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**兖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)**

**CONTINUING CONNECTED TRANSACTIONS**

**Framework Agreement**

On 5 February 2021, the Company and Shandong Energy Digital entered into the Framework Agreement, pursuant to which Shandong Energy Digital agreed to provide services in relation to operation and maintenance of the ERP and relevant systems to the Company during the three years ending 31 December 2023.

**Listing Rules Implications**

As at the date of this announcement, Yankuang Group is the controlling shareholder of the Company, directly and indirectly holding 56.01% of the issued share capital of the Company. Shandong Energy Digital is a subsidiary of Yankuang Group and thus constitutes a connected person of the Company. Accordingly, the Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps for the continuing connected transactions contemplated under the Framework Agreement is more than 0.1% but less than 5%, such continuing connected transactions are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**I. FRAMEWORK AGREEMENT**

***Background***

On 5 February 2021, the Company and Shandong Energy Digital entered into the Framework Agreement, pursuant to which Shandong Energy Digital agreed to provide services in relation to operation and maintenance of the ERP and relevant systems to the Company during the three years ending 31 December 2023.

***Date***

5 February 2021

## ***Major Terms***

### **(a) Subject Matter**

Pursuant to the Framework Agreement, Shandong Energy Digital agreed to provide services in relation to operation and maintenance of the ERP and relevant systems to the Company during the three years ending 31 December 2023.

### **(b) Basis of Consideration**

Based on the market practice of operation and maintenance of the ERP and relevant systems, the consideration of provision of such services by Shandong Energy Digital to the Company is RMB3,500 per person per day.

### **(c) Payment**

The method and arrangement of payment will be agreed in the specific service agreements.

### **(d) Term**

Unless otherwise agreed in writing, the Framework Agreement shall take effect upon execution by the authorised representative or legal representative of the respective party and approval by the Board in accordance with the regulatory requirements of the places where the shares of the Company are listed, with retrospective effect from 1 January 2021 and ending on 31 December 2023.

### **(e) Specific agreements**

Without contradiction to the Framework Agreement, both parties can entered into specific agreements based on the particulars of the maintenance and operation projects of the ERP and relevant systems, the term of which shall be within the term of the Framework Agreement.

### **(f) Performance of the Framework Agreement**

If the actual transaction amount of the services in relation to the operation and maintenance of the ERP and relevant systems exceeds the annual cap approved by the Company under the Framework Agreement, both parties shall cease to the perform the part of the obligations exceeding the annual caps of the Framework Agreement till the Company complies with the approval procedures in accordance with the regulatory requirements of the places where the shares of the Company are listed.

### ***Annual caps and reasons***

The annual cap of the transactions contemplated for each of the three years ending 31 December 2023 is RMB50,000,000, calculated with reference to the scope of entities enjoying the services in relation to the operation and maintenance of ERP and relevant systems, the scope of the systems, number of employees of the service team, number of days providing services, and the consideration per person per day.

### ***Reasons and benefits for the Framework Agreement***

The Framework Agreement and the transactions contemplated thereunder will facilitate the operation of the ERP and relevant systems, the strategy of the Company and the interests of the Shareholders.

The Directors (including the independent non-executive Directors) consider that the Framework Agreement and the transactions contemplated thereunder are (1) in the ordinary and usual course of business of the Company; (2) fair and reasonable, (3) on normal commercial terms and (4) in the interests of the Company and the Shareholders as a whole. The Framework Agreement and the transactions contemplated thereunder will not have adverse impact on the current and future financial position and operation of Company. The Company is independent of Yankuang Group in terms of business, personnel, assets, organization, and financial operation, and the Framework Agreement and the transactions contemplated thereunder will not affect the independence of the Company or cause the Company to rely on Yankuang Group.

### ***Implications of the Listing Rules***

As at the date of this announcement, Yankuang Group is the controlling shareholder of the Company, directly and indirectly holding 56.01% of the issued share capital of the Company. Shandong Energy Digital is a subsidiary of Yankuang Group and thus constitutes a connected person of the Company. Accordingly, the Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps for the continuing connected transactions contemplated under the Framework Agreement is more than 0.1% but less than 5%, such continuing connected transactions are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### ***Information on the parties***

#### ***The Company***

The Company is principally engaged in the business of mining, preparation, processing and sales of coal and coal chemicals. The Company's main products are steam coal for use in large-scale power plants, coking coal for metallurgical production and prime quality low sulphur coal for use in pulverized coal injection.

#### ***Shandong Energy Digital***

Shandong Energy Digital is a limited liability company incorporated in China with a registered share capital of RMB15,000,000. It is held as to 50.1% by Yankuang Group and as to 49.9% by Shenzhen Jianguang Digital Technology Co., Ltd. It is principally engaged in technology services, technology development, information and technology consultation services, software development, AI public services platform technology and consultation services, data processing and storage supporting services; information system integration services, and block chain technology related software and services.

### ***Internal Approval Procedure***

On 5 February 2021, the ninth meeting of the eighth session of the Board reviewed and approved the proposal in relation to the continuing related transactions and annual caps with Shandong Energy Digital from 2021 to 2023, and approved the entering into the Framework Agreement of the Company and the relevant annual caps from 2021 to 2023.

All ten Directors of the Company attended the meeting, and 2 related directors, namely Li Xiyong and Wu Xiangqian, abstained from voting on the proposal. All other 8 non-related Directors (including the 4 independent non-executive Directors) voted in favour of the proposal.

## **II. DEFINITIONS**

"A Shares"	domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
"Board"	the board of Directors
"Company"	兗州煤業股份有限公司, Yanzhou Coal Mining Company Limited, a joint stock limited company established under the laws of the PRC in 1997, and the H Shares and A Shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"ERP"	Enterprise Resource Planning
"Framework Agreement "	the framework agreement entered into between the Company and Shandong Energy Digital on 5 February 2021 in relation to the provision of services of operation and maintenance of ERP and relevant systems to the Company during the three years ending 31 December 2023
"H Shares"	overseas listed foreign invested shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"percentage ratios"	has the same meaning ascribed thereto under the Listing Rules
"PRC"	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan Region
"RMB"	Renminbi, the lawful currency of the PRC
"Shandong Energy Digital"	Shandong Energy Digital Technology Co., Ltd.* (山東能源數字科技有限公司)
"Shareholder(s)"	the shareholder(s) of the Company

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Yankuang Group"	Yankuang Group Company Limited (兗礦集團有限公司), a company with limited liability reformed and established under the laws of the PRC on 12 March 1996, the controlling shareholder of the Company directly and indirectly holding 56.01% shares of the Company
"%"	percentage

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

Zoucheng, Shandong Province, the PRC  
5 February 2021

*As at the date of this announcement, the Directors of the Company are Mr. Li Xiyong, Mr. Wu Xiangqian, Mr. Liu Jian, Mr. Zhao Qingchun, Mr. He Jing and Mr. Wang Ruolin, and the independent non-executive Directors of the Company are Mr. Tian Hui, Mr. Zhu Limin, Mr. Cai Chang and Mr. Poon Chiu Kwok.*