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兗 州 煤 業 股 份 有 限 公 司
**YANZHOU COAL MINING
COMPANY LIMITED**

*(a joint stock limited company incorporated in the
People's Republic of China with limited liability)*

FIRST QUARTERLY REPORT FOR THE YEAR 2003

IMPORTANT

This announcement is made pursuant to the disclosure requirement under Paragraph 2(2) of the Listing Agreement.

The Company's Board of Directors and the Directors confirm that this Report does not contain any false information, misleading statements or material omissions, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the content.

The Company's chairman, Mr. Mo Liqi, chief financial officer, Mr. Wu Yuxiang, and chief of the planning and finance department, Mr. Zhang Baocai, confirm that financial statements of the Report are true and complete.

The financial statements in the Report of the Company have not been audited.

Summary of the unaudited results for the first quarter ended 31st March 2003:

- This first quarterly report for the year 2003 (the "Report") is prepared in accordance with the regulations on Disclosure of Information in Quarterly Reports for Listed Companies of China Securities Regulatory Commission.
- All financial information contained in the Report is prepared in accordance with the PRC Generally Accepted Accounting Principles ("PRC GAAP"). The Company has also provided coal sales price calculated in accordance with the basis reflected in its previous periodical reports as announced overseas. Please refer to the section headed "Brief analysis of general operating performance during the period under review". Shareholders of the Company and public investors should be aware of investment risks when trading in shares in the Company.
- During the period under review, revenue from principal operations was RMB2,007.673 million, representing an increase of RMB247.132 million or 14.0% over the same period last year. Realized net profit was RMB259.214 million, representing an increase of RMB4.55 million or 1.8% over the same period last year.
- Unless otherwise specified, the currency in the Report is denominated in Renminbi.
- The information in this report is the same as that published by Shanghai Stock Exchange, and this report is published simultaneously in the PRC and overseas.

1. GENERAL INFORMATION

1.1 General Information

Stock abbreviation	Yanzhou Mei Ye	–	–
Stock abbreviation before change (if applicable)	–	–	–
Stock code	600188	1171	YZC
Listed Stock Exchange	Shanghai Stock Exchange	The Stock Exchange of Hong Kong Limited	The New York Stock Exchange, Inc.
	Secretary of the Board of Directors	Representative of Securities Business	
Name	Chen Guangshui	–	
Contact address	40 Fushan Road, Zoucheng, Shandong Province, PRC	–	
Tel	(86-537)-5382319	–	
Fax	(86-537)-5383311	–	
E-mail:	yzc@yanzhoucoal.com.cn	–	

YANZHOU COAL MINING COMPANY LIMITED

1.2 Financial Information

1.2.1 Major financial statistics and indexes

	At the end of this reporting period (unaudited)	At the end of the last financial year (audited)	Increase/ decrease (%)
Total assets (RMB)	13,325,895,301	12,983,548,363	2.6
Shareholders' equity (excluding minority interest) (RMB)	9,982,477,397	9,658,573,023	3.4
Net assets per share (RMB)	3.478	3.365	3.4
Net assets per share after adjustment (RMB)	3.423	3.326	2.9
	Reporting period (unaudited)	From the beginning of this year to the end of this reporting period (unaudited)	Increase/ decrease (%) of this reporting period over the same period last year
Net cash flow from operating activities (RMB)	235,041,725	235,041,725	-
Earnings per share (RMB)	0.090	0.090	1.8
Return on net assets (%)	2.60	2.60	-7.8
Return on net assets after deducting extraordinary gain and loss (%)	2.66	2.66	-7.3
Extraordinary gain and loss			Amount (RMB)
Non-operating income			22,875
Non-operating expenses			2,230,715
Impact on income tax			541,454
Total			1,666,386

1.2.2 Statement of income

Statement of income and profits appropriation

(For the three months ended 31st March)

