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If you have sold or transferred all your shares in **Yanzhou Coal Mining Company Limited**, you should at once hand this circular 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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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)

- (1) PROPOSED APPOINTMENT OF NON-INDEPENDENT DIRECTORS AND INDEPENDENT DIRECTORS;**
- (2) PROPOSED APPOINTMENT OF NON-STAFF REPRESENTATIVE SUPERVISORS;**
- (3) PROPOSED RENEWAL OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR OFFICERS;**
- (4) PROPOSAL FOR APPOINTMENT OF EXTERNAL AUDITING FIRM FOR THE YEAR 2020;**
- (5) PROPOSAL TO AUTHORIZE THE COMPANY TO CARRY OUT DOMESTIC AND OVERSEAS FINANCING ACTIVITIES;**
- (6) PROPOSAL FOR THE PROVISION OF FINANCIAL GUARANTEES TO THE SUBSIDIARIES AND GRANTING OF AUTHORIZATION TO YANCOAL AUSTRALIA AND ITS SUBSIDIARIES TO PROVIDE GUARANTEES FOR THE DAILY OPERATION OF THE SUBSIDIARIES OF THE COMPANY IN AUSTRALIA;**
- (7) PROPOSAL FOR THE GENERAL MANDATES TO ISSUE H SHARES AND REPURCHASE H SHARES; AND**
- (8) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING**

The notices convening the AGM and the H Shareholders' Class Meeting to be held at the headquarters of the Company at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 8:30 a.m. and 10:30 a.m. respectively on Friday, 19 June 2020 were published on 29 April 2020.

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. The form of proxy shall be lodged with the Company's H Share Registrar, Hong Kong Registrars Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the Office of the Secretary to the Board at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC (for holders of A Shares) 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.

29 May 2020

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DEFINITIONS

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

“A Shareholders”	holders of A Shares;
“A Shareholders’ Class Meeting”	the 2020 first class meeting of A Shareholders to be held at the headquarters of the Company at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 10:00 a.m. on Friday, 19 June 2020;
“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;
“AGM”	the 2019 annual general meeting of the Company to be held at the headquarters of the Company, 298 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 8:30 a.m. on Friday, 19 June 2020;
“Articles of Association”	the articles of association of the Company;
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules;
“AUD”	Australian dollars, the lawful currency of Australia;
“Audit Committee”	the audit committee of the Company;
“Board”	the board of Directors of the Company;
“Company” or “Yanzhou Coal”	Yanzhou Coal Mining Company Limited (兗州煤業股份有限公司), a joint stock limited company incorporated in the PRC and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively;
“Company Law”	Company Law of the People’s Republic of China, as revised from time to time;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“H Shareholders”	holders of H Shares;

DEFINITIONS

“H Shareholders’ Class Meeting”	the 2020 first class meeting of H Shareholders to be held at the headquarters of the Company at 298 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 10:30 a.m. on Friday, 19 June 2020;
“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 Hong Kong Stock Exchange;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as revised from time to time;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Latest Practicable Date”	22 May 2020, being the latest practicable date of ascertaining certain information contained in this circular before the issuing of this circular;
“Nomination Committee”	the nomination committee of the Company;
“PRC”	The People’s Republic of China excluding, for the purpose of this circular only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Remuneration Committee”	the remuneration committee of the Company;
“Repurchase Mandate”	subject to the conditions set out in each of the proposed special resolution approving the Repurchase Mandate at the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting, the general mandate given to the Board to exercise the power to repurchase H Shares not exceeding 10% of the aggregate nominal value of H Shares of the Company in issue as at the date of the passing of the resolution;
“RMB”	Renminbi, the lawful currency of the PRC;
“Rules of Procedures for the Shareholders’ General Meeting”	the Rules of Procedures for the Shareholders’ General Meeting of the Company

DEFINITIONS

“SAFE”	the State Administration of Foreign Exchange of the People’s Republic of China;
“Shareholders”	the shareholders of the Company;
“Strategy and Development Committee”	the strategy and development committee of the Company
“Supervisor(s)”	the supervisor(s) of the Company;
“Supervisory Committee”	the supervisory committee of the Company;
“Yankuang Group”	Yankuang Group Company Limited* (兗礦集團有限公司), a state-controlled limited liability company, which is the controlling shareholder of the Company holding directly and indirectly approximately 54.05% of the total issued share capital of the Company as at the Latest Practicable Date;
“Yancoal Australia”	Yancoal Australia Limited, a controlled overseas subsidiary of the Company, the shares of which are listed on the Australian Stock Exchange (Stock Code: YAL) and the Hong Kong Stock Exchange (Stock Code: 3668);
“%”	per cent.

* For identification purposes only.

LETTER FROM THE BOARD



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)

Directors:

Li Xiyong
Li Wei
Wu Xiangqian
Liu Jian
Guo Dechun
Zhao Qingchun
Guo Jun

Independent non-executive Directors:

Kong Xiangguo
Cai Chang
Poon Chiu Kwok
Qi Anbang

Registered office:

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

*Principal place of business
in Hong Kong:*

40th Floor, Sunlight Tower
248 Queen's Road East
Wanchai
Hong Kong

29 May 2020

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED APPOINTMENT OF NON-INDEPENDENT DIRECTORS AND INDEPENDENT DIRECTORS;**
- (2) PROPOSED APPOINTMENT OF NON-STAFF REPRESENTATIVE SUPERVISORS;**
- (3) PROPOSED RENEWAL OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR OFFICERS;**
- (4) PROPOSAL FOR APPOINTMENT OF EXTERNAL AUDITING FIRM FOR THE YEAR 2020;**
- (5) PROPOSAL TO AUTHORIZE THE COMPANY TO CARRY OUT DOMESTIC AND OVERSEAS FINANCING ACTIVITIES;**
- (6) PROPOSAL FOR THE PROVISION OF FINANCIAL GUARANTEES TO THE SUBSIDIARIES AND GRANTING OF AUTHORIZATION TO YANCOAL AUSTRALIA AND ITS SUBSIDIARIES TO PROVIDE GUARANTEES FOR THE DAILY OPERATION OF THE SUBSIDIARIES OF THE COMPANY IN AUSTRALIA;**
- (7) PROPOSAL FOR THE GENERAL MANDATES TO ISSUE H SHARES AND REPURCHASE H SHARES; AND**
- (8) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING**

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to provide you with information relating to (1) the proposed appointment of non-independent Directors and independent Directors; (2) the proposed appointment of non-staff representative Supervisors; (3) the proposed renewal of liability insurance for Directors, Supervisors and senior officers of the Company; (4) the proposal for appointment of external auditing firm for the year 2020; (5) the proposal to authorize the Company to carry out domestic and overseas financing activities; (6) the proposal for the provision of financial guarantees to the subsidiaries and granting of authorization to Yancoal Australia and its subsidiaries to provide guarantees for the daily operation of the subsidiaries of the Company in Australia; (7) the proposal for the general mandates to issue H Shares and repurchase H Shares; and (8) the proposed amendments to the Articles of Association and the Rules of Procedures for the Shareholders' General Meeting.

II. PROPOSED APPOINTMENT OF NON-INDEPENDENT DIRECTORS AND INDEPENDENT DIRECTORS

In accordance with the provisions of the Articles of Association, Mr. Li Xiyong, Mr. Li Wei, Mr. Wu Xiangqian, Mr. Liu Jian, Mr. Zhao Qingchun, Mr. Cai Chang and Mr. Poon Chiu Kwok will retire by rotation at the conclusion of the AGM and being eligible, offer themselves for re-election as Directors of the eighth session of the Board.

