

Yanzhou Coal Mining Company Limited (the "Company") is engaged in underground mining, preparation and sales of coal. The main product is prime quality low-sulphur coal. The customers of the Company are mainly from Japan, South Korea, East China and Taiwan.

In 2001, the Company:

- produced 34.02 million tonnes of raw coal, making it the largest coal producer in East China;
- sold 31.04 million tonnes of saleable coal with export volume of 12.67 million tonnes, making it one of the largest coal exporters in China; and
- achieved a net profit of RMB970.9 million, making it the most profitable coal producer in China.

Key events of the Company:

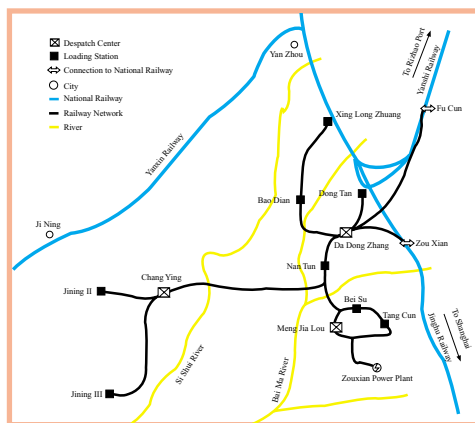
- successively listed in New York, Hong Kong and Shanghai in 1998;
- successively issued 100 million new A shares and 170 million new H shares in 2001;
- acquired Jining II coal mine, Jining III coal mine and special purpose coal transportation railway assets in 1998, 2001 and 2002, respectively;
- rated by *Listed Companies* as one of the top 50 listed companies in China for 3 consecutive years since 1999;
- selected by *Fortune (Chinese Edition)* as one of the top 100 listed companies in China in 2001; and
- rated as "outstanding" grade by Shanghai Securities Exchange for its information disclosure in 2001.



Jining III coal mine



Trains for coal-transportation



Coal transportation railway network

The special purpose coal transportation railway assets (the "Railway Assets") acquired by the Company in 2002 will increase the Company's earning's capacity; thus greatly reduce the connected transactions with Yankuang Group Corporation Limited (the "Parent Company").

The long-wall top coal caving technology was further developed and innovated. This technology has won the First Class National Technology Advance Award, and received patent rights in China and Australia. It is a leading underground coal mining technology in the world.



Long-wall top coal caving technology