As filed with Securities and Exchange Commission on September 7, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F/A
(Amendment No. 1)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

Commission file number: 001-14714

兖州煤业股份有限公司

(Exact name of Registrant as specified in its charter)

Yanzhou Coal Mining Company Limited

(Translation of Registrant's name into English)

People's Republic of China
(Jurisdiction of incorporation or organization)

298 Fushan South Road
Zoucheng, Shandong Province
People's Republic of China
(Address of principal executive offices)

Wu Xiangqian
298 South Fushan Road
Zoucheng, Shandong Province
People's Republic of China (273500)
Tel: (86)537 5382319
Fax: (86)537 5383311
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
American Depositary Shares	**New York Stock Exchange**
Class H Ordinary Shares	**New York Stock Exchange***

*** Not for trading in the United States, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.**

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

2,960,000,000 Domestic Shares, par value RMB1.00 per share
1,958,400,000 H Shares, par value RMB1.00 per share, including H Shares that were represented by 5,167,533 ADSs

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐	International Financial Reporting Standards as issued by the International Accounting Standards Board ☒	Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15 (d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

Explanatory Note

This Amendment No. 1 to the Annual Report on Form 20-F for the year ended December 31, 2015, as filed with the U.S. Securities and Exchange Commission (the "Commission") on April 26, 2016 (the "Original Form 20-F"), is being filed solely for the purpose of amending "Item 4. — B. Business Overview" and "Item 4. — D. Property, Plant and Equipment" in the Original Form 20-F. The Registrant has been requested by the Commission to clarify and supplement certain reserves disclosure with respect to coal mines of the Company.

Other than what is set forth above, this Amendment No. 1 makes no changes to the financial statements of the Registrant and does not, and does not purport to, amend, update or restate any other information in the Original Form 20-F, or reflect any events that have occurred after the Original Form 20-F was filed on April 26, 2016.

ITEM 4. INFORMATION ON THE COMPANY

B. Business Overview

We are one of the largest coal producers in China and Australia, with rapidly growing coal mining operations. We primarily engage in the mining, washing, processing and distribution of coal through railway transportation. We offer a wide variety of coal products including thermal coal, semi-hard coking coal, semi-soft coking coal, PCI coal and other mixed coal products which are sold to power plants, metallurgical mills, chemical manufacturers, construction material manufacturers and fuel trading companies in China and other countries, including Japan and South Korea. Since 2004, we have expanded and diversified our operations to include the production of coal chemicals and the generation of electricity and heat. We also commenced our potash exploration business in 2011. In 2015, we expanded to equipment manufacturing business after we acquired 100% of equity interest in Donghua Heavy Industry.

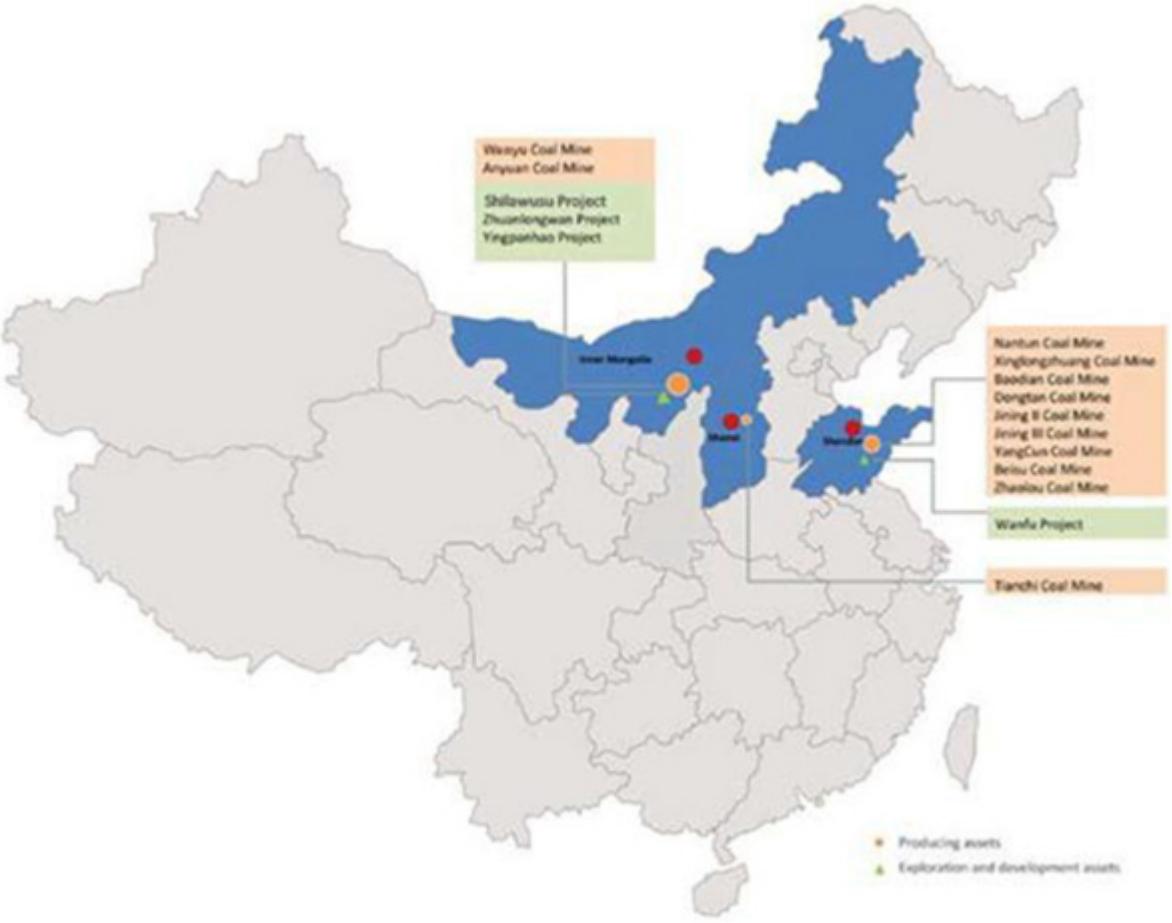
We were established in 1997 and listed on the SSE, HKSE and NYSE in 1998. In addition, our subsidiary, Yancoal Australia, was listed on the ASX in 2012. Our revenue was RMB56,401.8 million, RMB60,370.8 million and RMB36,404.1 million in 2013, 2014 and 2015, respectively.

As of December 31, 2015, we were 52.93% directly owned by our parent, the Yankuang Group, which is controlled by the Shandong Provincial Government under the control of the SASAC of the Shandong Provincial Government. Yankuang Group's wholly owned subsidiary incorporated in Hong Kong owned 3.66% of our total share capital. Yankuang Group and its wholly owned subsidiary incorporated in Hong Kong together owned 56.59% of our total share capital. The Yankuang Group was founded in 1973 to focus on coal mining and sales, the coal chemical industry, power generation, aluminum production, machinery manufacturing and financial investments.

As of December 31, 2015, we owned and operated 21 coal mines across China and Australia with abundant coal resources, including Shandong and Shanxi Provinces and the Inner Mongolia Autonomous Region in China, as well as Queensland, New South Wales and Western Australia in Australia. In addition, as of December 31, 2015, we had four coal projects under construction in China and four advanced-exploration stage projects in Australia.

We directly own and operate six coal mines in the PRC, namely, Nantun, Xinglongzhuang, Baodian, Dongtan, Jining II and Jining III, which had approximately 1,623.3 millions tonnes of in-place proven and probable reserves as of December 31, 2015. In addition, we also owned and operate Beisu and Yangcun Coal mines. These eight coal mines produced in aggregate approximately 53.7% of our total coal output in 2015. We also hold equity interests in a number of coal mines in China through our subsidiaries. Shanxi Nenghua operates Tianchi Coal Mine, which holds approximately 22.7 million tonnes of recoverable reserves as of December 31, 2015; Heze Nenghua operates Zhaolou Coal Mine, which holds approximately 94.5 million tonnes of recoverable reserves as of December 31, 2015; and Ordos Neng Hua operates Anyuan Coal Mine and Wenyu Coal Mine.

The map below shows the approximate locations of our coal mines and projects in China.



In Australia, we conduct our operations in Australia primarily through our subsidiaries, Yancoal Australia and Yancoal International (Holding). Yancoal Australia directly or indirectly operates seven coal mines in Australia consisting of Austar, Yarrabee, Ashton, Moolarben, Gloucester, Donaldson, Middlemount, which collectively held approximately 697 million tonnes of JORC 2012 Code compliant recoverable reserves as of December 31, 2015; and Yancoal International (Holding) directly or indirectly operates two coal mines in Australia consisting of Cameby Downs and Premier, which collectively held approximately 299 million tonnes of JORC 2012 Code compliant recoverable reserves as of December 31, 2015. Yancoal Australia also holds an early exploration stage project, Monash. Yancoal International (Holding) currently owns the exploration projects of Athena, Harrybrandt and Wilpeena. In addition, we have a number of exploration tenements adjoining our mining leases in Australia with potential for “brownfield” expansion projects as of December 31, 2015.

The map below shows the approximate locations of our coal mines and projects in Australia.

Coal Business

We are primarily engaged in the production of coal, which involves the mining, washing, processing and distribution of coal. Our products consist primarily of thermal coal, semi-soft coking coal, semi-hard coking coal, PCI coal and other mixed coal products which are suitable for power generation and metallurgical production. The following table sets forth the specifications and principal applications of our coal products.

	Sulfur Content	Range of and Average Ash Content	Calorific Value	Washed	Principal Applications
	%	%	(megajoule/ kilogram)		
The Company					
No. 1 clean coal	0.48	7.01-8, average 7.70	28.04	Yes	High quality metallurgical production
No. 2 clean coal	0.54	8.01-9, average 8.41	27.88	Yes	Metallurgical production, construction, liquid coal production
No. 3 clean coal	0.53	10.01-11, average 10.26	26.87	Yes	Electricity generation and coal chemical production

	Sulfur Content	Range of and Average Ash Content	Calorific Value	Washed	Principal Applications
	%	%	(megajoule/ kilogram)		
Lump coal	0.52	10.01-14, average 12.28	27.54	Yes	Construction, power generation, coal for oven application
Mixed coal	0.98	19.01-35, average 27.58	20.55	Yes	Power generation
Shanxi Nenghua					
Screened raw coal	2.17	20.01-36, average 27.46	23.71	No	Power generation
Lump coal	1.32	10.01-14, average 11.54	29.15	Yes	Power generation, construction
Heze Nenghua					
No. 2 clean coal	0.63	8.01-9, average 8.50	29.15	Yes	Metallurgical production, construction
Mixed coal	0.95	28.01-35, average 28.71	20.46	Yes	Power generation
Ordos Nenghua					
Screened raw coal	0.73	8.01-24, average 15.30	21.45	No	Power generation
Yancoal Australia					
Semi-hard coking coal	1.30-2.50	6.7-10.50	27.30-29.10	Yes	Metallurgical production
Semi-soft coking coal	0.65	9.5	27.44	Yes	Metallurgical production, construction
PCI coal	0.40-0.80	9.5-12.0	27.40-28.35	Yes	Metallurgical production
Thermal coal	0.50-1.50	11.0-27.0	21.44-24.50	Yes	Power generation

The following table sets forth our principal coal products by sales volume and sales income of coal for the periods indicated. For the purposes of the table below, the figures of sales income and sales volume include inter-segment sales.

	Year Ended December 31,					
	2013		2014		2015	
	Sales volume ('000 tonnes)	Sales income[1] (RMB in millions)	Sales volume ('000 tonnes)	Sales income[1] (RMB in millions)	Sales volume ('000 tonnes)	Sales income[1] (RMB in millions)
The Company	33,271	17,793.3	34,748	15,286.8	34,998	11,764.4
No. 1 clean coal	315	240.9	325	194.9	227	109.0
No. 2 clean coal	9,725	7,196.4	9,060	5,225.6	8,359	3,594.0
No. 3 clean coal	1,926	1,138.6	4,979	2,364.7	3,903	1,516.5
Lump coal	1,448	969.4	2,262	1,177.7	2,511	980.6
Screened raw coal	12,693	5,858.4	10,605	4,206.2	15,558	4,579.7

	Year Ended December 31,					
	2013		2014		2015	
	Sales volume ('000 tonnes)	Sales income[1] (RMB in millions)	Sales volume ('000 tonnes)	Sales income[1] (RMB in millions)	Sales volume ('000 tonnes)	Sales income[1] (RMB in millions)
Mixed coal and others	7,164	2,389.5	7,517	2,117.6	4,440	984.7
Shanxi Nenghua	1,476	416.7	1,500	316.1	748	124.3
Screened raw coal	1,476	416.7	1,500	316.1	748	124.3
Heze Nenghua	2,359	1,435.6	3,110	1,634.7	2,424	977.5
No. 1 clean coal	—	—	21	16.2	—	—
No. 2 clean coal	1,293	1,097.5	2,021	1,316.6	1,754	852.9
Raw coal	—	—	—	—	147	31.7
Mixed coal and others	1,066	338.1	1,068	302.0	523	92.9
Ordos Neng Hua	6,345	1,195.1	5,793	944.4	2,328	386.8
Screened raw coal	6,345	1,195.1	5,793	944.4	2,328	386.8
Yancoal Australia	15,623	8,961.9	15,742	7,300.8	13,276	5,462.7
Semi-hard coking coal	1,361	893.6	973	509.4	1,134	577.3
Semi-soft coking coal	1,595	1,122.1	1,470	800.8	1,404	721.5
PCI coal	3,274	2,304.9	3,280	1,739.5	3,064	1,447.2
Thermal coal	9,393	4,641.2	10,019	4,251.1	7,674	2,716.8
Yancoal International (Holding)	5,525	1,681.5	5,158	1,482.9	6,398	1,836.0
Thermal coal	5,525	1,681.5	5,158	1,482.9	6,398	1,836.0
Externally purchased coal	39,396	22,960.8	57,024	31,573.7	27,070	12,324.3
Total	103,995	54,444.8	123,075	58,539.4	87,242	32,876.0

(1) Sales income comprises the invoiced amount of coal sold net of returns and discounts.

Sales and Marketing

A significant portion of our PRC domestic sales is made on the spot market or pursuant to strategic framework agreements, while the remainder of our coal sales is made pursuant to sales contracts generally for a term not exceeding one year. These strategic framework agreements generally specify the quantity of the coal to be purchased. Prices for strategic framework agreements are generally determined in the annual sales contracts or monthly sales contracts which we enter under the strategic framework agreements.

We sell the majority of our domestic coal products to power plants, metallurgical mills, coking manufacturers, chemical manufacturers and trading companies with whom we have established long-standing and stable relationships. The majority of the coal sales of our Australian subsidiary, Yancoal Australia, are to power plants and metallurgical mills. The following table sets forth a breakdown of our sales income, which represents the invoiced amount of products sold net of returns and discounts of coal by the industry of our customers for the periods indicated. For the purposes of the table below, the figures of sales income include inter-segment sales.

	Year Ended December 31,					
	2013		2014		2015	
	Sales income[1] (RMB in millions)	% of Sales income	Sales income[1] (RMB in millions)	% of Sales income	Sales income[1] (RMB in millions)	% of Sales income
Power plants	10,432.9	19.2	8,606.5	14.7	7,684.3	23.4
Metallurgical mills	4,950.7	9.1	3,902.3	6.7	3,822.5	11.6
Chemical manufacturers	5,010.9	9.2	4,669.4	8.0	3,628.4	11.0
Trade	22,933.2	42.1	38,618.0	66.0	15,375.4	46.8
Others	11,117.1	20.4	2,743.2	4.6	2,365.3	7.2
Total	54,444.8	100.0	58,539.4	100.0	32,876.0	100.0

(1) Sales income comprises the invoiced amount of coal sold net of returns and discounts.

The following table sets forth a breakdown of sales income of coal by geographical region for the periods indicated. For the purposes of the table below, the figures of sales income include inter-segment sales.

	Year Ended December 31,					
	2013		2014		2015	
	Sales income[1] (RMB in millions)	% of sales income	Sales income[1] (RMB in millions)	% of sales income	Sales income[1] (RMB in millions)	% of sales income
China	45,317.5	83.2	51,454.8	87.9	25,455.9	77.4
Eastern China	39,268.7	72.1	44,511.9	76.0	20,437.5	62.2
Southern China	139.7	0.3	192.1	0.3	1,430.5	4.4
Northern China	2,981.3	5.5	2,610.6	4.5	1,297.7	3.9
Other regions	2,927.8	5.4	4,140.2	7.1	2,290.3	7.0
Japan	1,225.7	2.3	1,217.3	2.1	1,160.6	3.5
South Korea	2,164.4	4.0	2,121.4	3.6	2,076.1	6.3
Australia	2,130.6	3.9	1,211.9	2.1	1,318.6	4.0
Others	3,606.6	6.6	2,534.0	4.3	2,864.7	8.7
Total	54,444.8	100.0	58,539.4	100.0	32,876.0	100.0

(1) Sales income comprises the invoiced amount of coal sold net of returns and discounts.

Our domestic coal sales are concentrated primarily in Eastern China, particularly in Shandong and, to a lesser extent, in Southern China. Our sales income, which represents the invoiced amount of products sold net of returns and discounts, generated from Eastern China as a percentage of total sales income was 72.1%, 76.0% and 62.2% in 2013, 2014 and 2015, respectively. The majority of our sales income is in the PRC. In 2013, 2014 and 2015, we generated 83.2%, 87.9% and 77.4%, respectively, of our sales income from the PRC.

The following table sets forth a breakdown of export sales of our Company and Yancoal Australia for the periods indicated.

	Year Ended December 31,					
	2013		2014		2015	
	Sales income[1] (RMB in millions)	% of sales income	Sales income[1] (RMB in millions)	% of sales income	Sales income[1] (RMB in millions)	% of sales income
The Company						
Japan	1.1	0.1	6.4	0.1	—	—
Our Australian subsidiaries						
South Korea	2,164.4	25.4	2,121.4	28.0	2,076.1	34.7
Japan	1,225.7	14.4	1,217.3	16.0	1,160.6	19.4
China	1,516.0	17.8	1,331.9	17.6	521.1	8.9
Others	3,606.6	42.3	2,901.2	38.3	2,222.3	37.2
Total	8,513.8	100.0	7,578.2	100.0	5,980.1	100.0

(1) Sales income comprises the invoiced amount of coal sold net of returns and discounts.

Export sales, excluding the coal sales in Australia by our Australian subsidiaries, represent only a small percentage of our total coal sales income. In 2013, 2014 and 2015, we generated 15.6%, 12.9% and 18.2%, respectively, of our sales income from export sales. Our major overseas markets include South Korea and Japan. The majority of our overseas customers are located in Asia, and South Korea is our biggest market in this region. Even though we conduct all of our export sales from the PRC through export agents, we maintain close relationships with our overseas customers and end users.

