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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)

NOTICE OF 2016 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2016 first extraordinary general meeting (the “**EGM**”) of Yanzhou Coal Mining Company Limited (the “**Company**”) will be held at 9:00 a.m. on Friday, 19 August 2016 at the headquarter of the Company at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the People's Republic of China (the “**PRC**”) for the purpose of considering and, if thought fit, passing the following resolutions of the Company (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the announcement of the Company dated 16 June 2016 in relation to the non-public issuance of A shares of the Company):

RESOLUTIONS:

1. Ordinary Resolution: “**THAT**, to consider and approve the proposal in relation to the Company in compliance with the requirements of non-public issuance of shares《關於公司符合非公開發行股票條件的議案》.” Details of the aforesaid proposal were contained in the overseas regulatory announcement of the Company published on the website of the Stock Exchange on 16 June 2016.
2. Special Resolution: “**THAT**, to consider and approve the proposal in relation to the plan of non-public issuance of shares to specific subscribers by the Company《關於公司向特定對象非公開發行股票方案的議案》.” Details of the aforesaid proposal were contained in the announcement of the Company dated 16 June 2016 in relation to non-public issuance of A Shares and the announcement dated 4 July 2016 in relation to the adjustment to the issue price.

The major details of the aforesaid plan in this resolution are as follows (each and every item as a separated resolution):

(2.01) Class and nominal value of shares to be issued

The shares of the Company to be issued under the Additional A Shares Issue are A Shares with the nominal value of RMB1.00 per A Share.

(2.02) Method and time of issuance

All new A Shares under the Additional A Shares Issue will be offered to the specific target subscribers by way of non-public issuance, which shall be issued as appropriate within six months from the date of obtaining the approval from CSRC in respect of the Additional A Shares Issue.

(2.03) Issue price and pricing principle

The Price Determination Date of the new A Shares under the Additional A Shares Issue is the date of the announcement on the resolutions at the 22nd meeting of the 6th session of the Board of the Company. The issue price of the new A Shares under the Additional A Shares Issue will be not less than RMB8.32 per A Share, being not less than 90% of the average trading price per A Share as quoted on the Shanghai Stock Exchange for the Price Determination Period (which is calculated by dividing the total turnover of the A Shares during the Price Determination Period by the total trading volume of the A Shares during the same period) and adjusted by excluding dividend according to the situation of profits distribution of the Company as at 30 June 2016 (cash dividend of RMB0.01 per share (tax inclusive)).

The basic issue price of new A Shares to be issued under the Additional A Shares Issue will be adjusted in case of any other ex-rights or ex-dividend matters, during the period from the Price Determination Date to the date of issuing such new A Shares. After necessary approvals for the Additional A Shares Issue from CSRC are obtained and in accordance with the provisions of relevant laws and regulations and the requirements from other regulatory authorities, the actual issue price will be determined by the Board pursuant to the authorization to be granted by the Shareholders in consultation with the sponsor (lead underwriter) and having regard to the market consultation.

(2.04) Number of shares to be issued

The Company proposes to issue not more than 538,000,000 new A Shares (inclusive).

The maximum number of new A Shares to be issued under the Additional A Shares Issue will be adjusted in cases of ex-rights or ex-dividend matters, during the period from the Price Determination Date to the date of issuing such new A Shares. Within the abovementioned scope, the actual number of new A Shares to be issued will be determined by the Board pursuant to the authorization to be granted by the Shareholders and in consultation with the sponsor (lead underwriter) and having regard to the market conditions at the time of issuance.

(2.05) Use of Proceeds

The amount of gross Proceeds is expected to be not more than RMB6,000,000,000. The Company intends to use such Proceeds (after deducting the issuance expenses) for the following purposes:

Intended use of Proceeds	Total amount of capital required (RMB)	Proposed amount of Proceeds to be applied (RMB)
1. Acquisition of 52% equity interests in Jiutai Energy	1,840,240,000	1,800,000,000
2. Increase in the registered capital of Zhongyin Leasing	5,000,000,000	2,400,000,000
3. Repayment of bank loans	—	1,800,000,000
Total	—	6,000,000,000

The net Proceeds will not exceed the total amount of capital required by the Projects. In the event that the actual amount of Proceeds is less than the total amount of Proceeds proposed to be applied to the Projects set out above, the Company will use self-raised funds to fund the shortfall. Under the circumstance that the availability of Proceeds is inconsistent with implementation schedule of the Projects, the Company may first fund the Projects by other capital according to actual situations, which capital shall be exchanged with the Proceeds when they are available in compliance with requirements and procedures as prescribed by relevant laws and regulations.

