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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 IN RELATION TO THE SETTLEMENT OF EQUITY INVESTMENT
IN LINSHANG BANK CO. LTD.***

Reference is made to the announcement of Yanzhou Coal Mining Company Limited (the "**Company**") dated 27 November 2017 in relation to (among others) the discloseable transaction (the "**Transaction**") of the Company's investment in Linshang Bank Co. Ltd.* (臨商銀行股份有限公司) ("**Linshang Bank**").

The Board of Directors of the Company is pleased to announce that the parties to the Transaction have completed the capital increase and equity transfer and have changed the industrial and commercial registration according to the terms of the agreement. After the completion of the Transaction, the Company holds 19.75% of the total share capital of Linshang Bank after the capital increase and becomes the largest shareholder of Linshang Bank severally with Linyi Municipal Bureau of Finance* (臨沂市財政局).

The Transaction is beneficial for the Company to improve its profitability, increase the returns on its investments and, through a deep consolidation of industrial capital and financial capital, achieve the integration of production and finance and realize the synergistic development, thereby further establishing the new industrial distribution characterized by the trilateral support of "real industry, logistics trade and financial investment", the integration of production and finance and the synergistic development.

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

Zoucheng, Shandong Province, the PRC
6 December 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.