Mr. Guo Dechun will cease to act as non-independent Director, Mr. Kong Xiangguo will cease to act as independent Director, member of Audit Committee and Remuneration Committee of the Board, and Mr. Qi Anbang will cease to act as independent Director, chairman of Remuneration Committee and member of Audit Committee and Strategy and Development Committee of the Board due to expiration of the term of service of the seventh session of the Board with effect from the date of the conclusion of the AGM. The Board would like to thank the retiring Directors for their valuable contributions to the Company during their terms of service.

At the thirty-second meeting of the seventh session of the Board held on 27 March 2020, Mr. Li Xiyong, Mr. Li Wei, Mr. Wu Xiangqian, Mr. Liu Jian, and Mr. Zhao Qingchun were nominated for re-appointment as non-independent Directors of the eighth session of the Board, and Mr. He Jing was nominated for appointment as non-independent Director of the eighth session of the Board upon retirement of Mr. Guo Dechun; Mr. Cai Chang and Mr. Poon Chiu Kwok were nominated for re-appointment as independent Directors of the eighth session of the Board, and Mr. Tian Hui and Mr. Zhu Limin were nominated for appointment as independent Directors of the eighth session of the Board upon retirement of Mr. Kong Xiangguo and Mr. Qi Anbang.

When proposing the appointment of independent Directors, the Nomination Committee considers the diversity of the Board members from various aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and years of service. After considering the above factors, the Nomination Committee makes a final recommendation to the Board on the merits of the candidates and their potential contribution to the Company and the Board. The Board believes that the educational background,

LETTER FROM THE BOARD

professional experience and cultural background of the independent Directors proposed to be appointed contribute to the diversity of the Board. In addition, the independent Directors proposed to be appointed have given to the Company confirmation of their independence in accordance with Rule 3.13 of the Hong Kong Listing Rules. The Board, therefore, considers the independent Directors proposed to be appointed to be independent and believes they should be appointed.

The Board has noted that as of the Latest Practicable Date, Mr. Poon Chiu Kwok served as the independent director of over seven listed companies. Although Mr. Poon Chiu Kwok serves as the independent director of over seven listed companies, the Company considers that Mr. Poon Chiu Kwok has been and will continue to fulfill his roles and obligations diligently as an independent Director of the Company. An independent director is not required to take an executive role in the management and operations of the Group but to supervise the management of the Group and to attend board meetings and special committee meetings (either physically or by other means of communications) as and when required. Mr. Poon Chiu Kwok's strong proven record of attendance and participation in the Company's board meetings upon his first joined the Company fully demonstrates his proactive commitments to the Company.

Mr. Poon Chiu Kwok possesses good academic and professional qualifications, diverse experiences and knowledge across a wide range of industries together with a broad understanding of culture in China. He has been able to bring about strategic business, governance and capital market insights to the Board which were critical and complementary to effective board decision. The Company and the Directors are of the view, and as confirmed by Mr. Poon Chiu Kwok, that Mr. Poon Chiu Kwok will be able to devote sufficient time to discharge his duties as independent Director of the Company.

Mr. Poon Chiu Kwok has also demonstrated that he understands his duties and obligations as required by the relevant laws and regulations, including the Listing Rules, while in the course of discharging his duties and obligation, Mr. Poon Chiu Kwok, same as other Directors, is fully supported by the Company secretary and the legal team. The Company really appreciates that Mr. Poon Chiu Kwok has offered himself for re-election as independent director.

The biographical details of the Directors proposed to be appointed are set out in Appendix II to this circular. Ordinary resolutions to approve their respective appointment will be proposed at the AGM.

The staff Directors for the eighth session of the Board of the Company shall be elected by the staff of the Company in the staff representative meeting or by other ways democratically.

III. PROPOSED APPOINTMENT OF NON-STAFF REPRESENTATIVE SUPERVISORS

In accordance with the provisions of the Articles of Association, Mr. Gu Shisheng and Mr. Zhou Hong will retire by rotation at the conclusion of the AGM and being eligible, offer themselves for re-election as Supervisors of the eighth session of the Supervisory

LETTER FROM THE BOARD

Committee. Mr. Meng Qingjian and Mr. Zhang Ning will retire upon the conclusion of the AGM. The Supervisory Committee would like to thank the retiring Supervisors for their valuable contributions to the Company during their terms of service.

At the eighteenth meeting of the seventh session of the Supervisory Committee held on 27 March 2020, Mr. Gu Shisheng and Mr. Zhou Hong were nominated for re-appointment as non-staff representative Supervisors of the eighth session of the Supervisory Committee; Mr. Li Shipeng and Mr. Qing Yanpo were nominated as non-staff representative Supervisors of the eighth session of the Supervisory Committee upon retirement of Mr. Meng Qingjian and Mr. Zhang Ning.

The biographical details of the Supervisors proposed to be appointed are set out in Appendix II to this circular. Ordinary resolutions to approve their respective appointment will be proposed at the AGM.

The staff Supervisors for the eighth session of the Supervisory Committee of the Company shall be elected by the staff of the Company in the staff representative meeting or by other ways democratically.

IV. PROPOSED RENEWAL OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR OFFICERS

It is proposed that the Company will renew the liability insurance for the Directors, Supervisors and senior officers of the Company for a maximum insured amount of USD15 million.

V. PROPOSAL FOR APPOINTMENT OF EXTERNAL AUDITING FIRM FOR THE YEAR 2020

It is proposed that ShineWing Certified Public Accountants (special general partnership) and SHINEWING (HK) CPA Limited be appointed as the Company's domestic and international auditors for the year 2020, respectively, until the conclusion of the next annual general meeting of the Company, and arrangements in respect of their remuneration be approved.

It is proposed that the remuneration to be paid to the auditors in 2020 is as follows:

- 1) the auditing fees for the domestic and overseas operations in 2020 will be RMB8.85 million. The Company will reimburse the accountants with accommodation and catering expense during their on-site auditing in the Company, excluding the travel expense and other expenses.
- 2) to authorize the Board to decide the payment for increased follow-up auditing, internal control audit and other services resulted from the Company's new subsidiaries or changes of regulations.

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VI. PROPOSAL TO AUTHORIZE THE COMPANY TO CARRY OUT DOMESTIC AND OVERSEAS FINANCING ACTIVITIES

In order to optimise the Company's debt structure, and satisfy the capital demands of the Company's daily operations, projects and external investment, subject to the relevant laws, regulations as well as listing rules in places where the Company's securities are listed, the Board proposed:

- 1) To approve the Company or its controlled subsidiaries to carry out financing activities of aggregate amount not exceeding the equivalent of RMB50 billion and to determine the financing currency and methods based on merits of market conditions, which are restricted to the following financing methods only: bank loans, corporate bonds, medium-term notes, short-term bonds, super short-term bonds, renewable bonds, perpetual bonds, perpetual medium-term notes, private placement bonds, operating lease, financing lease, asset securitization, asset-backed notes, financing on transfer of right of return over assets, debt-to-equity funds, private placement of industry funds, acceptance of insurance, the equity investment and bonds investment in the controlled subsidiaries by the subsidiaries of the trust and public offering funds.

When the financing businesses are to be implemented, the necessary approval procedures and information disclosure obligations shall be performed in accordance with the relevant regulations of the places where the Company is listed.

- 2) To authorize the chairman of the Board to deal with all matters in respect of the abovementioned financing businesses in accordance with the relevant laws and regulations, which include but are not limited to the followings:
 - (1) in light of the Company's situation and the market conditions, and according to the relevant laws, rules and the requirements of regulatory authorities, to formulate and adjust specific plan in relation to such financing activities, including but not limited to the determination of the suitable entity to carry out the financing activities, the amounts, methods, terms and other matters related to financing activities;
 - (2) to determine the engagement of intermediaries and to sign and implement all agreements and documents in respect of the financing activities and disclose the relevant information;
 - (3) to deal with the reporting, registration, approval of the materials in respect of the financing activities provided to the domestic and overseas regulatory authorities and other relevant authorities, and other relevant matters.

