

CONSOLIDATED STATEMENT OF INCOME

	NOTES	Year ended December 31,		
		2002 RMB'000	2001 RMB'000	2000 RMB'000
GROSS SALES OF COAL	5	7,772,315	6,369,649	4,704,201
TRANSPORTATION COSTS OF COAL	5	<u>(1,558,414)</u>	<u>(1,493,639)</u>	<u>(1,104,464)</u>
NET SALES OF COAL	5	6,213,901	4,876,010	3,599,737
RAILWAY TRANSPORTATION SERVICE INCOME		<u>142,471</u>	<u>—</u>	<u>—</u>
		6,356,372	4,876,010	3,599,737
COST OF SALES AND SERVICE PROVIDED	6	<u>(3,362,901)</u>	<u>(2,812,583)</u>	<u>(1,983,520)</u>
GROSS PROFIT		2,993,471	2,063,427	1,616,217
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	7	<u>(1,231,059)</u>	<u>(759,631)</u>	<u>(636,436)</u>
OTHER OPERATING INCOME	8	<u>103,729</u>	<u>117,896</u>	<u>60,883</u>
OPERATING INCOME		1,866,141	1,421,692	1,040,664
INTEREST EXPENSES	9	<u>(117,929)</u>	<u>(61,519)</u>	<u>(5,012)</u>
INCOME BEFORE INCOME TAXES	10	1,748,212	1,360,173	1,035,652
INCOME TAXES	12	<u>(523,148)</u>	<u>(389,228)</u>	<u>(287,292)</u>
INCOME BEFORE MINORITY INTEREST		1,225,064	970,945	748,360
MINORITY INTEREST		<u>3,065</u>	<u>—</u>	<u>—</u>
NET INCOME		<u>1,221,999</u>	<u>970,945</u>	<u>748,360</u>
APPROPRIATIONS TO RESERVES		<u>817,187</u>	<u>141,698</u>	<u>114,627</u>
DIVIDEND	13	<u>287,000</u>	<u>235,340</u>	<u>231,400</u>
EARNINGS PER SHARE	14	<u>RMB0.43</u>	<u>RMB0.35</u>	<u>RMB0.29</u>
EARNINGS PER ADS.	14	<u>RMB21.29</u>	<u>RMB17.29</u>	<u>RMB14.39</u>