

The following is the text of a letter, summary of values and valuation certificate, prepared for the purpose of incorporation in this Prospectus and received from Savills Valuation and Professional Services Limited, an independent property valuer, in connection with their valuations as of 30 September 2006 of the property interests of the Group.



T: (852) 2801 6100
F: (852) 2530 0756

23/F Two Exchange Square
Central, Hong Kong

EA Licence: C-023750
savills.com

6 December 2006

The Directors
China Coal Energy Company Limited
1 Huang Si Da Jie
Chaoyang District
Beijing 100011
The People's Republic of China

Dear Sirs,

In accordance with your instructions for us to value the properties of which majority is located in the People's Republic of China (the "PRC") and the remainder is located in Hong Kong and Australia held by China Coal Energy Company Limited (hereinafter referred to as the "Company") and its subsidiaries and its jointly controlled entity (together referred to as the "Group"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of values of such properties as of 30 September 2006. The Company was formed as a result of the Restructuring (please refer to "Restructuring" as stated in the section of Definitions in this Prospectus) launched by China National Coal Group Corporation (hereinafter referred to as "ChinaCoal Group"). According to the Restructuring Agreement entered into between ChinaCoal Group and the Company on 5 September 2006 (the "Restructuring Agreement"), all the property interests held by the Group were transferred by ChinaCoal Group as part of the Restructuring.

Our valuation of each of the properties is our opinion of its market value which we would define as intended to mean "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

The property interests in Group I are held by the Group for owner occupation. Due to the specific purposes for which the buildings and structures in Group I have been constructed, there are no readily identifiable market comparables available, thus the buildings and structures cannot be valued on the basis of direct comparison. They have therefore been valued on the basis of their depreciated replacement cost. We would define depreciated replacement cost to be our opinion of the land value in its existing use together with an estimate of the new replacement costs of the buildings and structures, including fees and finance charges, from which deductions are then made to allow for age, condition and functional obsolescence. The depreciated replacement cost approach generally provides the most reliable indication of value for property in the absence of a known market based on comparable sales.

Regarding the land use rights transferred to the Group under the Restructuring Agreement, we have classified the land use rights into five categories by reference to its title documents obtained and the legal opinion of the Group's PRC legal adviser, Jia Yuan Law Firm. The five categories of the land use rights are set out below:

- (1) The land use rights which ChinaCoal Group or its subsidiaries have obtained granted land use rights certificates ("Granted Land");
- (2) The land use rights which ChinaCoal Group or its subsidiaries have obtained allocated land use rights certificates and have been authorized by The Ministry of Land and Resources of the PRC (the "MLR") to manage and operate, including contributing these parcels of allocated land as capital in the Company ("Authorized Allocated Land");
- (3) The land use rights which the relevant subsidiaries of ChinaCoal Group have obtained allocated land use rights certificates and have been authorized by the MLR to retain the land use rights of these parcels of land ("Retained Allocated Land");
- (4) The land use rights which ChinaCoal Group has obtained allocated land use rights certificates but such parcels of land are not included in the authorized allocated land and retained allocated land respectively referred to in sub-paragraphs (2) and (3) above ("Allocated Land"); and
- (5) The land that the Group is in the process of applying for the land use rights certificates ("Without Title Land").

The property interests in Group II which are leased by the Group have no commercial values due to the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rents.

We have been provided with copies of extracts of title documents relating to the properties. However, we have not inspected the original documents to verify the ownership or to verify any amendments which may not appear on the copies handed to us. We have relied to a considerable extent on information given by the Group and its legal adviser on PRC laws, regarding to the titles and other legal matters relating to the properties and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, identification of the properties, floor and site areas and all other

relevant information. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximations. We have not been able to carry out on-site measurements to verify the correctness of the site and floor areas of the properties and we have assumed that the site and floor areas shown on the documents handed to us are correct.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view.

We have inspected the exterior and, where possible, the interior of the properties valued. In the course of our inspection, we did not note any serious defects. However, no structural survey has been made, we are therefore unable to report that the properties are free of rot, infestation, or any other structural defects. No test has been carried out to any of the services. Moreover, we have not carried out any site investigations to determine the suitability of the ground conditions and the services etc, for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

In preparing our valuation report, we have complied with the relevant provisions of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and all the requirements under Chapter 5, and Practice Note 12 and 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited except for those in respect of which exemptions or waivers have been applied for as described under “Business — Properties” of this Prospectus. We have had also regard to the requirements contained in Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors.

Unless otherwise stated, all money amounts stated are in Renminbi (RMB). In valuing property interests in Group II, we have adopted exchange rates of AU\$1 to RMB5.9035 and HK\$1 to RMB1.0143 which were prevailing as of the date of valuation.

We enclose herewith our summary of values and valuation certificate.

Yours faithfully,

For and on behalf of

Savills Valuation and Professional Services Limited

Charles C K Chan

MSc FRICS FHKIS MCI Arb RPS(GP)

Managing Director

Note: Mr. Charles C K Chan, a Chartered Estate Surveyor, MSc, FRICS, FHKIS, MCI Arb, RPS(GP), has about 22 years' experience in the valuation of properties in Hong Kong and has extensive experience in the valuation of properties in the PRC and the Asia Pacific regions.

SUMMARY OF VALUES

Property	Market value	Market value
	in existing state as of 30 September 2006	attributable to the Group in existing state as of 30 September 2006
	RMB	RMB
Group I — Property interests held by the Group for owner occupation in the PRC		
1. Properties held by 華晉焦煤有限責任公司 (Huajin Coking Coal Co., Ltd.) in Shanxi province in the PRC	78,450,000	39,220,000
2. Properties held by 山西平朔安家嶺露天煤炭有限公司 (Shanxi Pingshuo Anjialing Surface Mine Co., Ltd.) in Shanxi province in the PRC	671,410,000	671,410,000
3. Properties held by 山西中煤平朔安太堡煤炭有限責任公司 (Shanxi China Coal Pingshuo Antaibao Coal Co., Ltd.) in Shanxi province in the PRC	102,290,000	102,290,000
4. Properties held by 上海大屯能源股份有限公司 (Shanghai Datun Energy Resources Co., Ltd.) in Shanghai Municipality and Jiangsu province in the PRC	994,650,000	571,190,000
5. Properties held by 中煤連雲港進出口有限公司 (China Coal Lianyungang Imp. & Exp. Co., Ltd.) in Jiangsu province in the PRC	25,220,000	25,220,000
6. Properties held by 華光資源有限公司 (Sunfield Resources Pty. Ltd.) in Shanxi and Shaanxi provinces in the PRC ...	42,530,000	23,390,000
7. Properties held by 中國煤炭工業進出口集團青島有限公司 (China National Coal Industry Imp. & Exp. Group (Qingdao) Co., Ltd.) in Shandong province in the PRC ..	11,940,000	11,940,000
8. Properties held by 中國煤炭工業秦皇島進出口有限公司 (China National Coal Industry Qinhuangdao Imp. & Exp. Co., Ltd.) in Hebei province in the PRC	22,580,000	22,580,000
9. Properties held by 秦皇島中煤儲運有限公司 (Qinhuangdao China Coal Warehousing and Transportation Co., Ltd.) in Hebei province in the PRC ..	90,950,000	71,330,000
10. Properties held by 朔州中煤平朔能源有限公司 (Shuozhou China Coal Pingshuo Energy Co., Ltd.) in Shanxi province in the PRC	No Commercial Value	Nil
11. A property held by 中國煤炭工業進出口集團黑龍江有限公司 (China National Coal Industry Imp. & Exp. Group (Heilongjiang) Co., Ltd.) in Heilongjiang province in the PRC	8,910,000	8,910,000
12. Properties held by 中國煤炭工業進出口集團日照有限公司 (Chian National Coal Industry Imp. & Exp. Group (Rizhao) Co., Ltd.) in Shandong province in the PRC ...	40,720,000	40,720,000
13. Properties held by 天津中煤進出口有限公司 (China National Coal Imp. & Exp. (Tianjin) Co., Ltd.) in Tianjin Municipality in the PRC	52,420,000	52,420,000
14. Properties held by 中煤焦化控股有限責任公司 (China Coal & Coke Holdings Ltd.) in Shanxi, Hebei and Heilongjiang provinces in the PRC	423,730,000	275,760,000

APPENDIX V
PROPERTY VALUATION

<u>Property</u>	<u>Market value</u> <u>in existing state as of</u> <u>30 September 2006</u>	<u>Market value</u> <u>attributable to</u> <u>the Group in</u> <u>existing state as of</u> <u>30 September 2006</u>
	RMB	RMB
15. Properties held by 中國煤礦機械裝備有限責任公司 (China National Coal Mining Equipment Co., Ltd.) in Beijing Municipality and Hebei province in the PRC	502,900,000	502,900,000
16. Properties held by 中煤西安設計工程有限責任公司 (China Coal Xi'an Design Engineering Co., Ltd.) in Shaanxi, Hebei and Fujian provinces in the PRC	<u>142,340,000</u>	<u>142,340,000</u>
Sub-total	3,211,040,000	2,561,620,000
Group II — Property interests leased by the Group in the PRC, Hong Kong and Australia		
17. A property leased by the Company in Beijing Municipality in the PRC	No Commercial Value	Nil
18. A property leased by 上海中煤華東有限公司 (Shanghai ChinaCoal East China Co., Ltd.) in Shanghai Municipality in the PRC	No Commercial Value	Nil
19. Properties leased by 華光資源有限公司 (Sunfield Resources Pty. Ltd.) in Shanxi province in the PRC and in Australia	No Commercial Value	Nil
20. A property leased by 中國煤炭工業進出口集團青島有限公司 (China National Coal Industry Imp. & Exp. Group (Qingdao) Co., Ltd.) in Shandong province in the PRC	No Commercial Value	Nil
21. Properties leased by 中煤焦化控股有限責任公司 (China Coal & Coke Holdings Ltd.) in Beijing Municipality, Shanxi and Heilongjiang provinces in the PRC and in Hong Kong	No Commercial Value	Nil
22. Properties leased by 中國煤礦機械裝備有限責任公司 (China National Coal Mining Equipment Co., Ltd.) in Beijing Municipality and Hebei province in the PRC	No Commercial Value	Nil
23. Properties leased by 上海大屯能源股份有限公司 (Shanghai Datun Energy Resources Co., Ltd.) in Shanghai Municipality in the PRC	No Commercial Value	Nil
24. A property leased by 中煤招標有限責任公司 (China Coal Tendering Co., Ltd.) in Beijing Municipality in the PRC ..	No Commercial Value	Nil
25. A property leased by 中國煤炭開發有限責任公司 (China National Coal Development Co., Ltd.) in Beijing Municipality in the PRC	No Commercial Value	Nil
Sub-total	Nil	Nil
Total	3,211,040,000	2,561,620,000

