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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt about any of the contents of this circular or as to what action to take in relation to this circular, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Yanzhou Coal Mining Company Limited**, you should at once hand this circular and the enclosed form of proxy and reply slip to the purchaser(s) or transferee(s) or to the bank, or a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)**

- (1) PROPOSED NON-PROCEEDING OF NON-PUBLIC ISSUANCE OF A SHARES;**
- (2) PROPOSED PROVISION OF LOANS TO YANCOAL INTERNATIONAL  
(HOLDING) CO., LIMITED;**
- (3) PROPOSED EXTENSION OF THE REPAYMENT DATE OF THE OUTSTANDING  
LOANS OWED BY THE CONTROLLED SUBSIDIARIES BY THE COMPANY;**
- (4) PROPOSED PROVISION OF FINANCIAL GUARANTEE TO WHOLLY-OWNED  
SUBSIDIARIES AND CONTROLLED SUBSIDIARY OF THE COMPANY;**
- (5) PROPOSED APPOINTMENT OF OVERSEAS AUDITOR AND ITS  
REMUNERATION ARRANGEMENT; AND**
- (6) PROPOSED ELECTION OF AN INDEPENDENT DIRECTOR**

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The notices convening the EGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting to be held at the headquarter of the Company at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 9:00 a.m., 11:00 a.m. and 11:30 a.m. respectively on Friday, 10 March 2017 were set out on pages 13 to 18 of this Circular.

Whether or not you are able to attend the respective meetings in person, you are strongly advised to complete and sign the form of proxy in accordance with the instructions printed thereon. For holders of H Shares of the Company, the proxy form shall be lodged with the Company's H Share Registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. For holders of A Shares, the proxy form shall be lodged at the Office of the Secretary to the Board at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the relevant meeting(s) or any adjourned meeting(s) (as the case may be).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting(s) or any adjourned meeting(s) should you so wish.

24 January 2017

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions have the following meaning:*

“ADSS”	American depository shares, each representing ownership of 10 H Shares, which are listed on New York Stock Exchange Inc.;
“Articles of Association”	the articles of association of the Company;
“A Share(s)”	domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.0 each, which are subscribed for and fully paid in RMB and are listed on the Shanghai Stock Exchange;
“A Shareholders”	holders of A Shares;
“A Shareholders’ Class Meeting”	the 2017 first class meeting of the holders of A Shares to be held at the headquarters of the Company at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 11:00 a.m. on Friday, 10 March 2017 to consider and, if thought fit, approve the non-proceeding of Non-Public Issuance of A Shares;
“Board”	the board of Directors of the Company;
“Company”	兗州煤業股份有限公司, Yanzhou Coal Mining Company Limited, a joint stock limited company incorporated in the PRC and the H Shares, ADSs and A Shares of which are listed on the Hong Kong Stock Exchange, New York Stock Exchange Inc. and the Shanghai Stock Exchange, respectively;
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會);
“Directors”	the directors of the Company;
“EGM”	the 2017 first extraordinary general meeting of the Company to be held at the headquarter of the Company at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 9:00 a.m. on Friday, 10 March 2017;
“H Share(s)”	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 Hong Kong Stock Exchange;
“H Shareholders”	holders of H Shares;
“H Shareholders’ Class Meeting”	the 2017 first class meeting of the holders of H Shares to be held at the headquarters of the Company at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 11:30 a.m. on Friday, 10 March 2017 to consider and, if thought fit, approve the non-proceeding of Non-Public Issuance of A Shares;

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## DEFINITIONS

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“Haosheng Coal Mining”	內蒙古昊盛煤業有限公司, Inner Mongolia Haosheng Coal Mining Company Limited, a limited liability company which was incorporated in the PRC and is a controlled subsidiary of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Non-Public Issuance of A Shares”	the matters relating to the resolution on the “Proposal in relation to the plan of non-public issuance of shares to specific subscribers by the Company” (i.e. issuing not exceeding 538,000,000 A Shares (inclusive) to specific subscribers) which was considered and passed at the twenty-second meeting of the board of directors of the Company held on 16 June 2016, the eleventh meeting of the supervisory committee and the 2016 first extraordinary general meeting, the 2016 second class meetings of the holders of A Shares and H Shares held on 19 August 2016, respectively;
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Shareholder(s)”	holder(s) of the Shares;
“Shares”	A Shares and H Shares;
“subsidiaries”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“Supervisory Committee”	supervisory committee of the Company;
“US\$”, “USD” or “US dollars”	United States dollars, the lawful currency of the United States of America;
“Yancoal International”	兗煤國際（控股）有限公司, Yancoal International (Holding) Co., Limited, a company with limited liability established under the laws of Hong Kong and is a wholly-owned subsidiary of the Company;
“Zhongyin Ruifeng”	青島中垠瑞豐國際貿易有限公司, Qingdao Zhongyin Ruifeng International Trade Company Limited, a limited liability company which was incorporated in the PRC and is a controlled subsidiary of the Company;
“%”	per cent.