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- 3) the aforementioned authorization shall become valid after the date of conclusion of the AGM at which this proposal is considered until the date of conclusion of the next annual general meeting of the Company, except where the circumstances require the person(s) so authorized to exercise his powers after the expiry of the term of authorization in relation to any contracts, agreements or decisions regarding the financial guarantees that have been made within the term of authorization.

VII. PROPOSAL FOR THE PROVISION OF FINANCIAL GUARANTEES TO THE SUBSIDIARIES AND GRANTING OF AUTHORIZATION TO YANCOAL AUSTRALIA AND ITS SUBSIDIARIES TO PROVIDE GUARANTEES FOR THE DAILY OPERATION OF THE SUBSIDIARIES OF THE COMPANY IN AUSTRALIA

The Board proposed:

- 1) in order to reduce financing costs of the subsidiaries and ensure the normal operation funding needs of the subsidiaries, to approve the provision of financial guarantee(s) of an aggregate amount not exceeding the equivalent of US\$5 billion by the Company to its wholly-owned subsidiaries and controlled subsidiaries;
- 2) in order to satisfy the requirements of daily operations of the Company's subsidiaries in Australia and further reduce the operating cost, in accordance with the Australian Corporate Law and relevant laws and regulations, to approve the provision of guarantees by Yancoal Australia and its subsidiaries for an amount not exceeding AUD1.2 billion to the subsidiaries of the Company in Australia for their daily operations;
- 3) to approve and authorize the chairman of the Board to deal with matters in relation to the aforesaid financial guarantees in accordance with the relevant laws, regulations and rules, such matters include but are not limited to the following:
 - (1) to determine the appropriate wholly-owned or controlled subsidiaries which will be provided with the guarantees based on their financing needs;
 - (2) to determine the exact terms and conditions of the guarantee agreements, which include but are not limited to the amount, term, scope and method of guarantee; and to execute the guarantee agreement(s) involved and other relevant legal documents; and
 - (3) to deal with the filing and reporting of documents in respect of the guarantee(s) and other relevant matters.
- 4) that the aforementioned authorization shall become valid from the date of conclusion of the AGM at which this resolution is considered until the date on which the next annual general meeting of the Company is concluded, except where the circumstances require the person(s) so authorized to exercise his powers

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after the expiry of the term of authorization in relation to any contracts, agreements or decisions regarding the financial guarantees that have been made within the term of authorization.

VIII. PROPOSAL FOR THE GENERAL MANDATES TO ISSUE H SHARES AND REPURCHASE H SHARES

To ensure flexibility and to grant discretion to the Board to issue H Shares, the Company will put forward a special resolution at the AGM to grant a general mandate to the Board to allot, issue and deal with H Shares of up to a maximum of 20% of the aggregate nominal value of H Shares of the Company in issue as at the date of passing of the resolution.

The mandate to issue H shares would expire on the earlier of (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant special resolution at the AGM; or (b) the date on which the authority conferred by the relevant resolutions is revoked or varied by a special resolution of the Shareholders at a general meeting.

To ensure flexibility and to grant discretion to the Board to repurchase any H Shares under appropriate circumstances (including where such repurchase may lead to an enhancement of the net asset value per Share and/or the earnings per Share), the Company will put forward a special resolution at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, respectively, to grant the Repurchase Mandate to the Board to repurchase H Shares not exceeding 10% of the aggregate nominal value of H Shares of the Company in issue as at the date of passing of the resolution approving the Repurchase Mandate, and to approve the Board to authorize any one of the Directors to act on behalf of the Board to make timely decision about the specific matters of the repurchase of H shares after the Board has been granted the general mandate to repurchase up to 10% of the total issued H shares, and carries out the relevant approval and disclosure procedures, including but not limited to, determine the timing, quantity and price of the repurchase and open overseas securities account and carry out the corresponding change of foreign exchange registration procedures, inform creditors and make public announcement, cancel the shares repurchased, decrease the registered capital, amend the Articles of Association, and carry out the corresponding change of registration procedures and execute and handle other documents and matters related to the repurchase.

The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for (a) reducing its share capital; (b) a merger with another entity that holds the shares of the Company; (c) granting shares for the employee stock ownership plan or share incentive; (d) the repurchase is made at the request of its shareholders who disagree with shareholders' resolutions in connection with merger or division of the company; (e) the repurchased shares are used for the corporate bonds convertible into shares of the listed company; or (f) the repurchase is necessary for maintaining the value of the listed company and the interests of its shareholders. The Articles of Association provide that, subject to obtaining the approval of the relevant regulatory authorities and complying with the Articles of Association, share repurchase may be effected by the Company for the reduction of its

LETTER FROM THE BOARD

share capital, a merger between itself and another entity that holds its shares, the employee stock ownership plan or share incentive, the request of its shareholders who disagree with shareholders' resolutions in connection with merger or division of the company, the conversion of convertible corporate bonds issued by the listed company, maintenance of the value of the company and the interests of its shareholders, or in circumstances permitted by law or administrative regulations.

The Hong Kong Listing Rules permit shareholders of a PRC joint stock limited company to grant a general mandate to the board of directors to repurchase H shares of such company that is listed on the Hong Kong Stock Exchange. Such mandate is required to be given by way of a special resolution passed by shareholders at the AGM and special resolutions passed by holders of A shares and holders of H shares in separate class meetings.

As the H Shares are traded on the Hong Kong Stock Exchange in Hong Kong dollars and the price payable by the Company for any repurchase of H Shares will, therefore, be paid in Hong Kong dollars, the approvals of SAFE and other relevant government authorities are required for any repurchase of H shares.

In accordance with the requirements of the Articles of Association applicable to capital reduction, prior to exercising the Repurchase Mandate, the Company will have to notify its creditors in writing of the passing of such special resolutions and the possible reduction of the registered capital of the Company. The Company shall notify its creditors within 10 days after the passing of such special resolutions and also by way of publication of announcement in newspaper within 30 days after the passing of such special resolutions. Creditors then have a period of up to 30 days after the Company's written notification or if no such notification has been received, up to 45 days after the first publication of the newspaper announcement to require the Company to repay amounts due to them or to provide guarantees in respect of such amounts.

The Repurchase Mandate will be conditional upon (a) the special resolution for the grant of the Repurchase Mandate being approved at the AGM; (b) the special resolution for the grant of the Repurchase Mandate being approved at the H Shareholders' Class Meeting and the A Shareholders' Class Meeting; (c) the approvals of the SAFE and/or any other regulatory authorities (if applicable) as required by the laws, rules and regulations of the PRC being obtained; and (d) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the provisions of the Articles of Association. If the Company determines to repay any amount to any of its creditors in circumstances described under condition (d) above, it expects to do so out of its internal resources. If the above conditions are not fulfilled, the Repurchase Mandate will not be exercised by the Board.

The Repurchase Mandate would expire on the earlier of (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant special resolutions at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class

LETTER FROM THE BOARD

Meeting; or (b) the date on which the authority conferred by the relevant resolutions is revoked or varied by a special resolution of the Shareholders at a general meeting or by H Shareholders or A Shareholders at their respective class meetings.

The total number of H Shares which may be repurchased pursuant to the Repurchase Mandate shall not exceed 10% of the aggregate nominal value of H Shares in issue as at the date of passing of the resolution approving the Repurchase Mandate.