VALUATION CERTIFICATE

Group I — Property interests held by the Group for owner occupation in the PRC

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as of 30 September 2006</u>																				
			RMB																				
1. Properties held by 華晉焦煤有限責任公司 (Huajin Coking Coal Co., Ltd.) in Shanxi province in the PRC	<p>The properties comprise 2 coal mines and ancillary facilities which are situated on 19 parcels of land with a total site area of approximately 1,044,463.83 sq m (11,242,609 sq ft) located in Shanxi province.</p> <p>The properties comprise 164 buildings, structures and ancillary facilities with a total gross floor area of approximately 150,356.06 sq m (1,618,432 sq ft), completed in various stages between 1991 and 2006.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2"><u>Use</u></th> <th colspan="2" style="text-align: center;"><u>Approximate Gross Floor Area</u></th> </tr> <tr> <th style="text-align: center;"><u>sq m</u></th> <th style="text-align: center;"><u>sq ft</u></th> </tr> </thead> <tbody> <tr> <td>Production</td> <td style="text-align: right;">64,619.40</td> <td style="text-align: right;">695,563</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">13,195.44</td> <td style="text-align: right;">142,036</td> </tr> <tr> <td>Warehouse</td> <td style="text-align: right;">3,706.38</td> <td style="text-align: right;">39,895</td> </tr> <tr> <td>Ancillary facilities</td> <td style="text-align: right;">68,834.84</td> <td style="text-align: right;">740,938</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">150,356.06</td> <td style="text-align: right;">1,618,432</td> </tr> </tbody> </table> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	<u>Use</u>	<u>Approximate Gross Floor Area</u>		<u>sq m</u>	<u>sq ft</u>	Production	64,619.40	695,563	Office	13,195.44	142,036	Warehouse	3,706.38	39,895	Ancillary facilities	68,834.84	740,938	Total	150,356.06	1,618,432	The properties are occupied by the Group for production, office, warehouse and other ancillary facilities uses.	78,450,000 (Market value attributable to the Group: 39,220,000)
<u>Use</u>	<u>Approximate Gross Floor Area</u>																						
	<u>sq m</u>	<u>sq ft</u>																					
Production	64,619.40	695,563																					
Office	13,195.44	142,036																					
Warehouse	3,706.38	39,895																					
Ancillary facilities	68,834.84	740,938																					
Total	150,356.06	1,618,432																					

Notes:

- (1) 華晉焦煤有限責任公司 (Huajin Coking Coal Co., Ltd.) (“Huajin Coking”), of which the company owns a 50% equity interest, has 19 parcels of land with a total site area of approximately 1,044,463.83 sq m. Among the land, 2 parcels of land with a total area of approximately 124,208.10 sq m are the Granted Land, 11 parcels of land with a total area of approximately 889,639.99 sq m are the Retained Allocated Land, and the remaining 6 parcels of land with a total area of approximately 30,615.74 sq m are the Without Title Land.
- (2) According to the information provided by the Group, the buildings of the properties held by Huajin Coking are as follows:

<u>The land which the buildings erected thereon</u>	<u>No. of building(s)</u>	<u>Approximate gross floor area (“GFA”) (sq m)</u>	<u>GFA of building(s) with building ownership certificate (“BOC”) (sq m)</u>	<u>GFA of building(s) without BOC (sq m)</u>
Granted Land	21	43,475.90	43,475.90	—
Retained Allocated Land	128	98,514.38	71,546.24	26,968.14
Without Title Land	15	8,365.78	1,351.41	7,014.37
Total	164	150,356.06	116,373.55	33,982.51

- (3) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group’s PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Granted Land and the Retained Allocated Land are held by the Group legally under the PRC laws. The Group has the rights to use such land legally under the PRC laws.

Regarding the Granted Land, the Group has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means during the remaining land use rights terms.

Regarding the Retained Allocated Land, the Group only has the rights to occupy and use the land of the properties internally. After completion of land granted formality and settlement of land grant fee, the Group has the rights to transfer, lease or mortgage the land of the properties.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Regarding the Without Title Land and according to the Restructuring Agreement, ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the state-owned land use rights certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

Buildings

Regarding the buildings with building ownership certificates erected on the Granted Land, the Retained Allocated Land and the Without Title Land, the Group is the solely owner of these buildings.

Regarding the buildings erected on the Granted Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings.

Regarding the buildings erected on the Retained Allocated Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings by other legal means once completion of land granted formality and settlement of land grant fee.

Regarding the buildings erected the Without Title Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings by other legal means once the Group has completed the granted land formality for the land on which the buildings are erected.

Regarding the buildings without building ownership certificates erected on the Retained Allocated Land and the Without Title Land, once relevant building ownership certificates obtained by the Group, the rights for the Group to transfer, grant, mortgage or dispose of the buildings by other legal means shall be entitled to be consistent with those as stated above.

ChinaCoal Group has undertaken to provide all necessary assistance in order to apply for the building ownership certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

As of the issuance date of this legal opinion, the buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

- (4) Due to the restricted rights to the aforesaid buildings erected on the Retained Allocated Land with a total gross floor area of approximately 98,514.38 sq m and insufficient title proof to those buildings erected on the Without Title Land with a total gross floor area of approximately 8,365.78 sq m, we have attributed no commercial value to these buildings. For indication purpose, as of the date of valuation, the depreciated replacement cost of these buildings (excluding the land) was approximately RMB80,080,000.
- (5) In the course of our valuation, we have attributed no commercial value to the Retained Allocated Land portion and Without Title Land portion of the properties due to the fact that these portions of the properties are not freely transferable in the market.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as of 30 September 2006</u>																				
			RMB																				
2. Properties held by 山西平朔安家嶺露天煤炭有限公司 (Shanxi Pingshuo Anjialing Surface Mine Co., Ltd.) in Shanxi province in the PRC	<p>The properties comprise 3 coal mines and ancillary facilities which are situated on 19 parcels of land with a total site area of approximately 14,852,759.93 sq m (159,875,108 sq ft) located in Shanxi province.</p> <p>The properties comprise 261 buildings, structures and ancillary facilities with a total gross floor area of approximately 321,701.81 sq m (3,462,798 sq ft) completed in various stages between 1983 and 2005.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th rowspan="2"><u>Use</u></th> <th colspan="2"><u>Approximate Gross Floor Area</u></th> </tr> <tr> <th><u>sq m</u></th> <th><u>sq ft</u></th> </tr> </thead> <tbody> <tr> <td>Production</td> <td style="text-align: right;">73,698.46</td> <td style="text-align: right;">793,290</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">66,579.16</td> <td style="text-align: right;">716,658</td> </tr> <tr> <td>Warehouse</td> <td style="text-align: right;">6,759.41</td> <td style="text-align: right;">72,758</td> </tr> <tr> <td>Ancillary facilities</td> <td style="text-align: right;">174,664.78</td> <td style="text-align: right;">1,880,092</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">321,701.81</td> <td style="text-align: right;">3,462,798</td> </tr> </tbody> </table> <p>The properties also include a number of buildings, structures and ancillary facilities with a total gross floor area of approximately 27,613.37 sq m which were under construction as of the valuation date. A total construction cost of RMB435,952,371.67 has been incurred as of the valuation date. They are scheduled for completion in 2006.</p> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	<u>Use</u>	<u>Approximate Gross Floor Area</u>		<u>sq m</u>	<u>sq ft</u>	Production	73,698.46	793,290	Office	66,579.16	716,658	Warehouse	6,759.41	72,758	Ancillary facilities	174,664.78	1,880,092	Total	321,701.81	3,462,798	The properties are occupied by the Group for production, office, warehouse and other ancillary facilities uses.	671,410,000 (Market value attributable to the Group: 671,410,000)
<u>Use</u>	<u>Approximate Gross Floor Area</u>																						
	<u>sq m</u>	<u>sq ft</u>																					
Production	73,698.46	793,290																					
Office	66,579.16	716,658																					
Warehouse	6,759.41	72,758																					
Ancillary facilities	174,664.78	1,880,092																					
Total	321,701.81	3,462,798																					

Notes:

- (1) 山西平朔安家嶺露天煤炭有限公司 (Shanxi Pingshuo Anjialing Surface Mine Co., Ltd.) (“Pingshuo Anjialing”), a 100% owned subsidiary of the Company, has 19 parcels of land with a total site area of approximately 14,852,759.93 sq m. Among the land, a parcel of land with a total area of approximately 27,493.47 sq m is the Granted Land, 9 parcels of land with a total area of approximately 802,796.99 sq m are the Authorized Allocated Land, 5 parcels of land with a total area of approximately 13,547,757.47 sq m are the Retained Allocated Land, 3 parcels of land with a total area of approximately 8,022.00sq m are the Allocated Land and the remaining one parcel of land with an area of approximately 466,690.00sq m is the Without Title Land.
- (2) According to the information provided by the Group, the buildings of the properties held by “Pingshuo Anjialing” are as follows:

<u>The land which the buildings erected thereon</u>	<u>No. of building(s)</u>	<u>Approximate gross floor area (“GFA”) (sq m)</u>	<u>GFA of building(s) with building ownership certificate (“BOC”) (sq m)</u>	<u>GFA of building(s) without BOC (sq m)</u>
Granted Land	—	—	—	—
Authorized Allocated Land	171	185,306.88	183,226.88	2,080.00
Retained Allocated Land	87	128,535.68	123,881.68	4,654.00
Allocated Land	3	7,859.25	7,859.25	—
Without Title Land	—	—	—	—
Total	261	321,701.81	314,967.81	6,734.00

- (3) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group's PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Granted Land, the Authorized Allocated Land and the Retained Allocated Land are held by the Group legally under the PRC laws. The Group has the rights to use such land legally under the PRC laws.

Regarding the Granted Land, the Group has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means during the remaining land use rights terms.

Regarding the Authorized Allocated Land, the Group only has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means internally. Caused the land rezoned to other use or transferred to entities outside the Group, relevant land grant fee shall be paid for completion of rezoning or transfer.

Regarding the Retained Allocated Land, the Group only has the rights to occupy and use the land of the properties internally. After completion of land granted formality and settlement of land grant fee, the Group has the rights to transfer, lease or mortgage the land of the properties.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third party interest.

Regarding the Allocated Land and the Without Title Land, and according to the Restructuring Agreement, ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the state-owned land use rights certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

Buildings

Regarding the buildings with building ownership certificates erected on the Granted Land, the Authorized Allocated Land, the Retained Allocated Land and the Allocated Land, the Group is the sole owner of these buildings.

Regarding the buildings erected on the Granted Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings.

Regarding the buildings erected on the Authorized Allocated Land with building ownership certificates, the Group only has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the buildings by other legal means internally. Caused the buildings are transferred to the entities outside the Group, relevant land grant fee of the land shall be paid for completion of the transfer.

Regarding the buildings erected on the Retained Allocated Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings by other legal means once completion of land granted formality and settlement of land grant fee.

Regarding the buildings erected on the Allocated Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings by other legal means once the Group has completed the granted land formality for the land on which the buildings are erected.

Regarding the buildings without building ownership certificate erected on the Authorized Allocated Land and the Retained Allocated Land, once relevant building ownership certificates obtained by the Group, the rights for the Group to transfer, grant, mortgage or dispose of the buildings by other legal means shall be consistent with those as stated above.