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## LETTER FROM THE BOARD

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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)**

*Directors:*

Li Xiyong  
Li Wei  
Wu Xiangqian  
Wu Yuxiang  
Zhao Qingchun  
Guo Dechun  
Guo Jun

*Independent non-executive Directors:*

Wang Lijie  
Jia Shaohua  
Wang Xiaojun  
Qi Anbang

*Registered office:*

298 South Fushan Road  
Zoucheng  
Shandong Province  
PRC  
Postal Code: 273500

*Principal place of business in Hong Kong:*

Rooms 2008-12  
20/F., The Center  
99 Queen's Road Central  
Hong Kong

24 January 2017

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED NON-PROCEEDING OF NON-PUBLIC ISSUANCE OF A SHARES;**
- (2) PROPOSED PROVISION OF LOANS TO YANCOAL INTERNATIONAL (HOLDING) CO., LIMITED;**
- (3) PROPOSED EXTENSION OF THE REPAYMENT DATE OF THE OUTSTANDING LOANS OWED BY THE CONTROLLED SUBSIDIARIES BY THE COMPANY;**
- (4) PROPOSED PROVISION OF FINANCIAL GUARANTEE TO WHOLLY-OWNED SUBSIDIARIES AND CONTROLLED SUBSIDIARY OF THE COMPANY;**
- (5) PROPOSED APPOINTMENT OF OVERSEAS AUDITOR AND ITS REMUNERATION ARRANGEMENT; AND**
- (6) PROPOSED ELECTION OF AN INDEPENDENT DIRECTOR**

#### **I. INTRODUCTION**

The purpose of this circular is to provide you with the information of (1) the proposed non-proceeding of Non-Public Issuance of A Shares; (2) the proposed provision of loans to Yancoal International (Holding) Co., Limited; (3) the proposed extension of the repayment date of the outstanding loans owed by the controlled subsidiaries by the Company; (4) the proposed provision of financial guarantee to wholly-owned subsidiaries and controlled subsidiary of the Company; (5) the proposed appointment of overseas auditor and its remuneration arrangement; and (6) the proposed election of an independent director, and to give you the notices of the EGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting.

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## LETTER FROM THE BOARD

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### II. PROPOSED NON-PROCEEDING OF NON-PUBLIC ISSUANCE OF A SHARE

Reference is made to the announcement dated 30 December 2016 of the Company in relation to the non-proceeding of non-public issuance of A shares.

Since the announcement of the proposal for the Non-Public Issuance of A Shares, the Board, management of the Company and intermediaries have actively pushed forward the various matters relating to the Non-Public Issuance of A Shares. In light of the changes that have occurred in the PRC's capital markets environment and the Company's business environment since the announcement of the proposal for the Non-Public Issuance of A Shares, currently the Company has yet to submit the relevant documentation of the Non-Public Issuance of A shares to the CSRC, nor has the Company signed any subscription documentation for the Non-Public Issuance of A Shares with any special target investors.

To protect the interests of broader investors, the Company, having taken into account the external financial environment, its internal productive and operational needs, the actual development of the projects in which proceeds of the Non-Public Issuance of A Shares were intended to be invested, future strategies for development and various other factors, the resolution on the "Proposal in relation to non-proceeding of the Company's non-public issuance of A Shares" was considered and passed at the twenty-seventh meeting of the Board held on 30 December 2016, and it was agreed that it would be submitted for approval by the Shareholders in a Shareholders' general meeting. The Company's independent Directors gave their independent opinion on the non-proceeding of the Non-Public Issuance of A Shares. The Company undertakes not to contemplate another non-public issuance of A shares for one month following the abovementioned board resolution announcement (i.e. before 30 January 2017).

The non-proceeding of the Non-Public Issuance of A Shares is a prudent decision taken as a result of the actual situation of the capital markets environment and the taking into account of internal productive and operational needs, the actual development of the projects in which proceeds of the Non-Public Issuance of A Shares were intended to be invested, future strategies for development and various other factors. The non-proceeding of the Non-Public Issuance of A Shares by the Company will not affect the normal production and operations of the Company, nor will it present a situation that will harm the interests of the Company's Shareholders, in particular the interests of its minority Shareholders. The Company will continue to invest funds from self-owned funds and funds raised from other means of financing in the relevant projects, to ensure their businesses are successfully promoted.