In 2013, 2014 and 2015, our Australian subsidiaries' domestic sales income was 20.0%, 13.8% and 18.1%, respectively, of their total sales income and in these same years their export sales income was 80.0%, 86.2% and 81.9%, respectively, of their total sales income. Our Australian subsidiaries' export sales income represented 99.9%, 99.9% and 100% of our total export sales income in 2013, 2014 and 2015, respectively. Our Australian subsidiaries primarily conduct their export sales directly by entering into agreements with end user customers. Our Australian subsidiaries also export a small portion of coal through export agents with which our Australian subsidiaries have established longstanding relationships. The primary destinations for the export sales of our Australian subsidiaries are South Korea, Japan and China.

To meet our customers' demand beyond the current capacity of our domestic coal mines, and to maintain and expand our customer base to support our anticipated capacity expansion by our advanced-exploration stage coal mines, we also purchase coal from other coal mining companies and trading companies and sell it to power plants, metallurgical mills and construction material manufacturers with whom we have established stable relationships. Purchases and sales of externally purchased coal are made pursuant to sales contracts. These sales contracts generally specify major terms such as the type of the coal, quantity and quality of the coal, price, delivery and payment methods. Prices for such contracts are generally determined in accordance with the market price.

Customers

As of December 31, 2015, our major customers include Shanxi Lu'an Mining (Group) Rizhao International Trading Co., Ltd., Shaanxi Iron & Steel Group Hancheng Iron & Steel Co., Ltd., Shanxi Yangmei Chemical International Business Co., Ltd., Shanxi Xishan Coal and Electricity Trade Co., Ltd., and Shanxi Jicheng Anthracite Mining International Trading (Rizhao) Co., Ltd., among which Shanxi Lu'an Mining (Group) Rizhao International Trading Co., Ltd. was our largest customer. In 2013, 2014 and 2015, sales to our top five largest customers accounted for 21.4%, 18.7% and 34.7% of our sales income, respectively. In 2013, 2014 and 2015, sales to our largest customer accounted for 6.0%, 5.0% and 10.1%, respectively, of our sales income.

Leveraging the high quality of our products and the strength of our brand, we have established long-term relationships with our customers. We make significant efforts to establish and maintain long-term cooperative relationships with our customers, and in particular, with our strategic and key customers. We have annual evaluations of our customers to identify key customers. To maintain the relationships with our key customers, we generally provide favorable price terms and product delivery priority. Our sales and marketing department conducts routine customer visits and customer surveys to keep abreast of market developments, collect and evaluate customers' responses, maintain customer relationships and continually improve our business. In addition, we closely monitor the market information about China, South Korea, Japan and other regions, which we use for business planning and execution.

We have a flexible credit policy, and the credit terms we grant to our customers may vary from customer to customer depending on each customer's creditworthiness, historical relationship with the Company and the credit amount involved. We may allow open accounts, require acceptance bills or require cash on delivery. We rely on data from our enterprise resource planning system to determine the appropriate payment arrangement and credit terms for each customer, which generally do not exceed 90 days. We evaluate the creditworthiness of potential new customers before entering into a sales contract with them and reassess the creditworthiness of all of our customers on an annual basis. For customers without a strong credit history, we require them to settle their accounts upon delivery.

Pricing

The pricing for our coal products sold in the PRC is generally based on negotiations between the contracting parties that reflect market conditions. For our Australian operations, the pricing of our coal products is dependent on negotiations between the contracting parties, as well as prevailing market prices. There are no statutory price control schemes for coal in Australia. In both our PRC and Australian markets, to price our coal products, we consider the prevailing prices in the relevant local coal markets, the grade and quality of the coal, the rating and scale of the purchaser and our relationship with the purchaser. Our sales and marketing department monitors domestic and international market information, enabling us to keep abreast of pricing developments in our principal markets.

Transportation

Most of our major coal customers are located in eastern China and our remaining domestic customers are located in southern and northern China. We deliver coal to our customers primarily by railways, and also by highways. With our private railway network, we are able to connect to the national railway system or deliver coal directly to Zouxian Power Plant. We also deliver our coal by domestic and international shipping routes.

We also ship coal on the national railway system to ports, such as Rizhao, for delivery to customers. Rizhao Port is our main port for shipping coal. We also use the Beijing-Hangzhou Grand Canal to ship coal on barges to customers located in the area serviced by the canal, primarily Jiangsu and Zhejiang. In Shanxi, we rely on the Yangshe Railway, which intersects the Tianchi Coal Mine, and trucks to deliver coal to Hebei, Shandong, Qinhuangdao and other nearby areas. We rely on the Baoshen Railway and trucks to deliver coal from Anyuan Coal Mine and Wenyu Coal Mine to Hebei and the surrounding areas.

We plan to construct a privately operated railway to connect Zhaolou Coal Mine with the national railway system. Before completing the construction, we will continue to rely on trucks to deliver coal from Zhaolou Coal Mine to the national railway and customers.

We transport Yancoal Australia's coal products to Newcastle Port and Gladstone Port in Australia at our cost using third parties' railway networks. These coal products are then exported to South Korea, Japan and other destinations by sea. Yancoal Australia owns a 27.0% interest in Newcastle Infrastructure Group ("NCIG"), a joint venture responsible for constructing and operating the third export terminal at Newcastle Port, which is the largest coal export port in New South Wales, and has a designed annual port capacity of 63.0 million tonnes through NCIG's facility. Yancoal Australia also had an annual port capacity of 3.3 million tonnes at Newcastle Port in 2015 through a facility owned by Port Warratah Coal Services ("PWCS") pursuant to an agreement between Yancoal Australia and PWCS and is entitled to 11.9 million tonnes from 2015. In addition, Yancoal Australia owns a 5.6% interest in Wiggins Island Coal Export Terminal Holdings Pty Limited, which is the parent company of the developer of the Wiggins Island Coal Export Terminal. Yancoal Australia has been allocated an annual port capacity of 1.5 million tonnes when the phrase 1 is completed in 2015. We believe these allocated port capacities will support current export sales.

Mining process

The geological characteristics of our reserves largely determine the coal mining method that we employ. We use two primary methods to mine coal: underground mining and open-pit mining.

PRC underground mining operations

Our PRC underground mining operations consist of four main steps: tunneling, coal extraction, transportation and coal preparation. The tunneling process is necessary for the construction of underground roadways, which are required for the installation of mining equipment. We conduct a majority of our tunneling using high-powered headers and use this method whenever geological conditions permit. The extraction process is undertaken by a standardized and fully mechanized longwall operation, which includes shearers that work in conjunction with conveyers to cut and transport the coal away from the longwall work face.

The shaft hoist system equipment that we use at most of our mines was imported. Coal is transported from the coal shaft either to a surface storage or directly to a coal preparation plant. In addition to the main coal shaft, our mines also have a service shaft and supplemental roadways and rail systems within the mines that provide a means of underground transportation for workers and equipment.

After raw coal is carried to the surface, it undergoes a mechanized selection process that separates coal from other mineral materials. A small portion of such selected coal is directly sold to customers as raw coal, and the remainder is transported to our coal preparation plants for further processing and classification to meet different requirements from our customers.

We employ the same mining operations in Anyuan and Wenyu Coal Mines except for the use of conveyers to transport the coal from the inclined shaft instead of shaft in our other PRC mines.

Australian open-pit mining operations

The open-pit mining process in Australia is a surface mining technique extracting coal from the earth by removal from an open-pit. Coal seams are mined in sequence after removal of overburden (consisting of topsoil and rock) covering the coal. Open-pit coal is found relatively close to the surface, similar to the open-pit mines in China. The extracted coal is then transported to surface stockpiles before it is sent to a Coal Handling & Preparation Plant (CHPP) for washing, processing and final coal product preparation. On completion of mining the open-pit mining area is rehabilitated by replacing the overburden into the pit and the area revegetated, leaving a final void.

Australian underground mining operations

With respect to underground mines in our Yancoal Australia mining operations, mining is conducted using a combination of continuous tunneling, longwall and "bord & pillar" operations. At the Austar underground operations, the coal seam is extracted using the longwall top coal caving method due to its large seam thickness. The extracted coal is transported from the underground operations through an inclined shafts utilising a series of conveyor belts to treatment facilities on surface for processing and final coal preparation.

Materials, Water and Energy Supply

PRC mining operations

The primary materials we use to conduct our coal mining and processing operations are steel to support work faces and underground tunnels, cement for the construction of underground tunnels and ground structures and water used in our production process. We procure steel primarily from Shandong Iron and Steel Group Co., Ltd. Jinan Branch and Laiwu Branch, Shandong Shiheng Special Steel Group Co., Ltd., Ansteel Wire Rope Co., Ltd. and Guizhou Steel Rope (Group) Co., Ltd., and cement primarily from Shandong Lucheng Cement Company, Ltd. and Shandong Luzhu Group Cement Company Ltd. We procure water primarily from the Yankuang Group pursuant to the Materials Supply Agreement and its supplemental agreements, and, to a lesser extent, from local water companies. The prices of steel, cement and water is set at market rates or determined through negotiations. We believe that we have well-established, cooperative relationships with our suppliers, enabling us to secure reliable supplies of materials required in our production process. We believe that a number of alternative suppliers exist for our key materials in our coal operations, accordingly, we do not foresee any difficulty in obtaining adequate supplies.

We use a significant amount of electricity in our operations. Even though we have not experienced any material disruptions in our electricity supply in the past, we acquired Hua Ju Energy to secure a stable supply of energy for Nantun, Xinglongzhuang, Baodian, Dongtan, Jining II, Jining III, Beisu and Yangcun Coal Mines and to reduce our electricity costs.

Australian mining operations

Similar to our domestic coal mining and preparation operations, the primary materials we use in our Australian mining operations are fuel, steel, cement, explosives and water. We procure such materials primarily from local suppliers with which we have established long-standing relationships, and are able to procure sufficient materials for our mining and preparation operations.

Competition

PRC mining operations

Our primary market, the PRC domestic coal market, is characterized by numerous small-scale coal suppliers. Although the PRC coal market is segmented principally by geographic regions due to the wide distribution of coal reserves, the domestic market in China is dominated by a number of large-scale coal producers. We compete principally on the basis of the availability and cost of transportation, coal quality and timely deliveries.

Our PRC competitors primarily include a number of coal mines located in Shanxi, Shaanxi and Inner Mongolia. Certain of our competitors from these regions have substantial reserves and favorable geological conditions. However, these competitors incur significant transportation costs when they supply to their end-user customers located in eastern China. In addition to coal mines located in Shanxi, Shaanxi Provinces and Inner Mongolia Autonomous Region, we also compete with local mines located in close proximity to our customers. In addition, we expect to face increasingly intense competition among coal mining enterprises due to a significant increase in the amount of coal exported to China and as the number of large-scale coal producers increase as the result of ongoing coal industry consolidation. Although we have strengths in the quality of our coal product and our sales network, we may not be able to compete effectively with Shandong Energy in this region. Our failure to compete effectively may in turn materially and adversely affect our results of operations.

Australian mining operations

We primarily compete with several large coal mining enterprises in Australia, including BHP Billiton, GlencoreXstrata, Rio Tinto, Anglo American and Peabody Energy Australia. We mainly export our coal production in Australia to Asian countries, including China, South Korea and Japan. We also compete with other mining enterprises located in China, Indonesia and Inner Mongolia, some of which are located in close proximity to our customers. Some of our competitors are large mining companies with a longer operating history, greater financial resources, stronger brand recognition and greater economies of scale as compared to our Company. However, we believe we are able to maintain our competitiveness through our cost-saving and capacity-expanding operations as well as our marketing of combined products.

Seasonality

Our coal business is not affected by seasonality.

Quality control

We have implemented a quality assurance program at each of our PRC coal mines to control quality throughout our coal operations from production to transportation. To further improve our coal preparation and control quality, we established a coal preparation management center in Shandong, in October 2013, to manage our preparation plants. In addition, our quality inspection division within our sales and marketing department conducts spot inspections on our coal production to maintain high quality standards.

Each of Nantun, Xinglongzhuang, Baodian, Dongtan, Jining II, Jining III, Beisu, Yangcun, Zhaolou and Tianchi Coal Mines has obtained the Quality/Environmental Management/Occupational Health and Safety Certificate.

Each of Nantun, Baodian, Dongtan, Jining II, Jining III Coal Mines has obtained Measurement Management System AAA certificate. We have been awarded a National Quality Management Award, a China Quality Tripod and an Asia-Pacific International Quality Gold Medal. In addition, we were awarded the Quality Excellence Award (Asian Recognition for Excellent in Quality Practice) by the Asian Network for Quality in 2012, which made us the only Chinese coal company which has ever won this prize. In 2015, we won the Global Performance Excellent Award-World Top Class selected by Asia Pacific Quality Organization.

Yancoal Australia has engaged Bureau Veritas, Societe Generale De Surveillance and ALS Laboratory Group to supervise and inspect the quality of the coal produced from the respective mines in Australia to ensure quality control and advise on quality improvement measures. In March 2015, we became the only company in the PRC coal industry to be recognized with the "China Quality and Credibility Commitment" designation.

Safety control

In our PRC operations, we have implemented a safety control program to achieve the targets set in our internal guidelines for safety and risk control management and to maintain compliance with the PRC Coal Industry Law and the National Mining Safety Law in China. In Australia, our operations in New South Wales comply with the Coal Mine Health and Safety Act 2013 (NSW) and Occupational Health and Safety Act 2011 (NSW), our operations in Queensland comply with the Occupational Health and Safety Act 2011 (QLD) and Coal Mining Safety and Health Act 1999 (QLD) and our operations in West Australia comply with the Coal Mine Safety and Inspection Act 1994 (WA) and Occupational Health and Safety Act 1984 (WA).

Our safety control program combines close supervision and routine inspection of mining conditions with continual implementation of safety features and procedures at our mines and safety training for our production team. In addition, in our PRC operations, the compensation of the officers and managers of each division reflects the division's safety record. Each of our mines has a safety inspection unit which is responsible for the supervision and inspection of our mining activities. We reward employees who report unsafe mining conditions to encourage accident prevention.

As a result of our safety control program, we have been able to maintain a zero fatality rate in our PRC operations since 2007 compared with the national average of 0.157 fatalities per million tonnes of coal produced in 2015, according to the State Administration of Work Safety of the PRC. In 2015, we produced approximately 49.1 million tonnes of coal in our PRC operations and did not experience any production accidents that involved serious work injuries or death. We have been continuously reviewing and evaluating our safety control and performance in Australia. With respect to our Australian operations in 2015, our lost time injury frequency rate, measured as the number of lost time injuries per million man-hours worked, was 1.6 for open-pit mines and 18.2 for underground mines. On April 15, 2014, an underground incident occurred at Austar Coal Mine and two employees died. The investigation by the Departement of to determine the cause of the incident is currently ongoing. As of the date of this annual report, the cause of the incident has not been determined and we are working with the investigators of the Department Industry, Resources and Energy of New South Wales.

Environmental protection

We are subject to PRC environmental protection laws and regulations which impose fees for the discharge of waste substances and require the payment of fines for serious pollution. PRC regulations also authorize government agencies to close any facility that fails to comply with orders to cease, or bring into compliance with relevant laws and regulations, operations that cause environmental damage. In addition, the operations of Yancoal Australia must comply with relevant Australian environmental protection laws and regulations.

Railway Transportation Business

In addition to transporting coal to support our own operations, we also provide railway transportation services to our customers, including the Yankuang Group, for fees. In 2015, we transported 16.0 million tonnes of coal on our railway network, representing a decrease of 3.5%, from 16.6 million tonnes in 2014. We generated sales income of RMB327.3 million from railway transportation services in 2015, representing a decrease of RMB46.3 million, or 12.4%, from RMB373.6 million in 2014. The cost of sales of our transportation business was RMB227.5 million in 2015, representing a decrease of RMB22.7 million, or 9.1% from that of 2014.

We own 15 steam locomotives, two heavy-duty rail motors and over 200 kilometers of railway tracks constructed for coal transportation that connect most of our coal mines with Zouxian Power Plant located in Jining City, Shandong. Our railway network also connects to two major national railways, namely, Beijing-Shanghai Railway and Yanzhou-Shijiugang Railway. Our railway network provides us with substantial control over a major means of transportation for our key product, allowing us to benefit from the synergies from coal production, sales and transportation. As of December 31, 2015, our railway transportation business had 3,180 employees.

We maintain ISO 9001 quality accreditation, environmental management certification (GB/T241001-2004), GB/T28001-2011 occupational safety and health certificate and GB/T19022-2003 management certification for the operation of our railway network.

Coal Chemical Business

Our coal chemical business focuses on the production of methanol, a liquid commodity that can be produced from coal or natural gas. We operate our coal chemical business primarily through Yulin Nenghua and Ordos Nenghua. Ordos Nenhua has completed construction of its 600,000-tonne methanol project and commenced the commercial production since January 2015. In 2015, we produced 167.1 tonnes of methanol and sold 160.8 tonnes of methanol. We generated sales income of RMB2,264.7 million in 2015, representing an increase of RMB1,069.2 million, or 89.4%, from RMB1195.5 million in 2014. The cost of sales of coal chemical business was RMB1,535.8 million in 2015, representing an increase of RMB666.5 million, or 76.7% from that of 2014. Our coal chemical facilities at Tianhao Chemicals ceased production since April 2013.

Sales and marketing

Our coal chemical sales are made pursuant to sales contracts that we enter into from time to time with customers. We sell our methanol exclusively in China and predominately to chemical producers in northern and eastern China and methanol distributors. We rely on regional highways to deliver our products.

Pricing

The pricing for our methanol product is generally based on negotiation between the contracting parties, taking into consideration prevailing market prices, market conditions and the customer's creditworthiness.

Production process

Yulin Nenghua. At Yunlin Nenghua's plant, raw coal is pulverized, cleaned and then fed to a gasifier bed where it reacts with oxygen and steam. The product is synthesized into crude methanol and then purified through distillation.

Materials, water and energy supply

Coal and coke oven waste gas are the primary materials in our methanol production. Production of methanol is reliant on thermal coal, which it currently sources from local coal mines owned by third parties. We also source water from a local reservoir for the methanol production.

Quality control

We have implemented a series of quality control measures for our coal chemical operations to ensure product quality. We obtained AAA measurement management system, ISO 9001 quality accreditation and ISO 14001 environmental management certification in November 2009 and subsequently renewed ISO 9001 quality accreditation and ISO 14001 environmental management certification in November 2012 and AAA measurement management system in October 2013. In August 2012, methanol produced by Yulin Nenghua, after review by the National Standardization Management Committee, was confirmed to be of a higher standard than the international standard ASTM D1152:2006, and was granted the Usage of International Standard Certificate. We perform regular inspections and maintenance on our methanol plants

Safety control

For our coal chemical operations, we have implemented safety control measures in compliance with the People's Republic of China Production Safety Law, the People's Republic of China Regulations on the Safe Administration of Dangerous Chemicals and other safety guidelines for chemical manufacturers. We obtained ISO 18001 occupational health and safety certification in November 2009, which was renewed in November 2012.