Item	Unit: RMB Yuan			
	2003 The Group (unaudited)	2002 The Group (unaudited and restated)	2003 The Company (unaudited)	2002 The Company (unaudited and restated)
Net revenue from principal operations	2,007,673,447	1,760,361,148	2,007,673,447	1,760,361,148
Less: Cost of principal operations	941,393,989	744,793,510	941,406,089	747,284,066
Sales taxes and surcharges	24,672,746	32,677,576	24,672,746	32,656,812
Profit from principal operations	1,041,606,712	982,890,062	1,041,594,612	980,420,270

YANZHOU COAL MINING COMPANY LIMITED

Add: Profit from other operations	11,697,538	8,256,443	10,019,061	7,366,103
Less: Operating expenses	375,832,455	364,179,559	374,586,678	362,779,976
Administrative expenses	257,389,695	207,538,880	257,028,304	207,307,936
Financial expenses	16,095,229	10,606,120	16,095,399	10,611,801
Operating Profit	403,986,871	408,821,946	403,903,292	407,086,660
Add: Investment income	–	–	29,332	722,503
Subsidy income	4,495,207	–	4,495,207	–
Non-operating income	22,875	1,584,868	22,875	1,584,868
Less: Non-operating expenses	2,230,715	1,508,833	2,230,715	1,502,520
Total profit	406,274,238	408,897,981	406,219,991	407,891,511
Less: Income taxes	147,033,722	153,577,579	147,006,141	153,227,914
Minority interest	26,666	656,805	–	–
Net profit	259,213,850	254,663,597	259,213,850	254,663,597
Add: Unappropriated profits at the beginning of the year	1,751,708,336	1,197,704,033	1,751,872,206	1,197,704,033
Profit available for appropriation	2,010,922,186	1,452,367,630	2,011,086,056	1,452,367,630
Less: Appropriation to statutory common fund	–	–	–	–
Appropriation to statutory common welfare fund	–	–	–	–
Profits available for appropriation to shareholders	2,010,922,186	1,452,367,630	2,011,086,056	1,452,367,630
Less: Ordinary share dividend payable	–	–	–	–
Unappropriated profits	2,010,922,186	1,452,367,630	2,011,086,056	1,452,367,630
Supplemental information				
Item	The Group (first three months of 2003)	The Group (first three months of 2002)	The Company (first three months of 2003)	The Company (first three months of 2002)
Effect on changes in accounting treatment of Wei Jian Fei:				
– Decrease in total profit	Not applicable	56,955,582	Not applicable	56,955,582
– Increase in capital reserves	Not applicable	56,955,582	Not applicable	56,955,582

1.3 Number of shareholders as at 31st March, 2003

As at 31st March, 2003, the Company had a total of 64,924 shareholders, of which one was a holder of state legal person shares, 64,788 were holders of A Shares and 135 were holders of H Shares.

2. MANAGEMENT DISCUSSION AND ANALYSIS

2.1 Brief analysis of general operating performance during the period under review

(1) Brief analysis of general operating performance

During the period under review, the Company achieved stable growth in operating results through the continuous implementation of the operating strategies of increasing coal output and sales, and stabilizing export volume.

During the period under review, the Company's net revenue from principal operations was RMB2,007.673 million, representing an increase of RMB247.312 million or 14.0% over that of the same period in 2002. Income from the sales of coal was RMB1,973.906 million, which has increased by RMB250.882 million or 14.6% as compared with that of the same period last year. This was principally due to: (i) increase in sales volume which resulted in an increase in net revenue from principal operations by RMB367.684 million; (ii) decrease of coal price which resulted in a decrease of net revenue from principal operations by RMB116.802 million. Income from the special purpose coal transportation service (the "Railway Assets") was RMB33.767 million, representing a decrease of RMB3.57 million or 9.6% over the same period in 2002. This was mainly due to a decrease in volume of external transportation, which the customers bear the transportation expenses, over that of the same period in 2002.

