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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 ("PRC") with limited liability)*

**(Stock Code: 1171)**

**ANNOUNCEMENT ON CAPITAL INCREASE IN ORDOS NENG HUA AND  
YINGPANHAO COMPANY**

This announcement is made pursuant to the disclosure obligations under 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. Overview of the Capital Increase**

As discussed and reviewed by the seventh session of the board of directors (the "**Board**") of Yanzhou Coal Mining Company Limited (the "**Company**") at the twenty-seventh meeting on 30 August 2019, the Company was approved to make additional capital contributions of RMB2.7 billion to Yanzhou Coal Ordos Neng Hua Company Limited (兗州煤業鄂爾多斯能化有限公司) ("**Ordos Neng Hua**") in cash, and Ordos Neng Hua proposed to make additional capital contributions of RMB2.7 billion to Ordos Yingpanhao Coal Mining Company Limited (鄂爾多斯市營盤壕煤炭有限公司) ("**Yingpanhao Company**") in cash (the "**Capital Increase**"). Ordos Neng Hua is a wholly-owned subsidiary of the Company and Yingpanhao Company is a wholly-owned subsidiary of Ordos Neng Hua. Upon the completion of the Capital Increase, the registered capital of Ordos Neng Hua will increase from RMB8.1 billion to RMB10.8 billion, and the registered capital of Yingpanhao Company will increase from RMB0.3 billion to RMB3.0 billion.

Pursuant to the regulatory requirements of Shanghai Stock Exchange, the Capital Increase is subject to the approval by the Board, and does not need to be approved by the general meeting of the Company.

The Capital Increase does not constitute a related party transaction, nor does it constitute a major asset restructuring or cause a change in control of Ordos Neng Hua and Yingpanhao Company (the "**Subjects of the Capital Increase**"). The Capital

Increase is subject to the necessary review and approval procedure of state assets supervision.

## **II. Information of the Subjects of the Capital Increase**

### **1. Ordos Neng Hua**

Ordos Neng Hua is a wholly-owned subsidiary of the Company incorporated in Ordos City, Inner Mongolia Autonomous Region on 18 December 2009 with a registered capital of RMB8.1 billion. Ordos Neng Hua is primarily engaged in, among others, sales of coal, coke and iron ore; investment in coal and chemical enterprises; sales of coal mining machinery equipment and accessories, mining materials, metal materials, electromechanical products and construction materials; maintenance and leasing of mining machinery equipment; coal mining.

As of 31 December 2018, the total asset of Ordos Neng Hua amounted to RMB27.921 billion, and the net asset amounted to RMB6.020 billion; the operating income for the year 2018 amounted to RMB6.742 billion and the net profit for the year 2018 amounted to RMB0.218 billion (the aforementioned financial indicators are prepared in accordance with the CASs, and have been audited).

### **2. Yingpanhao Company**

Yingpanhao Company is a wholly-owned subsidiary of Ordos Neng Hua incorporated in Wushen Banner, Ordos City, Inner Mongolia Autonomous Region on 31 July 2013 with a registered capital of RMB0.3 billion. Yingpanhao Company is primarily engaged in, among others, sales of coal; installation and sales of coal mining machinery equipment. Yingpanhao Company is the sole developer of Yingpanhao Coal Mine in Nalin River Mining Area, Dongsheng Coalfield in Inner Mongolia Autonomous Region (內蒙古自治區東勝煤田納林河礦區營盤壕井田).

As of 31 December 2018, the total asset of Yingpanhao Company amounted to RMB6.238 billion, and the net asset amounted to RMB0.699 billion; the operating income for the year 2018 amounted to RMB2.096 billion and the net profit for the year 2018 amounted to RMB0.142 billion (the aforementioned financial indicators are prepared in accordance with the CASs, and have been audited).

## **III. Influence of the Capital Increase on the Company**

### **1. Optimize capital structure, reduce financial expenses and enhance risk resistance abilities**

The asset-liability ratio of Yingpanhao Company is currently comparatively high, the capital structure is unreasonable and the market risk resistance ability is relatively low. Upon completion of the Capital Increase, the capital structure of Yingpanhao Company is expected to be optimized and its financial expenses are expected to be reduced.

### **2. Increase the investment, focus on the main business of coal and make the coal industry prosper**

The development and operation of coal resources in Inner Mongolia Autonomous Region have great strategic significance to the Company. Ordos Neng Hua and

Yingpanhao Company are the entities established by the Company for the development and operation of coal resources in Inner Mongolia Autonomous Region, the increased investment in which will benefit the Company in focusing on the main business and making the coal industry prosper.

#### **IV. Documents Available for Inspection**

*Resolutions Passed at the Twenty-Seventh Meeting of the Seventh Session of the Board of Directors of Yanzhou Coal Mining Company Limited*

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

Zoucheng, Shandong Province, the PRC  
30 August 2019

*As at the date of this announcement, the Directors of the Company are Mr. Li Xiyong, Mr. Li Wei, Mr. Wu Xiangqian, Mr. Liu Jian, 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.*