Details of the special resolutions to be proposed at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting in relation to the granting of the Repurchase Mandate to the Board are set out respectively in the notice of the AGM, the notice of the A Shareholders' Class Meeting and the notice of the H Shareholders' Class Meeting.

Explanatory statement

An explanatory statement containing all relevant information relating to the Repurchase Mandate is set out in Appendix I to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Board the Repurchase Mandate.

IX. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURES FOR SHAREHOLDERS' GENERAL MEETING

The proposal in relation to the proposed amendments to the Articles of Association and the Rules of Procedures for Shareholders' General Meeting was approved at the thirty-second meeting of the seventh session of the Board, and the Board agreed to submit the same to the AGM for consideration and approval.

In accordance with the amendments of the laws and regulations in the PRC as well as the operation needs of the Company and its subsidiaries, for the purpose of maintaining consistency with applicable laws and regulations, the Company proposed to amend the Articles of Association and the Rules of Procedures for Shareholders' General Meeting.

The details of the proposed amendments to the Articles of Association and the Rules of Procedures for Shareholders' General Meeting are set out in Appendix III to this circular.

X. AGM, A SHAREHOLDERS' CLASS MEETING AND H SHAREHOLDERS' CLASS MEETING

The notices convening the AGM, the A Shareholders' Class Meeting and the H Shareholders' Meeting were published on 29 April 2020.

LETTER FROM THE BOARD

The following resolutions will be proposed to the Shareholders at the AGM:

As ordinary resolutions:

1. To consider and approve the working report of the Board for the year ended 31 December 2019, details of which are set out in the section headed “Board of Directors’ Report” in the 2019 annual report of the Company;
2. To consider and approve the working report of the Supervisory Committee for the year ended 31 December 2019, details of which are set out in the notice of the AGM dated 29 April 2020;
3. To consider and approve the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2019, details of which are set out in the 2019 annual report of the Company;
4. To consider and approve the proposed profit distribution plan of the Company for the year ended 31 December 2019 and to authorize the Board to a cash dividend of RMB0.58 (tax inclusive) per share to the Shareholders based on the number of shares on the dividend distribution record date. Based on the Company’s total share capital on 31 December 2019, it is estimated to distribute a cash dividend of RMB2,849.0 million (including tax) for the year 2019;
5. To consider and approve the remuneration of the Directors and Supervisors for the year ending 31 December 2020;
6. To consider and approve the “Proposal in relation to the renewal of the liability insurance of the Directors, Supervisors and senior officers”;
7. To consider and approve the “Proposal in relation to the appointment and remuneration of external auditing firm for the year 2020”;
13. To consider and approve the appointment of non-independent Directors, details of which are set out in the announcement in relation to the proposed change of Director and Supervisors of the Company dated 27 March 2020;
14. To consider and approve the appointment of independent Directors, details of which are set out in the announcement in relation to the proposed change of Director and Supervisors of the Company dated 27 March 2020; and
15. To consider and approve the appointment of non-employee representative, details of which are set out in the announcement in relation to the proposed change of Director and Supervisors of the Company dated 27 March 2020.

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As special resolutions:

8. To consider and approve the “Proposal in respect of the provision of financial guarantee(s) to the Company’s subsidiaries and the granting of authorization to Yancoal Australia Limited and its subsidiaries to provide guarantee(s) in relation to daily operations to the subsidiaries of the Company in Australia”;
9. To consider and approve the “Proposal to authorize the Company to carry out domestic and overseas financing businesses”;
10. To consider and approve the amendments to the Articles of Association of Yanzhou Coal Mining Company Limited and the relevant Rules of Procedures for Shareholders’ General Meeting;
11. To consider and approve the “Proposal regarding the general mandate authorizing the Board to issue additional H shares”; and
12. To consider and approve the “Proposal regarding the general mandate authorizing the Board to repurchase H shares”.

The following resolutions will be proposed to the Shareholders at the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting:

As special resolutions:

1. To consider and approve the amendments to the Articles of Association of Yanzhou Coal Mining Company Limited and the relevant Rules of Procedures for Shareholders’ General Meeting; and
2. To consider and approve the proposal regarding the general mandate authorizing the Board to repurchase H Shares.

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 dated 29 April 2020 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, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. For holders of A Shares of the Company, 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.

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XI. CLOSURE OF H SHARE REGISTER OF MEMBERS OF THE COMPANY

1. Attending the AGM and H Shareholders' Class Meeting

The H Share register of members of the Company will be closed from Tuesday, 19 May 2020 to Friday, 19 June 2020 (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 AGM and the H Shareholders' Class Meeting. In order to attend the AGM 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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 18 May 2020 for registration. H Shareholders whose names appear on the H Share register of members of the Company maintained by Hong Kong Registrars Limited at the close of business on Monday, 18 May 2020 will be eligible to attend the AGM and the H Shareholders' Class Meeting.

2. Receipt of final dividend

The Company will put forward an ordinary resolution at the AGM to approve the distribution of a cash dividend of RMB0.58 (tax inclusive) per share to the Shareholders based on the number of shares on the dividend distribution record date. Based on the Company's total share capital on 31 December 2019, it is estimated to distribute a cash dividend of RMB2,849.0 million (including tax) for the year 2019.

To determine the identity of the Shareholders entitled to receive the final dividend, the Company's H Share register of members will be closed from Monday, 29 June 2020 to Monday, 6 July 2020 (both days inclusive), during which period no transfer of H Shares will be registered. In order to be entitled to the final dividend, H Shareholders who have not registered the transfer documents are required to deposit the transfer documents together with the relevant Share certificates with the H Share Registrar of the Company, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 26 June 2020.

Details in relation to profit distribution to investors who invest in the shares of the Company listed on the Hong Kong Stock Exchange through the SSE or vice versa under the Shanghai – Hong Kong Stock Connect program will be disclosed in the AGM poll results announcement of the Company.

XII. RECOMMENDATION OF THE BOARD

The Directors believe that the resolutions set out in the notices of the AGM, the H Shareholders' Class Meeting and the A Shareholders' Class Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the AGM, the H Shareholders' Class Meeting and the A Shareholders' Class Meeting.

LETTER FROM THE BOARD

XIII.ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the other sections in and the Appendices to this circular.

XIV. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 of directors
Yanzhou Coal Mining Company Limited
Li Xiyong
Chairman

This explanatory statement contains all the information required to be given to the Shareholders pursuant to Rule 10.06(1)(b) of the Listing Rules in connection with the proposed Repurchase Mandate, which is set out as follows:

1. Hong Kong Listing Rules

The Hong Kong Listing Rules permit companies with a primary listing on the Hong Kong Stock Exchange to repurchase their securities subject to certain restrictions. Repurchases must be funded out of funds legally available for the purpose and in accordance with the company's constitutional documents and the applicable laws of the jurisdiction in which the company is incorporated or otherwise established. Any repurchase must be made out of funds which are legally available for the purpose and in accordance with the laws of the PRC and the memorandum and articles of association of the company. Any premium payable on a repurchase over the par value of the shares may be effected out of funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for the purchase of repurchase.

2. Reasons for Repurchase of H Shares

The Board believes that the flexibility afforded by the Repurchase Mandate to repurchase H Shares would be beneficial to and in the best interests of the Company and its Shareholders. Such repurchase may, depending on the market conditions and funding arrangement at the time, lead to an enhancement of the net asset value and/or its earnings per Share and will only be made when the Board believes that such a repurchase will benefit the Company and its Shareholders.

