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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**  
**COMPLETION OF THE NON-PUBLIC ISSUANCE OF**  
**EXCHANGEABLE CORPORATE BONDS BY THE CONTROLLING**  
**SHAREHOLDER**

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.

Reference is made to the announcements of Yanzhou Coal Mining Company Limited (the “**Company**”) dated 3 November 2016 in relation to the proposed non-public issuance of exchangeable corporate bonds by the controlling shareholder, dated 6 April 2017 in relation to no objection letter granted by Shanghai Stock Exchange concerning the listing and transferring of the non-public issuance of exchangeable corporate bonds by the controlling shareholder and dated 8 September 2017 in relation to the registration of guarantee and trust of certain shares of the Company held by the controlling shareholder for its proposed non-public issuance of exchangeable corporate bonds.

On 25 September 2017, the Company received a notification from Yankuang Group Company Limited (“**Yankuang Group**”), the controlling shareholder of the Company, informing the Company that the issuance of 2017 Non-Public Issuance of Exchangeable Corporate Bonds by Yankuang Group Company Limited (second tranche) (the “**Current Corporate Bonds**”) has been completed, details of which are as follows:

According to the “No Objection Letter concerning Listing and Transferring of Non-Public Issuance of Exchangeable Corporate Bonds of Yankuang Group Company Limited”

(Shang Zheng Han [2017] No. 304) issued by the Shanghai Stock Exchange, Yankuang Group was approved to issue exchangeable corporate bonds with a nominal value not exceeding RMB8 billion (including 8 billion) to qualified investors by way of non-public issuance (the “**Corporate Bonds**”).

Pursuant to “2017 Non-Public Issuance of Exchangeable Corporate Bonds by Yankuang Group Company Limited (second tranche) Offering Memorandum”, Yankuang Group will issue the Corporate Bonds in tranches. The initial issue size of the first tranche was RMB4 billion, the issuance of which has been completed on 21 April 2017. The issue size of the second tranche is RMB3 billion, the issue price of which is RMB100 per Corporate Bond. The non-public issuance of the Corporate Bonds will be conducted off market by way of price consultation and placing to determine the initial exchange price to institutional investors among qualified investors. The term of the Current Corporate Bonds is 3 years. The coupon rate is 1.70% for the first year, 2.20% for the second year and 2.70% for the third year. The exchange period commences from the first trading day after six months from the date of completion of the issuance of the Current Corporate Bonds and ends on the trading day prior to the date of delisting of the Current Corporate Bonds (i.e. from 26 March 2018 to the trading day prior to the date of delisting of the Current Corporate Bonds).

On 25 September 2017, Yankuang Group has already completed the issuance of the Current Corporate Bonds, the final issue size of which is RMB3 billion and the initial exchange price determined by book building is RMB14.10 per share.

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

Zoucheng, Shandong Province, the PRC

26 September 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. Guo Dechun, Mr. Zhao Qingchun and Mr. Guo Jun, and the independent non-executive directors of the Company are Mr. Kong Xiangguo, Mr. Jia Shaohua, Mr. Poon Chiu Kwok and Mr. Qi Anbang.*