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兗州煤業股份有限公司

**YANZHOU COAL MINING COMPANY LIMITED**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 1171)

**ANNOUNCEMENT IN RELATION TO  
THE PROVISION FOR IMPAIRMENT OF ASSETS**

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

The “Proposal in relation to the discussion and consideration of provision for impairment for assets and bad debt write-off” has been considered and approved at the 11th meeting of the eighth session of the board of directors (the “**Board**”) of Yanzhou Coal Mining Company Limited (the “**Company**”). The Company made the provision for asset impairment in respect of the account receivables, inventory and other items (the “**Provision for Impairment for Assets**”), details of which are set out below:

**1. Overview of the Provision for Impairment for Assets**

Pursuant to the “Accounting Standards for Business Enterprises” issued by the Ministry of Finance of the People's Republic of China and the domestic and overseas listing regulatory requirements, taking into account of the actual operation of the Company, in 2020, the Company's reversed provision for impairment of assets was RMB111.5373 million, among which: the Company's reversed provision for bad debts was RMB161.2418 million, the provision for depreciation of the inventory was RMB47.3005 million, and the provision for impairment of long-term equity investment was RMB2.4040 million,

**2. Details of the Provision for Impairment of Assets**

(1) The reversed provision for bad debts amounting to RMB161.2418 million.

As at 31 December 2020 (the “**Balance Sheet Date**”), the Company reviewed the book value of the accounts receivable, applied the allowance method to account the potential bad debts, and performed the impairment tests individually or in pairs for the purpose of making provision for bad debts. The reversed provision for bad debts of the Company in 2020 was RMB161.2418 million.

(2) The provision for depreciation of inventory amounting to RMB47.3005 million.

As at the Balance Sheet Date, the valuation of the inventory was calculated by reference to the lower of the cost or the net realizable value, and the provision for depreciation of inventory was made with reference to the

excessive value of the inventory's cost above its net realizable value. In 2020, the Company made a provision for in the depreciation of inventory in the amount of RMB47.3005 million.

(3) The provision for impairment of long-term equity investment amounting to RMB2.4040 million.

As at the Balance Sheet Date, the valuation of long-term equity investment was calculated by reference to the lower of the book value or the recoverable value, and the provision for impairment of its long-term equity investment was made with reference to the excessive value of its book value above its net recoverable value. In 2020, the Company made a provision for impairment of the long-term equity investment amounting to RMB2.4040 million.

### **3. Impact of the Provision for Impairment for Assets to the Company**

The reversed Provision for Impairment for Assets amounting to RMB111.5373 million resulted in an increase of RMB86.0179 million in the Company's total profit for the year 2020. As a result, the net profit attributable to the shareholders of the parent company increased by RMB82.4977 million.

### **4. Opinion of the Board on the Provision for Impairment for Assets**

The "Proposal in relation to the discussion and consideration of provision for impairment for assets and bad debt write-off" has been considered and approved at the 11th meeting of the eighth session of the Board held on 26 March 2021.

The Board is of the view that, the Provision for Impairment for Assets is made on a prudent basis and in compliance with the requirements of the relevant requirements such as the accounting standards. The Provision for Impairment for Assets enables the Company to present the status of its assets value and overall operating performance in a fair manner, and is not detrimental to the lawful interests of the Company and its minority shareholders.

### **5. Opinion of the Independent Directors on the Provision for Impairment for Assets**

The independent directors of the Company are of the view that the Provision for Impairment for Assets is justified and in compliance with the requirements of the relevant requirements such as the accounting standards. The Provision for Impairment for Assets will enable the Company to better present its financial position of the Company in a true and fair manner and is in the interests of the Company as a whole. The Provision for Impairment for Assets facilitates the Company in providing true, reliable and accurate accounting information to the investors. The decision-making procedures of the Provision for Impairment for Assets are in line with the requirements of relevant laws, regulations and the articles of association of the Company and is not detrimental to the interests of the Company and its shareholders, especially the minority shareholders.

### **6. Opinion of the Supervisory Committee on the Provision for Impairment for Assets**

The "Proposal in relation to the discussion and consideration of provision for impairment for assets and bad debt write-off" has been considered and approved at the fifth meeting of the eighth session of the supervisory committee of the Company (the "**Supervisory Committee**") held on 26 March 2021.

The Supervisory Committee is of the view that the Provision for Impairment for Assets is in compliance

with the relevant requirements of the accounting standards and the Company's accounting policies and that it is justified and the procedures are lawful. The Provision for Impairment for Assets enables the Company to better present its financial position of the Company in a true and fair manner, and is not detrimental to the interests of the Company and its shareholders, especially the minority shareholders. The Supervisory Committee hence approved the Provision for Impairment for Assets.

## **7. Documents Available for Inspection**

- (1) Resolutions passed at the 11th meeting of the eighth session of the Board of the Company;
- (2) Resolutions passed at the 5th meeting of the eighth session of the Supervisory Committee of the Company;
- (3) Independent opinions from the independent directors of the Company on the provision for impairment for assets.

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

Zoucheng, Shandong Province, the PRC  
26 March 2021

*As at the date of this announcement, the Directors of the Company are Mr. Li Xiyong, Mr. Liu Jian, Mr. Wu Xiangqian, 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. Pan Zhaoguo and Mr. Cai Chang.*