3. Registered Capital

As at the Latest Practicable Date, the registered capital of the Company as filed in the relevant company registration agency of the PRC was RMB4,912,016,000 comprising 1,952,016,000 H Shares of RMB1.00 each and 2,960,000,000 A Shares of RMB1.00 each. From 1 May 2020 up to the Latest Practicable Date, the Company repurchased 52,016,000 H Shares. As at the Latest Practicable Date, the Company cancelled 23,316,000 repurchased H Shares, and the relevant procedures for share cancellation and change of registered capital are in progress.

4. Exercise of the Repurchase Mandate

Subject to the passing of the special resolution approving the granting of the Repurchase Mandate to the Board at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting respectively, the Board will be granted the Repurchase Mandate until the end of the Relevant Period (as defined in the special resolutions in the notice of the AGM, the notice of the A Shareholders' Class Meeting and the notice of the H Shareholders' Class Meeting, respectively). The exercise of the Repurchase Mandate is subject to: (1) the approvals of the relevant PRC regulatory authorities as required by the laws, rules and regulations of the PRC being obtained; and (2) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company

having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the provisions of the Articles of Association applicable to reduction of share capital.

The exercise in full of the Repurchase Mandate (on the basis of 1,928,700,000 H Shares in issue as at the Latest Practicable Date and no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting) would result in a maximum of 192,870,000 H Shares being repurchased by the Company during the Relevant Period, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolutions.

5. Funding of Repurchases

In repurchasing its H Shares, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and undistributed profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to purchase its H Shares. Any repurchases by the Company may only be made out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for such purpose, or from sums standing to the credit of the share premium account of the Company. The Company may not purchase securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time.

Based on the financial position disclosed in the recently published audited accounts for the year ended 31 December 2019, the Board considers that there will not be any material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Board at the relevant time having regard to the circumstances then prevailing and in the best interests of the Company.

6. Status of Repurchased H Shares

The Hong Kong Listing Rules provide that the listing of all the H Shares repurchased by the Company shall automatically be cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws, the H Shares repurchased by the Company for the purpose of reducing registered capital will be cancelled within 10 days after the repurchase date; the H Shares repurchased by the Company for the purpose of protecting the value of the Company and the interests of the Shareholders will be cancelled or transferred within three years. The Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

7. H Shares Prices

The highest and lowest closing prices at which the H Shares have been traded on the Hong Kong Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	H Share Prices	
	Highest HK\$	Lowest HK\$
2019		
May	7.24	6.17
June	6.35	5.78
July	6.47	6.00
August	5.98	5.30
September	7.51	6.82
October	7.21	6.82
November	7.23	6.69
December	7.28	6.70
2020		
January	7.33	5.78
February	6.41	5.89
March	6.42	5.33
April	6.20	5.79
May (up To the Latest Practicable Date)	6.33	5.69

8. Substantial Shareholders

As at the Latest Practicable Date, the interests of substantial shareholder of the Company which was interested in more than 10% of the issued Shares was as follows:

Name	Class of shares	Capacity	Nature of interests	Number of ordinary shares held in the Company	Percentage of total issued share capital of the Company ^(b)
Yankuang Group	A Shares (state legal person share)	Beneficial owner	Long position Short position	2,267,169,423 391,507,272	46.38% 8.00%
Yankuang Group ^(a)	H Shares	Interest of controlled corporation	Long position	374,989,000	7.67%
Total				2,642,158,423	54.05%

Notes:

- (a) Yankuang Group's controlled subsidiary incorporated in Hong Kong holds such H Shares in the capacity of beneficial owner.
- (b) The figures of the percentage ratios are rounded to the nearest two decimal places.

9. General Information

- (a) None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor any of their close associates, have any present intention to sell any H Shares to the Company or any of its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.
- (b) The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to repurchase the H Shares pursuant to the Repurchase Mandate in accordance with the Hong Kong Listing Rules and the applicable laws of the PRC.
- (c) No core connected person (as defined in the Hong Kong Listing Rules) of the Company has notified the Company that he has a present intention to sell H Shares to the Company or its subsidiaries, or has undertaken not to do so, if the Repurchase Mandate is granted and is exercised.

10. Takeovers Code

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

Assuming that the substantial Shareholders do not dispose of their Shares, if the Repurchase Mandate was exercised in full, the percentage shareholdings of the substantial Shareholders before and after such repurchase would be as follows:

Substantial Shareholder	Before repurchase	After repurchase
Yankuang Group	54.05%	56.27%

On the basis of the shareholdings held by the substantial Shareholder named above, an exercise of the Repurchase Mandate in full will not have any implications for the substantial Shareholders under the Takeovers Code.

The Company was informed by Yankuang Group that Yankuang Group had issued exchangeable corporate bonds that are exchangeable into A Shares of the Company, which may result in a decline of Yankuang Groups' percentage shareholdings in the Company. For detailed information about the exchangeable corporate bonds issued by Yankuang Group,

please refer to the relevant announcements of the Company dated 3 November 2016, 6 April 2017, 11 April 2017, 8 September 2017, 21 April 2017, 26 September 2017, 9 April 2018 and 28 December 2018.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of a repurchase, an exercise of the Repurchase Mandate whether in whole or in part will not result in less than the relevant prescribed minimum percentage of the Shares of the Company being held by the public as required by the Hong Kong Stock Exchange.

The Directors have no intention to exercise the Repurchase Mandate to an extent which may result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

Save as disclosed above, the Directors are not aware of any consequences that may arise under the Takeovers Code and/or any relevant law of which the Directors are aware, if any, as a result of any share repurchases made.

11. Share Repurchases Made by the Company

During the six months period preceding the Latest Practicable Date, the Company had repurchased 52,016,000 H shares on the Hong Kong Stock Exchange, representing approximately 2.66% of the issued H share capital of the Company as at the repurchase mandate date, and representing approximately 1.06% of the total issued share capital of the Company as at the repurchase mandate date. As at the Latest Practicable Date, 23,316,000 repurchased H shares were cancelled.

The details of the repurchases are set out as follows:

Date of repurchase	No. of shares repurchased	Repurchase price per share		Aggregate consideration paid
		Highest price paid HKD	Lowest price paid HKD	
4 May 2020	6,000,000	5.70	5.63	34,035,680.00
5 May 2020	4,300,000	5.80	5.68	24,777,060.00
6 May 2020	3,100,000	5.87	5.77	18,052,880.00
8 May 2020	5,500,000	5.93	5.80	32,345,440.00
11 May 2020	4,416,000	6.07	5.97	26,702,680.00
12 May 2020	8,850,000	6.07	5.97	53,223,820.00
13 May 2020	3,516,000	6.02	5.95	21,105,740.00
14 May 2020	2,434,000	6.02	5.95	14,532,740.00
15 May 2020	2,900,000	6.00	5.91	17,224,680.00
18 May 2020	4,200,000	6.26	5.95	25,750,140.00
19 May 2020	2,000,000	6.32	6.26	12,607,860.00
20 May 2020	800,000	6.33	6.25	5,035,660.00
21 May 2020	2,000,000	6.35	6.27	12,633,340.00
22 May 2020	2,000,000	6.22	6.01	12,016,660.00
Total	52,016,000			

The biographical details of the candidate for appointment as the non-independent Directors and independent Directors of the eighth session of the Board are set out as follows:

Non-independent Directors

Li Xiyong, born in October 1963, a research fellow in applied engineering technology with an EMBA degree, is the Chairman of the Company and the Chairman and the Secretary of the Party Committee of Yankuang Group. Mr. Li Xiyong commenced his career in 1981. He was appointed as the head of Huafeng Coal Mine of Xinwen Mining Group Co., Ltd. in May 2001. In June 2006, he was appointed as the Vice General Manager of Xinwen Group. In May 2010, he was appointed as the Chairman and the Secretary of the Party Committee of Xinwen Group. In March 2011, he was appointed as the Vice chairman of Shandong Energy Group Co., Ltd. and the Chairman and the Secretary of the Party Committee of Xinwen Group. In July 2013, he was appointed as the Director, the General Manager and the Vice Secretary of the Party Committee of Yankuang Group. In February 2015, he was appointed as the Chairman and Party Committee Secretary of Yankuang Group. In September 2013, he was appointed as the Chairman of the Company. Mr. Li Xiyong graduated from Shandong University of Science and Technology and Nankai University.

