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YANZHOU COAL MINING COMPANY LIMITED

(A joint stock limited company incorporated in the People's Republic of China ("PRC") with limited liability)

(Stock Code: 01171)

RESULTS REPORT FOR THE THIRD QUARTER OF 2019

IMPORTANT NOTICE

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance and the disclosure requirement under Rule 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

The board (the "**Board**") of directors (the "**Directors**"), the supervisory committee, the Directors, the Supervisors, and the senior management of Yanzhou Coal Mining Company Limited ("**Yanzhou Coal**" or "**the Company**" or "**Company**") confirm that this report does not contain any misrepresentations, misleading statements or material omissions and jointly and severally accept all responsibilities for the authenticity, accuracy and completeness of the information contained in this report.

The report for the results of the third quarter of 2019 of the Company (the "**Report**") was considered and approved by the 28th meeting of the seventh session of the Board and all the 11 Directors of the Board who were supposed to attend the meeting were present.

The financial statements in this Report have not been audited.

"Reporting Period" means the period from 1 July 2019 to 30 September 2019.

"The Group" means the Company and its subsidiaries.

The Chairman of the Board, Mr. Li Xiyong, the Chief Financial Officer, Mr. Zhao Qingchun and the head of the Accounting Management Department, Mr. Xu Jian, hereby declare the authenticity, accuracy and completeness of the financial statements in this Report.

Summary of the unaudited results of the Group for the third quarter ended 30 September 2019 is set out as follows:

- This Report is prepared in accordance with the relevant regulations on Disclosure of Information in Quarterly Reports for Listed Companies promulgated by the China Securities Regulatory Commission (the “CSRC”).
- All financial information contained in this Report is prepared in accordance with the relevant requirements and interpretations under the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the PRC. Shareholders of the Company (the “Shareholders”) and public investors are reminded of the different reporting standards adopted in this Report, the interim report and the annual report of the Company when trading in the shares of the Company.
- Unless otherwise specified, the recording currency used in this Report is Renminbi (“RMB”).
- For the first three quarters of 2019, the operating income of the Group was RMB150.611 billion, representing an increase of RMB31.421 billion or 26.4% as compared with the corresponding period of last year. Net profit attributable to the shareholders of listed company was RMB6.984 billion, representing an increase of RMB1.480 billion or 26.9% as compared with the corresponding period of last year.
- The content of the Report is consistent with the announcement published on the Shanghai Stock Exchange. This announcement is published simultaneously in the PRC and overseas.

1. General Information of the Group

1.1 Major Accounting Data and Financial Indicators

Unit: RMB'000

	As at the end of the Reporting Period	As at the end of previous year	Increase/decrease at the end of the Reporting Period as compared with the end of previous year (%)
Total assets	197,572,917	203,679,900	-3.00
Net assets attributable to the shareholders of listed company	66,509,894	60,991,768	9.05
	From the beginning of the year to the end of the Reporting Period (January-September)	From the beginning of previous year till the end of the Reporting Period of previous year (January-September)	Increase/decrease as compared with the corresponding period of previous year (%)
Net cash flows from operating activities	14,833,159	12,653,079	17.23
Operating income	150,611,076	119,190,485	26.36
Net profit attributable to the shareholders of listed company	6,983,703	5,504,014	26.88
Net profit attributable to the shareholders of listed company after deducting extraordinary profits and losses	6,648,709	5,885,151	12.97
Weighted average return on net assets (%)	10.71	9.51	Increased 1.20 percentage points
Basic earnings per share (RMB)	1.4218	1.1205	26.89
Diluted earnings per share (RMB)	1.4218	1.1205	26.89

Note: According to the related stipulations in the Accounting Standards for Business Enterprises No. 21-Lease (revised) (“**the New Lease Accounting Standard**”) promulgated by Ministry of Finance of the People’s Republic of China in December 2018, the Group started to implement the

new lease accounting standard from 1 January 2019. For details of the impact of implementation of the new lease accounting standard on the Group, please refer to the sections headed “Adjustment on the financial statements at the beginning of 2019 due to the newly-implemented accounting standards on financial instruments, income and lease” in the Appendices of this report.

Extraordinary profit and loss items and amounts

Unit: RMB'000

Items	Amount for the Reporting Period (July-September)	Amount for the period from the beginning of the year to the end of the Reporting Period (January-September)
Gains and losses on disposals of non-current assets	10,283	-13,221
Government grants recognized as current gains or loss, except those grants which are closely related to the Company's business operations and in line with national policies and can be continuously enjoyed according to certain standard quota or quantities	12,560	63,179
Payment charged from non-financial companies for use of fund and recognized as current gains or losses	18,430	71,718
Except effective hedging businesses that relate to the Company's ordinary operating operations, gain or loss from fair value changes on transactional financial assets, derivative financial assets, transactional financial liabilities and derivative financial liabilities, and investment income from disposal of transactional financial assets, derivative financial assets, transactional financial liabilities, derivative financial liabilities and other creditor's investment.	-9,969	42,391
Refund of provision for impairment of individual payables for impairment test and contract asset	889	92,786
Other non-operating income and expenses excluding the abovementioned items	-49,623	195,081
Effect of the equity of minority shareholders (after tax)	8,039	-14,581
Effect of income tax	6,036	-102,359
Total	-3,355	334,994

1.2 Total number of Shareholders at the end of the Reporting Period, the top ten Shareholders and the top ten Shareholders holding tradable shares of the Company which are not subject to trading moratorium

Unit: share

Total number of Shareholders				70,981		
Shareholdings of the top ten Shareholders						
Name of Shareholders (Full name)	Number of shares held at the end of the Reporting Period	Percentage holding of the total share capital (%)	Number of shares held subject to trading moratorium	Number of pledged or locked shares		Nature of Shareholders
				Status of shares	Number of shares	
Yankuang Group Co., LTD. (“Yankuang Group”)	2,267,169,423	46.16	0	No	0	State-owned legal person
Hong Kong Securities Clearing Company (Nominees) Limited	1,948,192,403	39.66	0	Unknown	-	Overseas legal person
Hong Kong Securities Clearing Company Limited	25,546,389	0.52	0	No	0	Overseas legal person
Agricultural Bank of China Co., Ltd.-Jingshun Great Wall Shanghai-Shenzhen 300 Index Enhanced Securities Investment Fund	23,104,329	0.47	0	No	0	Others
New China Life Insurance Co., Ltd.- Dividend-Individual dividend-018L-FH002 Shanghai	21,957,897	0.45	0	No	0	Others
China Life Insurance Co., Ltd.- Dividend-Individual dividend-005L-FH002 Shanghai	21,341,502	0.43	0	No	0	Others
Central Huijin Assets Management Co., Ltd.	19,355,100	0.39	0	No	0	State-owned legal person
Abu Dhabi Investment Authority	18,853,182	0.38	0	No	0	Others
New China Life Insurance Co., Ltd.- Dividend-Group dividend-018L-FH001 Shanghai	13,893,607	0.28	0	No	0	Others
National Social Security Fund 403 Combination	12,884,351	0.26	0	No	0	Others
Top ten Shareholders holding tradable shares not subject to trading moratorium						
Name of Shareholders	Number of tradable		Class and number of shares held			

	shares held not subject to trading moratorium at the end of the Reporting Period	Class of shares	Number of shares
Yankuang Group Co., LTD	2,267,169,423	A Shares	2,267,169,423
Hong Kong Securities Clearing Company (Nominees) Limited	1,948,192,403	H Shares	1,948,192,403
Hong Kong Securities Clearing Company Limited	25,546,389	A Shares	25,546,389
Agricultural Bank of China Co., Ltd.-Jingshun Great Wall Shanghai-Shenzhen 300 Index Enhanced Securities Investment Fund	23,104,329	A Shares	23,104,329
New China Life Insurance Co., Ltd.-Dividend-Individual dividend-018L-FH002 Shanghai	21,957,897	A Shares	21,957,897
China Life Insurance Co., Ltd.-Dividend-Individual dividend-005L-FH002 Shanghai	21,341,502	A Shares	21,341,502
Central Huijin Assets Management Co., Ltd.	19,355,100	A Shares	19,355,100
Abu Dhabi Investment Authority	18,853,182	A Shares	18,853,182
New China Life Insurance Co., Ltd.-Dividend-Group dividend-018L-FH001Shanghai	13,893,607	A Shares	13,893,607
National Social Security Fund 403 Combination	12,884,351	A Shares	12,884,351
Connected relationship or concerted-party relationship among the above Shareholders	As at 30 September 2019, the subsidiary of Yankuang Group incorporated in Hong Kong held 375,000,000 H shares through Hong Kong Securities Clearing Company (Nominees) Limited. New China Life Insurance Co., Ltd.-Dividend-Individual dividend-018LFH002 Shanghai and New China Life Insurance Co., Ltd.-Dividend- Group dividend-018L-FH001Shanghai are both managed by New China Life Insurance Co., Ltd.. Apart from the disclosure above, it is unknown whether other shareholders are connected with one another or whether any of these shareholders fall within the meaning of parties acting in concert.		
Illustration of preferred shareholders with recovered voting rights and the number of shares held by them	Not applicable.		

Notes:

1. All the information above, including “Total number of Shareholders” and “The top ten Shareholders and the top ten Shareholders holding tradable shares of the Company which are not subject to trading moratorium at the end of the Reporting Period”, is prepared in accordance with

the registers of the Shareholders provided by the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. and Hong Kong Securities Registration Co., Ltd.

2. As the clearing and settlement agent for the Company's H shares, Hong Kong Securities Clearing Company (Nominees) Limited holds the Company's H shares in the capacity of a nominee.

3. As at 30 September 2019, Yankuang Group held a total of 2,267,169,423 A shares of the Company, including 1,875,662,151 A shares held by its own account, and 391,507,272 A shares held by the guarantees and trust account opened by CITIC Securities Co., Ltd. and itself. The aforementioned guarantees and trust account provide guarantees for the exchangeable corporate bonds issued by Yankuang Group;

Substantial Shareholders' Interests and/or Short Positions in the Shares and/or Underlying Shares of the Company

As far as the Directors are aware, save as disclosed below, as at 30 September 2019, other than the Directors, Supervisors or chief executives of the Company, there were no other persons who were substantial shareholders of the Company or had interests or short positions in the shares or underlying shares of the Company, which should (i) be disclosed pursuant to Sections 2 and 3 under Part XV of the Securities and Futures Ordinance (“SFO”); (ii) be recorded in the register to be kept pursuant to Section 336 of the SFO; or (iii) notify the Company and the Hong Kong Stock Exchange in other ways.

