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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)

YANZHOU COAL MINING COMPANY LIMITED

ANNOUNCEMENT ON RECEIPT OF GOVERNMENT SUBSIDIES

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.

1. Basic information on receipt of subsidies

According to the *Notice on Budget Target of Pre-Appropriating Special Rewards and Subsidies for Structural Adjustments of Industrial Enterprise* issued by the Finance Bureau of Shandong Province (Lu Cai Gong Zhi [2016] No.4), the Finance Bureau of Shandong Province appropriated the special rewards and subsidies for structural adjustments of industrial enterprises amounting to RMB149.05 million to Yankuang Group Company Limited ("**Yankuang Group**"), in support of resolving overcapacity problem in coal industry. On 8 November 2016, Yanzhou Coal Mining Company Limited ("**Yanzhou Coal**" or the "**Company**") received such special rewards and subsidies transferred by Yankuang Group.

2. Category of the subsidies and its impact on the Company

With reference to the spirit of the *Notice on the Provisions on Regulating the Accounting Treatments for Relevant Businesses of Addressing Overcapacity, Destocking, Deleveraging, Lowering Corporate Costs, and Improving Weak Links* issued by the Ministry of Finance (Cai Kuai [2016] No. 17), Yanzhou Coal has placed the special rewards and subsidies into special payable. All of the special rewards and subsidies will be used for settlement of staff in relation to resolving overcapacity, which are estimated to have no material impact on the operational data of 2016 and the net assets of the Company.

The final accounting treatment will be subject to the audit results confirmed by the auditors after conducting the annual audit. Investors are advised to be cautious of investment risks when dealing in the shares of the Company.

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

Zoucheng, Shandong Province, the PRC

10 November 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.