Li Wei, born in September 1966, a research fellow in applied engineering technology with a doctoral degree in engineering, is Vice Chairman of the Company, Deputy Secretary of the Party Committee and General Manager of Yankuang Group. Mr. Li Wei joined the Company's predecessor in 1988. He was appointed as Vice head of Baodian Coal Mine of Yankuang Group in December 1996, the Director of Reorganization Division of Strategic Resource Development Department of Yankuang Group in May 2002, the Chairman, the Secretary of the Party Committee and the General Manager of Yankuang Xilin Neng Hua Co., Ltd in September 2002. In March 2004, he was in charge of all party committee works and management of Baodian Coal Mine, and he was appointed as the head and Deputy Secretary of the Party Committee of Baodian Coal Mine in September 2004, the head and the Deputy Secretary of Party Committee of Nantun Coal Mine in August 2007, the Vice Chief Engineer of Yankuang Group and the Vice Director of Production Safety Inspection Bureau in August 2009, the Vice General Manager of Yankuang Group and the Director of Production Safety Inspection Bureau. In May 2015, he was appointed as the Director, the General Manager and the Vice Secretary of the Party Committee of Yankuang Group, the General Manager of Yankuang Group in December 2015, deputy secretary of the Party Committee of Yankuang Group in October 2019, and the Vice Chairman of the Company in June 2016. Mr. Li Wei graduated from University of Science and Technology Beijing.

Wu Xiangqian, born in February 1966, a research fellow in applied engineering technology and a PhD in engineering, is the Director of the Company and the director of production of Yankuang Group (with the remuneration of an executive deputy general manager). Mr. Wu Xiangqian joined the Company's predecessor in 1988. In 2003, he was appointed as the Vice head of Jining No.3 Coal Mine of the Company. In 2004, Mr. Wu Xiangqian was appointed as the Vice Head and the Chief Engineer of Jining No. 3 Coal Mine. In 2006, he was appointed as the Manager of Jining No. 3 Coal Mine. In March 2014, he was appointed as the Chairman and the General Manager of Yanzhou Coal Ordos Neng

Hua Co., Ltd. (“**Ordos Neng Hua**”) and Chairman of Inner Mongolia Haosheng Coal Mining Co., Ltd, both of which are subsidiaries of the Company. In January 2016, he was appointed as the General Manager and Secretary of the Party Committee of the Company. In April 2020, he was appointed the director of production of Yankuang Group (with the remuneration of an executive deputy general manager). In May 2014, he was appointed as a Director of the Company. Mr. Wu Xiangqian graduated from Shandong University of Science and Technology and China University of Mining and Technology.

Liu Jian, born in February 1969, a research fellow in applied engineering technology and a master in engineering, is the Director, General Manager and Secretary of the Party Committee of the Company. Mr. Liu Jian joined the Company’s predecessor in 1992 and was appointed as the Vice Manager of Dongtan Coal Mine of the Company in 2009. He was appointed as the Manager of Jining No. 3 Coal Mine and the Manager of Dongtan Coal Mine of the Company in 2014 and January 2016, respectively. In December 2016, he was appointed as the Vice General Manager of the Company. In May 2019, he was appointed Director of the Company. In April 2020 and May 2020, he was appointed General Manager and Secretary of the Party Committee of the Company, respectively. Mr. Liu Jian graduated from China University of Mining and Technology. According to the share option scheme adopted by the Company on 12 February 2019, Mr. Liu Jian holds 260,000 unvested options of the Company.

Zhao Qingchun, born in March 1968, a senior accountant with an EMBA degree, is a Director and the Finance Director of the Company. Mr. Zhao Qingchun joined the Company’s predecessor in 1989 and was appointed as the Chief Accountant of Finance Department in 2002 and Director of the Planning and Finance Department of the Company in 2006. In March 2011, he was appointed as the Vice Chief Financial Officer and the Director of the Finance Department of the Company. In March 2014, Mr. Zhao was appointed the Deputy Finance Director and the Director of the Finance Management Department of the Company. In January 2016, he was appointed as the Finance Director of the Company, and was appointed as the Director of the Company in June 2016. Mr. Zhao Qingchun graduated from Nankai University.

He Jing, born in June 1970, is a senior economist and Deputy General Manager of the Company. Mr. He Jing joined the predecessor of the Company in 1992. Mr. He Jing was appointed as Deputy Director of the Human Resources Department of Yankuang Group in 2013, Deputy Director of the Operation and Management Department of Yankuang Group in 2014, Deputy Director of the Goods and Material Supply Center of the Company in 2015, Director of the Goods and Material Supply Center of the Company in 2016, Director of the Marketing and Sales Center of the Company in 2017 and Deputy General Manager of the Company since June 2017. Mr. He Jing graduated from China Coal Economy Academy. According to the share option scheme adopted by the Company on 12 February 2019, Mr. He Jing holds 260,000 unvested options of the Company.

Independent Directors

Tian Hui, born in August 1951, is a PhD supervisor, professor-level senior engineer and national master of engineering survey and design, and enjoys special subsidies from the State Council. Mr. Tian Hui is currently Deputy Director of the China Coal Industry Association Technology Committee. Mr. Tian Hui was Deputy Division Director and Deputy Director of the Shenyang Design Institute of the Coal Ministry, Deputy Director and Deputy Secretary of Beijing Coal Design Institute (Group), Director and Secretary of the Party Committee of China Coal International Engineering Design Institute, Secretary of the Party Committee and Vice Chairman of the board of China Coal Technology Engineering Group and Deputy Director of China Coal Industry Association. Mr. Tian Hui graduated from China University of Mining and Technology.

Cai Chang, born in December 1971, is a professor, PhD supervisor, PhD in Accountancy, Post-doctor of Economics, and an International Certified Senior Public Accountant (ICSPA). Mr. Cai Chang is currently the Director of the Tax Planning and Legal Research Center of the Central University of Finance and Economics, the Director of the Tax Administration Department and the Director of Editorial Board of the Chinese Tax and Legal Think Tank. Mr. Cai Chang is also a member of the Chinese Tax Institute, a visiting professor of Peking University and Tsinghua University, and a master supervisor of Chinese Academy of Social Sciences Graduate School of Taxation and a lecture professor of Minjiang Scholars. Mr. Cai presided over the completion of a number of national and provincial key scientific research projects and published ten works in the field of accounting and tax. Mr. Cai was appointed as the independent non-executive Director of the Company in November 2017. Mr. Cai Chang graduated from Tianjin University of Finance and Economics and the Chinese Academy of Social Sciences.

