

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 Three Quarters Report for the Year 2002

IMPORTANT

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

The Board of Directors of the Company confirms that this report does not contain any false information, misleading statements or material omissions and accepts joint and several responsibilities for the truthfulness, accuracy and completeness of the content. These financial statements of the first three quarters report have not been audited.

The unaudited First Three Quarters Report ended on 30th September, 2002 ("First Three Quarters Report").

- This First Three Quarters Report is prepared in accordance with the regulations on Disclosure of Information in Quarterly Reports for Listed Companies by the China Securities Regulatory Commission and Shanghai Stock Exchange.
- All financial information contained in this First Three Quarters 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 annual reports and interim reports as announced in Hong Kong. Please refer to the section headed "Coal sales prices calculated in accordance with the basis reflected in its previous annual reports and interim reports as announced in Hong Kong" for details. Shareholders of the Company and public investors should be aware of investment risks when trading shares in the Company.
- During the first three quarters of 2002, revenue from principal operations was RMB5,943.135 million, representing an increase of RMB1,122.18 million or 23.3% over the same period last year. Realized net profit was RMB842.6 million, representing an increase of RMB265.632 million or 46.0% over the same period last year.
- Unless otherwise specified, the currency in this First Three Quarters Report shall be denominated in RMB.
- The information in this report is the same as that published by the Shanghai Stock Exchange and this report is published simultaneously in the PRC and Hong Kong.

Yanzhou Coal Mining Company Limited

I. GENERAL INFORMATION OF THE COMPANY

1. Corporate Information

- (1) Places of listing, stock code and ticker symbol
A Shares: The Shanghai Stock Exchange
Ticker Symbol: 600188
Stock Abbreviation: Yanzhou Mei Ye
H Shares: The Stock Exchange of Hong Kong Limited
Share Code: 1171
ADRs: The New York Stock Exchange, Inc.
Ticker Symbol: YZC
- (2) Company Secretary: Chen Guangshui
Contact Address: 40 Fushan Road Zoucheng Shandong Province, PRC
Office of the Secretary of the Board of Directors
Tel: (86-537)-5382319
Fax: (86-537)-5383311
E-mail: yzc@yanzhoucoal.com.cn

2. Principal Financial Data and Index

Item	Unit	January-September in 2002 Unaudited
Net Profit	RMB'000	842,600
Net Profit after deduction of extraordinary gain and loss	RMB'000	850,386
Return on net assets	%	8.65
Earnings per share	RMB/share	0.29

Note: The extraordinary gain and loss deducted include: non-operating income of RMB2.204 million, non-operating expenses of RMB12.441 million, and impact on income tax RMB2.452 million.

Item	Unit	30th September,2002 (unaudited)	31st December,2001 (audited)
Shareholder's equity	RMB'000	9,738,628	8,723,328
Net asset value per share	RMB/share	3.39	3.04
Net asset value per share after adjustment	RMB/share	3.34	3.00

II. CHANGES IN SHARE CAPITAL AND SHAREHOLDING OF MAJOR SHAREHOLDERS

1. Changes in Share Capital

For the period under review, there was no change in the total number of shares and the share structure of the Company compared with the beginning of the year.

2. Information of Major Shareholders

- (1) Total number of shareholders at the end of the period under review:
The company has 69,843 shareholders as at 30th September, 2002.

Yanzhou Coal Mining Company Limited

(2) Shareholding of Top Ten Shareholders:

Shareholder's name	Class of Shares held	Number of Shares held at end of this period	Percentage Holding (%)
Yankuang Group Corporation Limited	State legal person shares	1,670,000,000	58.19
HKSCC Nominees Limited	H shares	1,017,292,000	35.45
Haitong Securities	A shares	4,563,650	0.16
Fenghe Value	A shares	2,756,116	0.10
Jingfu Fund	A shares	2,330,432	0.08
Shanghai National Investment	A shares	2,228,000	0.08
Dongfeng Automobile Co., Ltd.	A shares	1,779,748	0.06
Puhui Fund	A shares	1,402,042	0.05
Sichuan Changhong Electric Co., Ltd.	A shares	1,212,200	0.04
Kerui Fund	A shares	1,102,574	0.04

Yankuang Group Corporation Limited (the "Parent Company") held the shares on behalf of the State. None of the shares held by the Parent Company were pledged or restricted during the period under review.

As the clearing and settlement agent for the Company's H Shares, HKSCC Nominees Limited acts as an agent in holding the Company's H Shares.

