

CODE OF ETHICS AND PROFESSIONAL CONDUCT FOR OFFICERS OF YANZHOU COAL MINING COMPANY LIMITED

(Adopted at the 14th Meeting of the 2nd Board of Directors on June 25, 2004)

I. OBJECTIVES

This *Code of Ethics And Professional Conduct for Officers of Yanzhou Coal Mining Company Limited* (the “**Code**”) has been formulated to regulate the professional conduct of the Company’s officers, to establish the good practice of honesty in performing his/her duties and diligence in, and dedication to, his/her work, and to prevent unethical conduct and acts detrimental to the interests of the Company and its shareholders.

II. SCOPE OF APPLICABILITY

This Code is applicable to the Company’s Chairman of the Board, Vice Chairmen of the Board, General Manager, Deputy General Managers, Chief Financial Officer, Secretary of the Board of Directors, Chief Engineer, Finance Department Manager and Audit Department Manager (collectively, “**Officers**”).

This Code is also binding on the professional conduct of all those persons holding corresponding positions in the Company’s branches and the subsidiaries in which the Company has a controlling interest.

Paragraph 4 of Article III and paragraph 2 of Article IV hereof shall also be binding on the Company’s legal counsel in China and abroad when they provide legal advice relating to the Company’s business.

III. GOOD PROFESSIONAL ETHICS AND CONDUCT

The Company’s Officers shall strictly abide by the following code of professional ethics and conduct when performing the duties and responsibilities of their positions:

1. Observance of Laws, Statutes, Rules and Regulations

In all activities relating to corporate affairs in which they engage, Officers shall strictly observe the PRC laws, statutes, rules and regulations. As the Company’s shares are listed on the Shanghai, Hong Kong and New York stock exchanges, Officers shall observe the securities laws and statutes of the PRC, Hong Kong and the U.S.A. and the Listing Rules of the Shanghai Stock Exchange, the Stock Exchange of Hong Kong and the New York Stock Exchange when tending to affairs relating to the Company’s securities.

2. Good Faith and Ethical Conduct

In all activities relating to corporate affairs in which they engage, Officers shall abide by and cause others to similarly abide by the principles of good faith and ethical conduct. The principles of good faith and moral conduct mainly mean that in the reasonable judgment of anyone engaging in

professional conduct identical to that of the Company's Officers, there should be no illegal conduct such as deception, concealment, etc. The principles of good faith and ethical conduct include, but are not limited to, strictly observing all of the Company's rules and regulations.

3. Complete, Fair, Accurate, Timely and Easily Understandable Disclosures

As required by applicable securities laws, statutes, rules and regulations and by the stock exchanges in the places where the Company is listed and pursuant to the Company's disclosure control procedures, Officers shall take measures at their own initiative to cause the information disclosed in the Company's filings with or submissions to domestic and foreign securities regulators and stock exchanges and that disclosed to stock markets to be complete, fair, accurate, timely and easy to understand.

4. Principle of Avoidance of Conflicts of Interest

If a conflict with the personal interests of an Officer arises during the performance of the duties and responsibilities of his/her position, the Officer shall deal with the same in conformity with the principles of good faith and ethical conduct and take measures to avoid the conflict of interest. This provision equally applies to persons appointed to resolve issues or provide advice pursuant to this Code, including legal counsel and lawyers hired by the Company.

IV. ACCOUNTABILITY

1. Explanation

At the request of the Audit Committee or the relevant Officer, the Company's legal counsel shall explain whether the professional conduct of an Officer violates the requirements of this Code or whether an act by such Officer was unethical, after which the Board of Directors of the Company or the Audit Committee as authorized by the Board of Directors shall rule thereon.

2. Reporting of Illegal or Unethical Conduct

If any employee of the Company or its legal counsel discovers an instance in which the professional conduct of an Officer might be in violation of this Code, he/she must immediately notify the Audit Committee thereof, which will then conduct a preliminary investigation. Unless there is an absence of specific evidence, the Audit Committee shall, in accordance with paragraph 1 of Article IV hereof, request the Company's legal counsel to explain whether the professional conduct of the Officer in question violated the requirements of this Code or whether an act by such Officer was unethical and shall then proceed to discuss and evaluate the matter while making reference to the explanation. The results of the discussion and evaluation shall be submitted to the Board of Directors for a ruling, unless the Board of Directors has authorized the Audit Committee to make the ruling or the Audit Committee issues a waiver in accordance with paragraph 4 of Article IV hereof.

3. Punishment of Violations of the Code

The decision to impose punishment for a violation of the Code shall be made by the Board of Directors or the Audit Committee after authorization by the Board of Directors. The specific punishment shall depend on the seriousness of the circumstances and range between the lightest punishment, a written reprimand, and the heaviest, removal from office and referral to the securities regulator or judicial authority for investigation.

4. Waiver

The Audit Committee has the authority, at the discussion and evaluation stage, to waive the liability of an Officer who has violated the Code (excluding, however, the corresponding legal liability). Any waiver and the reasons therefor shall be disclosed to the securities regulator and the Company's shareholders in accordance with paragraph 3 of Article III hereof.

5. Record

The Company's Audit Committee and legal counsel shall keep a detailed record of investigations, discussions, evaluations and rulings relating to the suspected non-observance of this Code or any unethical act by Officers. The scope of the records kept by the legal counsel shall be limited to the explanation or investigation activities he/she participated in at the request of the Audit Committee or the Officer(s).

V. DISCLOSURE OF THIS CODE

The English and Chinese versions of this Code will be posted on the Company's website. In the event that anyone requests to consult this Code, the Company shall provide him/her with a copy of the English version or the Chinese version free of charge.

Any revisions of this Code shall be disclosed in a similar fashion.

VI. APPROVAL AND REVISION

This Code shall be approved, and through the same procedure revised, by the Company's Board of Directors.