The Company will propose the following resolutions at the EGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting for the consideration and approval of the Shareholders:

1. The non-proceeding of the Non-Public Issuance of A Shares; and
2. To authorized the Board and for the Board to authorize the chairman of the Board and its authorized representatives to handle all matters relating to the non-proceeding of the Non-Public Issuance of A Shares at their full discretion.

This resolution is a special resolution, which shall be approved by the Shareholders and proxies together holding not less than two-thirds of voting rights of the Shareholders present in person or by proxy at the Meeting.

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## LETTER FROM THE BOARD

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### III. PROPOSED PROVISION OF LOANS TO YANCOAL INTERNATIONAL

Yancoal International is the platform for overseas financing and overseas assets investment and management established in Hong Kong by the Company, which has no financing capability by itself. Its source of income is the interest income arising from the capital provided to overseas subsidiaries of the Company after financing. As at 26 December 2016, the balance of the deposits of Yancoal International was US\$4.80 million (approximately RMB33.37 million), which could not satisfy the following capital needs:

- (I) To increase the registered capital of Zhongyin Financial Leasing Co., Ltd. (中垠融資租賃有限公司)

At the 2015 annual general meeting of the Company, it was approved that the Company and Yancoal International jointly increase the registered capital of Zhongyin Financial Leasing Co., Ltd. by RMB5 billion, among which an equivalent of RMB1.265 billion is to be contributed by Yancoal International.

- (II) To repay the USD borrowings due within one year

During the period from August 2016 to January 2017, the amount of the expiring USD banking borrowings of Yancoal International was US\$0.8 billion (equivalent to approximately RMB5.3 billion) and the amount of accrued interests was approximately US\$9.70 million (equivalent to approximately RMB64.02 million). Currently, the Company is actively negotiating a proposal for loan replacement with related banks and uncertainties exist in implementing the relevant proposal as it is affected by the decrease in the size of credit available to coal enterprises by the banks.

- (III) To invest in the establishment of 中垠泰山融資租賃有限公司 (a tentative name, the name to be registered at the PRC administration for industry and commerce shall prevail)

At the twenty-seventh meeting of the general manager office, it was considered and approved that Zhongyin Financial Leasing Co., Ltd., the controlled subsidiary of the Company, intent to cooperate with Yancoal International to establish 中垠泰山融資租賃有限公司 in Taian City, Shandong Province with the state-owned investment company owned by Taian City. The registered capital of 中垠泰山融資租賃有限公司 will be RMB1 billion, among which an amount equivalent to RMB0.250 billion will be contributed by Yancoal International while and RMB 0.450 billion will be contributed by Zhongyin Financial Leasing Co., Ltd.

To secure the increase in the registered capital of Yancoal International and to repay the external loans on time, it was proposed at the twenty-fourth meeting and the twenty-seventh meeting of the sixth session of the Board that the Company shall provide an internal loan with an equivalent amount of RMB6.880 billion to Yancoal International. The term of the internal loan is 3 years with a fixed interest rate of 0.8% per annum (as determined with reference to the three months LIBOR) and the interest shall be settled quarterly at the twenty-first day of the last month of each quarter.

The Company will propose the following resolution at the EGM for the consideration and approval of the Shareholders:

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## LETTER FROM THE BOARD

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To provide an internal loan with an equivalent amount of RMB6.880 billion to Yancoal International by the Company and relevant arrangements.

This resolution is an ordinary resolution, which shall be approved by the Shareholders and proxies together holding not less than one-half of voting rights of the Shareholders present in person or by proxy at the Meeting.

#### **IV. PROPOSED EXTENSION OF THE REPAYMENT DATE OF THE OUTSTANDING LOANS OWED BY THE CONTROLLED SUBSIDIARIES BY THE COMPANY**

Due to the tight cashflows, Zhongyin Ruifeng and Haosheng Coal Mining were unable to repay principals of the loans provided to them by the Company on time. To satisfy their operation needs, after the consideration and approval at the twenty-seventh meeting of the sixth session of the Board, the Company proposed to extend the repayment dates of the internal loans of RMB0.5 billion owed by Zhongyin Ruifeng and the internal loans of RMB0.5 billion owed by Haosheng Coal Mining. The description of these internal loans is as follows:

- (I) With the approval at the twenty-third meeting of the sixth session of the Board held on 8 August 2016, the Company provided an internal loan of RMB0.5 billion to Zhongyin Ruifeng for a term of 6 months, with an interest rate equals to the benchmark interest rate of banks and the loan is used for the expansion of international trading business.
- (II) With the approval at the meeting of the general manager office held on 11 November 2015, the Company provided an internal loan of RMB0.5 billion to Haosheng Coal Mining for a term of 12 months, with an interest rate equals to the benchmark interest rate of banks and the loan is used for the construction of Shilawusu mine project of Haosheng Coal Mining.