The Company was not aware of connected relations among its top ten shareholders.

The following shareholders became the top ten shareholders of the Company through subscription of the newly issued A shares:

Shareholder's name	Agreed period of holding the shares Beginning date	Ending date
Dongfeng Automobile Co., Ltd.	3rd January,2001	20th May,2001
Sichuan Changhong Electric Co., Ltd.	3rd January,2001	20th May,2001

III. DISCUSSION AND ANALYSIS OF BUSINESS OPERATION

1. Business Operation

- (1) The Company was principally engaged in underground mining, preparation and sales of coal as well as railway transportation of coal.
- (2) From January to September of 2002, the Company significantly improved its performance through continued implementation of its operating strategy by increasing the production and sales of coal as well as enlarging the export volume of coal. For the first three quarters ended September 2002, income derived from its principal activities was RMB5,943.135 million, among which coal sales income accounted for 5,839.802 million, representing an increase of RMB1,018.847 million or 21.1% over the same period last year. External transportation income derived from the newly acquired railway assets specially for coal transportation (the "Railway Assets") was RMB103.333 million.

Cost of the Company's principal operations was RMB2,584.131 million, among which the external transportation cost of the Railway Assets was RMB36.012 million. Without taking into account of the effects of the acquisition of the Railway Assets, cost of the Company's principal operations was RMB2,548.119 million, representing an increase of RMB297.650 million or 13.2% over the same period last year. Such increase was mainly due to a significant increase in the sales of coal. The unit cost of goods sold of the Company increased by RMB2.72 per tonne, or 2.8%, to RMB98.53 per tonne in the first three quarters of 2002 compared with the same period of 2001. This was principally due to an increase in the sales of the proportion of washed clean coal.

Profit realized from principal activities was RMB3,289.67 million, representing a growth of RMB777.783 million or 31.0% over the same period last year.

Net profit realized was RMB842.6 million, representing a growth of RMB265.632 million or 46.0% over the same period last year.

During the period under review, the Company's raw coal production was 28.783 million tonnes, representing an increase of 3.191 million tonnes or 12.5% over the same period last year. Production of salable coal was 27.013 million tonnes, representing an increase of 2.827 million tonnes or 11.7% over the same period last year.

During the period under review, coal sales was 25.862 million tonnes, representing an increase of 2.373 million tonnes or 10.1% as compared with the same period last year. Out of this, domestic sales was 14.99 million tonnes, representing an increase of 822 thousand tonnes or 5.8% and export sales was 10.872 million tonnes, representing an increase of 1.551 million tonnes or 16.6% as compared with the same period last year.

The Company's average coal sales price for the year was RMB225.80/ton, representing an increase of RMB20.58/ton or 10.0%, as compared with the same period last year, or an increase of RMB17.35/ton or 8.3%, as compared with the average coal sales price in 2001. Out of this, the average coal price of domestic sales increased by 14.0%, while that of export coal sales increased by 2.2%.

- (3) Coal sales prices calculated in accordance with the basis reflected in its previous annual reports and interim reports as announced in Hong Kong (The prices represent the invoice prices for sale of coal of the Company minus sales taxes, transportation cost from the Company to the ports, port charges and miscellaneous fees.)

Unit: RMB/ton

	Average coal price from Jan. to Sep.(taking into account the effects of the Railway Asset)	Average coal price from Jan. to Sep. excluding effects of Railway Asset (on the same basis as last year)	Average coal price in the same period last year	Average coal price in 2001
Average sales price	177.52	170.14	154.45	157.11
Export sales including:	193.66	180.16	178.70	179.71
Domestic sales	165.81	162.87	138.50	141.53

As calculated in accordance with the basis reflected in its previous annual reports and interim reports announced in Hong Kong, the average coal sales price in the first three quarters, without taking into account of the effects of the Railway Assets acquisition, was RMB170.14/ton, representing an increase of RMB15.69/ton or 10.2% over the same period last year. Among which, the average export sales price was RMB180.16/ton, representing an increase of RMB1.46/ton or 0.8% over the same period last year; and the average domestic sales price was RMB162.87/ton, representing an increase of RMB 24.37/ton or 17.6% over the same period last year. When compared with the average sales price in 2001, there was an increase of RMB13.03/ton or 8.3%.

- (4) Analysis of the Operating Performance of the Railway Assets.