Name of Substantial Shareholders	Class of Shares	Capacity	Number of Shares Held (shares)	Nature of Interest	Percentage in the H Share Capital of the Company	Percentage in Total Share Capital of the Company
Yankuang Group	A Shares (State-owned legal person shares)	Beneficial owner	2,267,169,423	Long position	-	46.16%
		Beneficial owner	391,507,272	Short position	-	7.97%
Yankuang Group ^①	H Shares	Interest of controlled corporations	374,989,000	Long position	19.21%	7.63%
BNP Paribas Investment Partners SA	H Shares	Investment manager	117,641,207	Long position	6.03%	2.39%
BlackRock, Inc.	H Shares	Beneficial owner	103,964,098	Long position	5.33%	2.12%
		Interest of controlled corporations	104,000	Short position	0.01%	0.00%

Cao Lei	H Shares	Beneficial owner	8,962,000	Long position	0.46%	0.18%
		Beneficial owner Interest of controlled corporations	36,122,000	Long position	1.85%	0.74%
		Spouse's interests	55,464,000	Long position	2.84%	1.13%
Zhang Xiaolei	H Shares	Beneficial owner	5,142,000	Long position	0.26%	0.10%
		Beneficial owner Interest of controlled corporations	50,322,000	Long position	2.58%	1.02%
		Spouse's interests	45,084,000	Long position	2.31%	0.92%

Note:

- ① Yankuang Group's controlled subsidiary incorporated in Hong Kong holds such H Shares in the capacity of beneficial owner.
- ② The percentage figures above have been rounded off to the nearest second decimal place.
- ③ Information disclosed herein is based on the information available on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and information provided by China Securities Depository and Clearing Corporation Limited Shanghai Branch.

1.3 Total number of Preferred Shareholders at the end of the Reporting Period, the top ten Shareholders holding preferred shares and the top ten Shareholders holding preferred shares not subject to trading moratorium

Not applicable.

2 SIGNIFICANT MATTERS

2.1 General Operating Performance of the Group

2.1.1 Major operating data of main products and services

Item	The third quarter			First three quarters		
	2019	2018	Increase/Decrease (%)	2019	2018	Increase/Decrease (%)
1.Coal business (kilotonne)						
Raw coal production	25,423	24,877	2.19	77,908	78,243	-0.43
Saleable coal	22,384	22,476	-0.41	69,375	70,978	-2.26

production						
Sales volume of saleable coal	28,705	27,185	5.59	83,992	82,689	1.58
2.Railway Transportation Business (kilotonne)						
Transportation volume	4,440	4,986	-10.95	14,834	15,419	-3.79
3.Coal Chemicals Business (kilotonne)						
Methanol production	429	439	-2.28	1,274	1,234	3.24
Methanol sales volume	454	446	1.79	1,288	1,240	3.87
4. Electrical power business (10,000kWh)						
Power generation	58,585	72,962	-19.70	190,674	213,870	-10.85
Electricity sold	37,525	44,964	-16.54	116,852	131,119	-10.88

Note: There are significant differences in the amounts of power generation and electricity sales volume of electrical power business in the above table, which were mainly due to the fact that the electrical power produced by the Group was to be sold externally after satisfying self-use demand.

2.1.2 Operating performance of the principal businesses of the Group by segment

1. Coal business

1) Coal production

During the first three quarters of 2019, the Group produced 77.91 million tonnes of raw coal, representing a decrease of 340 thousand tonnes or 0.4% as compared with the corresponding period of last year; produced saleable coal of 69.38 million tonnes, representing a decrease of 1.6 million tonnes or 2.3% as compared with the corresponding period of last year.

The following table sets out the coal production volume of the Group for the first three quarters of 2019:

Unit: kilotonne

Item	The third quarter			First three quarters		
	2019	2018	Increase/ Decrease (%)	2019	2018	Increase/ Decrease (%)
I. Raw Coal Production	25,423	24,877	2.19	77,908	78,243	-0.43
1.The Company	7,419	8,271	-10.30	23,080	24,545	-5.97
2.Shanxi Neng Hua ^①	447	457	-2.19	1,290	1,317	-2.05
3. Heze Neng Hua ^②	643	823	-21.87	1,884	2,608	-27.76
4. Ordos Neng Hua ^③	2,762	2,464	12.09	10,215	10,354	-1.34
5. Haosheng Company ^④	1,375	661	108.02	2,563	2,532	1.22
6. Yancoal Australia ^⑤	11,250	10,532	6.82	34,047	32,150	5.90
7. Yancoal International ^⑥	1,527	1,670	-8.56	4,829	4,738	1.92

II. Saleable Coal Production	22,384	22,476	-0.41	69,375	70,978	-2.26
1. The Company	7,419	8,271	-10.30	23,079	24,540	-5.95
2. Shanxi Neng Hua	447	456	-1.97	1,286	1,304	-1.38
3. Heze Neng Hua	640	821	-22.05	1,875	2,600	-27.88
4. Ordos Neng Hua	2,762	2,463	12.14	10,205	10,342	-1.32
5. Haosheng Company	1,375	661	108.02	2,564	2,532	1.26
6. Yancoal Australia	8,297	8,213	1.02	26,146	25,197	3.77
7. Yancoal International	1,444	1,591	-9.24	4,220	4,463	-5.44

Note:

- ① “Shanxi Neng Hua” means Yanzhou Coal Shanxi Neng Hua Company Limited.
- ② “Heze Neng Hua” means Yanmei Heze Neng Hua Company Limited. In the first three quarters of 2019, the production of raw coal and saleable coal of Heze Neng Hua were decreased as compared with the corresponding period of the previous year, which was mainly due to the fact that the production volume of raw coal and saleable coal of Zhaolou Coal Mine owned by Heze Neng Hua decreased as compared with the corresponding period of the previous year because of the operation under the new annual coal production capacity approval regulations and the complicated geological mining.
- ③ “Ordos Neng Hua” means Yanzhou Coal Ordos Neng Hua Company Limited.
- ④ “Haosheng Company” means Inner Mongolia Haosheng Coal Mining Company Limited.
- ⑤ “Yancoal Australia” means Yancoal Australia Limited.
- ⑥ “Yancoal International” means Yancoal International (Holding) Company Limited.

2) Coal price and sales

During the first three quarters of 2019, the Group’s sales volume of saleable coal was 83.99 million tonnes, representing an increase of 1.3 million tonnes or 1.6% as compared with the corresponding period of the previous year.

The following table sets out the Group’s production and sales of saleable coal by coal types for the first three quarters of 2019:

	First three quarters of 2019			First three quarters of 2018		
	Production	Sales volume	Sales price	Production	Sales volume	Sales price
	(kilotonne)	(kilotonne)	(RMB/tonne)	(kilotonne)	(kilotonne)	(RMB/tonne)
1.The Company	23,079	23,034	652.97	24,540	24,597	588.65
No.1 clean coal	866	876	951.36	536	546	876.23
No.2 clean coal	7,315	7,425	892.64	6,078	6,463	823.15
No.3 clean coal	1,937	1,970	680.69	2,023	1,964	643.58
Lump coal	1,655	1,724	747.22	1,616	1,716	699.50

Sub-total of clean coal	11,773	11,995	841.21	10,253	10,689	773.02
Screened raw coal	11,306	11,039	448.43	14,287	13,908	446.96
II. Shanxi Neng Hua	1,286	1,283	319.51	1,304	1,325	344.13
Screened raw coal	1,286	1,283	319.51	1,304	1,325	344.13
III. Heze Neng Hua	1,875	1,512	1,108.50	2,600	2,317	964.68
No.2 clean coal	1,581	1,451	1,138.23	2,075	2,121	1,014.80
Screened raw coal	294	61	394.79	525	196	421.52
IV. Ordos Neng Hua	10,205	8,894	262.86	10,342	9,651	256.43
Screened raw coal	10,205	8,894	262.86	10,342	9,651	256.43
V. Haosheng Company	2,564	2,547	310.73	2,532	2,546	306.39
Screened raw coal	2,564	2,547	310.73	2,532	2,546	306.39
VI. Yancoal Australia	26,146	24,897	553.60	25,197	25,028	623.97
Semi-hard coking coal	134	127	878.59	52	52	943.31
Semi-soft coking coal	2,364	2,251	818.48	2,051	2,037	886.49
PCI coal	1,761	1,677	864.11	1,699	1,688	889.81
Thermal coal	21,887	20,842	498.02	21,395	21,251	576.91
VII. Yancoal International	4,220	4,159	373.57	4,463	4,472	405.87
Thermal coal	4,220	4,159	373.57	4,463	4,472	405.87
VIII. Traded coal	-	17,666	624.15	-	12,753	624.59
IX. Total for the Group	69,375	83,992	555.04	70,978	82,689	554.16

3) Sales cost of coal

The Group's sales cost of coal for the first three quarters of 2019 was RMB28.111 billion, representing an increase of RMB3.031 billion or 12.1% as compared with the corresponding period of the previous year.

Items		Unit	First three quarters		
			2019	2018	Increase/ decrease (%)
The Company	Total cost of sales	RMB million	6,210	6,091	1.95
	Cost of sales per tonne	RMB/ tonne	268.17	247.01	8.57
Shanxi Neng Hua	Total cost of sales	RMB million	281	277	1.44
	Cost of sales per tonne	RMB/ tonne	218.92	208.91	4.79
Heze Neng Hua	Total cost of sales	RMB million	880	1,041	-15.47
	Cost of sales per tonne	RMB/ tonne	515.22	392.83	31.16
Ordos Neng Hua	Total cost of sales	RMB million	1,599	1,618	-1.17
	Cost of sales per tonne	RMB/ tonne	179.75	167.66	7.21
Haosheng Company	Total cost of sales	RMB million	756	756	0.00
	Cost of sales per tonne	RMB/ tonne	297.02	296.98	0.01
Yancoal Australia	Total cost of sales	RMB million	7,000	6,971	0.42
	Cost of sales per tonne	RMB/ tonne	281.14	278.54	0.93
Yancoal International	Total cost of sales	RMB million	947	1,054	-10.15
	Cost of sales per tonne	RMB/ tonne	227.65	235.72	-3.42
Traded Coal	Total cost of sales	RMB million	10,714	7,639	40.25
	Cost of sales per tonne	RMB/ tonne	606.50	599.01	1.25

The reason of changes in the cost of coal sales per tonne of Heze Neng Hua: due to the decrease of the sales volume of saleable coal as compared with the corresponding period of the previous year, the cost of the coal per ton increased by RMB118.80.

