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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)

**ISSUANCE OF US\$275,000,000 6.0% SENIOR BONDS BY
YANCOAL INTERNATIONAL RESOURCES DEVELOPMENT CO.,
LIMITED TO BE GUARANTEED BY THE COMPANY**

Joint Global Coordinators



Joint Bookrunners and Joint Lead Managers



香港分行
Hong Kong Branch



香港分行
Hong Kong Branch



The Board is pleased to announce that on 22 November 2018, the Company and Yancoal Resources entered into the Subscription Agreement with Deutsche Bank, CMB International, Standard Chartered Bank, CEB International, Haitong International, Industrial Bank Co., Ltd. Hong Kong Branch, Shanghai Pudong Development Bank Hong Kong Branch and Silk Road International in connection with the issue by Yancoal Resources of the Bonds in an aggregate principal amount of US\$275,000,000.

The aggregate gross proceeds from the issuance of the Bonds are US\$275,000,000. The net proceeds, being the gross proceeds net of underwriting commissions and estimated offering expenses payable by the Issuer and the Company, will be used to repay indebtedness, working capital and general corporate purposes.

The Issuer will seek a listing of the Bonds on the Stock Exchange. A confirmation of the eligibility of the listing of the Bonds has been received from the Stock Exchange. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company or the Bonds.

The completion of the Subscription Agreement is subject to certain conditions precedent which may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company.

THE SUBSCRIPTION ANNOUNCEMENT

Date

22 November 2018

Parties to the Subscription Agreement

- (a) Yancoal Resources as the Issuer of the Bonds;
- (b) the Company as the guarantor of Yancoal Resources's obligation under the Bonds and the Deed of Guarantee; and
- (c) Deutsche Bank, CMB International, Standard Chartered Bank, CEB International, Haitong International, Industrial Bank Co., Ltd. Hong Kong Branch, Shanghai Pudong Development Bank Hong Kong Branch and Silk Road International as the Managers of the offering of the Bonds.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Managers is an independent third party and not a connected person of the Company.

The Bonds have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States and may only be offered, sold or delivered outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. Accordingly, the Bonds are being offered and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act.

Conditions Precedent

The obligations of the Managers to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds are conditional on, customary conditions precedent.

Principal terms of the Bonds

Bonds Offered

Subject to certain conditions to completion, the Company will issue the Bonds in the aggregate principal amount of US\$275,000,000.

Issue Price

The issue price of the Bonds will be 100 per cent. of the principal amount of the Bonds.

Status of the Bonds and Guarantee

The Bonds constitute direct, unconditional, unsubordinated and (subject to the Terms and Conditions of the Bonds) unsecured obligations of the Issuer which rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to terms and conditions of the Bonds, at all times rank at least equally with all the Issuer's other present and future unsecured, unconditional and unsubordinated obligations.

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Bonds. The obligations of the Guarantor in that respect are contained in the Deed of Guarantee. The obligations of the Guarantor under such guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to the terms and conditions of the Bonds, at all times rank at least equally with all the Guarantor's other present and future unsecured and unsubordinated obligations.

Interest payment dates

The Bonds bear interest on their outstanding principal amount from and including 29 November, 2018 at the rate of 6.0 per cent. per annum, payable in arrear on 29 May and 29 November each year (each an “**Interest Payment Date**”), commencing on 29 May 2019.

Interest rate

The relevant day-count fraction for an Interest Period or any period of less than a complete Interest Period will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed. Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. Interest in respect of any Bond shall be calculated per US\$1,000 in principal amount of the Bonds.

Redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 29 November 2021. The Bonds may not be redeemed at the option of the Issuer other than in accordance with Condition 5 (*Redemption and Purchase*) of the terms and conditions of the Bonds.

Redemption in the case of SAFE non-registration event

Upon the occurrence of a SAFE Non-Registration Event (as defined in the terms and conditions of the Bonds), the Issuer shall redeem on the SAFE Non-Registration Event Redemption Date (as defined in the terms and conditions of the Bonds) all, and not some only, of the Bonds at 100% of their principal amount together with accrued interest up to, but excluding, the SAFE Non-Registration Event Redemption Date.

Purchase

The Company, the Issuer and/or any of its Subsidiaries (as defined in the terms and conditions of the Bonds) may at any time purchase Bonds in the open market or otherwise and at any price, in each case subject to applicable law.

Expected closing date

29 November 2018

Use of proceeds

The aggregate gross proceeds from the issuance of the Bonds are US\$275,000,000. The net proceeds, being the gross proceeds net of the underwriting commissions and estimated offering expenses payable by the Issuer and the Company, will be used to repay indebtedness, working capital and general corporate purposes.

Listing

The Issuer will seek a listing of the Bonds on the Stock Exchange. A confirmation of the eligibility of the listing of the Bonds has been received from the Stock Exchange. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company or the Bonds.

The completion of the Subscription Agreement is subject to certain conditions precedent which may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITION

“Board”	the board of Directors of the Company;
“Bonds”	US\$ denominated senior bonds to be issued by Yancoal Resources and guaranteed by the Company;
“CEB International”	CEB International Capital Corporation Limited;
“CMB International”	CMB International Capital Limited;
“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;
“Deed of Guarantee”	the deed to be entered into by the Company, pursuant to which, inter alia, the Company will provide guarantee in connection with the issue of the Bonds;
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch;
“Director(s)”	the director(s) of the Company;
“Haitong International”	Haitong International Securities Company Limited;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Industrial Bank Co., Ltd. Hong Kong Branch”	Industrial Bank Co., Ltd. Hong Kong Branch;
“Interest Period”	The period beginning on and including 29 November 2018 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date;
“Issuer” or “Yancoal Resources”	Yancoal International Resources Development Co., Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“Managers”	Deutsche Bank, CMB International, Standard Chartered Bank, CEB International, Haitong International, Industrial Bank Co., Ltd. Hong Kong Branch, Shanghai Pudong Development Bank Hong Kong Branch and Silk Road International;

“PRC”	the People’s Republic of China, excluding the Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan for the purposes of this announcement;
“SAFE”	The State Administration of Foreign Exchange of the PRC or its applicable local branches;
“Securities Act”	The United States Securities Act of 1933, as amended from time to time;
“Shanghai Pudong Development Bank Hong Kong Branch”	Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch;
“Silk Road International”	Silk Road International Capital Limited;
“Standard Chartered Bank”	Standard Chartered Bank;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the subscription agreement dated 22 November 2018 entered into among the Company, the Issuer, and the Managers in relation to the issue of the Bonds;
“United States”	the United States of America;
“US\$”	the lawful currency of the United States; and
“%”	Percentage.

Unless otherwise stated, all times and dates refer to Hong Kong times and dates.

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

23 November 2018

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. Cai Chang, Mr. Poon Chiu Kwok and Mr. Qi Anbang.