The Company acquired the Railway Assets from the Parent Company at the beginning of 2002. To reflect the contributions of the acquired Railway Assets, the operating results of the Railway Assets from January to September of 2002 was presented separately as an independent operation division.

Prior to the acquisition of the Railway Assets, for coal products sold to customers from the ports and transported by the Railway Assets, the Company settled the accounts with the customers at FOB prices. The Company bore the transportation expenses incurred on the Railway Assets and made payments to the Parent Company. Such expenses were calculated as operating cost of the Company on a State recognized price basis. For coal products transported directly to the customers by trains, the Company settled the accounts with the customers at ex-mine prices. The customers bore the transportation expenses incurred on the Railway Assets and made payments to the Parent Company through the Company.

After the Railway Assets acquisition, the Company bears transportation expenses incurred on Railway Assets for coal products sold on FOB terms. When accounting for the Railway Assets as an independent operating division, this transportation is treated as internal transportation. The transportation charges were calculated as the Railway Assets' income from internal transportation, which offset against the operating cost of the Company when consolidating the statements. The cost of such transportation was included in the internal transportation cost of the Railway Assets before the consolidation of the statements, and included in the operating cost of the Company when consolidating the statements. For the settlement of the coal products sold on ex-mine terms, the customers bear the transportation expenses incurred on the Railway Assets. Transportation through the Railway Assets is treated as external transportation and the transportation income derived is included in the operating income of the Company. Cost of such transportation was included as the principal operating cost of the Company.

Yanzhou Coal Mining Company Limited

Main operation figures of the Railway Assets as an independent operation division are as follows:

Items	January to September, 2002
1. Income from Railway Transportation (RMB'000)	395,821
Transportation Volume (tonne)	19,996,564
Freight charges (RMB/tonne)	19.79
Including: (i) Income from External Transportation (RMB'000)	103,333
Transportation Volume (tonne)	6,039,321
Freight charges (RMB/tonne)	17.11
(ii) Income from Internal Transportation (RMB'000)	292,488
Transportation Volume (tonne)	13,957,243
Freight charges (RMB/tonne)	20.96
2. Cost of Railway Transportation (RMB'000)	137,722
Including: Cost of External Transportation (RMB'000)	36,012
Cost of Internal Transportation (RMB'000)	101,710
3. Contribution to the Net Income of the Company (RMB'000)	101,962

2. Brief analysis of operating performance and financial status

(1) Income and profit from principal activities and net profit

Item	Amount (thousand)		Increase/ decrease	
	Jan-Sep, 2002	Jan-Sep, 2001		(+/-)%
Income from principal activities	5,943,135	4,820,955		23.28
Profit from principal activities	3,289,670	2,511,887		30.96
Net profit	842,600	576,968		46.04

The realized income from principal activities from January to September of 2002 was RMB5,943.135 million, representing an increase of RMB1,122.18 million or 23.3% over the same period last year. The increase was mainly attributable to the increase in coal price and sales volume, which separately increased revenue from principal activities of RMB532.245 million and RMB486.602 million, respectively; and the newly acquired Railway Asset, which contributed an external transportation income of RMB103.333 million.

The realized profit from principal activities in the first three quarters of 2002 was RMB3,289.67 million, representing an increase of RMB777.783 million or 31.0% over the same period last year. The net profit realized is RMB842.6 million, representing an increase of RMB265.632 million or 46.0% over the same period last year. The increase was mainly attributable to the increase in principal activities income.

(2) Percentage of revenue and expenses in relation to gross profit

Item	Amount (thousand)		% in relation to profit		
	Jan-Sep, 2002	Jan-June, 2002	Jan-Sep, 2002	Jan-June, 2002	Increase/ decrease (+/-)%
Profit from principal activities	3,289,670	2,157,266	259.24	246.37	5.22
Profit from other activities	24,599	19,257	1.94	2.20	-11.82
Expenses during the period	2,037,084	1,298,142	160.53	148.25	8.28
Subsidy	2,035	0	0.16	0.00	100.00
Net non-operating income/expenses	-10,237	-2,746	-0.81	-0.31	-
Gross profit	1,268,984	875,635	100.00	100.00	0.00

There was no significant change in the percentage of revenue and expenses in relation to gross profit during the period under review when compared with the period previously reported.

