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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 with limited liability)*  
(Stock Code: 1171)

## **ANNOUNCEMENT**

The 8th meeting of the third session of the Board of the Company was held on 25 October 2006 in the Company's headquarters. Several resolutions were passed by the Board, which are set out in this announcement.

This announcement is made pursuant to the disclosure requirement under Rule 13.09 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited.

The notice of the 8th meeting (the "Meeting") of the third session of the board of directors (the "Board") of Yanzhou Coal Mining Company Limited (the "Company") was dispatched on 11 October 2006 by way of written notices or e-mails. The Meeting was held on 25 October 2006 in the Company's headquarters at 298 South Fushan Road, Zoucheng City, Shandong Province, PRC. Twelve directors were called upon for the Meeting and twelve directors present. The quorum and convening of the Meeting together with the resolutions passed comply with the requirements of the laws and regulations including the PRC Corporate Law, and the articles of association of the Company and are legal and valid.

The directors of the Company (the "Directors") unanimously agreed and passed the resolutions set out below:

1. Approved "The Third Quarterly Report for the Year 2006 of Yanzhou Coal Mining Company Limited".

The Company's 2006 third-quarter operating results would be announced in both the PRC and overseas simultaneously on 26 October 2006.

2. Approved the resolution regarding the amendment to "Management System of the Investors' Relationship of Yanzhou Coal Mining Company Limited".
3. Approved the resolution regarding the provision of entrusted loan to Yanzhou Coal Yulin Neng Hua Company Limited.

The provision of an entrusted loan amounted to RMB500 million to Yanzhou Coal Yulin Neng Hua Company Limited, a subsidiary of the Company, was approved. As at 25 October 2006, the total amount of the approved entrusted loans provided by the Company for the past 12 months was RMB1.3 billion, accounting for 7.58% of the audited net assets of the Company for the year 2005 prepared in accordance with the PRC Generally Accepted Accounting Principles, all of which were the entrusted loans provided to the subsidiaries of the Company.

4. Approved the resolution regarding the provision of guarantee to Yancoal Australia Pty Limited.

The provision of guarantee amounted to USD 30 million to Yancoal Australia Pty Limited, the wholly-owned subsidiary of the Company, was approved. The Company will issue the interim announcement separately after signing the guarantee agreement. As at 25 October 2006, no any other guarantee was provided by the Company to others.

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*As at the date of this announcement, the directors of the Company are Mr. Wang Xin, Mr. Geng Jiahuai, Mr. Yang Deyu, Mr. Shi Xuerang, Mr. Chen Changchun, Mr. Wu Yuxiang, Mr. Wang Xinkun and Mr. Dong Yunqing, and the independent non-executive directors of the Company are Mr. Pu Hongjiu, Mr. Cui Jianmin, Mr. Wang Xiaojun and Mr. Wang Quanxi*

By order of the Board of  
**Yanzhou Coal Mining Company Limited**  
**Wang Xin**  
*Chairman of the Board*

Zoucheng, Shandong Province, PRC, 25 October 2006

Please also refer to the published version of this announcement in South China Morning Post.