2. Railway transportation business

For the first three quarters of 2019, the transportation volume of the Group's Railway Assets was 14.83 million tonnes, representing a decrease of 590 thousand tonnes or 3.8% as compared with

the corresponding period of the previous year. As a result, the income from railway transportation services of the Company was RMB303 million for the first three quarters of 2019, representing a decrease of RMB14.828 million or 4.7% as compared with the corresponding period of the previous year. The cost of railway transportation business was RMB128 million, representing an increase of RMB7.050 million or 5.8% as compared with the corresponding period of the previous year.

3. Coal chemicals business

The following tables set out the operation of methanol business of the Group for the first three quarters of 2019:

	Methanol production (kilotonne)			Methanol sales volume (kilotonne)		
	First three quarters of 2019	First three quarters of 2018	Increase/decrease (%)	First three quarters of 2019	First three quarters of 2018	Increase/decrease (%)
1.Yulin Neng Hua	522	551	-5.26	538	560	-3.93
2.Ordos Neng Hua	752	683	10.10	750	680	10.29

Note: “Yulin Neng Hua” means Yanzhou Coal Yulin Neng Hua Company Limited.

	Sales income (RMB'000)			Sales cost (RMB'000)		
	First three quarters of 2019	First three quarters of 2018	Increase/decrease (%)	First three quarters of 2019	First three quarters of 2018	Increase/decrease (%)
1.Yulin Neng Hua	883,725	1,209,650	-26.94	763,810	774,459	-1.38
2.Ordos Neng Hua	1,204,783	1,444,301	-16.58	888,408	923,148	-3.76

4. Electrical power business

The following tables set out the operation of the Group’s electrical power business for the first three quarters of 2019:

	Power Generation (10,000kWh)			Electricity sales volume (10,000kWh)		
	First three quarters of 2019	First three quarters of 2018	Increase/decrease (%)	First three quarters of 2019	First three quarters of 2018	Increase/decrease (%)
1.Hua Ju Energy	60,810	66,759	-8.91	17,983	20,082	-10.45
2.Yulin Neng Hua	19,790	23,487	-15.74	1,261	1,856	-32.06
3.Heze Neng Hua	110,074	123,624	-10.96	97,608	109,181	-10.60

	Sales income (RMB'000)	Sales cost (RMB'000)

	First three quarters of 2019	First three quarters of 2018	Increase/decrease (%)	First three quarters of 2019	First three quarters of 2018	Increase/decrease (%)
1.Hua Ju Energy	70,734	82,334	-14.09	59,600	68,981	-13.60
2.Yulin Neng Hua	2,408	3,477	-30.74	5,042	7,119	-29.18
3.Heze Neng Hua	339,141	369,020	-8.10	283,007	325,787	-13.13

Note:

1.“Hua Ju Energy” means Shandong Hua Ju Energy Company Limited.

2. During the reporting period, the sales volume of electricity, sales revenue and sales cost of Yulin Neng Hua decreased significantly, mainly due to the decrease in external sales of electricity as compared with the corresponding period of the previous year.

5. Heat business

Hua Ju Energy generated heat energy of 770 thousand steam tonnes and sold 110 thousand steam tonnes for the first three quarters of 2019, realizing the sales income of RMB12.205 million, with the sales cost of RMB6.991 million.

6. Electrical and Mechanical Equipment Manufacturing Business

For the first three quarters of 2019, the Group’s electrical and mechanical equipment manufacturing business realized sales income of RMB189 million, with sales cost of RMB179 million.

7. Non-coal trading business

For the first three quarters of 2019, the Group’s non-coal trading business realized sales income of RMB98.497 billion, with sales cost of RMB98.146 million.

8. Equity Investment Business

For the first three quarters of 2019, the Group’s equity investment business realized income RMB1.35 billion.

2.1.3 The operation of Yankuang Finance Company Limited (“**Yankuang Finance Company**”) during the reporting period

Unit: RMB million

	First three quarters of 2019	First three quarters of 2018	Increase/decrease (%)
Operating income	249	266	-6.39
Net profit	142	146	-2.74
	30 September 2019	31 December 2018	Increase/decrease (%)
Net assets	1,630	1,488	9.54
Total assets	18,635	23,146	-19.49

2.2 Significant movements of the accounting items and financial indicators of the Company and the reasons thereof

2.2.1 Significant movements of items in balance sheet and the reasons thereof

	30 September 2019		31 December 2018		Increase/decrease (%)
	(RMB million)	Percentage of total assets (%)	(RMB million)	Percentage of total assets (%)	
Notes receivable	3,118	1.58	4,429	2.17	-29.60
Prepayments	8,532	4.32	3,217	1.58	165.22
Inventories	7,395	3.74	5,127	2.52	44.24
Deferred income tax assets	2,825	1.43	7,280	3.57	-61.20
Other non-current assets	1,486	0.75	2,272	1.12	-34.60
Notes payable	7,249	3.67	2,941	1.44	146.48
Contract liabilities	3,043	1.54	2,208	1.08	37.82
Non-current liabilities due within one year	4,104	2.08	7,195	3.53	-42.96
Deferred income tax liabilities	3,286	1.66	8,122	3.99	-59.54
Other non-current liabilities	1,952	0.99	427	0.21	357.14
Special reserves	3,952	2.00	3,046	1.50	29.74

Explanations for changes of notes receivable: Notes receivable decreased by RMB1.108 billion as compared with that of the beginning of the year 2019.

Explanations for changes of prepayment: ① Ordos Neng Hua prepaid the prospecting rights of the Yingpanhao Coal Mine with the amount of RMB1.156 billion in the first three quarters of 2019. ② Haosheng Company made prepayment of RMB1.2 billion for the mining right of Shilawusu Coal Mine in the first three quarters of 2019. ③ Prepaid trade payment by Qingdao Vast Lucky International Trade Co, Ltd. (“**Qingdao Vast Lucky**”) increased by RMB602 million as compared with that of the beginning of the year 2019. ④ Prepaid trade payment by Yankuang (Hainan) Intelligent Logistics Technology Co., Ltd. (“**Intelligent Logistics**”) increased by RMB1.274 billion as compared with that of the beginning of the year 2019. ⑤ Prepaid equipment payment by Zhongyin Financial Leasing Co., Ltd (“**Zhongyin Financial Leasing**”) increased by RMB578 million as compared with that of the beginning of the year 2019.

Explanations for changes of inventories: ① Inventories of Qingdao Bonded Area Zhongyan Trade Co., Ltd. (“**Qingdao Zhongyan**”) increased by RMB733 million as compared with that of the beginning of the year 2019. ② Inventories of Yancoal International increased by RMB1.070 billion as compared with that of the beginning of the year 2019.

Explanations for changes of deferred income tax assets: At the end of the reporting period, Yancoal Australia adjusted the presentation of deferred income tax assets, and the balance of

deferred income tax assets was adjusted to reflect the difference between deferred income tax assets and deferred income tax liabilities.

Explanations for changes of other non-current assets: ① The Group's production capacity replacement funds were transferred to intangible assets, leading to the decrease of other non-current assets decreased by RMB442 million as compared with that of the beginning of the year 2019. ② The other non-current assets of Yancoal International decreased by RMB436 million as compared with that of the beginning of the year 2019.

Explanations for changes of notes payable: ① Notes payable of the Company increased by RMB839 million as compared with that of the beginning of the year 2019. ② Notes payable of Qingdao Vast Lucky increased by RMB1.927 billion as compared with that of the beginning of the year 2019. ③ Notes payable of Intelligent Logistics increased by RMB800 million as compared with that of the beginning of the year 2019.

Explanations for changes of contract liabilities: ① Trade payment in advance of Qingdao Zhongyan increased by RMB384 million as compared with that of the beginning of the year 2019. ② Trade payment in advance of Shandong Zhongyin International Trade Co., Ltd increased by RMB278 million as compared with that of the beginning of the year 2019.

Explanations for changes of non-current liabilities due within one year: ① The Company repaid RMB1.949 billion for corporate bond in the first three quarters of 2019. ② The Company repaid RMB600 million for financial lease in the first three quarters of 2019.

Explanation for changes of deferred income tax liabilities: At the end of the reporting period, Yancoal Australia adjusted the presentation of deferred income tax liabilities.

Explanation for changes of other non-current liabilities: The asset-backed securities balance of Zhongyin Financial Leasing increased by RMB1.461 billion as compared with the beginning of 2019.

Explanation for changes of special reserves: The Company's special reserve accruals were greater than the number of uses.

2.2.2 Significant movements of items in income statement and the reasons thereof

	First 3 quarters of 2019 (RMB million)	First 3 quarters of 2018 (RMB million)	Increase/ decrease (%)	Major reasons for those changes
Operating income	150,611	119,190	26.36	① Sales income from self-produced coal sales volume decreased by RMB2.264 billion as compared with the corresponding period of last year; ② Sales income from traded coal increased by RMB3.061 billion as compared with the

				corresponding period of last year; ③ Income from other businesses increased by RMB31.225 billion as compared with the corresponding period of last year.
Operating costs	129,952	95,521	36.05	① Traded coal sales cost increased by RMB3.075 billion as compared with the corresponding period of last year; ② Other businesses cost increased by RMB31.444 billion as compared with the corresponding period of last year.
Administration expense	3,137	4,503	-30.34	In the first three quarters of 2018, as part of the Company's social insurance was included in the overall management of Jining City, a one-off social insurance premium of RMB1.006 billion was withdrawn, while no similar business occurred in the first three quarters of 2019.
Financial expense	1,952	3,267	-40.25	① Interest expense decreased by RMB337 million as compared with the corresponding period of last year. ② Exchange losses decreased by RMB762 million as compared with the corresponding period of last year.
Income tax expense	2,154	3,523	-38.86	In the first three quarters of 2019, Yancoal Australia's income tax expenses decreased by RMB1.610 billion as compared with the corresponding period of last year due to changes in deferred taxes and taxable income arising from the acquisition of Coal & Allied Industries Limited ("C&A").

