

德勤华永会计师事务所有限公司

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Deloitte.
德勤

YANZHOU COAL MINING COMPANY LIMITED
REPORT OF THE AUDITORS FOR THE YEAR ENDED DECEMBER 31, 2004

De Shi Bao(Shen)Zi(05) No. P0865 [Translation]

TO THE SHAREHOLDERS OF YANZHOU COAL MINING COMPANY LIMITED

We have audited the accompanying balance sheets of the Company and the Group as of December 31, 2004 and the related statements of income and cash flows of the Company and the Group for the year then ended. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We planned and performed our audit in accordance with China's Independent Auditing Standards to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements on pages 104 to 149 present fairly, in all material respects, the financial position of the Company and the Group as of December 31, 2004 and the results of their operations and cash flows for the year then ended in accordance with the requirements of the Accounting Standards for Business Enterprises and the "Accounting System for Business Enterprises" promulgated by the State.

Deloitte Touche Tohmatsu CPA Ltd.
Shanghai, China

Chinese Certified Public Accountants
Zeng Shun Fu Zhou Kan Ying
April 25, 2005