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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 ON PLEDGE-STYLE REPURCHASE
OF SHARES BY A CONTROLLING SHAREHOLDER**

This announcement is made pursuant to 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.

On 8 July 2016, Yanzhou Coal Mining Company Limited (the “**Company**”) received a notice from Yankuang Group Company Limited (“**Yankuang Group**”), the controlling shareholder of the Company, regarding that Yankuang Group carried out a pledge-style repurchase for the shares of the Company held by it. Details are as follows:

1. Details of the Pledge

On 7 July 2016, Yankuang Group pledged the 402,000,000 domestic and unrestricted tradable shares of the Company held by it, representing 8.18% of the total share capital of the Company, to Qilu Securities (Shanghai) Asset Management Co., Ltd. for the purpose of fund-raising by carrying out a pledge-style repurchase of these shares. The term of the pledge is 36 months (i.e. from 7 July 2016 to 7 July 2019). The relevant registration procedures regarding the pledge of shares have been completed by Zhongtai Securities Co., Ltd.

As at the date of this announcement, Yankuang Group directly and indirectly held a total number of 2,780,000,000 shares of the Company, including A shares and H shares of the Company, representing 56.59% of the total share capital of the Company, among which 2,600,000,000 shares are domestic and unrestricted tradable shares of the Company, representing 52.93% of the total share capital of the Company, and 180,000,000 shares are H shares of the Company, representing 3.66% of the total share capital of the Company.

The total number of the accumulated pledged shares of the Company by Yankuang Group is 922,000,000 shares, representing 18.77% of the total share capital of the Company.

2. Pledge by the Controlling Shareholder

The main purpose of the aforesaid fund-raising by a pledge-style repurchase of shares conducted by Yankuang Group is to supplement its working capital. Yankuang Group has a sound credit record and sufficient fiscal solvency and will repay the raised funds with its self-owned fund upon maturity. The risks of the aforesaid pledge are controllable and the aforesaid pledge is free from the risks of close position or forced close position. When the price of the Company's shares reaches the precautionous line, Yankuang Group will take measures including repurchase in advance, supplemental pledge transactions or partly cash repayments to deal with the aforementioned risks. The aforesaid pledge will not lead to any change in the de facto control over the Company.

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

Zoucheng, Shandong Province, the PRC

8 July 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.