

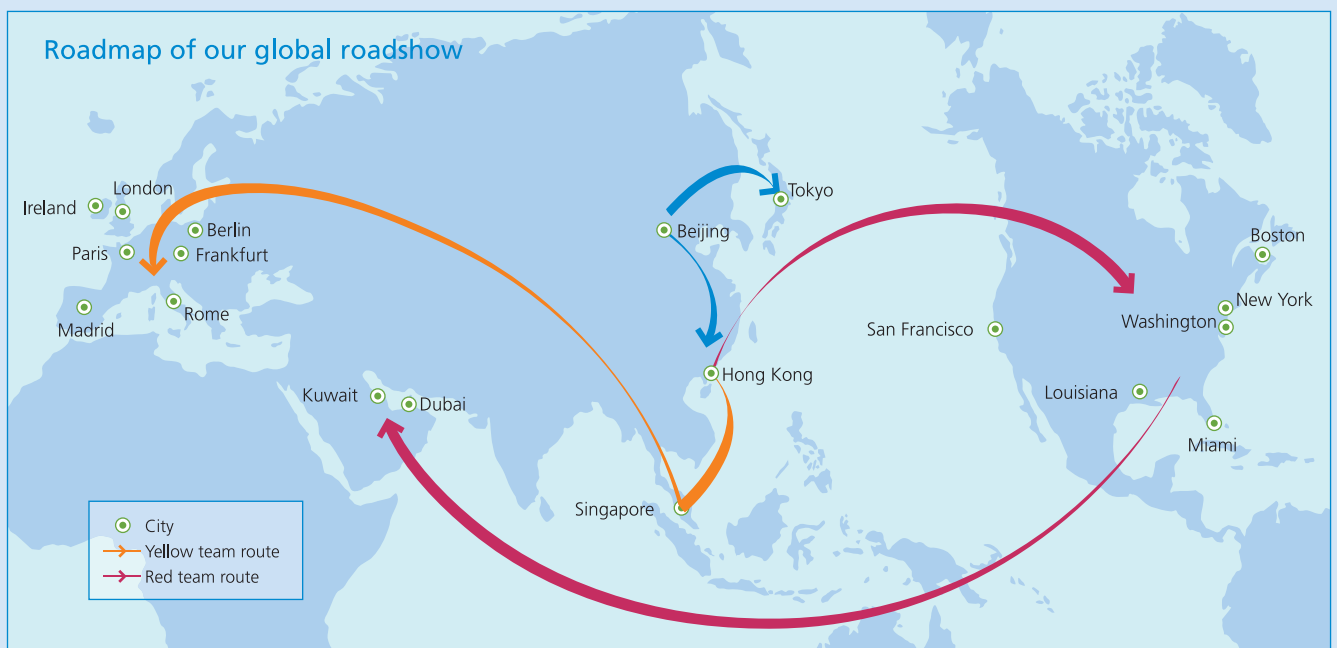
# Investor Relations

The concept of investor relations: to enhance company profile, and create shareholder value

The approach of investor relations: proactive, interactive, professional and disciplined

Our share price rose steadily in 2006. The share price soared by 138% in the past year, performing far better than the Hang Seng Index and the H-share Index, and outstanding the industry. The rise in our share price brings good returns for shareholders.

Since its listing, the Company has been committed to taking the initiative to communicate candidly with investors, which has helped investors and analysts to fully understand our management concept, development strategy and operations, and to grasp the fundamentals of the Company, thereby optimising our shareholders' value.





