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兗州煤業股份有限公司

YANZHOU COAL MINING COMPANY LIMITED

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

ANNOUNCEMENT

Provision of Financial Guarantee to the Company's Subsidiaries and Granting of Authorization to Yancoal Australia and Its Subsidiaries to Provide Guarantee for the Daily Operation of the Subsidiaries of Yanzhou Coal in Australia

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

I. General overview of the authorization of guarantee

(1) Basic information on the authorization of guarantee

1. In order to reduce financing costs of the subsidiaries and to ensure that the normal operation funding needs of its subsidiaries can be satisfied, Yanzhou Coal Mining Company Limited (“**Yanzhou Coal**” or the “**Company**”) submits to the shareholders' general meeting for authorizing the provision of financial guarantee by the Company to its wholly-owned or controlled subsidiaries for a total amount not exceeding USD5 billion or its equivalents.

2. In order to meet the normal operational needs of the Company's subsidiaries in Australia (the “**Australian Subsidiaries**”), Yancoal Australia Limited (“**Yancoal Australia**”) and its subsidiaries need to provide guarantees for a total amount of not more than AUD1.2 billion to the Australian Subsidiaries for their daily operations. With reference to the common practice of the daily operations of operating companies in Australia, the relevant parties often provide guarantees to the subsidiaries. The guarantees for operation concerned include the provision of guarantee by Yancoal Australia to its subsidiaries, by the subsidiaries of Yancoal Australia to their subsidiaries, and by Yancoal Australia and its subsidiaries to the subsidiaries of Yancoal International (Holding) Co., Ltd.* (兗煤國際（控股）有限公司) (“**Yancoal International**”) in Australia. Such guarantees are mainly made in the form of bank guarantee.

(2) Details of the authorization of guarantee

1. To approve the provision of financial guarantee by the Company to its wholly-owned or controlled subsidiaries for an amount not exceeding USD5 billion or its equivalents.
2. To approve the provision of guarantees for not more than AUD1.2 billion by Yancoal Australia and its subsidiaries to the Australian Subsidiaries for their daily operations.
3. To approve the granting of authorization to the chairman of the board of directors of the Company (the “**Board**”) to deal with matters in relation to the aforesaid financial guarantees in accordance with the relevant laws and regulations. Such matters include but are not limited to the following:
 - (1) to determine the appropriate wholly-owned or controlled subsidiaries which will be provided with the guarantees based on the financing needs;
 - (2) to determine the exact terms and conditions of the guarantee agreements, which include but are not limited to the amount, term, scope and method of guarantee; and executing the guarantee agreement(s) involved and other relevant legal documents; and
 - (3) to deal with the filing and reporting of documents and information in respect of the guarantee(s) and other relevant matters.
4. The aforementioned authorization shall become valid after it is approved by the shareholders at the 2019 annual general meeting until the date of convening of the next annual general meeting of the Company, except where the circumstances require the person so authorized to exercise his powers after the expiry of the term of authorization in relation to any contracts, agreements or decisions regarding the financial guarantees that have been made within the term of authorization.

(3) Internal decision-making procedures for the authorization of guarantee

The “Proposal in relation to provision of financial guarantee to the Company's subsidiaries and granting of authority to Yancoal Australia and its subsidiaries to provide guarantees for the daily operation of the subsidiaries of the Company in Australia” was considered and approved at the 33rd meeting of the seventh session of the Board held on 22 April 2020, and will be submitted to the 2019 annual general meeting for consideration and approval.

II. Basic Information of the Guaranteed Parties

For the basic information of the guaranteed parties, please refer to Appendix 1 – Basic information of the Company's subsidiaries which are proposed to be guaranteed, Appendix 2 – Basic information of the subsidiaries of Yancoal Australia which are proposed to be guaranteed, and Appendix 3 – Basic information of the subsidiaries of Yancoal International which are proposed to be guaranteed.