(2.06) Lock-up period

The subscribers who subscribe for the new A Shares under the Additional A Shares Issue shall not dispose any of such A Shares within a period of 12 months from the date of completion of the Additional A Shares Issue. The Company will apply for listing of and permission to deal in the new A Shares under the Additional A Shares on the Shanghai Stock Exchange after the expiration of the Lock-up Period.

(2.07) Arrangement relating to the accumulated undistributed profits

Upon completion of the Additional A Shares Issue, holders of the new A Shares, together with all existing Shareholders will be entitled to all undistributed profits of the Company prior to completion of the Additional A Shares Issue.

(2.08) Validity of resolution

The resolution regarding the Additional A Shares Issue will be valid for 12 months following the approval of the Additional A Shares Issue at the EGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting.

(2.09) Place of listing

The new A Shares to be issued under the Additional A Shares Issue will be listed and traded on the Shanghai Stock Exchange upon expiration of the Lock-up Period.

(2.10) Method of subscription

All new A Shares to be issued under the Additional A Shares Issue shall be subscribed for in cash.

3. Ordinary Resolution: “**THAT**, to consider and approve the proposal in relation to the feasibility analysis report of utilizing the proceeds raised from the non-public issuance of A Shares by Yanzhou Coal Mining Company Limited 《關於〈兗州煤業股份有限公司非公開發行人民幣普通股股票募集資金運用的可行性分析報告〉的議案》.” Details of the aforesaid proposal were contained in the overseas regulatory announcement of the Company published on the website of the Stock Exchange on 16 June 2016.
4. Special Resolution: “**THAT**, to consider and approve the proposal in relation to the non-public issuance of A Shares by Yanzhou Coal Mining Company Limited 《關於〈兗州煤業股份有限公司非公開發行A股股票預案〉的議案》.” Details of the aforesaid proposal were contained in the overseas regulatory announcement of the Company published on the website of the Stock Exchange on 16 June 2016.
5. Ordinary Resolution: “**THAT**, to consider and approve the proposal in relation to the authorization to the Board by the Shareholders to deal with matters in relation to the non-public issuance of A Shares at its full discretion 《關於提請股東大會授權董事會全權辦理非公開發行股票相關事宜的議案》.” Details of the aforesaid proposal were contained in the overseas regulatory announcement of the Company published on the website of the Stock Exchange on 16 June 2016.

The authorization proposed to be granted to the Board shall include without limitation:

- (1) To formulate and implement specific plans of the Additional A Shares Issue, including the time of issuance, the number of shares to be issued, the date of commencement and end of issuance and the issue price pursuant to laws, regulations and any other regulatory documents and the Articles of Association and subject to the requirement of securities regulatory authorities and the actual circumstance of the Company;
- (2) To determine and engage intermediaries such as sponsor, and to amend, supplement, sign, submit, report and execute each agreement and document related to the Additional A Shares Issue, including but not limited to underwriting and sponsor agreement and the equity transfer agreement related to the Projects;
- (3) To publish the notices of the EGM and the Class Meeting as appropriate and to make, amend and submit the application materials of the Additional A Shares Issue subject to requirements of securities regulatory authorities;
- (4) To deal with the lock-up and listing procedures of the Additional A Shares Issue on the Shanghai Stock Exchange after completion of the Additional A Shares Issue;
- (5) To amend corresponding articles of the Articles of Association in relation to the change of share capital of the Company as a result of the Additional A Share Issue, and to deal with the increase in registered capital of the Company and the registration of changes with the administration for industry and commerce bureau according to the result of the Additional A Shares Issue;

