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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)

CONTINUING CONNECTED TRANSACTIONS

On 29 June 2018, Yancoal Australia and Glencore entered into the Glencore Framework Coal Sales Agreement to govern all existing and future sales of coal by Yancoal Australia Group to Glencore Group, pursuant to which, Yancoal Australia Group may from time to time agree to sell and deliver, and Glencore Group may from time to time agree to purchase and accept coal.

As at the date of this announcement, Yancoal Australia is a controlled subsidiary of the Company, and accordingly HVO Joint Ventures are indirect subsidiaries of the Company. Glencore is indirectly interested in more than 10% of the interest in HVO Joint Ventures, and is thus a substantial shareholder of each of the HVO Joint Ventures. Therefore, Glencore is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of several subsidiaries of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules.

The Directors (including the independent non-executive Directors) are of the opinion that the Glencore Framework Coal Sales Agreement, the transactions contemplated thereunder and the proposed annual caps are (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

The highest of the applicable percentage ratios in respect of the transactions under the Glencore Framework Coal Sales Agreement exceeds 1% on an annual basis. As the continuing connected transactions under the Glencore Framework Coal Sales Agreement are between the Group and a connected person at the subsidiary level, on normal commercial terms or better, the Directors have approved the transactions and the independent non-executive Directors have given the confirmation required under Rule 14A.101 of the Hong Kong Listing Rules, the Glencore Framework Coal Sales Agreement, the transactions

contemplated thereunder and the proposed annual caps are subject to reporting and announcement requirements and are exempt from the circular, independent financial advice and Shareholders' approval requirements.

I. ENTERING INTO THE GLENCORE FRAMEWORK COAL SALES AGREEMENT

Background

On 29 June 2018, Yancoal Australia and Glencore entered into the Glencore Framework Coal Sales Agreement to govern all existing and future sales of coal by Yancoal Australia Group to Glencore Group, pursuant to which, Yancoal Australia Group may from time to time agree to sell and deliver, and Glencore Group may from time to time agree to purchase and accept coal.

Date

29 June 2018

Parties

(1) Yancoal Australia

(2) Glencore

Major terms

Yancoal Australia Group may from time to time agree to sell and deliver, and Glencore Group may from time to time agree to purchase and accept coal in accordance with the terms of the Glencore Framework Coal Sales Agreement.

Term

The Glencore Framework Coal Sales Agreement shall commence on 29 June 2018 and shall expire on 31 December 2020, and is automatically renewable for successive periods of three years thereafter, subject to compliance with the then applicable provisions of the Hong Kong Listing Rules, unless terminated earlier by not less than three months' prior notice or otherwise in accordance with the terms of the Glencore Framework Coal Sales Agreement.

Pricing

All transactions under the Glencore Framework Coal Sales Agreement must be conducted (i) in the ordinary and usual course of business of Yancoal Australia Group and Glencore Group; (ii) on an arm's length basis; (iii) on normal commercial terms with the final sale price being determined with reference to the prevailing market price for the relevant type of coal; and (iv) in compliance with all applicable laws and regulations (including the rules of the stock exchanges), the Glencore Framework Coal Sales Agreement and the separate agreements or transactions summary confirmations in relation to the transactions under the Glencore Framework Coal Sales Agreement. Yancoal Australia Group will take into account the relevant industry benchmarks and indices when determining the market price.

Payment

Each Party shall pay its own costs and expenses relating to the preparation, execution and performance by it of the Glencore Framework Coal Sales Agreement and each document referred to in the Glencore Framework Coal Sales Agreement.

Historical transaction amounts

The aggregate annual transaction amount received by Yancoal Australia Group from Glencore Group for the sales of coal for the three years ended 31 December 2015, 2016 and 2017 were approximately nil, nil and A\$143 million, respectively.

Proposed annual caps and basis

The proposed annual caps, i.e., the maximum annual transaction amount to be received by Yancoal Australia Group from Glencore Group for the three years ending 31 December 2018, 2019 and 2020 will not exceed US\$350 million, US\$350 million and US\$350 million.

The proposed annual caps for the transactions under the Glencore Framework Coal Sales Agreement are determined mainly based on: (i) the historical transaction amounts; (ii) the expected demand for coal from Glencore Group for the three years ending 31 December 2018, 2019 and 2020; and (iii) the estimated sale price of coal.

Reasons and benefits for entering into the Glencore Framework Coal Sales Agreement

Glencore Group may purchase coal from Yancoal Australia Group from time to time for sale to end customers, in order to maintain customer relationships or to meet specific customer requirements. As such, Yancoal Australia and Glencore entered into the Glencore Framework Coal Sales Agreement to govern all existing and future sales of coal by Yancoal Australia Group to Glencore Group, which is beneficial for Yancoal Australia to continuously develop its coal business. The continuous connected transactions can help realize synergy and reduce transaction costs and business risks.