III. Contents of the Guarantee Agreement and Guaranteed Parties

As of the date of this announcement, the Company has not entered into any guarantee agreement. The Company will strictly fulfil its obligations in relation to the guarantees based on the arrangements of the financing activities and the actual circumstances facing the Company during the term of the

authorization in accordance with the authorization by the shareholders at the general meeting.

IV. Opinion of the Board and Independent Non-executive Directors

The Board and the independent non-executive directors of the Company are of the view that the matters in relation to the provision of financial guarantee by the Company to its wholly-owned or controlled subsidiaries and the granting of authorization to Yancoal Australia and its subsidiaries to provide guarantees for the daily operation of the Australian Subsidiaries meet the operational development needs of the Company and its subsidiaries; the provision of guarantees by Yancoal Australia and its subsidiaries to the Australian Subsidiaries is for the daily operational needs and in compliance with the laws and regulations and the local operating practice in Australia. As the abovementioned guaranteed parties are either wholly-owned or controlled subsidiaries of the Company, the Company therefore believes that the risk arising from the guarantee can be effectively controlled and prevented, and that the guarantee will not be detrimental to the interests of the Company and its shareholders as a whole.

V. Number of Cumulative External Guarantees and Overdue Guarantees

As at 31 December 2019, the accumulative balance of the external guarantees provided by the Company (all of which are guarantees provided by the Company to its wholly-owned or controlled subsidiaries) was RMB31.298 billion in aggregate, representing 49.45% of the audited net assets of RMB63.292 billion of the Company in 2019 calculated in accordance with the PRC Accounting Standards.

The guaranteed parties and the guarantees are as follows:

1. Yancoal Australia

As considered and approved at the 2011 annual general meeting of the Company, Yancoal Australia, a controlled subsidiary of the Company, acquired equity interest in Felix with loan in an amount of USD3.04 billion. As at 31 December 2019, the balance of the aforementioned loan was USD1.394 billion and Yanzhou Coal provided the guarantees of USD0.92 billion and RMB3.31 billion to Yancoal Australia.

2. Yancoal International Resources Development Co., Ltd.* (兗煤國際資源開發有限公司) (“Yancoal International Resources”)

As considered and approved at the Company’s second extraordinary general meeting in 2012, the Company provided a guarantee in respect of the issuance of USD1 billion corporate bonds in the overseas market by Yancoal International Resources, a wholly-owned subsidiary of the Company. As at 31 December 2019, the balance of the abovementioned guarantee was USD0.104 billion.

As considered and approved at the 2016 annual general meeting of the Company, the Company

provided a guarantee to Yancoal International Resources for issuance of bonds in the principal amount of USD500 million. As at 31 December 2019, the balance of the abovementioned guarantee was USD500 million.

As considered and approved at the 2017 annual general meeting of the Company, the Company provided a guarantee to Yancoal International Resources for issuance of bonds in the principal amount of USD335 million. As of 31 December 2019, the balance of the abovementioned guarantee was USD 335 million.

3. Yancoal International Trading Co., Ltd.* (兗煤國際貿易有限公司) (“**Yancoal International Trading**”)

As considered and approved at the 2018 annual general meeting of the Company, the Company provided a guarantee to Yancoal International Trading, a wholly-owned subsidiary of the Company, in an amount of USD50 million. As at 31 December 2019, the balance of the abovementioned guarantee was USD50 million.

4. Qingdao ZhongyinRuifeng International Trade Co., Ltd.* (青島中垠瑞豐國際貿易有限公司) (“**ZhongyinRuifeng**”)

As considered and approved at the 2016 annual general meeting of the Company, the Company provided a guarantee to ZhongyinRuifeng, a controlled subsidiary of the Company, in an amount of RMB600 million. As at 31 December 2019, the balance of the abovementioned guarantee was RMB600 million.

As considered and approved at the 2017 annual general meeting of the Company, the Company provided a guarantee to ZhongyinRuifeng in an amount of RMB600 million. As at 31 December 2019, the balance of the abovementioned guarantee was RMB600 million.

