payable	-	-
Special accounts payable	114,925	145,403
Estimated liabilities	-	22,432
Deferred income	35,422	43,892
Deferred tax liabilities	111	102
Other non-current liabilities	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>36,164,331</b>	<b>25,649,575</b>
<b>TOTAL LIABILITIES</b>	<b>79,464,100</b>	<b>68,590,195</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital	4,912,016	4,912,016
Other equity instrument	10,218,599	6,662,191
Including: preferred share	-	-
perpetual bond	10,218,599	6,662,191
Capital reserves	1,497,179	1,497,179
Less: treasury stock	-	-
Other comprehensive income	14,911	6,335
Special reserves	1,437,086	931,653
Surplus reserves	5,855,025	5,855,025
Undistributed profits	38,251,011	34,389,169
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>62,185,827</b>	<b>54,253,568</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>141,649,927</b>	<b>122,843,763</b>

### Consolidated Income Statement

The first three quarters of 2017

Prepared by: Yanzhou Coal Mining Company Limited

Unit: RMB'000

Items	The third quarter of 2017	The third quarter of 2016	The first three quarters of 2017	The first three quarters of 2016
<b>1.TOTAL OPERATING INCOME</b>	<b>38,594,371</b>	<b>40,142,100</b>	<b>119,218,615</b>	<b>64,777,318</b>
Including: Operating income	38,594,371	40,142,100	119,218,615	64,777,318
<b>2.TOTAL OPERATING COST</b>	<b>36,782,029</b>	<b>39,544,429</b>	<b>113,355,656</b>	<b>64,398,585</b>
Including: Operating cost	32,525,170	37,104,366	103,285,447	57,122,653
Taxes and surcharges	445,212	199,466	1,548,725	624,189
Selling expenses	1,005,417	768,195	2,467,385	1,903,768
General and administrative expenses	2,007,778	983,356	4,035,551	3,120,741
Financial expenses	757,909	576,089	2,028,140	1,620,940
Impairment loss of assets	40,543	-87,043	-9,592	6,294
Add: Gain from change in fair value (The loss is listed beginning with “-”)	1	-1,063	9,843	-71,057
Investment income(The loss is listed beginning with “-”)	252,048	97,238	699,418	482,383
Including: investment income from associates and joint ventures	244,014	103,334	585,847	427,168
Other income (The loss is listed beginning with “-”)	5,494	—	5,494	—
<b>3.Operating profit (The loss is listed beginning with “-”)</b>	<b>2,069,885</b>	<b>693,846</b>	<b>6,577,714</b>	<b>790,059</b>
Add : Non-operating income	291,548	58,670	491,250	701,810
Including: Gains from disposal of non-current assets	856	6,666	11,359	13,689
Less: Non-operating expenditures	30,264	10,507	49,758	32,175
Including: Losses from disposal of non-current assets	10,662	3,270	12,379	9,595
<b>4.Total profit (The total loss is listed beginning with “-”)</b>	<b>2,331,169</b>	<b>742,009</b>	<b>7,019,206</b>	<b>1,459,694</b>
Less: Income tax	432,989	158,964	1,473,718	305,925
<b>5.Net profit (The net loss is listed beginning with “-”)</b>	<b>1,898,180</b>	<b>583,045</b>	<b>5,545,488</b>	<b>1,153,769</b>
Net profit attributable to shareholders of the parent company	1,594,250	425,590	4,783,394	1,018,012
Net profit attributable to other equity instrument holders of parent company	238,697	107,254	449,708	317,053
Gains and losses of minority interest	65,233	50,201	312,386	-181,296
<b>6.Net other comprehensive income after tax</b>	<b>760,144</b>	<b>976,970</b>	<b>3,410,120</b>	<b>1,763,365</b>
Net other comprehensive income after tax	685,865	764,022	2,866,093	1,342,849

attributable to the shareholders of the parent company				
(1) Other comprehensive income, which will not be reclassified into the gains and losses in future	-	-	-	-
(2) Other comprehensive income, which will be reclassified into the gains and losses in future	685,865	764,022	2,866,093	1,342,849
1. Other comprehensive income reclassified to gains and losses in the future shared by the investee accounted under equity method	12,192	-	8,548	15,781
2. Gains and losses of the fair value changes of the AFS financial assets	21,937	42,683	88,072	-3,209
3. Effective part of the gains and losses of cash flow hedging	-111,128	131,254	1,118,496	391,907
4. Translation balance of the foreign currency financial statements	762,864	590,085	1,650,977	938,370
Net other comprehensive income after tax attributable to the minorities	74,279	212,948	544,027	420,516
<b>7.Total comprehensive income</b>	<b>2,658,324</b>	<b>1,560,015</b>	<b>8,955,608</b>	<b>2,917,134</b>
Total comprehensive income attributable to shareholders of the parent company	2,280,115	1,189,612	7,649,487	2,360,861
Total comprehensive income attributable to other equity instrument holders of parent company	238,697	107,254	449,708	317,053
Total comprehensive income attributable to minority interest	139,512	263,149	856,413	239,220
<b>8.Earnings per share</b>				
(1) Earnings per share, basic	0.3246	0.0866	0.9738	0.2072
(2) Earnings per share, diluted	0.3246	0.0866	0.9738	0.2072