During the period under review, the Company's cost of principal operations was RMB941.394 million, representing an increase of RMB196.6 million or 26.4% over that of the same period in 2002. Cost of coal sold was RMB920.994 million, which has increased by RMB190.313 million or 26.0% as compared with that of the same period last year. This was mainly due to an increase in sales volume and employees' wages. The unit cost of coal sold was RMB99.75/tonne, representing an increase of RMB3.73/tonne or 3.9% as compared with that of the same period in the previous year. This was mainly due to an increase in employees' wages. Cost of the services provided by the Railway Assets was RMB20.4 million, representing an increase of RMB6.287 million or 44.5% as compared with that of the same period in the previous year.

The Company's profit from principal operations increased by RMB58.717 million or 6.0% to RMB1,041.607 million as compared with that of the same period in 2002.

The Company's net profit increased by RMB4.55 million or 1.8% to RMB259.214 million as compared with that of the same period in 2002.

The Company's coal production increased by 1.29 million tonnes or 13.6% to 10.78 million tonnes as compared with that of the same period in 2002.

During the period under review, the Company sold 9.23 million tonnes of coal, representing an increase of 1.62 million or 21.3% over that of the same period in 2002. Sales to the domestic market was 5.87 million tonnes, representing an increase of 1.32 million tonnes or 29.0% over that of the same period in 2002. Sales to overseas market was 3.36 million tonnes, representing an increase of 0.3 million or 9.8% over that of the same period in 2002.

During the period under review, the Company's average coal price was RMB213.78/tonne, representing a decrease of RMB12.65/tonne or 5.6% as compared with that of the same period in 2002. The average domestic coal price was RMB185.24/tonne, representing a decrease of RMB2.61/tonne or 1.4% as compared with that of the same period in 2002. The average export coal price was RMB263.66/tonne, representing a decrease of RMB20.2/tonne or

7.1% as compared with that of the same period in 2002. The decrease in average coal price was principally due to: (i) sales of mixed coal and others with lower selling prices in domestic market increased substantially in the first quarter of 2003; and (ii) the coal export price for the first quarter of 2003 was the contract price determined in 2002. The coal export price in the first quarter of 2003 was lower than that of the same period last year.

The following table sets out the Company's coal prices during the period under review:

Unit: RMB/tonne

	First quarter of 2003	First quarter of 2002	For the year ended 31st December, 2002
Average sales price	213.78	226.43	225.63
Domestic sales	185.24	187.85	194.78
Export sales	263.66	283.86	269.53

During the period under review, coal transported by the Railway Assets reached 6.49 million tonnes, representing an increase of 0.28 million tonnes or 4.5% as compared with that of the same period last year.

(2) Coal sales prices calculated in accordance with the basis reflected in its previous periodical reports as announced overseas

As calculated in accordance with the basis reflected in its previous periodical reports as announced overseas, the average coal sales price in the first quarter of 2003 was RMB172.27/tonne, representing a decrease of RMB6.43/tonne or 3.6% over that of the same period last year. Average domestic sales price was RMB164.00/tonne, representing an increase of RMB1.69/tonne or 1.0% over that of the same period last year. Average export price was RMB186.73/tonne, representing a decrease of RMB16.37/tonne or 8.1% over that of the same period last year.

Coal sales prices calculated in accordance with the basis reflected in its previous periodical reports as announced overseas:

Unit: RMB/tonne

	First quarter of 2003	First quarter of 2002	For the year ended 31st December, 2002
Average sales price	172.27	178.70	177.30
Domestic sales	164.00	162.31	165.87
Export sales	186.73	203.10	193.55

(3) Sales of coal contracts and the sales target in 2003

For 2003, the Company has signed coal contracts and letter of intent for domestic market for 25.26 million tonnes, representing an increase of 4.68 million tonnes or 22.7% as compared with the actual sales volume in domestic market in 2002. The Company has signed coal contracts for 10.8 million tonnes and letters of intent for 14.46 million tonnes for the domestic market. The composite average coal price of the signed sales contracts for domestic market was RMB180.7/tonne (after taxes), representing an increase of RMB 1.9/tonne or 1.1% as compared with the actual average price level in 2002.

YANZHOU COAL MINING COMPANY LIMITED

The negotiation of long-term export coal contract has not yet been completed. It is expected that there will be a slight decrease in the Company's export coal price.

