

## CASH FLOW STATEMENT (UNDER PRC GAAP)

For the year ended December 31, 2002

	NOTES	The Group December 31,		The Company December 31,	
		2002 RMB	2001 RMB	2002 RMB	2001 RMB
<b>CASH FLOW FROM</b>					
<b>OPERATING ACTIVITIES</b>					
Cash received from sales of goods					
or rendering of services		8,564,833,180	7,185,415,721	8,554,804,872	7,185,415,721
Taxes refunded		76,549,371	214,033,232	76,549,371	214,033,232
Other cash received relating					
to operating activities	45	1,095,669,128	666,944,161	1,093,233,717	666,944,161
<b>SUB-TOTAL OF CASH INFLOWS</b>		<b>9,737,051,679</b>	<b>8,066,393,114</b>	<b>9,724,587,960</b>	<b>8,066,393,114</b>
Cash paid for goods and services		2,507,018,482	2,060,777,762	2,502,928,837	2,060,777,762
Cash paid to and on behalf of employees		1,365,705,578	994,990,361	1,365,615,347	994,990,361
Taxes and surcharges paid		816,698,078	1,096,236,752	813,695,443	1,096,236,752
Other cash paid relating to operating activities	46	2,664,269,943	2,262,708,458	2,659,437,508	2,262,708,458
<b>SUB-TOTAL OF CASH OUTFLOWS</b>		<b>7,353,692,081</b>	<b>6,414,713,333</b>	<b>7,341,677,135</b>	<b>6,414,713,333</b>
<b>NET CASH FLOW FROM</b>					
<b>OPERATING ACTIVITIES</b>		<b>2,383,359,598</b>	<b>1,651,679,781</b>	<b>2,382,910,825</b>	<b>1,651,679,781</b>
<b>CASH FLOW FROM INVESTING</b>					
<b>ACTIVITIES</b>					
Cash received from disposal of investments		53,685,273	-	53,685,273	-
Cash received from returns on investment		-	-	651,148	-
Net cash received from disposal					
of fixed assets and other long-term assets		47,799,358	13,685,621	47,799,358	13,685,621
Cash received from acquisition of a subsidiary		-	1,940,515	-	-
<b>SUB-TOTAL OF CASH INFLOWS</b>		<b>101,484,631</b>	<b>15,626,136</b>	<b>102,135,779</b>	<b>13,685,621</b>
Cash paid to acquire fixed					
assets and other long-term assets		842,469,768	684,193,133	842,149,469	684,193,133
Cash paid for investments		118,839,365	51,757,724	118,839,365	54,467,627
Cash paid for acquisition of Jining III		-	1,204,133,000	-	1,204,133,000
Cash paid for acquisition of Railway Assets	47	1,282,444,340	-	1,282,444,340	-
Increase in restricted cash		21,760,596	30,000,000	21,760,596	30,000,000
<b>SUB-TOTAL OF CASH OUTFLOWS</b>		<b>2,265,514,069</b>	<b>1,970,083,857</b>	<b>2,265,193,770</b>	<b>1,972,793,760</b>
<b>NET CASH FLOW FROM</b>					
<b>INVESTING ACTIVITIES</b>		<b>(2,164,029,438)</b>	<b>(1,954,457,721)</b>	<b>(2,163,057,991)</b>	<b>(1,959,108,139)</b>

## CASH FLOW STATEMENT (UNDER PRC GAAP) (Cont'd)

NOTES	The Group December 31,		The Company December 31,	
	2002 RMB	2001 RMB	2002 RMB	2001 RMB
CASH FLOW FROM				
FINANCING ACTIVITIES				
Cash received from issue of share capital	–	1,454,803,875	–	1,454,803,875
Cash received from borrowings	1,600,000,000	–	1,600,000,000	–
<b>SUB-TOTAL OF CASH INFLOWS</b>	<b>1,600,000,000</b>	<b>1,454,803,875</b>	<b>1,600,000,000</b>	<b>1,454,803,875</b>
Cash repayment of borrowings	400,000,000	–	400,000,000	–
Cash paid for acquisition of Jining III	636,633,896	636,633,960	636,633,896	636,633,960
Cash paid for distribution of dividends	287,000,000	235,340,000	287,000,000	235,340,000
Dividend paid to minority shareholder by a subsidiary	591,974	–	–	–
Cash paid for interest expenses	75,737,500	–	75,737,500	–
<b>SUB-TOTAL OF CASH OUTFLOWS</b>	<b>1,399,963,370</b>	<b>871,973,960</b>	<b>1,399,371,396</b>	<b>871,973,960</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>200,036,630</b>	<b>582,829,915</b>	<b>200,628,604</b>	<b>582,829,915</b>
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH	–	–	–	–
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>419,366,790</b>	<b>280,051,975</b>	<b>420,481,438</b>	<b>275,401,557</b>

Notes are an integral part of the financial statements.

Company: Yanzhou Coal Mining Company Limited

Legal representative

**Mo Li Qi**

The person in charge of  
accountancy work

**Wu Yu Xiang**

The person in charge of  
the accounting department

**Zhang Bao Cai**

## CASH FLOW STATEMENT (UNDER PRC GAAP) (Cont'd)

NOTES	The Group December 31,		The Company December 31,	
	2002 RMB	2001 RMB (Restated)	2002 RMB	2001 RMB (Restated)
<b>SUPPLEMENTAL INFORMATION:</b>				
<b>RECONCILIATION OF NET PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit	1,003,115,498	796,253,265	1,003,115,498	796,253,265
Add: Minority interest	3,064,740	-	-	-
Provision for diminution in value of assets	66,203,577	(26,671,722)	66,203,577	(26,671,722)
Depreciation of fixed assets	869,077,231	811,750,331	869,011,035	811,750,331
Provision for Wei Jian Fei	230,609,946	204,134,184	230,609,946	204,134,184
Amortization of intangible assets and other assets	19,816,651	30,433,568	19,816,651	30,433,568
Losses on disposal of fixed assets and other long-term assets	1,093,362	5,811,569	1,093,362	5,811,569
Decrease (increase) in deferred expenses	487,507	(76,316,068)	487,507	(76,316,068)
Financial expenses	75,737,500	-	75,737,500	-
Loss (profit) on investment	(3,687,968)	-	(7,059,098)	-
Decrease (increase) in inventories	(131,235,706)	(163,450,978)	(137,682,780)	(163,450,978)
Decrease (increase) in operating receivables	162,089,489	19,945,412	169,578,893	19,945,412
Increase (decrease) in operating payables	86,987,771	49,790,220	91,998,734	49,790,220
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,383,359,598</b>	<b>1,651,679,781</b>	<b>2,382,910,825</b>	<b>1,651,679,781</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS:</b>				
Cash at the end of the year	48/51(3) 1,544,173,132	1,124,806,342	1,540,637,362	1,120,155,924
Less: Cash at the beginning of the year	1,124,806,342	844,754,367	1,120,155,924	844,754,367
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>419,366,790</b>	<b>280,051,975</b>	<b>420,481,438</b>	<b>275,401,557</b>

Notes are an integral part of the financial statements.

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