ChinaCoal Group has undertaken to provide all necessary assistance in order to apply for the building ownership certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

As of the issuance date of this legal opinion, the above buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

- (4) Due to restricted rights to the aforesaid buildings erected on the Retained Allocated Land with a total gross floor area of approximately 128,535.68 sq m, and insufficient title proof to those buildings erected on the Allocated Land with a total gross floor area of approximately 7,859.25 sq m, we have attributed no commercial value to these buildings. For indication purpose, as of the date of valuation, the depreciated replacement cost of these buildings (excluding the land) was approximately RMB318,820,000.
- (5) In the course of our valuation, we have attributed no commercial value to the Retained Allocated Land portion, the Allocated Land portion and the Without Title Land portion of the properties due to the fact that these portions of the properties are not freely transferable in the market.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as of 30 September 2006																				
			RMB																				
3. Properties held by 山西中煤平朔安太堡煤炭有限公司 (Shanxi China Coal Pingshuo Antaibao Coal Co., Ltd.) in Shanxi province in the PRC	<p>The properties comprise a coal mine and ancillary facility which is situated on 19 parcels of land with a total site area of approximately 25,222,746.59 sq m (271,497,644 sq ft) located in Shanxi province.</p> <p>The properties comprise 132 buildings, structures and ancillary facilities with a total gross floor area of approximately 139,057.23 sq m (1,496,812 sq ft) completed in various stages between 1984 and 2005.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="2">Approximate Gross Floor Area</th> </tr> <tr> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>120,137.67</td> <td>1,293,162</td> </tr> <tr> <td>Office</td> <td>12,477.04</td> <td>134,302</td> </tr> <tr> <td>Warehouse</td> <td>439.20</td> <td>4,728</td> </tr> <tr> <td>Ancillary facilities</td> <td>6,003.32</td> <td>64,620</td> </tr> <tr> <td>Total</td> <td>139,057.23</td> <td>1,496,812</td> </tr> </tbody> </table> <p>The properties also include a number of buildings, structures and ancillary facilities with a total gross floor area of approximately 3,600.00 sq m which were under construction as of the valuation date. A total construction cost of RMB24,207,669.79 has been incurred as of the valuation date. They are scheduled for completion in 2006.</p> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	Use	Approximate Gross Floor Area		sq m	sq ft	Production	120,137.67	1,293,162	Office	12,477.04	134,302	Warehouse	439.20	4,728	Ancillary facilities	6,003.32	64,620	Total	139,057.23	1,496,812	The properties are occupied by the Group for production, office, warehouse and other ancillary facilities uses.	102,290,000 (Market value attributable to the Group: 102,290,000)
Use	Approximate Gross Floor Area																						
	sq m	sq ft																					
Production	120,137.67	1,293,162																					
Office	12,477.04	134,302																					
Warehouse	439.20	4,728																					
Ancillary facilities	6,003.32	64,620																					
Total	139,057.23	1,496,812																					

Notes:

- (1) 山西中煤平朔安太堡煤炭有限公司 (Shanxi China Coal Pingshuo Antaibao Coal Co., Ltd.) ("Pingshuo Antaibao"), a 100% owned subsidiary of the Company, has 19 parcels of land with a total site area of approximately 25,222,746.59 sq m. Among the land, 2 parcels of land with a total area of approximately 920,246.60 sq m are the Authorized Allocated Land, 16 parcels of land with a total area of approximately 24,302,499.99 sq m are the Retained Allocated Land, and the remaining one parcel of the Without Title Land.
- (2) According to the information provided by the Group, the buildings of the properties held by Pingshuo Antaibao are as follows:

The land which the buildings erected thereon	No. of building(s)	Approximate gross floor area ("GFA") (sq m)	GFA of building(s) with building ownership certificate ("BOC") (sq m)	GFA of building(s) without BOC (sq m)
Authorized Allocated Land	8	2,236.90	2,236.90	—
Retained Allocated Land	123	136,723.50	132,374.42	4,349.08
Without Title Land	1	96.83	—	96.83
Total	132	139,057.23	134,611.32	4,445.91

- (3) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group's PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Authorized Allocated Land and the Retained Allocated Land are held by the Group legally under the PRC laws. The Group has the rights to use these land legally under the PRC laws.

Regarding the Authorized Allocated Land, the Group only has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means internally. Caused the land rezoned to other use or transferred to entities outside the Group, land grant fee shall be paid for completion of rezoning or transfer.

Regarding the Retained Allocated Land, the Group only has the rights to occupy and use the land of the properties internally. After completion of land granted formality and settlement of land grant fee, the Group has the rights to transfer, lease or mortgage the land of the properties.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Regarding the Without Title Land and according to the Restructuring Agreement, ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the state-owned land use rights certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

Buildings

Regarding the buildings with building ownership certificates erected on Authorized Allocated Land and the Retained Allocated Land, the Group is the solely owner of these buildings and has the rights to transfer, grant, lease and mortgage or dispose of these buildings by other legal means.

Regarding the buildings erected on the Authorized Allocated Land with building ownership certificates, the Group only has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the buildings by other legal means internally. Caused the buildings are transferred to the entities outside the Group, relevant land grant fee of the land shall be paid for completion of the transfer.

Regarding the buildings erected on the Retained Allocated Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings by other legal means once completion of land granted formality and settlement of land grant fee.

Regarding the buildings without building ownership certificates erected on the Retained Allocated Land and the Without Title Land, once relevant building ownership certificates obtained by the Group, the right for the Group to transfer, grant, mortgage or dispose of the buildings by other legal means shall be consistent with those as stated above.

ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the building ownership certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

As of the issuance date of this legal opinion, the buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

- (4) Due to restricted rights to the aforesaid buildings erected on the Retained Allocated Land with a total gross floor area of approximately 136,723.50 sq m and insufficient title proof to those buildings erected on the Without Title Land with a total gross floor area of approximately 96.83 sq m, we have attributed no commercial value to these buildings. For indication purpose, as of the date of valuation, the depreciated replacement cost of these buildings (excluding the land) was approximately RMB161,540,000.
- (5) In the course of our valuation, we have attributed no commercial value to the Retained Allocated Land portion and the Without Title Land portion of the properties due to the fact that these portions of the properties are not freely transferable in the market.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as of 30 September 2006</u>																				
			RMB																				
4. Properties held by 上海大屯能源股份有限公司 (Shanghai Datun Energy Resources Co., Ltd) in Shanghai Municipality and Jiangsu province in PRC	<p>The properties comprise 4 coal mines and ancillary facilities which are situated on 150 parcels of land with a total site area of approximately 3,858,186.77 sq m (41,529,522 sq ft) located in Shanghai Municipality and Jiangsu province.</p> <p>The properties comprise 368 buildings, structures and ancillary facilities with a total gross floor area of approximately 321,955.70 sq m (3,465,531 sq ft) completed in various stages between 1971 and 2006.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th rowspan="2"><u>Use</u></th> <th colspan="2"><u>Approximate Gross Floor Area</u></th> </tr> <tr> <th><u>sq m</u></th> <th><u>sq ft</u></th> </tr> </thead> <tbody> <tr> <td>Production</td> <td style="text-align: right;">220,985.37</td> <td style="text-align: right;">2,378,687</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">59,375.29</td> <td style="text-align: right;">639,115</td> </tr> <tr> <td>Warehouse</td> <td style="text-align: right;">11,237.95</td> <td style="text-align: right;">120,965</td> </tr> <tr> <td>Ancillary facilities</td> <td style="text-align: right;"><u>30,357.09</u></td> <td style="text-align: right;"><u>326,764</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">321,955.70</td> <td style="text-align: right;">3,465,531</td> </tr> </tbody> </table> <p>The properties also include a number of buildings, structures and ancillary facilities with a total gross floor area of approximately 43,448.27 sq m which were under construction as of the valuation date. A total construction cost of RMB79,287,362.72 has been incurred as of the valuation date. They are scheduled for completion in 2006.</p> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	<u>Use</u>	<u>Approximate Gross Floor Area</u>		<u>sq m</u>	<u>sq ft</u>	Production	220,985.37	2,378,687	Office	59,375.29	639,115	Warehouse	11,237.95	120,965	Ancillary facilities	<u>30,357.09</u>	<u>326,764</u>	Total	321,955.70	3,465,531	The properties are occupied by the Group for production, office, warehouse and other ancillary facilities uses.	994,650,000 (Market value attributable to the Group: 571,190,000)
<u>Use</u>	<u>Approximate Gross Floor Area</u>																						
	<u>sq m</u>	<u>sq ft</u>																					
Production	220,985.37	2,378,687																					
Office	59,375.29	639,115																					
Warehouse	11,237.95	120,965																					
Ancillary facilities	<u>30,357.09</u>	<u>326,764</u>																					
Total	321,955.70	3,465,531																					

Notes:

- (1) 上海大屯能源股份有限公司 (Shanghai Datun Energy Resources Co., Ltd.), a 62.43% owned subsidiary of the Company ("Shanghai Datun Energy") has 57 parcels of land with a total site area of approximately 1,748,328.86 sq m. Among the land, 56 parcels of land with a total area of approximately 1,748,328.86 sq m are the Granted Land and the remaining one parcel of land is the Allocated Land.
- (2) According to the information provided by the Group, Shanghai Datun Energy also leases 93 parcels of land with a total site area of approximately 2,109,857.91 sq m (the "Leased Land") for the construction of 100 buildings.

- (3) According to the information provided by the Group, the buildings of the properties held by “Shanghai Datun Energy” are as follows:

<u>The land which the buildings erected thereon</u>	<u>No. of building(s)</u>	<u>Approximate gross floor area (“GFA”) (sq m)</u>	<u>GFA of building(s) with building ownership certificate (“BOC”) (sq m)</u>	<u>GFA of building(s) without BOC (sq m)</u>
Granted Land	267	272,447.68	266,983.63	5,464.05
Allocated Land	1	838.18	838.18	—
Leased Land	100	48,669.84	48,669.84	—
Total	368	321,955.70	316,491.65	5,464.05

- (4) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group’s PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Granted Land are held by the Group legally under the PRC laws. The Group has the rights to use such land legally under the PRC laws.

Regarding the Granted Land, the Group has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means during the remaining land use rights terms.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Regarding the Allocated Land and according to the Restructuring Agreement, ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the state-owned land use rights certificates in 12 months from the date of establishment of the Company. ChinaCoal Group also has undertaken to compensate against all losses due to any issue arising from failing to obtain the state-owned land use rights certificates, but except for settlement of land grant fee which shall be paid by the Group. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding

Regarding the Leased Land, some of the leases for the Leased Land is legal and valid as the land has granted land use rights certificates. To the remaining leases for the Leased Land, the land has no granted land use rights certificates, ChinaCoal Group has undertaken to make the land be used by the Group legally in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

Buildings

Regarding the buildings with building ownership certificates erected on the Granted Land, the Allocated and the Leased Land, the Group is the solely owner of these buildings.

Regarding the buildings erected on the Granted Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings.

Regarding the buildings erected on the Leased Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings by other legal means by getting prior notice from the lessors.

Regarding the buildings erected on the Allocated Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings by other legal means once the Group has completed the granted land formality for the land on which the buildings are erected.