The sales volume target of the Company for 2003 is 38 million tonnes, as to 24 million tonnes for domestic market and 14 million tonnes for overseas markets.

- 2.1.1 Information on principal operations or products which contributed 10% or more to the revenue from principal operations or profit from principal operations.

Industries/ products	Net revenue from principal operations (RMB thousand)	Cost of principal operations (RMB thousand)	Gross profit ratio (%)
Coal mining & preparation	1,973,906	920,994	53.34
Including: connected transactions	48,945	22,837	53.34

- 2.1.2 Seasonal or periodical factors for the Company's operation:

☐ **Applicable** ☒ **Not applicable**

- 2.1.3 Financial information on results for the reporting period (major changes in the proportion of the following items which constituted the total profit as compared with 2002 and the reasons thereof: profit from principal operations, profit from other operations, expenses, investment income, subsidy income and net non-operating income and expenses).

	In relation to profit (%)				
	Period under review (RMB thousand)	For the financial year ended 31st December, 2002 (RMB thousand)	Period under review	For the financial year ended 31st December, 2002	Increase/ decrease (%)
Profit from principal operations	1,041,607	4,321,275	256.38	282.30	-9.2
Profit from other operations	11,698	30,153	2.88	1.97	46.2
Expenses	649,317	2,831,288	159.82	184.97	-13.6
Investment income	0	3,688	0.00	0.24	-100.0
Subsidy income	4,495	20,157	1.11	1.32	-15.9
Net non-operating income and expenses	-2,208	-13,270	-0.54	-0.87	-
Total profit	406,274	1,530,714	100.00	100.00	0.0

During the period under review, the proportion of the profit from other operations in the total profit of the Company increased from 1.97% to 2.88% as compared with the previous reported period, representing an increase of 46.2%. This was mainly due to an increase in profit from the sales of materials.

During the period under review, there was no investment income.

During the period under review, the proportion of net non-operating income and expenses in the total profit of the Company increased from -0.87% to -0.54% as compared with the previous reported period. This was mainly due to a decrease in non-operating expenses.

- 2.1.4 Details and explanation on major changes in principal operation and its composition as compared with the previous reported period.
☐ **Applicable** ☒ **Not applicable**
- 2.1.5 Details and explanation on major changes in the profit generating ability (gross profit ratio) of principal operations as compared with the previous reported period.
☐ **Applicable** ☒ **Not applicable**
- 2.2 Major events and their impact and analysis on the solutions
Construction of Jining Sihe coal port
The Company's Board of Directors held a meeting on 11th April, 2003, at which a resolution has been passed to approve the opening of an inland river route connecting Jining III coal mine to the Jinghang Grand Canal by the construction of the Jining Sihe Coal Port which is adjacent to Jining III coal mine. Details have been set out in domestic *Shanghai Security* and *China Securities*, *Wen Wei Po* and *South China Morning Post* of Hong Kong on 14th April, 2003.
- 2.3 Details and reasons for changes in accounting policies, accounting estimations, scope of consolidation and significant accounting errors.
☐ **Applicable** ☒ **Not applicable**
- 2.4 Explanations made by the Board and the Supervisory Committee under the situation that an audit report with non-standard opinion was issued.
☐ **Applicable** ☒ **Not applicable**
- 2.5 Caution and explanations for possible loss or material changes in net profit in the period from the beginning of this year to the end of the next reporting period as compared with the same period in last year.
☐ **Applicable** ☒ **Not applicable**
- 2.6 Subsequent changes on those already disclosed annual business plan or budget of the Company
☐ **Applicable** ☒ **Not applicable**

Note: The full versions of the Company's balance sheet, income statement and cash-flow statement for the three months ended 31st March, 2003, are published on the website of The Stock Exchange of Hong Kong Limited at <http://www.hkex.com.hk> and Shanghai Stock Exchange at <http://www.sse.com.cn>.