Implications of the Hong Kong Listing Rules

As at the date of this announcement, Yancoal Australia is a controlled subsidiary of the Company, and accordingly the HVO Joint Ventures are indirect subsidiaries of the Company. Glencore is indirectly interested in more than 10% of the interest in HVO Joint Ventures, and is thus a substantial shareholder of each of the HVO Joint Ventures. Therefore, Glencore is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of several subsidiaries of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules.

The Directors (including the independent non-executive Directors) are of the opinion that the Glencore Framework Coal Sales Agreement, the transactions contemplated thereunder and the proposed annual caps are (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

The highest of the applicable percentage ratios in respect of the transactions under the Glencore Framework Coal Sales Agreement exceeds 1% on an annual basis. As the

continuing connected transaction under the Glencore Framework Coal Sales Agreement is between the Group and a connected person at the subsidiary level, on normal commercial terms or better, the Directors have approved the transaction and the independent non-executive Directors have given the confirmation required under Rule 14A.101 of the Hong Kong Listing Rules, the Glencore Framework Coal Sales Agreement, the transactions contemplated thereunder and the proposed annual caps are subject to reporting and announcement requirements and are exempt from the circular, independent financial advice and shareholders' approval requirements.

II. GENERAL INFORMATION

The Glencore Framework Coal Sales Agreement, the transactions contemplated thereunder and the respective proposed annual caps were approved at the meeting of the Board held on 29 June 2018.

At the aforesaid Board meeting, none of the Directors was regarded as having a material interest in the abovementioned continuing connected transactions and therefore, none of the Directors has abstained from voting at the aforesaid Board meeting convened for the purpose of approving such transactions.

Information of the parties

The Company

The Company is principally engaged in the business of mining, preparation, processing and sales of coal and coal chemicals. The Company's main products are steam coal for use in large-scale power plants, coking coal for metallurgical production and prime quality low sulphur coal for use in pulverized coal injection.

Yancoal Australia

Yancoal Australia is a subsidiary of the Company, through which the Company conducts its investment and coal business in Australia. As at the date of this announcement, Yancoal Australia operated nine coal mines in Australia.

Glencore

Glencore is one of the world's largest global diversified natural resource companies listed on the stock exchanges of London and Johannesburg, with head office based in Baar, Switzerland. Glencore is a major producer and marketer of more than 90 commodities, with operations comprising of approximately 150 metal & mineral, energy and agricultural assets. Glencore markets and distributes physical commodities sourced from its own production and from third parties to a diversified customer base via its related marketing and logistics operations.

III. DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below:

“A Shares”	domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“A\$”	Australian dollars, the lawful currency of Australia
“Board”	the board of Directors
“Company”	兗州煤業股份有限公司, Yanzhou Coal Mining Company Limited, a joint stock limited company established under the laws of the PRC in 1997, and the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Glencore”	Glencore Coal Pty Limited, the indirect substantial shareholder of several of Yancoal Australia's subsidiaries
“Glencore Framework Coal Sales Agreement”	the framework agreement for coal sales entered into between Yancoal Australia and Glencore on 29 June 2018
“Glencore Group”	Glencore and its subsidiaries and related entities
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign invested shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HVO Joint Ventures”	a series of joint ventures established for the complex of operating coal mines in Australia known as “Hunter Valley Operations”, which are indirect subsidiaries of Yancoal Australia and are indirectly held as to 51% and 49% by Yancoal Australia and Glencore, respectively
“percentage ratios”	has the same meaning ascribed thereto under the Hong Kong Listing Rules
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement only, Hong Kong Special Administrative

	Region, Macau Special Administrative Region and Taiwan Region
“Shareholder(s)”	the shareholder(s) of the Company
“substantial shareholder(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“subsidiary(ies)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“US\$”	United States Dollar, the lawful currency of the United States
“Yancoal Australia”	Yancoal Australia Limited, a controlled overseas subsidiary of the Company, the shares of which are listed on the Australian Stock Exchange (Stock Code: YAL)
“Yancoal Australia Group”	Yancoal Australia and its subsidiaries
“%”	percentage

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

Zoucheng, Shandong Province, the PRC
29 June 2018

As at the date of this announcement, the Directors 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 are Mr. Kong Xiangguo, Mr. Cai Chang, Mr. Poon Chiu Kwok and Mr. Qi Anbang.