As considered and approved at the 2018 annual general meeting of the Company, the Company provided a guarantee to Zhongyin Ruifeng in an amount of RMB2.07 billion. As at 31 December 2019, the balance of the abovementioned guarantee was RMB2.07 billion.

5. Zhongyin Financial Leasing Co., Ltd.* (中垠融資租賃有限公司) (“**Zhongyin Financial Leasing**”)

As considered and approved at the 2016 annual general meeting of the Company, the Company provided a guarantee to Zhongyin Financial Leasing, a wholly-owned subsidiary of the Company, in an amount of RMB1.67 billion. As at 31 December 2019, the balance of the abovementioned guarantee was RMB1.67 billion.

As considered and approved at the 2017 annual general meeting of the Company, the Company provided a guarantee to Zhongyin Financial Leasing in an amount of RMB1.438 billion. As at 31 December 2019, the balance of the abovementioned guarantee was RMB1.438 billion.

6. Qingdao Bonded Area Zhong Yan Trading Co., Ltd.* (青島保稅區中兗貿易有限公司) (“**Qingdao ZhongYan**”)

As considered and approved at the 2017 annual general meeting of the Company, the Company provided a guarantee to Qingdao Zhong Yan, a wholly-owned subsidiary of the Company, in an amount of RMB1 billion. As at 31 December 2019, the balance of the abovementioned guarantee was RMB1 billion.

As considered and approved at the 2018 annual general meeting of the Company, the Company provided guarantee to Qingdao Zhong Yan in an amount of RMB1.905 billion. As at 31 December 2019, the balance of the abovementioned guarantee was RMB1.905 billion.

7. Yancoal International (Singapore) Co., Ltd. ("**Yancoal Singapore**")

As considered and approved at the 2017 annual general meeting of the Company, the Company provided guarantee to Yancoal Singapore, a wholly-owned subsidiary of the Company, in an amount of USD30 million. As at 31 December 2019, the balance of the abovementioned guarantee was USD30 million.

8. Duanxin Supply Chain (Shenzhen) Co., Ltd. ("**Duanxin Shenzhen**")

As considered and approved at the 2017 annual general meeting of the Company, the Company provided guarantee to Duanxin Shenzhen, a wholly-owned subsidiary of the Company, in an amount of RMB30 million. As at 31 December 2019, the balance of the abovementioned guarantee was RMB30 million.

9. Duanxin Commercial Factoring (Shenzhen) Co., Ltd ("**Duanxin Factoring**")

As considered and approved at the 2017 annual general meeting of the Company, the Company provided guarantee to Duanxin Factoring, a wholly-owned subsidiary of the Company, in an amount of RMB50 million. As at 31 December 2019, the balance of the abovementioned guarantee was RMB50 million.

10. Shandong Zhongyin International Trade Co., Ltd. ("**Zhongyin International Trade**")

As considered and approved at the 2018 annual general meeting of the Company, the Company provided guarantee to Zhongyin International Trade, a wholly-owned subsidiary of the Company, in an amount of RMB600 million. As at 31 December 2019, the balance of the abovementioned guarantee was RMB600 million.

11. Australian Subsidiaries

As at 31 December 2019, Yancoal Australia and its subsidiaries has performance deposit and guarantee for operational necessity in a total amount of AUD921 million.

The Company did not have overdue guarantee.

VI. Document Available For Inspection

The resolutions passed at the 33rd meeting of the seventh session of the Board of Yanzhou Coal Mining Company Limited.