By order of the Board of Directors of
Yanzhou Coal Mining Company Limited
Mo Liqi
Chairman of the Board

Zoucheng, PRC, 25th April, 2003

Yanzhou Coal Mining Company Limited

Yanzhou Coal Mining Company Limited
BALANCE SHEET
AT MARCH 31, 2003

Unit: RMB Yuan

ASSETS	The Group		The Company	
	March 31, 2003 (Unaudited)	December 31, 2002 (Audited)	March 31, 2003 (Unaudited)	December 31, 2002 (Audited)
CURRENT ASSETS				
Bank balances and cash	1,691,668,315	1,595,933,728	1,685,302,955	1,592,397,958
Current investments	88,702,100	88,702,100	88,702,100	88,702,100
Notes receivable	385,603,104	239,974,223	385,603,104	239,974,223
Dividends receivable	-	-	-	655,479
Accounts receivable	569,806,128	573,446,193	569,806,128	573,446,193
Other receivables	465,257,646	223,141,786	465,214,107	222,698,314
Prepayments	143,651,629	146,339,631	143,348,642	145,812,599
Subsidies receivable	325,144,827	342,595,878	325,144,827	342,595,878
Inventories	602,087,762	576,579,303	592,805,528	569,496,944
Deferred expenses	155,959,086	110,560,888	155,959,086	110,560,888
TOTAL CURRENT ASSETS	4,427,880,597	3,897,273,730	4,411,886,477	3,886,340,576
LONG-TERM EQUITY INVESTMENTS	31,897,684	31,897,684	35,414,882	36,672,090
FIXED ASSETS				
Fixed assets - cost	13,630,339,424	13,632,796,969	13,629,526,400	13,631,983,945
Less: Accumulated depreciation	5,721,780,835	5,480,779,065	5,721,534,781	5,480,563,829
Fixed assts - net book value	7,908,558,589	8,152,017,904	7,907,991,619	8,151,420,116
Materials for constructing fixed assets	1,837,241	1,899,659	1,837,241	1,899,659
Fixed assets under construction	184,235,739	123,022,757	184,235,739	123,022,757
TOTAL FIXED ASSETS	8,094,631,569	8,276,940,320	8,094,064,599	8,276,342,532
INTANGIBLE ASSETS	771,485,451	777,436,629	771,485,451	777,436,629
TOTAL ASSETS	13,325,895,301	12,983,548,363	13,312,851,409	12,976,791,827

Prepared by Yanzhou Coal Mining Company Limited

Legal representative:	Mo Liqi
The person in charge of accountancy work:	Wu Yuxiang
The person in charge of the accounting department:	Zhang Baocai

Yanzhou Coal Mining Company Limited

Yanzhou Coal Mining Company Limited
BALANCE SHEET (continued)
AT MARCH 31, 2003

Unit: RMB Yuan

LIABILITIES AND SHAREHOLDERS' EQUITY	The Group		The Company	
	March 31, 2003 (Unaudited)	December 31, 2002 (Audited)	March 31, 2003 (Unaudited)	December 31, 2002 (Audited)
CURRENT LIABILITIES				
Notes payable	114,570,000	108,001,674	114,570,000	108,001,674
Accounts payable	526,028,743	557,175,701	521,690,543	556,939,363
Advances from customers	164,074,313	171,826,093	160,460,579	170,508,547
Salaries and wages payable	46,406,175	46,389,189	46,406,175	46,389,189
Dividends payable	298,480,000	298,480,000	298,480,000	298,480,000
Taxes payable	331,079,776	206,139,942	331,382,397	206,021,490
Other payables	383,184,533	542,999,385	382,157,156	542,851,634
Accured expenses	42,989,624	-	42,989,624	-
Provision	126,254,578	83,043,947	126,254,578	83,043,947
Long-term payable due within one year	13,247,800	13,247,800	13,247,800	13,247,800
TOTAL CURRENT LIABILITIES	2,046,315,542	2,027,303,731	2,037,638,852	2,025,483,644
LONG-TERM LIABILITIES				
Long-term loan	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Long-term payable	92,735,160	92,735,160	92,735,160	92,735,160
TOTAL LONG-TERM LIABILITIES	1,292,735,160	1,292,735,160	1,292,735,160	1,292,735,160
TOTAL LIABILITIES	3,339,050,702	3,320,038,891	3,330,374,012	3,318,218,804
MINORITY INTEREST	4,367,202	4,936,449	-	-
SHAREHOLDERS' EQUITY				
Share capital	2,870,000,000	2,870,000,000	2,870,000,000	2,870,000,000
Capital reserves	4,519,211,864	4,454,521,340	4,519,211,864	4,454,521,340
Surplus reserves	582,343,347	582,343,347	582,179,477	582,179,477
Including: Statutory common welfare fund	194,141,761	194,141,761	194,059,826	194,059,826
Retained earnings	2,010,922,186	1,751,708,336	2,011,086,056	1,751,872,206
TOTAL SHAREHOLDERS' EQUITY	9,982,477,397	9,658,573,023	9,982,477,397	9,658,573,023
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13,325,895,301	12,983,548,363	13,312,851,409	12,976,791,827