### Income Statement of the Parent Company

From January to September of 2017

Prepared by: Yanzhou Coal Mining Company Limited

Unit : RMB'000

Items	The third quarter of 2017	The third quarter of 2016	From January to September of 2017	From January to September of 2016
<b>1. Operating income</b>	<b>5,701,415</b>	<b>4,012,441</b>	<b>17,371,122</b>	<b>11,039,793</b>
Less: Operating cost	2,690,254	2,226,457	8,538,851	6,343,756
Taxes and surcharges	258,368	156,622	1,036,153	464,437
Selling expense	80,306	86,327	209,464	232,732
General and administrative expense	503,827	500,999	1,568,130	1,880,530
Financial expenses	801,049	567,796	2,099,504	1,666,295
Impairment loss of assets	-11,800	-32,319	-43,612	-
Add: Gain from the change in fair value (The loss is listed beginning with "-")	-	-	-	-95
Investment income (The loss is listed beginning with "-")	486,392	380,405	2,034,389	1,754,926
Including: Investment income from associates and joint ventures	235,665	103,900	491,495	464,863
Other income (The loss is listed beginning with "-")	1,579	-	1,579	-
<b>2. Operating profit (The loss is listed beginning with "-")</b>	<b>1,867,382</b>	<b>886,964</b>	<b>5,998,600</b>	<b>2,206,874</b>
Add: Non-operating income	179,394	3,669	200,930	434,163
Including: Gains from disposal of non-current assets	-	-	-	1,387
Less: Non-operating expense	3,103	2,127	6,871	9,800
Including: Loss from disposal of non-current assets	-	34	1,592	4,785
<b>3. Total profit (The total loss is listed beginning with "-")</b>	<b>2,043,673</b>	<b>888,506</b>	<b>6,192,659</b>	<b>2,631,237</b>
Less: Income tax	390,742	178,082	1,291,667	664,479
<b>4. Net profit (The net loss is listed beginning with "-")</b>	<b>1,652,931</b>	<b>710,424</b>	<b>4,900,992</b>	<b>1,966,758</b>
Net profit attributable to shareholders of the parent company	1,414,234	603,170	4,451,284	1,649,705
Net profit attributable to other equity instrument holders of parent company	238,697	107,254	449,708	317,053
<b>5. Net other comprehensive income after tax</b>	<b>12,115</b>	<b>6</b>	<b>8,576</b>	<b>4,571</b>
(1) Other comprehensive income, which will not be reclassified into the gains and losses in future	-	-	-	-
(2) Other comprehensive income, which will be reclassified into the gains and losses in future	12,115	6	8,576	4,571
1. Other comprehensive income reclassified to gains and losses in the future shared by the investee accounted under equity method	12,192	-	8,548	15,781
2. Gains and losses of the fair value changes of the AFS financial assets	-77	6	28	-11,210
3. Effective part of the gains and losses of cash flow hedging	-	-	-	-
4. Translation balance of the foreign currency	-	-	-	-

financial statements				
<b>6. Total comprehensive income</b>	<b>1,665,046</b>	<b>710,430</b>	<b>4,909,568</b>	<b>1,971,329</b>
Total comprehensive income attributable to shareholders of the parent company	1,426,349	603,176	4,459,860	1,654,276
Total comprehensive income attributable to other equity instrument holders of parent company	238,697	107,254	449,708	317,053
<b>7. Earnings per share</b>				
(1) Earnings per share, basic	0.2879	0.1228	0.9062	0.3359
(2) Earnings per share, diluted	0.2879	0.1228	0.9062	0.3359