2.2.3 Significant movements of items in cash flow statement and the reasons thereof

	First 3 quarters of 2019 (RMB million)	First 3 quarters of 2018 (RMB million)	Increase/ decrease (%)	Major reasons for those changes
Net cash flows from operating activities	14,833	12,653	17.23	① Cash received from goods sales and rendering services increased by RMB34.97 billion as compared with that of last year; ② Cash received from other operating-related activities increased by RMB1.228 billion as compared with that of last year; ③ Cash paid for purchase of goods and acceptance of services increased by RMB35.085 billion as compared with that of

				last year. ④Cash paid to employees and paid for employees decreased by RMB758 million as compared with that of last year.
Net cash flows from investing activities	-3,254	-2,481	-	①Cash received from investment recovery increased by RMB607 million as compared with that of last year; ②Cash received from disposal of fixed assets, intangible assets and other long-term assets decreased by RMB2.46 billion as compared with that of last year;③Cash paid for purchasing of fixed assets, intangible assets and other long-term assets increased by RMB2.495 billion as compared with that of last year;④Cash paid for investment decreased by RMB3.185 billion as compared with that of last year; ⑤Net cash received from subsidiaries and other operating units decreased by RMB252 million as compared with that of last year.
Net cash flows from financing activities	-19,337	-9,326	-	①Cash received from absorbing investments decreased by RMB4.963 billion as compared with that of last year; ②Cash received from obtaining loans decreased by RMB8.832 billion as compared with that of last year; ③Cash paid for debt repayment decreased by RMB10.825 billion as compared with that of last year; ④Cash paid for other financing-related activities increased by RMB6.373 billion as compared with that of last year.
Net increase in cash and cash equivalents	-8,325	1,247	-767.60	—

2.3 Progress and impact of significant events and analysis of resolutions

2.3.1 Significant litigation and arbitration events

Progress in litigation and arbitration events during the reporting period

1. Financial loan contract dispute of China Construction Bank Jining Guhuailu Branch (“CCB Jining Guhuailu Branch”) suing against Yanzhou Coal

In June 2017, citing the financial loan contract dispute, CCB Jining Guhuailu Branch, as the plaintiff, sued against 8 defendants including Jining Liaoyuan Co., Ltd. (“**Jining Liaoyuan**”) and Yanzhou Coal to Jining Intermediate People’s Court (“**Jining Intermediate Court**”), requiring Jining Liaoyuan to repay loan principal of RMB95.8596 million and corresponding interest. Since Jining Liaoyuan pledged accounts receivables of RMB90.52 million by Yanzhou Coal (suspect of counterfeit) to CCB Jining Guhuailu Branch, CCB Jining Guhuailu Branch required the Company to make repayment within scope of the accounts receivable.

In January 2018, Jining Intermediate Court heard the case. The Company applied for judicial authentication of the seals and signatures in relevant evidences at the court. The judicial authentication verified that the seals are forged, and the signatures are authentic.

In November 2018, the Company lost the lawsuit at the first instance and the Company lodged an appeal to High People’s Court of Shandong Province (“**Shandong High Court**”).

In August 2019, Shandong High Court remanded the case to Jining Intermediate Court for trial. No ruling has been given yet.

2. Coal sales contract dispute of Yanzhou Coal suing against Shandong Changjinhao Coal Mining Co., Ltd. (“Changjinhao”)

In December 2018, citing the coal sales contract dispute, the Company appealed to Jining Intermediate Court against Changjinhao, requiring Changjinhao to pay RMB56.3893 million of goods payment and related interests, while Wang Fuen, Ji Jianyong and Wu Zhaobin shall bear joint and several liabilities.

The case was heard in Jining Intermediate Court twice in May 2019 and June 2019.

In September 2019, the Company received the first-instance judgment from Jining Intermediate Court and won the suit. Due to the fact that the judgement did not satisfy the purpose of the Company on the lawsuit, the Company lodged an appeal to Shandong High Court.

3. Sales contract dispute of Shandong Zikuang Coal Transport and Marketing Co., Ltd. (“Zikuang Transport and Marketing Company”) suing against Yanzhou Coal

In May 2019, citing the sales contract dispute, Zikuang Transport and Marketing Company sued against Yanzhou Coal to Jining Intermediate Court, requiring Yanzhou Coal to repay RMB25.478 million of coal pre-payment, RMB7.042 million of interest loss, RMB0.936 million of the loss of anticipated benefits and RMB0.5 million of expense of the realization of credit, adding up to RMB33.956 million.

In October 2019, Jining Intermediate Court dismissed the claim of Zikuang Transport and Marketing Company in the first trial. Yanzhou Coal won the case.

4. Contract dispute of Xiamen Xinda Co., Ltd. (“Xiamen Xinda”) suing against Shandong

Zhongyin Logistics Co. Ltd. (“Zhongyin Logistics”) and Yanzhou Coal (“Case 1”)

In March 2017, citing the sales contract dispute, Xiamen Xinda appealed against Zhongyin Logistics and the Company to Xiamen Intermediate People's Court (“Xiamen Intermediate Court”) in three cases, legally requiring Zhongyin Logistics to return goods principal of RMB164 million and corresponding interest and requiring the Company to bear joint liability.

In June 2017, the Company appealed to the Higher People's Court of Fujian Province (“Fujian High Court”) on the jurisdictional objection. Fujian High Court ruled that two of the three cases tried by the Xiamen Intermediate Court were combined into one (RMB102.5 million) was tried by Fujian High Court, and the remaining one was merged with Case 2 by Xiamen Intermediate Court.

In July 2018, the case heard by Fujian High Court was heard in the first instance. The two parties jointly applied to the court for a delay in the trial. The court agreed to suspend the trial and the court time will be notified separately. In the case of Xiamen Intermediate Court, Xiamen Intermediate Court organized the parties to participate in the pre-trial cross-examination, after the cross-examination, Xiamen Intermediate Court suspended the case.

In accordance with the investigation and verification of the Company, among the relevant evidences provided by the plaintiff, the seals of the Company and Zhongyin Logistics were forged. The third party and related persons involving the case were suspected to forge seals to carry out contract fraud. The Company has reported to public security organs and the case was placed on file.

In October 2019, Xiamen Xinda filed an application for cancellation of the lawsuit with Xiamen High Court and obtained permission.

5. Contract dispute of Xiamen Xinda suing against Zhongyin Logistics and Yanzhou Coal (“Case 2”)

In June 2017, citing the sales contract dispute, Xiamen Xinda appealed against Zhongyin Logistics and the Company to Xiamen Municipal Huli District People’s Court in three cases, legally requiring Zhongyin Logistics to return goods principal of RMB31.7116 million and corresponding interest and requiring the Company to bear joint liability. The Company filed a jurisdictional objection to the court. The court ruled that the three cases in the case were merged with one case in Case 1, and the total amount involved in the case was RMB91.10 million, which was tried by Xiamen Intermediate Court.

In July 2018, Xiamen Intermediate Court heard the case, and no ruling has been given yet.

In accordance with the investigation and verification of the Company, among the relevant evidences provided by the plaintiff, the seals of the Company and Zhongyin Logistics were forged. The third party and related persons involving the case were suspected to forge seals to carry out contract fraud. The Company has reported to public security organs and the case was placed on file.

In September 2019, Xiamen Xinda filed an application for cancellation of the lawsuit with Xiamen Intermediate Court and obtained permission.

2.3.2 Major related / connected transactions

1. Continuing related/connected transactions in relation to financial services

As reviewed and approved at the twenty-seventh meeting of the seventh session of the Board dated 30 August 2019, Yankuang Finance Co., Ltd. and Yankuang Group renewed the Financial Services Agreement between Yankuang Group Finance Co., Ltd and Yankuang Group Company Limited, pursuant to which Yankuang Finance Company shall provide deposit service, comprehensive credit facility service and other miscellaneous financial services to Yankuang Group from 2020 to 2022 within the annual caps of the respective services (if applicable).

The matter needs to implement the procedure to be voted at the general meeting of Shareholders.

For details, please refer to the announcement in relation to continuing related/connected transaction passed at the twenty-seventh meeting of the seventh session of the Board dated 30 August 2019, the circular of the second extraordinary general meeting of Shareholders issued on 11 October 2019, and the conference material of the second extraordinary general meeting of Shareholders issued on 24 October 2019, which were posted on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website and/or China Securities Journal and Shanghai Securities News and Securities Times in the PRC.

2. Related transactions of Yankuang Finance Company increasing registered capital

As discussed and approved at the twenty- seventh meeting of the seventh session of the Board of the Company held on 30 August 2019, the Company entered into the Agreement on the Capital Increase in Yankuang Group Finance Co., Ltd. with Yankuang Group and Yankuang Finance Company, and the Company and Yankuang Group increased their capital contribution of RMB1.5 billion to Yankuang Finance Company according to their respective shareholding interest, of which, the Company contributing RMB1.425 billion and Yankuang Group contributing RMB75 million.

For details, please refer to the announcement in relation to resolution passed at the twenty-seventh meeting of the seventh session of the Board dated 30 August 2019, and the announcement of the related transactions/inside information concerning the increase of registered capital of Yankuang Group Finance Co., Ltd. Such information can be found on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website and/or China Securities Journal and Shanghai Securities News and Securities Times in the PRC.

3. Continuing connected/related transactions in relation to diesel fuel procurement

As discussed and approved at the twenty-eighth meeting of the seventh session of the Board of the Company held on 25 October 2019, HV Operations Pty Ltd, a subsidiary of the Company, was approved to sign Diesel Fuel Supply Agreement with Glencore Petroleum Co., Ltd. Australia, a

subsidiary of Glencore Group as well as the annual caps for these transactions for the year from 2019 to 2021.

For details, please refer to the announcement in relation to the resolution passed at the twenty-eighth meeting of the seventh session of the Board dated 25 October 2019 and related continuing connected/related transaction announcement, which were published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website and/or China Securities Journal, Shanghai Securities News and Securities Times in the PRC.

2.3.3 Other significant events

1. Termination of non-public issuance of A Shares

As considered and approved at the second extraordinary general meeting of 2017, the third class meeting of the holders of A Shares and the third class meeting of the holders of H Shares of 2017 held on 25 August 2017, the Company was authorized to implement non-public issuance of A Shares in an amount not exceeding 647 million shares (inclusive) to specific investors, with proceeds to be raised not exceeding RMB7 billion ("the Non-Public Issuance of A Shares") The net proceeds after deduction of financing expenses will be used for the purchase of 100% equity of Coal & Allied Industries Limited.