Prepared by Yanzhou Coal Mining Company Limited

Legal representative: Mo Liqi
The person in charge of
accountancy work: Wu Yuxiang
The person in charge of
the accounting
department: Zhang Baocai

Yanzhou Coal Mining Company Limited

Yanzhou Coal Mining Company Limited
STATEMENT OF INCOME AND PROFITS APPROPRIATION
FOR THE PERIOD ENDED MARCH 31, 2003

Unit: RMB Yuan

	3 MONTHS ENDED MARCH 31			
	The Group		The Company	
	2003 (Unaudited)	2002 (Unaudited & Restated)	2003 (Unaudited)	2002 (Unaudited & Restated)
Net revenue from principal operations	2,007,673,447	1,760,361,148	2,007,673,447	1,760,361,148
Less: Cost of principal operations	941,393,989	744,793,510	941,406,089	747,284,066
Sales taxes and surcharges	24,672,746	32,677,576	24,672,746	32,656,812
Profit from principal operations	1,041,606,712	982,890,062	1,041,594,612	980,420,270
Add: Profit from other operations	11,697,538	8,256,443	10,019,061	7,366,103
Less: Operating expenses	375,832,455	364,179,559	374,586,678	362,779,976
Administrative expenses	257,389,695	207,538,880	257,028,304	207,307,936
Financial expenses	16,095,229	10,606,120	16,095,399	10,611,801
Operating profit	403,986,871	408,821,946	403,903,292	407,086,660
Add: Investment income	-	-	29,332	722,503
Subsidy income	4,495,207	-	4,495,207	-
Non-operating income	22,875	1,584,868	22,875	1,584,868
Less: Non-operating expenses	2,230,715	1,508,833	2,230,715	1,502,520
Total profit	406,274,238	408,897,981	406,219,991	407,891,511
Less: Income taxes	147,033,722	153,577,579	147,006,141	153,227,914
Minority interest	26,666	656,805	-	-
Net profit	259,213,850	254,663,597	259,213,850	254,663,597
Add: Unappropriated profits at the beginning of the period	1,751,708,336	1,197,704,033	1,751,872,206	1,197,704,033
Profit available for appropriation	2,010,922,186	1,452,367,630	2,011,086,056	1,452,367,630
Less: Appropriations to statutory common reserve fund	-	-	-	-
Appropriations to statutory common welfare fund	-	-	-	-
Profits available for appropriation to shareholders	2,010,922,186	1,452,367,630	2,011,086,056	1,452,367,630
Less: Ordinary share dividend payable	-	-	-	-
Unappropriated profits at the end of the period	2,010,922,186	1,452,367,630	2,011,086,056	1,452,367,630

SUPPLEMENTAL INFORMATION:

Effect due to changes in accounting treatment of Wei Jian Fei	3 MONTHS ENDED MARCH 31			
	The Group		The Company	
	2003	2002	2003	2002
- Decrease in total profit	N/A	56,955,582	N/A	56,955,582
- Increase in capital reserves	N/A	56,955,582	N/A	56,955,582

