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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)**

**ANNOUNCEMENT ON RECEIVING THE LETTER OF PERFORMANCE  
COMMITMENT FROM THE CONTROLLING SHAREHOLDER**

Recently, Yanzhou Coal Mining Company Limited (“**Yanzhou Coal**”) received the “Letter of Performance Commitment Regarding the Acquisition of Related Assets of Yankuang Group Company Limited by Yanzhou Coal Mining Company Limited” issued by its controlling shareholder, Yankuang Group Company Limited (“**Yankuang Group**”). Details are as follows:

**MAIN CONTENT OF THE LETTER OF PERFORMANCE COMMITMENT**

In view of the entering into of the “Equity and Assets Transfer Agreement” between Yanzhou Coal and Yankuang Group on 30 September 2020, pursuant to which Yanzhou Coal proposed to acquire the relevant assets of Yankuang Group for approximately RMB18.355 billion in cash (the “**Transaction**”), including 49.315% equity interests in Shaanxi Future Energy & Chemicals Co., Ltd. (“**Shaanxi Future Energy**”), 100% equity interests in Yankuang Yuling Fine Chemical Co., Ltd., 100% equity interests in Yankuang Lunan Chemical Co., Ltd., 100% equity interests in Yankuang Jining Chemical Equipment Co., Ltd., 100% equity interests in Yankuang Coal Chemicals International Trading Co., Ltd., 99% equity interests in Shandong Yankuang Jisan Electricity Co., Ltd. (“**Jisan Electricity**”, the aforementioned entities collectively referred to as the “**Target Companies**” while the aforementioned equity collectively referred to as the “**Target Equity Interests**”) and relevant assets of Information Center. Based on confidence in the future development prospect of the Target Companies, and with reference to the asset valuation reports filed with the competent state-owned regulatory authorities, Yankuang Group agreed to make the following commitments regarding the performance of the Target Equity Interests in the next three years:

- (I) Commitment to the audited aggregate net profit attributable to shareholders of the parent company after deducting non-recurring profit and loss corresponding to the Target Equity Interests (the “**Net Profit**”), calculated in accordance with the China Accounting Standards for Business Enterprises, shall not be less than RMB4.314 billion (the “**Committed Net Profit**”) during the years 2020 to 2022 (the “**Commitment Period**”). The commitment to the Committed Net Profit shall be determined with reference to the asset valuation reports filed with the competent state-owned regulatory authorities. The Committed Net Profit of Shaanxi Future Energy and Jisan Electricity shall be determined according to the proportion of equity interests participating in the Transaction, being 49.315% and 99%.

(II) In the case which after the end of the Commitment Period, the aggregate amount of actual Net Profit corresponding to the Target Equity Interests does not reach the Committed Net Profit, Yankuang Group shall compensate Yanzhou Coal in cash, and the specific compensation amount shall be calculated based on the difference between the Committed Net Profit and the actual Net Profit corresponding to the Target Equity Interests. Among which, the actual Net Profit corresponding to 49.315% equity interests in Shaanxi Future Energy or 99% equity interests of Jisan Electricity = (Net Profit of Shaanxi Future Energy or Jisan Electricity attributable to shareholders of the parent company after deducting non-recurring profit and loss each year) × the equity interest ratios of Shaanxi Future Energy or Jisan Electricity in the Transaction.

The actual Net Profit realized in each year shall be determined on the basis of the net profit attributable to shareholders of the parent company after deducting non-recurring profit and loss recognized in the special audit report issued by the accounting firm appointed by Yanzhou Coal, and approved by both Yanzhou Coal and Yankuang Group.

(III) Commitment to perform all the compensation obligations within 30 days after the special audit report on the Target Companies is issued and after receiving the notice from Yanzhou Coal specifying the specific amount of compensation during the Commitment Period.

(IV) In the case which during the Commitment Period, due to force majeure (“force majeure” refers to the objective circumstances that cannot be foreseen, unavoidable and cannot be overcome at the time when the Equity and Assets Transfer Agreement is entered into between the Yankuang Group and Yanzhou Coal, including but not limited to: 1. natural disasters such as earthquakes, tsunamis, typhoons, volcanic eruptions, landslides, avalanches, mudslides and epidemics, etc.; 2. social abnormal events such as wars, armed conflicts, strikes, disturbances and riots, etc.; 3. changes in laws, regulations or policies, government control orders or decisions), the normal production and operation of Target Companies is materially and adversely affected or the Target Companies are no longer controlled or actually controlled by Yanzhou Coal, Yankuang Group may adjust the amount of the Committed Net Profit under the letter of performance commitment and other content according to the degree of impact of the foregoing circumstances starting from the year (such year inclusive) in which the above-mentioned circumstances occurred.

(V) The letter of commitment shall take effect from the date when the Equity and Assets Transfer Agreement becomes effective.

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

Zoucheng, Shandong, the PRC  
23 October 2020

*As at the date of this announcement, the Directors of the Company are Mr. Li Xiyong, Mr. Wu Xiangqian, Mr. Liu Jian, 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.*