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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 the Company's Controlled Subsidiaries and Invested Companies

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 controlled subsidiaries and invested companies and to ensure that their normal operation funding needs 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 controlled subsidiaries and invested companies for a total amount not exceeding RMB2 billion or its equivalents. Provision of guarantee to invested companies shall comply with regulation of state-owned assets administration.

(2) Details of the authorization of guarantee

1. the provision of financial guarantee by the Company to its controlled subsidiaries and invested companies for an amount not exceeding RMB2 billion or its equivalents.

2. the granting of authorization to the chairman of the board of directors of the Company 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 controlled subsidiaries and invested companies 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.

3. The aforementioned authorization shall become valid after it is approved by the shareholders at the 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 controlled subsidiaries and invested companies” was considered and approved at the 7th meeting of the eighth session of the Board held on 9 December 2020, and will be submitted to the 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 controlled subsidiaries and invested companies 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 provision of financial guarantee by the Company to its controlled subsidiaries and invested companies meet the operational development needs of the Company and its controlled subsidiaries and invested companies. As the abovementioned guaranteed parties are all controlled subsidiaries and invested companies 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 30 June 2020, the accumulative balance of the external guarantees provided by the Company (all of which are guarantees provided by the Company to its controlled subsidiaries) was RMB27.002 billion in aggregate, representing 42.65% of the audited net assets attributable to parent company 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 Limited ("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 30 June 2020, the balance of the aforementioned loan was USD0.975 billion and Yanzhou Coal provided the guarantees of USD0.57 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 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 30 June 2020, the balance of the abovementioned guarantee was USD439 million.

3. 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 RMB1.210 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 RMB1.224 billion. As at 30 June 2020, the balance of the abovementioned guarantee was RMB2.434 billion.

4. Duanxin Supply Chain (Shenzhen) Co., Ltd. (“**Duanxin Supply Chain**”)

As considered and approved at the 2017 annual general meeting of the Company, the Company provided guarantee to Duanxin Supply Chain, a wholly-owned subsidiary of the Company, in an amount of RMB30 million. As at 30 June 2020, the balance of the abovementioned guarantee was RMB30 million.

5. 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 30 June 2020, the balance of the abovementioned guarantee was RMB50 million.

6. Qingdao Zhongyin Ruifeng 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 2018 annual general meeting of the Company, the Company provided a guarantee to Zhongyin Ruifeng, a subsidiary, in an amount of RMB2.770 billion. As at 30 June 2020, the balance of the abovementioned guarantee was RMB2.770 billion.

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

As considered and approved at the 2018 annual general meeting of the Company, the Company provided guarantee to Qingdao Zhong Yan, a wholly-owned subsidiary, in an amount of RMB2.715 billion. As at 30 June 2020, the balance of the abovementioned guarantee was RMB2.715 billion.

8. 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 RMB200 million. As at 30 June 2020, the balance of the abovementioned guarantee was RMB200 million.

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

As considered and approved at the 2018 annual general meeting of the Company, the Company provided a guarantee to Zhongyin Financial Leasing in an amount of RMB0.857 billion. As at 30 June 2020, the balance of the abovementioned guarantee was RMB0.857 billion.

10. Yancoal International (Holding) Co., Ltd.* (兗煤國際(控股)有限公司) (“**Yancoal International**”)

As considered and approved at the 2018 annual general meeting of the Company, the Company provided a guarantee to Yancoal International, a wholly-owned subsidiary of the Company, in an amount of USD490 million. As at 30 June 2020, the balance of the abovementioned guarantee was USD490 million.

The Company did not have overdue guarantee.

VI. Document Available For Inspection

The resolutions passed at the 7th meeting of the eighth 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
9 December 2020

As at the date of this announcement, the directors of the Company are Mr. Li Xiyong, Mr. Wu Xiangqian, Mr. Liu Jian, Mr. Zhao Qingchun, Mr. He Jing and Mr. Wang Ruolin, and the independent non-executive directors of the Company are Mr. Tian Hui, Mr. Zhu Limin, Mr. Cai Chang and Mr. Poon Chiu Kwok.

Appendix 1: Basic information of the Company's controlled subsidiaries and invested companies 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	Shaanxi Future Energy Co., Ltd. ("Future Energy")	Yulin, Shaanxi	54	73.9725%	R&D, production and sale of chemical products	199.18	88.54	110.64	44.45%	37.88	54.39	87.52	22.45
2	Shaanxi Future Clean Oil and Chemical Sales Co., Ltd.	Yulin, Shaanxi	0.5	100% held by Future Energy	Sale of petroleum and chemical products	0.86	0.21	0.65	24.52%	0.19	-	7.86	0.05
3	Shaanxi Future Clean Chemical Sales Co., Ltd.	Yulin, Shaanxi	0.3	51% held by Future Energy	R&D of Fischer - Tropsch synthesis product; production, storage and sales of liquid paraffin; Fischer-Tropsch synthetic paraffin, ope-wax, emulsifying wax	0.36	0.06	0.30	15.83%	0.06	-	-	0.0009
4	Yankuang Yulin Fine Chemicals Co., Ltd	Yulin, Shaanxi	0.462	100%	Sales and production of chemical products	2.38	0.89	1.49	37.46%	0.89	0.70	2.19	0.30
5	Yankuang Lunan Chemicals Co., Ltd.	Tengzhou, Shandong	50.41	100%	Sales and production of chemical products overseas market	94.19	39.66	54.53	42.11%	26.44	14.63	63.10	3.89
6	Yankuang Jining Chemicals Co., Ltd.	Jining, Shandong	1.12	100%	Manufacturing and repair of chemical equipment and parts	0.86	0.34	0.52	40.08%	0.30	-	0.53	0.0096

