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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)

ANNOUNCEMENT

**PROVISION OF FINANCIAL GUARANTEE TO THE
COMPANY'S SUBSIDIARIES AND GRANTING OF
AUTHORIZATION TO YANCOAL AUSTRALIA AND ITS
SUBSIDIARIES TO PROVIDE GUARANTEES FOR THE DAILY
OPERATION OF THE SUBSIDIARIES OF YANZHOU COAL
MINING COMPANY LIMITED IN AUSTRALIA**

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance and 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 guarantee and the name of the guaranteed parties:

1. Yanzhou Coal Mining Company Limited (“**Yanzhou Coal**” or the “**Company**”) was authorized to provide guarantees of a total amount not exceeding USD2 billion equivalents to the wholly-owned subsidiaries or controlled subsidiaries of the Company, such as Yancoal Australia Limited (“**Yancoal Australia**”), Yancoal International (Holding) Company Limited (“**Yancoal International (Holding)**”), Yancoal International Trading Co., Ltd. (“**Yancoal International Trading**”), Yancoal International Resources Development Co., Ltd. (“**Yancoal International Resources**”), Yancoal International Technology Development Co., Limited (“**Yancoal International Technology**”), Yancoal International Singapore Co., Ltd., Yancoal International (Sydney) Co., Ltd. (“**Yancoal International (Sydney)**”) and Zhongyin Financial Leasing Co., Ltd. (“**Zhongyin Financial**”), Shandong Zhongyin International Trading Co., Ltd., Qingdao Zhongyin Ruifeng International trading Co., Ltd.
2. Yancoal Australia, a controlled subsidiary of the Company, and its subsidiaries were authorized to provide guarantees for daily operation to the subsidiaries of the Company in Australia with an annual amount not exceeding AUD500 million.

Amount of guarantees to the guaranteed parties extended this year:

1. **Yancoal Australia:** As considered and approved at the 2011 annual general meeting, the Company provided guarantee in respect of the bank loan of USD3.04 billion for the controlled subsidiary Yancoal Australia's acquisition of equity interest in Yancoal Resources Limited. As at 31 December 2015, the balance of the aforementioned loan is USD2.74 billion and the guarantee provided by Yanzhou Coal to Yancoal Australia was USD1.825 billion and RMB6.545 billion. As approved at the 2014 first extraordinary general meeting, the Company can provide financial guarantee to Yancoal Australia in respect of loan amount of AUD0.187 billion. The Company agreed to provide guarantee of AUD0.15 billion to Yancoal Australia.
2. **Yancoal International (Holding):** As considered and approved at the 2012 annual general meeting, the Company provided a guarantee of RMB5.536 billion in respect of the bank loan of USD1 billion; as considered and approved at the 2014 general meeting, the Company provided a bank guarantee in respect of the bank loan of USD100 million.
3. **Yancoal International Resources:** As considered and approved at the 2012 second extraordinary general meeting: the Company provided a guarantee in respect of the issuance of USD1.0 billion corporate bonds in the overseas market by Yancoal International Resources, a wholly-owned subsidiary of the Company; As at 31 December 2015, the balance of the above-mentioned guarantee was USD 884.403 million.
4. **Yancoal International Trading:** As considered and approved at the 2012 annual general meeting, the Company provided a guarantee in respect of the issuance of USD0.3 billion perpetual bonds in the overseas market by Yancoal International Trading, a wholly-owned subsidiary of the Company.
5. **Subsidiaries in Australia:** In order to meet the normal operation needs of the Company's subsidiaries in Australia, as considered and approved at the 2014 annual general meeting, Yancoal Australia and its subsidiaries provide guarantees to Yanzhou Coal's subsidiaries in Australia with an amount not exceeding AUD500 million each year for their daily operations. As at 31 December 2015, together with the amount of guarantee generated in previous period and continued into 2015, Yancoal Australia and its subsidiaries provided a total of AUD458 million of deposit for fulfillment and bank guarantee.

The Company did not have overdue external guarantee. This authorization has to be submitted to the general meeting for consideration and approval.

I. Summary of this authorization of guarantee

(1) Basic information of this authorization of guarantee

1. In order to reduce financing costs of the subsidiaries and ensure the normal operation funding needs of the subsidiaries, the Company submits to the general meeting for authorizing the provision of financial guarantee by the Company to its subsidiaries for a total amount not exceeding USD2 billion equivalents.
2. In order to meet the normal operation needs of the Company's subsidiaries in Australia, Yancoal Australia and its subsidiaries need to provide guarantees to Yanzhou Coal's subsidiaries in Australia with an amount not exceeding AUD500 million for their daily operations. According to the general practice of the routine business of the operating companies in Australia, when they carry out their operation, normally the parent companies will provide guarantees to their own subsidiaries. The guarantees for operation concerned include the provision of guarantee by Yancoal Australia to its subsidiaries, by the subsidiaries of Yancoal Australia to their subsidiaries, and by Yancoal Australia and its subsidiaries to the subsidiaries of Yancoal International (Holding) in Australia. Such guarantees are issued in the form of bank guarantee.