Competition

We compete with domestic methanol manufacturers in Shanxi and Shaanxi Provinces and the Inner Mongolia Autonomous Region. We have benefited from economies of scale as Yulin Nenghua's 600,000-tonne methanol project achieved optimal utilization of its facilities and Ordos Neng Hua's 600,000-tonne methanol plant commenced operations in January 2015.

Seasonality

Our coal chemical operations are not affected by seasonality.

Electric Power and Heat Supply Business

As of the date of this annual report, we owned and operated seven power plants, which generate electricity for internal use and external sales. In 2015, we generated a total of 2,639.5 million KWh of electricity, 1,677.4 million KWh of which we sold to third parties. We generated sales income of RMB598.6 million in 2015, representing an increase of RMB357.1 million, or 147.9%, from RMB241.5 million in 2014.

Hua Ju Energy operates five coal-fired power plants whose main facilities consist of energy conversion CFB boilers and extraction and condensing steam turbines. The power plants at Hua Ju Energy have an aggregate installed capacity of 132 MW. In 2013, 2014 and 2015, Hua Ju Energy generated 992.8 million KWh, 901.2 million KWh and 960.1 million KWh, respectively, and sold 869.1 million KWh, 303.6 million KWh and 352.3 million KWh, respectively, to the local power grid company.

The power plants at Yulin Nenghua and Tianhao Chemicals were established with the primary intention to satisfy the power demand of the methanol projects of these two entities; we sell a small amount of electricity to third parties. These plants had an aggregate installed capacity of 60 MW as of the date of this annual report; however, Tianhao Chemicals has stopped generating electricity since January 1, 2012 due to the high cost of fuel, and we are in the process of disposing of the power plant together with Tianhao Chemical's methanol assets. In 2015, the power plants operated by Yulin Nenghua generated 265.8 million KWh of electricity, of which 122.2 million KWh was sold to third parties.

We commenced the construction of the Zhaolou Coal Mine power plant for Zhaolou Coal Mine in March 2010. The integrated power plant has two phases with a designed capacity of 300 MW for each phase. In November 2014, phase I commenced operation. In 2015, Zhaolou Coal Mine power plant generated 1,413.7 million KWh of electricity, of which 1,312.8 million KWh was sold to third parties. For further information on the Zhaolou Coal Mine power plants, please see "D. Property, Plant and Equipment — Methanol and Cogeneration Power Plants — Zhaolou Coal Mine Power Plants."

We commenced heat supply operations, which consist of the production and sale of heat, following our acquisition of Hua Ju Energy in 2009. In 2015, Hua Ju Energy generated 1.3 million steam tonnes of heat energy. Our coal mines consume the substantial majority of heat energy produced by Hua Ju Energy. We sold 120,000 steam tonnes of heat to third parties and generated sales income of RMB27.5 million in 2015.

Sales and marketing

We consume a major portion of the heat generated by our power plants and, to a lesser extent, sell to the Yankuang Group. In addition to our own use and our sales to the Yankuang Group, we sold 45.0% of the electric power we produced to other end-users through power grids in 2015.

Pricing

The pricing and adjustments for the on-grid tariff and the pricing of our heat products are determined in accordance with regulations set by price administration authorities.

Production process

Yulin Nenghua. We select, break, grind and feed coal to a boiler where the coal is burned to generate steam, which is converted by steam turbines into electricity.

Hua Ju Energy. We recycle by-products of our coal mining operations, such as coal gangue and coal slurry, to generate electricity. Coal gangue and coal slurry are fed to a CFB boiler by means of a conveyer belt and fuel-feeding device where they are burned to generate steam, which is converted by steam turbines into electricity. The power plants of Hua Ju Energy are cogeneration systems that are able to produce heat simultaneously with power generation. Part of the steam produced in power generation is extracted from the steam turbines and provided to our mining operations via a heat supply system.

In the production processes, we filter the exhaust gas that we produce and recycle the cinder for future use.

*Zhaolou power plant***.** Zhaolou power plant, located in Heze City, Shandong Province, is utilized by the Zhaolou coal plant of Heze Neng Hua. After crushing the coal fuel, it is transferred to the boiler and sent to the combustion chamber for burning. The combustion process generates heat and is transferred to water in the boiler. Water in the boiler is heated and produces high temperature, and high pressure steam, which runs the turbine that generates power.

Materials, water and energy supply

Our power plants are all coal-fired power plants. The power plants of Hua Ju Energy generate electricity by recycling coal gangue and coal slurry. Yulin Nenghua currently sources thermal coal from local coal mines. Zhaolou uses mixed coal, gangue and slime generated from coal washing to generate power.

Quality control

Hua Ju Energy obtained ISO 9001 quality accreditation and ISO 14001 environmental management certification in November 2003 and has maintained its certification since then. Yulin Nenghua obtained AAA measurement management system, ISO 9001 quality accreditation and ISO 14001 environmental management certification in November 2009. Zhaolou obtained ISO 9001 quality accreditation, ISO 14001 environmental management certification and GB/T28001 occupational health and safety management certification in December 2009.

Safety control

Safety measures for our electric power and heat supply operations were designed to meet the requirement of the Electricity Law and other related laws.

Seasonality

Our electric power operations are not affected by seasonality. Our heat supply operations are affected by seasonality and experience higher demand during winter.

Equipment Manufacturing Business

In 2015, we expanded to equipment manufacturing business after we acquired 100% of equity interest in Donghua Heavy Industry. We manufacture, sell, lease and maintain mechanical and electrical equipment, including among other, hydraulic supports, heading machine, scraper/belt conveyors and frequency converter and switch cabinet. In 2015, we manufactured 55,500 tonnes of hydraulic supports, 12 sets of heading machines, 25,000 tonnes of scraper/belt conveyors and 5,230 sets of frequency converters and switch cabinets, generating a revenue of RMB309.9 million.

Sales and marketing

The equipment we manufactured in 2015 were primarily used in our own production and, to a lesser extent, sold to Shanxi, Shaanxi, Gansu, Inner Mongolian Autonomous Region, and Xinjiang Uighur Autonomous Region. We mainly use regional highways for transportation of our equipment products.

Pricing

The pricing for our equipment products is primarily through negotiation with our customers after taking into account of market prices, market conditions and credibility of the customer. We entered into formal sales contract for sale of our products, which specified the price for the products.

Production Process

The production process for our equipment manufacturing business mainly involves parts processing and assembling. Before the pre-treatment of the parts, we prepare the parts through de-rusting, shaping the steel plate through numerical controlled machines, cutting. After the pre-treatment, the parts are assembled through welding, heat treated before and after assembling and tested and inspected before shipment.

Raw Material and Energy Supply

The major raw material for equipment manufacturing business mainly includes steel plates, high pressure plastic pipes, electro-hydraulic control system and wires. The production process mainly consumes electricity.

Quality Control

Donghua Heavy Industry obtained ISO 9001-2008 and "CCC" products accreditation. Donghua Heavy Industry has been accredited as national measurement enterprise of second grade and qualified enterprise after national regular quality inspection. Donghua Heavy Industry has established a comprehensive quality control system, owned several advanced testing and inspection equipment and adopted multiple measures to test and inspect its products to ensure the quality and safety.

Safety Control

Donghua Heavy Industry has established an safety management system which comprises safety management of production and technology. The quality inspection management center, department of production technology and department of products managements were established to oversee the safety matters and ensure the relevant safeties laws and measures are followed.

Competition

Donghua Heavy Industry faces the competition from major well-known cola mining equipment manufacturers in the PRC market. Our products have started to present their strength in the market. Tianhao Chemicals' ZY16000 and ZY 17000 hydraulic support for large mining height and high resistance were among the first class products in the domestic market; our ZY21000 hydraulic support sample machine was accredited with international advanced quality; our continuous belt conveyor was the first of its kind manufactured by domestic manufacturer; and our success in the research of visualized remote control system in heading machine has capability to carry the mining operation forward to an intelligent, high end and unattended operation.

Seasonality

Our equipment manufacturing business are not affected by seasonality.

Regulatory Oversight of Our Group

Regulation of the PRC Coal Industry

Mining activities in the PRC are also subject to the MLR. To establish a coal mining enterprise under the Coal Industry Law of the People's Republic of China, amended in June 2013 (the "PRC Coal Industry Law"), the applicant must submit an application to the relevant department in charge of the coal industry. After obtaining approval to establish a coal mining enterprise, the applicant will be granted a mining permit by the MLR. After June 2013, applicants are not required to obtain the coal production permit and coal trading license. Coal mining companies are permitted to operate after safety inspection and relevant licenses and permits are obtained. The Mineral Resources Law of the PRC (the "Mineral Resources Law") regulates any matters relating to the planning or the exploration, exploitation and mining of mineral resources. According to the Mineral Resources Law, all mineral resources in China, including coal, are owned by the State. Any enterprise planning to engage in the exploration, development and mining of mineral resources must obtain exploration rights and mining rights before commencing the relevant activities. The transfer of exploration and exploitation rights shall be subject to governmental approval pursuant to the PRC Coal Industry Law, the Mineral Resources Law, Measures for the Administration of Transfer of Exploration Rights and Mining Rights and other relevant regulations.

The following is a summary of the principal laws, regulations, policies and administrative directives to which we are subject.

Pricing Laws

Until 2002, the production and pricing of coal was generally subject to the close control and supervision of the PRC government, which centrally managed the production and pricing of coal. To transition from a planned economy to market economy practices, the PRC government eliminated the state guidelines for coal prices on January 1, 2002 and took other measures intended to establish a pricing mechanism that would reflect market demand. In December 2012, the State Council issued a guideline to further implement the market reform for thermal coal. Pursuant to the guideline, beginning in 2013, the PRC government discontinued the compulsory thermal coal supply contracts arrangement, which required coal producers to sell thermal coal to power generation enterprises at preferential prices set by the government. In addition, prices of thermal coal will be negotiated between power generation enterprises and coal producers, instead of pursuant to government-guided prices.

Regulation of fees and taxes

The table below sets forth material taxes and fees that are imposed upon coal producers in China, as well as reserves which we are required to set aside.

Item	Base	Rate
Corporate income tax	Taxable income	25%
Corporate income tax (for Anyuan Coal Mine and Inner Mongolia Xintai)	Taxable income	15%
VAT (for coal and other products)	Sales revenue	17%
VAT (for heat supply)	Sales revenue	13%
VAT (for coal transportation services)	Revenue from service	11%
Business tax (for other services)	Revenue from service	5%
City construction tax	Amount of VAT and business tax	7%
Education surcharge	Amount of VAT and business tax	3%
Local education surcharge	Amount of VAT and business tax	2%
Water conservancy fund	Amount of VAT and business tax	1%
Resource tax	Aggregate volume of raw coal sold or used (1)	Shandong Province: 4% Shanxi Province: 8% Inner Mongolia: 9%
Property tax (for domestic companies)	70% of the initial value of the property	1.2%

(1) The resource tax applicable to our coal operation in Shandong and Shanxi Provinces is calculated by multiplying the aggregate volume of raw coal sold and raw coal consumed in the production of clean coal by the applicable per tonne resource tax in the respective province.

Coal producers may be fined if they damage the environment, arable land, grasslands or forest areas. Under the Mineral Resources Law, if a mining enterprise's mining activities result in damage to arable land, grasslands or forest areas, the mining enterprise must return the land to an arable state or plant trees or grass or take other restorative measures. The Mineral Resources Law and other applicable laws and regulations also state that anyone who causes others to suffer loss in terms of production or living standards is liable for the loss and must compensate the affected persons and remedy the situation.

Additionally, all coal producers are subject to PRC environmental protection laws and regulations which currently impose fees for the discharge of waste substances, require the payment of fines for serious pollution and provide for the discretion of the PRC government to close any facility which fails to comply with orders requiring it to cease or cure operations causing environmental damage.

Foreign exchange laws

Provisions on Foreign Exchange Administration for Cross-border Guarantees and Operational Guidelines for Foreign Exchange Administration of Cross-border Guarantees (Hui Fa [2014] No. 29), promulgated by the SAFE on May 12, 2014, provide that when handling overseas lending and domestic guarantee business, without the approval of the Foreign Exchange Administration, the debtors shall not directly or indirectly transfer the funds under the guarantee back to the PRC for use through such methods as borrowing, equity investments, or securities investments in the PRC. The funds under the guarantee shall not be used for equity or debt investments, by overseas institutions or individuals directly or indirectly, in domestic institutions or individuals, including but not limited to the following circumstances:

- the debtor uses the funds under the guarantee to make, directly or indirectly, equity or debt investments in institutions incorporated within the PRC.
- the funds under the guarantee are used to acquire the equity of an overseas target company, of which over 50 percent of the assets are located within the PRC.
- the debtor uses the funds under the guarantee to make advance payments for trade in goods or trade in services, and the payment time is more than 1 year before the time of delivery of the goods or services and the amount of the advance payment exceeds USD 1 million and 30 percent of the total price of the sales and purchase agreement (for the export of large complete sets of equipment or contract services, the completed workload may be deemed as the delivery).
- the funds under the guarantee are used to repay the debt of the debtor or any other overseas company, while the original funds from the financing are transferred, directly or indirectly, back to the PRC in the form of equity or debt.

Import and export laws

According to the Foreign Trade Law, the Cargo Import and Export Ordinance and the Administrative Measures of Coal Export Quota, coal exports prior to 2013 are subject to State control and required governmental approval.

Our company has not been authorized as a PRC coal exporter. Our coal exports are conducted through three export agents, namely China National Coal Industry Import and Export Corporation, China National Minerals Import and Export Company Limited and Shanxi Coal Import and Export Group Company.

Pursuant to the Administrative Measures of Coal Export Quota, the NDRC and the MOFCOM have been responsible for determining China's national coal export quota and allocating the quota among authorized coal exporters. Upon receiving a quota approval, authorized coal exporters may apply for coal export permits to the relevant authority designated by the MOFCOM. Authorized coal exporters are also required to report their monthly quota usage to the NDRC.

The regulations provided that quotas may be adjusted in the event of:

- a major change in the international market;
- a major change in domestic coal resources;
- an imbalance in the usage of the coal export quota by an authorized coal exporter compared to its allocation of the coal export quota; and
- other circumstances which require an adjustment to the coal export quotas.

On December 31, 2012, the MOFCOM and the General Administration of Customs issued the 2013 Catalog of Goods subject to the Export Permit Management, pursuant to which coke will not be subject to export quota management. According to the Catalogue of Goods subject to Export Licensing Administration in 2016 promulgated by the Ministry of Commerce and General Administration of Customs of the PRC on December 19, 2015, the export of coke does not subject to export quota management.

On August 29, 2013, the General Administration of Customs issued The Announcement of Tariff Adjustment on Certain Export Commodities such as Lignite, which adjust the zero tariff for lignite to 3%, effective from August 30, 2013. According to Tarriff Execution Plan for 2016 announced on December 28, 2016, the tarrif for lignite remains 3% in 2016.

The 2015 United Nations Climate Change Conference was held in Paris, France, on November 30, 2015. It was the 21st yearly session of the Conference of the Parties to the 1992 United Nations Framework Convention on Climate Change . China's recent commitments on climate change includes the signing of climate change agreements with the United States and France; submitted an Intended Nationally Determined Contribution to the United Nations, pledging to have emissions peaks by 2030.

On October 10, 2014, the PRC General Administration of Customs promulgated the Announcement on Adjusting the Import Tariff Rates of Coal (Announcement of the General Administration of Customs No. 73, 2014), which provides that as of October 15, 2014, the provisional zero import tariff rate of anthracite (H.S. code: 27011100), coking coal (H.S. code: 27011210), bituminous coals other than coking coal (H.S. code: 27011290), other coal (H.S. code: 27011900) and briquettes and other fuels (H.S. code: 27012000) shall be abolished, and the most-favored-nation tariff rate of 3% (anthracite), 3% (coking coal), 6% (bituminous coals other than coking coal), 5% (other coal) and 5% (briquettes and other fuels) shall be resumed respectively.

On December 16, 2014, the MOF issued the 2015 Implementation Plan of Customs Taxation, which provides that the export custom tax rates of coal products, including anthracite, bituminous coal, coaking coal, brown coal, peat coal, coal-made solid fuel and other coals shall decrease from 10% to 3%.

Domestic trading regulations

Pursuant to the Amended Measures for the Regulation of Coal Operations promulgated by the NDRC on July 30, 2014, entities are required to file their information of coal operations with local authorities within 30 business days after they obtained business license.

Environmental protection

China has promulgated a series of laws and regulations which establish national and local legal frameworks for environmental protection. These laws and regulations include standards applicable to emission controls, discharges of wastes and pollutants to the environment, generation, handling, storage, transportation, treatment and disposal of waste materials by production facilities, land rehabilitation and reforestation.

The PRC Environmental Protection Law requires that enterprises, public institutions, and other business operators that discharge pollutants shall adopt measures to prevent and control pollution and damage to environment caused by waste gas, waste water, waste residue, medical wastes, dust, malodorous gases, radioactive substances, noise, vibration, optical radiation, electromagnetic radiation, and other substances generated in their production, construction, and other activities. Pollutant discharging entities under intensified supervision shall install and use monitoring equipment in accordance with the relevant provisions of the state and the monitoring norms, ensure the normal functioning of monitoring equipment, and preserve the original monitoring records. On April 24, 2014, the Standing Committee of National People's Congress passed the Amended Environmental Protection Law, pursuant to which, effective January 1, 2015, more responsibility has been imposed on local governments and unlimited fines will be imposed on polluters. In addition, projects without environmental evaluation in accordance with relevant laws are not allowed to commence construction.

On September 10, 2013, the State Council issued the Action Plan for Prevention and Control of Atmospheric Pollution (the "Action Plan"), pursuant to which the PRC government plans to devote more efforts to prevent and control atmospheric pollution. On September 17, 2013, the State Council further issued the Rules for the Implementation for the Action Plan for Prevention and Control of Atmospheric Pollution in Beijing-Tianjin-Hebei metropolitan region, pursuant to which the PRC government aims to reduce atmospheric pollution and improve air quality.

According to the Law on Prevention and Control of Water Pollution of the PRC, and the Administrative Regulations on the Levy and Use of Discharge Fees, any new construction projects which directly or indirectly discharge pollutants to water, such as coal mines and coking plants, must conduct an environmental impact assessment. Every new production facility must be equipped with wastewater processing facilities which must be put in use together with the production facilities. Construction projects that discharge pollutants into water shall pay a pollutant discharge fee in accordance with state regulations.

