

Financial Highlights

(Prepared in accordance with International Financial Reporting Standards (“IFRS”))

The financial highlights are prepared based on the financial information set out in the audited consolidated statement of income, consolidated balance sheet, and consolidated statement of cash flows in 2006, 2005, 2004, 2003 and 2002.

OPERATING RESULTS

	Year ended 31st December				
	2006 (RMB'000)	2005 (RMB'000)	2004 (RMB'000)	2003 (RMB'000)	2002 (RMB'000)
Net sales					
Net sales of coal	11,846,948	11,353,485	10,354,337	6,794,335	6,213,901
including: Headquarters	11,710,664	11,353,485	10,354,337	6,794,335	6,213,901
Domestic	9,365,857	8,421,462	7,406,988	4,337,089	3,413,955
Export	2,344,807	2,932,023	2,947,349	2,457,246	2,799,946
Yancoal Australia Pty	114,409	-	-	-	-
Shanxi Nenghua	21,875	-	-	-	-
Net Income of Railway Transportation Services	160,399	163,437	220,771	154,585	142,471
Total Net Sales	12,007,347	11,516,922	10,575,108	6,948,920	6,356,372
Gross Profit	5,817,278	6,228,334	6,023,405	3,193,897	2,993,471
Interest Expenses	(26,349)	(24,611)	(35,942)	(59,966)	(117,929)
Income Before Income Taxes	3,726,624	4,419,973	4,673,332	1,974,918	1,748,212
Net Income attributable to equity holders of the Company	2,372,985	2,881,461	3,154,317	1,386,686	1,221,999
Earnings per Share	RMB0.48	RMB0.59	RMB0.66	RMB0.30	RMB0.43
Dividend per Share ⁽¹⁾	RMB0.200	RMB0.220	RMB0.260	RMB0.164	RMB0.104

Notes: (1) Dividend per share of year 2006 represents the dividend proposed.

ASSETS AND LIABILITIES

	31st December				
	2006 (RMB'000)	2005 (RMB'000)	2004 (RMB'000)	2003 (RMB'000)	2002 (RMB'000)
Net Current Assets	6,043,863	7,522,121	5,774,466	2,045,252	2,157,429
Net Book Value of Property, Plant and Equipment	12,139,939	9,318,486	8,537,150	8,616,373	8,276,941
Total Assets	23,458,749	21,254,444	18,336,697	13,909,804	12,924,045
Total Borrowings	403,138	231,827	441,057	650,859	1,261,341
Equity attributable to equity holders of the Company	18,931,779	17,618,577	15,523,751	11,083,239	9,995,033
Net Asset Value per Share	RMB3.85	RMB3.58	RMB5.05	RMB3.86	RMB3.48
Return on Net Assets (%)	12.53	16.35	20.32	12.51	12.23

Financial Highlights (Cont'd)

SUMMARY STATEMENT OF CASH FLOWS

	Year ended 31st December				
	2006 (RMB'000)	2005 (RMB'000)	2004 (RMB'000)	2003 (RMB'000)	2002 (RMB'000)
Net Cash from Operating Activities	3,767,156	3,939,274	4,418,381	2,701,236	2,239,712
Increase (Decrease) in Cash and Cash Equivalent	(1,149,916)	667,529	3,192,966	479,599	419,367
Net Cash Flow per Share from Operating Activities	RMB0.77	RMB0.80	RMB1.44	RMB0.94	RMB0.78

Notes:

As at 31st December, 2002 and 2003, the total share capital of the Company was 2,870 million shares; the total share capital was 3,074.0 million shares as at 31st December, 2004. As at 31st December, 2005 and 31st December, 2006, the total share capital of the Company was 4,918.4 million shares. Earnings per share in the above financial highlights is calculated according to the current net income attributable to the equity holders of the Company and the weighted average of shares over the years. The dividend per share, net asset value per share and net cash flow per share from operating activities in the above financial highlights are calculated based on the total share capital as at the end of each corresponding year of the Company.

The above financial indicators of year 2006 also consolidated the results of the financial statements of Shanxi Nenghua during this reporting period. Since 2005, the financial statements of the Company have consolidated the financial statements of Heze Nenghua. Since 2004, the financial statements of the Company have consolidated the financial statements of Shandong Yanmei Shipping Co. Ltd. ("Yanmei Shipping"), Yulin Nenghua and Yancoal Australia Pty.

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

Yulin Nenghua and Heze Nenghua are currently under project construction and do not have a significant impact on the operational results of the Company, and hence are not itemized in this report.

"Headquarters of the Company" exclude subsidiaries whose operation results have been consolidated into the consolidated financial statements. Those subsidiaries include Yumei Shipping, Zhongyan Trading Company Limited of Qingdao Bonded Area ("Zhongyan Trading"), Yulin Nenghua, Yancoal Australia Pty, Shanxi Nenghua and Heze Nenghua.