Prepared by Yanzhou Coal Mining Company Limited

Legal representative: **Mo Liqi**
The person in charge of
accountancy work: **Wu Yuxiang**
The person in charge of
the accounting
department: **Zhang Baocai**

Yanzhou Coal Mining Company Limited

Yanzhou Coal Mining Company Limited
CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2003

Unit: RMB Yuan

	3 MONTHS ENDED MARCH 31, 2003	
	The Group (Unaudited)	The Company (Unaudited)
1.CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from sales of goods or rendering of services	2,033,378,041	2,031,081,853
Refund of taxes	17,451,051	17,451,051
Other cash received relating to operating activities	173,086,530	169,951,218
Sub-total of cash inflows	2,223,915,622	2,218,484,122
Cash paid for goods and services	480,386,531	482,219,166
Cash paid to and on behalf of employees	338,737,147	338,579,088
Taxes and surcharges paid	145,614,991	145,471,834
Other cash paid relating to operating activities	1,024,135,228	1,022,539,831
Sub-total of cash outflows	1,988,873,897	1,988,809,919
NET CASH FLOW FROM OPERATING ACTIVITIES	235,041,725	229,674,203
2.CASH FLOW FROM INVESTING ACTIVITIES		
Cash received from return on investments	-	1,942,019
Net cash received from disposal of fixed assets and other long-term assets	29,249	29,249
Sub-total of cash inflows	29,249	1,971,268
Cash paid to acquire fixed assets and other long-term assets	121,250,474	121,250,474
Increase in restricted cash	1,380,045	1,380,045
Sub-total of cash outflows	122,630,519	122,630,519
NET CASH FLOW FROM INVESTING ACTIVITIES	(122,601,270)	(120,659,251)
3.CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid to minority shareholder by a subsidiary	595,913	-
Cash paid for interest expenses	17,490,000	17,490,000
Sub-total of cash outflows	18,085,913	17,490,000
NET CASH FLOW FROM FINANCING ACTIVITIES	(18,085,913)	(17,490,000)
4.EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH	-	-
5.NET INCREASE IN CASH AND CASH EQUIVALENTS	94,354,542	91,524,952

Prepared by Yanzhou Coal Mining Company Limited

Legal representative:
The person in charge of
accountancy work:
The person in charge of the
accounting department:

Mo Liqi
Wu Yuxiang

Zhang Baocai

Yanzhou Coal Mining Company Limited

Yanzhou Coal Mining Company Limited
CASH FLOW STATEMENT (continued)
FOR THE PERIOD ENDED MARCH 31, 2003

Unit: RMB Yuan

SUPPLEMENTAL INFORMATION:	3 MONTHS ENDED MARCH 31, 2003	
	The Group (Unaudited)	The Company (Unaudited)
1.RECONCILIATION OF NET PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net profit	259,213,850	259,213,850
Add: Minority interest	26,666	-
Depreciation of fixed assets	244,142,380	244,111,562
Provision for Wei Jian Fei	64,690,524	64,690,524
Amortization of intangible assets and other assets	5,951,178	5,951,178
Losses on disposal of fixed assets and other long-term assets	256,596	256,596
Decrease(increase) in deferred expenses	(45,398,198)	(45,398,198)
Increase(decrease) in accrued expenses	42,989,624	42,989,624
Financial expenses	17,490,000	17,490,000
Loss (profit) on investment	-	(29,332)
Decrease (increase) in inventories	(25,508,459)	(23,308,584)
Decrease (increase) in receivables under operating activities	(363,160,623)	(363,784,601)
Increase (decrease) in payables under operating activities	34,348,187	27,491,584
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>235,041,725</u>	<u>229,674,203</u>
2.NET INCREASE IN CASH AND CASH EQUIVALENTS:		
Cash at the end of the period	1,638,527,674	1,632,162,314
Less: Cash at the beginning of the period	<u>1,544,173,132</u>	<u>1,540,637,362</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>94,354,542</u>	<u>91,524,952</u>

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Please also refer to the published version of this announcement in the South China Morning Post dated 28 April 2003.