The repayment date for the internal loan of RMB0.5 billion provided to Zhongyin Ruifeng by the Company will be extended by one year, with an interest rate equals to the benchmark interest rate of banks. By providing an extension of the repayment date to Zhongyin Ruifeng, a stable operation of the international business of such company could be safeguarded.

The internal loan of RMB0.5 billion provided to Haosheng Coal Mining by the Company will be subject to the way of “lending and repayment”, which the term and interest rate of the loan will be determined based on the corresponding external loans of the Company. By providing an extension of the repayment date of the loan owed by Haosheng Coal Mining and by means of “lending and repayment”, the value-added tax and surcharges of approximately RMB1.90 million could be saved each year and at the same time the orderly proceeding of the construction of Shilawusu mine project can be secured.

The Company will propose the following resolution at the EGM for the consideration and approval of the Shareholders:

To provide an extension of the repayment date of the internal loans of RMB0.5 billion provided to Zhongyin Ruifeng and the internal loans of RMB0.5 billion provided to Haosheng Coal Mining by the Company and relevant arrangements.

## LETTER FROM THE BOARD

This resolution is an ordinary resolution, which shall be approved by the Shareholders and proxies together holding not less than one-half of voting rights of the Shareholders present in person or by proxy at the Meeting.

### V. PROPOSED PROVISION OF FINANCIAL GUARANTEE TO WHOLLY-OWNED SUBSIDIARIES AND CONTROLLED SUBSIDIARY OF THE COMPANY

Reference is made to the announcement of the Company dated 30 December 2016 in relation to the provision of financial guarantee to wholly-owned subsidiaries and controlled subsidiary.

To widen financing channels of wholly-owned subsidiaries and controlled subsidiary of the Company, and to reduce their financing costs and safeguard their capital needs arising from day-to-day operations, the Company proposed to provide a financial guarantee with an aggregate amount of not exceeding RMB12.5 billion to wholly-owned subsidiaries and controlled subsidiary, which was considered and passed at the twenty-fourth meeting and the twenty-seventh meeting of the sixth session of the Board.

As at 30 December 2016, the aggregate amount of external guarantees of the Company and its subsidiaries amounted to approximately RMB31.311 billion, representing 72.82% of the audited net assets of the Company for the year 2015 calculated pursuant to the China Accounting Standards for Business Enterprises. The above external guarantees were approved at the general meeting of the Company and all of them were provided by the Company to its wholly-owned subsidiaries and controlled subsidiary. There is no overdue guarantees.

The Company proposed to provide a financial guarantee with an aggregate amount of not exceeding RMB12.5 billion to wholly-owned subsidiaries and controlled subsidiary including Shandong Zhongyin International Trade Co., Ltd., Zhongyan Trading Co., Ltd of Qingdao Free Trade Zone and Qingdao Zhongyin Ruifeng International Trade Company Limited. Basic information of these companies is as follows:

*Unit: in RMB hundred millions*

No.	Company name	Place of incorporation	Registered capital	Shareholding of the Company	Scope of business	30 November 2016					For the year 2016 January to November		
						Total assets	Total liabilities	Net assets	Debt-to-assets ratio	Current liabilities	Bank loans	Operating income	Net profits
1	Qingdao Zhongyin Ruifeng International Trade Company Limited	Qingdao, Shandong	2	51%	International trade, re-export, import and export trading of various merchandises of its own	38.77	36.66	2.11	94.56%	36.66	0	104.79	0.11
2	Shandong Zhongyin International Trade Co., Ltd.	Jinan, Shandong	3	100%	Import and export trading of goods and technique; sales of mechanical equipment and accessories of coal and coal mines	3.36	0.36	3	10.71%	0.36	0	79.85	-0.009
3	Zhongyan Trading Co., Ltd of Qingdao Free Trade Zone	Qingdao, Shandong	0.5	100%	Finance lease business; leasing services; purchase of leased assets from domestic and overseas sellers; handling of residual value of and maintenance of leased assets	4.55	3.98	0.57	87.47%	3.98	0	82.78	0.01

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## LETTER FROM THE BOARD

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The Company will propose the following resolutions at the EGM for Shareholders' consideration and approval:

1. To approve the Company to provide financial guarantee with an aggregate amount of not exceeding RMB12.5 billion to its wholly-owned subsidiaries and controlled subsidiary.
2. To authorize the chairman of the Board to handle all matters in relation to the above financial guarantee in accordance with the relevant laws and regulations as well as the opinions and suggestions of the regulatory authorities, with a view to safeguard the best interests of the Company, including but not limited to:
  - (1) To reasonably confirm the Company's wholly-owned subsidiaries and controlled subsidiary to be provided with the financial guarantee after taking into account of the demand of financing;
  - (2) To confirm the specific provisions in the guarantee agreement, including but not limited to provisions in relation to the guarantee amount, guarantee period, scope of guarantee and method of guarantee, and to sign the relevant agreements and legal documents; and
  - (3) To handle the filing and reporting of materials and other matters in relation to this financial guarantee and other relevant matters.
3. The authorization period is one year commencing from the date of passing of the relevant resolution at the EGM. The said authorized person may make or grant any offer, agreement or resolution in relation to the financial guarantee business within the authorization period, and he or she may be required to exercise the relevant authority after the end of the authorization period. Save for the above, the authorization period shall not exceed the said period.

This resolution is a special resolution, which shall be approved by the Shareholders and proxies together holding not less than two-thirds of voting rights of the Shareholders present in person or by proxy at the Meeting.

### **VI. PROPOSED APPOINTMENT OF OVERSEAS AUDITOR AND ITS REMUNERATION ARRANGEMENT**

- (I) Appointment of external auditing firms and the remuneration arrangement for the year 2016

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 to determine and pay other service fees of subsequent

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## LETTER FROM THE BOARD

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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 meeting.

(II) Proposed appointment of overseas auditor for the year 2016 and its remuneration arrangement

Reference is made to the announcement of the Company dated 24 January 2017 in relation to the proposed appointment of overseas auditor and its remuneration arrangement. 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 matter 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.

In order to ensure work continuity, as proposed by the audit committee of the Board, 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 of the Company, with a term commencing from the date of conclusion of the 2017 first EGM till the conclusion of the 2016 annual general meeting of the Company. The Company proposes an adjustment on the auditing fees for the overseas business for the year 2016 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.

Saved as disclosed in this circular, the Board and the audit committee of the Board 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.

The Company will propose the following resolutions at the EGM for the consideration and approval of the Shareholders:

1. To appoint ShineWing (HK) CPA Limited as the overseas auditor for the Company's business in Hong Kong for a term commencing from the date of conclusion of the 2017 first EGM till the conclusion of the 2016 annual general meeting of the Company; and
2. To adjust the auditing fees for the overseas business of the Company for the year 2016 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.

This resolution is an ordinary resolution, which shall be approved by the Shareholders and proxies together holding not less than one-half of voting rights of the Shareholders present in person or by proxy at the Meeting.

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## LETTER FROM THE BOARD

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### VII. PROPOSED ELECTION OF AN INDEPENDENT DIRECTOR

References are made to the announcement dated 11 October 2016 in relation to the proposed appointment of a director and the announcement dated 15 August 2016 in relation to the resignation of an independent non-executive director of the Company.

The Board received a written resignation report from Mr. Wang Lijie (“**Mr. Wang**”), an independent non-executive Director on 13 August 2016. Mr. Wang applied to resign from the position of an independent non-executive Director and his respective positions at the audit committee and nomination committee of the Board due to personal health issue. Mr. Wang confirms that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the Shareholders or Hong Kong Stock Exchange.

Mr. Wang shall continue to perform his duties of an independent non-executive Director according to the laws, administrative requirements and the Articles of Association prior to the election and appointment of a new independent non-executive Director at a general meeting of the Company.

On 11 October 2016, Mr. Kong Xiangguo (“**Mr. Kong**”) has been nominated by the Board as an independent Director.

The biographical details of Mr. Kong are as follows:

**Mr. Kong Xiangguo**, aged 61, is a senior engineer of professor level, registered national consulting engineer and registered national mining engineer, and is entitled to the governmental special allowances issued by the State Council. Mr. Kong is now a director of General Plan Transportation Technology Department of the Investigation and Design Committee of China National Coal Construction Association, an independent director of Xi’an Research Institute Company Limited of China Coal Technology & Engineering Group, and a member of the thirteenth session of Nanjing Committee of the Chinese People’s Political Consultative Conference. He served as the chairman of the board of directors and a deputy secretary of the Party Committee of Nanjing Design Research Institute Company Limited of China Coal Technology & Engineering Group, and was rewarded honors of the Excellent President of the National Investigation and Design Institutes, Top 10 Modern Management Entrepreneur in National Investigation and Design Industry, etc. Mr. Kong graduated from Shandong University of Science and Technology.

Saved as disclosed in this circular, Mr. Kong confirms that: (i) he has not held any directorships in the past three years in any public companies, the securities of which are listed on any securities market in Hong Kong and/or overseas, nor held any other major appointment or professional qualification; (ii) he does not hold any other position with the Company or its subsidiaries; (iii) he does not have any interests in the shares or securities of the Company within the meaning of Part XV of the SFO; and (iv) he does not have any other relationship with other current Directors, senior management or substantial or controlling Shareholders.

