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兖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)

**DISCLOSEABLE TRANSACTION
SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS**

Reference is made to the announcements of the Company regarding the subscriptions of wealth management products dated 23 July 2015, 14 October 2015 and 2 November 2015. Given that the wealth management products subscribed by the Company as disclosed in the Announcements have matured, the Board announces that, on 5 February 2016, the Company purchased wealth management products from CGB, Qilu Bank and BOCOM.

Since the highest relevant applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the subscription amount under each of the Purchase of Wealth Management Products of CGB, the Purchase of Wealth Management Products of Qilu Bank and the Purchase of Wealth Management Products of BOCOM exceeds 5% but is less than 25%, each of the purchases constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

I. BACKGROUND

Reference is made to the announcements of the Company regarding the subscriptions of wealth management products dated 23 July 2015, 14 October 2015 and 2 November 2015 (the "**Announcements**"). Given that the wealth management products subscribed by the Company as disclosed in the Announcements have matured, the Board announces that, on 5 February 2016, the Company purchased wealth management products from CGB, Qilu Bank and BOCOM.

II. DETAILS OF SUBSCRIPTIONS OF THE WEALTH MANAGEMENT PRODUCTS

1. The Purchase of Wealth Management Products of CGB

On 5 February 2016, the Company entered into the Xinjiaxin No. 16 RMB Wealth

Management Plan Product Agreement of CGB with CGB to purchase RMB wealth management plan product, details of which are as follows:

- (1) Name of product: Xinjiaxin No. 16 RMB Wealth Management Plan Product (“薪加薪 16 號” 人民幣理財計劃產品)
- (2) Investment currency: RMB
- (3) Type of product: principal-guaranteed and income-guaranteed wealth management product
- (4) Subscription amount: RMB1.5 billion
- (5) Expected annualized return rate: 3.40%
- (6) Principle for calculation of product returns: return on the product is calculated based on the investment principal of the Company, days of investment and the actual annualized return rate (365 days a year).
- (7) Value date of product: 5 February 2016
- (8) Maturity date of product: 9 March 2016
- (9) Principal guaranteed: CGB guarantees to return 100% of the principal amount and the product return to the Company on maturity date.
- (10) Right of early termination: The Company has no right of early termination. If, among others, there is market volatility which, in CGB’s reasonable opinion, makes it difficult for CGB to provide wealth management plan to its clients in accordance with the product description, CGB has the right to declare the wealth management plan not established. In such a case, CGB will return the principal to the designated account of the Company within 2 working days after the original establishment date (i.e. date of signing of the agreement). Interest for the period from the subscription date to the date of return of the principal will be calculated according to the current interest rates.
- (11) The payment of principal and return: the principal and return will be transferred to the Company’s designated account on the day after the maturity date. No interest will be borne from the maturity date to the actual payment date of the principal and return.
- (12) Description of connected relationship: To the best knowledge, information and belief of the Directors having made all reasonable enquiry, CGB and its ultimate beneficial owners are the third parties independent of the Company and connected persons of the Company, and are not connected persons of the Company.

2. The Purchase of Wealth Management Products of Qilu Bank

On 5 February 2016, the Company entered into the Corporate Structured Deposits (wealth management) Products Contract of Qilu Bank with Qilu Bank to subscribe for the corporate structured deposits (wealth management) products of Qilu Bank, details of which are as follows:

- (1) Name of product: Corporate structured deposits (wealth management) products of Qilu Bank
- (2) Investment currency: RMB
- (3) Type of product: principal-guaranteed and income-guaranteed wealth management product
- (4) Subscription amount: RMB2 billion
- (5) Expected annualized return rate: 3.71%
- (6) Principle for calculation of product returns: return on the product is calculated based on the Company's investment principal, days of investment and the actual annual yield illustrated by the equation: product returns = principal × product yield calculation period × the annualized return rate of product yields ÷ 360.
- (7) Value date of product: 5 February 2016
- (8) Maturity date of product: 7 March 2016

- (9) Principal guaranteed: 100% guarantee for the safety of the principal amount and income of the Company and one-off return of principal amount and contracted product income of the RMB deposit wealth management products upon maturity.
- (10) Right of early termination: Qilu Bank has the right of early termination according to the market conditions. In case of early termination of this product, Qilu Bank shall notify the Company within 2 working days before the termination date.
- (11) The payment of principal and return: the payment date shall be the maturity date or the early termination date if Qilu Bank exercised the early termination right. If the maturity date (or the early termination date) falls on a non-working day, the payment will be postponed to the next working day. No interest will be borne from the maturity date to the actual payment date of the principal and return.
- (12) Description of connected relationship: Reference is made to the announcement of the Company regarding the subscription of placing shares in Qilu Bank dated 23 December 2014. The Company subscribed for 246.21 million placing shares of Qilu Bank with RMB3.18 per share, which represents approximately 8.67% of the shares in Qilu Bank. Under the Hong Kong Listing Rules, Qilu Bank is not a connected person of the Company.

