

CONSOLIDATED STATEMENT OF INCOME

	NOTES	Year ended December 31,		
		2004 RMB'000	2003 RMB'000	2002 RMB'000
GROSS SALES OF COAL		11,757,052	8,386,629	7,772,315
TRANSPORTATION COSTS OF COAL		<u>(1,402,715)</u>	<u>(1,592,294)</u>	<u>(1,558,414)</u>
NET SALES OF COAL	6	10,354,337	6,794,335	6,213,901
RAILWAY TRANSPORTATION SERVICE INCOME		<u>220,771</u>	<u>154,585</u>	<u>142,471</u>
		10,575,108	6,948,920	6,356,372
COST OF SALES AND SERVICE PROVIDED	7	<u>(4,551,703)</u>	<u>(3,755,023)</u>	<u>(3,362,901)</u>
GROSS PROFIT		6,023,405	3,193,897	2,993,471
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	8	(1,479,863)	(1,264,858)	(1,231,059)
OTHER OPERATING INCOME	9	<u>165,732</u>	<u>105,845</u>	<u>103,729</u>
OPERATING INCOME		4,709,274	2,034,884	1,866,141
INTEREST EXPENSES	10	<u>(35,942)</u>	<u>(59,966)</u>	<u>(117,929)</u>
INCOME BEFORE INCOME TAXES	11	4,673,332	1,974,918	1,748,212
INCOME TAXES	13	<u>(1,518,762)</u>	<u>(587,710)</u>	<u>(523,148)</u>
INCOME BEFORE MINORITY INTEREST		3,154,570	1,387,208	1,225,064
MINORITY INTEREST		<u>(253)</u>	<u>(522)</u>	<u>(3,065)</u>
NET INCOME		<u><u>3,154,317</u></u>	<u><u>1,386,686</u></u>	<u><u>1,221,999</u></u>
APPROPRIATIONS TO RESERVES		<u><u>737,782</u></u>	<u><u>425,566</u></u>	<u><u>817,187</u></u>
DIVIDEND	14	<u><u>470,680</u></u>	<u><u>298,480</u></u>	<u><u>287,000</u></u>
EARNINGS PER SHARE	15	<u><u>RMB1.06</u></u>	<u><u>RMB0.48</u></u>	<u><u>RMB0.43</u></u>
EARNINGS PER ADS	15	<u><u>RMB53.20</u></u>	<u><u>RMB24.16</u></u>	<u><u>RMB21.29</u></u>