Upon approval of the appointment of Mr. Kong by the Shareholders, Mr. Kong will enter into a service contract with the Company for a term commencing from the date of the general meeting to be held for approving the election of Mr. Kong as an independent Director till the expiry of the tenure of the sixth session of the Board. Pursuant to the Articles of Association, an independent Director is elected and appointed at a general meeting of the Company and may be re-elected at a general meeting of the Company.

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## LETTER FROM THE BOARD

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The remuneration for Mr. Kong as an independent Director will be determined by the Shareholders of the Company at a general meeting pursuant to the Articles of Association and with reference to recommendations of the remuneration committee of the Board in accordance with its terms of reference, taking into account, among other matters, his duties and responsibilities.

Save as disclosed in this circular, there is no other information regarding the proposed appointment of Mr. Kong as an independent Director required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules, and the Company is not aware of any other matters that need to be brought to the attention of its Shareholders.

The Company will propose the following resolution at the EGM for the consideration and approval of the Shareholders:

To elect Mr. Kong Xiangguo as an independent Director of the sixth session of the Board for a term commencing from the date of the conclusion of the EGM till the date of the conclusion of the general meeting for the election of the directors of the seventh session of the board of directors.

This resolution is an ordinary resolution, which shall be approved by the Shareholders and proxies together holding not less than one-half of voting rights of the Shareholders present in person or by proxy at the Meeting.

### **VIII. THE EGM, A SHAREHOLDERS' CLASS MEETING AND H SHAREHOLDERS' CLASS MEETING**

The notices convening the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting are set out on pages 13 to 18 of this Circular.

#### **The following resolutions will be proposed to the Shareholders at the EGM:**

##### **As ordinary resolutions:**

1. To consider and approve the "Proposal in relation to the provision of loans to Yancoal International (Holding) Co., Limited";
2. To consider and approve the "Proposal in relation to the extension of the repayment date of the outstanding loans owed by the controlled subsidiaries of the Company";
3. To consider and approve the "Proposal in relation to the appointment of overseas auditor and its remuneration arrangement"; and
4. To consider and approve the "Proposal in relation to the election of an independent director of the Company".

##### **As special resolutions:**

5. To consider and approve the "Proposal in relation to the non-proceeding of the Company's Non-Public Issuance of A Shares"; and
6. To consider and approve the "Proposal in relation to the provision of financial guarantee to wholly-owned subsidiaries and controlled subsidiary of the Company".

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## LETTER FROM THE BOARD

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**The following resolution will be proposed to the Shareholders at the A Shareholders' Class Meeting and the H Shareholders' Class Meeting:**

**As special resolution:**

To consider and approve the "Proposal in relation to the non-proceeding of the Company's Non-Public Issuance of A Shares".

Whether or not you are able to attend the respective meetings in person, you are strongly advised to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the proxy form shall be lodged with the Company's H Share Registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. For holders of A Shares, the proxy form shall be lodged at the Office of the Secretary to the Board at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the relevant meeting(s) or any adjourned meeting(s) (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting(s) or any adjourned meeting(s) should you so wish.

### **IX. CLOSURE OF H SHARE REGISTER OF MEMBERS OF THE COMPANY**

#### **Attending the EGM and H Shareholders' Class Meeting**

The H Share register of members of the Company will be closed from Wednesday, 8 February 2017 to Friday, 10 March 2017, both days inclusive, during which period no transfer of the Company's H Shares will be registered for the purpose of ascertaining the eligibility of Shareholders to attend the EGM and the H Shareholders' Class Meeting. In order to attend EGM and the H Shareholders' Class Meeting, all share transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's H Share Registrar, Hong Kong Registrars Limited, at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Tuesday, 7 February 2017 for registration. H Shareholders whose names appear on the H Share register of members of the Company maintained by Hong Kong Registrars Limited on or before the above date will be eligible to attend the EGM and H Shareholders' Class Meeting.

### **X. RECOMMENDATION**

The Board considers that the resolutions contained in the notices convening the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting are in the best interests of the Company and its Shareholders as a whole. As such, the Board recommends that all Shareholders to vote in favour of the aforesaid resolutions to be proposed at the EGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting (as the case may be).