On August 29, 2015, the Law on Prevention and Control of Atmospheric Pollution (the "Atmospheric Pollution Law") was amended and promulgated by the Standing Committee of National People's Congress of the PRC, which was implemented on January 1, 2016. The Atmospheric Pollution Law has, among other things, set standards, plan and timeline to reach the atmospheric pollution control targets, provide detailed regulations on major pollution sources and impose stringent requirements to control the pollution from coal-fire, automobile, vessel and volatile organic compounds.

The rehabilitation of mining sites is another priority of the PRC government. Under the Law of Land Administration of the PRC as amended on August 28, 2004, the Regulation on Land Reclamation effected on March 5, 2011 and the Implementation Measures on the Regulation on Land Reclamation effected on March 1, 2013, coal producers must undertake measures to restore a mining site to its original state within a prescribed time frame if their mining activities result in damage to arable land, grassland or forest. The rehabilitated land must meet rehabilitation standards, as required by law from time to time, and may only be subsequently used upon examination and approval by the land authorities.

In addition to the PRC environmental laws and regulations, China is a signatory to the 1992 United Nations Framework Convention on Climate Change and the 1998 Kyoto Protocol, which propose emission targets to reduce greenhouse gas emissions. The Kyoto Protocol came into force in 2005. At present, the Kyoto Protocol has not set any specific emission targets for certain countries, including China.

Mining safety

On November 18, 2013, the State Council promulgated Several Opinions on Promoting the Steady Development of the Coal Industry, which contains the PRC government's policies with respect to the administration of coal mining and exploration.

According to the Measures for Implementing Work Safety Permits in Coal Mine Enterprises issued by the SAWS, a coal mine enterprise without a work safety permit may not engage in coal production activities. Coal mining enterprises and their mines that do not satisfy the safety conditions set forth in this document, or those that violate the provisions of this document, may be punished by fines, warnings, temporary suspension of the work safety permit, mandatory remediation measures, orders to cease production and cancellation of the work safety permit. Coal mine enterprises that remain compliant with the requirements set in these documents may apply for administrative approval to extend the validity period of their Work Safety Permits.

The Special Regulations by the State Council on Preventing Work Safety Related Accidents in Coal Mines were promulgated and entered into effect on September 3, 2005. These regulations specify that coal mine enterprises are responsible for preventing coal mine work safety-related accidents. If a coal mine has not obtained, in accordance with the law, a mining right permit, work safety permit or business license and if the mine manager has not obtained, in accordance with the law a mine manager safety qualification certificate, the coal mine may not engage in production. Coal mining enterprises should establish a sound system for the detection, elimination, treatment and reporting of latent work safety-related dangers. If a major latent work safety-related danger exists in a coal mine, the enterprise should immediately suspend production and eliminate the latent danger. Coal mining enterprises should provide their personnel working underground and their special operation personnel with safety education and training in accordance with relevant state regulations. The person in charge of a coal mine and the production and operation management personnel should go into mines and act as foremen on a rotating basis in accordance with state regulations, and a file recording their entry into the mine should be maintained.

In addition, the SAWS and SACMS issued the Implementing Measures for the Detection and Elimination of Latent Dangers in Coal Mines and the Rectification and Closure of Such Mines (for Trial Implementation) on September 26, 2005. On October 31, 2005, the SAWS issued the Guiding Opinions on Persons in Charge of Coal Mines and Production and Operation Management Personnel Going into Mines as Foremen. The SAWS and the MOF jointly issued the Incentive Arrangement for Report on Working Safety on May 2, 2012, which encourages reporting on material accident hazards on working safety systems and other illegal activities. In December 3, 2015, the SAW and SACMS issued the Standards in Judging the Major Latent Work Safety Related Dangers for Accident.

The SAWS, the SACMS and the All China Federation of Trade Unions jointly issued the Rules regarding the Working Safety Construction of Coal Mine Working Teams in June 2012, which requires coal mining enterprises to promote working safety target management and improve the salary structure to reflect the combination of working safety, production and profits. In addition, coal mining enterprises are required to improve working environments and labor protection facilities, provide employees with labor protection articles and occupational health examinations, establish occupational health files for employees and provide relevant remuneration for workers engaging in hazardous works.

Coal mining industry and resources integration

Several measures have been enacted by various PRC government and provincial authorities to promote the integration and enhancement of mineral resources to maximize domestic coal production and encourage developmental efficiency.

The General Office of the Shandong Provincial Government issued the Notice to Implement Circular Guo Fa Ban [2006] No. 108 and Notice to Effectively Implement Integration of Mineral Resources (Lu Zheng Ban Fa [2007] No. 37), on June 19, 2007, which further implement Circular Guo Fa Ban [2006] No. 108 and promote the integration of mineral resources in Shandong Province. In addition, the Shandong Provincial Government issued the Notice to Deepen Integration Works of Mineral Resources (Lu Zheng Ban Fa [2010] No. 1), on January 4, 2010, which requires further promotion of integration of mineral resources, reduces the number of mines and mining approvals, and enhances intensive production in Shandong Province.

The government authorities of Inner Mongolia issued the Notice of Printing and Distributing the Work Plan of Mergers and Reorganizations of Coal Mining Enterprises (Nei Zheng Fa [2011] No. 32) on March 15, 2011, which sets forth the guiding principles, integrative approach, applicable policies, regulations and working requirements for coal resources in the region. By the end of 2013, the notice indicates that coal mining enterprises located in Inner Mongolia Autonomous Region must achieve production of 1.2 million tonnes per annum (three million tonnes per annum may apply to certain regions upon certain conditions) or be required to merge with other enterprises. Enterprises with a production capacity of more than five million tonnes of raw coal, among others, or enterprises with at least either one underground coal mine with a singular well production capacity of more than 1.2 million tonnes or an open-pit coal mine with a singular well production capacity of more than three million tonnes, subject to certain operational safety conditions, will be given preference as entities into which other smaller entities may merge.

In addition, the government authorities of Inner Mongolia Autonomous Region issued the Notice of Working Well on the Related Issues Concerning Integration of Coal Resources (Nei Zheng Ban Fa [2011] No. 92) on October 9, 2011, which sets forth supplemental information on the determination of the status of coal mining entities and the scope of coal resources to be integrated in the region.

The government authorities of Shanxi Province issued the Advices on Deepening the Reform of Coal Mining Management System (Jin Fa [2015] No. 3), which requires to accelerate the optimization of the disposition of reginal coal industry and encourage coal mining enterprises and groups, on voluntary basis, to realize the integration of coal mining business through acquisition, disposal, participating in investment, merger or other manners, as well as well resolve the following-up issues after the integration of coal resources and merger and acquisitons of coal mines.

The National Energy Administration of the PRC issued the amended Coal Mining Industry Policy in February 2013 requesting public comment. The policy aims to further implement the reform of coal mining enterprises and market-oriented reforms.

These mining industry and resources integration regulations will affect the production capacity and rates of our mines that are located in the particular provinces or regions.

Regulation of the Australian Coal Industry

Our operations in Australia are subject to laws and regulations of general application governing mining and processing, land tenure and use, environmental requirements, including site-specific environmental licenses, permits and statutory authorizations, industrial relations, workplace health and safety, trade and export, competition, access to infrastructure, foreign investment and taxation. These regulations are implemented by various federal, state and local government departments and authorities, including at a federal level the Department of Industry and Science, and the Department of the Environment.

Environmental and planning issues

Our mining operations in Australia are regulated by federal, state and local governments with respect to environmental issues (such as water quality, air quality, dust impact, noise impact) and planning issues (such as approvals to expand existing mines or to develop new mines or to change mining interests). Australian state governments require coal companies to post deposits or give other security on the land which is being used for mining and exploration, with those deposits being returned or security released after satisfactory remediation is completed.

State and territory governments are the primary environment and planning regulators for mining operations. The particular provisions of the various state and territory environment and planning legal regimes vary depending upon the jurisdiction. Despite variation in details, each state and territory has a system involving broadly at least two major phases, including: (i) obtaining major environment/planning developmental approval addressing planning and significant environmental issues and (ii) obtaining pollution control approvals regarding pollution control issues such as emissions to the atmosphere; emissions in waters; noise impact, impact from blasting; dust impact; and the generation, handling, storage and transportation of waste and other environmental licenses related to issues such as water extraction and use and Aboriginal heritage.

The federal environmental protection regime will apply if matters of national environmental significance are likely to be significantly impacted. If so, a referral must be made to the Department of the Environment and federal regulatory approval may be required. Most coal projects require such federal approval.

Work Health and Safety | Occupational Health and Safety

The Commonwealth, states and territories adopt their own work health and safety (**WHS**) laws in each Australian jurisdiction.

The WHS Laws have commenced operation in New South Wales, Queensland, the ACT, the Northern Territory, South Australia, Tasmania and in Commonwealth jurisdictions, although it should be noted that the WHS Laws are not fully harmonized with certain jurisdictions. However, Western Australia and Victoria are yet to implement the new laws. These jurisdictions have occupational health and safety (**OHS**) laws in place.

WHS (New South Wales, Queensland)

Under the WHS Laws, a person conducting a business or undertaking must ensure, as far as is reasonably practicable:

(a) the health and safety of its "workers" whilst they are engaged at work in the business or undertaking; and

(b) that other persons are not put at risk from the conduct of the business or undertaking.

Workers are defined to include employees, contractors, subcontractors and volunteers.

In respect of workers employed or engaged to perform work in a mine, a person conducting a business or undertaking must take reasonably practicable steps to ensure that workers are safe from injury by conducting a risk assessment of the workplace and, having regard to the risks identified in the assessment, take all reasonably practicable steps to:

(a) provide a safe working environment without risks to health and safety;

(b) provide and maintain safe plant and structures, including machinery;

(c) provide and maintain safe systems of work, including safety equipment, safe plant and work materials;

(d) provide adequate facilities;

(e) the safe use, handling and storage of plant, structures and substances;

(f) appropriate information, instruction, training and supervision that is necessary to protect all persons from risks to their health and safety; and

(g) monitoring the health of workers and conditions at the workplace for the purposes of preventing illness or injury of workers.

There is also an obligation for a person conducting a business or undertaking to consult with its workers (and other WHS duty holders) on WHS matters.

OHS (Western Australia)

Western Australia is still operating under a local OHS regime. Whilst this regime is similar to the WHS regime and requirements under WHS Laws as set out above, there are notable differences in terms of specific requirements under OHS legislation, regulations and associated penalties for non-compliance.

In relation to persons employed in a mine in Western Australia, an employer must, so far as is practicable, ensure that such persons are safe from injury by providing a safe working environment and systems of work such that employees are not exposed to hazards; safety machinery; safety equipment, plant and work materials; and appropriate information, instruction, training and supervision.

There is also a requirement for an employer to consult and cooperate with safety and health representatives (if any) and other employees at the workplace, regarding OHS matters.

Coal Industry Specific Legislation (All Relevant/Applicable States)

In recognition of the specialized nature of mining and mining activities, specific work health and safety obligations have been mandated under law and legislation that deals specifically with the coal mining industry. Mining employers, owners, directors and managers, persons in control of work places, mine managers, supervisors and employees are all subject to these duties.

Workers' Compensation (All Relevant/Applicable States)

It is mandatory for an employer to have insurance coverage with respect to the compensation of injured workers (workers' compensation insurance). Similar coverage is in effect throughout states and territories in Australia which is of a no-fault nature and which provides for benefits up to a prescribed level. The specific benefits vary by jurisdiction, but generally include the payment of weekly compensation to an injured employee, together with payment of medical, hospital and related expenses. The injured employee may have a right to sue his or her employer for further damages if a case of negligence can be established (but on the condition that the injured employee waives his or her right to the insurance coverage).

Foreign investment

As a foreign government investor under Australian law Yancoal will be required to obtain Australian Government approval before making a direct investment in Australia (regardless of the value of the investment). A direct investment includes any acquisition of an interest of 10 per cent or more of any asset or business or any acquisition of an interest of less than 10 per cent where that acquisition amounts to a strategic stake in the target, or allows the acquirer to influence or control the target.

Foreign government investors must also obtain Australian Government approval before starting a new business in Australia, or acquiring an interest in land in Australia. An interest in land includes any interest in a prospecting, exploration, mining or production tenement.

Power generation industry

The Electric Power Law and the Electric Power Regulatory Ordinance

The Electric Power Law of the PRC (the "Electric Power Law") sets out the regulatory framework of the power industry. The Electric Power Law encourages power plant operators to focus on environmental protection and adopt new technology to decrease waste discharge.

In 2005, the State Council promulgated the Electric Power Regulatory Ordinance. The Electric Power Regulatory Ordinance sets forth regulatory requirements for many aspects of the power industry, including, among others, the issuance of electric power business permits, the regulatory inspections of power generators and grid companies and the legal liabilities resulting from violations of the regulatory requirements.

Approvals and licenses for power plants

Applications for all new coal-fired power plants are required to be submitted to the NDRC for approval, as well as to the State Council for significant power plant projects. According to the Provisions on the Administration of Electric Power Business Licenses, applicants are also required to obtain requisite permits, including an Electric Power Business for Power Generation and approvals related to plant site, land use rights, construction and the environment.

Pricing

Since 1996, the Electric Power Law has set forth general principles for determining power tariffs. The Interim Provisions for the Administration of Grid Power Price promulgated by NDRC states that tariffs are to be formulated to provide reasonable compensation for costs and a reasonable return on investment, to share expenses fairly and to promote the construction of power projects. With the exception of grid power prices set by governmental bids or power plants that produce alternative energy, grid power prices of new power plants within the same region should be uniform. The on-grid tariffs for planned output and excess output are subject to a review and approval process involving the NDRC and the provincial price bureaus. In 2004, the NDRC, with the approval of the State Council, issued a policy to link thermal coal and power prices. This policy allows on-grid tariffs to increase if the average price of coal increases by more than 5% within a six-month period.

Safety

In accordance with the Measures for Supervision and Administration of the Safe Production of Electricity, issued by the NDRC, power plants shall establish a sound power generation production responsibility system in accordance with relevant national laws, regulations, measures and standards on safety production, enhance the management of power generation, perfect production conditions for power generation, and ensure production safety for power generation.

Coal chemical processing industry

The PRC Coal Industry Law, encourages and supports coal mining enterprises and other enterprises to produce both coal and electricity, coking coal and coal chemicals. According to the Enterprise Income Tax Law (the "EIT Law") and its implementation regulations, enterprises that produce products which are not restricted by the State and satisfy State and industry standards by using resources encouraged by industrial policies of the State are eligible for preferential tax treatment. If an enterprise uses any of the materials that are listed in the Catalogue of Income Tax Preference for Enterprises of Comprehensive Utilization of Resources as a major raw material in its product, 90% of the total income derived from such product will be treated as taxable income under the preferential tax arrangement. Coke oven gas, one of the primary raw materials at one of our methanol production facilities, is one of the materials listed in the catalogue.

The PRC government aims to promote the healthy development of coal chemical industry during the Twelfth Five-Year through the development of proprietary intellectual property rights and the construction of demonstration projects. In addition, the PRC government imposed stringent entrance standards and requirements for environmental protection for the consumption of energy, coal and water for coal chemical demonstration projects.

D. Property, Plant and Equipment

Real Property and Leasehold Property

As of December 31, 2015, the net book value of our property, plant and equipment was RMB45,616.0 million. The properties for which we own land use rights in China occupy an area of approximately 8.17 million square meters, while the coalfields to which we possess mining rights in Australia occupy an area of approximately 109.9 million square meters. Under PRC law, land use rights for properties in China are granted for 50 years commencing from the respective grant dates of such land use rights and are freely transferable. In addition, land are held by Yancoal Australia either as freehold or leasehold interests pursuant to Australian law.

As of the date of this annual report, we have not obtained certain land-use rights and building ownership certificates in China. In addition, we have not completed the registration procedure with relevant real estate administrative authorities with respect to certain properties we lease in China. We do not expect that our rights to use or occupy such properties will be challenged by third parties and as of the date of this annual report, we are not aware of any administrative or legal action with respect to these properties. However, we are prohibited from the transfer, lease, mortgage, or disposal of such properties until we obtain the relevant real estate or building ownership certificates.

Coal Mines and Coal Production Facilities

Nantun, Xinglongzhuang, Baodian, Dongtan, Jining II, Jining III, Beisu and Yangcun Coal Mines are all located in the southwestern part of Shandong Province. Except for Yangcun Coal Mine, all of these mines are connected by our railway network, which directly connect to our customers or the PRC national railway or highway systems. We acquired Jining II Coal Mine in 1998 and Jining III Coal Mine in 2001. We acquired Heze Nenghua, the operator of Tianchi Coal Mine in 2006 and subsequently the mining rights of Zhaolou Coal Mine through Heze Nenghua in 2008. Our wholly owned subsidiary, Ordos Neng Hua, acquired Anyuan Coal Mine in 2010 and acquired the mining rights of Zhuanlongwan coalfield through public bidding in 2011. In addition, Ordos Neng Hua acquired 80% of the equity interest in Inner Mongolia Xintai in 2011, which has operated Wenyu Coal Mine since July 2011. In May 2012, we purchased from Yankuang Group and Beisu Company all of the assets and liabilities of Beisu Coal Mine and Yangcun Coal Mine, including mining rights, building ownership certificates, mining and related equipment and other fixed assets.

We acquired Austar Coal Mine in Australia in 2004, and we acquired the entire equity interest in Yancoal Resources (formerly Felix) through Yancoal Australia in 2009, which operates Ashton Coal Mine, Yarrabee Coal Mine and Moolarben Coal Mine. We acquired an additional 30% of the equity interest in the Ashton Coal Mine Joint Venture and disposed of 51% of the equity interest in the Minerva Coal Mine Joint Venture in 2011. On September 30, 2014, we acquired an additional 10% of the equity interest in the Ashton Coal Mine Joint Venture, which become wholly owned subsidiary of Yanzhou Australia after the acquisition. In August 2011, we acquired the entire equity interest of both Syntech Holdings Pty Ltd. and Syntech Holdings II Pty Ltd., which operate the Cameby Downs Coal Mine and have five exploration tenements that can be potentially developed. In September 2011, we acquired the entire equity interest of both Premier Coal, which operates the Premier Coal Mine and Wilga Exploration Area, and Premier Char. We completed the merger with Gloucester in June 2012, which turned Gloucester a wholly-owned subsidiary of Yancoal Australia. As of December 31, 2015, we own (either wholly or as majority joint venturer) nine mines and four advanced-exploration stage projects in Australia.

