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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)

**SUPPLEMENTAL ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement (the “**Announcement**”) of the Company dated 26 March 2021 in relation to the Raw Material Coal Purchase and Chemical Products Sales Agreement and the transactions contemplated thereunder. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcement.

The Board hereby provides further information of the Raw Material Coal Purchase and Chemical Products Sales Agreement:

Pricing

As disclosed in the Announcement, under the Raw Material Coal Purchase and Chemical Products Sales Agreement, the prices of the coal used as raw materials of chemical products and chemical products shall be determined with reference to the market price.

To determine the market price, the sales department (in terms of the sale of chemical products) or purchase department (in terms of the purchase of coal used as raw materials of chemical products) of the Company and its designated personnel are mainly responsible for checking the prices offered by other independent third parties generally through obtaining quotations from at least two independent third parties via emails, fax or phone or tenders by publishing tender notice through various media resources, such as local newspapers. The sales department or purchase department of the Company will update the relevant information from time to time based on the procurement and sales demand and continue to monitor the market price to ensure that each transaction is conducted in accordance with the pricing policy set out above

In respect of the specific transactions under the Raw Material Coal Purchase and Chemical Products Sales Agreement, the Company adopts similar commercial terms for connected persons and independent third parties.

The consideration for the provision of sales agency services of chemical products by the Company to the Controlling Shareholder shall be determined based on the service cost plus reasonable profit. Reasonable profit normally represents 6% to 10% of the service cost, which is determined through commercial negotiation between parties.

Annul caps and reasons

Under the Raw Material Coal Purchase and Chemical Products Sales Agreement, the annual cap of the purchase of the coal used as raw materials of chemical products by the Company from the Controlling Shareholder for each of the three years ending 31 December 2023 is RMB600,000,000, which is determined based on (i) the estimated demand of coal used as raw materials of chemical products of the Company; in particular, a new production line of Yankuang Lunan Chemical Co., Ltd., a subsidiary of the Company, will be put into use in 2021, which will boost the Company's demand for coal used as raw materials of chemical products; (ii) after the former Shandong Energy Group Company Limited was merged into the Controlling Shareholder, its relevant coal sales subsidiaries can provide more favourable terms under the same market conditions to the Company than previous transactions, and thus the purchase amount from the Controlling Shareholder is expected to increase; (iii) price of clean coals in the recent two years, and (iv) the estimated price increase of clean coal.

Under the Raw Material Coal Purchase and Chemical Products Sales Agreement, the annual cap of the sale of chemical products by the Company to the Controlling Shareholder for each of the three years ending 31 December 2023 is RMB400,000,000, which is determined based on (i) the estimated output of chemical products of the Company; (ii) the estimated demand of the Controlling Shareholder based on its view of the market condition and its strategic development plan; and (iii) the estimated price of the relevant chemical products.

Under the Raw Material Coal Purchase and Chemical Products Sales Agreement, the annual cap of service fee for provision of sales agency service paid to the Company to the Controlling Shareholder for each of the three years ending 31 December 2023 is RMB5,000,000, which is determined based on the actual cost the Company incurred when providing similar services historically, the estimated volume of sales agency service and the reasonable profit of the Company.

**the Board of Directors of
Yanzhou Coal Mining Company Limited**

Zoucheng, Shandong Province, the PRC
12 April 2021

As at the date of this announcement, the directors of the Company are Mr. Liu Jian, Mr. Wu Xiangqian, Mr. Zhao Qingchun, Mr. He Jing and Mr. Wang Ruolin, and the independent non-executive directors of the Company are Mr. Tian Hui, Mr. Zhu Limin, Mr. Cai Chang and Mr. Poon Chiu Kwok.