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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
INSIDE INFORMATION
BEING GRANTED THE CALL OPTION**

References are made to the announcement dated 24 January 2017, the announcement dated 24 May 2017 (collectively, the “**Announcements**”) and the circular dated 2 June 2017 (the “**Circular**”) of Yanzhou Coal Mining Company Limited (the “**Company**”) in relation to, among others, the acquisition of total issued share capital of C&A from Rio Tinto Group by Yancoal Australia Limited (“**Yancoal Australia**”) and the Tag-along Offer to HVOR to acquire the Participating Interest in HVO Joint Venture. Unless otherwise indicated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular.

The Board is pleased to announce that, on 12 June 2017, HVOR has accepted the Tag-along Offer.

In addition, on the same date, Yancoal Australia was also granted an irrevocable right (the “**Call Option**”) by HVOR to purchase 28.898% of its equity interest in Warkworth Joint Venture with an exercise price of US\$230 million (the “**Exercise Price**”). As at the date of this announcement, C&A holds 55.574% of the equity interest in Warkworth Joint Venture. The premium being paid by Yancoal Australia is US\$10,000,000 (the “**Premium**”), which would be paid at the date of

completion of the Tag Transaction and could set off against the Exercise Price when Yancoal Australia exercises the Call Option.

Pursuant to Rule 14.75(1) of the Hong Kong Listing Rules, the Premium does not represent 10% or more of the sum of the Premium and the Exercise Price, and the relevant highest applicable percentage ratio (as defined in the Hong Kong Listing Rules) of the Premium is less than 5%. Therefore, being granted the Call Option does not constitute a notifiable transaction under Chapter 14 of the Hong Kong Listing Rules. The Company will comply with the relevant applicable rules under Chapter 14 of the Hong Kong Listing Rules upon exercise of the Call Option by Yancoal Australia.

In addition, Yancoal Australia has reached agreement for HVOR to provide exclusive agency arrangements for thermal coal sales into Japanese power utilities.

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

12 June 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. Jia Shaohua, Mr. Wang Xiaojun and Mr. Qi Anbang.