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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)

**SUPPLEMENTARY ANNOUNCEMENT
VERY SUBSTANTIAL ACQUISITION –
ACQUISITION OF COAL & ALLIED FROM RIO TINTO**

This announcement is made pursuant to the disclosure obligations under 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.

References are made to the announcement dated 24 January 2017, the announcement dated 24 May 2017, the announcement dated 11 June 2017, the announcement dated 12 June 2017, the announcement dated 20 June 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 the total issued share capital of C&A from Rio Tinto Group by Yancoal Australia Limited (“**Yancoal Australia**”). Unless otherwise indicated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular.

On 23 June 2017, Glencore plc announced that it had submitted an improved offer to Rio Tinto to acquire the total issued share capital of C&A (the “**Glencore Proposal II**”). Having regard to the Glencore Proposal II, Yancoal Australia entered into further amending documentation with the Vendors amending the SPA and associated royalty arrangements (the “**Further Amendment Documentation**”) on 26 June 2017. On the same day, Yankuang Group Corporation Limited (the “**Yankuang Group**”), the controlling shareholder of the Company, entered into a revised

financial assurance letter (the “**Revised Financial Assurance Letter**”) with the Vendors which replaced the Financial Assurance Letter in its entirety.

FURTHER AMENDMENT DOCUMENTATION

Pursuant to the Further Amendment Documentation, the SPA and associated royalty arrangements are amended to the effect that:

- the Revised Financial Assurance Letter (as defined below) shall be executed by Yankuang Group Corporation Limited (“Yankuang Group”) to reflect the financial assurance undertaking given by Yankuang Group and a deposit arrangement. Please refer to the paragraph headed “Amendment to the Financial Assurance Letter” below for more detail;
- A new royalty arrangement deed (the “**Royalty Arrangement Deed**”) shall be executed and delivered at Completion, pursuant to which an aggregated value of US\$240 million will be paid by Yancoal Australia by way of a non-contingent royalty payable over five years.
- Yancoal Australia shall provide letters of credit to ACH on the date of the Royalty Arrangement Deed to secure the payment of the amounts under the Royalty Arrangement Deed.
- the Purchaser must provide the Vendors with drafts of the five letters of credit referred to in the Royalty Arrangement Deed no later than 17 July 2017.

Completion is conditional upon the satisfaction of all the Conditions Precedent set out in the SPA. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors of the Company are in any doubt about their position, they should consult their professional advisors.

AMENDMENT TO THE FINANCIAL ASSURANCE LETTER

Pursuant to the Revised Financial Assurance Letter, Yankuang Group unconditionally and irrevocably undertakes to the Vendors that, if the YAL Rights Issue does not raise at least USD2.1 billion, Yankuang Group will place Yancoal Australia in sufficient funds for Yancoal Australia to pay, and will ensure that Yancoal Australia pays, the USD2.45 billion purchase price at the Completion as required under the SPA. The maximum liability of Yankuang Group under the undertaking is USD2.1 billion.

In addition, Yankuang Group (or an affiliate of Yankuang Group) will increase the amount of its deposit (as described in the Company's announcement dated 20 June 2017) from US\$100 million to US\$225 million to be effected as follows:

- by no later than 27 June 2017, Yankuang Group shall pay US\$100 million into escrow for the Vendors (the **“Cash Component”**); and
- within 21 days after the date of the Revised Financial Assurance Letter, Yankuang Group shall deliver to the Vendors an irrevocable and unconditional bank guarantee for US\$125 million in favour of the Vendors (the **“Letter of Credit”**).

If Yancoal Australia fails to complete the Acquisition on the basis of default at the Completion, then (i) the Cash Component will be forfeited; and (ii) the Vendors shall be entitled to immediately call for payment under the Letter of Credit.

Implications under the Hong Kong Listing Rules

Yankuang Group is a controlling Shareholder of the Company holding directly or indirectly approximately 56.59% of the issued share capital of the Company as at the date of this announcement and thus a connected person of the Company under the Hong Kong Listing Rules.

As the financial assistance made by Yankuang Group to the Company pursuant to the Financial Assurance Letter is on normal commercial terms, and no security over the assets of the Group is or will be granted in respect of such financial assistance, such financial assistance is fully exempt from reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Hong Kong Listing Rules.

REGULATORY APPROVALS

The Board is pleased to announce that Yancoal Australia has received the New South Wales Government approval (i.e. the Condition Precedent set out in paragraph (a) in section 2.5 headed "Condition Precedent" under section VIII of the Letter from the Board in the Circular).

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

Zoucheng, Shandong Province, the PRC

26 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.