### **XI. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

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## NOTICE OF 2017 FIRST EXTRAORDINARY GENERAL MEETING

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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)**

#### **NOTICE OF 2017 FIRST EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 2017 first extraordinary general meeting (the “**EGM**”) of Yanzhou Coal Mining Company Limited (the “**Company**”) will be held at 9:00 a.m. on Friday, 10 March 2017 at the headquarter of the Company at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the People's Republic of China (the “**PRC**”) for the purpose of considering and, if thought fit, passing the following resolutions of the Company (details of which are set out in the circular of the Company dated 24 January 2017 (the “**Circular**”) and unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the Circular):

#### **AS ORDINARY RESOLUTIONS**

1. To consider and approve the “Proposal in relation to the provision of loans to Yancoal International (Holding) Co., Limited”;
2. To consider and approve the “Proposal in relation to the extension of the repayment date of the outstanding loans owed by the controlled subsidiaries of the Company”;
3. To consider and approve the “Proposal in relation to the appointment of overseas auditor and its remuneration arrangement”; and
4. To consider and approve the “Proposal in relation to the election of an independent Director of the Company”.

(4.01) To consider and approve the appointment of Kong Xiangguo as an independent Director.

#### **AS SPECIAL RESOLUTIONS**

5. To consider and approve the “Proposal in relation to the non-proceeding of the Company's Non-Public Issuance of A Shares”; and
6. To consider and approve the “Proposal in relation to the provision of financial guarantee to wholly-owned subsidiaries and controlled subsidiary of the Company”.

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

Zoucheng, Shandong, the PRC  
24 January 2017

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## NOTICE OF 2017 FIRST EXTRAORDINARY GENERAL MEETING

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*Notes:*

### 1. Eligibility for attending the EGM

Holders of the Company's overseas listed foreign invested shares (in the form of H Shares) whose names appear on the Company's H Shares register of members which is maintained by Hong Kong Registrars Limited at the close of business on Tuesday, 7 February 2017 are entitled to attend the EGM after completing the registration procedures for attending the EGM.

Holders of H Shares, who intend to attend the EGM, must deliver the completed reply slips for attending the EGM to the Office of the Secretary to the Board no later than Friday, 17 February 2017.

Shareholders can deliver the necessary documents for registration to the Company in person, by post or by facsimile. Further details of the requirements of the instrument appointing the proxies are set out in note 2 below.

### 2. Proxy

Each holder of H Shares who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the EGM.

The proxies of a Shareholder who has appointed more than one proxy may only vote on a poll. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal entity, either under seal or under the hand of a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointer, the power of attorney authorizing that attorney to sign, or other documents of authorization, must be notarized.

For holders of H Shares, the power of attorney or other documents of authorization and proxy forms must be delivered to Hong Kong Registrars Limited (17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) no less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof in order for such documents to be valid.

### 3. Closure of register of members

**The H Share register of members of the Company will be closed from Wednesday, 8 February 2017 to Friday, 10 March 2017 (both days inclusive), during which period no transfer of the Company's H Shares will be registered** for the purpose of ascertaining the eligibility of Shareholders to attend the EGM. In order to attend EGM, all share transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's H Share Registrar, Hong Kong Registrars Limited, at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Tuesday, 7 February 2017 for registration. H Shareholders whose names appear on the Share register of members of the Company maintained by Hong Kong Registrars Limited on or before the above date will be eligible to attend the EGM.

### 4. Miscellaneous

- (1) The EGM is expected to last half a day. Shareholders attending the EGM are responsible for their own transportation and accommodation expenses.
- (2) All voting at the EGM will be conducted by means of on-site voting and online voting.
- (3) Details of the Office of the Secretary to the Board are as follows:

298 South Fushan Road  
Zoucheng  
Shandong Province 273500  
PRC  
Tel:86-537-5382319  
Fax:86-537-5383311

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## NOTICE OF 2017 FIRST A SHAREHOLDERS' CLASS MEETING

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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)**

#### **NOTICE OF 2017 FIRST A SHAREHOLDERS' CLASS MEETING**

**NOTICE IS HEREBY GIVEN** that the 2017 first A shareholders' class meeting (the "**A Shareholders' Class Meeting**") of Yanzhou Coal Mining Company Limited (the "**Company**") will be held at 11:00 a.m. on Friday, 10 March 2017 at the headquarter of the Company at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the People's Republic of China (the "**PRC**") for the purpose of considering and, if thought fit, passing the following resolution of the Company (details of which are set out in the circular of the Company dated 24 January 2017 (the "**Circular**") and unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the Circular):

#### **AS A SPECIAL RESOLUTION**

To consider and approve the "Proposal in relation to the non-proceeding of the Company's Non-Public Issuance of A Shares".