Regarding the buildings without building ownership certificates erected on the Granted Land, once relevant building ownership certificates obtained by the Group, the rights for the Group to transfer, grant, mortgage or dispose of the buildings by other legal means shall be entitled to be consistent with those as stated above.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

- (5) Due to insufficient title proof to the aforesaid buildings erected on the Leased Land with a total gross floor area of approximately 48,669.84 sq m, and those erected on the Allocated Land with a total gross floor area of approximately 838.18 sq m, we have attributed no commercial value to these buildings. For indication purpose, as of the date of valuation, the depreciated replacement cost of these buildings (excluding the land) was approximately RMB27,990,000.
- (6) In the course of our valuation, we have attributed no commercial value to the Allocated Land and the Leased Land of the properties due to the fact that this portion of the properties is not freely transferable in the market.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as of 30 September 2006													
			RMB													
5. Properties held by 中煤連雲港進出口 有限公司 (China Coal Lianyungang Imp. & Exp. Co., Ltd.) in Jiangsu province in the PRC	<p>The properties comprise 2 parcels of land with a total site area of approximately 12,479.30 sq m (134,327 sq ft) situated in Jiangsu province.</p> <p>The properties comprise 17 buildings, structures and ancillary facilities with a total gross floor area of approximately 9,307.41 sq m (100,185 sq ft) completed in various stages between 1985 and 2000.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="2">Approximate Gross Floor Area</th> </tr> <tr> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>6,094.97</td> <td>65,606</td> </tr> <tr> <td>Ancillary facilities</td> <td>3,212.44</td> <td>34,579</td> </tr> <tr> <td>Total</td> <td>9,307.41</td> <td>100,185</td> </tr> </tbody> </table> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	Use	Approximate Gross Floor Area		sq m	sq ft	Office	6,094.97	65,606	Ancillary facilities	3,212.44	34,579	Total	9,307.41	100,185	<p>The properties are occupied by the Group for office and other ancillary facilities uses.</p> <p>25,220,000 (Market value attributable to the Group: 25,220,000)</p>
Use	Approximate Gross Floor Area															
	sq m	sq ft														
Office	6,094.97	65,606														
Ancillary facilities	3,212.44	34,579														
Total	9,307.41	100,185														

Notes:

- (1) 中煤連雲港進出口有限公司 (China Coal Lianyungang Imp. & Exp. Co., Ltd.) (“Lianyungang Company”), a 100% owned subsidiary of the Company, has 2 parcels of the Granted Land with a total area of approximately 12,479.30 sq m.
- (2) According to the information provided by the Group, the buildings of the properties held by “Lianyungang Company” are as follows:

The land which the buildings erected thereon	No. of building(s)	Approximate gross floor area (“GFA”) (sq m)	GFA of building(s) with building ownership certificate (“BOC”) (sq m)	GFA of building(s) without BOC (sq m)
Granted Land	17	9,307.41	9,307.41	—
Total	17	9,307.41	9,307.41	—

- (3) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group’s PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Granted Land are held by the Group legally under the PRC laws. The Group has the rights to use such land legally under the PRC laws.

Regarding the Granted Land, the Group has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means during the remaining land use rights terms.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Buildings

Regarding the buildings with building ownership certificates erected on the Granted Land, the Group is the solely owner of these buildings and has the rights to transfer, give, lease and mortgage or dispose of these buildings by other legal means.

As of the issuance date of this legal opinion, the buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as of 30 September 2006																			
			RMB																			
6. Properties held by 華光資源有限公司 (Sunfield Resources Pty. Ltd.) in Shanxi and Shaanxi provinces in the PRC	<p>The properties comprise a coal mine and ancillary facility which is situated on 6 parcels of land with a total site area of approximately 429,636.21 sq m (4,624,604sq ft) located in Shanxi and Shaanxi provinces.</p> <p>The properties comprise 90 buildings, structures and ancillary facilities with a total gross floor area of approximately 52,300.04 sq m (562,958sq ft) completed in various stages between 1989 and 2004.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="2">Approximate Gross Floor Area</th> </tr> <tr> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>24,323.33</td> <td>261,816</td> </tr> <tr> <td>Office</td> <td>8,175.53</td> <td>88,002</td> </tr> <tr> <td>Warehouse</td> <td>2,894.87</td> <td>31,161</td> </tr> <tr> <td>Ancillary facilities</td> <td>16,906.31</td> <td>181,979</td> </tr> <tr> <td>Total</td> <td>52,300.04</td> <td>562,958</td> </tr> </tbody> </table> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	Use	Approximate Gross Floor Area		sq m	sq ft	Production	24,323.33	261,816	Office	8,175.53	88,002	Warehouse	2,894.87	31,161	Ancillary facilities	16,906.31	181,979	Total	52,300.04	562,958	<p>The properties are occupied by the Group for production, office, warehouse and other ancillary facilities uses.</p> <p>42,530,000 (Market value attributable to the Group: 23,390,000)</p>
Use	Approximate Gross Floor Area																					
	sq m	sq ft																				
Production	24,323.33	261,816																				
Office	8,175.53	88,002																				
Warehouse	2,894.87	31,161																				
Ancillary facilities	16,906.31	181,979																				
Total	52,300.04	562,958																				

Notes:

- 華光資源有限公司(Sunfield Resources Pty. Ltd.) (“Sunfield Resources”), a 100% owned subsidiary of the Company, has 2 parcels of the Granted Land with a total site area of approximately 87,944.40 sq m.
- According to the information provided by the Group, Sunfield Resources also leases 4 parcels of land with a site area of approximately 341,691.81sq m (the “Leased Land”) for the construction of its 52 owned buildings.
- According to the information provided by the Group, the buildings of the properties held by Sunfield Resources are as follows:

The land which the buildings erected thereon	No. of building(s)	Approximate gross floor area (“GFA”) (sq m)	GFA of building(s) with building ownership certificate (“BOC”) (sq m)	GFA of building(s) without BOC (sq m)
Granted Land	38	14,692.24	14,196.24	496.00
Leased Land	52	37,607.80	10,561.12	27,046.68
Total	90	52,300.04	24,757.36	27,542.68

- We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group’s PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Granted Land are held by the Group legally under the PRC laws. The Group has the rights to use such land legally under the PRC laws.

Regarding the Granted Land, the Group has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means during the remaining land use rights terms.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Regarding the Leased Land, the lessor of the land has not obtained approval from the relevant land administration authorities for the land lease. The leases of the Leased Land are legal and valid. ChinaCoal Group has undertaken to legalize the leases of the land used by the Group legally in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

Buildings

Regarding the buildings with building ownership certificates erected on the Granted Land and the Leased Land, the Group is the solely owner of these buildings.

Regarding the buildings erected on the Granted Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings.

Regarding the buildings erected on the Leased Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings by other legal means by getting prior notice from the lessors.

Regarding the buildings without building ownership certificates erected on the Granted Land and the Leased Land, once relevant building ownership certificates obtained by the Group, the rights for the Group to transfer, grant, mortgage or dispose of the buildings by other legal means shall be consistent with those as stated above.

ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the building ownership certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

As of the issuance date of this legal opinion, the buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

- (5) Due to insufficient title proof to the aforesaid buildings erected on Leased Land with a total gross floor area of approximately 37,607.80 sq m, we have attributed no commercial value to these buildings. For indication purpose, as of the date of valuation, the depreciated replacement cost of these buildings (excluding the land) was approximately RMB13,090,000.
- (6) In the course of our valuation, we have attributed no commercial value to the Leased Land portion of the properties due to the fact that this portion of the properties is not freely transferable in the market.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as of 30 September 2006														
			RMB														
7. Properties held by 中國煤炭工業進出口集團 青島有限公司 (China National Coal Industry Imp. & Exp. Group (Qingdao) Co., Ltd.) in Shandong province in the PRC	<p>The properties comprise a parcel of land with a site area of approximately 4,715.28 sq m (50,755 sq ft) situated in Shandong province.</p> <p>The properties comprise 5 buildings, structures and ancillary facilities with a total gross floor area of approximately 6,083.30 sq m (65,480 sq ft) completed in various stages between 1978 and 1995.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="2">Approximate Gross Floor Area</th> </tr> <tr> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>4,236.00</td> <td>45,596</td> </tr> <tr> <td>Ancillary facilities</td> <td>1,847.30</td> <td>19,884</td> </tr> <tr> <td>Total</td> <td>6,083.30</td> <td>65,480</td> </tr> </tbody> </table> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	Use	Approximate Gross Floor Area		sq m	sq ft	Office	4,236.00	45,596	Ancillary facilities	1,847.30	19,884	Total	6,083.30	65,480	The properties are occupied by the Group for office and other ancillary facilities uses.	11,940,000 (Market value attributable to the Group: 11,940,000)
Use	Approximate Gross Floor Area																
	sq m	sq ft															
Office	4,236.00	45,596															
Ancillary facilities	1,847.30	19,884															
Total	6,083.30	65,480															

Notes:

- (1) 中國煤炭工業進出口集團青島有限公司 (China National Coal Industry Imp. & Exp. Group (Qingdao) Co., Ltd.) (“Qingdao Company”), a 100% owned subsidiary of the Company, has a parcel of the Granted Land with a site area of approximately 4,715.28 sq m.
- (2) According to the information provided by the Group, the buildings of the properties held by Qingdao Company are as follows:

The land which the buildings erected thereon	No. of building(s)	Approximate gross floor area ("GFA") (sq m)	GFA of building(s) with building ownership certificate ("BOC") (sq m)	GFA of building(s) without BOC (sq m)
Granted Land	5	6,083.30	5,810.05	273.25
Total	5	6,083.30	5,810.05	273.25

- (3) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group's PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Granted Land is held by the Group legally under the PRC laws. The Group has the rights to use such land legally under the PRC laws.

Regarding the Granted Land, the Group has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means during the remaining land use rights terms.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Buildings

Regarding the buildings with building ownership certificates erected on the Granted Land, the Group is the solely owner of these buildings and has the rights to transfer, give, lease and mortgage or dispose of these buildings by other legal means.

Regarding the buildings without building ownership certificates erected on the Granted Land, once relevant building ownership certificates obtained by the Group, the rights for the Group to transfer, grant, mortgage or dispose of the buildings by other legal means shall be consistent with those as stated above.

ChinaCoal Group has undertaken to provide all necessary assistance in order to apply for the building ownership certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

As of the issuance date of this legal opinion, the buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Property	Description and tenure	Particulars of occupancy	Market value in																				
			existing state as of 30 September 2006 RMB																				
8. Properties held by 中國煤炭工業秦皇島 進出口有限公司 (China National Coal Industry Qinhuangdao Imp. & Exp. Co., Ltd.) in Hebei province in the PRC	<p>The properties comprise 6 parcels of land with a total site area of approximately 17,290.79 sq m (186,118 sq ft) situated in Hebei province.</p> <p>The properties comprise 21 buildings, structures and ancillary facilities with a total gross floor area of approximately 10,659.53 sq m (114,739 sq ft) completed in various stages between 1985 and 2005.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="2">Approximate Gross Floor Area</th> </tr> <tr> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>350.30</td> <td>3,771</td> </tr> <tr> <td>Office</td> <td>6,019.24</td> <td>64,791</td> </tr> <tr> <td>Warehouse</td> <td>127.41</td> <td>1,371</td> </tr> <tr> <td>Ancillary facilities</td> <td>4,162.58</td> <td>44,806</td> </tr> <tr> <td>Total</td> <td>10,659.53</td> <td>114,739</td> </tr> </tbody> </table> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	Use	Approximate Gross Floor Area		sq m	sq ft	Production	350.30	3,771	Office	6,019.24	64,791	Warehouse	127.41	1,371	Ancillary facilities	4,162.58	44,806	Total	10,659.53	114,739	The properties are occupied by the Group for production, office, warehouse and other ancillary facilities uses.	22,580,000 (Market value attributable to the Group: 22,580,000)
Use	Approximate Gross Floor Area																						
	sq m	sq ft																					
Production	350.30	3,771																					
Office	6,019.24	64,791																					
Warehouse	127.41	1,371																					
Ancillary facilities	4,162.58	44,806																					
Total	10,659.53	114,739																					

Notes:

- (1) 中國煤炭工業秦皇島進出口有限公司 (China National Coal Industry Qinhuangdao Imp. & Exp. Co., Ltd.) (“Qinhuangdao Company”), a 100% owned subsidiary of the Company, has 6 parcels of land with a total site area of approximately 17,290.79 sq m. Among the land, a parcel of land with an area of approximately 5,247.25 sq m is the Authorized Allocated Land, 2 parcels of land with a total area of approximately 11,973.61 sq m are the Granted Land, a parcel of land with an area of approximately 69.93 sq m is the Allocated Land and the remaining 2 parcels of land are the Without Title Land.
- (2) According to the information provided by the Group, the buildings of the properties held by Qinhuangdao Company are as follows:

<u>The land which the buildings erected thereon</u>	<u>No. of building(s)</u>	<u>Approximate gross floor area (“GFA”) (sq m)</u>	<u>GFA of building(s) with building ownership certificate (“BOC”) (sq m)</u>	<u>GFA of building(s) without BOC (sq m)</u>
Granted Land	11	7,004.17	6,246.24	757.93
Authorized Allocated Land	7	2,968.43	2,618.13	350.30
Allocated Land	1	349.65	349.65	—
Without Title Land	<u>2</u>	<u>337.28</u>	<u>—</u>	<u>337.28</u>
Total	<u>21</u>	<u>10,659.53</u>	<u>9,214.02</u>	<u>1,445.51</u>

- (3) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group’s PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Granted Land and the Authorized Allocated Land are held by the Group legally under the PRC laws. The Group has the rights to use such land legally under the PRC laws.