As of the date of this annual report, we have obtained or in the process of obtaining the following material approvals, permits and licenses for our coal projects in China:

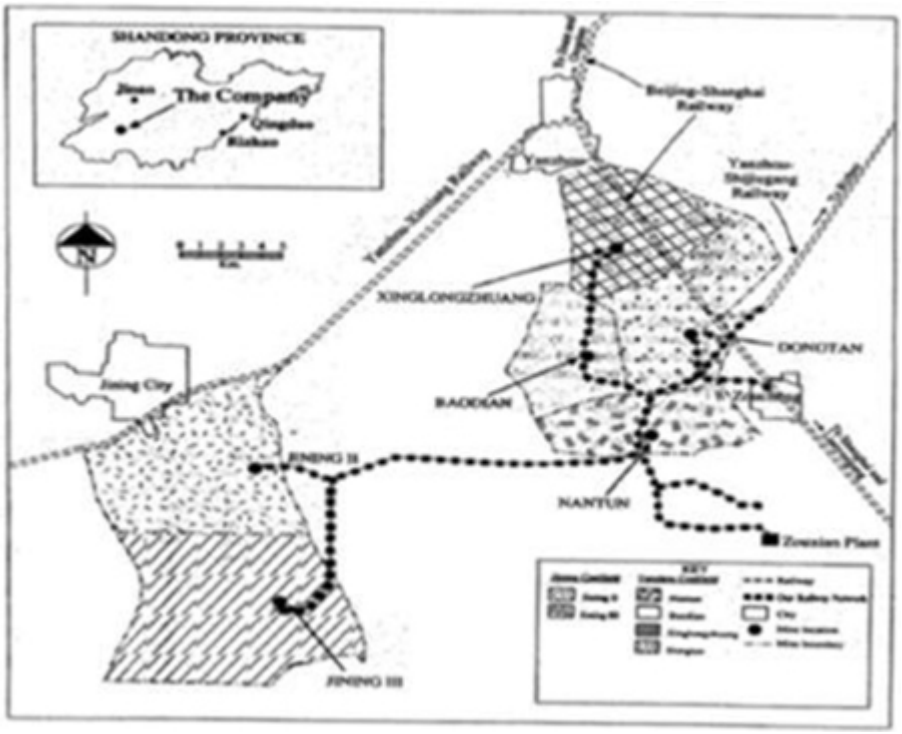
- we obtained the approval from NDRC for Zhuanlongwan projects;
- we are in the process of obtaining project approval for Yingpanhao Project and Shilawusu Project; and
- we obtained the mining permit for Wanfu Project in July 2015.

In addition to the above, a number of material Australian regulatory approvals, permits and licenses are pending, outstanding, have not been applied for as yet or have expired, including:

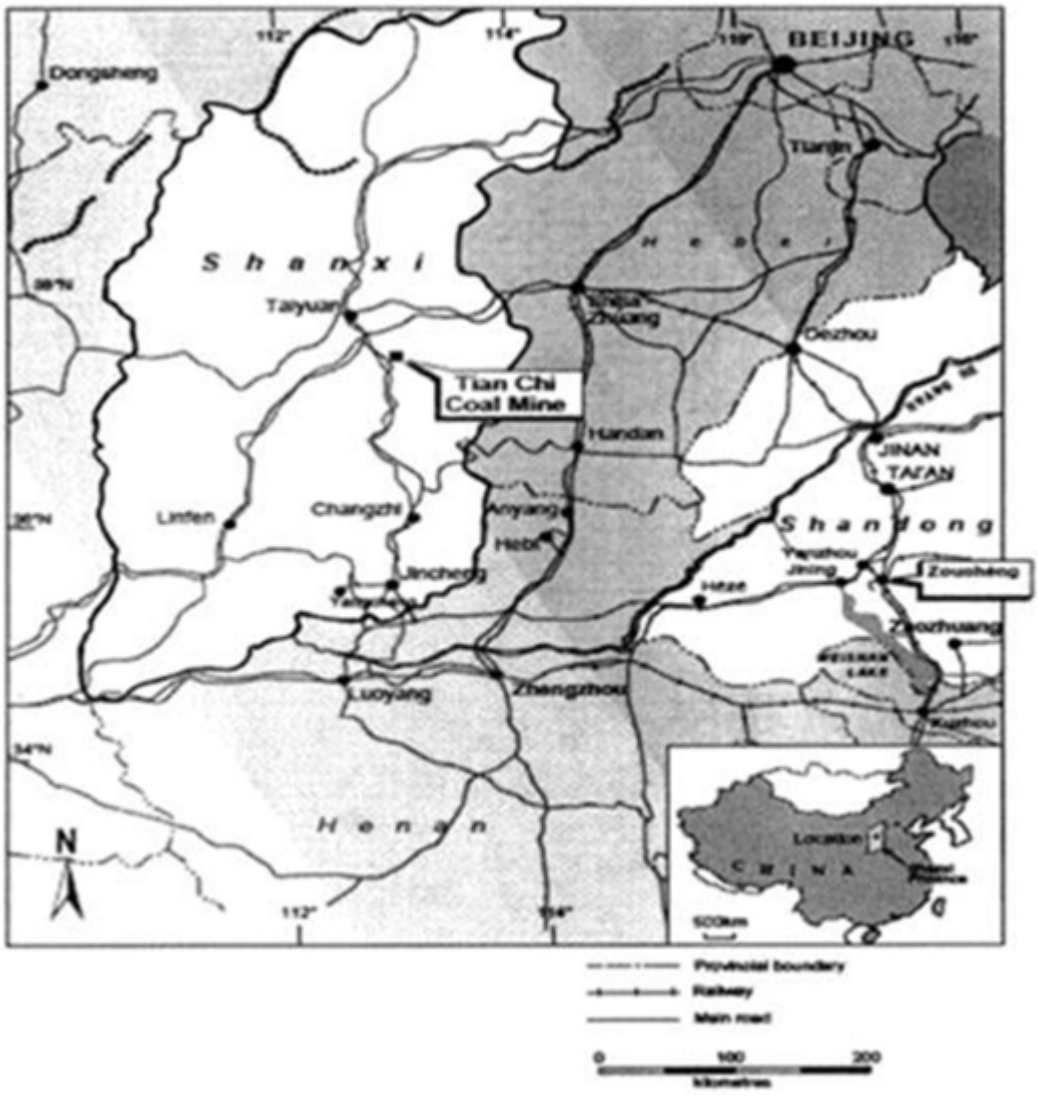
- surface mining leases for the infrastructure area at Austar, the tailings dam at Ashton, the Tasman Extension Area and the Stratford extension project; and
- the NSW Land & Environment Court has granted approval for the proposed Southeast open-cut project of the Ashton Coal Mine, condition upon the acquisition of a key property from a private individual prior to the commencement of development.

We operate substantially all of our mines either directly or through our subsidiaries and we have contracted the mining operations at Anyuan, Wenyu and Cameby Downs Coal Mines to third party contractors.

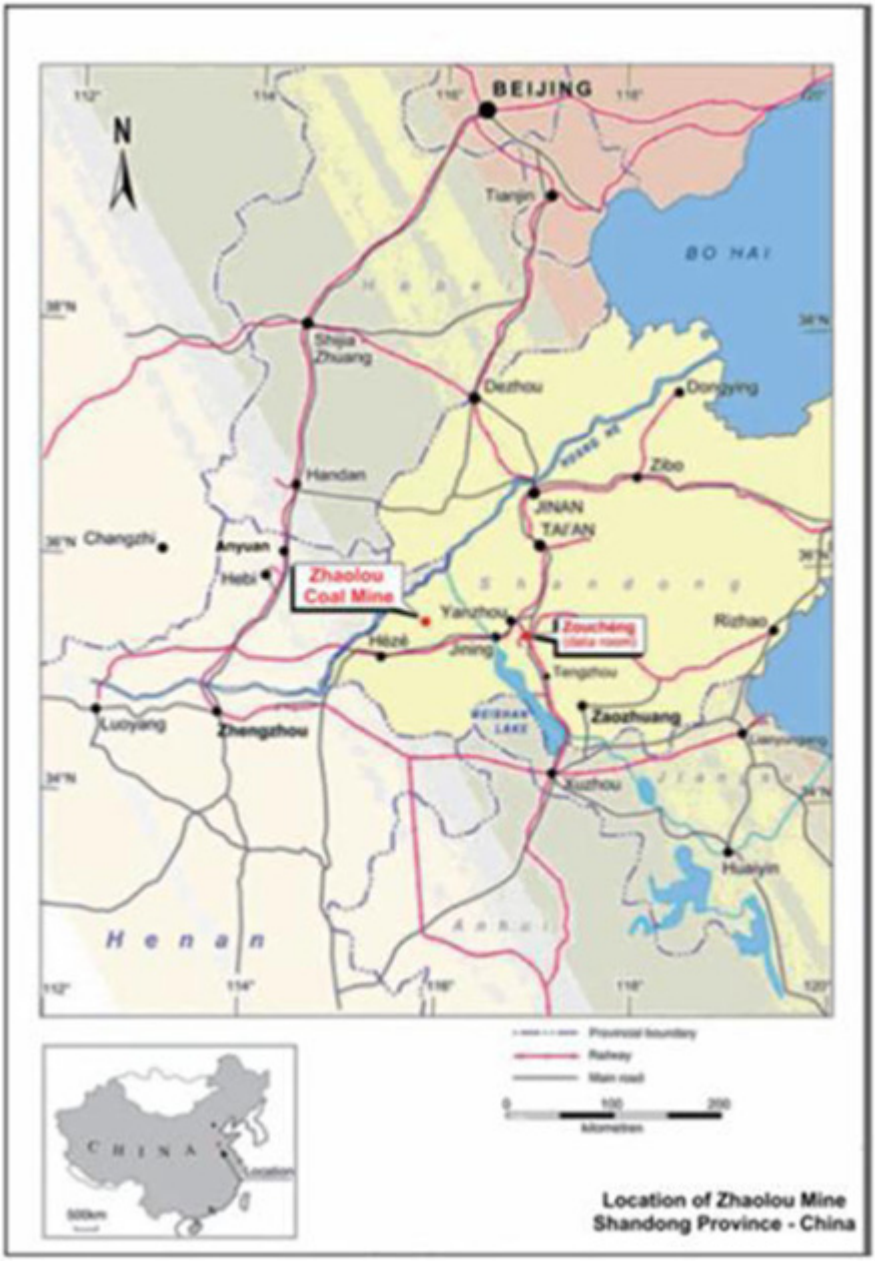
The map below shows the location of Nantun, Xinglongzhuang, Baodian, Dongtan, Jining II, Jining III Coal Mines and our railway system:



The map below shows the location of Tianchi Coal Mine:

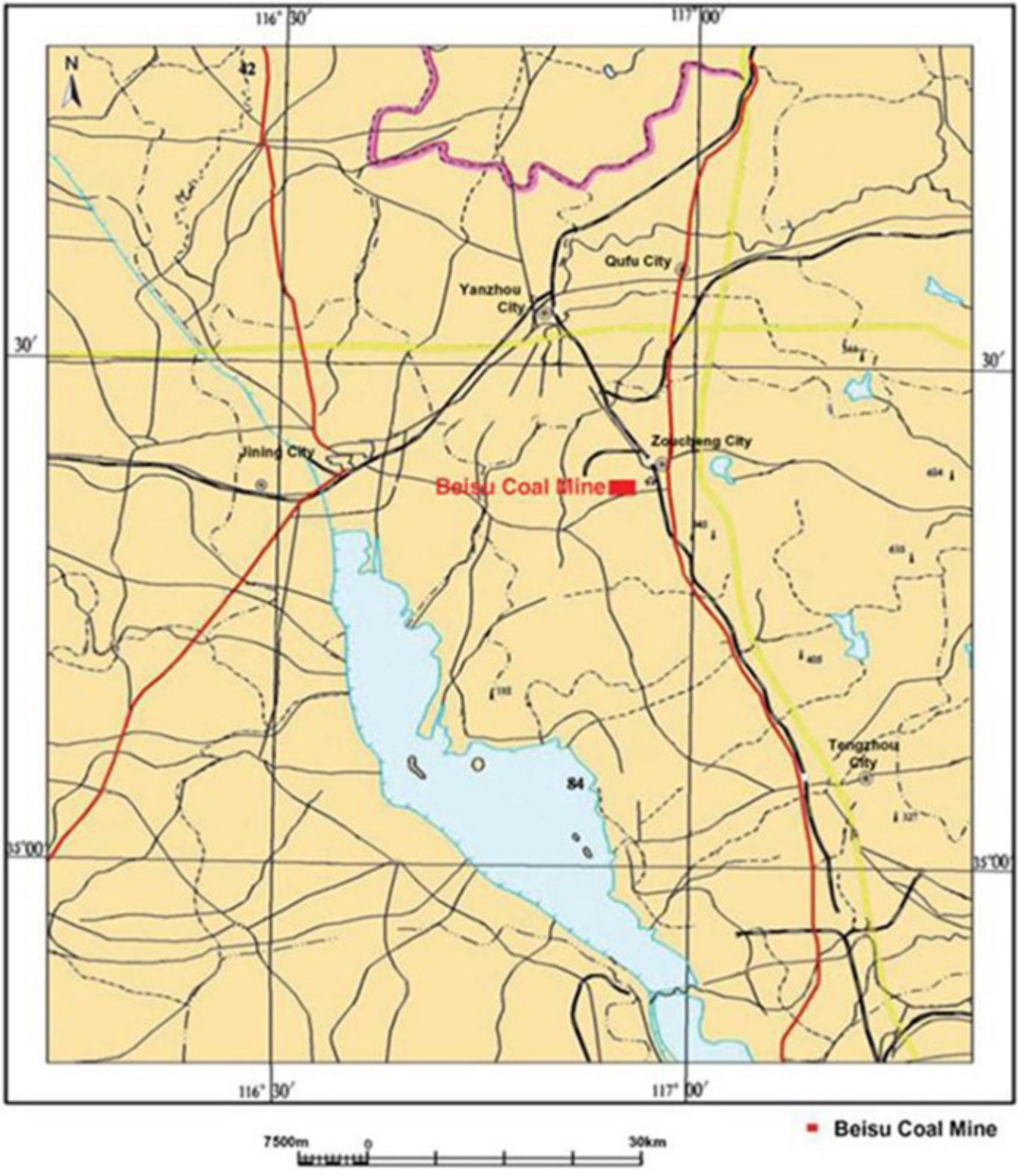


The map below shows the location of Zhaolou Coal Mine:

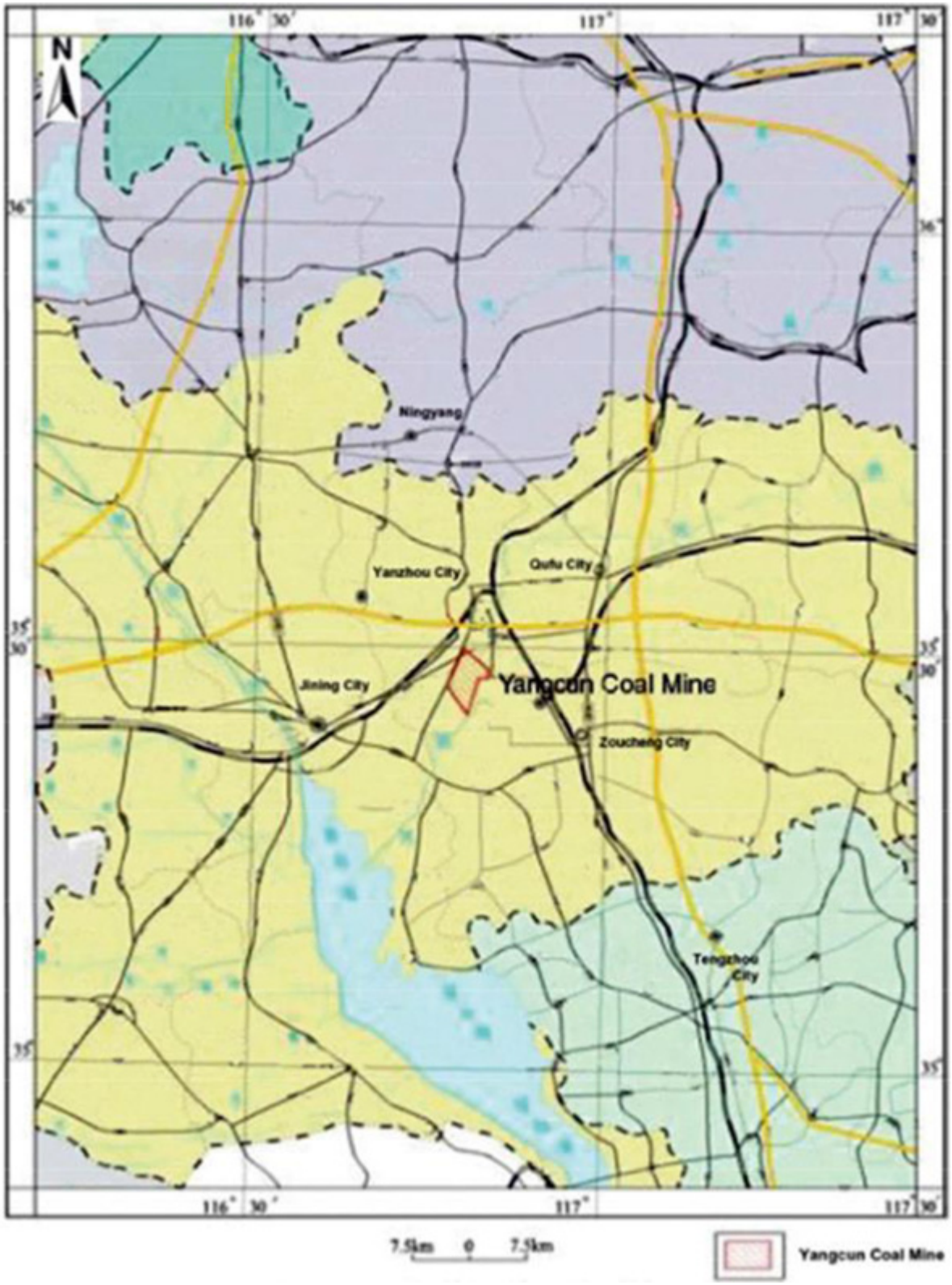


The map below shows the location of Anyuan and Wenyu Coal Mines:

The map below shows the location of Beisu Coal Mine:

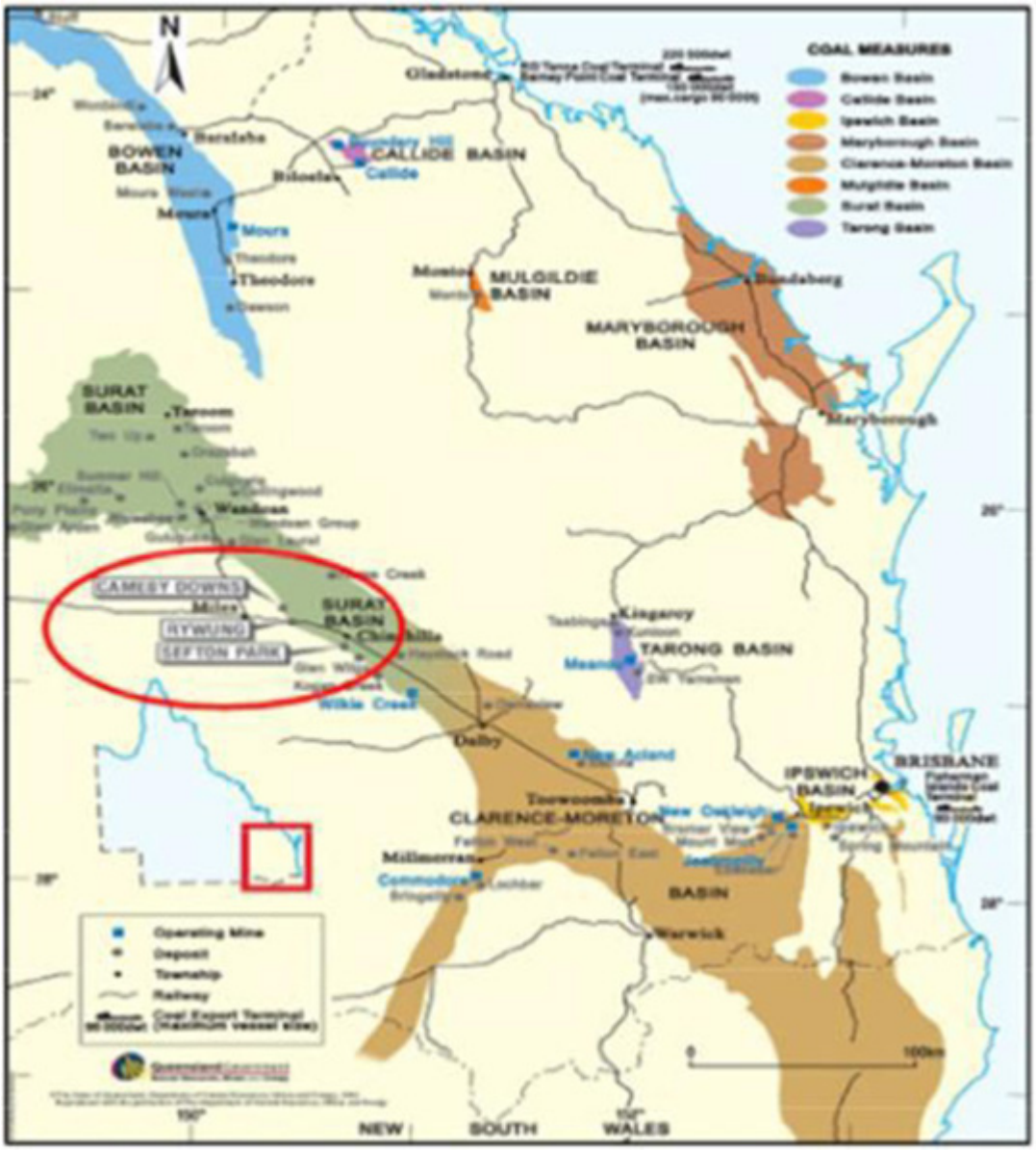


The map below shows the location of Yangcun Coal Mine:

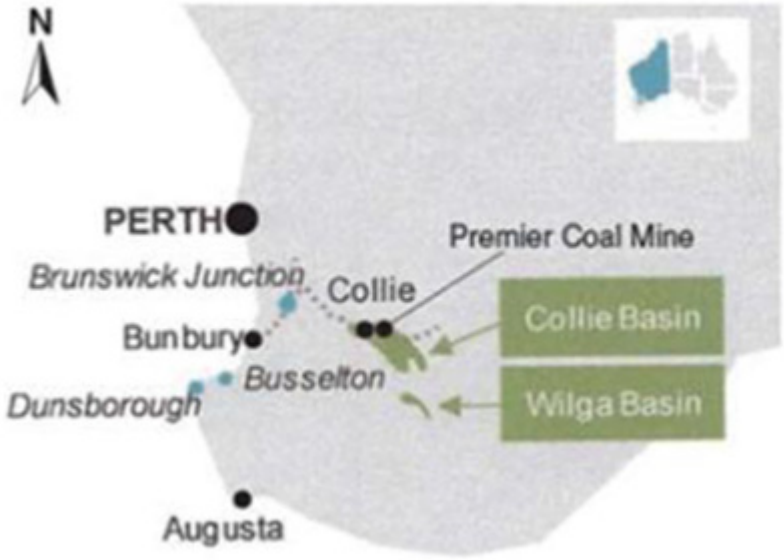


The map below shows the location of Austar, Yarrabee, Ashton and Moolarben Coal Mines as well as advanced-exploration stage projects Athena, Harrybrandt and Wilpeena.

The map below shows the location of Cameby Downs Coal Mine:



The map below shows the location of Premier Coal Mine and Wilga Project:



The map below shows the location of Gloucester, Donaldson and Middlemount Coal Mines and Monash Project:

The Six Coal Mines

The following table sets forth information about Nantun, Xinglongzhuang, Baodian, Dongtan, Jining II, Jining III Coal Mines, which are directly owned and operated by the Company.

	Nantun	Xinglongzhuang	Baodian	Dongtan	Jining II	Jining III	Total
Background data:							
Commencement of construction	1966	1975	1977	1979	1989	1993	N/A
Commencement of commercial production	1973	1981	1986	1989	1997	2000	N/A
Coalfield area *(square kilometers)*	35.2	56.2	37.0	60.0	87.1	105.1	380.6
Reserve data:[1]							
(millions tonnes as of December 31, 2015)							
Total in-place proven and probable reserves[1]	99.3	280.8	249.9	413.7	388.0	191.7	1623.3
Mining recovery rate[2](%)	83.5	80.4	79.1	80.9	82.3	81.5	N/A
Coal preparation plant recovery rate (%)[3]	88.67	77.97	81.60	69.52	76.35	67.49	N/A
Depth of mine *(meters underground)*	465	399	517	780	517	551	N/A
Average thickness of main coal seam *(meters)*	5.4	8.3	8.8	8.4	4.7	4.9	N/A
Type of coal	Thermal coal	Thermal coal	Thermal coal	Thermal coal	Thermal coal	Thermal coal	N/A
Leased/owned	Owned	Owned	Owned	Owned	Owned	Owned	N/A
Assigned/unassigned[4]	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	N/A
Average calorific value (Kcal/kg)	5.541	5.407	5.443	5.280	5.350	5.185	N/A
Sulfur content (%)	0.61	0.56	0.59	0.57	0.64	0.64	N/A
Production data: ***(million tonnes)***							
Approval raw coal production capacity	3.0	6.5	6.0	7.5	4.2	6.5	33.7
Designed washing capacity	1.8	3.0	3.0	4.0	3.0	5.0	19.8
Raw coal production							
1997-2007	45.7	70.1	61.6	78.1	42.7	49.6	347.8
2008	3.5	6.6	6.0	7.0	3.9	6.1	33.1
2009	3.8	6.6	5.7	7.5	3.6	6.2	33.4
2010	3.6	6.8	6.1	7.4	4.2	6.2	34.3
2011	3.3	6.8	6.1	7.3	4.4	6.1	34.0
2012	3.2	7.0	6.1	7.6	3.7	5.5	33.1
2013	3.0	6.9	6.2	8.1	3.1	6.5	33.8
2014	2.7	6.8	5.8	8.0	4.2	5.3	32.8
2015	2.8	7.1	6.2	8.1	4.3	6.0	34.5
Cumulative raw coal production as of December 31, 2015	71.6	124.7	109.8	139.1	74.1	97.5	616.8

(1) The proven and probable reserves of the above coal mines are based on the report dated February 6, 1998 prepared by International Mining Consultants Limited, a UK-based company, in accordance with the standards in Industry Guide 7.

Under Industry Guide 7, "proven reserves" are reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes, grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established. "Probable reserves" are reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling, and measurement are further apart or are otherwise less adequately spaced. The degree of assurance of "probable reserves," although lower than that for proven reserves, is high enough to assume continuity between points of observation.

The total proven and probable reserves as of the end of a year are derived by deducting the proven and probable reserves consumed in the coal production in the same year from the proven and probable reserves as of the end of the immediately preceding year. The distinction between proven and/or probable reserve classifications cannot be readily determined or defined.

(2) The mining recovery rate is the rate of the amount of coal recovered from a determined amount of proven and probable reserves, which is calculated by dividing the actual volume of coal recovered in a year by the volume of proven and probable reserves mined and consumed in the same year.
(3) "Coal preparation plant recovery rate" refers to the wash plant recovery rate of raw coal used during the production of our coal products.
(4) "Assigned" refers to coal reserves which have been committed to a particular mining complex (mine shafts, mining equipment, and plant facilities), and all coal which has been leased by the company to others. "Unassigned" refer to coal reserves which have not been committed, and which would require new mine shafts, mining equipment or plant facilities before operations could begin on the property.

Nantun Coal Mine

Nantun is located in the southern portion of our coalfield, with a coalfield area of approximately 35.2 square kilometers. Nantun began commercial production in 1973 with an approved annual raw coal production capacity of 3.0 million tonnes of coal. The main coal seam of Nantun is divided into four leaves. The thickness of the upper leaf averages 5.35 and 3.21 meters and the thickness of the lower leaf averages 0.89 and 1.03 meters. As of December 31, 2015, the total in-place proven and probable reserves on the main coal layer were approximately 99.3 million tonnes.

We primarily use the fully mechanized or comprehensive sublevel caving mining method to extract coal. As of December 31, 2015, Nantun produced coal from two work faces. Nantun's coal preparation plant produces mainly No. 2 Clean Coal and employs movable-sieve jig machines and flotation machines. Most of the equipment used in the Nantun coal preparation plant was manufactured in the PRC.

Xinglongzhuang Coal Mine

Xinglongzhuang is located in the northern portion of our coalfield, with coalfield area of approximately 56.2 square kilometers. Xinglongzhuang began commercial production in 1981 with an approved annual raw coal production capacity of 6.5 million tonnes. The main coal seam of Xinglongzhuang is concentrated in one leaf with an average thickness of 8.3 meters. As of December 31, 2015, the total in-place proven and probable reserves on the main coal layer were approximately 280.8 million tonnes.

We primarily use the fully mechanized sublevel caving method to extract coal. At this mine, we maintained two work faces as of December 31, 2015. The Dongtan coal preparation plant produces No. 2 Clean Coal, lump coal and thermal coal. The principal pieces of equipment in the Dongtan coal preparation plant, including its slanted wheel, cyclones, TBS sorting machines and flotation machines, were manufactured in the PRC.

Jining II Coal Mine

Jining II is located in the northern portion of the Jining coalfield, with coalfield area of approximately 87.1 square kilometers. Jining II began commercial production in 1997 with an approved annual raw coal production capacity of 4.2 million tonnes. Certain sections of the main coal seam of Jining II are concentrated in one layer, with an average thickness of 6.78 meters. The remaining sections are divided into two layers, with an average thickness of 2.1 meters for the upper leaf and an average thickness of 4.68 meters for the lower leaf. As of December 31, 2015, the total in-place proven and probable reserves on the main coal layer were approximately 88,000 million tonnes.

We primarily use the fully mechanized sublevel caving method to extract coal. At this coal mine, we produced coal from two work faces as of December 31, 2015. The main equipment used in Jining II are movable-sieve jig machines, cyclones and flotation machines, most of which were manufactured in the PRC. The principal product of the coal preparation plant of Jining II is No. 2 Clean Coal.

Jining III Coal Mine

Jining III is located in the southern portion of the Jining coalfield and covers an area of 105.1 square kilometers. Jining III has an approved annual raw coal production capacity of 6.5 million tonnes. The main coal seam of Jining III is divided into two leaves. The thickness of the upper leaf averages 1.21 meters and the thickness of the lower leaf averages 4.91 meters. As of December 31, 2015, the total in-place proven and probable reserves on the main coal layer were approximately 91,700 million tonnes.

We primarily used the fully mechanized sublevel caving method to extract coal from three work faces in Jining III Coal Mine as of December 31, 2015. The main pieces of equipment used in Jining III are slanted wheel, cyclones, TBS sorting machines, flotation machines and movable-sieve jig machines, which were manufactured in the PRC. The principal products of the coal preparation plant of Jining III are No. 2 Clean Coal and thermal coal.

Beisu and Yangcun Coal Mines

The following table sets forth information about Beisu and Yangcun Coal Mines, which are directly owned and operated by the Company:

	Beisu	Yangcun	Total
Background data:			
Commencement of construction	1972	1981	N/A
Commencement of commercial production	1976	1988	N/A
Coalfield area *(square kilometers)*	29.3	27.5	56.8
Reserve data:			
(as of December 31, 2015)			
Mining recovery rate (%)(1)	86.5	86.7	N/A
Coal preparation plant recovery rate (%)(2)	N/A	N/A	N/A
Depth of mine *(meters underground)*	269.7	318.8	N/A
Average thickness of main coal seam *(meters)*	1.0	8.3	N/A
Type of coal	Thermal coal	Thermal coal	N/A
Leased/owned	Owned	Owned	N/A
Average calorific value *(Kcal/kg)*	5,199	5,118	N/A
Sulfur content (%)	3.50	0.87	N/A
Production data: ***(million tonnes)***			
Approved raw coal production capacity	1.0	1.2	2.2
Designed coal preparation input washing capacity	—	—	—
Raw coal production			
2013	1.0	1.1	2.1
2014	0.8	1.0	1.8
2015	0.7	1.6	2.3
Cumulative raw coal production as of December 31, 2015	3.5	4.8	8.3

(1) The mining recovery rate is the rate of the amount of coal recovered from a determined amount of reserves, which is calculated by dividing the actual volume of coal recovered in a year by the volume of reserves mined and consumed in the same year.

(2) "Coal preparation plant recovery rate" refers to the wash plant recovery rate of raw coal used during the production of our coal products.

Beisu Coal Mine

Beisu Coal Mine is located in the southern portion of our coalfield, and covers an area of approximately 29.3 square kilometers. We acquired the assets of Beisu Coal Mine in May 2012. Beisu Coal Mine commenced operations in 1976 with an approved annual raw coal production capacity of 0.75 million tonnes. The annual raw coal production capacity has been increased to 1.0 million tonnes since 2006. The main coal seam of Beisu is divided into two thin-seam leaves. The thickness of the upper leaf averages 0.99 meters and the thickness of the lower leaf averages 0.9 meters. We primarily used the thin coal seam blasting method and the fully mechanized system to extract coal from three work faces in Beisu Coal Mine as of December 31, 2015. Beisu Coal Mine primarily produces thermal coal. Beisu Coal Mine has a coal preparation plant. The main equipment used in the coal preparation plant is a waste discharge system, which was manufactured in China.

Yangcun Coal Mine

Yangcun Coal Mine is located in the north portion of our coalfield, and covers an area of approximately 27.5 square kilometers. We acquired the entire assets of Yangcun Coal Mine in May 2012. Yangcun Coal Mine commenced operations in 1988 with an approved annual raw coal production capacity of 0.6 million tonnes. The annual raw coal production capacity has been increased to 1.15 million tonnes since 2006. The main coal seam of Yangcun is divided into three leaves. The thickness of the upper leaf averages 8.34 meters and the thickness of the lower leaves average 1.17 and 1.02 meters. We primarily used the fully mechanized sublevel caving method to extract coal from the upper leaf and the fully mechanized system to extract coal from the lower leaves. As of December 31, 2015, Yangcun Coal Mine has two work faces. Yangcun Coal Mine primarily produces thermal coal. Yangcun Coal Mine does not have any coal preparation plant.

Coal Mines operated by Shanxi Nenghua and Heze Nenghua

The following table sets forth information about Tianchi Coal Mine and Zhaolou Coal Mine in China that are operated by Shanxi Nenghua and Heze Nenghua:

	Tianchi	Zhaolou	Total
Background data:			
Commencement of construction[1]	2004	2004	N/A
Commencement of commercial production[1]	2006	2009	N/A
Coalfield area *(square kilometers)*	18.7	143.4	162.1
Reserve data:			
(millions tonnes as of December 31, 2015)			
Recoverable reserves[2]	22.7	94.5	117.2
Mining recovery rate[3](%)	75.0	80.3	N/A
Coal preparation plant recovery rate (%)[4]	N/A	66.1	N/A
Depth of mine *(meters underground)*	225	905	N/A
Average thickness of main coal seam *(meters)*	4.6	5.2	N/A
Type of coal	Thermal coal	1/3 coking coal	N/A
Leased/owned	Owned	Owned	N/A
Assigned/unassigned[4]	Assigned	Assigned	N/A
Average calorific value *(Kcal/kg)*	5,448	5,873	N/A
Sulfur content (%)	1.89	0.69	N/A
Production data: ***(million tonnes)***			
Approved raw coal production capacity	1.2	3.9	5.1
Designed coal preparation input washing capacity	—	3.0	3.0
Raw coal production			
2006 - 2007	1.3	—	1.3
2008	1.1	—	1.1
2009	1.0	0.04	1.04
2010	1.5	1.6	3.1
2011	1.2	3.0	4.2
2012	1.4	2.7	4.1
2013	1.5	2.9	4.4
2014	1.6	3.0	4.6
2015	0.7	3.2	3.9
Cumulative raw coal production as of December 31, 2015	11.3	16.4	27.7

(1) With respect to the Tianchi Coal Mine, the "commencement of construction" refers to capacity expansion and technology upgrade undertaken after our 2006 acquisition; the "commencement of commercial production" refers to the resumption of production after completion of the foregoing expansion and upgrade.

(2) The recoverable reserves of the above coal mines are based on the report prepared by Minarco Asia Pacific Pty Limited in May 2006 in accordance with the standards in the JORC Code, as revised in 2004.

"Recoverable reserves" generally refer to proved and probable reserves under the JORC Code as revised in 2004,. "Proved reserves" are the economically mineable part of a measured coal resource and "probable reserves" are the economically mineable part of an indicated, and in some circumstances, measured coal resource. Both "proved reserves" and "probable reserves" incorporate mining dilution and allow for mining losses and are based on an appropriate level of mine planning, mine design and scheduling.

(3) The mining recovery rate is the rate of the amount of coal recovered from a determined amount of recoverable reserves, which is calculated by dividing the actual volume of coal recovered in a year by the volume of recoverable reserves mined and consumed in the same year.
(4) "Coal preparation plant recovery rate" refers to the wash plant recovery rate of raw coal used during the production of our coal products.
(5) "Assigned" refer to coal reserves which have been committed to a particular mining complex (mine shafts, mining equipment and plant facilities), and all coal which has been leased by the company to others. "Unassigned" refers to coal reserves which has not been committed, and which would require new mine shafts, mining equipment, or plant facilities before operations could begin on the property.