- (6) To adjust specific plans of the Projects within the scope of relevant resolutions as approved at the EGM and Class Meetings and subject to the requirements of relevant management authorities and the actual circumstance of the securities market;
- (7) To propose at the general meeting of the Company to authorize the Board to adjust the specific plans of the Additional A Shares Issue in the event that there is any change of the requirements of regulatory authorities or the regulations, policies or market conditions related to the Additional A Shares Issue, except for matters which must be re-voted by Shareholders at the general meeting according to relevant laws, administrative regulations, the Articles of Association and the requirements of regulatory authorities;
- (8) To deal with other matters related to the Additional A Shares Issue; and
- (9) The authorization will be effective for 12 months commencing from the date on which it is approved at the EGM.
6. Ordinary Resolution: “**THAT**, to consider and approve the proposal in relation to the dilution of immediate return and remedial measures upon the non-public issuance of A Shares by the Company《關於公司非公開發行股票攤薄即期回報及填補措施的議案》.” Details of the aforesaid proposal were contained in the overseas regulatory announcement of the Company published on the website of the Stock Exchange on 16 June 2016.
7. Ordinary Resolution: “**THAT**, to consider and approve the proposal in relation to certain commitments by the controlling Shareholders, Directors and senior management of the Company on the recovery of immediate return《關於公司控股股東及董事和高級管理人員就填補即期回報事項作出若干承諾的議案》.” Details of the aforesaid proposal were contained in the overseas regulatory announcement of the Company published on the website of the Stock Exchange on 16 June 2016.
8. Ordinary Resolution: “**THAT**, to consider and approve the proposal in relation to the plan for return to the Shareholders for the forthcoming three years (2016-2018) of the Company《關於〈兗州煤業股份有限公司未來三年股東回報規劃(2016-2018)〉的議案》.” Details of the aforesaid proposal were contained in the overseas regulatory announcement of the Company published on the website of the Stock Exchange on 16 June 2016.
9. Special Resolution: “**THAT**, to consider and approve the proposal in relation to the amendments to the Articles of Association《關於修改《兗州煤業股份有限公司章程》的議案》.” Details of the aforesaid proposal were contained in the announcement of the Company dated 16 June 2016 in relation to the proposed amendments to Articles of Association.

More details of the abovementioned resolutions will be set out in the circular of the Company to be despatched to the Shareholders in accordance with Listing Rules.

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

Zoucheng, Shandong, the PRC
4 July 2016

As at the date of this announcement, the Directors are Mr. Li Xiyong, Mr. Li Wei, Mr. Wu Xiangqian, Mr. Wu Yuxiang, Mr. Zhao Qingchun, Mr. Guo Dechun and Mr. Guo Jun, and the independent non-executive Directors are Mr. Wang Li Jie, Mr. Jia Shaohua, Mr. Wang Xiaojun and Mr. Qi Anbang.

Notes:

1. Eligibility for attending the EGM

Holders of the Company's overseas listed foreign invested shares (in the form of H Shares) whose names appear on the Company's register of members of H Shares which is maintained by Hong Kong Registrars Limited at the close of business on Tuesday, 19 July 2016 are entitled to attend the EGM after completing the registration procedures for attending the EGM. Holders of H Shares, who intend to attend the EGM, must deliver the completed reply slips for attending the EGM to the Office of the Secretary to the Board no later than Friday, 29 July 2016. Shareholders can deliver the necessary documents for registration to the Company in person, by post or by facsimile. Further details of the requirements of the instrument appointing the proxies are set out in note 2 below.

2. Proxy

Each holder of H Shares who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the EGM. The proxies of a Shareholder who has appointed more than one proxy may only vote on a poll. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal entity, either under seal or under the hand of a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointer, the power of attorney authorizing that attorney to sign, or other documents of authorization, must be notarized. For holders of H Shares, the power of attorney or other documents of authorization and proxy forms must be delivered to Hong Kong Registrars Limited (17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) no less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof in order for such documents to be valid.

3. Closure of register of members

The H Share register of members of the Company will be closed, for the purpose of determining Shareholders' entitlement to attend the EGM, from Wednesday, 20 July 2016 to Friday, 19 August 2016 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the EGM, all share transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's H Share Registrar, Hong Kong Registrars Limited, at 1712-1716, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Tuesday, 19 July 2016 for registration. H Shareholders whose names appear on the H Share register of members of the Company maintained by Hong Kong Registrars Limited on or before the above date will be eligible to attend the EGM.

4. Miscellaneous

- (1) The EGM is expected to last half a day. Shareholders attending the EGM are responsible for their own transportation and accommodation expenses.
- (2) All voting at the EGM will be conducted by a poll.
- (3) Details of the Office of the Secretary to the Board are as follows:

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Zoucheng
Shandong Province 273500 PRC
Tel: 86-537-5382319
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