According to the regulatory requirements of regulatory authorities, taking into account of the trend of exchange rate of USD and market expectation, the twelfth meeting of the seventh session of the Board of the Company held on 24 April 2018 considered and approved that the proceeds to be raised was changed to be an amount not exceeding RMB6.35 billion.

The validity period of the resolution relating to the Non-Public Issuance of A Shares and the validity period of the authorization are both twelve months from the passing of the relevant resolutions at the aforesaid general meetings (i.e., the validity period would expire on 24 August 2018). As approved at the second extraordinary general meeting of 2018 of the Company, the second class meeting of the holders of A Shares and the second class meeting of the holders of H Shares of 2018 on 24 August 2018, it was considered and approved to extend the validity of the resolution of the Non-Public Issuance of A Shares to 24 August 2019. As approved at the second extraordinary general meeting of 2018 of the Company on 24 August 2018, the validity of the authorization to the Board to deal with matters relating to the Non-Public Issuance of A Shares was extended to 24 August 2019.

In view of the changes in the capital market conditions, financing opportunities and other factors, in order to protect the interests of the investors, through communication with parties, comprehensive consideration of various internal and external factors, as reviewed at the twenty-sixth meeting of the seventh session of the Board dated 16 August 2019, the Company was approved to terminate the Non-Public Issuance of A Shares and withdraw the application documents.

For details, please refer to the announcements dated 31 March 2017, 28 April 2017, 29 June 2017, 25 August 2017 and 15 December 2017 in relation to the non-public issuance of A Shares, respectively, the announcement in relation to "CSRC Announcement Acceptance of Application

for Non-public Issuance” dated 27 December 2017, the announcement in relation to “Announcement Receipt of CSRC Notice of the First Feedback on the Review of Administrative Permission Item” dated 9 February 2018 and related announcements dated 24 April 2018, 29 June 2018, 24 August 2018, 16 August 2019 and 18 September 2019, which were published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company’s website and/or China Securities Journal, Shanghai Securities News and Securities Times in the PRC.

2. Purchase of 5% shares of Yankuang Finance Company held by China Credit Trust Co., Ltd.

As reviewed and approved at the general manager work meeting held on 22 April 2019, the Company delisted and purchased 5% equity shares of Yankuang Finance Company held by China Credit Trust Co., Ltd. at the Beijing Property Rights Exchange Center at a price of RMB78 million, which was not higher than the evaluation value.

The procedures for equity transfer and business registration change completed on 7 August 2019.

3. Adjustments in the Company’s departments and organizations

As reviewed and approved at the twenty-sixth meeting of the seventh session of the Board held on 16 August 2019, the Company dissolved the Research Center on the Prevention of Coal Mine Rock Burst and established the Rock Burst Prevention Office which is mainly in charge of prevention management and daily monitoring of coal burst, and performance of professional management and assessment responsibilities. The Company established the Comprehensive Ecological Restoration Office, which is mainly responsible for the construction of the ecological restoration comprehensive treatment demonstration parks, the promotion of the “Green Heart” Project in the urban areas and the construction of ecological management projects. The Company established and managed the Subsidence Remediation Development Fund, and carried out all-round strategic cooperation with relevant parties to realize the coordinated development of coal resource development and ecological civilization construction in mining areas.

For details, please refer to the announcement in relation to the resolutions passed at the twenty-sixth meeting of the seventh session of the Board dated 16 August 2019, which were published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company’s website and/or China Securities Journal, Shanghai Securities News and Securities Times in the PRC.

4. Established the Blue Gold Shipping Industry Investment Fund

As reviewed and approved at the general manager work meeting held on 15 July 2019, the Company, through Yancoal International, jointly established the Blue Gold Shipping Industry Investment Fund (“Blue Gold Fund”) with Shandong Shipping Asset Management Co., Ltd. (“Shandong Shipping Asset Management”). The Blue Gold Fund operates in a partnership-based

business model with a total size of USD60 million. Yancoal International has invested USD50 million as a limited partner with priority, and Shandong Shipping Asset Management has invested USD10 million as a limited partner with inferiority. At present, the matter is going through the state-owned assets supervision procedures.

5. Increase of registered capital in Ordos Neng Hua and Ordos Yingpanhao Coal Company Limited ("Yingpanhao Company")

As reviewed and approved at the twenty-seventh meeting of the seventh session of the Board dated 30 August 2019, the Company increased its capital contribution to the registered capital of Ordos Neng Hua in cash in an amount of RMB2.7 billion, and Ordos Neng Hua increased its capital contribution to the registered capital of Yingpanhao Company in cash in an amount of RMB2.7 billion ("the capital increase"). After the completion of the capital increase, the registered capital of Ordos Neng Hua increased from RMB8.1 billion to RMB10.8 billion, and the registered capital of Yingpanhao Company increased from RMB300 million to RMB3 billion.

For details, please refer to the announcement in relation to the resolutions passed at the twenty-seventh meeting of the seventh session of the Board dated 30 August 2019 and the "Announcement on Capital Increase in Ordos Neng Hua and Yingpanhao Company", which were published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website and/or China Securities Journal, Shanghai Securities News and Securities Times in the PRC.

6. Change of representative of securities affairs of the Company

As reviewed and approved at the twenty-seventh meeting of the seventh session of the Board held on 30 August 2019, the Company appointed Ms. Shang Xiaoyu as the representative of securities affairs to the Company.

For details, please refer to the announcement in relation to the resolutions passed at the twenty-seventh meeting of the seventh session of the Board and the announcement in relation to the change of representative of securities affairs of the Company dated 30 August 2019, which were published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website and/or China Securities Journal, Shanghai Securities News and Securities Times in the PRC.

7. Distribution of 2019 interim cash dividends (special dividends)

As reviewed and approved at the twenty-seventh meeting of the seventh session of the Board held on 30 August 2019, in return for the long-term support of the Shareholders, the Board proposed to declare an interim cash dividend (special dividend) payable of RMB4.912 billion (tax inclusive), i.e., RMB10 per 10 shares (tax inclusive) for the year 2019. This dividend distribution plan will be submitted at the second extraordinary general meeting of 2019 for discussion and revision and then distributed to the Shareholders within two months upon approval (if approved).

For details, please refer to the announcement of resolutions passed at the twenty-seventh meeting of the seventh session of the Board of Directors, the Announcement of the 2019 Interim Profit Distribution Plan dated 30 August 2019, the Supplemental Announcement on the 2019 Interim Profit Distribution Plan dated 2 September 2019, the circular of the second extraordinary general meeting of 2019 dated 11 October 2019 and the meeting materials for the second extraordinary general meeting of 2019 dated 24 October 2019, which were published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Company's website and/or China Securities Journal, Shanghai Securities News and Securities Times in the PRC.

8. Establishment of Yankuang Intelligent Ecological Investment Development Co., Ltd. (“Yankuang Ecological Investment Company”)

As reviewed and approved at the general manager work meeting held on 9 September 2019, Yankuang Ecological Investment Company was established by the Company.

Yankuang Ecological Investment Company has registered capital of RMB80 million, which is a wholly-owned subsidiary of the Company, i.e., the Company holds its 100% shares. Yankuang Ecological Investment Company is mainly engaged in the business of ecological restoration, investment and management of industrial projects, landscape greening engineering design and construction.

2.4 Unfulfilled Commitments Overdue During the Reporting Period

Not applicable.

2.5 Warning and Explanation on any Estimated Losses or Significant Changes in the Aggregate Net Profit from the Beginning of 2019 to the End of the Next Reporting Period When Compared with That of the Corresponding Period of Last Year

Not applicable.

3. BOARD OF DIRECTORS

On 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, while the independent non-executive directors of the Company are Mr. Kong Xiangguo, Mr. Cai Chang, Mr. Poon Chiu Kwok and Mr. Qi Anbang.

Yanzhou Coal Mining Company Limited
Li Xiyong
Chairman of the Board
25 October 2019

4. APPENDIX

4.1 financial statement

Consolidated Balance Sheet

30 September 2019

Prepared by: Yanzhou Coal Mining Company Limited

Unit: RMB'000

Unaudited

Items	30 September 2019	31 December 2018
Current assets:		
Money funds	23,318,728	32,722,744
Clearing settlement funds	-	-
Lending to banks and other financial institutions	-	-
Tradable financial assets	142,002	134,544
Derivative financial assets	-	-
Notes receivables	3,117,744	4,428,709
Accounts receivable	4,610,044	4,728,553
Receivable financing	-	-
Prepayments	8,532,299	3,216,896
Premium receivable	-	-
Reinsurance accounts receivable	-	-
Reserve for reinsurance contract receivable	-	-
Other receivables	1,201,977	1,006,448
Purchase of resold financial assets	-	-
Inventories	7,395,325	5,126,622
Contract assets	-	-
Held-to-sale assets	213,803	272,902
Non-current assets due within one year	1,445,314	1,555,120
Other current assets	13,627,725	12,670,558
TOTAL CURRENT ASSETS	63,604,961	65,863,096
NON-CURRENT ASSETS:		
Disbursement of loans and advances	-	-
Debt investment	266,382	266,515
Other debt investments	-	-
Long-term accounts receivable	6,845,695	7,458,880
Long-term equity investments	17,370,163	16,683,930
Other equity instruments investments	5,332	5,246
Other non-current financial assets	988,653	924,149
Investment properties	621	660
Fixed assets	41,562,882	44,293,193
Construction in progress	16,432,954	13,103,580