Annual general meeting held in Hong Kong in May 2006



Site visit by fund managers and analysts to the Shendong Mines in May 2006

## Multi-Channel Communications with the Market

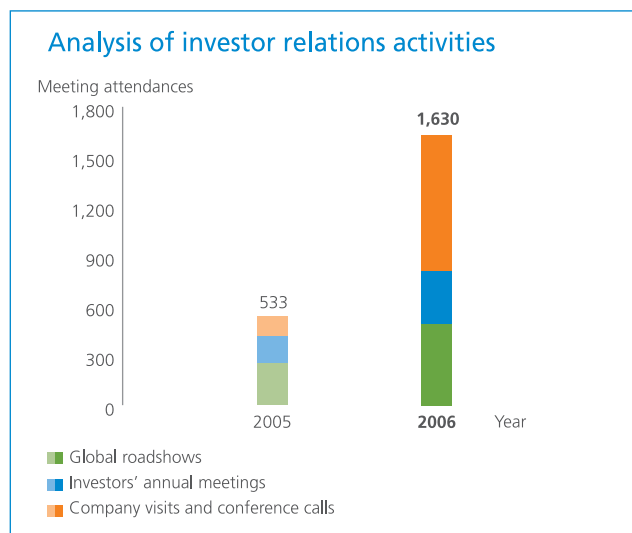
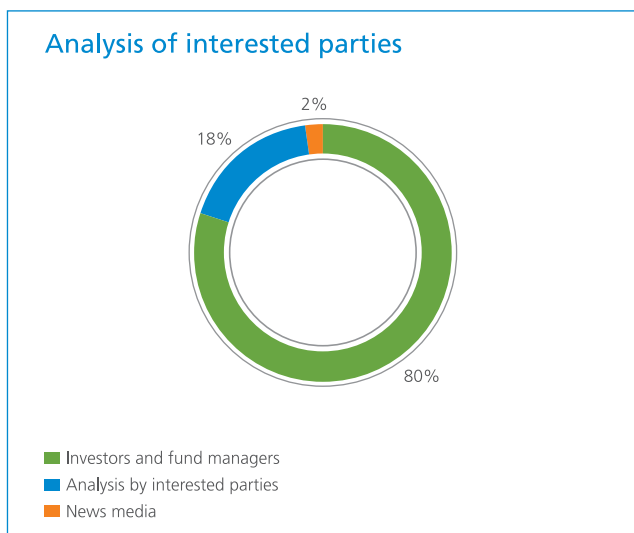
In 2006, the Company vigorously applied a “full coverage” approach, holding meetings with investors and analysts by various means with an aggregate of 1,630 meeting attendances<sup>(1)</sup>, thereby achieving an efficient communication between the Company and the market.

In 2006, the Chairman and the President led a team of senior management of the Company to conduct two conferences in relation to the announcement of the results of the Company, one annual general meeting, several investment summit talks and three non-deal roadshows for the Company’s results. The roadshows covered places including, North America, Europe, Middle East and Japan. The senior management of the Company has carried out proactive and full communications with investors from over 100 funds around the world, with an aggregate of 495 meeting attendances<sup>(1)</sup>. Through their direct interactions with the market, not only can the senior management release the latest and most authoritative

information to the market, but they can also understand the views of investors and analysts regarding the strategies of the Company, the corporate governance of the Company and its daily operations, thus allowing for improvements to be made to the operations of the Company.

In 2006, the management of the Company actively participated in a number of international investment forums, 21 annual meetings with investors, and meetings with investors and analysts with an aggregate of 1,270 meeting attendances<sup>(1)</sup>. Meanwhile, the investor relations staff of the Company met the investors and analysts with an aggregate of 360 meeting attendances<sup>(1)</sup> in 2006 through various means of visits or conference calls.

In May 2006, the Company held its first annual general meeting in Hong Kong after its listing. Led by Mr. Chen Biting, the Chairman of the Company, all the directors, supervisors and senior management attended the meeting to exchange views face-to-face with shareholders, in particular medium to small shareholders. Independent directors had also responded to the concerns of shareholders. All the resolutions had been passed smoothly.



Note:  
 (1) “Meeting attendances” is calculated as the number of meetings multiplied by the number of attendees at each meeting.



