

FINANCIAL HIGHLIGHTS

(Prepared in accordance with International Financial Reporting Standards ("IFRS"))

The financial highlights are prepared based on the financial information set out in the audited consolidated statement of income, consolidated balance sheet, and consolidated statement of cash flows in 2004, 2003, 2002 and 2001 and audited statement of income, balance sheet and cash flow in 2000.

OPERATING RESULTS

	Year ended 31st December				
	2004 (RMB'000)	2003 (RMB'000)	2002 (RMB'000)	2001 (RMB'000)	2000 (RMB'000)
Net Sales					
Net sales of coal	10,354,337	6,794,335	6,213,901	4,876,010	3,599,737
Domestic	7,406,988	4,337,089	3,413,955	2,599,812	2,090,758
Export	2,947,349	2,457,246	2,799,946	2,276,198	1,508,979
Net Income of Railway Transportation Service	220,771	154,585	142,471	–	–
Total Net Sales ⁽¹⁾	10,575,108	6,948,920	6,356,372	4,876,010	3,599,737
Gross Profit	6,023,405	3,193,897	2,993,471	2,063,427	1,616,217
Operating Income	4,709,274	2,034,884	1,866,141	1,421,692	1,040,664
Interest Expenses	(35,942)	(59,966)	(117,929)	(61,519)	(5,012)
Income Before Income Taxes	4,673,332	1,974,918	1,748,212	1,360,173	1,035,652
Net Income	3,154,317	1,386,686	1,221,999	970,945	748,360
Earnings per Share	RMB1.06	RMB0.48	RMB0.43	RMB0.35	RMB0.29
Dividend per Share ⁽²⁾	RMB0.260	RMB0.164	RMB0.104	RMB0.100	RMB0.082

Notes (1): Total net sales in 2002, 2003 and 2004 include net sales of coal and net income of railway transportation service.

(2): Dividend per share of year 2004 represents the dividend proposed.

ASSETS AND LIABILITIES

	31st December				
	2004 (RMB'000)	2003 (RMB'000)	2002 (RMB'000)	2001 (RMB'000)	2000 (RMB'000)
Net Current Assets	5,761,295	2,045,252	2,157,429	1,166,187	1,270,728
Land Use Right and Net Book Value of Property, Plant and Equipment	9,128,868	9,221,285	8,895,147	7,851,775	5,500,522
Total Assets	18,336,697	13,909,804	12,924,045	11,182,591	8,103,684
Total Borrowings	441,057	650,859	1,261,341	72,456	–
Shareholders' Equity	15,523,751	11,083,239	9,995,033	9,060,034	6,869,625
Net Asset Value per Share	RMB5.05	RMB3.86	RMB3.48	RMB3.16	RMB2.64
Return on Net Assets (%)	20.32	12.51	12.23	10.72	10.89

SUMMARY STATEMENT OF CASH FLOWS

	Year ended 31st December				
	2004 (RMB'000)	2003 (RMB'000)	2002 (RMB'000)	2001 (RMB'000)	2000 (RMB'000)
Net Cash from Operating Activities	4,418,381	2,701,236	2,239,712	1,610,239	1,023,152
Increase in Cash and Cash Equivalent	3,192,966	479,599	419,367	280,052	327,067
Net Cash Flow per Share from Operating Activities	RMB1.44	RMB0.94	RMB0.78	RMB0.56	RMB0.39

Notes: The above financial highlights of year 2004 represent the data resulting from the consolidation of the financial statements of Shandong Yanmei Shipping Co. Ltd. ("Yanmei Shipping"), Yanzhou Coal Yulin Power Chemical Co., Limited, Yancoal Australia Pty Limited and Aустar Coal Mine Pty Limited.

The gross profit and the taxes and surcharges resulting from the principal businesses of Yanmei Shipping are calculated as the transportation cost of coal of the Company, reducing the total coal sales. As the sales income, operation results, and assets of Yanmei Shipping do not have significant impact on the Company, they are not separately set out and analyzed in this report.

Yanzhou Coal Yulin Power Chemical Co., Limited, Yancoal Australia Pty Limited Pty Limited and Aустar Coal Mine Pty Limited are currently in the stage of preparation or in the construction stage and do not have significant impact on the results of the Company, and hence are not separately set out and analyzed in this report.