Productive biological assets	-	-
Oil gas assets	-	-
Usufruct assets	429,634	-
Intangible assets	45,407,212	45,177,717
Development expenditure	-	-
Goodwill	323,875	325,634
Long-term deferred expenses	23,730	24,852
Deferred income tax assets	2,824,913	7,280,332
Other non-current assets	1,485,910	2,272,116
TOTAL NON-CURRENT ASSETS	133,967,956	137,816,804
TOTAL ASSETS	197,572,917	203,679,900
CURRENT LIABILITIES:		
Short-term borrowings	7,618,637	8,184,537
Borrowings from central bank	-	-
Deposits from customers and interbank	-	-
Deposit funds	-	-
Tradable financial liabilities	62,602	1,254
Derivative financial liability	-	-
Notes payable	7,248,593	2,940,857
Accounts payable	9,065,117	10,503,095
Advances from customers	-	-
Contract liabilities	3,043,250	2,207,641
Amounts from sale of repurchased financial assets	-	-
Deposits from customers and interbank	-	-
Funds received as agent of stock exchange	-	-
Funds received as stock underwrite	-	-
Salaries and wages payable	1,319,629	1,274,581
Taxes payable	674,870	1,350,505
Other payables	18,964,460	18,118,334
Handling charges and commissions payable	-	-
Reinsurance accounts payable	-	-
Held-to-sale liabilities	-	-
Non-current liabilities due within one year	4,104,094	7,194,915
Other current liabilities	7,048,429	7,282,212
TOTAL CURRENT LIABILITIES	59,149,681	59,057,931
NON-CURRENT LIABILITIES:		
Reserve for insurance contract	-	-
Long-term borrowings	31,676,589	33,555,869
Bonds payable	14,620,284	14,498,593
Including: preferred shares	-	-
perpetual bonds	-	-

Lease liabilities	361,725	-
Long-term payable	66,178	355,169
Long-term salaries and wages payable	299,284	382,713
Estimated liabilities	2,558,659	2,229,569
Deferred revenue	129,542	97,477
Deferred income tax liabilities	3,285,555	8,121,858
Other non-current liabilities	1,952,370	427,230
TOTAL NON-CURRENT LIABILITIES	54,950,186	59,668,478
TOTAL LIABILITIES	114,099,867	118,726,409
OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY) :		
Paid-in capital (or share capital)	4,912,016	4,912,016
Other equity instruments	10,182,639	10,316,444
Including: preferred shares	-	-
perpetual bonds	10,182,639	10,316,444
Capital reserves	1,132,940	1,123,920
Less: treasury stock	-	-
Other comprehensive income	-7,289,960	-7,772,900
Special reserves	3,952,010	3,046,388
Surplus reserves	6,224,400	6,224,400
Provision for general risk	-	-
Undistributed earnings	47,395,849	43,141,500
Total owners' equity (or shareholders' equity) attributable to parent company	66,509,894	60,991,768
Minority interest	16,963,156	23,961,723
TOTAL OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)	83,473,050	84,953,491
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	197,572,917	203,679,900

Legal Representative of the Company: Li Xiyong
Head of Accounting Department: Xu Jian

Chief Financial Officer: Zhao Qingchun

Balance Sheet of the Parent Company

30 September 2019

Prepared by: Yanzhou Coal Mining Company Limited

Unit: RMB'000

Unaudited

Items	As at 30 Sep 2019	As at 31 Dec 2018
CURRENT ASSETS:		
Money Funds	7,393,286	17,106,509
Tradable financial assets	-	-
Derivative financial assets	-	-
Notes receivables	2,581,400	4,124,583
Accounts receivable	1,313,871	779,616
Accounts receivable financing	-	-
Prepayments	234,558	105,675
Other receivables	43,006,217	36,309,031
Inventories	662,216	578,184
Contract assets	-	-
Held-to-sale assets	-	-
Non-current assets due within one year	-	-
Other current assets	2,979,067	3,047,583
TOTAL CURRENT ASSETS	58,170,615	62,051,181
NON-CURRENT ASSETS:		
Creditors' investment	-	-
Other creditors' investment	-	-
Long-term accounts receivable	-	-
Long-term equity investments	73,227,894	71,003,611
Other equity instruments investments	5,331	5,246
Other non-current financial assets	-	-
Investment real estate	-	-
Fixed assets	5,911,153	9,101,922
Construction in progress	777,597	655,119
Productive biological assets	-	-
Oil and gas assets	-	-
Usufruct assets	2,799,983	-
Intangible assets	1,255,251	1,384,277
Development expenditure	-	-
Goodwill	-	-
Long-term deferred expenses	9	14
Deferred income tax assets	1,121,635	1,193,583
Other non-current assets	117,926	117,926
TOTAL NON-CURRENT ASSETS	85,216,779	83,461,698
TOTAL ASSETS	143,387,394	145,512,879
CURRENT LIABILITIES:		
Short-term borrowings	8,470,000	6,900,000

Tradable financial liabilities	-	-
Derivative financial liabilities	-	-
Notes payable	1,660,263	821,256
Accounts payable	2,012,598	2,603,952
Advances from customers	-	-
Liabilities of contract	683,664	749,246
Salary payable	590,643	522,785
Taxes and surcharges payable	329,402	616,130
Other payables	17,182,160	12,552,222
Liabilities classified as held for sale	-	-
Non-current liabilities due within one year	2,872,979	16,588,063
Other current liabilities	6,754,240	6,849,526
TOTAL CURRENT LIABILITIES	40,555,949	48,203,180
NON-CURRENT LIABILITIES:		
Long-term borrowings	19,906,460	17,843,560
Bonds payable	11,515,917	11,506,367
Including: preferred shares	-	-
Perpetual bonds	-	-
Lease liabilities	2,892,080	-
Long-term payable	66,178	2,771,710
Long-term employee benefits payable	-	-
Accrued liabilities	-	-
Deferred income	84,334	53,415
Deferred income tax liabilities	37,568	37,547
Other non-current liabilities	-	-
TOTAL NON-CURRENT LIABILITIES	34,502,537	32,212,599
TOTAL LIABILITIES	75,058,486	80,415,779
OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY):		
Share capital	4,912,016	4,912,016
Other equity instruments	10,182,639	10,316,444
Including: preferred shares	-	-
perpetual bonds	10,182,639	10,316,444
Capital reserve	1,391,452	1,391,452
Less: treasury shares	-	-
Other comprehensive income	166,720	65,289
Special reserve	2,783,797	2,295,337
Surplus reserve	6,179,290	6,179,290
Undistributed profit	42,712,994	39,937,272
TOTAL SHAREHOLDERS' EQUITY	68,328,908	65,097,100
TOTAL LIABILITIES AND OWNERS' EQUITY	143,387,394	145,512,879

Legal Representative of the Company: Li Xiyong
Head of Accounting Department: Xu Jian

Chief Financial Officer: Zhao Qingchu

Consolidated Income Statements

From January to September 2019

Prepared by: Yanzhou Coal Mining Company Limited

Unit: RMB'000

Unaudited

Items	From July to September 2019	From July to September 2018	From January to September 2019	From January to September 2018
I. Total Operating Revenue	44,635,485	42,882,292	150,611,076	119,190,485
Including: Operating revenue	44,635,485	42,882,292	150,611,076	119,190,485
Interest income	-	-	-	-
Premium earned	-	-	-	-
Fee and commission income	-	-	-	-
II. Total Operating Costs	42,385,422	40,077,948	141,023,524	109,793,992
Including: Operating costs	38,680,373	35,157,526	129,951,504	95,521,264
Interest expenses	-	-	-	-
Fees and commission expenses	-	-	-	-
Cash surrender value	-	-	-	-
Net claim settlement expenses	-	-	-	-
Net insurance contract reserves	-	-	-	-
Policy dividend expenses	-	-	-	-
Reinsurance expenses	-	-	-	-
Taxes and surcharges	479,322	566,503	1,586,902	1,870,388
Selling expenses	1,420,782	1,663,220	4,263,218	4,574,357
Administrative expenses	1,151,918	1,346,846	3,136,539	4,502,837
Research and development expenses	54,813	14,499	133,588	58,465
Financial expenses	598,214	1,329,354	1,951,773	3,266,681
Including: Interest expense	734,579	853,816	2,296,606	2,669,382
Interest income	246,572	337,005	676,931	714,900
Add: Other income	10,751	5,762	27,178	16,289
Investment income ("-" for loss)	255,309	373,574	1,350,404	1,624,367
Including: Investment income from associates and joint ventures	304,403	342,958	1,298,725	1,196,482
Termination recognition income from financial assets measured at amortized costs	-	-	-	-
Exchange earning ("-" for loss)	-	-	-	-
Net exposure hedging income ("-" for loss)	-	-	-	-
Gains from fair value changes ("-" for loss)	127	8,258	82,076	-183,096
Loss from credit impairment ("-" for loss)	16,394	10,663	-81,403	-86,870

Loss from asset devaluation ("-" for loss)	-37,053	-1,821	-39,950	-6,237
Gains on disposal of assets ("-" for loss)	10,283	-7,418	-13,221	354,341
III. Operating profit ("-" for loss)	2,505,874	3,193,362	10,912,636	11,115,287
Add: Non-operating income	106,939	65,604	319,259	309,720
Less: Non-operating expenses	21,601	302,222	88,177	399,238
IV. Total Profit ("-" for loss)	2,591,212	2,956,744	11,143,718	11,025,769
Less: Income tax expenses	642,020	1,121,401	2,154,496	3,522,730
V. Net profit ("-" for loss)	1,949,192	1,835,343	8,989,222	7,503,039
(I) By business continuity:				
Profit and loss from continuous operation ("-" for loss)	1,949,192	1,835,343	8,989,222	7,503,039
Profit and loss from terminated operation ("-" for loss)	-	-	-	-
(II) By ownership:				
1. Attributable to parent company	1,622,849	1,162,735	6,983,703	5,504,014
2. Attributable to holders of other equity instruments of the parent company	152,055	152,056	451,208	455,040
3. Attributable to minority shareholders	174,288	520,552	1,554,311	1,543,985
VI. Other comprehensive income after tax	41,110	977,159	389,386	-581,005
(I) Other comprehensive income after tax attributable to the owners of parent company	179,497	855,893	482,944	-218,633
1. Other comprehensive income not be reclassified as profit or loss later	-51	-8	21,045	-126
① Changes in remeasurement of defined benefit plans	-	-	-	-
② Portion of other comprehensive income of investees not to be reclassified as profit or loss under equity method	-	-	-	-
③ Changes in fair value of investments in other equity instruments	-51	-8	21,045	-126
④ Changes in the fair value of the enterprise's own credit risk	-	-	-	-
⑤ Others	-	-	-	-