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

Zoucheng, Shandong, the PRC  
24 January 2017

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## NOTICE OF 2017 FIRST A SHAREHOLDERS' CLASS MEETING

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*Notes:*

### **1. Eligibility for attending the A Shareholders' Class Meeting**

Holders of A Shares whose names appear on the Company's A Shares register of members at the close of business on Tuesday, 7 February 2017 are entitled to attend the A Shareholders' Class Meeting. Holders of A Shares, who intend to attend the A Shareholders' Class Meeting, must deliver the completed reply slips for attending the A Shareholders' Class Meeting to the Office of the Secretary to the Board no later than Friday, 17 February 2017. Shareholders can deliver the necessary documents for registration to the Company in person, by post or by facsimile. Further details of the requirements of the instrument appointing the proxies are set out in note 2 below.

### **2. Proxy**

Each holder of A Shares who has the right to attend and vote at the A Shareholders' Class Meeting is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the A Shareholders' Class Meeting. The proxies of a Shareholder who has appointed more than one proxy may only vote on a poll. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal entity, either under seal or under the hand of a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointer, the power of attorney authorizing that attorney to sign, or other documents of authorization, must be notarized.

### **3. Miscellaneous**

- (1) Holders of the A Shares attending the A Shareholders' Class Meeting are responsible for their own transportation and accommodation expenses.
- (2) All voting at the A Shareholders' Class Meeting will be conducted by means of on-site voting and online voting.
- (3) Details of the Office of the Secretary to the Board are as follows:

298 South Fushan Road  
Zoucheng  
Shandong Province 273500  
PRC  
Tel:86-537-5382319  
Fax:86-537-5383311

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## NOTICE OF 2017 FIRST H SHAREHOLDERS' CLASS MEETING

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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)**

#### **NOTICE OF 2017 FIRST H SHAREHOLDERS' CLASS MEETING**

**NOTICE IS HEREBY GIVEN** that the 2017 first H shareholders' class meeting (the "**H Shareholders' Class Meeting**") of Yanzhou Coal Mining Company Limited (the "**Company**") will be held at 11:30 a.m. on Friday, 10 March 2017 at the headquarter of the Company at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the People's Republic of China (the "**PRC**") for the purpose of considering and, if thought fit, passing the following resolution of the Company (details of which are set out in the circular of the Company dated 24 January 2017 (the "**Circular**") and unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the Circular):

#### **AS A SPECIAL RESOLUTION**

To consider and approve the "Proposal in relation to the non-proceeding of the Company's Non-Public Issuance of A Shares".

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

Zoucheng, Shandong, the PRC  
24 January 2017

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## NOTICE OF 2017 FIRST H SHAREHOLDERS' CLASS MEETING

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*Notes:*

### 1. Eligibility for attending the H Shareholders' Class Meeting

Holders of the Company's overseas listed foreign invested shares (in the form of H Shares) whose names appear on the Company's H Shares register of members at the close of business on Tuesday, 7 February 2017 are entitled to attend the H Shareholders' Class Meeting. Holders of H Shares, who intend to attend the H Shareholders' Class Meeting, must deliver the completed reply slips for attending the H Shareholders' Class Meeting to the Office of the Secretary to the Board no later than Friday, 17 February 2017. Shareholders can deliver the necessary documents for registration to the Company in person, by post or by facsimile. Further details of the requirements of the instrument appointing the proxies are set out in note 2 below.

### 2. Proxy

Each holder of H Shares who has the right to attend and vote at the H Shareholders' Class Meeting is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the H Shareholders' Class Meeting.

The proxies of a Shareholder who has appointed more than one proxy may only vote on a poll. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal entity, either under seal or under the hand of a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointer, the power of attorney authorizing that attorney to sign, or other documents of authorization, must be notarized.

For holders of H Shares, the power of attorney or other documents of authorization and proxy forms must be delivered to Hong Kong Registrars Limited (17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) no less than 24 hours before the time appointed for the holding of the H Shareholders' Class Meeting or any adjournment thereof in order for such documents to be valid.

### 3. Closure of register of members

**The H Share register of members of the Company will be closed from Wednesday, 8 February 2017 to Friday, 10 March 2017 (both days inclusive), during which period no transfer of the Company's H Shares will be registered.** In order to attend the H Shareholders' Class Meeting, all share transfers, accompanied by the relevant share certificates, must be lodged for registration with Hong Kong Registrars Limited, at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Tuesday, 7 February 2017 for registration.

### 4. Miscellaneous

- (1) Holders of the H Shares attending the H Shareholders' Class Meeting are responsible for their own transportation and accommodation expenses.
- (2) All voting at the H Shareholders' Class Meeting will be conducted by means of on-site voting.
- (3) Details of the Office of the Secretary to the Board are as follows:

298 South Fushan Road  
Zoucheng  
Shandong Province 273500  
PRC  
Tel:86-537-5382319  
Fax:86-537-5383311