Tianchi Coal Mine

Tianchi Coal Mine is an underground mine located in Heshun County of Shanxi, with an area of approximately 18.7 square kilometers. Tianchi Coal Mine commenced commercial production in 2006 and the designed production capacity was increased to 1.2 million tonnes per annum in the same year. Tianchi Coal Mine is operated by inclined shaft development and primarily produces thermal coal. The average thickness of the coal seam is 4.6 meters. As of December 31, 2015, the total recoverable reserves of Tianchi Coal Mine were approximately 22.7 million tonnes.

We primarily used the high seam mechanization mining method to extract coal from one work face at Tianchi Coal Mine as of December 31, 2015. The primary piece of equipment in this system is a slanted wheel, which was manufactured in China. The operations at Tianchi Coal Mine are powered by electricity from local power grids. We ship coal products from the Tianchi Coal Mine to Hebei and surrounding areas on the Yangshe Railway and the national railway network, as well as the highway network.

Zhaolou Coal Mine

Zhaolou Coal Mine is an underground longwall mine located in the central portion of Juye Coal Field in Shandong. Zhaolou Coal Mine covers an area of approximately 143.4 square kilometers, and is accessible by roadway and railway.

Zhaolou Coal Mine commenced commercial production in December 2009 and has an approved annual raw coal production capacity of 3.9 million tonnes. Zhaolou Coal Mine produces 1/3 coking coal. The average thickness of the main coal seam of Zhaolou Coal Mine is 5.2 meters. The total recoverable reserves of Zhaolou Coal Mine were approximately 94.5 million tonnes as of December 31, 2015, which was net of coal preparation and plant recovery losses.

We primarily used the longwall caving mining method to extract coal from two work faces at Zhaolou Coal Mine as of December 31, 2015. The coal preparation plant at Zhaolou Coal Mine commenced commercial production in September 2009. The main equipment used in the coal preparation plant was a slanted wheel, cyclone machines, TBS separators and flotation machines, which were mainly produced in China. The main product of Zhaolou's coal preparation plant is No. 2 Clean Coal. Electricity generated from Zhaolou Coal Mine, after being applied internally, is sold to external parties. We ship coal products to Shandong and Hebei Provinces and surrounding areas by truck.

Coal Mines operated by Ordos Neng Hua

The following table sets forth information about Anyuan Coal Mine and Wenyu Coal Mine in China that are operated by Ordos Neng Hua:

	Anyuan	Wenyu	Total
Background data:			
Commencement of construction	—	1996	N/A
Commencement of commercial production	2004	1997	N/A
Coalfield area *(square kilometers)*	9.3	9.4	18.6
Reserve data:			
(as of December 31, 2015)			
Mining recovery rate (%)[1]	85.4	85.5	N/A
Coal preparation plant recovery rate (%)[2]	—	—	N/A
Depth of mine *(meters underground)*	68	59	N/A
Average thickness of main coal seam *(meters)*	2.8	3.9	N/A
Type of coal	Thermal coal	Thermal coal	N/A
Leased/owned	Owned	Owned	N/A
Average calorific value *(Kcal/kg)*	5,170	5,237	N/A
Sulfur content (%)	0.35	0.90	N/A
Production data: *(million tonnes)*			
Approved raw coal production capacity	1.2	3.0	4.2
Designed coal preparation input washing capacity	—	—	—
Raw coal production			
2011	2.3	2.1	4.4
2012	2.3	4.6	6.9
2013	2.2	4.1	6.3
2014	1.8	4.1	5.9
2015	1.6	1.0	2.6
Cumulative raw coal production as of December 31, 2015	10.2	15.9	26.1

(1) The mining recovery rate is the rate of the amount of coal recovered from a determined amount of reserves, which is calculated by dividing the actual volume of coal recovered in a year by the volume of reserves mined and consumed in the same year.

(2) "Coal preparation plant recovery rate" refers to the wash plant recovery rate of raw coal used during the production of our coal products.

Anyuan Coal Mine

Through Ordos Neng Hua, we wholly control Anyuan Coal Mine, which is located in Yijinhuoluoqi of Ordos City in Inner Mongolia Autonomous Region, and covers an area of approximately 9.3 square kilometers. In Anyuan Coal Mine, we usually adopt full-mechanized and full-seam mining method.

In 2011, we increased the annual production capacity of Anyuan Coal Mine from the approved annual production capacity of 1.2 million tonnes. Anyuan Coal Mine primarily produces thermal coal. The average thickness of the main coal seam of Anyuan Coal Mine is 2.8 meters. We principally extracted coal from one work face at Anyuan Coal Mine as of December 31, 2015. Anyuan Coal Mine has a coal separation system. Anyuan Coal Mine is located in close proximity to railway and road transportation. The provincial highway and Baoshen railway are located approximately six kilometers to the west of the coalfield.

Wenyu Coal Mine

Through our subsidiary, Inner Mongolia Xintai, we operate Wenyu Coal Mine, which is located in Ordos City in Inner Mongolia Autonomous Region, and covers an area of approximately 9.4 square kilometers.

The original designed annual raw coal production capacity of Wenyu Coal Mine was 1.1 million tonnes. We completed production capacity expansion from 1.1 million tonnes to 3.0 million tonnes upon approvals from the relevant administrative authority and commenced commercial production in 2011. The approved annual raw coal production capacity of Wenyu Coal Mine is 3.0 million tonnes. The average thickness of the main seam of Wenyu Coal Mine is 1.45 meters. The type of coal is thermal coal. We principally extracted coal from two work faces at Wenyu Coal Mine as of December 31, 2015. In Anyuan Coal Mine, we usually adopt full-mechanized and full-seam mining method. Wenyu Coal Mine has a simplified coal separation system. Wenyu Coal Mine is located in close proximity to Baofu road, Anyuan Coal Mine and railway transportation.

Zhuanlongwan Project

Ordos Neng Hua won the bid for the mining rights of Zhuanlongwan coalfield of Dongsheng Coal Field in Inner Mongolia Autonomous Region for a consideration of RMB7,878.7 million on January 28, 2011. Ordos Neng Hua has paid the first and second installment of RMB3.1 billion and RMB2.3 billion on February 25, 2011 and November 30, 2011, respectively. Ordos Neng Hua has paid the last installment of RMB2.3 billion in 2013 after obtaining the mining permit for Zhuanlongwan coalfield.

Coal Mines operated by Yancoal Australia

The following table sets forth information about our operational coal mines in Australia, which are directly or indirectly held by Yancoal Australia:

	Austar[6]	Yarrabee	Ashton[6]	Moolarben	Gloucester Mine	Donaldson Mine[6]	Middlemount [5]	Total
Background data:								
Commencement of construction[1]	1998	1981	2003	2009	1998	2001	2009	N/A
Commencement of commercial production[1]	2000	1982	2004	2010	1999	2001	2011	N/A
Coalfield area[2] *(square kilometers)*	159.8	220.3	15.7	120.3	162.7	106.2	27.8	812.8
Reserve data:								
(millions of tonnes as of December 31, 2015)								
Recoverable reserves[3]	49	44	53	297	50	124	79	697
Depth of mine[4] *(meters underground)*	300-700	Open Cut	190-280	100-250 & Open Cut	Open Cut	50-150	Open Cut	N/A
Type of coal	Semi-hard coking coal	PCI coal	Semi-soft coking coal	Thermal coal	Semi-hard coking coal	Semi-soft coking coal	Coking coal, PCI coal	N/A
Leased/owned	Owned	Owned	Owned	Owned	Owned	Owned	Owned	N/A
Average calorific value *(Kcal/kg gar)*	6,200	7,300	7,100	6,650	7,550	8,200	7,300	N/A
Sulfur content (% daf)	1.8	0.7	0.7	0.5	1.1	0.9	0.5	N/A
Production data: ***(million tonnes)***								
Approved raw coal production capacity	3.6	3.8	5.0	17.0	5.6	6.1	5.4	43.9
Designed coal preparation input washing capacity	3.0	2.5	6.5	13.0	4.3	4.0	5.4	38.7
Raw coal production								
2006 - 2007	2.0	—	—	—	—	—	—	2.0
2008	1.9	—	—	—	—	—	—	1.9
2009	1.9	—	—	—	—	—	—	1.9
2010	1.7	2.3	2.7	3.9	—	—	—	10.6
2011	1.9	3.1	1.7	5.6	—	—	—	12.3
2012	1.7	3.2	2.3	7.2	1.8	2.0	—	18.2
2013	1.6	3.7	2.4	6.7	3.5	3.2	—	21.1
2014	1.9	3.9	2.6	6.6	2.5	2.5	—	20.0
2015	0.8	3.3	3.0	7.3	1.9	1.8	—	18.1
Cumulative raw coal production as of December 31, 2015	15.4	19.5	14.7	37.3	9.7	9.5	—	106.1

(1) We acquired Austar Coal Mine in 2004 and implemented a production expansion and technology upgrade in 2005. Austar Coal Mine resumed part of its operations in October 2006. Each of the Ashton Coal Mine and Moolarben Coal Mine has an open-pit coal mine and an underground coal mine. The "commencement of commercial production" indicates the time when the open-pit mines, the earlier of the two types of mines, commenced commercial production.

(2) The coalfield area refers to the surface area of land either owned directly or held under granted mining and exploration tenements.

(3) The Recoverable Coal Reserves of the above coal mines are reported under the CRIRSCO "International Standards for Reporting of Mineral Resources and Reserves" and are based on the reports prepared by the Competent Persons appointed by Yancoal Australia in accordance with the JORC Code (2012). The reports were prepared under the revised JORC Code (2012 edition), which replaced the JORC Code (2004), with the revised code now fully in alignment with the CRIRSCO code. The stricter conditions of the revised JORC Code accounts for a portion of the differences in Coal Reserves reported compared to those in the previous disclosures, with operational and modifying factors that affect the mining process accounting for the remainder of the difference.
(4) Ashton Coal Mine has both open-pit and underground coal mines. The depth of mine indicates the depth of the underground mines.
(5) As Middlemount Coal Mine is owned and operated by a joint venture jointly controlled by Yancoal Australia and a third party, its production data and financial performance will not be consolidated in to our reports.
(6) On March 31, 2016, Yancoal Australia transferred its interest in the mining assets of Ashton, Austar and Donaldson Mine to a wholly owned subsidiary, namely Watagan Mining Company Pty Ltd., which in turn issued the bonds with total principal amount up to US$950 million on the same day. As a result of issuance of the bonds, Yancoal Australia ceases to control Watagan Mining Company Pty Ltd. from an accounting perspective.

Austar Coal Mine

Austar Coal Mine is an underground mine located in the Hunter Valley, New South Wales, Australia and is accessible by both road and railway. Austar Coal Mine covers an area of 159.8 square kilometers. Austar Coal Mine was constructed in 1998 and commenced commercial production in 2000.

On December 24, 2004, we acquired the entire interest in the Austar Coal Mine for approximately A$32.0 million from Southland Coal Pty Limited, an independent third party. After we invested approximately A$230.3 million in the reconstruction, capacity expansion and technology upgrade of Austar Coal Mine in 2005, which included funding for equipment and machinery, the mine resumed commercial production of semi-hard coking coal in October 2006.

The average thickness of the main coal seam of Austar Coal Mine is 3.5-7.0 meters. As of December 31, 2015, the mine's JORC 2012 Code compliant Coal Reserves were 49 million tonnes. As of the same date, the mine's Marketable Coal Reserves were 40.6 million tonnes, representing beneficiated or otherwise enhanced coal products where modifications resulting from mining, dilution and processing have been considered.

We use the longwall mining method, in conjunction with the top coal caving mining method (Bellbird Area excluded) to extract coal from the underground mine. The main equipment used in the coal handling preparation plant consists of coal crushing equipment, cyclones, spirals and other associated equipment. The operations at Austar Coal Mine are powered by electricity from local power grids. We transport coal products from Austar Coal Mine to Newcastle Port via railway.

On March 31, 2016, Yancoal Australia transferred its interest in the mining assets of Austar Coal Mine to Watagan Mining Company Pty Ltd, which in turn issued the bonds with total principal amount up to US$950 million on the same day. As a result of issuance of the bonds, Yancoal Australia ceases to control Watagan Mining Company Pty Ltd from an accounting perspective.

Yarrabee Coal Mine

Yarrabee Coal Mine is an open-pit mine located within the Bowen Basin, Queensland, Australia and is accessible by railway to the Port of Gladstone. Yarrabee Coal Mine covers an area of 220.3 square kilometers. The construction of Yarrabee Coal Mine started in 1981 and commercial production commenced in 1982.

Through Yancoal Resources, Yancoal Australia wholly owns Yarrabee Coal Mine. Currently, the approved annual capacity of Yarrabee Coal Mine is 3.6 million tonnes. Yarrabee Coal Mine primarily produces low volatility PCI coal.

As of December 31, 2015, the mine's JORC 2012 Code compliant Coal Reserves were 44 million tonnes. As of the same date, the mine's Marketable Coal Reserves were 34 million tonnes. We utilize conventional truck shovel and open-pit mining methods to extract coal at Yarrabee Coal Mine.

Yarrabee Coal Mine has a coal preparation plant with an approved preparation capacity of 400 tonnes per hour, with a significant portion of the coal able to be bypassed, it is crushed but not washed and blended with the washed coal to make the final product. The main pieces of equipment used in the coal preparation plant are breaker/crushers, dense medium cyclones, spiral banks, froth floating separation cells and other associated equipment. The operations at Yarrabee Coal Mine are powered by electricity from local power grids, with the mining fleets operating on diesel. We transport coal products from Yarrabee Coal Mine to Port of Gladstone via railway.

Ashton Coal Mine

Ashton Coal Mine consists of an underground mine (operating) and open-pit (now complete, with one in the planning stages) mine located in the Hunter Valley, New South Wales, Australia and is accessible by railway to the Ports in Newcastle. Ashton Coal Mine covers an area of 15.7 square kilometers. The construction of the open-pit and underground mines of Ashton Coal Mine started in 2003 and commercial production commenced in 2004.

The approved annual capacity of Ashton Coal Mine is 5.0 million tonnes of coal. Ashton Coal Mine mainly produces semi-soft coking coal. The thickness of the currently mined coal seam of the underground mine of Ashton Coal Mine ranges from 1.7 to 2.4 meters and averages 2.2 meters. As of December 31, 2015, the mine's JORC 2012 Code compliant Coal Reserves were 53 million tonnes. As of the same date, the mine's Marketable Coal Reserves were 27 million tonnes. We principally use longwall operations to extract coal from the underground coal seam of Ashton Coal Mine.

The main pieces of equipment used in the coal preparation plant of Ashton Coal Mine are dense-medium cyclones and froth floatation separation cells and other associated equipment. The operations at Ashton Coal Mine are powered by electricity from local power grids. We transport coal products from Ashton Coal Mine to Newcastle Port via railway.

On March 31, 2016, Yancoal Australia transferred its interest in the mining assets of Ashton Coal Mine to Watagan Mining Company Pty Ltd., which in turn issued the bonds with total principal amount up to US$950 million on the same day. As a result of issuance of the bonds, Yancoal Australia ceases to control Watagan Mining Company Pty Ltd. from an accounting perspective.

Moolarben Coal Mine

Moolarben Coal Mine consists of an open-pit mine and an underground development project and is located near Mudgee in central western New South Wales. It is connected by railway to the Newcastle Port. Moolarben Coal Mine covers an area of 120.3 square kilometers.

Yancoal Australia holds 81% of the equity interest in Moolarben Coal Mine through its subsidiary, Moolarben Coal Mines Pty Limited. Construction of Stage I, the open-pit mine, commenced in 2009 with commercial production starting in mid-2010. We obtained the approval on June 16, 2014 to extend the pits approved under Stage I to access an additional 30.0 million tonnes of coal at the same production rate. On January 30, 2015, we obtained approval for the Moolarben Coal Project Stage II, comprising of one large open-pit mine (OC4) and two underground mines. Construction of Stage II commenced in the second half of 2015. The approved annual production limit of Moolarben Coal Mine Stage I & II is 17.0 million ROM tonnes per annum, of which the annual production limit of the underground mines is 4.0 million ROM tonnes and the annual production limit of the open-pit mine is 13.0 million ROM tonnes. Moolarben Coal Mine produces thermal coal.

The thickness of the main coal seam of the open-pit mine of Moolarben Coal Mine ranges from 6 to 13 meters. As of December 31, 2015, the mine's JORC 2012 Code compliant Coal Reserves (Open Cut and Underground) were 297 million tonnes. As of the same date, the mine's Marketable Coal Reserves were 247 million tonnes. We use conventional truck shovel mining methods in the open-pit mine and expect to use longwall mining methods to extract coal in the underground mine projects.

Moolarben Coal Mine has a coal handling preparation plant with a capacity of approximately 1,800 TPH, and utilizes conventional equipment including dense medium cyclones, spiral banks and other associated equipment. The operations at Moolarben Coal Mine are powered by electricity from local power grids. We transport thermal coal products from Moolarben Coal Mine to Newcastle Port via railway.

Gloucester Coal Mine

Gloucester Coal Mine is located in Gloucester basin in New South Wales, Australia and covers an area of 162.7 square kilometers. Gloucester Coal Mine is approximately 100 kilometers away from the Newcastle Port. The construction of Gloucester Coal Mine started in 1998, with commercial production commenced in 1999. Gloucester Coal Mine consists of two open-pit mines, Duralie and Stratford, which have an aggregate annual approved production capacity of 5.6 million tonnes and an aggregate annual approved preparation capacity of 5.6 million tonnes. We use conventional truck shovel mining methods in the Duralie open-pit mine. Stratford is not currently operating, with the Stratford Extension Project not yet commenced. As of December 31, 2015, Gloucester Coal Mine's JORC 2012 Code compliant Coal Reserves were 50 million tonnes. As of the same date, the mine's Marketable Coal Reserves were 29.7 million tonnes.

Duralie open-pit mine and Stratford open-pit mine own one coal preparation plan with an annual designed preparation capacity of 1.8 million tonnes, which was increased to 4.3 million tonnes in June 2011. We transport our coal products from Gloucester Coal Mine via railway to the Newcastle Ports.

Donaldson Coal Mine

Donaldson Coal Mine is located in the Newcastle coal field in, part of the Sydney Basin New South Wales, Australia and covers an area of 106.2 square kilometers. Donaldson Coal Mine is approximately 25 kilometers northwest of the Newcastle Port. The construction of Donaldson Coal Mine started in 2001 and commercial production commenced in the same year.