Regarding the Granted Land, the Group has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means during the remaining land use rights terms.

Regarding the Authorized Allocated Land, the Group only has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means internally. Caused the land rezoned to other use or transferred to entities outside the Group, land grant fee shall be paid for completion of rezoning or transfer.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Regarding the Allocated Land and the Without Title Land and according to the Restructuring Agreement, ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the state-owned land use rights certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

Buildings

Regarding the buildings with building ownership certificates erected on the Granted Land, the Authorized Allocated Land and the Allocated Land, the Group is the solely owner of these buildings.

Regarding the buildings erected on the Granted Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings.

Regarding the buildings erected on the Authorized Allocated Land with building ownership certificates, the Group only has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the buildings by other legal means internally. Caused the buildings are transferred to the entities outside the Group, relevant land grant fee of the land shall be paid for completion of the transfer.

Regarding the buildings erected on the Allocated Land and the Without Title Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings by other legal means once the Group has completed the granted land formality for the land on which the buildings are erected.

Regarding the buildings without building ownership certificates erected on the Granted Land, the Authorized Allocated Land, the Allocated Land and the Without Title Land, once relevant building ownership certificates obtained by the Group, the rights for the Group to transfer, grant, mortgage or dispose of the buildings by other legal means shall be consistent with those as stated above.

ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the building ownership certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

As of the issuance date of this legal opinion, the buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

- (4) Due to insufficient title proof to the aforesaid buildings erected on the Allocated Land with a total gross floor area of approximately 349.65 sq m and those erected on the Without Title Land with a total gross floor area of approximately 337.28 sq m, we have attributed no commercial value to these buildings. For indication purpose, as of the date of valuation, the depreciated replacement cost of these buildings (excluding the land) was approximately RMB1,240,000.
- (5) In the course of our valuation, we have attributed no commercial value to the Allocated Land portion and the Without Title Land portion of the properties due to the fact that these portions of the properties are not freely transferable in the market.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as of 30 September 2006																
			RMB																
9. Properties held by 秦皇島中煤儲運有限公司 (Qinhuangdao China Coal Warehousing and Transportation Co., Ltd.) in Hebei province in the PRC	<p>The properties comprise 3 parcels of land with a total site area of approximately 363,881.39 sq m (3,916,819 sq ft) situated in Hebei province.</p> <p>The properties comprise 7 buildings, structures and ancillary facilities with a total gross floor area of approximately 6,009.88 sq m (64,690 sq ft) completed in various stages between 1987 and 2005.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="2">Approximate Gross Floor Area</th> </tr> <tr> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>1,650.00</td> <td>17,760</td> </tr> <tr> <td>Warehouse</td> <td>3,250.00</td> <td>34,983</td> </tr> <tr> <td>Ancillary facilities</td> <td>1,109.88</td> <td>11,947</td> </tr> <tr> <td>Total</td> <td>6,009.88</td> <td>64,690</td> </tr> </tbody> </table> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	Use	Approximate Gross Floor Area		sq m	sq ft	Office	1,650.00	17,760	Warehouse	3,250.00	34,983	Ancillary facilities	1,109.88	11,947	Total	6,009.88	64,690	<p>The properties are occupied by the Group for office, warehouse and other ancillary facilities uses.</p> <p>90,950,000 (Market value attributable to the Group: 71,330,000)</p>
Use	Approximate Gross Floor Area																		
	sq m	sq ft																	
Office	1,650.00	17,760																	
Warehouse	3,250.00	34,983																	
Ancillary facilities	1,109.88	11,947																	
Total	6,009.88	64,690																	

Notes:

- (1) 秦皇島中煤儲運有限公司 (Qinhuangdao China Coal Warehousing and Transportation Co., Ltd.) (“Qinhuangdao Warehousing and Transportation”), a 78.43% owned subsidiary of the Company, has 3 parcels of land with a total site area of approximately 363,881.39 sq m. All these lands are the Authorized Allocated Land.
- (2) According to the information provided by the Group, the buildings of the properties held by Qinhuangdao Warehousing and Transportation are as follows:

The land which the buildings erected thereon	No. of building(s)	Approximate gross floor area ("GFA") (sq m)	GFA of building(s) with building ownership certificate ("BOC") (sq m)	GFA of building(s) without BOC (sq m)
Authorized Allocated Land	7	6,009.88	6,009.88	—
Total	7	6,009.88	6,009.88	—

- (3) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group's PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Authorized Allocated Land are held by the Group legally under the PRC laws. The Group has the rights to use these land legally under the PRC laws.

Regarding the Authorized Allocated Land, the Group only has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties or by other legal means internally. Caused the land rezoned to other use or transferred to entities outside the Group, land grant fee shall be paid for completion of rezoning or transfer.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Buildings

Regarding the buildings with building ownership certificates erected on the Authorized Allocated Land, the Group is the solely owner of these buildings and has the rights to transfer, grant, lease, mortgage or dispose of these buildings by other legal means internally. Caused the buildings are transferred to the entities outside the Group, relevant land grant fee of the land shall be paid for completion of the transfer.

As of the issuance date of this legal opinion, the buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as of 30 September 2006</u> RMB																				
10. Properties held by 朔州中煤平朔能源有限公司 (Shuozhou China Coal Pingshuo Energy Co., Ltd.) in Shanxi province in the PRC	<p>The properties comprise a parcel of land with a total site area of approximately 130,398.50 sq m (1,403,609 sq ft) situated in Shanxi province.</p> <p>The properties comprise 22 buildings, structures and ancillary facilities with a total gross floor area of approximately 9,025.40 sq m (97,149 sq ft) completed in various stages between 2004 and 2005.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"><u>Use</u></th> <th colspan="2"><u>Approximate Gross Floor Area</u></th> </tr> <tr> <th><u>sq m</u></th> <th><u>sq ft</u></th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>1,226.20</td> <td>13,199</td> </tr> <tr> <td>Office</td> <td>345.00</td> <td>3,714</td> </tr> <tr> <td>Warehouse</td> <td>2,852.20</td> <td>30,700</td> </tr> <tr> <td>Ancillary facilities</td> <td>4,602.00</td> <td>49,536</td> </tr> <tr> <td>Total</td> <td>9,025.40</td> <td>97,149</td> </tr> </tbody> </table> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	<u>Use</u>	<u>Approximate Gross Floor Area</u>		<u>sq m</u>	<u>sq ft</u>	Production	1,226.20	13,199	Office	345.00	3,714	Warehouse	2,852.20	30,700	Ancillary facilities	4,602.00	49,536	Total	9,025.40	97,149	The properties are occupied by the Group for production, office, warehouse and other ancillary facilities uses.	No Commercial Value (Market value attributable to the Group: Nil)
<u>Use</u>	<u>Approximate Gross Floor Area</u>																						
	<u>sq m</u>	<u>sq ft</u>																					
Production	1,226.20	13,199																					
Office	345.00	3,714																					
Warehouse	2,852.20	30,700																					
Ancillary facilities	4,602.00	49,536																					
Total	9,025.40	97,149																					

Notes:

- (1) 朔州中煤平朔能源有限公司 (Shuozhou China Coal Pingshuo Energy Co., Ltd.) (“Shuozhou China Coal”), a 51% owned subsidiary of the Company, leases a parcel of land with a site area of approximately 130,398.50 sq m (the “Leased Land”), for the construction of its 22 owned buildings.
- (2) According to the information provided by the Group, the buildings of the properties held by Shuozhou China Coal are as follows:

<u>The land which the buildings erected thereon</u>	<u>No. of building(s)</u>	<u>Approximate gross floor area (“GFA”) (sq m)</u>	<u>GFA of building(s) with building ownership certificate (“BOC”) (sq m)</u>	<u>GFA of building(s) without BOC (sq m)</u>
Leased Land	22	9,025.40	—	9,025.40
Total	22	9,025.40	—	9,025.40

- (3) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group’s PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

Regarding the Leased Land, the lessor of the land has not obtained approval from the relevant land administration authorities for the land lease. The lease of the Leased Land is legal and valid. ChinaCoal Group has undertaken to make the land be used by the Group legally in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

Buildings

Regarding the buildings erected on the Leased Land without building ownership certificates, once relevant building ownership certificates obtained by the Group, the rights for the Group to transfer, grant, mortgage or dispose of the buildings by other legal means shall be entitled.

ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the building ownership certificates in six months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

As of the issuance date of this legal opinion, the buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

- (4) Due to insufficient title proof to the aforesaid buildings erected on the Leased Land with a total gross floor area of approximately 9,025.40sq m, we have attributed no commercial value to these buildings. For indication purpose, as of the date of valuation, the depreciated replacement cost of these buildings (excluding the land) was approximately RMB4,800,000.
- (5) In the course of our valuation, we have attributed no commercial value to the Leased Land of the properties due to the fact that the properties are not freely transferable in the market.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as of 30 September 2006</u>
			RMB
11. A Property held by 中國煤炭工業進出口集團 黑龍江有限公司 (China National Coal Industry Imp. & Exp. Group (Heilongjiang) Co., Ltd.) in Heilongjiang province in the PRC	The property comprises a parcel of land with a site area of approximately 346.90 sq m (3,734 sq ft) situated in Heilongjiang Province. The property comprises a 5-storey office building with a gross floor area of approximately 1,844.46 sq m (19,854 sq ft) completed in 1995. The land use rights of the property is held for a term with details as shown in note (1).	The property is occupied by the Group for office use.	8,910,000 (Market value attributable to the Group: 8,910,000)

Notes:

- (1) 中國煤炭工業進出口集團黑龍江有限公司 (China National Coal Industry Imp. & Exp. Group (Heilongjiang) Co., Ltd.) (“Heilongjiang Company”), a 100% owned subsidiary of the Company, has a parcel of the Granted Land with an area of approximately 346.90 sq m.
- (2) According to the information provided, the buildings of the properties held by Heilongjiang Company are as follows:

<u>The land which the buildings erected thereon</u>	<u>No. of building(s)</u>	<u>Approximate gross floor area (“GFA”) (sq m)</u>	<u>GFA of building(s) with building ownership certificate (“BOC”) (sq m)</u>	<u>GFA of building(s) without BOC (sq m)</u>
Granted Land	<u>1</u>	<u>1,844.46</u>	<u>1,844.46</u>	<u>—</u>
Total	<u>1</u>	<u>1,844.46</u>	<u>1,844.46</u>	<u>—</u>

- (3) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group’s PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Granted Land is held by the Group legally under the PRC laws. The Group has the rights to use such land legally under the PRC laws.

Regarding the Granted Land, the Group has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means during the remaining land use rights terms.

As of the issuance date of this legal opinion, the above land use right of the property has not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Buildings

Regarding the building with a building ownership certificate erected on the Granted Land, the Group is the solely owner of the building and has the rights to transfer, grant, lease, mortgage or dispose of these buildings by other legal means.