3. The Purchase of Wealth Management Products of BOCOM

On 5 February 2016, the Company entered into the Yuntongcaifu Daily Profit Increase Wealth Management Plan Agreement of BOCOM with BOCOM to purchase RMB wealth management corporate products, details of which are as follows:

- (1) Name of product: Yuntongcaifu Daily Profit Increase RMB Wealth Management Corporate Products of BOCOM (交通銀行“蘊通財富·日增利”對公定制人民幣理財產品)
- (2) Investment currency: RMB
- (3) Type of product: income-guaranteed wealth management product
- (4) Subscription amount: RMB1.5 billion
- (5) Expected annualized return rate: 3.90%
- (6) Principle for calculation of product returns: return on the product is calculated based on the investment principal of the Company, days of investment and the actual annualized return rate (365 days a year).
- (7) Value date of product: 6 February 2016
- (8) Maturity date of product: 7 March 2016
- (9) Principal guaranteed: the principal amount of such wealth management product is guaranteed by BOCOM and the return on the product will be calculated by the annualized return rate.
- (10) Right of early termination: BOCOM has the right of early termination of the wealth management product on the 9th working date prior to the maturity date according to the Shanghai Interbank Offered Rate on the 10th working date prior to the maturity date.
- (11) The payment of principal and return: the principal and return will be paid to the Company on the maturity date. If the maturity date is a non-working day, the payment will be made on the next working day, the return on the product will be calculated based on the actual investment period.
- (12) Description of connected relationship: To the best knowledge, information and belief of the Directors having made all reasonable enquiry, BOCOM and its ultimate beneficial owners are the third parties independent of the Company and connected persons of the Company, and are not connected persons of the Company.

III. REASONS AND BENEFITS FOR PURCHASING WEALTH MANAGEMENT PRODUCTS

Without affecting the Company's project constructions, operational liquidity and fund security, the Company utilized certain idle funds to subscribe for highly secured principal-guaranteed wealth management products from banks. Such subscription will not affect the need of working capital of the Company. Appropriate short-term wealth management with low risk exposure is conducive to enhancing the utilization of capital and increasing income from idle funds.

Therefore, the Directors consider that the Purchase of Wealth Management Products of CGB, the Purchase of Wealth Management Products of Qilu Bank and the Purchase of Wealth Management Products of BOCOM are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IV. IMPLICATION OF THE HONG KONG LISTING RULES

Since the highest relevant applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the subscription amount under each of the Purchase of Wealth Management Products of CGB, the Purchase of Wealth Management Products of Qilu Bank and the Purchase of Wealth Management Products of BOCOM exceeds 5% but is less than 25%, each of the purchases constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

V. GENERAL

Information of the parties

The Company

The Company is principally engaged in the business of mining, preparation, processing and sales of coal and coal chemicals. The Company's main products are steam coal for use in large-scale power plants, coking coal for metallurgical production and prime quality low sulphur coal for use in pulverized coal injection.

CGB

CGB is a licensed bank incorporated under the laws of the PRC. CGB is principally engaged in the businesses as approved by China Banking Regulatory Commission in accordance with the relevant laws, administrative rules and other regulations.

Qilu Bank

Qilu Bank is a licensed bank incorporated under the laws of the PRC. Qilu Bank is principally engaged in the businesses as approved by China Banking Regulatory Commission in accordance with the relevant laws, administrative rules and other regulations.

BOCOM

BOCOM is one of the major financial services providers in China. Its business scope includes commercial banking, securities services, trust services, financial leasing, fund management, insurance and offshore financial services. The shares of BOCOM are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange.

VI. DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below:

“A Shares”	domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange;
“Board”	the board of directors of the Company;
“BOCOM”	Jining Zoucheng branch of Bank of Communications Co., Ltd.;
“CGB”	Jining branch of China Guangfa Bank Co., Ltd.;
“Company”	兖州煤業股份有限公司, Yanzhou Coal Mining Company Limited, a joint stock limited company established under the laws of the PRC in 1997, and the H Shares, American depositary shares and A Shares of which are listed on the Hong Kong Stock Exchange, New York Stock Exchange and the Shanghai Stock Exchange, respectively;
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Director(s)”	the director(s) of the Company;
“H Shares”	overseas listed foreign invested shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“Purchase of Wealth Management Products of BOCOM”	the purchase of wealth management products of BOCOM according to the agreement entered into between the Company and BOCOM on 5 February 2016;
“Purchase of Wealth Management Products of CGB”	the purchase of wealth management products of CGB according to the agreement entered into between the Company and CGB on 5 February 2016;
“Purchase of Wealth Management Products of Qilu Bank”	the purchase of wealth management products of Qilu Bank according to the agreement entered into between the Company and Qilu Bank on 5 February 2016;
“Qilu Bank”	Jinan Yanshan branch of Qilu Bank Co., Ltd.;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	the shareholders of the Company;
“%”	percentage.

By order of the Board
Yanzhou Coal Mining Company Limited
Li Xiyong
Chairman of the Board

Zoucheng, Shandong Province, the PRC
5 February 2016

As at the date of this announcement, the directors of the Company are Mr. Li Xiyong, Mr. Yin Mingde, Mr. Wu Yuxiang, Mr. Zhang Baocai, Mr. Wu Xiangqian and Mr. Jiang Qingquan, and the independent non-executive directors of the Company are Mr. Wang Lijie, Mr. Jia Shaohua, Mr. Wang Xiaojun and Mr. Xue Youzhi.