Donaldson Coal Mine consists of Abel and Tasman underground mines, which have an aggregate annual designed production capacity of 4.0 million tonnes. The underground coal mine, Tasman, was temporarily closed in July 2013 due to the high operational costs of the mine and the weak demand for coal products. The underground mine of Abel which will be placed into "Care and Maintenance" around mid-2016, has an annual approved production capacity of 6.1 million tonnes. The average thickness of the main coal seam of the Abel mine ranges from 1.5 to 2.5 meters. As of December 31, 2015, Donaldson Coal Mine's JORC 2012 Code compliant Coal Reserves were 124 million tonnes. As of the same date, the mine's Marketable Coal Reserves 71 million tonnes.

Our coal products at Donaldson Coal Mine are prepared by a coal preparation plant owned and operated by a third party with a coal preparation capacity of 6.0 million tonnes per year. We transport our coal products from Donaldson Coal Mine via railway to the Newcastle Ports.

On March 31, 2016, Yancoal Australia transferred its interest in the mining assets of Donaldson Coal Mine to Watagan Mining Company Pty Ltd, which in turn issued the bonds with total principal amount up to US$950 million on the same day. As a result of issuance of the bonds, Yancoal Australia ceases to control Watagan Mining Company Pty Ltd from an accounting perspective.

Middlemount Coal Mine

Middlemount Coal Mine is located in the Bowen Basin in Queensland, Australia and covers an area of 27.8 square kilometers. The mine is approximately 300 kilometers away from Abbot Point port. The construction of Middlemount Coal Mine started in 2009 and commercial production commenced in 2011. Through Yancoal Australia, we own approximately 50% of the equity interest in the joint venture that owns and operates Middlemount Coal Mine.

As of December 31, 2015, Middlemount Coal Mine's JORC 2012 Code compliant Coal Reserves were 79 million tonnes. As of the same date, the mine's Marketable Coal Reserves were 59 million tonnes. The average cumulative thickness of the mine coal seams of the Middlemount Coal Mine ranges from 9.3 to 10.6 meters. The mine has an annual set production capacity of 5.4 million tonnes. Middlemount Coal Mine has a coal preparation plant with an annual capacity of 5.3 million tonnes. The main pieces of equipment used in the coal preparation plant are dense medium cyclones, with froth-floatation cells. We transport our coal products from Middlemount Coal Mine via railway to Dalrymple Bay Coal Terminal and Abbot Point Port.

Coal Mines operated by Yancoal International

The following table sets forth information about our operational coal mines in Australia, which are directly or indirectly held by Yancoal International (Holding):

	Cameby Downs	Premier	Total
Background data:			
Commencement of construction	2009	1996	N/A
Commencement of commercial production	2010	1996	N/A
Coalfield area[1] *(square kilometers)*	300.3	138.8	418
Reserve data:			
(millions of tonnes as of December 31, 2015)			
Recoverable Coal Reserves[2]	234.0	65.0	299.0
Depth of mine *(meters underground)*	Open Cut	Open Cut	N/A
Type of coal	Thermal coal	Thermal coal	Thermal coal
Leased/owned	Owned	Owned	N/A
Average calorific value (Kcal/kg gar)	6,000	4,750	N/A
Sulfur content (% daf)	0.5	0.61	N/A
Production data: ***(million tonnes)***			
Approved raw coal production capacity	2.3	5.0	7.3
Designed coal preparation input washing capacity	2.3	N/A	2.3
Raw coal production			
2011	0.8	—	0.8
2012	1.9	4.2	6.1
2013	2.0	4.2	6.2
2014	2.0	3.7	5.7
2015	2.3	4.8	7.1
Cumulative raw coal production as of December 31, 2015	9.0	16.9	25.9

(1) The coalfield area refers to the surface area of land either owned directly or held under granted mining and exploration tenements.
(2) The Recoverable Coal Reserves of the above coal mines are reported under the CRIRSCO "International Standards for Reporting of Mineral Resources and Reserves" and are based on the reports prepared by the Competent Persons appointed by Yancoal Australia in accordance with the JORC Code (2012). The reports were prepared under the revised JORC Code (2012 edition), which replaced the JORC Code (2004), with the revised code now fully in alignment with the CRIRSCO code. The stricter conditions of the revised JORC Code accounts for a portion of the differences in Coal Reserves reported compared to those in the previous disclosures, with operational and modifying factors that affect the mining process accounting for the remainder of the difference.

Cameby Downs Coal Mine

Cameby Downs Coal Mine consists of an open-pit mine located west of Miles in southwest Queensland. The mine covers an area of 300.3 square kilometers. The construction of the mine commenced in 2009 and commercial production started in late 2010. Yancoal International owns 100% of Cameby Downs Coal Mine. Cameby Downs Mine produces thermal coal and the average cumulative thickness of the mined coal seams at Cameby Downs Coal Mine ranges from 5.8 to 7.7 meters. As of December 31, 2015, Cameby Downs Coal Mine had JORC 2012 Code compliant Coal Reserves were 234 million tonnes. As of the same date, the mine's Marketable Coal Reserves were approximately 160 million tonnes.

The phase one stage of Cameby Downs Coal Mine has raw coal annual production capacity of 2.3 million tonnes.

Cameby Downs Coal Mine has a coal handling preparation plant with a capacity of approximately 220 TPH, and utilizes dense medium cyclones, spiral banks and other associated equipment. The operations at the mine are powered by electricity from the local power grid. We transport coal products from Cameby Downs Coal Mine to Brisbane Port via railway.

Premier Coal Mine

Premier Coal Mine is located in the Collie Basin to the south of Perth, approximately 10km east of Collie. Premier Coal Mine is an open-pit coal mine covering an area of 138.8 square kilometers. The construction of the mine began in 1996 and commercial production commenced in the same year. Yancoal International (Holding) indirectly wholly owns Premier Coal Mine. The annual production capacity of Premier Coal Mine is approximately 5.0 million tonnes. Premier Coal Mine primarily produces low ash and low sulfur sub-bituminous coal. As of December 31, 2015, Premier Coal Mine had JORC 2012 Code compliant Coal Reserves were 65 million tonnes. We utilize conventional truck shovel open-pit mining methods to mine the coal from a number of seams at the mine. The coal mined at Premier Coal Mine is crushed and sold without washing with coal product quality controlled through blending. As a result, the mine's Marketable Coal Reserves were 65 million tonnes as of December 31, 2015.

The operations at Premier Coal Mine are powered by electricity from local power grids. We entered into a long-term coal sales agreement with Verve Energy, a power generator owned by the Western Australian Government. We transport coal products from Premier Coal Mine by conveyors and railway to the power stations it supplies.

Mining and Exploration Rights

Nantun, Xinglongzhuang, Baodian, Dongtan and Jining II

According to the approvals from the State-owned Asset Supervision Department and the Coal Industry Supervision Department obtained at the establishment of the Company, and the Mining Agreement entered into between the Yankuang Group and us in 1997 and its supplemental agreement, we undertook to make ten annual payments of approximately RMB13.0 million to the Yankuang Group commencing in 1997, as compensation for the depletion of coal resources at the Nantun, Xinglongzhuang, Baodian, Dongtan and Jining II coal mines. We fulfilled this obligation in 2007 after we made the final installment payment and we are not obligated to make further payment under this arrangement.

In September 2006, the State Council approved the *Implementation Plan for the Compensation System Reform Testing in Relation to Deepening Coal Resources*, jointly promulgated by the Ministry of Finance of the PRC, Ministry of Land and Resources of the PRC and the NDRC (the "Implementation Plan"). According to the Implementation Plan, enterprises that obtain mining rights as a result of state-funded exploration must pay mining right fees based on the valuation of its reserves. Our operations in Shandong Province are subject to this mining right fee. On August 3, 2012, Jining Municipal Land and Resources Bureau issued the Notice of payment for mining rights by Yanzhou Coal Mining Company Limited [JiGuotuzi(2012) No. 212], pursuant to which we are required to pay a consideration of RMB2,476.78 million for the mining rights of Nantun, Xinglongzhuang, Baodian, Dongtan and Jining II coal mines, RMB495.4 million of which was paid before the due date of September 30, 2012. The consideration was determined based on the assessment report for the consideration of mining rights of these five coal mines issued by independent third parties appointed by Jining Municipal Land and Resources Bureau and filed with Shandong Provincial Department of Land and Resources. As of December 31, 2015, we have paid mining rights compensation fees of approximately RMB1,684.2 million.

Jining III Coal Mine

Pursuant to the Jining III Coal Mine Acquisition Agreement dated August 4, 2000 that we entered into with the Yankuang Group, the consideration for the mining right of Jining III Coal Mine was approximately RMB132.5 million, which was to be paid to the Yankuang Group in ten equal interest-free annual installments commencing in 2001. We fully paid the consideration for the mining rights of Jining III Coal Mine in 2010.

Austar Coal Mine

We obtained an exploration license for Austar Coal Mine from the New South Wales Department of Primary Industries in 2005. Pursuant to the underlying Asset Sale Agreement, we paid A$32.0 million to the receivers of Gympie Gold for the mine after we obtained the exploration license to the new exploration site adjacent to the Austar Coal Mine in 2006.

Tianchi Coal Mine

We acquired Shanxi Nenghua for RMB748.3 million, of which RMB136.6 million was consideration for the mining rights of Tianchi Coal Mine.

Zhaolou Coal Mine

We purchased the mining rights of Zhaolou Coal Mine for a consideration of RMB747.3 million in 2008.

Anyuan Coal Mine

We acquired the entire equity interest in Anyuan Coal Mine for a consideration of approximately RMB143.5 million in November 2010. The fair market value of the mining rights for Anyuan Coal Mine was approximately RMB131.3 million as of October 31, 2010.

Wenyu Coal Mine

In July 2011, Ordos Neng Hua acquired 80% of the equity interest in Inner Mongolia Xintai, which operates Wenyu Coal Mine, for a consideration of RMB2,801.6 million. In October 2013, Ordos Heng Hua further acquired the remaining 20% of the equity interest in Inner Mongolia Xintai for a consideration of RMB680.3 million and as a result of the acquisition Inner Mongolia Xintai became a wholly owned subsidiary of Ordos Neng Hua.

Zhuanlongwan Coalfield

Ordos Neng Hua won the bid for the mining rights of Zhuanlongwan coalfield of Dongsheng Coal Field in Inner Mongolia Autonomous Region for a consideration of RMB7,878.7 million on January 28, 2011. As of the date of this annual report, Ordos Neng Hua had fully paid the total consideration.

Yangcun and Beisu Coal Mine

We acquired the entire assets of Beisu and Yangcun Coal Mines from Yancoal Group and Beisu Company in 2012 for a consideration of RMB824.1 million. According to an evaluation report issued by an independent evaluator, the fair market value of the mining rights of Beisu Coal Mine and Yangcun Coal Mine was RMB139.5 million and RMB343.2 million as of August 31, 2011.

Coal Mines Owned by Yancoal Resources

We acquired the entire equity interest in Felix, a wholly owned subsidiary of Yancoal Australia, for A$3,333 million in 2009. The fair market value of our attributable reserves and attributable resources was A$2,845.2 million as of December 23, 2009. The acquisition included all mining rights to the coal mines owned by Felix (now Yancoal Resources), environment protection licenses, exploration licenses and mining leases.

In 2011, through Yancoal Resources, Yancoal Australia acquired 30% of the equity interest in the Ashton Coal Mine Joint Venture originally held by Austral-Asia Coal Holdings Pty Ltd., a wholly owned subsidiary of Singapore IMC Group, for a consideration of US$250 million. According to an evaluation report issued by an independent evaluator dated January 20, 2012, 30% of the equity interest Ashton Coal Mine Joint Venture was valued at approximately A$294.0 million. On September 30, 2014, Yancoal Australia invested AUD17.9 million to acquire the remaining 10% equity interest of Ashton Coal Mine Joint Venture held by ICRA Ashton Pty Ltd. through its wholly owned subsidiary. After the acquisition, Ashton Mine Joint Venture became a wholly-owned subsidiary of Yancoal Australia.

Cameby Downs Coal Mine

We acquired Cameby Downs Coal Mine and Syntech's exploration tenements through the acquisition of the entire equity interest in Syntech Resources Pty Ltd. and Syntech Holdings II Pty Ltd., for a consideration of A$202.5 million on August 1, 2011. In addition to the Cameby Downs Coal Mine, Syntech Resources Pty Ltd. and Syntech Holdings II Pty Ltd. also have five exploration tenements that might be potentially developed. According to an evaluation report issued by an independent evaluator dated February 14, 2012, the fair market value of the reserves, resources and mining rights of the five exploration tenements was A$65.8 million as of August 1, 2011. Currently, the Syntech project is the phase I of Cameby Downs Coal Mine operation.

Premier Coal Mine and Wilga Exploration Area

We acquired the Premier Coal Mine and the Wilga Exploration Area through the acquisition of Premier Coal Limited (then called Wesfarmers Premier Coal Limited) and Premier Char Ltd. (then called Wesfarmers Char Pty Ltd.), for a consideration of A$296.8 million in September 2011. The fair market value of the reserves, resources and mining rights of the coal mines owned by Premier Coal Limited was A$49.9 million as of December 31, 2011, according to an evaluation report issued by an independent evaluator.

Coal Mines Owned by Gloucester

Yancoal Australia completed its merger with Gloucester in June 2012. According to an evaluation report issued by an independent evaluator, the fair market value of the reserves, resources and mining rights of the coal mines owned by Gloucester was A$1,216.9 million as of June 30, 2012.

Potash Mineral Exploration Permits in Canada

We acquired 11 potash mineral exploration permits from Devonian Potash Inc. and eight potash mineral exploration permits from North Atlantic Potash Inc. for a total consideration of US$260 million in September 2011. The 19 potash mineral exploration permits cover an aggregate area of approximately 5,363.84 square kilometers in Saskatchewan, Canada. According to the preliminary exploration report, we expect that the permitted area may have abundant potash resources. We intend to conduct further in-depth exploration work to produce formal estimates of potash resources in compliance with internationally recognized reporting standards.

Railway Assets

We own and operate a railway transportation network that connects our coal mines in Shandong to the national railway system and Zouxian Power Plant in Jining City of Shandong. As of the date of this annual report, our railway network spans a total length of over 200 kilometers. Our railway network provides us with substantial control over a major means of transportation for our key product, allowing us to benefit from the synergies from coal production, sales and transportation.

Methanol and Cogeneration Power Plants

Yulin Nenghua. Yulin Nenghua, located in Yunlin City of Shanxi, operates a 600,000-tonne methanol plant and a supporting power plant. The primary pieces of equipment at the methanol plant include boilers, steam turbines, air compressors and booster set, GEA air-cooler exchangers, gasifiers and gasification compressors, synthetic compressors, a methanol synthetic gas-cooled reactor, a methanol synthetic water-cooled reactor and propylene refrigeration compressors. Yulin Nenghua also operates a supporting power plant with an installed capacity of 60 MW for its methanol production.

Ordos Nenghua. Ordos Nenghua, located in Ordos of Inner Mongolian Autonomous Region, operates a 600,000-tonne methanol plant and a supporting power plant. The primary pieces of equipment at the methanol plant include boilers, steam turbines, air compressors and booster set, GEA air-cooler exchangers, gasifiers and gasification compressors, synthetic compressors, a methanol synthetic gas-cooled reactor, a methanol synthetic water-cooled reactor and propylene refrigeration compressors. Ordos Nenghua also operates a supporting power plant with an installed capacity of 60 MW for its methanol production.

Hua Ju Energy. Hua Ju Energy is headquartered in Zoucheng City, Shandong. Hua Ju Energy owns and operates five cogeneration power plants, each of which is able to supply electric power and heat to our coal mines in its proximity. The power plants consist of the Nantun power plant, Xinglongzhuang power plant, Baodian power plant, Dongtan power plant and Jining II power plant. The aggregate installed capacity of these six power plants is 132 MW and the annual power generation capacity and heat supply capacity are 0.9 to 1.0 billion KWh and 1.0 to 1.2 million steam tonnes, respectively. The main pieces of equipment used at Hua Ju Energy include energy conversion CFB boilers and extraction and condensing steam turbines.

Zhaolou Coal Mine Power Plants. Zhaolou Coal Mine power plants are intended to be integrated power plants for Zhaolou Coal Mine, located in Heze City of Shandong. The power plants are being constructed in two phases with designed capacity of 300 MW for each phase. We commenced construction of phase I of the power plants which utilize a power generator of 300 MW in March 2010, which commenced operation in November 2014. The main pieces of equipment used at Zhaolou Coal Mine power plants include extraction and condensing steam turbines, water hydrogen generators and CFB boilers.

ITEM 19. EXHIBITS

Documents filed as exhibits to this Annual Report:

Exhibit Number	Description
12.1	Certification of general manager pursuant to Rule 13a-14(a) promulgated under the U.S. Securities Act of 1934
12.2	Certification of chief financial officer pursuant to Rule 13a-14(a) promulgated under the U.S. Securities Act of 1934
13.1	Certification of general manager pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of the U.S. Sarbanes-Oxley Act of 2002
13.2	Certification of chief financial officer pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of the U.S. Sarbanes-Oxley Act of 2002

SIGNATURES

The registrant hereby certifies that it meets all the requirements for filing on Form 20-F/A and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

YANZHOU COAL MINING COMPANY LIMITED

(Registrant)

Date: September 7, 2016

By: /S/ **ZHAO Qingchun**
Name: **ZHAO Qingchun**
Title: **Chief Financial Officer**

EXHIBIT 12.1

CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14
OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES–OXLEY ACT OF 2002

I, WU Xiangqian, certify that:

1. I have reviewed this annual report on Form 20-F/A of Yanzhou Coal Company Limited (the "Company");

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material aspects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this annual report;

4. The Company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and

   (d) Disclosed in this annual report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: September 7, 2016

By: /s/ WU Xiangqian
Name: WU Xiangqian
Title: Director and General Manager

EXHIBIT 12.2

CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14
OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES–OXLEY ACT OF 2002

I, ZHAO Qingchun, certify that:

1. I have reviewed this annual report on Form 20-F/A of Yanzhou Coal Company Limited (the "Company");

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material aspects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this annual report;

4. The Company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and

   (d) Disclosed in this annual report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: September 7, 2016

By: /s/ ZHAO Qingchun
Name: ZHAO Qingchun
Title: Chief Financial Officer

EXHIBIT 13.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES–OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the annual report on Form 20-F/A of Yanzhou Coal Company Limited (the "Company") for the year ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof, I, WU Xiangqian, General Manager of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The annual report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the annual report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 7, 2016

By: /s/ WU Xiangqian
Name: WU Xiangqian
Title: Director and General Manager

EXHIBIT 13.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES–OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the annual report on Form 20-F/A of Yanzhou Coal Company Limited (the "Company") for the year ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof, I, ZHAO Qingchun, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The annual report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the annual report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 7, 2016

By: /s/ ZHAO Qingchun
Name: ZHAO Qingchun
Title: Chief Financial Officer