As of the issuance date of this legal opinion, the building of the property has not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as of 30 September 2006</u>													
			<u>RMB</u>													
12. Properties held by 中國煤炭工業進出口集團日照有限公司 (China National Coal Industry Imp. & Exp. Group (Rizhao) Co., Ltd.) in Shandong province in the PRC	<p>The properties comprise 3 parcels of land with a total site area of approximately 27,240.67 sq m (293,219) sq ft situated in Shandong province.</p> <p>The properties comprise 16 buildings, structures and ancillary facilities with a total gross floor area of approximately 14,151.95 sq m (152,332 sq ft) completed in various stages between 1987 and 2004.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"><u>Use</u></th> <th colspan="2"><u>Approximate Gross Floor Area</u></th> </tr> <tr> <th><u>sq m</u></th> <th><u>sq ft</u></th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>9,028.36</td> <td>97,181</td> </tr> <tr> <td>Ancillary facilities</td> <td>5,123.59</td> <td>55,151</td> </tr> <tr> <td>Total</td> <td>14,151.95</td> <td>152,332</td> </tr> </tbody> </table> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	<u>Use</u>	<u>Approximate Gross Floor Area</u>		<u>sq m</u>	<u>sq ft</u>	Office	9,028.36	97,181	Ancillary facilities	5,123.59	55,151	Total	14,151.95	152,332	<p>The properties are occupied by the Group for office and other ancillary facilities uses.</p> <p>40,720,000 (Market value attributable to the Group: 40,720,000)</p>
<u>Use</u>	<u>Approximate Gross Floor Area</u>															
	<u>sq m</u>	<u>sq ft</u>														
Office	9,028.36	97,181														
Ancillary facilities	5,123.59	55,151														
Total	14,151.95	152,332														

Notes:

- (1) 中國煤炭工業進出口集團日照有限公司 (China National Coal Industry Imp. & Exp. Group (Rizhao) Co., Ltd.) (“Rizhao Company”), a 100% owned subsidiary of the Company, has 3 parcels of the Granted Land with a total site area of approximately 27,240.67 sq m.
- (2) According to the information provided by the Group, the buildings of the properties held by Rizhao Company are as follows:

<u>The land which the buildings erected thereon</u>	<u>No. of building(s)</u>	<u>Approximate gross floor area (“GFA”) (sq m)</u>	<u>GFA of building(s) with building ownership certificate (“BOC”) (sq m)</u>	<u>GFA of building(s) without BOC (sq m)</u>
Granted Land	16	14,151.95	14,035.65	116.30
Total	16	14,151.95	14,035.65	116.30

- (3) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group’s PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Granted Land are held by the Group legally under the PRC laws. The Group has the rights to use such land legally under the PRC laws.

Regarding the Granted Land, the Group has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means during the remaining land use rights terms.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Buildings

Regarding the buildings with building ownership certificates erected on the Granted Land, the Group is the solely owner of these buildings and has the rights to transfer, grant, lease and mortgage or dispose of these buildings by other legal means.

Regarding the buildings without building ownership certificates erected on the Granted Land, once relevant building ownership certificates obtained by the Group, the rights for the Group to transfer, grant, mortgage or dispose of the buildings by other legal means shall be consistent with those as stated above.

ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the building ownership certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

As of the issuance date of this legal opinion, the buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as of 30 September 2006										
			RMB										
13. Properties held by 天津中煤进出口有限公司 (China National Coal Imp. & Exp. (Tianjin) Co., Ltd.) in Tianjin Municipality in the PRC	<p>The properties comprise 5 parcels of land with a total site area of approximately 59,720.02 sq m (642,826) sq ft situated in Tianjin Municipality.</p> <p>The properties comprise 4 buildings, structures and ancillary facilities with a total gross floor area of approximately 7,487.32 sq m (80,594 sq ft) completed in various stages between 1994 and 2003.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="2">Approximate Gross Floor Area</th> </tr> <tr> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>7,487.32</td> <td>80,594</td> </tr> <tr> <td>Total</td> <td>7,487.32</td> <td>80,594</td> </tr> </tbody> </table> <p>The properties also include a number of buildings, structures and ancillary facilities with a total gross floor area of approximately 1,525.00 sq m which were under construction as of the valuation date. A total construction cost of RMB34,887,934.50 has been incurred as of the valuation date. They are scheduled for completion in 2006.</p> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	Use	Approximate Gross Floor Area		sq m	sq ft	Office	7,487.32	80,594	Total	7,487.32	80,594	<p>The properties are occupied by the Group for office use.</p> <p>52,420,000 (Market value attributable to the Group: 52,420,000)</p>
Use	Approximate Gross Floor Area												
	sq m	sq ft											
Office	7,487.32	80,594											
Total	7,487.32	80,594											

Notes:

- (1) 天津中煤进出口有限公司 (China National Coal Imp. & Exp. (Tianjin) Co., Ltd.) (“Tianjin Company”), a 100% owned subsidiary of the Company, has 5 parcels of land with a total site area of approximately 59,720.02 sq m. Among the land, 3 parcels of land with a total area of approximately 3,075.22 sq m are the Granted Land, a parcel of land with a site area of approximately 144.80sq m is the Allocated Land and the remaining one parcel of land with a site area of approximately 56,500.00 sq m is the Without Title Land.
- (2) According to the information provided by the Group, the buildings of the properties held by Tianjin Company are as follows:

<u>The land which the buildings erected thereon</u>	<u>No. of building(s)</u>	<u>Approximate gross floor area (“GFA”) (sq m)</u>	<u>GFA of building(s) with building ownership certificate (“BOC”) (sq m)</u>	<u>GFA of building(s) without BOC (sq m)</u>
Granted Land	3	6,176.09	6,176.09	—
Allocated Land	1	1,311.23	1,311.23	—
Without Title Land	—	—	—	—
Total	4	7,487.32	7,487.32	—

- (3) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group’s PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Granted Land are held by the Group legally under the PRC laws. The Group has the rights to use such land legally under the PRC laws.

Regarding the Granted Land, the Group has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means during the remaining land use rights terms.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Regarding the Allocated Land and the Without Title Land and according to the Restructuring Agreement, ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the state-owned land use rights certificates in

12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

Buildings

Regarding the buildings with building ownership certificates erected on the Granted Land and the Allocated Land, the Group is the solely owner of these buildings.

Regarding the buildings erected on the Granted Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings.

Regarding the buildings erected on the Allocated Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings by other legal means once the Group has completed the granted land formality for the land on which the buildings are erected.

As of the issuance date of this legal opinion, the buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

- (4) Due to insufficient title proof to the aforesaid building erected on Allocated Land with a gross floor area of approximately 1,311.23 sq m, we have attributed no commercial value to the building. For indication purpose, as of the date of valuation, the depreciated replacement cost of the building (excluding the land) was approximately RMB6,870,000.
- (5) In the course of our valuation, we have attributed no commercial value to the Allocated Land portion and the Without Title Land portion of the properties due to the fact that these portions of the properties are not freely transferable in the market.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as of 30 September 2006
			RMB
14. Properties held by 中煤焦化控股有限責任公司 (China Coal & Coke Holdings Ltd.) in Shanxi, Hebei and Heilongjiang provinces in the PRC	<p>The properties comprise 14 parcels of land with a total site area of approximately 1,682,336.13 sq m (18,108,666 sq ft) situated in Shanxi, Hebei and Heilongjiang provinces.</p> <p>The properties comprise 232 buildings, structures and ancillary facilities with a total gross floor area of approximately 100,454.79 sq m (1,081,295 sq.ft) completed in various stages between 1997 and 2005.</p>	The properties are occupied by the Group for production, office, warehouse and other ancillary facilities uses.	423,730,000 (Market value attributable to the Group: 275,760,000)

Details of the gross floor areas and uses of the properties are as follows:

Use	Approximate Gross Floor Area	
	sq m	sq ft
Production	58,805.62	632,984
Office	13,048.20	140,451
Warehouse	4,715.39	50,756
Ancillary facilities	23,885.59	257,104
Total	100,454.79	1,081.295

The properties also include a number of buildings, structures and ancillary facilities with a total gross floor area of approximately 8,491.72 sq m which were under construction as of the valuation date. A total construction cost of RMB57,632,942.59 has been incurred as of the valuation date. They are scheduled for completion in 2006.

The land use rights of the properties are held for various terms with details as shown in note (1).

Notes:

- (1) 中煤焦化控股有限責任公司 (China Coal & Coke Holdings Ltd.) (“China Coal Coking”), a 100% owned subsidiary of the Company, has 8 parcels of land with a total site area of approximately 1,260,485.37 sq m. Among the land, 7 parcels of land with a total area of approximately 1,039,650.37 sq m are the Granted Land, and the remaining one parcel of land with a site area of approximately 220,835.00 sq m is the Without Title Land,
- (2) According to the information provided by the Group, China Coal Coking also leases 6 parcels of land with a total area of approximately 421,850.67 sq m (the “Leased Land”) for the construction of its 16 owned buildings.
- (3) According to the information provided by the Group, the buildings of the properties held by China Coal Coking are as follows:

The land which the buildings erected thereon	No. of building(s)	Approximate gross floor area (“GFA”) (sq m)	GFA of building(s) with building ownership certificate (“BOC”) (sq m)	GFA of building(s) without BOC (sq m)
Granted Land	198	82,291.50	81,291.37	1,000.13
Without Title Land	18	9,603.79	—	9,603.79
Leased Land	16	8,559.50	2,631.00	5,928.50
Total	232	100,454.79	83,922.37	16,532.42

- (4) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group’s PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Granted Land are held by the Group legally under the PRC laws. The Group has the rights to use such land legally under the PRC laws.

Regarding the Granted Land, the Group has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means during the remaining land use rights terms.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Regarding the Without Title Land and according to the Restructuring Agreement, ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the state-owned land use rights certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

Regarding the Leased Land, portion of the Leased Land has been leased by China Coal Coking by entering the leases with the relevant land administration authorities and China Coal Coking also has been granted with lease land certificates. To the remaining portion of the Leased Land, the lessor of the land has obtained approval from the relevant land administration authorities for the land lease. The leases of the Leased Land are legal and valid. ChinaCoal Group has undertaken to make the land be used by the Group legally in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

Buildings

Regarding the buildings with building ownership certificates erected on the Granted Land and the Leased Land, the Group is the solely owner of these buildings.

Regarding the buildings erected on the Granted Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings.

Regarding the buildings erected on the Leased Land with building ownership certificates, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings by other legal means by getting prior notice from the lessors.

Regarding the buildings with building ownership certificates erected on the Granted Land, the Without Title Land and the Leased Land, once relevant building ownership certificates obtained by the Group, the rights for the Group to transfer, grant, mortgage or dispose of the buildings by other legal means shall be consistent with those as stated above.

ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the building ownership certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

As of the issuance date of this legal opinion, the buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

- (5) Due to insufficient title proof to the aforesaid buildings erected on Without Title Land with a total gross floor area of approximately 9,603.79 sq m and those erected on the Leased Land with a total gross floor area of approximately 8,859.50 sq m, we have attributed no commercial value to these buildings. For indication purpose, as of the date of valuation, the depreciated replacement cost of these buildings (excluding the land) was approximately RMB18,970,000.
- (6) In the course of our valuation, we have attributed no commercial value to the Without Title Land portion and the Leased Land portion of the properties due to the fact that these portions of the properties are not freely transferable in the market.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as of 30 September 2006																				
			RMB																				
15. Properties held by 中國煤礦機械裝備有限公司 (China National Coal Mining Equipment Co., Ltd.) in Beijing Municipality and Hebei province in the PRC	<p>The properties comprise 11 parcels of land with a total site area of approximately 1,087,094.76 sq m (11,701,488 sq ft) situated in Beijing Municipality and Hebei province.</p> <p>The properties comprise 434 buildings, structures and ancillary facilities with a total gross floor area of approximately 385,691.53 sq m (4,151,584 sq ft) completed in various stages between 1950 and 2004.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="2">Approximate Gross Floor Area</th> </tr> <tr> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>220,735.98</td> <td>2,376,002</td> </tr> <tr> <td>Office</td> <td>62,962.07</td> <td>677,724</td> </tr> <tr> <td>Warehouse</td> <td>48,479.68</td> <td>521,835</td> </tr> <tr> <td>Ancillary facilities</td> <td>53,513.80</td> <td>576,023</td> </tr> <tr> <td>Total</td> <td>385,691.53</td> <td>4,151,584</td> </tr> </tbody> </table> <p>The properties also include a number of buildings, structures and ancillary facilities with a total gross floor area of approximately 30,094.68 sq m which were under construction as of the valuation date. A total construction cost of RMB52,192,706.49 has been incurred as of the valuation date. They are scheduled for completion in 2006.</p> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	Use	Approximate Gross Floor Area		sq m	sq ft	Production	220,735.98	2,376,002	Office	62,962.07	677,724	Warehouse	48,479.68	521,835	Ancillary facilities	53,513.80	576,023	Total	385,691.53	4,151,584	<p>The properties are occupied by the Group for production, office, warehouse and other ancillary facilities uses.</p>	502,900,000 (Market value attributable to the Group: 502,900,000)
Use	Approximate Gross Floor Area																						
	sq m	sq ft																					
Production	220,735.98	2,376,002																					
Office	62,962.07	677,724																					
Warehouse	48,479.68	521,835																					
Ancillary facilities	53,513.80	576,023																					
Total	385,691.53	4,151,584																					

Notes:

- (1) 中國煤礦機械裝備有限公司 (China National Coal Mining Equipment Co., Ltd.) (“Mining Equipment Group”), a 100% owned subsidiary of the Company, has 11 parcels of the Authorized Allocated Land with a total site area of approximately 1,087,094.76 sq m.
- (2) According to the information provided by the Group, the buildings of the properties held by Mining Equipment Group are as follows:

The land which the buildings erected thereon	No. of building(s)	Approximate gross floor area (“GFA”) (sq m)	GFA of building(s) with building ownership certificate (“BOC”) (sq m)	GFA of building(s) without BOC (sq m)
Authorized Allocated Land	434	385,691.53	373,841.03	11,850.50
Total	434	385,691.53	373,841.03	11,850.50

- (3) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group’s PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Authorized Allocated Land are held by the Group legally under the PRC laws. The Group has the rights to use such land legally under the PRC laws.

Regarding the Authorized Allocated Land, the Group only has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means internally. Caused the land rezoned to other use or transferred to entities outside the Group, land grant fee shall be paid for completion of rezoning or transfer.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Buildings

Regarding the buildings erected on the Authorized Allocated Land with building ownership certificates, the Group is the solely owner of these buildings and has the rights to transfer, grant, lease and mortgage or dispose of these buildings by other legal means internally. Caused the buildings are transferred to the entities out the Group, relevant land grant fee of the land shall be paid for completion of the transfer.

Regarding the buildings without building ownership certificates erected on the Authorized Allocated Land, once relevant building ownership certificates obtained by the Group, the rights for the Group to transfer, grant, mortgage or dispose of the buildings by other legal means shall be consistent with those as stated above.

ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the building ownership certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

As of the issuance date of this legal opinion, the buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as of 30 September 2006													
			RMB													
16. Properties held by 中煤西安設計工程 有限責任公司 (China Coal Xi'an Design Engineering Co., Ltd.) in Shaanxi, Hebei and Fujian provinces in the PRC	<p>The properties comprise 4 parcels of land with a total site area of approximately 35,817.61 sq m (385,541 sq ft) situated in Shannxi, Hebei and Fujian provinces.</p> <p>The properties comprise 14 buildings, structures and ancillary facilities with a total gross floor area of approximately 40,747.98 sq m (438,612sq ft) completed in various stages between 1980 and 2005.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="2">Approximate Gross Floor Area</th> </tr> <tr> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>34,147.96</td> <td>367,569</td> </tr> <tr> <td>Ancillary facilities</td> <td>6,600.02</td> <td>71,043</td> </tr> <tr> <td>Total</td> <td>4,074.98</td> <td>438,612</td> </tr> </tbody> </table> <p>The properties also include a number of buildings, structures and ancillary facilities with a total gross floor area of approximately 10,749.00 sq m which were under construction as of the valuation date. A total construction cost of RMB21,041,340.08 has been incurred as of the valuation date. They are scheduled for completion in 2006.</p> <p>The land use rights of the properties are held for various terms with details as shown in note (1).</p>	Use	Approximate Gross Floor Area		sq m	sq ft	Office	34,147.96	367,569	Ancillary facilities	6,600.02	71,043	Total	4,074.98	438,612	<p>The properties are occupied by the Group for office and other ancillary facilities uses.</p> <p>142,340,000 (Market value attributable to the Group: 142,340,000)</p>
Use	Approximate Gross Floor Area															
	sq m	sq ft														
Office	34,147.96	367,569														
Ancillary facilities	6,600.02	71,043														
Total	4,074.98	438,612														

Notes:

- (1) 中煤西安設計工程有限責任公司 (China Coal Xi'an Design Engineering Co., Ltd.) ("Xi'an Design Engineering Company"), a 100% owned subsidiary of the Company, has 4 parcels of land with a total site area of approximately 35,817.61 sq m. Among the land, 2 parcels of land with a total area of approximately 35,727.13 sq m are the Authorized Allocated Land and the remaining 2 parcels of land with a total area of approximately 90.48 sq m are the Granted Land.

- (2) According to the information provided, the buildings of the properties held by Xi'an Design Engineering Company are as follows:

<u>The land which the buildings erected thereon</u>	<u>No. of building(s)</u>	<u>Approximate gross floor area ("GFA") (sq m)</u>	<u>GFA of building(s) with building ownership certificate ("BOC") (sq m)</u>	<u>GFA of building(s) without BOC (sq m)</u>
Granted Land	2	463.81	463.81	—
Authorized Allocated Land	12	40,284.17	39,042.17	1,242.00
Total	14	40,747.98	39,505.98	1,242.00

- (3) We have been provided with a copy of the legal opinion on the title to the properties prepared by Jia Yuan Law Firm, the Group's PRC legal adviser, which contains, inter-alia, the following information:

Land Use Rights

The Granted Land and the Authorized Allocated Land are held by the Group legally under the PRC laws. The Group has the rights to use such land legally under the PRC laws.

Regarding the Granted Land, the Group has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means during the remaining land use rights terms.

Regarding the Authorized Allocated Land, the Group only has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the land of the properties by other legal means internally. Caused the land rezoned to other use or transferred to entities outside the Group, land grant fee shall be paid for completion of rezoning or transfer.

As of the issuance date of this legal opinion, the above land use rights of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Buildings

Regarding the buildings with building ownership certificates, erected on the Granted Land and the Authorized Allocated Land the Group is the solely owner of these buildings.

Regarding the buildings with building ownership certificates erected on the Granted Land, the Group has the rights to transfer, grant, lease, mortgage or dispose of the buildings.

Regarding the buildings with building ownership certificates erected on the Authorized Allocated Land, the Group only has the rights to occupy, use, grant, transfer, lease, mortgage or dispose of the buildings by other legal means internally. Caused the buildings are transferred to the entities out the Group, relevant land grant fee of the land shall be paid for completion of the transfer.

Regarding the buildings without building ownership certificates erected on the Authorized Allocated Land, once relevant building ownership certificates obtained by the Group, the rights for the Group to transfer, grant, mortgage or dispose of the buildings by other legal means shall be consistent with those as stated above.

ChinaCoal Group has undertaken to provide all necessary assistance to the Group in order to apply for the building ownership certificates in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

As of the issuance date of this legal opinion, the buildings of the properties have not engaged in any litigation, confiscation or disputes and are not subject to any pledges, liens and other third parties interest.

Group II — Property interests leased by the Group in the PRC, Hong Kong and Australia

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	Market value in existing state as of 30 September 2006 RMB
17. A property leased by the Company in Beijing Municipality in the PRC	The property comprises an office unit in a 18-storey commercial building with a gross floor area of approximately 6,109.51 sq m (65,762 sq ft) completed in 2004. The property is subject to a lease agreement for a term from 1 January 2006 to 31 December 2006 at an annual rental of approximately RMB7,698,000.	The property is occupied by the Group for office uses.	No commercial value

Notes:

- (1) The Group leases an building with a gross floor area of approximately 6,109.51sq m. The lessor of the building have obtained building ownership certificates.
- (2) We have been provided with a copy of the legal opinion on the lease agreements to the properties prepared by Jia Yuan Law Firm, the Company's PRC legal adviser, which contains, inter alia, the following information:

The lease of the building without building ownership certificate will be legal and valid once the lessor having obtained the building ownership certificate for the building. According to the Restructuring Agreement, ChinaCoal Group has undertaken to make the building be used by the Group legally in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as of 30 September 2006</u>
			RMB
18. A property leased by 上海中煤華東有限公司 (Shanghai ChinaCoal East China Co., Ltd.) in Shanghai Municipality in the PRC	<p>The property comprises an office unit on 6th floor in a 33-storey office building with a gross floor area of approximately 148.26 sq m (1,596 sq ft) completed in 1998.</p> <p>The property is subject to a lease agreement for a term from 25 May 2005 to 25 May 2025 at an annual rental of approximately RMB135,000.</p>	The property is occupied by the Group for office use.	No Commercial Value

Notes:

- (1) The Group leases an office unit with a gross floor area of approximately 148.26 sq m. The lessor of the office unit with a gross floor area of approximately 148.26 sq m has obtained building ownership certificate for the building.
- (2) We have been provided with a copy of the legal opinion on the lease agreement to the properties prepared by Jia Yuan Law Firm, the Company's PRC legal adviser, which contains, inter alia, the following information:
The lease of the office unit without building ownership certificate will be legal and valid once the lessor having obtained the building ownership certificate for the office unit. According to the Restructuring Agreement, ChinaCoal Group has undertaken to make the office unit used by the Group legally in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in</u> <u>existing state as of</u> <u>30 September 2006</u>																	
			<u>RMB</u>																	
19. Properties leased by 華光資源有限公司 (Sunfield Resources Pty. Ltd.) in Shanxi province in the PRC and in Australia	<p>The properties comprise an office, a production factory and 3 ancillary facilities in Shanxi province and an office property and two staff quarters in Australia completed in various stages between 1994 and 2000.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"><u>Use</u></th> <th colspan="2"><u>Approximate Gross Floor Area</u></th> </tr> <tr> <th><u>sq m</u></th> <th><u>sq ft</u></th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>617.50</td> <td>6,647</td> </tr> <tr> <td>Office</td> <td>363.00</td> <td>3,907</td> </tr> <tr> <td>Ancillary facilities</td> <td>1,218.00</td> <td>13,111</td> </tr> <tr> <td>Total</td> <td>2,198.50</td> <td>23,665</td> </tr> </tbody> </table> <p>The properties are subject to various lease agreements for various terms at a total annual rental of approximately RMB1,184,000.</p>	<u>Use</u>	<u>Approximate Gross Floor Area</u>		<u>sq m</u>	<u>sq ft</u>	Production	617.50	6,647	Office	363.00	3,907	Ancillary facilities	1,218.00	13,111	Total	2,198.50	23,665	The properties are occupied by the Group for production, office and other ancillary facilities uses.	No commercial value
<u>Use</u>	<u>Approximate Gross Floor Area</u>																			
	<u>sq m</u>	<u>sq ft</u>																		
Production	617.50	6,647																		
Office	363.00	3,907																		
Ancillary facilities	1,218.00	13,111																		
Total	2,198.50	23,665																		