Yanzhou Coal Mining Company Limited

(3) Analysis of financial status

Item	Amount (thousand)			% in relation to total assets		
	30th September, 2002	At the beginning of this year	30th June, 2002	30th September, 2002	At the beginning of this year	Increase/ decrease (+/-)%
Accounts receivable	457,354	550,785	702,159	3.58	4.85	-26.19
Other receivable	555,393	401,120	335,425	4.35	3.53	23.23
Inventories	555,591	439,882	627,329	4.35	3.88	12.11
Intangible Asset	742,338	497,875	747,274	5.82	4.39	32.57
Total assets	12,764,699	11,350,223	12,575,236	100.00	100.00	0.00

For the first three quarters ended 30th September 2002, the accounts receivable was RMB457.354 million, representing a decrease of RMB93.431 million or 17.0%, compared with that at the beginning of the year. The proportion of accounts receivable to total asset is reduced by 26.2%, compared with that at the beginning of the year. This was principally due to the fact that the Company has strengthened its efforts in the collection of receivables, resulting in a significant decrease in accounts receivable, which was RMB244.805 million less than that on 30th June, 2002.

Other receivable of the Company as at 30th September, 2002 was RMB555.393 million, representing an increase of RMB154.273 million or 38.5%, compared with that of the beginning of the year. The proportion of other receivables to total asset increased by 23.2%, compared with the proportion at the beginning of the year. This was mainly attributable to the increase in the prepayment of transportation expenses and other operating activities.

Inventories of the Company as at 30th September, 2002 was RMB555.591 million, representing an increase of RMB115.709 million or 26.3% compared with that of the beginning of the year. The proportion of Inventory to total assets increased by 12.1% compared with that at the beginning of the year. The increase was mainly due to (i) increased sales volume transported through the canals, resulting in a higher volume of coal in transit and (ii) increases in production and varieties of coal products offered for sale, resulting in higher volume of total coal stocks. Inventories stored at the warehouse of the Company decreased by RMB71.738 million, compared with that on 30th June, 2002.

Intangible asset was RMB742.338 million as at 30th September, 2002, representing an increase of RMB244.463 million or 49.1% compared with that of the beginning of the year. The proportion of intangible assets to total assets increased by 32.6% compared with the proportion at the beginning of the year. The increase was mainly attributable to the increase of land use right of the Railway Asset. It was RMB4.936 million less than that of 30th June, 2002.

3. Contingent and Post-report Matters

- (1) The Company was not involved in any material litigation or arbitration during the period under review.
- (2) The Company has not given any material guarantee or received any investment services during the period under review.

4. Other Significant Events

- (1) Acquisition of Jining III Coal Mine

The Company completed the acquisition of Jining III Coal Mine from the Parent Company on 1st January, 2001. The purchase price was RMB2,450.905 million. RMB2,364.271 million of the purchase price has been paid off by the Company with cash in hand and the net proceeds raised from the new issuance of shares. The remaining RMB86.634 million will be paid before 31st December, 2002.

The consideration of the mining right of Jining III is approximately RMB132.479 million, which shall be paid to the Parent Company in ten equal annual interest free installments, commencing from 2001. By the end of the period under review, the Company has paid the purchase price of RMB26.496 million.

- (2) Acquisition of Railway Assets

The Company completed the acquisition of the Railway Assets from the Parent Company on 1st January, 2002.

By end of the period under review, the Company has paid off RMB1,242.586 million for the purchase of the Railway Assets.

According to the *Acquisition Agreement for Railway Assets*, when annual transportation volume of the Railway Assets reaches 25 million tonnes, 28 million tonnes, 30 million tonnes in 2002, 2003, 2004 respectively, the company will pay RMB40 million to the Parent Company for each year before every 30th June in three years commencing in 2003.

(3) Significant connected transactions

The continuous connected transactions during the period under review have complied with the requirements stated in the disclosed agreements signed with the connected parties. According to the practice, there will be a detailed disclosure of the continuous connected transactions in the Annual Report for the year of 2002 of the Company.

The significant connected transaction was the acquisition of the Railway Assets from the Parent Company during the period under review and the details were set out in the section of "Acquisition of Railway Assets" section.

Except as those disclosed above, the Company has not involved in any other significant connected transactions during the reported period.

5. Significant correction of accounting error

The Company has resumed the contribution of maintenance Fee ("Wei Jian Fei") since 2002. The above adjustment was described as "changes in the accounting policy for the accrual of Wei Jian Fei" in the interim report of 2002 and, according to the relevant regulations, this adjustment was regarded as a "significant correction of accounting error".

6. Effects on the financial and operational status of the Company by the production/ operational environment as well as the changes in macro policies and regulations

There was no significant influence on the financial status of the Company by the production and operational environment and changes in macro policy.

