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兖州煤業股份有限公司

**YANZHOU COAL MINING COMPANY LIMITED**

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

**(Stock Code: 1171)**

## **ANNOUNCEMENT**

### **PROVISION OF FINANCIAL GUARANTEE TO WHOLLY OWNED SUBSIDIARIES AND CONTROLLED SUBSIDIARY**

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

#### **I. Summary of the Guarantee**

In order to reduce financing costs of Shandong Zhongyin International Trade Co., Ltd., Zhongyan Trading Co., Ltd of Qingdao Free Trade Zone, both wholly-owned subsidiaries of Yanzhou Coal Mining Company Limited (the “**Company**”), and Qingdao Zhongyin Ruifeng International Trade Company Limited, a controlled subsidiary of the Company (together, the “**Guaranteed Parties**”) and to safeguard the capital needs of the Guaranteed Parties arising from day-to-day operations, the Company proposed to provide financial guarantee of an amount not exceeding RMB12,000,000,000 to the Guaranteed Parties.

At the twenty-seventh meeting of the sixth session of the board of directors of the Company held on 30 December 2016, the Proposal in Relation to Provision of Financial Guarantee to Wholly-Owned and Controlled Subsidiaries of the Company was considered and approved, which approved relevant arrangements for provision of financial guarantee at the amount not exceeding RMB12,000,000,000 to the Guaranteed Parties and such proposal would be submitted to the first extraordinary general meeting of 2017 for consideration and approval. Please refer to the announcement of the Company dated 30 December 2016 in relation to resolutions passed at the twenty-seventh meeting of the sixth session of the board of directors for further details.

#### **II. Basic information of the Guaranteed Parties**

For the basic information of the Guaranteed Parties, please refer to “Appendix - Basic information of the Proposed Guaranteed Wholly-Owned and Controlled Subsidiaries of Yanzhou Coal Mining”.

### **III. Contents of the Guarantee Agreement**

Currently, the Company has not yet signed any guarantee agreement. The Company will process the guarantee arrangements, taking into account the arrangements of the financing activities and actual situation of the Company and strictly within the scope of authorization to be granted by the general meeting during the term of the guarantee.

### **IV. Opinion of the Board of Directors**

All members of the board of directors of the Company (including the independent directors of the Company) are of the view that the provision of the guarantee by the Company to the Guaranteed Parties will provide stable financial support to their trading businesses, help expanding their trading channels and also meet the requirements of overall industrial layout of the Company and operational development of its subsidiaries. The risk arising from the guarantee can effectively be controlled and prevented in light of the fact that the Guaranteed Parties are either wholly-owned or controlled subsidiaries of the Company, and therefore the aforesaid provision of guarantee will not be detrimental to the interests of the Company and its shareholders as a whole.

### **V. Amount of cumulative external guarantees and outstanding guarantees**

As at the date of this announcement, the cumulative amount of the external guarantees provided by the Company was RMB31.311 billion in aggregate, representing 72.82% of the Company's audited net assets as calculated according to Chinese accounting standards in the year 2015. The Company does not have any overdue guarantee matter.

### **VI. Documents for Inspection**

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

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

Zoucheng, Shandong Province, the PRC  
30 December 2016

*As at the date of this announcement, the directors of the Company are Mr. Li Xiyong, Mr. Li Wei, Mr. Wu Xiangqian, Mr. Wu Yuxiang, Mr. Zhao Qingchun, Mr. Guo Dechun and Mr. Guo Jun, and the independent non-executive directors of the Company are Mr. Wang Lijie, Mr. Jia Shaohua, Mr. Wang Xiaojun and Mr. Qi Anbang.*

Appendix - Basic information of the Proposed Guaranteed Wholly-Owned and Controlled Subsidiaries of Yanzhou Coal Mining

Unit: RMB100 million

| No. | Name of the Company  | Place of incorporation | Registered capital | Shareholding held by the Company | Business scope  | As at 30 November 2016 |                   |            |                      |                     |            | January to November 2016 |            |
|-----|--|------------------------|--------------------|----------------------------------|---|------------------------|-------------------|------------|----------------------|---------------------|------------|--------------------------|------------|
|     |  |                        |                    |                                  |   | Total assets           | Total liabilities | Net assets | Debt-to-assets ratio | Current liabilities | Bank loans | Revenue                  | Net profit |
| 1   | Qingdao Zhongyin Ruifeng International Trade Company Limited | Qingdao, Shandong      | 2                  | 51%                              | International trade, transit trade; trade in import and export of various commercial goods  | 38.77                  | 36.66             | 2.11       | 94.56%               | 36.66               | 0          | 104.79                   | 0.11       |
| 2   | Shandong Zhongyin International Trade Co., Ltd.              | Jinan, Shandong        | 3                  | 100%                             | Goods and technology import & export; sales of coal, coal mine mechanical equipment and parts etc.  | 3.36                   | 0.36              | 3          | 10.71%               | 0.36                | 0          | 79.85                    | -0.009     |
| 3   | Zhongyan Trading Co., Ltd of Qingdao Free Trade Zone         | Qingdao, Shandong      | 0.5                | 100%                             | Financial leasing services; leasing services; sale and purchase of leasing assets inside and outside of the PRC; handling and repair of the remaining value of financial leasing assets | 4.55                   | 3.98              | 0.57       | 87.47%               | 3.98                | 0          | 82.78                    | 0.01       |