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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

On 7 December 2005, the Company completed the relevant procedures for the transfer of state-owned property rights in relation to the acquisition by the Company of the 95.67% equity interest in Heze Neng Hua and has also paid the remaining balance of RMB 10.01 million to the Parent Company. The Company has formally become the owner of the 95.67% equity interest in Heze Neng Hua.

Reference is made to the the announcements of Yanzhou Coal Mining Company Limited (the "Company") dated 27 April 2005 and 30 June 2005 regarding the acquisition of 95.67% equity interest in Yankuang Heze Power Chemical Company Limited ("Heze Neng Hua") and the related circular of the Company dated 30 June 2005 (the "Circular"). Terms used in this announcement shall have the same meanings as defined in the Circular unless the context otherwise requires.

In relation to the acquisition of the 95.67% equity interest in Heze Neng Hua by the Company from Yankuang Group Corporation Limited (the "Parent Company"), the relevant procedures for the transfer of state-owned property rights had been completed on 7 December 2005. The Company has also paid to the Parent Company an amount of RMB 10.01 million, being the difference between the Purchase Price of RMB 584.01 million and the down payment amount of RMB574 million, pursuant to the Acquisition Agreement and the Supplemental Agreement. Since the Company has completed all the relevant transfer procedures, it has formally become the owner of the 95.67% equity interest in Heze Neng Hua.

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

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

Zoucheng, Shandong Province, PRC, 13 December 2005

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