### Consolidated Cash Flow Statement

From January to September of 2017

Prepared by: Yanzhou Coal Mining Company Limited

Unit: RMB'000

Items	From January to September of 2017	From January to September of 2016
<b>1. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Cash received from sales of goods or rendering of services	126,061,293	69,163,722
Tax refund	663,677	617,649
Other cash received relating to operating activities	1,285,277	4,839,352
<b>Sub-total of cash inflows</b>	<b>128,010,247</b>	<b>74,620,723</b>
Cash paid for goods and services purchased	103,851,542	58,415,496
Cash paid to employees and on behalf of employees	5,770,404	5,855,757
Taxes payments	6,471,812	4,028,284
Other cash paid relating to operating activities	3,722,046	4,165,327
<b>Sub-total of cash outflows</b>	<b>119,815,804</b>	<b>72,464,864</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>8,194,443</b>	<b>2,155,859</b>
<b>2. CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
Cash received from recovery of investments	590,361	74,672
Cash received from return of investments income	200,839	383,137
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,243	1,544
Cash received from other investment activities	394,242	
<b>Sub-total of cash inflows</b>	<b>1,187,685</b>	<b>459,353</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	4,208,577	4,918,533
Cash paid for investments	1,275,436	3,794,522
Net cash paid by subsidiaries and other business units	16,077,546	
Other cash paid relating to investment activities	727,637	794,672
<b>Sub-total of cash outflows</b>	<b>22,289,196</b>	<b>9,507,727</b>
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-21,101,511</b>	<b>-9,048,374</b>
<b>3. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Cash received from investors	18,233,411	7,000,000
Including: Cash received from minority shareholders of subsidiaries	13,270,911	7,000,000
Cash received from other equity instruments	4,962,500	
Cash received from borrowings	18,855,695	6,090,850
Cash received from bonds issuing	15,000,000	13,500,000
Other cash received relating to financing activities	185,249	
<b>Sub-total of cash inflows</b>	<b>52,274,355</b>	<b>26,590,850</b>
Repayments of borrowings and debts	24,373,658	21,472,437
Cash paid for distribution of dividends or profits, or	3,639,825	2,649,273

cash paid for interest expenses		
Including: cash paid for distribution of dividends or profits by subsidiaries to minority shareholders	377,511	144,200
Other cash paid relating to financing activities	2,412,346	31,309
<b>Sub-total of cash outflows</b>	<b>30,425,829</b>	<b>24,153,019</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>21,848,526</b>	<b>2,437,831</b>
<b>4. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>-71,663</b>	<b>262,489</b>
<b>5. NET INCREASE ON CASH AND CASH EQUIVALENTS</b>	<b>8,869,795</b>	<b>-4,192,195</b>
Add: Cash and cash equivalents, opening	15,009,221	23,455,059
<b>6. Cash and cash equivalents, closing</b>	<b>23,879,016</b>	<b>19,262,864</b>

### Cash Flow Statement of the Parent Company

From January to September of 2017

Prepared by: Yanzhou Coal Mining Company Limited

Unit: RMB'000

Items	From January to September of 2017	From January to September of 2016
<b>1. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Cash received from sales of goods and rendering of services	17,622,203	11,762,142
Tax refunding		
Other cash received relating to operating activities	379,092	1,615,936
<b>Sub-total of cash inflows</b>	<b>18,001,295</b>	<b>13,378,078</b>
Cash paid for goods and services	4,367,944	4,917,946
Cash paid to and on behalf of employees	3,386,529	3,400,940
Taxes payments	5,002,179	2,991,518
Other cash paid relating to operating activities	2,027,669	558,020
<b>Sub-total of cash outflows</b>	<b>14,784,321</b>	<b>11,868,424</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>3,216,974</b>	<b>1,509,654</b>
<b>2. CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
Cash received from recovery of investments	4,750,000	1,809,226
Cash received from return of investments	739,899	325,000
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	-	488
Net cash amount received from the disposal of subsidiaries and other business units	-	-
Other cash received relating to investment activities	1,137,260	
<b>Sub-total of cash inflows</b>	<b>6,627,159</b>	<b>2,134,714</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,151,998	1,033,132
Cash paid for investments	6,378,940	9,653,587
Net cash paid for the acquisition of subsidiaries and other business units	-	-
Other cash paid relating to investment activities	-	13,439,548
<b>Sub-total of cash outflows</b>	<b>8,530,938</b>	<b>24,126,267</b>
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-1,903,779</b>	<b>-21,991,553</b>
<b>3. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Cash received from investors	4,962,500	-
Cash received from borrowings	15,953,440	15,082,138
Cash received from issuing bonds	15,000,000	13,500,000
Cash received relating to other financing activities	-	2,635,823
<b>Sub-total of cash inflows</b>	<b>35,915,940</b>	<b>31,217,961</b>
Repayments of borrowings	21,338,725	16,540,946
Cash paid for distribution of dividends or profits, or cash paid for interest expenses	2,959,006	1,550,428
Other cash payment relating to financing activities	6,247,282	1,393,716
<b>Sub-total of cash outflows</b>	<b>30,545,013</b>	<b>19,485,090</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>5,370,927</b>	<b>11,732,871</b>
<b>4. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>-69,229</b>	<b>45,226</b>
<b>5. NET INCREASE ON CASH AND CASH EQUIVALENTS</b>	<b>6,614,893</b>	<b>-8,703,802</b>
Add: Cash and cash equivalents, opening	10,328,324	19,076,402
<b>6. Cash and cash equivalents, closing</b>	<b>16,943,217</b>	<b>10,372,600</b>