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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)

ANNOUNCEMENT

Provision of Financial Guarantee to the Company's Subsidiaries and Granting of Authorization to Yancoal Australia and Its Subsidiaries to Provide Guarantees for the Daily Operation of the Subsidiaries of Yanzhou Coal in Australia

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.

I. Summary of This Authorization of Guarantee

(1) Basic information of this authorization of guarantee

1. In order to reduce financing costs of the subsidiaries and to ensure that the normal operation funding needs of its subsidiaries can be satisfied, Yanzhou Coal Mining Company Limited (“**Yanzhou Coal**” or the “**Company**”) submits to the general meeting for authorizing the provision of financial guarantee by the Company to its wholly-owned or controlled subsidiaries for a total amount not exceeding USD4 billion or its equivalents.
2. In order to meet the normal operational needs of the Company’s subsidiaries in Australia (the “**Australian Subsidiaries**”), Yancoal Australia Limited (“**Yancoal Australia**”) and its subsidiaries need to provide guarantees for not more than AUD1.2 billion to the Australian Subsidiaries for their daily operations. With reference to the common practice of the daily operations of the operating companies in Australia, the parent companies often provide guarantees to their own subsidiaries. The

guarantees for operation concerned include the provision of guarantee by Yancoal Australia to its subsidiaries, by the subsidiaries of Yancoal Australia to their subsidiaries, and by Yancoal Australia and its subsidiaries to the subsidiaries of Yancoal International (Holding) Co., Ltd.* (“**Yancoal International**”) in Australia. Such guarantees are mainly made in the form of bank guarantee.

(2) Basic information of the authorization of guarantee

1. The provision of financial guarantee by the Company to its wholly-owned or controlled subsidiaries for an amount not exceeding USD4 billion or its equivalents is approved.
2. The provision of guarantees for not more than AUD1.2 billion by Yancoal Australia and its subsidiaries to the Australian Subsidiaries for their daily operations is approved.
3. The granting of authorization to the chairman of the board of directors of the Company (the “**Board**”) to deal with matters in relation to the aforesaid financial guarantees in accordance with the relevant laws, regulations and rules is approved. Such matters include but are not limited to the following:
 - (1) to determine the appropriate wholly-owned or controlled subsidiaries which will be provided with the guarantees based on the financing needs;
 - (2) to determine the exact terms and conditions of the guarantee agreements, which include but are not limited to the amount, term, scope and method of guarantee; and executing the guarantee agreement(s) involved and other relevant legal documents; and
 - (3) to deal with the filing and reporting of documents and information in respect of the guarantee(s) and other relevant matters.
4. The aforementioned authorization shall become valid after it is approved by the shareholders at the 2017 annual general meeting until the date of convening of the next annual general meeting of the Company, except where the circumstances require the person(s) so authorized to exercise his powers after the expiry of the term of authorization in relation to any contracts, agreements or decisions regarding the financial guarantees that have been made within the term of authorization.

(3) Internal decision-making procedures for performing this authorization of guarantee

The “Proposal in relation to provision of financial guarantee to the Company's subsidiaries and granting of authority to Yancoal Australia and its subsidiaries to provide guarantees for the daily operation of the subsidiaries of the Company in Australia” was considered and approved

at the eleventh meeting of the seventh session of the Board held on 23 March 2018, and will be submitted to the 2017 annual general meeting for consideration and approval.

II. Basic Information of the Guaranteed Parties

The guaranteed parties and the guarantees are as follows:

1. **Yancoal Australia:** As considered and approved at the 2011 annual general meeting of the Company, Yancoal Australia acquired equity interest in Yancoal Resources Limited with loan amount of USD3.04 billion. As at 31 December 2017, the balance of the aforementioned loan was USD2.545 billion and Yanzhou Coal provided the guarantees of USD1.63 billion and RMB7.44 billion to Yancoal Australia.
2. **Yancoal International:** As considered and approved at the 2012 annual general meeting of the Company, the Company provided a guarantee of RMB2.081 billion in respect of the loan of USD0.3 billion to Yancoal International, a wholly-owned subsidiary of the Company. As at 31 December 2017, the balance of the aforementioned guarantee was USD0.2 billion.

As considered and approved at the 2014 annual general meeting of the Company, the Company provided a bank guarantee in respect of the loan of USD0.1 billion to Yancoal International. As at 31 December 2017, the balance of the aforementioned guarantee was USD0.1 billion.