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

Zoucheng, Shandong Province, the PRC
22 April 2020

As at the date of this announcement, the Directors of the Company are Mr. Li Xiyong, Mr. Li Wei, Mr. Wu Xiangqian, Mr. Liu Jian, Mr. Guo Dechun, Mr. Zhao Qingchun and Mr. Guo Jun, and the independent

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

Appendix 1: Basic information of the Company's subsidiaries which are proposed to be guaranteed

Unit: RMB100 million

No.	Name of company	Place of registration	Registered capital	Proportion of shares held by the Company	Scope of operations	31 December 2019						2019	
						Total assets	Total liabilities	Net assets	Debt/asset ratio	Current liabilities	Bank loans	Operating income	Net profit
1	Yancoal Australia Ltd.	Australia	AUD6.027 billion	62.26%	Coal mining and sales of coal	534.31	240.25	294.06	44.96%	103.08	105.90	218.87	35.25
2	Yancoal International (Holding) Co., Ltd.	Hong Kong	USD2.8 million	100%	Foreign investment, development of mining technology, transfer and consulting services, import and export trade	143.83	101.29	42.53	70.43%	101.29	21.63	0.21	6.92
3	Yancoal International Resources Development Co., Ltd.	Hong Kong	USD0.6 million	100%	Exploration and development of mining resources	74.02	43.86	30.16	59.26%	13.37	0.00	0.00	0.03
4	Yancoal International Technology Development Co., Ltd.	Hong Kong	USD1 million	100%	Development, transfer and consultation services of mining technology	9.04	6.49	2.55	71.85%	6.49	0.00	0.09	0.08
5	Zhongyin Financial Leasing Co., Ltd.	Shanghai	RMB7 billion	100%	Financial leasing business, leasing business, purchase of leasing property from the domestic and	132.48	64.39	68.09	48.60%	47.87	9.38	6.79	3.43

					overseas market								
6	Qingdao Zhongyin Ruifeng International Trade Co., Ltd.	Shandong Qingdao	RMB200 million	51%	International trade, carrying trade, import and export of self-operated commodities	58.68	55.98	2.71	95.39%	55.98	2.32	170.94	0.2
7	Zhongyin Ruifeng (Hong Kong) Co., Ltd.	Hong Kong	HKD10 million	51%	International trade, carrying trade, import and export of self-operated commodities	1.66	1.39	0.27	83.73%	1.39	0.56	97.69	0.045
8	Shandong Zhongyin International Trade Co., Ltd.	Shandong Jinan	RMB300 million	100%	Import and export of commodities and technologies, sale of coal and coal mining machinery equipment and accessories etc.	18.16	11.43	6.73	62.94%	11.43	0.29	71.05	2.68
9	Qingdao Zhong Yan Trading Co., Ltd.	Shandong Qingdao	RMB50 million	100%	Trade of domestic bulk commodities, international trade, carrying trade, import and export of self-operated commodities	15.78	14.74	1.04	93.41%	14.74	8.36	56.49	0.07
10	Zhongyin Tai'an Financial Leasing Co., Ltd.	Shandong Tai'an	RMB1.593 billion	70%	Financial leasing business, leasing business	17.39	2.10	15.29	12.08%	1.24	0.86	0.48	0.71
11	Duanxin (Shenzhen) Investment Holding Co., Ltd.	Guangdong Shenzhen	RMB10 billion	100%	Equity investment, entrusted asset management, investment management	11.45	0.02	11.43	0.17%	0.02	0.00	0.00	0.25
12	Duanxin Commercial Factoring	Guangdong Shenzhen	RMB100 million	100%	Commercial factoring business, trading business	1.47	0.87	0.6	59.18%	0.87	0.00	0.16	-0.53

	(Shenzhen) Co., Ltd.	n											
13	Duanxin Supply Chain (Shenzhen) Co., Ltd.	Guangdong Shenzhen	RMB100 million	100%	Supply chain management and relevant supporting services, trading business	18.89	17.54	1.35	92.85%	17.54	0.00	0.79	0.28
14	Yankuang (Hainan) Intelligent Logistics Science and Technology Co., Ltd.	Hainan Haikou	RMB100 million	51%	Trade in bulk commodities	30.45	29.24	1.21	96.03%	29.24	8.98	349.55	0.21
15	Yanzhou Coal Blue Sky Clean Energy Co. Ltd.	Shandong Jining	RMB310 million	100%	Manufacturing and sale of environmentally- friendly furnace; clean heating; environmental protection projects	5.42	2.57	2.85	47.42%	2.57	0.00	1.81	0.01