7	Yankuang Coal Chemical Supply and Sales Co., Ltd.	Jining, Shandong	2.6	100%	Sales and production of chemical products	5.52	3.28	2.24	59.42%	3.21	-	7.17	0.18
8	Shandong Yankuang Jisan Power Co., Ltd.	Shandong Jinan	4.3	99%	Thermal power generation, heat supply	21.49	16.06	5.43	74.72%	8.39	3.85	4.30	0.38
9	Shaanxi Jingshen Railway Co., Ltd.	Yulin, Shaanxi	62	4% held by Future Energy	Railway construction and transportation	140.45	83.46	56.99	59.42%	12.46	-	-	-0.12
10	Ordos Zhuanlongwan Coal Co., Ltd.	Ordos, Inner Mongolia	50.5	100%	Exploration and sales of coal	114.96	67.71	47.25	58.90%	9.07	-	22.53	2.84
11	Ordos Yingpanhao Coal Co., Ltd.	Ordos, Inner Mongolia	30	100%	Exploration and sales of coal	85.69	55.31	30.38	64.55%	17.64	-	10.90	-1.70
12	Inner Mongolia Haosheng Coal Co., Ltd.	Ordos, Inner Mongolian	11.85	59.38%	Exploration and sales of coal	122.51	74.19	48.32	60.56%	15.19	-	11.70	-2.73
13	Inner Mongolia Rongxin Chemicals Co., Ltd.	Ordos, Inner Mongolia	15.33	100%	R&D, production and sales of chemical products	102.87	76.14	26.73	74.02%	13.68	-	17.67	2.15
14	Yanzhou Coal Yulin Neng Hua Co., Ltd.	Yulin, Shaanxi	14	100%	R&D, production and sales of chemical products	50.81	34.62	16.19	68.14%	12.79	-	12.23	1.13
15	Inner Mongolia Mining Group Co., Ltd. ("Inner Mongolia Mining")	Hohhot, Inner Mongolia	69.97	51%	Investment and management of mineral assets, sale and import and export of mineral products	121.65	127.70	-6.05	104.98%	84.63	75.02	-	-8.26
16	Ulanqab Hongda Co. Ltd.	Ulanqab, Inner Mongolia	5.5	100% held by Inner Mongolia Mining	Production and supply of heat and electricity	20.16	16.18	3.98	80.24%	3.57	8.67	9.31	0.59

17	Ordos Fengwei Photoelectricity Co., Ltd.	Ordos, Inner Mongolia	1.8	100% held by Inner Mongolia Mining	Operation and construction of solar power and wind power generation projects	8.06	5.41	2.65	67.10%	1.83	5.28	0.39	0.63
18	Inner Mongolia Mineral Resources Holding Co., Ltd.	Hohhot, Inner Mongolia	4	100% held by Inner Mongolia Mining	Investment and assets management, operation of mining rights	6.66	0.11	6.55	1.64%	0.11	-	-	-0.03
19	Inner Mongolia Group Graphite New Materials Co., Ltd.	Hohhot, Inner Mongolia	1	100% held by Inner Mongolia Mining	R&D and sales of graphite new materials	0.17	0.03	0.14	18.41%	0.03	-	-	-0.002
20	Inner Mongolia Jinkong Financial Leasing Co., Ltd.	Hulun Buir, Inner Mongolia	12	55% held by Inner Mongolia Mining	Provision of financial leasing and domestic commercial factoring business	18.00	9.76	8.24	54.22%	2.13	8.76	0.75	0.03
21	Ordos Lvneng Photoelectricity Co., Ltd.	Ordos, Inner Mongolia	12	90.29% held by Inner Mongolia Mining	Sale of crystalline silicon, solar power bank, photovoltaic and wind power parts	11.67	7.51	4.16	64.34%	2.37	-	-	-0.27
22	Ordos Cultural Industrial Park Culture and Education Co., Ltd.	Ordos, Inner Mongolia	2.09034	63.3% held by Inner Mongolia Mining	R&D of educational software, planning and organization of educational and cultural activities, educational and cultural exchange	1.45	0.13	1.32	8.97%	0.13	-	-	-0.04
23	Inner Mongolia Yitai Galutu Mining Co., Ltd.	Ordos, Inner Mongolia	10	52.77% held by Inner Mongolia Mining	Raw coal production, transportation, washing and selection, coking and sales	10.00	0.00	10.00	0.00%	0.00	-	-	0.0006

24	Inner Mongolia Dongneng Energy Co., Ltd.	Hohhot, Inner Mongolia Mining	0.4795	46.18% held by Inner Mongolia Mining	Sales of mineral products (not subjected to approval), investment and management of mineral assets	0.11	0.02	0.09	17.49%	0.02	-	0.0004	-0.03
25	Inner Mongolia Xineng Energy Co., Ltd.	Alxa League Inner Mongolia Mining	0.9	35.50% held by Inner Mongolia Mining	Sales of mineral products, investment and management of mineral assets, survey of mining right application and development of external cooperation	0.75	0.01	0.74	0.72%	0.01	-	0.07	0.001
26	Inner Mongolia Jinlian Aluminum Co., Ltd.	Holingol, Inner Mongolia Mining	105	44.21% held by Inner Mongolia Mining	Post processing of aluminum, production and sales of aluminum ingots, aluminum products and derivatives, import and export of goods and technology, sales of electricity, warehousing	185.39	112.94	72.45	60.92%	86.47	27.88	113.32	2.00
27	Inner Mongolia Huomei Jinlian Co., Ltd.	Holingol, Inner Mongolia Mining	1	30% held by Inner Mongolia Mining	Distribution of mine mechanical and electrical equipment, labor protection supplies, coal	1.56	0.65	0.91	41.47%	0.65	-	-	-0.06