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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 IN RELATION TO THE PROVISION FOR IMPAIRMENT FOR ASSETS

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.

The “Proposal in relation to the discussion and consideration of provision for impairment for assets” has been considered and approved at the eleventh meeting of the seventh session of the board of directors (the “**Board**”) of Yanzhou Coal Mining Company Limited (the “**Company**”). The Company made the provision for asset impairment in respect of the intangible assets and accounts receivable (the “**Provision for Impairment for Assets**”), details of which are set out below:

1. Overview of the Provision for Impairment for Assets

Pursuant to the “Accounting Standards for Business Enterprises” and the domestic and overseas listing regulatory requirements, taking into account of the actual operation of the Company, the Company’s provision for bad debts in respect of accounts receivable in 2017 was RMB728.5101 million, the provision for impairment of the inventory was RMB2.777 million, the provision for impairment of the available-for-sale financial assets was RMB0.1 million, and the provision for impairment of the intangible assets was RMB1,491.986 million.

2. Details of the Provision for Impairment for Assets

(1) The provision for bad debts in respect of accounts receivable amounting to RMB728.5101 million

As at 31 December 2017 (the “**Balance Sheet Date**”), the Company reviewed the book value of the accounts receivable, applied the allowance method to account the potential bad debts, and performed the impairment tests individually or in pairs at the end of the year for the purpose of making provision for bad debts. According to the results of the impairment tests, the provision for bad debts in respect of accounts receivable of the Company in 2017 was RMB728.5101 million, comprising the individual provision for bad debts in significant amounts amounting to RMB467.283 million, the provision for bad debts based on aging

analysis method amounting to RMB194.6501 million; and the individual provision for bad debts in insignificant amounts amounting to RMB66.577 million.

(2) The provision for depreciation of inventory amounting to RMB2.777 million

As at the Balance Sheet Date, the valuation of the inventory was calculated by reference to the lower of the cost or the net realizable value, and the provision for depreciation of inventory was made with reference to the excessive value of the inventory's cost above its net realizable value. In 2017, the Company made a provision for in the depreciation of inventory in the amount of RMB2.777 million.

(3) The provision for impairment of available-for-sale financial assets amounting to RMB0.1 million

As at the Balance Sheet Date, the Company conducted the impairment test against the available-for-sale financial assets. According to the result of the impairment test, the Company made a provision for the impairment of the available-for-sale financial assets in the amount of RMB0.1 million in 2017.

(4) The provision for impairment of intangible assets amounting to RMB1,491.986 million

As at the Balance Sheet Date, the impairment test was conducted against the assets of Inner Mongolia Xintai Coal Mining Co., Ltd.* (“**Xintai Company**”). According to the result of the impairment test, Xintai Company made a provision for the impairment of assets in the amount of RMB1,491.986 million as at 31 December 2017.

3. Impact of the Provision for Impairment for Assets to the Company

The Provision for Impairment for Assets amounting to RMB2,223.3731 million resulted in a decrease of RMB2,223.3731 million in the Company's profit for the year 2017. As a result, the net profit attributable to the shareholders of the Company was reduced by RMB1,694.1406 million.

4. Opinion of the Board on the Provision for Impairment for Assets

The “Proposal in relation to the discussion and consideration of provision for impairment for assets” has been considered and approved at the eleventh meeting of the seventh session of the Board held on 23 March 2018.

The Board is of the view that, the Provision for Impairment for Assets is made on a prudent basis and in compliance with the requirements of the relevant laws and regulations such as the accounting standards. The Provision for Impairment for Assets enables the Company to present the status of its assets value and overall operating performance in a fair manner, and is not detrimental to the lawful interests of the Company and its minority shareholders.

5. Opinion of the Independent Directors on the Provision for Impairment for Assets

The independent directors of the Company are of the view that the Provision for Impairment for Assets is justified and in compliance with the requirements of the relevant laws and regulations such as the accounting standards. The Provision for Impairment for Assets will enable the Company to better present its financial position of the Company in a true and fair manner and is in the interests of the Company as a whole. The Provision for Impairment for Assets facilitates the Company in providing true, reliable and accurate accounting information to the investors. The decision-making procedures of the Provision for Impairment for Assets are in line with the requirements of relevant laws, regulations and the articles of association of

the Company and is not detrimental to the interests of the Company and its shareholders, especially the minority shareholders.

6. Opinion of the Supervisory Committee on the Provision for Impairment for Assets

The “Proposal in relation to the discussion and consideration of provision for impairment for assets” has been considered and approved at the fifth meeting of the seventh session of the supervisory committee of the Company (the “**Supervisory Committee**”) held on 23 March 2018.

The Supervisory Committee is of the view that the Provision for Impairment for Assets is in compliance with the relevant requirements of the accounting standards and the Company’s accounting policies and that it is justified and the procedures are lawful. The Provision for Impairment for Assets enables the Company to better present its financial position of the Company in a true and fair manner, and is not detrimental to the interests of the Company and its shareholders, especially the minority shareholders. The Supervisory Committee hence approved the Provision for Impairment for Assets.

7. Documents Available for Inspection

- (1) Resolutions passed at the eleventh meeting of the seventh session of the Board;
- (2) Resolutions passed at the fifth meeting of the seventh session of the Supervisory Committee; and
- (3) Independent opinion from the independent directors of the Company on the provision for impairment for assets.

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

Zoucheng, Shandong Province, the PRC
23 March 2018

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. 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.

** For identification purposes only*