As considered and approved at the 2016 annual general meeting of the Company, the Company provided a guarantee to Yancoal International. As at 31 December 2017, the Company provided a guarantee in respect of the loan of USD0.19 billion to Yancoal International.

3. **Yancoal International Resources Development Co., Ltd.* (“Yancoal International Resources”):** As considered and approved at the Company’s second extraordinary general meeting in 2012, the Company provided a guarantee in respect of the issuance of USD1 billion corporate bonds in the overseas market by Yancoal International Resources, a wholly-owned subsidiary of the Company. As at 31 December 2017, the balance of the aforementioned guarantee was USD228 million.

As considered and approved at the 2016 annual general meeting of the Company, the Company provided a guarantee to Yancoal International Resources. As at 31 December 2017, the Company provided a guarantee in respect of the issuance of bonds in the principal amount of USD0.5 billion by Yancoal International Resources.

4. **Yancoal International Trading Co., Ltd.* (“Yancoal International Trading”):** As considered and approved at the 2015 annual general meeting of the Company, the Company provided a guarantee of USD20 million to Yancoal International Trading, a

wholly-owned subsidiary of the Company. As at 31 December 2017, the balance of the aforementioned guarantee was USD20 million.

- 5. Qingdao ZhongyinRuifeng International Trade Co., Ltd.* (“ZhongyinRuifeng”):**As considered and approved at the 2015 annual general meeting of the Company, the Company provided a guarantee of RMB1.345 billion to ZhongyinRuifeng, a controlled subsidiary of the Company. As at 31 December 2017, the balance of the aforementioned guarantee was RMB0.3 billion.

As considered and approved at the 2016 annual general meeting of the Company, the Company provided a guarantee to ZhongyinRuifeng. As at 31 December 2017, the Company provided a guarantee of RMB2.1 billion to ZhongyinRuifeng.

- 6. Zhongyin Financial Leasing Co., Ltd.* (“Zhongyin Financial Leasing”):**As considered and approved at the 2016 annual general meeting of the Company, the Company provided a guarantee to Zhongyin Financial Leasing. As at 31 December 2017, the Company provided a guarantee of RMB2.294 billion to Zhongyin Financial Leasing.

- 7. Qingdao Bonded Area Zhong Yan Trading Co., Ltd.* (“Qingdao Zhong Yan”):**As considered and approved at the 2016 annual general meeting of the Company, the Company provided a guarantee to Qingdao Zhong Yan. As at 31 December 2017, the Company provided a guarantee of RMB1 billion to Qingdao Zhong Yan.

- 8. Australian Subsidiaries:**As considered and approved at the 2015 annual general meeting of the Company, Yancoal Australia and its subsidiaries provided annual guarantees of an aggregate amount not exceeding AUD0.5 billion to the Australian Subsidiaries for their daily operations. As at 31 December 2017, the balance of the aforementioned guarantee was AUD441 million.

As considered and approved at the 2016 annual general meeting of the Company, Yancoal Australia and its subsidiaries provided annual guarantees of an aggregate amount not exceeding AUD0.9 billion to the Australian Subsidiaries for their daily operations. As at 31 December 2017, the balance of the aforementioned guarantee was AUD599 million.

For the basic information of the guaranteed parties, please refer to Appendix 1 –Basic information of the Company’s subsidiaries which are proposed to be guaranteed, Appendix 2 – Basic information of the subsidiaries of Yancoal Australia which are proposed to be guaranteed, and Appendix 3 – Basic information of the subsidiaries of Yancoal International which are proposed to be guaranteed.

III. Contents of the Guarantee Agreement and Guaranteed Parties

As of the date of this announcement, the Company has not entered into any guarantee agreement. The Company will strictly fulfil its obligations in relation to the guarantees based on the arrangements of the financing activities and the actual circumstances facing the Company during the term of the guarantees in accordance with the authorization by the shareholders at the general meeting.

IV. Opinion of the Board and Independent Non-executive Directors

The Board and the independent non-executive directors of the Company are of the view that the matters in relation to the provision of financial guarantee by the Company to its wholly-owned or controlled subsidiaries and the granting of authorization to Yancoal Australia and its subsidiaries to provide guarantees for the daily operation of the Australian Subsidiaries meet the operational development needs of the Company and its subsidiaries; the provision of guarantees by Yancoal Australia and its subsidiaries to the Australian Subsidiaries is for the daily operational needs and in compliance with the laws and regulations of Australia and the local customary practice. As the abovementioned guaranteed parties are either wholly-owned or controlled subsidiaries of the Company, the Company therefore believes that the risk arising from the guarantee can effectively be controlled and prevented, and that the guarantee will not be detrimental to the interests of the Company and its shareholders.

