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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: 01171)

ANNOUNCEMENT

**PROPOSED APPOINTMENT OF OVERSEAS AUDITOR
AND ITS REMUNERATION ARRANGEMENT**

This announcement is made by Yanzhou Coal Mining Company Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

References are made to the circular of the Company dated 25 April 2016 and the announcement dated 3 June 2016 in relation to the resolutions passed at the 2015 annual general meeting. The re-appointment of ShineWing Certified Public Accountants (Special General Partnership) and Grant Thornton (including Grant Thornton (Special General Partnership) and Grant Thornton Hong Kong Limited) as the domestic and overseas auditors respectively for the year 2016 for a term commencing from the date of conclusion of the 2015 annual general meeting till the conclusion of the 2016 annual general meeting was approved by the Company at the 2015 annual general meeting held on 3 June 2016.

In addition, the auditing fees of RMB8.30 million (with RMB4.65 million for the auditing fees of domestic business and RMB3.65 million for the auditing fees of overseas business (excluding Australia)) to be paid for the domestic and overseas businesses of the Company for the year 2016 were approved at the 2015 annual general meeting. The authorization to the board of directors of the Company (the “**Board**”) to determine and pay other service fees of subsequent auditing and review of internal control arising from the addition of subsidiaries of the Company and changes in the regulatory requirements was also approved at the 2015 annual general meeting.

I. Resignation of the Overseas Auditor for the Company’s Business in Hong Kong

After considering the factors of time cost and internal resources, Grant Thornton Hong Kong Limited tendered its resignation as the overseas auditor for the Company’s business in

Hong Kong on 23 January 2017 with immediate effect. Grant Thornton (Special General Partnership) will continue to act as the overseas auditor for the Company's business in the US.

Grant Thornton Hong Kong Limited has confirmed in writing that there were no matters relating to its resignation that needs to be brought to the attention of the holders of the securities and creditors of the Company. The Board has confirmed that there is no disagreement between Grant Thornton Hong Kong Limited and the Company.

II. Proposed Appointment of Overseas Auditor and its Remuneration Arrangement

In order to ensure work continuity, as proposed by the audit committee of the Board (the "**Audit Committee**"), the proposal on the appointment of ShineWing (HK) CPA Limited as the overseas auditor for the Company's business in Hong Kong was considered and passed at the twenty-eighth meeting of the sixth session of the Board, with a term commencing from the date of conclusion of the 2017 first extraordinary general meeting (the "**EGM**") till the conclusion of the 2016 annual general meeting of the Company. The Board also considered and approved the proposal on the adjustment on the auditing fees for the overseas business to RMB8.60 million, with RMB1.60 million for the auditing fees of ShineWing (HK) CPA Limited to act as the overseas auditor for the Company's business in Hong Kong, and RMB7.00 million for the auditing fees of Grant Thornton (Special General Partnership) to act as the overseas auditor for the Company's business in the US.

The above mentioned appointment and remuneration arrangement shall become effective upon obtaining approvals from the shareholders of the Company at the EGM. The circular containing details of the proposed appointment of overseas auditor and its remuneration arrangement will be despatched to the shareholders of the Company on 27 January 2017.

Saved as disclosed above, the Board and the Audit Committee further confirm that they do not consider there is any matter relating to the appointment of auditor that needs to be brought to the attention of the holders of the securities of the Company.

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

Zoucheng City, Shandong Province, the PRC
24 January 2017

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.