(2) Basic information of this authorization of guarantee

1. The provision of financial guarantee by the Company to its wholly-owned and controlled subsidiaries in an amount not exceeding USD2 billion equivalents is approved.
2. The provision of guarantees by Yancoal Australia and its subsidiaries in an amount not exceeding AUD500 million to Yanzhou Coal's subsidiaries in Australia for their daily operations is approved.
3. The granting of authorization to the Chairman of the board of directors of the Company to deal with matters in relation to the aforesaid financial guarantees in accordance with the relevant laws, regulations and rules is approved. Such matters include but are not limited to the following:
 - (1) to determine the appropriate subsidiaries which will be provided with the guarantees based on the financing needs;
 - (2) to determine the exact terms and conditions of the guarantee agreements, which include but are not limited to the amount, term, scope and method of guarantee; and executing the guarantee agreement(s) and other relevant legal documents; and
 - (3) to deal with the filing and reporting of documents and information in respect of the guarantee(s) and other relevant matters.
4. The aforementioned authorization shall be valid after it is approved by the shareholders at the 2015 annual general meeting until the date of convening of the next annual general meeting of the Company, save and except where the circumstances require the person(s) so authorized to exercise his powers after

the expiry of the term of authorization in relation to any contracts, agreements or decisions regarding the financial guarantees that have been made within the term of authorization..

(3) Process of internal decision-making for performing this authorization of guarantee

The “Proposal in relation to provision of financial guarantee to the Company's subsidiaries and granting of authority to Yancoal Australia and its subsidiaries to provide guarantees for the daily operation of the subsidiaries of the Company in Australia” was considered and approved at the seventeenth meeting of the sixth session of the board of directors of the Company held on 29 March 2016, and will be submitted to the 2015 annual general meeting for consideration and approval.

II. Basic information of the guaranteed parties

For the basic information of the guaranteed parties, please refer to Appendix 1 –Basic information of the Company’s subsidiaries which are proposed to be guaranteed, Appendix 2 –Basic information of the subsidiaries of Yancoal Australia which are proposed to be guaranteed, and Appendix 3 – Basic information of the subsidiaries of Yancoal International (Holding) which are proposed to be guaranteed.

III. Contents of the guarantee agreement and guaranteed parties

At present, the Company has not yet signed any guarantee agreement. The Company will perform the guarantee matters based on the arrangements of the financing activities and the actual situations of the Company, and strictly perform the guarantee matters during the term of the guarantees in accordance with the authorization by the shareholders at the general meeting.

IV. Opinion of the Board

All members of the board of directors of the Company (including the independent directors) are of the view that the above guarantee matters meet the operational development needs of the Company and its subsidiaries. The provision of guarantees by Yancoal Australia and its subsidiaries to the subsidiaries of the Company in Australia is for the daily operational needs and in compliance with the laws and regulations of Australia and the local operational practice. The above guaranteed parties are either wholly-owned subsidiaries or controlled subsidiaries of the Company, therefore, the Company believes that the risk arising from the guarantee can effectively be controlled and prevented, and this matter will not be detrimental to the interests of the Company and its shareholders.

V. Number of cumulative external guarantees and outstanding guarantees

As at 31 December 2015, the accumulative amount of the external guarantees provided by the Company (all of which are guarantees provided by the Company to its wholly-owned subsidiaries or controlled subsidiaries) was RMB35.146 billion in aggregate, representing 88.29% of the RMB39.808 billion audited net assets of 2015 calculated in accordance with the PRC Accounting Standards.

The Company does not have any overdue guarantee matter.

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

Zoucheng, Shandong Province, the PRC
29 March 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.

Appendix 1: Basic information of the Company's subsidiaries which are proposed to be guaranteed

Unit: RMB100 million

No.	Name of company	Place of registration	Registered capital	Shareholding held by the Company	Operation scope	31 December 2015						Year 2015	Net profit
						Total assets	Total liabilities	Net assets	Current ratio	Debt/Asset liabilities	Bank loans	Operating revenue	
1	Yancoal Australia Limited	Australia	AUD3.103 billion	78%	Coal mining and sales of coal	366.95	291.64	75.31	79.48%	29.58	177.32	61.65	-14.06
2	Yancoal International (Holding) Company Limited	Hong Kong	USD689 million	100%	Foreign investment, development of mining technology, transfer & consulting services, import & export trade	169.59	140.31	29.28	82.73%	58.81	72.67	19.18	3.08
3	Yancoal International Trading Co., Ltd.	Hong Kong	USD1 million	100%	Import & export trade	18.74	0.65	18.09	3.48%	0.65	-	0.82	0.88
4	Yancoal International Resources Development Co., Ltd.	Hong Kong	USD600,000	100%	Exploration & production of mining resources	57.45	58.59	-1.14	101.99%	1.16	-	-	0.96

