

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 2005, 2004, 2003, 2002 and 2001.

OPERATING RESULTS

	Year ended 31st December				
	2005 (RMB'000)	2004 (RMB'000)	2003 (RMB'000)	2002 (RMB'000)	2001 (RMB'000)
Net sales					
Net sales of coal	11,353,485	10,354,337	6,794,335	6,213,901	4,876,010
including: Domestic	8,421,462	7,406,988	4,337,089	3,413,955	2,599,812
Export	2,932,023	2,947,349	2,457,246	2,799,946	2,276,198
Net Income of railway, Transportation Service	163,437	220,771	154,585	142,471	–
Total Net Sales ⁽¹⁾	11,516,922	10,575,108	6,948,920	6,356,372	4,876,010
Gross Profit	6,228,334	6,023,405	3,193,897	2,993,471	2,063,427
Interest Expenses	(24,611)	(35,942)	(59,966)	(117,929)	(61,519)
Income Before Income Taxes	4,419,973	4,673,332	1,974,918	1,748,212	1,360,173
Income attributable to equity holders of the Company	2,881,461	3,154,317	1,386,686	1,221,999	970,945
Earnings per Share ⁽²⁾	RMB0.59	RMB0.66	RMB0.30	RMB0.43	RMB0.35
Dividend per Share ⁽³⁾	RMB0.220	RMB0.260	RMB0.164	RMB0.104	RMB0.100

Notes: (1) Total net sales in 2005, 2004, 2003 and 2002 include net sales of coal and net income of railway transportation service.

(2) Earnings per Share is calculated on the basis of the net income realized in the relevant reporting period and the weighted average number of shares in the relevant year after adjusting for the bonus issue of the Company in July 2005.

(3) Dividend per share of year 2005 represents the dividend proposed.

FINANCIAL HIGHLIGHTS (Cont'd)

ASSETS AND LIABILITIES

	31st December				
	2005 (RMB'000)	2004 (RMB'000)	2003 (RMB'000)	2002 (RMB'000)	2001 (RMB'000)
Net Current Assets	7,522,121	5,774,466	2,045,252	2,157,429	1,166,187
Net Book Value of Property, Plant and Equipment	9,318,486	8,537,150	8,616,373	8,276,941	7,479,755
Total Assets	21,254,444	18,336,697	13,909,804	12,924,045	11,182,591
Total Borrowings	231,827	441,057	650,859	1,261,341	72,456
Equity attributable to equity holders of the Company	17,618,577	15,523,751	11,083,239	9,995,033	9,060,034
Net Asset Value per Share	RMB3.58	RMB5.05	RMB3.86	RMB3.48	RMB3.16
Return on Net Assets (%)	16.35	20.32	12.51	12.23	10.72

SUMMARY STATEMENT OF CASH FLOWS

	Year ended 31st December				
	2005 (RMB'000)	2004 (RMB'000)	2003 (RMB'000)	2002 (RMB'000)	2001 (RMB'000)
Net Cash from Operating Activities	3,939,274	4,418,381	2,701,236	2,239,712	1,610,239
Increase in Cash and Cash Equivalent	667,529	3,192,966	479,599	419,367	280,052
Net Cash Flow per Share from Operating Activities	RMB0.80	RMB1.44	RMB0.94	RMB0.78	RMB0.56

Notes: As at 31st December, 2001, 2002, and 2003, the total share capital of the Company was 2,870 million shares; the total share capital was 3,074 million and 4,918.4 million as at 31st December, 2004 and 31st December, 2005 respectively. The Dividend per Share, Net Asset Value per Share and Net Cash Flow per Share from Operating Activities in the above financial highlights are calculated based on the total share capital as at the end of each corresponding year of the Company.

The above financial indicators of year 2005 also consolidated the result of the financial statements of Heze Nenghua during this reporting period. Since 2004, the financial statements of the Company have consolidated the financial statements of Shandong Yanmei Shipping Co. Ltd. ("Yanmei Shipping") and Yulin Nenghua Company and Yanzhou Coal Australia Pty Limited (Yancoal Australia Pty).

The taxes and surcharges resulting from the principal businesses of Yanmei Shipping are offset against the transportation cost of coal of the Company, thereby increasing the total coal sales. As the total sales, operating results and assets of Yanmei Shipping do not have any material impact on the Company, they are therefore not itemized in this report.

Yulin Nenghua Company, Yancoal Australia Pty and Heze Nenghua are currently under preparation or construction and do not have significant impact on the operational results of the Company, and hence are not itemized in this report.