V. Number of Cumulative External Guarantees and Outstanding Guarantees

As at 31 December 2017, the accumulative balance of the external guarantees provided by the Company (all of which are guarantees provided by the Company to its wholly-owned subsidiaries or controlled subsidiaries) was RMB37.174 billion in aggregate, representing 67.66% of the RMB54.939 billion audited net assets of 2017 calculated in accordance with the PRC Accounting Standards.

The Company did not have overdue external guarantee.

This authorization has to be submitted to the general meeting of the Company for consideration and approval.

VI. Document Available For Inspection

The resolutions passed at the eleventh meeting of the seventh session of the Board.

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

Zoucheng, Shandong Province, the PRC
23 March 2018

As at the date of this announcement, the directors of the Company are Mr. Li Xiyong, Mr. Li Wei, Mr. WuXiangqian, Mr. Wu Yuxiang, Mr. GuoDechun, Mr. Zhao Qingchun and Mr. Guo Jun, and the independent non-executivedirectors of the Company are Mr. Kong Xiangguo, Mr. Cai Chang, Mr. Poon Chiu Kwok and Mr. Qi Anbang.

** For identification purposes only*

Appendix 1: Basic information of the Company's subsidiaries which are proposed to be guaranteed

Unit: RMB100 million

Serial #	Name of company	Place of registration	Registered capital	Shareholding percentage of the Company	Scope of operations	31 December 2017						Year 2017	
						Total assets	Total liabilities	Net assets	Debt/asset ratio	Current liabilities	Bank loans	Operating revenue	Net profit
1	Yancoal Australia Ltd.	Australia	AUD6.217 billion	65%	Coal mining and sales of coal	619.48	371.66	247.82	59.99%	53.21	159.97	125.47	8.18
2	Yancoal International (Holding) Co., Ltd.	Hong Kong	USD2.8 million	100%	Foreign investment, development of mining technology, transfer & consulting services, import & export trade	120.67	91.39	29.28	75.74%	70.64	50.31	0.24	-3.90
3	Yancoal International Trading Co., Ltd.	Hong Kong	USD1 million	100%	Import & export trade	19.66	19.71	-0.05	100.25%	19.71	0	181.39	0.95
4	Yancoal International Resources Development Co., Ltd.	Hong Kong	USD0.6 million	100%	Exploration & production of mining resources	49.29	18.51	30.78	37.55%	3.64	0	0	0.58
5	Yancoal International Technology Development Co., Ltd.	Hong Kong	USD1 million	100%	Development of mining technology, transfer & consulting services	8.21	6.08	2.13	74.05%	6.08	0	0.19	0.21
6	Yancoal International	Sydney	USD0.5 million	100%	Investment & financing	No business has been developed							

	(Sydney) Co., Ltd.				management, import & export trade								
7	Zhongyin Financial Leasing Co., Ltd.	Shanghai	RMB7.06 billion	99.15%	Financial leasing business, leasing business, purchase and leasing of property onshore and offshore	119.47	52.1	67.37	44%	37.61	19.39	4.76	2.98
8	Qingdao ZhongyinRuifeng International Trade Co., Ltd.	Shandong Qingdao	RMB200 million	51%	International trade, transit trade, import & export trade of self-operated commodities	37.85	35.58	2.27	93.99 %	35.58	3.12	164.81	0.16
9	ZhongyinRuifeng(Hong Kong) Co., Ltd.	Hong Kong	HKD10 million	51%	International trade, transit trade, import & export trade of self-operated commodities	2.14	1.97	0.17	91.96%	1.97	0.94	56.89	0.044
10	Shandong Zhongyin International Trade Co., Ltd.	Shandong Jinan	RMB300 million	100%	Import & export trade of commodities and technologies, sale of coal and coal mining machinery equipment and accessories etc.	5.91	3.97	1.94	67.17%	3.97	0	358.99	-1.22
11	Qingdao Bonded Area Zhongyan Trading Co., Ltd.	Shandong Qingdao	RMB50 million	100%	Financial leasing business, leasing business, purchase and leasing of property onshore	1.27	0.69	0.58	54.33%	0.69	0	88.03	0.03

					and offshore, treatment and maintenance of salvaged leased property								
12	ZhongyinTaian Financial Leasing Co., Ltd.	Shandong Taian	RMB1 billion	70%	Financial leasing business, leasing business	12.49	2.43	10.06	19.43%	0.13	2.3	0.09	0.06
13	Duanxin Investment Holding(Shenz hen) Co., Ltd.	Guangdong g Shenzhen	RMB10 billion	100%	Equity investment, entrusted asset management, investment management	11.06	0.02	11.04	0.18%	0.02	0	0	0.05
14	Yancoal International (Singapore) Pte. Ltd.	Singapore	USD10 million	100%	Commodity trade	0.65	0.01	0.64	0.16%	0.001	0	215.38	0.0004