5	Yancoal International Technology Development Co., Limited	Hong Kong	USD1 million	100%	Development of mining technology, transfer & consulting services	8.25	6.49	1.76	78.74%	6.49	-	0.18	0.18
6	Yancoal International Singapore Co., Ltd.	Singapore	USD1 million	100%	International trade	Newly set up company; no business							
7	Yancoal International (Sydney) Co., Ltd.	Sydney	AUD1	100%	Investment & financing management, import & export trade, sales of coal and coal mining machinery and accessories	No business							
8	Shandong Zhongyin International Trading Co., Ltd	Shandong Jinan	RMB300 million	100%	Import & export trade of cargo and technologies	Newly set up company; no business							
9	Qingdao Zhongyin Ruifeng International trading Co.,	Shandong Qingdao	RMB200 million	51%	International trade, transit trade, import & export trade of self-operated	2.77	0.77	2.00	27.69%	0.77		0.19	0.0008

	Ltd.				commodities								
10	Zhongyin Financial Leasing Co., Ltd.	Shanghai	RMB2.06 billion	97.09%	Financial leasing business, leasing business, purchase and leasing of property onshore and offshore, treatment and maintenance of salvaged leased property	65.16	44.49	20.67	68.28%	35.08	9.42	0.90	0.03

Appendix 2: Basic information of the subsidiaries of Yancoal Australia which are proposed to be guaranteed

Unit: AUD '0000

Name of company	Place of registration	Registered capital	Shareholding held by the Company	Operation scope	31 December 2015						Year 2015	
					Total assets	Total liabilities	Net assets	Current ratio	Current liabilities	Bank loans	Operating revenue	Net profit
Baishan Mining Industry Pty., Ltd.	New South Wales state	AUD3,300,200	100%	Coal mining, washing and preparation	107,292.66	59,972.09	47,320.57	55.89%	19,430.43	0	13,203.77	-347.42
Austar Coal Mine Pty Limited	Victoria state	AUD64,000,000	100%	Coal mining, washing and preparation	388,726.92	463,793.01	-75,066.09	119.31%	3,578.24	0	6,874.93	-42,974.76
Donaldson Coal Pty Ltd	New South Wales state	AUD6,688,782	100%	Coal mining, washing and preparation	20,548.50	53,542.34	-32,993.84	260.57%	2,370.63	0	9,989.03	-4,162.55
Duralie Coal Mine Pty Limited	New South Wales state	AUD2	100%	Coal mining, washing and preparation	14,860.28	46,846.39	-31,986.11	315.24%	0	0	0	-3,731.28
CIM Duralie Pty., Ltd.	New South Wales state	AUD 3,028,237	100%	Intermediary holding	27.16	0	27.16	0	0	0	0	0

Gloucester Coal Ltd	New South Wales state	AUD718,941,106	100%	Coal mining, washing and preparation	247,073.94	155,823.59	91,250.35	63.06%	11,575.61	0	12,959.72	-2,293.32
Moolarben Coal Mine Pty Limited	New South Wales state	AUD1	100%	Coal mining, washing and preparation	327,016.41	44,831.15	282,185.26	13.70%	4,237.73	0	35,638.96	2,873.9381
Moolarben Coal Operating Pty Limited	New South Wales state	AUD2	100%	Coal mine operating and managing	6,911.92	2,877.75	4,034.17	41.63%	2,877.75	0	1,035.53	823.16
Yancoal Resources Limited	New South Wales state	AUD444,409,065	100%	Intermediary holding company	45,910.38	13,355.00	32,555.38	29.08%	1,663.96	0	763.70	252.86
Yarrabee Coal Company Pty Ltd.	Queensland state	AUD92,080	100%	Coal mining, washing and preparation	38,205.18	38,486.95	-281.77	100.73%	13,845.63	0	29,179.46	-3,115.18

Appendix 3: Basic information of the subsidiaries of Yancoal International (Holding) which are proposed to be guaranteed

Unit: AUD '0000

Company guaranteed	Place of registration	Registered capital	Shareholding held by the Company	Operation scope	31 December 2015						Year 2015	
					Total assets	Total liabilities	Net assets	Current ratio	Current liabilities	Bank loans	Revenue	Net profit
Athena Joint Venture Company	Non-legal person joint venture company	N/A	51%	Exploration	776.95	1.05	775.90	0.13%	1.05	0	0.05	-0.58
Premier Coal Limited	Western Australia	AUD8,779,250	100%	Coal mining, washing and preparation	25,944.13	6,281.88	19,662.25	24.22%	5,122.95	0	24,313.91	803.25
Syntech Resources Pty Ltd.	New South Wales state	AUD1,251,431	100%	Coal mining, washing and preparation	32,377.78	24,166.52	8,211.26	74.65%	22,699.62	0	13,366.50	-613.28
Syntech Holding Pty Ltd.	New South Wales state	AUD 223,470,552	100%	Intermediary holding company	2,773.30	4.96	2,768.34	0.17%	4.96	0	0	0
Tonford (Holding) Ltd	Victoria state	AUD46,407,917	100%	Exploration	5,930.22	2,313.72	3,616.50	39.02%	1,329.34	0	0	-0.15
Wilpeena (Holding) Ltd	Victoria state	AUD3,457,381	100%	Exploration	485.17	267.05	218.12	55.05%	126.36	0	0	-0.35

AMH Pty Ltd.	New South Wales state	AUD2	100%	Exploration	1,921.68	670.73	1,250.95	34.90%	245.53	0	0	0
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