1. Fully present our operating results to help investors grasp our strategies for the future

2. Transmit our latest information and analyse trend of the industry development in the future

3. Face-to-face communications to have an in-depth understanding of the Company's operations

4. Taking the initiative to disseminate the latest information about the Company and the industry

5. Disclose information in a timely manner to seek continuous interaction with investors

6. Review our performance and efficiency, identify deficiency and make continuous improvement

## The first reverse roadshow after our listing

In May 2006, the Company conducted its first reverse roadshow. 30 fund managers and analysts from more than 20 investment banks came to visit the Bulianta mine, Majjata rehabilitation area, Direct Coal Liquefaction project, and repair and maintenance centre at the Shendong Mines. Through this site visit of the production base, investors and analysts were able to gain a more direct and thorough understanding of our operational model and highly efficient management.

## The first roadshow in the Middle East after our listing

In September 2006, the Company went to the Middle East Region for a non-deal roadshow for the first time. The Company met with eight institutional investors in the Middle East with significant influence in the region, thereby enhancing our profile and influence with the investors in the Middle East Region. According to investors' feedback, the Company is the first H share Company other than financial companies to visit the investors in the Middle East and the Company is perceived as having a very strong international perspective and a high investment value.

## Seeking to continuously improve investor relations

We conducted a survey on investor relations through independent third parties to help us to understand any deficiency in our work over the past year and to identify the direction towards which we should be working in future. In the meantime, we had also sought to improve our professional qualifications and working capabilities through learning from domestic peers and exchange of our work experience as well as through training provided by the Company.

## Working in-depth to enhance effectiveness

We have established and have been updating our database for the Company and industry and set up a mechanism for receiving feedback on information of the market. By means such as internal publications, we communicate with the management and the relevant departments on the key issues raised at each of our regular meetings. We also carried out in-depth discussions and analysis on the key issues or difficulties, so as to continuously improve the operation of the Company. For questions which cannot be fully addressed on the spot, the Company delivers the conclusion of such discussions and analysis to investors by e-mail and telephone.



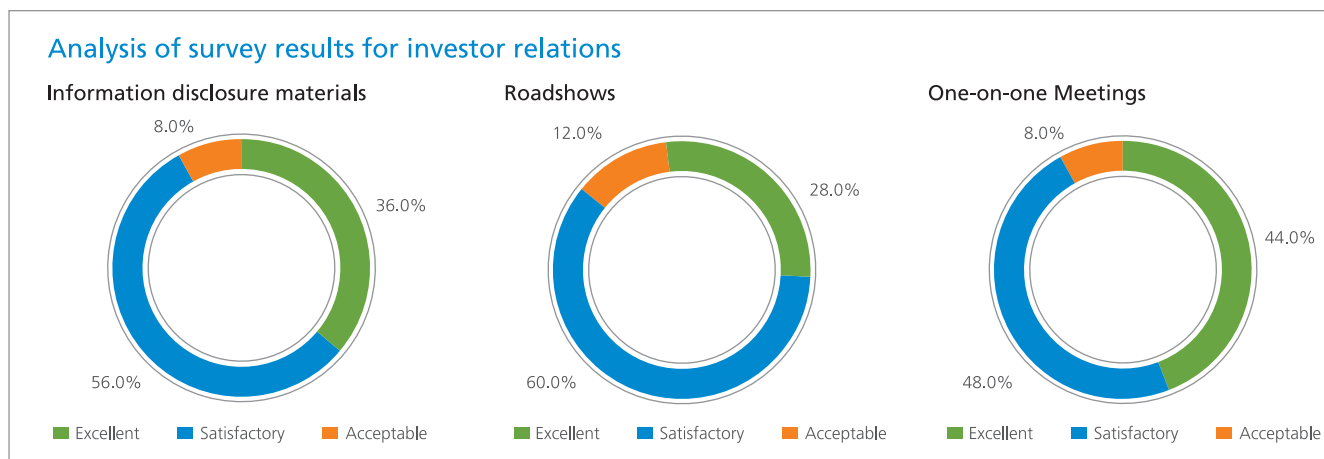
Management met with investors in the Middle East for the first time in September 2006

In 2007, the focus of Investor Relations are as follows:

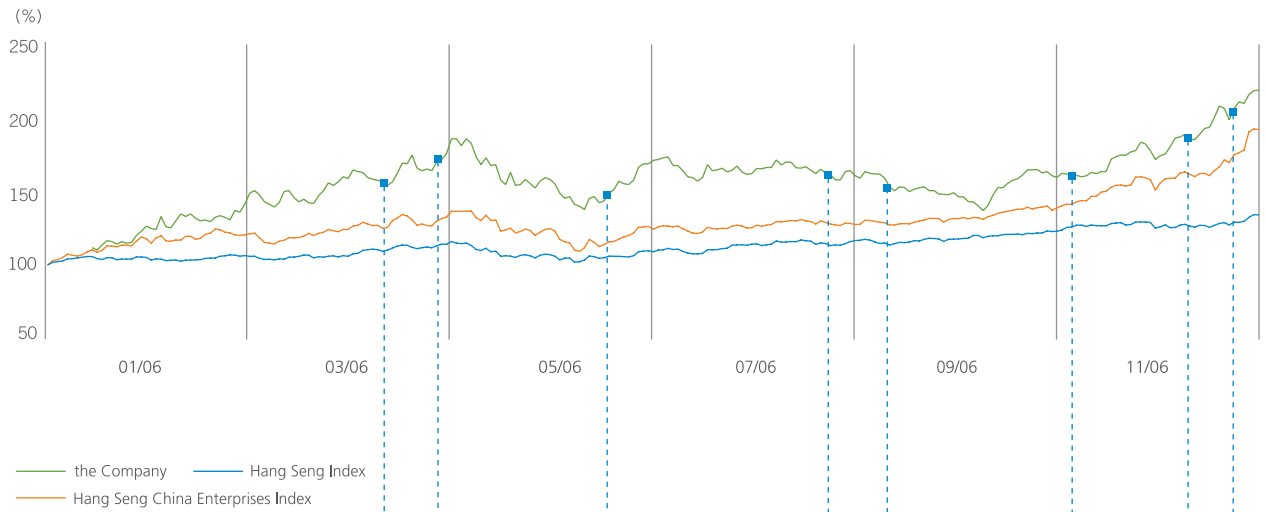
- enhancing the transparency of the Company's information disclosure. Since January 2007, we have been disclosing on a monthly basis the business data of the Company and industry background or policies which will affect the operations of the Company;
- collecting internal and external information systematically and establishing our information data bank and investors database, so as to transmit information to investors in a timely manner and to improve the quality of such information transmitted; and
- improving the investor information feedback system and establishing the relevant systems to improve interaction with investors.

## Prospects

In 2007, the Company will continuously take a proactive, interactive and professional approach for Investor Relations and will standardise the operations of Investor Relations. The Company will enhance the transparency of our disclosure of information and will provide information to the investors so that the investors and analysts can understand our development more accurately, effectively and timely, thus maximising shareholders' value.



## Share price performance of the Company in 2006



## Major investor relations' events in 2006

- Annual Results Announcement of 2005 on 10 March
- Management Global Roadshow
- Announcement of Acquisition of Jinjie Energy

- Release of Quarterly Operational Results on 17 April

- Investors Site Visit to Shendong Mines on 20 May

- Release of Operational Results of the First Half of the Year on 14 July

- Announcement of 2006 Interim Results and Management Global Roadshow on 25 August

- Release of Quarterly Operational Results on 13 October

- Dr. Ling Wen, the President, attended the Asia Pacific Investment Summit of Morgan Stanley on 14 November

- Mr. Chen Biting, the Chairman, visited Japan for non-deal roadshow on 13 December