Poon Chiu Kwok, born in April 1962, a bachelor of laws and a bachelor of business, a master of international accounting, senior certified accountant of CPA Australia, a senior member of Hong Kong Institute of Chartered Secretaries and a member of its consulting group, the audit committee, the China focus group, a senior associate of the Chartered Corporate Governance Institute (previously known as the Institute of Chartered Secretaries and Administrators), a senior member and invited tutor of the Hong Kong Securities and Investment Association. Mr. Poon Chiu Kwok currently is the executive Director, Vice President and the Company Secretary of Huabao International Holdings Limited. Mr. Poon Poon Chiu Kwok has many years of working experience in investment banks, and has cross-industry experience in the financing, governance and management of listed companies. Currently he also acts as an independent Director in the following companies listed in the HKEX: Sunac China Holdings Limited, SANY Heavy Equipment International Holdings Limited, AUX International Holdings Limited, Chongqing Changan Minsheng APLL Logistics Co., Ltd., Green Town Service Group Co., Ltd., Tonly Electronics Holdings Limited, TUS International Limited, Yuanda China Holdings Limited, Jinchuan Group International Resource Co. Ltd, and Honghua Group Co., Ltd. Mr. Poon Chiu Kwok was appointed as an independent non-executive Director of the Company in June 2017. Mr. Poon Chiu Kwok graduated from University of London UK.

Zhu Limin, born in October 1951, holds a master's degree in economics. Mr. Zhu Limin was Deputy Division Director of the Pilot Program Department of National Institution Reform Committee, Division Director of Comprehensive Planning and Pilot Program Department of National Institution Reform Committee, Deputy General Manager of China Enterprise Shareholding Consultancy Company affiliated to National Institution Reform Committee, Deputy Director of Audit Department of China Securities Regulatory Commission, Deputy Director of Audit Bureau of China Securities Regulatory Commission, Director of Investors Education Office and Coordination Department of China Securities Regulatory Commission, Compliance Director of China Securities Corporation, and Chairman of Supervisory Committee of China Securities Corporation. Mr. Zhu Limin is currently a director of Focus Technology Co., Ltd, and independent director of Aisino Corporation, Goldstate Securities Corporation (a private company) and Xinda Securities Corporation (a private company). Mr. Zhu Limin graduated from Nankai University and Renmin University of China.

The Company has received confirmation of independence from Mr. Tian Hui, Mr. Poon Chiu Kwok, Mr. Cai Chang and Mr. Zhu Limin pursuant to Rule 3.13 of the Hong Kong Listing Rules and on this basis, and the Company considers them to be independent.

The term of office of the non-independent Directors and the independent Directors are three years from the date of the conclusion of the AGM till the date of the conclusion of the general meeting for the election of the members of the ninth session of the Board.

Subject to the Shareholders' approval for their respective appointments, each of the above proposed non-independent Directors and independent Directors will enter into a service contract with the Company commencing from the date of the conclusion of the AGM and ending on the date of the conclusion of the general meeting for the election of the members of the ninth session of the Board.

As far as the Directors are aware and save as disclosed above, Mr. He Jing, Mr. Tian Hui and Mr. Zhu Limin: (i) had not held any directorships in any public companies the securities of which were listed on any securities market in Hong Kong and/or overseas in the past three years, nor held any other major appointment and professional qualification; (ii) do not hold any other position with the Company or its subsidiaries; (iii) did not have any interests in the shares or securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (iv) did not have any relationship with other current directors, senior management and substantial or controlling shareholders of the Company.

The remuneration of the above proposed non-independent Directors and independent Directors will be determined at the general meeting of the Company with reference to their respective duties, responsibilities, experience and the prevailing market conditions.

Save as disclosed above, the Board is not aware of any other matter in relation to the above proposed non-independent Directors and independent Directors which is required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules and any other matter that needs to be brought to the attention of the Shareholders.

The biographical details of the candidates for appointment as non-staff representative Supervisors of the eighth session of the Supervisory Committee are set out as follows:

Gu Shisheng, born in January 1964, a professor level senior administrative officer with a postgraduate diploma, is the Chairman of the Supervisory Committee of the Company and the Employee Director, a member of the Party Committee and the Chairman of the Labor Union of Yankuang Group. Mr. Gu Shisheng joined the Company's predecessor in 1979. He served as the Deputy Party Committee Secretary of Xinglongzhuang Coal Mine of Yankuang Group in 1996 and the Party Committee Secretary of Xinlongzhuang Coal Mine of the Company in 2002. He served as the Deputy Secretary of the Discipline Inspection Commission and the Director of Inspection Department of Yankuang Group in 2003. He was appointed as the Chairman of the Labor Union of Yankuang Group in January 2014 and an Employee Director and member of the Party Committee in December 2015. He served as a Supervisor of the Company in May 2014 and Vice Chairman of the Supervisory Committee of the Company in July 2015. He was appointed as the Chairman of the Supervisory Committee of the Company in June 2017. Mr. Gu Shisheng graduated from the Party School of Shandong Provincial Communist Committee.

Zhou Hong, born in May 1970, senior accountant, professor level senior administrative officer, senior economist, A level Human Resource Professional, with a college diploma and a bachelor's degree in economics, is the Vice Chairman of the Supervisory Committee of the Company and a member of the standing committee of the Party Committee of Yankuang Group. Mr. Zhou Hong joined the predecessor of the Company in 1994 and served as the Chief Economist, the Vice Director and the Director of the Human Resource Department of Yankuang Group in August 2006, August 2009, June 2012 successively. He was appointed as the Director of the Operation Management Department of Yankuang Group in March 2014, the Director of the Organization Department of the Party Committee (Human Resource Department) in November 2015, the Employee Supervisor of Yankuang Group in December 2015, and the General Manager Assistant of Yankuang Group in June 2016. He was appointed as a member of the Party Committee of Yankuang Group in October 2019 and the Vice Chairman of the Supervisory Committee of the Company in June 2017. Mr. Zhou Hong graduated from China Coal Economics Institute.

Li Shipeng, born in February 1978, a senior accountant with a master degree of engineering. Mr. Li Shipeng joined the Company in 2000 and was appointed as the Chief Accountant and the Vice Director of Finance Management Department of Yankuang Group (in charge of work) in December 2017 and January 2020, respectively. In April 2020, he was appointed director of the Financial Management Department of Yankuang Group. Mr. Li Shipeng graduated from China University of Petroleum.

Qin Yanpo, born in February 1975, a senior accountant with a postgraduate diploma. Mr. Qin Yanpo joined the Company's predecessor in 1996, and was appointed as the Director of Finance Management Department of Ordos Neng Hua in September 2014; Financial Director and General Counsel of Ordos Neng Hua in November 2016, and director, Financial Director and General Counsel of Ordos Neng Hua in January 2019. In April 2020, he was appointed the head of the Audit and Risk Department of Yankuang Group (in charge of daily operation). Mr. Qin Yanpo graduated from Northwestern Polytechnical University.

According to the share option scheme adopted by the Company on 12 February 2019, Mr. Qin Yanpo holds 120,000 unvested options of the Company (As Mr. Qin Yanpo no longer assumes posts in the Company other than being its Supervisor, the Company will forfeit and cancel share options held by Mr. Qin Yanpo in due course in accordance with the rules of the share option scheme).

The term of office of the Supervisors are three years from the date of the conclusion of the AGM till the date of the conclusion of the general meeting for the election of the members of the ninth session of the Supervisory Committee.

Subject to the Shareholders' approval for their respective appointments, each of the above proposed Supervisors will enter into a service contract with the Company commencing from the conclusion of the AGM and ending on the conclusion of the general meeting for the election of the members of the ninth session of the Board.

As far as the Directors are aware and save as disclosed above, Mr. Li Shipeng and Mr. Qin Yanpo: (i) had not held any directorships in any public companies the securities of which were listed on any securities market in Hong Kong and/or overseas in the past three years, nor held any other major appointment and professional qualification; (ii) do not hold any other position with the Company or its subsidiaries; (iii) did not have any interests in the shares or securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (iv) did not have any relationship with other current directors, senior management and substantial or controlling shareholders of the Company.

