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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

**PROPOSED REGISTRATION OF ADDITIONAL GUARANTEE AND TRUST OF CERTAIN
SHARES OF THE COMPANY HELD BY THE CONTROLLING SHAREHOLDER
FOR ITS NON-PUBLIC ISSUANCE OF EXCHANGEABLE CORPORATE BONDS**

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.

References are made to the announcement dated 3 November 2016 in relation to the proposed non-public issuance of exchangeable corporate bonds by the controlling shareholder, the announcement 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, the announcements dated 11 April 2017 and 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 and the announcements respectively dated 21 April 2017, 26 September 2017 and 9 April 2018 in relation to completion of the non-public issuance of exchangeable corporate bonds by the controlling shareholder of Yanzhou Coal Mining Company Limited (the “**Company**” or “**Yanzhou Coal**”).

On 28 December 2018, the Company received a notification from Yankuang Group Company Limited (“**Yankuang Group**”) informing that as of 28 December 2018 the guaranteed market value of A shares of Yanzhou Coal, the underlying shares of “2017 Non-Public Issuance of Exchangeable Corporate Bonds by Yankuang Group Company Limited (second tranche)” (the “**17Yan02EB**” or the “**Corporate Bonds**”) issued by Yankuang Group, calculated at the closing price of the previous day, has been lower than 100% of the sum of the unpaid par balance and interest payable of the Corporate Bonds for 10 consecutive trading days. Pursuant to “2017 Non-Public Issuance of Exchangeable Corporate Bonds by Yankuang Group Company Limited (second tranche) Offering Memorandum” (the “**Offering Memorandum**”): “In the event that in 10 consecutive trading days the market value of the guaranteed shares, calculated at the closing price of the previous day of the underlying shares, is less than 100% of the sum of the unpaid par balance and the interest payable of the Corporate Bonds, the company shall add underlying shares and/or cash directly within 20 trading days, and the guarantee ratio after the additional guarantee shall be 110% or more.” Yangkuang Group will provide additional trust guarantees for the Corporate Bonds with 75,000,000 A shares of Yanzhou Coal in 20 trading days. The additional trust guarantee will be completed before 29 January 2019. By then, 346,507,272 A shares of Yanzhou Coal will be used for trust guarantees of the Corporate Bonds and the guarantee ratio of 17Yan02EB will reach 121.16% (calculated

by the closing price of A shares of Yanzhou Coal on 27 December 2018. The guaranty includes all shares in the trust guarantee account and the cash dividends received during the guarantee period, etc.).

Pursuant to the “Detailed Rules of China Securities Depository and Clearing Corporation Limited on Depository and Clearing Services of Exchangeable Corporate Bonds”:

1. Yankuang Group and CITIC Securities Co., Ltd. (“**CITIC Securities**”), the trustee of the exchangeable Corporate Bonds, will enter into the “Additional Guarantee and Trust Agreement” and both parties agreed that certain A shares of the Company which are the subject of the Corporate Bonds (the “**Underlying Shares**”) under the additional guarantee and their yield shall be used as guarantee and trust properties;
2. Yankuang Group and CITIC Securities opened the exchangeable corporate bond guarantee and trust designated securities account (the “**Guarantee and Trust Designated Account**”) at Shanghai branch of China Securities Depository and Clearing Corporation Limited with the account name of “Yankuang Group - CITIC Securities - 17 Yan02EB guarantee and trust properties designated account”;
3. Yankuang Group and CITIC Securities have already made an application to Shanghai branch of China Securities Depository and Clearing Corporation Limited for the registration of guarantee and trust of the initial number of the Underlying Shares before the issuance of the Corporate Bonds. According to the aforementioned circumstances and the relevant stipulation in the Offering Memorandum, Yankuang Group and CITIC Securities will apply to Shanghai Branch of China Securities Depository and Clearing Corporation Limited to change the guarantee and trust registration for the additional securities within 20 trading days. Yankuang Group will transfer 75,000,000 A shares of the Company held by itself from Yankuang's securities account to the Guarantee and Trust Designated Account opened by Yankuang Group and CITIC Securities.

As at the date of this announcement, Yankuang Group directly held 2,267,169,423 A shares and 277,989,000 H shares of the Company, representing 51.81% of the total issued share capital of the Company. Registration of guarantee and trust this time involves 75,000,000 shares, representing 1.53% of the total issued share capital of the Company. After completion of the registration of guarantee and trust this time, the number of A shares of the Company held by Yankuang Group subject to this registration of guarantee and trust does not exceed 50% of the total number of shares of the Company held by Yankuang Group.

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

Zoucheng, Shandong Province, the PRC
28 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.