

Year ended December 31, 2001

**1. SUMMARY OF DIFFERENCES BETWEEN IAS AND PRC GAAP**

	Net assets at Net profit of the period RMB'000	December 31, 2001 RMB'000
As per the financial statements prepared under "Accounting Standards for Business Enterprises" and "Enterprise Accounting Regulations"	1,000,387	8,723,328
Impact adjustment in respect of:		
– Amortization of deferred assets	3,672	–
– Deferred tax effect	2,260	87,421
– Release of negative goodwill to income	27,620	27,620
– Deemed interest expenses	(59,595)	(59,595)
– Adjustment of dividend distribution	–	287,000
– Others	(3,399)	(5,740)
As per the financial statements prepared under IAS	<u>970,945</u>	<u>9,060,034</u>

**2. RETURN ON SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE CALCULATED BY DILUTED METHOD AND WEIGHTED AVERAGE METHOD**

Profit for the reporting year	Return on Shareholders' Equity %		Earnings Per Share RMB	
	Diluted	Weighted Average	Diluted	Weighted Average
Income from principal operations	40.78	43.26	1.24	1.27
Operating profit	16.06	17.04	0.49	0.50
Net profit	11.47	12.17	0.35	0.36
Net profit deducted by extraordinary gain (or loss)	11.57	12.27	0.35	0.36

## 3. LIST OF PROVISION FOR LOSS ON ASSETS AS OF DECEMBER 31, 2001

Unit: RMB Yuan

Item	2001.1.1		Provision		Reverse		2001.12.31	
	The Group	The Company	The Group	The Company	The Group	The Company	The Group	The Company
1. Total bad debts provision	87,044,219	87,044,219	2,508,209	2,508,209	29,179,931	29,179,931	60,372,497	60,372,497
Including: Accounts receivable	87,044,219	87,044,219	-	-	29,179,931	29,179,931	57,864,288	57,864,288
Other receivables	-	-	2,508,209	2,508,209	-	-	2,508,209	2,508,209
2. Total provision for loss on short-term investment	-	-	-	-	-	-	-	-
Including: Investment in stock	-	-	-	-	-	-	-	-
Investment in bond	-	-	-	-	-	-	-	-
3. Total provision for loss on inventory	-	-	-	-	-	-	-	-
Including: Finished goods	-	-	-	-	-	-	-	-
Raw material	-	-	-	-	-	-	-	-
4. Total provision for loss on long-term investment	-	-	-	-	-	-	-	-
Including: Long-term equity investment	-	-	-	-	-	-	-	-
Long-term bonds investment	-	-	-	-	-	-	-	-
5. Total provision for loss on fixed assets	-	-	-	-	-	-	-	-
Including: Buildings	-	-	-	-	-	-	-	-
Machinery, property and equipment	-	-	-	-	-	-	-	-
6. Total provision for loss on intangible assets	-	-	-	-	-	-	-	-
Including: Patent	-	-	-	-	-	-	-	-
Brand names	-	-	-	-	-	-	-	-
7. Provision for loss on construction in progress	-	-	-	-	-	-	-	-
8. Provision for loss on entrustment	-	-	-	-	-	-	-	-

**4. ANALYSIS OF ITEMS WHICH FLUCTUATED OVER 30% (INCLUDING 30%), AND ACCOUNTING FOR 5% (INCLUDING 5%) OF THE TOTAL ASSETS ON THE BALANCE SHEET DATE OR 10% (INCLUDING 10%) OF THE OPERATING PROFIT FOR THE REPORTING PERIOD:**

Unit: RMB Yuan

Items in balance sheet	December 31, 2001		December 31, 2000	Fluctuation	Reason
	Amount	Percentage in total assets			
Bank and cash	1,150,155,924	10.13%	844,754,367	36.15%	Note 1
Fixed assets at cost	11,701,559,317	103.10%	8,756,556,850	33.63%	Note 2
Capital reserves	3,711,032,804	32.70%	2,526,228,929	46.90%	Note 3
Unappropriated profits	1,633,650,835	14.39%	1,070,321,502	52.63%	Note 4

Note 1: The coal market got better this year. Price of coal went up, as well as sales volume. In addition, the Company settled more transaction in cash and gathered large amount of long-aging accounts receivable. All the above lead to great increase in bank and cash.

Note 2: Fixed assets increased a great deal because of acquisition of Jining III.

Note 3: Share premium arising from additional issue of A shares and H shares is recorded in capital reserves.

Note 4: The coal market got better this year. Price of coal went up, as well as sales volume. As a result, the Company achieved larger profit.

Unit: RMB Yuan

Items in income statement	2001		2000	Fluctuation	Reason
	Amount	Percentage in operating profit			
Net revenue from principal operations	6,469,352,955	464.79%	4,780,580,876	35.33%	Note 5
Cost of principal operations	2,812,583,737	202.07%	1,983,519,916	41.80%	Note 6
Operating expenses	1,551,609,369	111.48%	1,168,691,771	32.76%	Note 7

Note 5: The coal market got better this year. Price of coal went up, as well as sales volume. As a result, sales of the Company increased greatly.

Note 6: Cost of sales increased along with sales.

Note 7: Selling expenses rose because of increase in coal export and domestic sales through harbour.