

## Strategies in 2007

### Sales and marketing strategies

- As domestic coal prices rise, we will raise the long-term contract prices of coal appropriately and narrow the gap with the spot sales prices gradually; while we will satisfy the demand of our existing strategic customers, we shall take the initiative to develop new customers;
- Developing the operations of purchasing coal from third parties for blending and re-sale, and fully utilising our resources in railways and ports for transportation, so as to increase our revenues and profits;
- We will appropriately balance our domestic and overseas coal market, steady our export sales, keep the prices reasonable and develop new customers;
- Prudently proceed with our coal import agency operations to expand our scope of operations;
- Be better prepared in our power segment in the bidding of on-grid power to maximise our business interest.

### Production management

- Strive to facilitate the effective implementation of the safety management system and mechanism within the Company and to achieve higher safety standards and level within the industry;
- By further improving our infrastructure, production equipment and information system, we aim to enhance our production efficiency and increase our economy of scale;
- Continue to strive to expand the potential of our transportation system and upgrade our transportation capability to fully utilise our strength in the integrated transportation system;
- Strengthening operation and management of power operations and strive to minimise the operation costs and accelerate collection of power tariffs, to further enhance the level of return of the power segment.
- Constantly innovating in technology and fully leveraging new technologies, equipment and new materials, thus facilitating the modernisation of our production facilities and increasing our cost-effectiveness.

### Management and operation of capital

- Developing and acquiring new resources in the PRC to lay a foundation for our sustainable development;
- Active involvement in developments and acquisitions of overseas projects to enhance our international presence;
- Developing projects with capital injection by our parent company to increase our profitability.

### Sophisticated management

- Improving the ability of our staff to implement our annual plan well and creatively;
- Strengthening our independent innovation in technology to facilitate the long-term development of our integrated mode of operation;
- Strengthening our budget management to minimise cost and increase efficiency, thus achieving better cost control;
- Improving our internal controls system and strengthening our internal management mechanism to prevent operational risks, thereby actively implementing our systemisation of management. In the short term, focusing on the establishment of our strategic financial management system to increase the accuracy and timeliness of the way we deal with our daily operations and estimates, the safety and efficiency with which we apply our capital and to increase the support of finance to the management decision-making process, allowing us to effectively realise our strategic goals;
- Strengthening staff training to enhance their professionalism and teamwork capability;
- Rigorously managing connected transactions to ensure compliance with applicable laws and rules.

### Harmonious development

- Fostering a harmonious relationship internally and with the government, regulatory authorities, customers and shareholders, to achieve the best result for all and promote the continuous growth of the Company;
- Enhancing awareness of energy-conservation and environmental protection, performing our social responsibilities consciously for the sake of a harmonious development;
- Rigorously performing our corporate management duties in accordance with the standards of international capital markets, and endeavouring to generate returns for shareholders.