Appendix 2: Basic information of the subsidiaries of Yancoal Australia which are proposed to be guaranteed

Unit: AUD '0,000

Name of company	Place of registration	Registered capital	Shareholding percentage of the Company	Scope of operations	31 December 2017						Year 2017	
					Total assets	Total liabilities	Net assets	Debt/asset ratio	Current liabilities	Bank loans	Operating revenue	Net profit
Ashton Joint Venture Company	Non-legal person joint venture company	N/A	100%	Coal mining, washing and preparation	106,212.41	99,591.47	6,620.94	93.77%	7,827.98	0	26,051.29	1,667.27
Austar Coal Mine Pty Limited	Victoria state	AUD64,000,000	100%	Coal mining, washing and preparation	53,463.01	45,928.32	7,534.70	85.91%	3,527.88	0	30,598.37	4,422.49
Donaldson Coal Pty Ltd	New South Wales state	AUD3,636,115.53	100%	Coal mining, washing and preparation	58,565.33	54,767.63	3,797.70	93.52%	641.66	0	-116.98	-579.07
Duralie Coal Mine Pty Limited	New South Wales state	AUD2	100%	Coal mining, washing and preparation	16,228.55	48,756.87	-32,528.32	300.44%	0	0	0	-299.16
Stratford Coal Mine Pty Limited	Western Australia	AUD10	100%	Coal mining, washing and preparation	46,600.30	199,915.55	-153,315.25	429.00%	2,719.85	0	8,882.53	839
Moolarben Joint Venture Company	Non-legal person joint venture company	N/A	80%	Coal mining, washing and preparation	225,683.86	6,263.45	219,420.41	2.78%	13,099.17	0	100,956.11	28,970.77
Yancoal Resources Limited	New South Wales state	AUD444,712,130	100%	Intermediary holding	103,118.73	14,878.91	88,239.82	14.43%	14,869.08	0	21.59	-526.59
Yarrabee Coal Company Pty Ltd.	Queensland state	AUD92,080	100%	Coal mining, washing and preparation	107,375.03	89,275.03	18,100.00	83.14%	20,045.74	0	46,047.03	7,266.71

Hunter Valley	New South Wales state	N/A	67.6%	Coal mining, washing and preparation	77,724.45	21,538.73	56,185.72	27.71%	13,408.00	0	37,697.12	8,918.21
Wark Hill Associate	New South Wales state	N/A	55.574%	Coal mining, washing and preparation	44,886.64	6,533.2	38,353.44	14.55%	3,435.3	0	17,972.26	4,539.11

Appendix 3: Basic information of the subsidiaries of Yancoal International which are proposed to be guaranteed

Unit: AUD '0000

Company guaranteed	Place of registration	Registered capital	Shareholding percentage of the Company	Scope of operations	31 December 2017						Year 2017	
					Total assets	Total liabilities	Net assets	Debt/asset ratio	Current liabilities	Bank loans	Revenue	Net profit
Athena Joint Venture Company	Non-legal person joint venture company	N/A	51%	Exploration	795.74	7.81	787.93	0.98%	7.81	0	0.06	-0.4
Premier Coal Limited	Western Australia	AUD3,885,679	100%	Coal mining, washing and preparation	33,622.5	14,983.21	18,639.29	44.56%	11,317.28	0	23,948.46	-531.01
Syntech Resources Pty Ltd.	New South Wales state	AUD64,826.90	100%	Coal mining, washing and preparation	54,137.61	43,041.83	11,095.78	79.5%	41,082.08	0	23,613.65	2,795.59
Tonford (Holding) Ltd	Victoria state	AUD46,407,918	100%	Exploration	6,463.37	2,732.32	3,731.05	42.27%	1,076.17	0	0	-0.7
Wilpeena (Holding) Ltd	Victoria state	AUD3,457,382	100%	Exploration	904.94	687.88	217.06	76.01%	221.18	0	0	-0.56