## Key Activities for Investor Relations in 2006

	Key-note presentation	One-on-one meeting	Investors attendance
<b>January 2006</b>			
<ul style="list-style-type: none"> <li>Participated in the Investment Forum held by CICC for 2006</li> <li>Participated in the Greater China Investment Conference 2006 held by UBS</li> </ul>	<p>–</p> <p>✓</p>	<p>–</p> <p>10</p>	<p>–</p> <p>50</p>
<b>February 2006</b>			
<ul style="list-style-type: none"> <li>Participated in the activities for promotion of China enterprises held by HSBC</li> <li>Participated in the Global Economic Conference held by Lehman Brothers</li> <li>Participated in the “China Concept” Conference held by Deutsche Bank</li> </ul>	<p>–</p> <p>–</p> <p>–</p>	<p>9</p> <p>–</p> <p>8</p>	<p>23</p> <p>–</p> <p>22</p>
<b>March 2006</b>			
<ul style="list-style-type: none"> <li>Announcement of 2005 annual results</li> <li>Panel discussion with analysts and press conference</li> <li>Global non-deal roadshow presenting 2005 annual results of Company by the management</li> <li>Participated in the China Investment Conference 2006 held by Credit Suisse</li> </ul>	<p>✓</p> <p>–</p> <p>✓</p> <p>✓</p>	<p>–</p> <p>–</p> <p>97</p> <p>97</p>	<p>–</p> <p>80</p> <p>257</p> <p>35</p>
<b>April 2006</b>			
<ul style="list-style-type: none"> <li>Participated in the China Investment Conference 2006 held by JP Morgan</li> </ul>	<p>✓</p>	<p>8</p>	<p>24</p>
<b>May 2006</b>			
<ul style="list-style-type: none"> <li>Participated in the Annual Investment Conference held by Macquarie</li> <li>Participated in the China Investment Forum 2006 held by CLSA</li> <li>Participated in the Global Investment Forum held by Deutsche Bank</li> <li>Participated in the Investment Forum held by UBS</li> <li>2005 Shareholders’ Annual General Meeting</li> <li>Annual reverse roadshow of investors and analysts for 2006</li> </ul>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>–</p> <p>–</p>	<p>–</p> <p>8</p> <p>–</p> <p>8</p> <p>–</p> <p>–</p>	<p>20</p> <p>28</p> <p>50</p> <p>20</p> <p>–</p> <p>30</p>

	Key-note presentation	One-on-one meeting	Investors attendance
<b>June 2006</b>			
<ul style="list-style-type: none"> <li>Participated in China Access Day – Natural Resources held by CLSA</li> </ul>	–	8	38
<b>August 2006</b>			
<ul style="list-style-type: none"> <li>Announcement of 2006 interim results</li> <li>Panel discussion with analysts and press conference</li> <li>Interim Global non-deal roadshow presenting 2006 interim results of Company by the management</li> </ul>	– ✓ ✓	– – 98	– 80 255
<b>September 2006</b>			
<ul style="list-style-type: none"> <li>Participated in the Investment Forum 2006 held by CLSA</li> <li>Participated in the Forum 2006 held by CICC</li> </ul>	✓ –	8 –	30 –
<b>October 2006</b>			
<ul style="list-style-type: none"> <li>Participated in the China Forum held by BNP Paribas</li> <li>Participated in the China Investment Forum held by Credit Suisse Warrants</li> <li>Participated in the Greater China Investment Forum 2006 held by Citibank</li> </ul>	✓ ✓ ✓	5 10 16	6 23 51
<b>November 2006</b>			
<ul style="list-style-type: none"> <li>Participated in the Asia Pacific Investment Summit 2006 held by Morgan Stanley</li> <li>Participated in the 2006 China Investment Frontier Meeting held by Goldman Sachs</li> <li>Participated in the Communication Day of metals and mining industries in China held by JP Morgan</li> <li>Participated in the 2006 Meeting of metals and mining industries in China held by Macquarie</li> </ul>	✓ ✓ – –	12 10 11 –	20 14 30 10
<b>December 2006</b>			
<ul style="list-style-type: none"> <li>Roadshow in Japan presenting 2006 interim results of Company by the management</li> <li>Participated in the China Concept – Natural Resources held by CLSA</li> </ul>	✓ –	11 7	50 24