2.Other comprehensive income to be reclassified as profit or loss	179,548	855,901	461,899	-218,507
① Portion of other comprehensive income of investees to be reclassified as profit or loss under equity method	45,451	16,464	101,367	96,121
② Changes in fair value of investments in other equity instruments	-	-	-	-
③ Financial assets reclassified to other comprehensive income	-	-	-	-
④ Provision for Impairment of Credit for Investment of Other Creditor Rights	-	-	-	-
⑤ Cash flow hedging reserve	-359,856	-146,376	-306,447	-308,088
⑥ Exchange differences on translation	493,953	985,813	666,979	-6,540
⑦ others	-	-	-	-
(II) Other comprehensive income after tax attributable to the minority shareholder	-138,387	121,266	-93,558	-362,372
VII. Total comprehensive income	1,990,302	2,812,502	9,378,608	6,922,034
(I) Attributable to parent company	1,802,346	2,018,628	7,466,647	5,285,381
(II) Attributable to holders of other equity instruments of the parent company	152,055	152,056	451,208	455,040
(III) Attributable to minority shareholders	35,901	641,818	1,460,753	1,181,613
VIII. Earnings per share				
(I) Basic earnings per share (RMB)	0.3304	0.2367	1.4218	1.1205
(II) Diluted earnings per share (RMB)	0.3304	0.2367	1.4218	1.1205

Legal Representative of the Company: Li Xiyong
Head of Accounting Department: Xu Jian

Chief Financial Officer: Zhao Qingchun

Income Statements of the Parent Company

From January to September 2019

Prepared by: Yanzhou Coal Mining Company Limited

Unit: RMB'000

Unaudited

Items	From July to September 2019	From July to September 2018	From January to September 2019	From January to September 2018
I. Operating revenue	5,884,402	5,953,536	18,728,610	18,364,996
Less: Operating costs	3,260,233	3,169,829	9,788,771	9,527,376
Taxes and surcharges	286,576	271,461	919,029	948,515
Selling expenses	74,351	113,496	238,771	309,117
Administrative expenses	544,595	652,299	1,502,890	2,780,636
Research and development expenses	13,493	14,500	45,413	43,669
Financial expenses	680,202	1,023,553	2,284,213	2,519,220
Including: Interest expense	683,475	836,707	2,276,161	2,400,810
Interest income	29,582	35,988	102,489	104,648
Add: Other income	1,647	3,923	4,641	7,004
Investment income ("-" for loss)	1,072,156	900,398	3,684,340	2,048,453
Including: Investment income from associates and joint ventures	213,269	155,444	677,393	545,788
Termination recognition income from financial assets measured at amortized costs	-	-	-	-
Net exposure hedging income ("-" for loss)	-	-	-	-
Gains from fair value changes ("-" for loss)	310	-1,113	6,978	-28,623
Loss from credit impairment ("-" for loss)	-1,923	11,434	-80,600	15,395
Loss from asset devaluation ("-" for loss)	-	-	-	-
Gains on disposal of assets ("-" for loss)	-1,359	480	-2,437	247
II. Operating profit ("-" for loss)	2,095,783	1,623,520	7,562,445	4,278,939
Add: Non-operating income	61,258	12,962	196,239	163,233
Less: Non-operating expenses	4,948	279,318	34,148	356,519
III. Total Profit ("-" for loss)	2,152,093	1,357,164	7,724,536	4,085,653
Less: Income tax expenses	410,702	482,108	1,797,028	1,197,489
IV. Net profit ("-" for loss)	1,741,391	875,056	5,927,508	2,888,164
(I) By business continuity:				
1. Net profit from continuous operation ("-" for loss)	1,741,391	875,056	5,927,508	2,888,164

2. Net profit from terminated operation ("-" for loss)	-	-	-	-
(II) By ownership:				
1. Attributable to parent company	1,589,336	723,000	5,476,300	2,433,124
2. Attributable to holders of other equity instruments of the parent company	152,055	152,056	451,208	455,040
V. Other comprehensive income after tax	45,399	16,455	101,431	95,994
(I) Other comprehensive income not be reclassified as profit or loss	-52	-9	64	-127
1. Changes in remeasurement of defined benefit plans	-	-	-	-
2. Portion of other comprehensive income of investees not to be reclassified as profit or loss under equity method	-	-	-	-
3. Changes in fair value of investments in other equity instruments	-52	-9	64	-127
4. Changes in the fair value of the enterprise's own credit risk	-	-	-	-
5. Others	-	-	-	-
(II) Other comprehensive income to be reclassified as profit or loss	45,451	16,464	101,367	96,121
1. Portion of other comprehensive income of investees to be reclassified as profit or loss under equity method	45,451	16,464	101,367	96,121
2. Changes in fair value of other debt investment	-	-	-	-
3. Financial assets reclassified to other comprehensive income	-	-	-	-
4. Provision for Impairment of credit for investment of other creditor rights	-	-	-	-
5. Cash flow hedging reserve	-	-	-	-
6. Exchange differences on translation	-	-	-	-
7. Others	-	-	-	-
VI. Total comprehensive income	1,786,790	891,511	6,028,939	2,984,158
Attributable to parent	1,634,735	739,455	5,577,731	2,529,118

company				
Attributable to holders of other equity instruments of the parent company	152,055	152,056	451,208	455,040
VII. Earnings per share				
(I) Basic earnings per share (RMB)	0.1561	0.1472	0.5378	0.4953
(II) Diluted earnings per share (RMB)	0.1561	0.1472	0.5378	0.4953

Legal Representative of the Company: Li Xiyong
Head of Accounting Department: Xu Jian

Chief Financial Officer: Zhao Qingchun

Consolidated Cash Flow Statement

From January to September

Prepared by: Yanzhou Coal Mining Company Limited Unit: RMB'000 Unaudited

Items	From January to September 2019	From January to September 2018
1.CASH FLOW FROM OPERATING ACTIVITIES:		
Cash received from sales of goods or rendering of services	160,770,422	125,800,675
Net increase in customer's deposit and deposit of interbank	-	-
Net increase in borrowing from the Central Bank	-	-
Net increase in borrowing from other financial institutions	-	-
Cash received from the original insurance contract premium	-	-
Net cash received from the reinsurance businesses	-	-
Net increase in insured savings and investment funds	-	-
Cash received from interest, charges and commissions	-	-
Net increase in loans from other banks and other financial institutions	-	-
Net increase in funds in repurchase business	-	-
Net cash received from agent in buying and selling securities	-	-
Tax and charges refunded	460,259	468,721
Other cash received relating to operating activities	11,780,930	10,553,160
Sub-total of cash inflows	173,011,611	136,822,556
Cash paid for goods and services purchased	130,649,361	95,564,728
Net increase in customer loans and advance	-	-
Net increase in deposits of central bank and interbank	-	-
Cash paid for the indemnity under original insurance contract	-	-
Net increase in lendings to banks and other financial institutions	-	-

Cash paid for interest, charges and commissions	-	-
Cash paid for policy dividend	-	-
Cash paid to and on behalf of employees	8,003,787	8,761,849
Taxes and charges payments	7,523,600	7,800,729
Other cash paid relating to operating activities	12,001,704	12,042,171
Sub-total of cash outflows from operating activities	158,178,452	124,169,477
NET CASH FLOW FROM OPERATING ACTIVITIES	14,833,159	12,653,079
2.NET CASH FLOW FROM INVESTMENT ACTIVITIES		
Cash received from recovery of investments	1,733,450	1,126,289
Cash received from investments return	445,618	548,534
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	474,661	2,934,575
Net cash amount received from disposal of subsidiaries and other business segments	32,246	-
Cash received from other investment activities	1,942,127	1,797,991
Sub-total of cash inflows from investment activities	4,628,102	6,407,389
Cash paid to acquire fixed assets, intangible assets and other long-term assets	7,543,328	5,048,781
Cash paid for investments	181,664	3,366,500
Net increase in pledged loans	-	-
Net cash paid for acquisition of subsidiaries and other business units	137,509	389,525
Other cash paid relating to investment activities	20,000	83,473
Sub-total of cash outflows from investment activities	7,882,501	8,888,279
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-3,254,399	-2,480,890
3. CASH FLOW FROM FINANCING ACTIVITIES:		
Cash received from investors	-	4,962,500

Including: Cash received from minority shareholders of subsidiaries	-	-
Cash received by issuing other equity instruments	-	4,962,500
Cash received from borrowings	18,278,179	27,110,162
Other cash received relating to financing activities	-	989,287
Sub-total of cash inflows from financing activities	18,278,179	33,061,949
Repayments of borrowings and debts	24,088,742	34,913,525
Cash paid for distribution of dividends, profits, or cash paid for interest expenses	5,691,587	6,013,202
Including: cash paid for distribution of dividends or profits by subsidiaries to minority shareholders	465,217	1,000,579
Other cash paid relating to financing activities	7,834,690	1,461,307
Sub-total of cash outflows from financing activities	37,615,019	42,388,034
NET CASH FLOW FROM FINANCING ACTIVITIES	-19,336,840	-9,326,085
4. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-566,992	400,848
5. NET INCREASE ON CASH AND CASH EQUIVALENTS	-8,325,072	1,246,952
Add: Cash and cash equivalents, opening	27,372,942	21,073,256
6. Cash and cash equivalents, closing	19,047,870	22,320,208

Legal Representative of the Company: Li Xiyong
Head of Accounting Department: Xu Jian

Chief Financial Officer: Zhao Qingchun

Cash Flow Statement of the Parent Company

From January to September

Prepared by: Yanzhou Coal Mining Company Limited Unit: RMB'000 Unaudited

Items	The first three quarters of 2019 (from January to September)	The first three quarters of 2018 (from January to September)
1. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash received from sales of goods and rendering of services	20,387,891	20,726,025
Tax refunds	-	-
Other cash received relating to operating activities	1,107,474	364,254
Sub-total of cash inflows	21,495,365	21,090,279
Cash paid for goods and services	5,325,349	5,886,506
Cash paid to and on behalf of employees	3,900,411	4,725,376
Taxes payments	4,867,189	4,739,234
Other cash paid relating to operating activities	1,958,249	1,957,275
Sub-total of cash outflows	16,051,198	17,308,391
NET CASH FLOW FROM OPERATING ACTIVITIES	5,444,167	3,781,888
2. CASH FLOW FROM INVESTMENT ACTIVITIES:		
Cash received from recovery of investments	1,550,000	890,000
Cash received from investment return	2,800,150	738,835
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,863	596
Net cash amount received from the disposal of subsidiaries and other business units	-	-
Other cash received relating to investment activities	6,608,001	1,319,908
Sub-total of cash inflows	10,960,014	2,949,339
Cash paid to acquire fixed assets, intangible assets and other long-term assets	654,451	448,498
Cash paid for investments	3,277,865	-

Net cash paid for the acquisition of subsidiaries and other business units	-	-
Other cash paid relating to investment activities	11,307,941	4,926,414
Sub-total of cash outflows	15,240,257	5,374,912
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-4,280,243	-2,425,573
3. CASH FLOW FROM FINANCING ACTIVITIES:		
Cash received from investors	-	4,962,500
Cash received from borrowings	15,520,000	18,570,000
Cash received relating to other financing activities	4,326,420	4,408,987
Sub-total of cash inflows from financing activities	19,846,420	27,941,487
Repayments of borrowings and debts	25,067,466	21,500,630
Cash paid for distribution of dividends or profits, or cash paid for interest expenses	2,810,777	5,221,224
Other cash payment relating to financing activities	600,000	1,247,948
Sub-total of cash outflows from financing activities	28,478,243	27,969,802
NET CASH FLOW FROM FINANCING ACTIVITIES	-8,631,823	-28,315
4. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	57,312	15,557
5. NET INCREASE ON CASH AND CASH EQUIVALENTS	-7,410,587	1,343,557
Add: Cash and cash equivalents, opening	13,653,633	10,022,236
6. Cash and cash equivalents, closing	6,243,046	11,365,793

4.2 The adjustments of the relevant items of the financial statements at the beginning of the year under the new financial instrument standards, new income standards and new leasing standards.

