

## SUPPLEMENT (under PRC GAAP)

For the year ended December 31, 2005

### 1. SUMMARY OF DIFFERENCES BETWEEN IFRS AND PRC GAAP

For the year ended December 31, 2005, under PRC GAAP net profit is 2,495,481 (RMB'000) and shareholders' equity is 17,141,627 (RMB'000). The summary of differences of net profit and shareholder's equity between PRC GAAP and IFRS in this year are as follows:

	Net profit for the year RMB'000	Net assets at December 31, 2005 RMB'000
As per the financial statements prepared under PRC GAAP	2,495,481	17,141,627
Adjustments under IFRS:		
– Reversal of Wei Jian Fei	207,932	–
– Reversal of Work Safety Expense	238,600	443,268
– Reversal of Reform and Specific Development Fund	173,276	269,945
– Deferred tax effect	(123,175)	(146,279)
– Release of negative goodwill to income	–	138,101
– Deemed interest expenses	(3,858)	(113,220)
– Release goodwill prepared	15,006	15,006
– Yanmei Australia pre-operating expenses	(121,801)	(121,801)
– Minority interest	476	28,731
– Others	–	(8,070)
As per financial statements prepared under IFRS	<b>2,881,937</b>	<b>17,647,308</b>

### 2. RETURN ON SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE CALCULATED BY DILUTED METHOD AND WEIGHTED AVERAGE METHOD

Profit for the reporting period	Return on shareholders' equity %		Earnings per share RMB	
	Diluted	Weighted average	Diluted	Weighted average
Income from principal operations	38.15%	40.38%	1.33	1.71
Operating profits	22.83%	24.16%	0.80	1.02
Net profit	14.56%	15.41%	0.51	0.65
Net profit excluding extraordinary gain (loss)	14.60%	15.45%	0.51	0.65

## SUPPLEMENT (under PRC GAAP) (Cont'd)

For the year ended December 31, 2005

### 3. LIST OF PROVISION FOR IMPAIRMENT LOSS ON ASSETS

Unit: RMBYuan

Item	2005.1.1		Provision		Reversal		Other transfer out		2005.12.31	
	The Group	The Company	The Group	The Company	The Group	The Company	The Group	The Company	The Group	The Company
1. Total provision for bad debts	162,416,585	162,416,585	-	-	-	-	-	-	162,416,585	162,416,585
- Accounts receivable	126,700,309	126,700,309	-	-	-	-	-	-	126,700,309	126,700,309
- Other receivables	35,716,276	35,716,276	-	-	-	-	-	-	35,716,276	35,716,276
2. Total provision for loss on current investment	-	-	-	-	-	-	-	-	-	-
- Bond investment	-	-	-	-	-	-	-	-	-	-
3. Total provision for loss on inventory	-	-	-	-	-	-	-	-	-	-
- Raw material	-	-	-	-	-	-	-	-	-	-
- Finished goods	-	-	-	-	-	-	-	-	-	-
4. Total provision for loss on long-term investment	-	-	-	-	-	-	-	-	-	-
- Long-term equity investment	-	-	-	-	-	-	-	-	-	-
5. Total provision for loss on fixed assets	-	-	-	-	-	-	-	-	-	-
- Buildings	-	-	-	-	-	-	-	-	-	-
- Mining structure	-	-	-	-	-	-	-	-	-	-
- Railway structure	-	-	-	-	-	-	-	-	-	-
- Harbour works and craft	-	-	-	-	-	-	-	-	-	-
- Plant, machinery and equipment	-	-	-	-	-	-	-	-	-	-
- Transportation equipment	-	-	-	-	-	-	-	-	-	-
6. Total provision for loss on intangible assets	-	-	-	-	-	-	-	-	-	-
- Land use rights	-	-	-	-	-	-	-	-	-	-
- Mining rights	-	-	-	-	-	-	-	-	-	-
- Goodwill	-	-	-	-	-	-	-	-	-	-
7. Provision for loss on fixed assets under construction	-	-	-	-	-	-	-	-	-	-
8. Provision for loss on designated deposit	-	-	-	-	-	-	-	-	-	-

## SUPPLEMENT (under PRC GAAP) (Cont'd)

For the year ended December 31, 2005

### 4. ANALYSIS OF ITEMS WHICH FLUCTUATED OVER 30% (INCLUDING 30%), AND ACCOUNTING FOR 5% (INCLUDING 5%) OF THE TOTAL ASSETS ON THE BALANCE SHEET DATE OR 10%(INCLUDING 10%) OF THE TOTAL PROFITS FOR THE REPORTING YEAR:

Unit: RMBYuan

Items in balance sheet	December 31, 2005		December 31, 2004	Fluctuation	Reason
	Amount	Percentage in total assets			
Bank balance and cash	7,278,972,385	35%	5,278,468,720	38%	Note 1
Notes receivable	2,100,443,880	10%	898,465,509	134%	Note 2
Other payables	1,127,064,904	6%	616,637,336	94%	Note 3
Share capital	4,918,400,000	23%	3,074,000,000	60%	Note 4

Note 1: In 2005, as the demand and supply in coal market remain stable, the price of coal was at a high level and the sales by means of cash increased a lot, which caused significant increase in cash balance.

Note 2: In 2005, as the demand and supply in coal market remain stable, the price of coal was at a high level, customers settled by bank acceptance bills increased, which caused significant increase in notes receivable balance.

Note 3: Due to the acquisition of Heze Power, the other payables increased.

Note 4: In 2005, share capital issued by conversion from capital reserve.

Unit: RMBYuan

Items in statement of income and profits appropriation	2005		2004	Fluctuation	Reason
	Amount	Percentage in total profits			
Selling expense	997,377,040	26%	1,473,128,158	(32%)	Note 5

Note 5: Due to the decline in sales, selling expenses decreased accordingly.