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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)

**CONTINUING CONNECTED TRANSACTION IN RELATION TO
COAL SALES TRANSACTIONS**

2021 YIT Framework Agreement For Coal Sales

On 19 November 2020, Yancoal Australia entered into the 2021 YIT Framework Agreement For Coal Sales with YIT, pursuant to which Yancoal Australia and/or its subsidiaries agreed to continue to sell coal to YIT and/or its associates (excluding the Company) during the three years ending 31 December 2023. The 2021 YIT Framework Agreement For Coal Sales will become effective after and subject to approvals of the Yankuang Framework Agreement, of which the transactions under the 2021 YIT Framework Agreement For Coal Sales with YIT will form a part, by the Board and, if applicable, the Shareholders, respectively.

Listing Rules Implications

As at the date of this announcement, Yancoal Australia is a controlled subsidiary of the Company. YIT is a wholly-owned subsidiary of Yankuang Group, the controlling shareholder of the Company, and thus constitutes a connected person of the Company. Accordingly, the transactions contemplated under the 2021 YIT Framework Agreement For Coal Sales constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps for the continuing connected transactions contemplated under the 2021 YIT Framework Agreement is more than 0.1% but less than 5%, such continuing connected transactions will be subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A

I. 2021 YIT FRAMEWORK AGREEMENT FOR COAL SALES

Background

On 19 November 2020, Yancoal Australia entered into the 2021 YIT Framework Agreement For Coal Sales with YIT, pursuant to which Yancoal Australia and/or its subsidiaries agreed to continue to sell coal to YIT and/or its associates (excluding the Company) during the three years ending 31 December 2023.

Date

19 November 2020

Major Terms

(a) Subject Matter

The 2021 YIT Framework Agreement For Coal Sales provides that all transactions in relation to the sale of coal by Yancoal Australia to YIT and/or its associates (excluding the Company) must be (i) in the ordinary and usual course of business of Yancoal Australia and its subsidiaries, (ii) on an arm's length basis, (iii) on normal commercial terms or better, and (iv) in compliance with, among other things, the Listing Rules and applicable laws.

As at the date of this announcement, YIT is a wholly-owned subsidiary of Yankuang Group, the controlling shareholder of the Company, and accordingly, YIT is a connected person of the Company. The Company and Yankuang Group propose to enter into the Yankuang Framework Agreement to govern the continuing connected person transactions to be entered into for the three years ending 31 December 2023, of which the transactions contemplated under the 2021 YIT Framework Agreement For Coal Sales will form a part.

The 2021 YIT Framework Agreement will become effective after the effective of the Yankuang Framework Agreement, which is subject to the approvals of the Board and, if applicable, the Shareholders. [Li Xiyong and Wu Xiangqian, the related Directors of the Company, will abstain from voting on the resolution relating to the Yankuang Framework Agreement, and the nonrelated Directors will be voting thereof.]

(b) Basis of Consideration

Considering the nature of coal, the sale price will be determined with reference to industry index prices and coal quality characteristics under the respective contracts.

(c) Historical Amounts

The aggregate annual transaction amounts received by Yancoal Australia and/or its subsidiaries from YIT and/or its associates (excluding the Company) for the sale of coal for the three years ended 31 December 2017, 2018, 2019 and the six months ended 30 June 2020 were approximately US\$5 million, US\$172 million, US\$95 million and US\$39 million, respectively. In 2017, Yancoal Australia only entered into one transaction with YIT in the second half of 2017 due to the competitiveness in the market.

Annual caps and reasons

The maximum annual transaction amount to be received by Yancoal Australia and/or its subsidiaries from YIT and/or its associates (excluding the Company) for the three years ending 31 December 2021, 2022 and 2023 will not exceed US\$87.5 million, US\$87.5 million and US\$87.5 million, respectively.

The annual caps set out above were determined primarily with reference to (i) the actual transaction amount during the past three years and taking into consideration the business requirements of YIT, Yancoal Australia expects to maintain such sales volume in future years, (ii) the expected additional spot demand for coal from YIT and/or its associates (excluding the Company) over the next three years and (iii) the estimated sale price for the coal Yancoal Australia typically charges.

Reasons and benefits for the 2021 YIT Framework Agreement For Coal Sales

Yancoal Australia's principal business activity is the production of thermal and metallurgical coal. The Company believes that Yancoal Australia, through supplying coal to YIT in its ordinary and usual course

of business, could further expand its business operation in the Asia markets, so as to maximize the overall interests of the Group.

Implications of the Listing Rules

As at the date of this announcement, Yancoal Australia is a controlled subsidiary of the Company. YIT is a wholly-owned subsidiary of Yankuang Group, the controlling shareholder of the Company, and thus constitutes a connected person of the Company. Accordingly, the transactions contemplated under the 2021 YIT Framework Agreement For Coal Sales constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps for the continuing connected transactions contemplated under the 2021 YIT Framework Agreement is more than 0.1% but less than 5%, such continuing connected transactions will be subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the terms of the 2021 YIT Framework Agreement For Coal Sales are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Information on the parties

The Company

The Company is principally engaged in the business of mining, preparation, processing and sales of coal and coal chemicals. The Company's main products are steam coal for use in large-scale power plants, coking coal for metallurgical production and prime quality low sulphur coal for use in pulverized coal injection.

Yancoal Australia

Yancoal Australia is a controlled subsidiary of the Company and is principally engaged in the production of thermal and metallurgical coal for use in the power generation and steel industries in Asian markets. Yancoal Australia's shares have been listed on the Australian Securities Exchange and the Stock Exchange since 2012 and 2018, respectively.

YIT

YIT is principally engaged in the business of sales of coal and coal chemicals in the PRC. As at the date of this announcement, YIT is a wholly owned subsidiary of Yankuang Group, the controlling shareholder of the Company.

II. DEFINITIONS

"2021 YIT Framework Agreement For Coal Sales"	the framework agreement for coal sales entered into between Yancoal Australia and YIT on 19 November 2020 in relation to the sale of coal by Yancoal Australia to YIT and/or its associates (excluding the Company)
"A Shares"	domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each,

	which are listed on the Shanghai Stock Exchange
"Board"	the board of Directors
"Company"	兗州煤業股份有限公司, Yanzhou Coal Mining Company Limited, a joint stock limited company established under the laws of the PRC in 1997, and the H Shares and A Shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"H Shares"	overseas listed foreign invested shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"percentage ratios"	has the same meaning ascribed thereto under the Listing Rules
"PRC"	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan Region
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Yancoal Australia"	Yancoal Australia Ltd, a controlled overseas subsidiary of the Company, the shares of which are listed on the Australian Stock Exchange (Stock Code: YAL) and the Stock Exchange (Stock Code: 03668)
"Yankuang Group"	Yankuang Group Company Limited (兗礦集團有限公司), a company with limited liability reformed and established under the laws of the PRC on 12

	March 1996, the controlling shareholder of the Company holding 56.01% shares of the Company
"Yankuang Framework Agreement"	the framework agreement proposed to be entered into between the Company and Yankuang Group to govern the continuing connected transactions between the Company and Yankuang Group for the three years ending 31 December 2023
"YIT"	兗煤國際貿易有限公司(Yancoal International Trading Co., Ltd.), a company limited by shares incorporated under the laws of Hong Kong in 2011
"% "	percentage

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

Zoucheng, Shandong Province, the PRC
19 November 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.