Consolidated Balance Sheet

Unit: RMB'000

Item	31 December 2018	1 January 2019	Adjusted figures
Current assets:			
Money funds	32,722,744	32,722,744	
Clearing settlement funds			
Lending to banks and other financial institutions			
Tradable financial assets	134,544	134,544	
Financial assets at FVTPL			
Derivative financial assets			
Notes receivable	4,428,709	4,428,709	
Accounts receivable	4,728,553	4,728,553	
Receivable financing			
Prepayments	3,216,896	3,216,896	
Premium receivable			
Reinsurance accounts receivable			
Reserve for reinsurance contract receivable			
Other receivables	1,006,448	1,006,448	
Purchase of resold financial assets			
Inventories	5,126,622	5,126,622	
Contract assets			
Held-to-sale assets	272,902	272,902	
Non-current assets due within one year	1,555,120	1,555,120	
Other current assets	12,670,558	12,670,558	
TOTAL CURRENT ASSETS	65,863,096	65,863,096	
NON-CURRENT ASSETS:			
Disbursement of loans and advances			
Debt investment	266,515	266,515	
Available-for-sale financial assets			
Other debt investments			
Held-to-maturity investments			

Long-term accounts receivable	7,458,880	7,458,880	
Long-term equity investments	16,683,930	16,683,930	
Other equity instruments investments	5,246	5,246	
Other non-current financial assets	924,149	924,149	
Investment properties	660	660	
Fixed assets	44,293,193	43,948,018	-345,175
Construction in progress	13,103,580	13,103,580	
Productive biological assets			
Oil gas assets			
Usufruct assets		711,173	711,173
Intangible assets	45,177,717	45,177,717	
Development expenditure			
Goodwill	325,634	325,634	
Long-term deferred expenses	24,852	24,852	
Deferred income tax assets	7,280,332	7,280,332	
Other non-current assets	2,272,116	2,272,116	
TOTAL NON-CURRENT ASSETS	137,816,804	138,182,802	365,998
TOTAL ASSETS	203,679,900	204,045,898	365,998
CURRENT LIABILITIES:			
Short-term borrowings	8,184,537	8,184,537	
Borrowings from central bank			
Deposit funds			
Tradable financial liabilities	1,254	1,254	
Financial liabilities at FVTPL			
Derivative financial liability			
Notes payable	2,940,857	2,940,857	
Accounts payable	10,503,095	10,503,095	
Advances from customers			
Amounts from sale of repurchased financial assets			
Deposits from customers and interbank			

Funds received as agent of stock exchange			
Funds received as stock underwrite			
Salaries and wages payable	1,274,581	1,274,581	
Taxes payable	1,350,505	1,350,505	
Other payables	18,118,334	18,118,334	
Handling charges and commissions payable			
Reinsurance accounts payable			
Contract liabilities	2,207,641	2,207,641	
Held-to-sale liabilities			
Non-current liabilities due within one year	7,194,915	7,314,188	119,273
Other current liabilities	7,282,212	7,282,212	
TOTAL CURRENT LIABILITIES	59,057,931	59,177,204	119,273
NON-CURRENT LIABILITIES:			
Reserve for insurance contract			
Long-term borrowings	33,555,869	33,555,869	
Bonds payable	14,498,593	14,498,593	
Including: preferred shares			
perpetual bonds			
Lease liability		388,311	388,311
Long-term payable	355,169	213,583	-141,586
Long-term salaries and wages payable	382,713	382,713	
Estimated liabilities	2,229,569	2,229,569	
Deferred revenue	97,477	97,477	
Deferred income tax liabilities	8,121,858	8,121,858	
Other non-current liabilities	427,230	427,230	
TOTAL NON-CURRENT LIABILITIES	59,668,478	59,915,203	246,725
TOTAL LIABILITIES	118,726,409	119,092,407	365,998
OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY):			
Paid-in capital (or share capital)	4,912,016	4,912,016	
Other equity instruments	10,316,444	10,316,444	
Including: preferred shares			
perpetual bonds	10,316,444	10,316,444	

Capital reserves	1,123,920	1,123,920	
Less: treasury stock			
Other comprehensive income	-7,772,900	-7,772,900	
Special reserves	3,046,388	3,046,388	
Surplus reserves	6,224,400	6,224,400	
Provision for general risk			
Undistributed earnings	43,141,500	43,141,500	
Total owners' equity (or shareholders' equity) attributable to parent company	60,991,768	60,991,768	
Minority interest	23,961,723	23,961,723	
TOTAL OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)	84,953,491	84,953,491	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	203,679,900	204,045,898	365,998

Description of the adjustment of each item:

The Group has implemented the Accounting Standards for Business Enterprises no. 21 - leasing (amendment) as of January 1, 2019. As required, the lessee no longer divides the lease into operating lease or financial lease, but adopts a unified accounting treatment model. For the first time, the Group will implement the cumulative impact of the new leasing standards to adjust the items related to the financial statements at the beginning of the year without adjusting the information of the comparable period.

Balance Sheet of the Parent Company

Unit: RMB'000 Unaudited

ITEMS	31 December 2018	1 January 2019	Adjusted figures
CURRENT ASSETS :			
Money funds	17,106,509	17,106,509	
Tradeable financial assets			
Financial assets at FVTPL			
Derivative financial asset			
Notes receivable	4,124,583	4,124,583	
Accounts receivable	779,616	779,616	
Accounts receivable financing			
Prepayments	105,675	105,675	
Other receivables	36,309,031	36,309,031	
Inventories	578,184	578,184	
Contract assets			
Held-to-sale assets			
Non-current assets due within one year			
Other current assets	3,047,583	3,047,583	
TOTAL CURRENT ASSETS	62,051,181	62,051,181	
NON-CURRENT ASSETS:			
Debt investment			
Available-for-sale financial assets			
Other debt investment			
Held-to-maturity investment			
Long-term accounts receivable			
Long-term debt investments	71,003,611	71,003,611	
Other equity instruments investments	5,246	5,246	
Other non-current financial assets			
Investment properties			
Fixed assets	9,101,922	6,628,075	-2,473,847
Construction in progress	655,119	655,119	
Productive biological assets			

Oil gas assets			
Usufruct assets		2,473,847	2,473,847
Intangible assets	1,384,277	1,384,277	
Development expenditure			
Goodwill			
Long-term deferred expenses	14	14	
Deferred income tax assets	1,193,583	1,193,583	
Other non-current assets	117,926	117,926	
TOTAL NON-CURRENT ASSETS	83,461,698	83,461,698	
TOTAL ASSETS	145,512,879	145,512,879	
CURRENT LIABILITIES:			
Short-term borrowings	6,900,000	6,900,000	
Tradable financial liabilities			
Financial liabilities at FVTPL			
Derivative financial liabilities			
Notes payable	821,256	821,256	
Accounts payable	2,603,952	2,603,952	
Advances from customers			
Contract liabilities	749,246	749,246	
Salary payable	522,785	522,785	
Taxes and surcharges payable	616,130	616,130	
Other payables	12,552,222	12,552,222	
Held-to-sale liabilities			
Non-current liabilities due within one year	16,588,063	16,588,063	
Other current liabilities	6,849,526	6,849,526	
TOTAL CURRENT LIABILITIES	48,203,180	48,203,180	
NON-CURRENT LIABILITIES:			
Long-term borrowings	17,843,560	17,843,560	
Bonds payable	11,506,367	11,506,367	
Including: preferred share			
perpetual bond			
Lease liability		2,687,713	2,687,713
Long-term payable	2,771,710	83,997	-2,687,713
Estimated liabilities			

Deferred revenue	53,415	53,415	
Deferred income tax liabilities	37,547	37,547	
Other non-current liabilities			
TOTAL NON-CURRENT LIABILITIES	32,212,599	32,212,599	
TOTAL LIABILITIES	80,415,779	80,415,779	
OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY):			
Paid-in capital (or share capital)	4,912,016	4,912,016	
Other equity instruments	10,316,444	10,316,444	
Including: preferred shares			
perpetual bonds	10,316,444	10,316,444	
Capital reserves	1,391,452	1,391,452	
Less: treasury stock			
Other comprehensive income	65,289	65,289	
Special reserves	2,295,337	2,295,337	
Surplus reserves	6,179,290	6,179,290	
Undistributed earnings	39,937,272	39,937,272	
TOTAL OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)	65,097,100	65,097,100	
TOTAL LIABILITIES AND OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)	145,512,879	145,512,879	

Description of the adjustment of each item:

The Group has implemented the Accounting Standards for Business Enterprises no. 21 - leasing (amendment) as of January 1, 2019. As required, the lessee no longer divides the lease into operating lease or financial lease, but adopts a unified accounting treatment model. For the first time, the Group will implement the cumulative impact of the new leasing standards to adjust the items related to the financial statements at the beginning of the year without adjusting the information of the comparable period.

4.3 The explanation on the retrospective adjustment of preliminary comparative data of the implementation of new financial instrument standards and new lease standards for the first time

For the first time, the Group will implement the cumulative impact of the new leasing standards to adjust the items related to the financial statements at the beginning of the year without adjusting the information of the comparable period.

4.4 Audit report

Not Applicable