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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)

UPDATE ANNOUNCEMENT

**TAG-ALONG OFFER IN RELATION TO THE VERY SUBSTANTIAL
ACQUISITION OF COAL & ALLIED FROM RIO TINTO**

Reference is made to the announcement of Yanzhou Coal Mining Company Limited (the “**Company**”) dated 24 January 2017 (the “**Announcement**”) in relation to, among others, the acquisition of all of C&A's issued share capital from Rio Tinto Group (the “**Acquisition**”) by Yancoal Australia Limited (“**Yancoal Australia**”, an approximately 78% owned subsidiary of the Company). Unless otherwise indicated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

As set out in the Announcement, triggered by the Acquisition, Yancoal Australia must make an offer to HVOR, the owner of 32.4% interests of the HVO Joint Venture, to acquire their 32.4% interest (the “**Participating Interest**”) in the HVO Joint Venture, a 67.6% majority-owned joint venture of C&A (the “**Tag-along Offer**”).

The Board is pleased to announce that, Yancoal Australia made the Tag-along Offer to HVOR on 24 May 2017, to acquire the Participating Interest (the “**Tag Transaction**”), fulfilling the relevant obligations under the SPA and the HVO Joint Venture Agreement with a price of US\$710 million. HVOR can accept the Tag-along Offer before 23 June 2017.

If HVOR accepts the Tag-along Offer, Yancoal Australia and HVOR will sign a binding agreement regarding the Tag Transaction. The completion of the Tag Transaction will occur (1) if the conditions precedent, which include, among other things, obtaining the necessary regulatory approvals (the “**Tag Conditions Precedent**”) are fulfilled within six months of the date of Completion of the Acquisition, then on the date which is six months after the date of Completion of the Acquisition or such earlier date specified by Yancoal Australia, or (2) if the Tag Conditions Precedent are fulfilled only after six months of the date of Completion of the Acquisition, then on the date which is ten business days after the fulfilment of the Tag Conditions Precedent.

Further announcement will be made by the Company as and when required in accordance with the Listing Rules.

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

Zoucheng, Shandong Province, the PRC
24 May 2017

As at the date of this announcement, the directors of the Company are Mr. Li Xiyong, Mr. Li Wei, Mr. Wu Xiangqian, Mr. Wu Yuxiang, Mr. Zhao Qingchun, Mr. Guo Dechun and Mr. Guojun, and the independent non-executive directors of the Company are Mr. Kong Xiangguo, Mr. JiaShaohua, Mr. Wang Xiaojun and Mr. Qi Anbang.