

Consolidated Statement of Income

	NOTES	Year ended December 31,		
		2003 RMB'000	2002 RMB'000	2001 RMB'000
GROSS SALES OF COAL		8,386,629	7,772,315	6,369,649
TRANSPORTATION COSTS OF COAL		(1,592,294)	(1,558,414)	(1,493,639)
NET SALES OF COAL	5	6,794,335	6,213,901	4,876,010
RAILWAY TRANSPORTATION SERVICE INCOME		154,585	142,471	–
		6,948,920	6,356,372	4,876,010
COST OF SALES AND SERVICE PROVIDED	6	(3,755,023)	(3,362,901)	(2,812,583)
GROSS PROFIT		3,193,897	2,993,471	2,063,427
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	7	(1,264,858)	(1,231,059)	(759,631)
OTHER OPERATING INCOME	8	105,845	103,729	117,896
OPERATING INCOME		2,034,884	1,866,141	1,421,692
INTEREST EXPENSES	9	(59,966)	(117,929)	(61,519)
INCOME BEFORE INCOME TAXES	10	1,974,918	1,748,212	1,360,173
INCOME TAXES	12	(587,710)	(523,148)	(389,228)
INCOME BEFORE MINORITY INTEREST		1,387,208	1,225,064	970,945
MINORITY INTEREST		(522)	(3,065)	–
NET INCOME		1,386,686	1,221,999	970,945
APPROPRIATIONS TO RESERVES		425,566	817,187	141,698
DIVIDEND	13	298,480	287,000	235,340
EARNINGS PER SHARE	14	RMB0.48	RMB0.43	RMB0.35
EARNINGS PER ADS	14	RMB24.16	RMB21.29	RMB17.29