Appendix 2: Basic information of the subsidiaries of Yancoal Australia which are proposed to be guaranteed

Unit: AUD100 million

Name of company	Place of registration	Registered capital	Percentage of shares held by the Company	Scope of operations	31 December 2019						2019	
					Total assets	Total liabilities	Net assets	Debt/asset ratio	Current liabilities	Bank loans	Operating revenue	Net profits
Ashton Joint Venture Company	Non-legal person joint venture company	N/A	100%	Coal mining, washing and preparation	2.37	2.18	0.19	91.98%	0.25	0.00	1.77	-3.89
Austar Coal Mine Pty Limited	State of Victoria	AUD 64,000,000	100%	Coal mining, washing and preparation	1.45	3.57	-2.12	246.21%	0.31	0.00	1.37	-2.01
Donaldson Coal Pty Ltd	State of New South Wales	AUD 3,636,115.53	100%	Coal mining, washing and preparation	4.36	5.27	-0.91	120.87%	0.09	0.00	0.005	-0.13
Duralie Coal Mine Pty Limited	State of New South Wales	AUD2	100%	Coal mining, washing and preparation	1.49	4.77	-3.28	320.13%	4.76	0.00	0.00	-0.01
Stratford Coal Mine Pty Limited	Western Australia	AUD10	100%	Coal mining, washing and	8.80	21.10	-12.30	237.77%	18.96	0.00	0.87	0.01

				preparation								
Moolarben Joint Venture Company	Non-legal person joint venture company	N/A	85%	Coal mining, washing and preparation	2.37	2.18	0.19	91.98%	0.25	0.00	1.77	-3.89
Yancoal Resources Limited	State of New South Wales	AUD 444,712,130	100%	Coal mining, exploration	33.05	6.51	26.54	19.70%	1.18	0.00	12.92	2.34
Yarrabee Coal Company Pty Ltd.	State of Queensland	AUD 92,080	100%	Coal mining, washing and preparation	8.93	4.33	4.60	48.49%	0.24	4.28	0.01	-0.39
Hunter Valley	State of New South Wales	N/A	67.60%	Coal mining, washing and preparation	6.88	2.73	4.15	39.68%	1.06	0.00	4.03	0.13
Wark Hill Associate	State of New South Wales	N/A	55.57%	Coal mining, washing and preparation	22.60	3.82	18.78	16.90%	3.56	0.00	12.09	3.38
Mount Thorley Associate	State of New South Wales	N/A	80.00%	Coal mining, washing and preparation	12.00	3.71	8.29	30.92%	1.22	0.00	8.87	2.28

Appendix 3: Basic Information of the subsidiaries of Yancoal International which are proposed to be guaranteed

Unit: AUD100 million

Guaranteed company	Place of registration	Registered capital	Percentage of shares held by the Company	Scope of operations	31 December 2019						2019	
					Total assets	Total liabilities	Net assets	Debt/asset ratio	Current liabilities	Bank loans	Revenue	Net profit
Athena Joint Venture Company	Non-legal person joint venture company	N/A	51%	Exploration	0.44	0.25	0.19	56.82%	0.14	0.00	0.01	0.00
Premier Coal Limited	Western Australia	AUD3,885,679	100%	Coal mining, washing and preparation	3.51	1.79	1.72	51.00%	1.22	0.00	2.06	0.00
Syntech Resources Pty Ltd.	State of New South Wales	AUD 64,826.90	100%	Coal mining, washing and preparation	8.25	6.05	2.20	73.33%	5.66	0.00	2.28	0.18
Tonford (Holding) Ltd	State of Victoria	AUD 46,407,918	100%	Exploration	0.56	0.26	0.30	46.43%	0.09	0.00	0.00	-0.06
Wilpeena (Holding) Ltd	State of Victoria	AUD 3,457,382	100%	Exploration	0.16	0.14	0.02	87.50%	0.03	0.00	0.00	0.00