Notes:

- (1) The Group leases 8 buildings with a total gross floor area of approximately 2,198.50 sq m. The lessors of these 8 buildings have not obtained building ownership certificates.
- (2) We have been provided with a copy of the legal opinion on the lease agreements to the properties prepared by Jia Yuan Law Firm, the Company's PRC legal adviser, which contains, inter alia, the following information:

The leases of the buildings without building ownership certificates will be legal and valid once the lessors having obtained the building ownership certificates for these buildings. According to the Restructuring Agreement, ChinaCoal Group has undertaken to make the building be used by the Group legally in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as of 30 September 2006</u>
			RMB
20. A property leased by 中國煤炭工業進出口集團青島有限公司 (China National Coal Industry Imp. & Exp. Group (Qingdao) Co., Ltd.) in Shandong province in the PRC	<p>The property comprises an office unit on 15th floor in a 36-storey office building with a gross floor area of approximately 113.03 sq m (1,217 sq ft) in Shandong province completed in between 2002.</p> <p>The property is subject to a lease agreement for a term from 1 January 2006 to 30 September 2006 at an annual rental of approximately RMB57,000.</p>	The property is occupied by the Group for office use.	No commercial value

Notes:

- (1) The Group leases an office with a gross floor area of approximately 113.03 sq m. The lessor of the property has obtained building ownership certificate for the property.
- (2) We have been provided with a copy of the legal opinion on the lease agreements to the properties prepared by Jia Yuan Law Firm, the Company's PRC legal adviser, which contains, inter alia, the following information:
The lease of the property without building ownership certificate will be legal and valid once the lessor having obtained the building ownership certificate for the property. According to the Restructuring Agreement, ChinaCoal Group has undertaken to make the property be used by the Group legally in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value</u>																				
			<u>in existing state as of</u> <u>30 September 2006</u>																				
			RMB																				
21. Properties leased by 中煤焦化控股有限責任公司 (China Coal & Coke Holdings Ltd.) in Beijing Municipality, Shanxi and Heilongjiang provinces in the PRC and in Hong Kong	<p>The properties comprise 6 offices, 13 productions buildings, a warehouse and 23 ancillary facilities in Shanxi and Heilongjiang provinces and 3 office units and 2 ancillary facilities in Hong Kong completed in various stages between 1993 and 2005.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th rowspan="2"><u>Use</u></th> <th colspan="2"><u>Approximate Gross Floor Area</u></th> </tr> <tr> <th><u>sq m</u></th> <th><u>sq ft</u></th> </tr> </thead> <tbody> <tr> <td>Production</td> <td style="text-align: right;">6,969.64</td> <td style="text-align: right;">75,021</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">8,315.18</td> <td style="text-align: right;">89,504</td> </tr> <tr> <td>Warehouse</td> <td style="text-align: right;">2,458.39</td> <td style="text-align: right;">26,462</td> </tr> <tr> <td>Ancillary Facilities</td> <td style="text-align: right;"><u>13,809.69</u></td> <td style="text-align: right;"><u>148,648</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>31,552.90</u></td> <td style="text-align: right;"><u>339,635</u></td> </tr> </tbody> </table> <p>The properties are subject to various leases agreements for various terms at a total annual rental of approximately RMB7,580,000.</p>	<u>Use</u>	<u>Approximate Gross Floor Area</u>		<u>sq m</u>	<u>sq ft</u>	Production	6,969.64	75,021	Office	8,315.18	89,504	Warehouse	2,458.39	26,462	Ancillary Facilities	<u>13,809.69</u>	<u>148,648</u>	Total	<u>31,552.90</u>	<u>339,635</u>	The properties are occupied by the Group for production, office, warehouse and ancillary facilities uses.	No commercial value
<u>Use</u>	<u>Approximate Gross Floor Area</u>																						
	<u>sq m</u>	<u>sq ft</u>																					
Production	6,969.64	75,021																					
Office	8,315.18	89,504																					
Warehouse	2,458.39	26,462																					
Ancillary Facilities	<u>13,809.69</u>	<u>148,648</u>																					
Total	<u>31,552.90</u>	<u>339,635</u>																					

Notes:

- (1) The Group leases 48 properties with a total gross floor area of approximately 31,552.90 sq m. Among the properties, the lessors of 47 buildings with a total gross floor area of approximately 30,681.10 sq m have obtained building ownership certificates and relevant title document and the lessors of the remaining one property with a gross floor area of approximately 871.80 sq m has not obtained building ownership certificate.
- (2) We have been provided with a copy of the legal opinion on the lease agreements to the properties prepared by Jia Yuan Law Firm, the Company's PRC legal adviser, which contains, inter alia, the following information:

The leases of the properties with building ownership certificates is legal and valid. The lessors have the rights to lease the properties to the Group. The lease agreements are in compliance with the requirements of the PRC laws and regulations and are binding to both signed parties. The Group has the rights to use the properties under the PRC Laws.

The lease of the properties without building ownership certificates will be legal and valid once the lessors having obtained the building ownership certificates. According to the Restructuring Agreement, ChinaCoal Group has undertaken to make the properties be used by the Group legally in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in</u> <u>existing state as of</u> <u>30 September 2006</u>														
			<u>RMB</u>														
22. Properties leased by 中國煤礦機械裝備有限公司(China National Coal Mining Equipment Co., Ltd.) in Beijing Municipality and Hebei province in the PRC	<p>The properties comprise 5 offices and a production building in Beijing Municipality and Hebei province completed in various stages between 2002 and 2004.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"><u>Use</u></th> <th colspan="2"><u>Approximate Gross Floor Area</u></th> </tr> <tr> <th><u>sq m</u></th> <th><u>sq ft</u></th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>700.00</td> <td>7,535</td> </tr> <tr> <td>Office</td> <td>1,218.60</td> <td>13,117</td> </tr> <tr> <td>Total</td> <td>1,918.60</td> <td>20,652</td> </tr> </tbody> </table> <p>The properties are subject to various lease agreements for various terms at a total annual rental of approximately RMB766,000.</p>	<u>Use</u>	<u>Approximate Gross Floor Area</u>		<u>sq m</u>	<u>sq ft</u>	Production	700.00	7,535	Office	1,218.60	13,117	Total	1,918.60	20,652	The properties are occupied by the Group for office and production uses.	No commercial value
<u>Use</u>	<u>Approximate Gross Floor Area</u>																
	<u>sq m</u>	<u>sq ft</u>															
Production	700.00	7,535															
Office	1,218.60	13,117															
Total	1,918.60	20,652															

Notes:

- (1) The Group leases 6 properties with a total gross floor area of approximately 1,918.60 sq m. The lessors of the 4 properties have not obtained building ownership certificates.
- (2) We have been provided with a copy of the legal opinion on the lease agreements to the properties prepared by Jia Yuan Law Firm, the Company's PRC legal adviser, which contains, inter alia, the following information:

The leases of the properties without building ownership certificates will be legal and valid once the lessors having obtained the building ownership certificates. According to the Restructuring Agreement, ChinaCoal Group has undertaken to make the properties be used by the Group legally in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	Market value in existing state as of 30 September 2006														
			RMB														
23. Properties leased by 上海大屯能源股份 有限公司 (Shanghai Datun Energy Resources Co., Ltd.) in Shanghai Municipality in the PRC	<p>The properties comprise 69 offices and 397 production buildings in Shanghai Municipality completed in various between 1971 and 2002.</p> <p>Details of the gross floor areas and uses of the properties are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"><u>Use</u></th> <th colspan="2"><u>Approximate Gross Floor Area</u></th> </tr> <tr> <th><u>sq m</u></th> <th><u>sq ft</u></th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>125,605.23</td> <td>1,352,015</td> </tr> <tr> <td>Office</td> <td>70,500</td> <td>758,862</td> </tr> <tr> <td>Total</td> <td>196,105.23</td> <td>2,110,877</td> </tr> </tbody> </table> <p>The properties are subject to various lease agreements for various terms at a total annual rental of approximately RMB30,345,000</p>	<u>Use</u>	<u>Approximate Gross Floor Area</u>		<u>sq m</u>	<u>sq ft</u>	Production	125,605.23	1,352,015	Office	70,500	758,862	Total	196,105.23	2,110,877	The properties are occupied by the Group for office and production uses.	No commercial value
<u>Use</u>	<u>Approximate Gross Floor Area</u>																
	<u>sq m</u>	<u>sq ft</u>															
Production	125,605.23	1,352,015															
Office	70,500	758,862															
Total	196,105.23	2,110,877															

Notes:

- (1) The Group leases 466 properties with a total gross floor area of approximately 196,105.23sq m. Among these properties, the lessors of the 7 properties with a total gross floor area of approximately 4,974.00 sq m have not obtained building ownership certificates and the lessors of the remaining properties have obtained building ownership certificates
- (2) We have been provided with a copy of the legal opinion on the lease agreements to the properties prepared by Jia Yuan Law Firm, the Company's PRC legal adviser, which contains, inter alia, the following information:

The lease of the properties without building ownership certificates will be legal and valid once the lessors having obtained the building ownership certificates. According to the Restructuring Agreement, ChinaCoal Group has undertaken to make the properties be used by the Group legally in 12 months from the date of establishment of the Company. The undertaking given by ChinaCoal Group to the Group is legal, valid and binding.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as of 30 September 2006</u>
			RMB
24. A property leased by 中煤招標有限責任公司 (China Coal Tendering Co., Ltd.) in Beijing Municipality in the PRC	The property comprise 1 office with a gross floor area of approximately 525.23 sq m(5,654 sq ft) in Beijing Municipality completed in 2004. This property is subject to a tenancy agreement for a term from 1 January 2006 to 31 December 2006 at an annual rental of approximately RMB647,000.	The property is occupied by the Group for office use.	No commercial value

Notes:

- (1) The Group leases 1 building with a total gross floor area of approximately 525.23 sq m. The lessor of the building have obtained building ownership certificate for the building.
- (2) We have been provided with a copy of the legal opinion on the lease agreements to the properties prepared by Jia Yuan Law Firm, the Company's PRC legal adviser, which contains, inter alia, the following information:
The lease of the building is legal and valid.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as of 30 September 2006</u> RMB
25. A property leased by 中國煤炭開發有限責任公司 (China National Coal Development Co., Ltd.) in Beijing Municipality in the PRC	The property comprise an office with a gross floor area of approximately 1,096.78 sq m (11,806 sq ft) in Beijing Municipality completed in 2004. This property is subject to a lease agreement for a term from 1 January 2006 to 31 December 2006 at an annual rental of approximately RMB1,382,000	The property is occupied by the Group for office use.	No commercial value

Notes:

- (1) The Group leases an office with a total gross floor area of approximately 1,096.78 sq m. The lessor of the office has obtained building ownership certificate.
- (2) We have been provided with a copy of the legal opinion on the lease agreements to the properties prepared by Jia Yuan Law Firm, the Company's PRC legal adviser, which contains, inter alia, the following information:
The lease of the office is legal and valid.