The proposed Supervisors above will not receive any remuneration for the duties performed as Supervisors of the Company during their term of services.

Save as disclosed above, the Board is not aware of any other matter in relation to the above proposed Supervisors which is required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules and any other matter that needs to be brought to the attention of the Shareholders.

**APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATIONS AND
RULES OF PROCEDURES FOR SHAREHOLDERS' GENERAL MEETING**

I. Amendments to the Articles of Association

1. The original Article 12 of the Articles of Association

“Article 12 The Company’s scope of business shall be consistent with and subject to the scope of business approved by the authority responsible for the registration of the Company.

The business scope of the company includes:... transportation of goods through self-owned railway within the mining area; transportation of goods through highway; operation of ports;... (Items which need approvals according to the laws shall be subject to the approvals of relevant authorities before operation activities can be carried out).”

The above paragraphs are proposed to be amended as follows:

“Article 12 The Company’s scope of business shall be consistent with and subject to the scope of business approved by the authority responsible for the registration of the Company.

The business scope of the company includes:... transportation of goods through self-owned railway within the mining area; maintenance and repair of equipment and facilities of specialized railway; technology consultation and services for specialized railway route; transportation of goods through highway; operation of ports;... sale and manufacture of fireproof and fire-extinguishing materials; sale and manufacture of industrial digital printing equipment (Items which need approvals according to the laws shall be subject to the approvals of relevant authorities before operation activities can be carried out).”

2. The original Article 46 of the Articles of Association

“Article 46 No change may be made in the register of shareholders as a result of a transfer of shares within thirty (30) days prior to the date of a shareholders’ general meeting or within five (5) days before the record date for the Company’s distribution of dividends.”

The above paragraph is proposed to be amended as follows:

“Article 46 Where the laws, regulations and regulatory rules of the places where the Company’s shares are listed stipulate the period of closure of the register of shareholders before the date of a shareholders’ general meeting or the record date for the Company’s distribution of dividends, such laws, regulations and regulatory rules shall prevail.”

3. The original Article 85 of the Articles of Association

“Article 85 Unless otherwise provided by the relevant laws and regulations, the listing rules issued at the listing place of the Company and the Articles of Association in respect of the means of receipt of corporate communication, when the Company convenes a shareholders’ general meeting, written notice of the meeting shall be given forty-five (45) days before the date of the meeting (when calculating the 45 days’ period, the date on which

**APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATIONS AND
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the meeting is held shall not be included) to notify all of the shareholders whose names appear in the share register of the matters to be considered and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his attendance at such meeting twenty (20) days before the date of the meeting.”

The above paragraph is proposed to be amended as follows:

“Article 85 Unless otherwise provided by the relevant laws and regulations, the listing rules issued at the listing place of the Company and the Articles of Association in respect of the means of receipt of corporate communication, when the Company convenes a shareholders’ general meeting, written notice of the meeting shall be given twenty (20) business days before the date of an annual general meeting and ten (10) business days or fifteen (15) days before the date of an extraordinary meeting (whichever is longer) (when calculating the relevant period, the date on which the notice is given and the date on which the meeting is held shall not be included) to notify all of the shareholders whose names appear in the share register of the matters to be considered and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his attendance at such meeting within the period specified in the notice of the meeting.”

4. The original Article 87 of the Articles of Association

“Article 87... For the holders of Domestic-Invested Shares, notice of the meetings may also be issued by way of public announcement.

The public announcement referred to in the preceding paragraph shall be published in one (1) or more national newspapers designated by the State Council Securities Policy Committee within the interval of forty-five (45) days to fifty (50) days before the date of the meeting; after the publication of such announcement, the holders of Domestic-Invested Shares shall be deemed to have received the notice of the relevant shareholders’ general meeting.”

The above paragraphs are proposed to be amended as follows:

“Article 87... For the holders of Domestic-Invested Shares, notice of the meetings may also be issued by way of public announcement.

The public announcement referred to in the preceding paragraph shall be published in one (1) or more national newspapers designated by the State Council Securities Policy Committee twenty (20) business days before the date of an annual general meeting and ten (10) business days or fifteen (15) days before the date of an extraordinary general meeting (whichever is longer) (when calculating the relevant period, the date on which the notice is given and the date on which the meeting is held shall not be included) after the publication of such announcement, the holders of Domestic-Invested Shares shall be deemed to have received the notice of the relevant shareholders’ general meeting.”

**APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATIONS AND
RULES OF PROCEDURES FOR SHAREHOLDERS' GENERAL MEETING**

5. The original Article 90 of the Articles of Association

“Article 90 The Company shall, based on the written replies which it receives from the shareholders twenty (20) days before the date of the shareholders’ general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting amount to more than one-half of the Company’s total voting shares, the Company may hold the meeting; if not, then the Company shall, within five (5) days, notify the shareholders by way of public announcement the matters to be considered at, and the place and date for, the meeting. The Company may then hold the meeting after publication of such announcement.”

The above paragraph is proposed to be amended as follows:

To be deleted.

6. The original Article 145 of the Articles of Association

“Article 145... Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders forty-five (45) days before the date of the class meeting.... A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company twenty (20) days before the date of the class meeting.”

If the shareholders who intend to attend such class meeting represent more than half of the total number of shares of that class which have the right to vote at such meeting, the Company may hold the class meeting; if not, the Company shall within five (5) days give the shareholders further notice of the matters to be considered, the date and the place of the class meeting by way of public announcement. The Company may then hold the class meeting after such public announcement has been made.”

The above paragraphs are proposed to be amended as follows:

“Article 143... Written notice of a class meeting shall be given to all shareholders with reference to the notice period of an annual general meeting or an extraordinary general meeting.... A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company within the period specified in the notice of the meeting.”

**APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATIONS AND
RULES OF PROCEDURES FOR SHAREHOLDERS' GENERAL MEETING**

II. Amendments to the Rules of Procedures for Shareholders' General Meeting

1. The original Article 31 of the Rules of Procedures for Shareholders' General Meeting

“Article 31 When the Company convenes a shareholders’ general meeting, written notice of the meeting shall be given forty-five (45) days before the date of the meeting (when calculating the 45 days’ period, the date on which the meeting is held shall not be included)”

The above paragraph is proposed to be amended as follows:

“Article 31 When the Company convenes an annual general meeting, written notice of the meeting shall be given twenty (20) business days before the date of the meeting; when the Company convenes an extraordinary meeting, written notice of the meeting shall be given ten (10) business days or fifteen (15) days before the date of the meeting (whichever is longer) (when calculating the relevant period, the date on which the notice is given and the date on which the meeting is held shall not be included).”

2. The original Article 33 of the Rules of Procedures for Shareholders' General Meeting

“Article 33 Any shareholder intending to attend the meeting shall deliver to the Company a written reply showing his intention to attend not less than twenty (20) days before the meeting.”

The Company shall calculate the number of voting shares represented by the shareholders who have indicated their intention to attend the shareholders’ general meeting based on the written replies received not less than twenty (20) days before the meeting. Where the number of such voting shares reaches half of the Company’s total number of such shares, the Company may convene the shareholders’ general meeting. Otherwise, the Company shall, within five (5) days, inform the shareholders again of the matters to be considered, the date and the venue of the meeting by way of public announcement. After making the announcement, the shareholders’ general meeting may be convened.”

The above paragraphs are proposed to be amended as follows:

“Article 33 Any shareholder intending to attend the meeting shall deliver to the Company a written reply showing his intention to attend within the period specified in the notice of the meeting.”

Other clauses in the Company’s Articles of Association and the Rules of Procedure for Shareholders’ General Meeting shall be renumbered to the extent of reflecting the changed order as a result of the amendments.