In the first three quarters of 2002, the Company has achieved a steady increase in the operating results despite the fluctuations in coal prices in the domestic and international coal markets.

The domestic coal demand and supply were in balance, and there was a steady increase in coal price. In the first three quarters of 2002, the total coal production volume in China has increased significantly. Policies on coal industry that the central government continued to impose, i.e., measures in adjusting coal industry structure, closure of profit-losing coal mines and restraining surplus coal production capacity, promoted the balance of supply and demand in domestic coal market. Supported by the stable development of China's economy, the coal demand increased steadily.

In the first three quarters of 2002, the average domestic coal sales price for the Company was RMB194.41/ton, representing an increase of 14.0%, when compared with the annual average domestic coal price of 2001. It is estimated that the annual average domestic coal sales price will be higher than that of last year.

In 2002, the average export coal sales price is expected to remain similar to that of last year. The Company has set the annual coal export target of 14 million tonnes for 2002. In the first three quarters of 2002, the average export coal sales price was RMB 269.09/ton, representing an increase of 2.1%, compared with the annual average export coal price of 2001. It is predicted that the annual average export coal price will remain at a similar level to that of last year.

As the world oil price fluctuated dramatically since September, global coal demand has increased significantly. As a result, the spot price in the global coal market has recovered, ending the falling trend since the beginning of the year. The Australian BJ spot coal price, which is the index for global spot coal market, increased to USD 24.50/ton on 24th October, representing an increase of USD 2.50/ton or 11.4%, compared to the low point at the beginning of August. The recovery of coal price in the global coal market would be favourable to the Company to increase both of its export volume and export price.

The average coal sales price this year is expected to be higher than that of last year.

IV. FINANCIAL AND ACCOUNTING STATEMENTS

1. Financial Statements

- (1) Condensed consolidated balance sheet (unaudited)

Prepared by Yanzhou Coal Mining Company Limited

Unit: RMB thousand

	At the beginning of 2002	At the end of the period
Assets:		
Current assets	3,370,833	4,100,140
Long-term investment	1,760	1,760
Total fixed assets	7,209,066	7,496,034
Intangible and other assets	497,875	742,338
Total assets	11,350,223	12,764,699
Liabilities:		
Current liabilities	2,518,449	1,715,396
Long-term liabilities	105,983	1,305,983
Total liabilities	2,624,432	3,021,379
Minority interest	2,464	4,693
Shareholders' equity	8,723,328	9,738,628
Total liabilities and shareholders' equity	11,350,223	12,764,699

- (2) Condensed consolidated statement of income (unaudited)

Prepared by Yanzhou Coal Mining Company Limited

Unit: RMB thousand

	July-September in 2002	January-September in 2002
1. Net revenue from principal operations	2,162,765	5,943,135
2. Income from principal operations	1,132,405	3,289,670
add: Income from other operations	5,342	24,599
less: Expenses during the period	738,942	2,037,084
3. Operating Profit	398,805	1,277,186
Net non-operating income and expenses	-7,491	-10,237
4. Profit before Income Tax	393,349	1,268,984
Income tax	135,448	423,562
5. Net profit	257,654	842,600

2. Notes to Financial Statements

- (1) There are no significant changes in accounting policies, accounting estimates and scope of consolidated financial statements for the current period as compared with that for the period previously reported of the current year.
- (2) There are no significant changes in accounting policies compared with that for annual report.
- (3) No subsidiary, which should be consolidated, is excluded from the consolidated financial statements.

Yanzhou Coal Mining Company Limited

V. APPENDIX

Unaudited consolidated balance sheet of Yanzhou Coal Mining Company Limited

Prepared in accordance with PRC GAAP
30th September, 2002

	September 30, 2002		December 31, 2001	
	The Group RMB (Unaudited)	The Company RMB (Unaudited)	The Group RMB (Audited)	The Company RMB (Audited)
ASSETS				
CURRENT ASSETS				
Bank balance and cash	1,401,568,114	1,399,552,412	1,154,806,342	1,150,155,924
Short-term investments	89,997,305	89,997,305	49,997,305	49,997,305
Bills receivable	292,444,572	292,444,572	155,883,666	155,883,666
Accounts receivable	457,353,893	457,302,303	550,784,838	550,784,838
Other receivables	555,393,315	555,210,299	401,119,702	400,993,716
Prepayments	220,293,762	219,160,482	88,165,432	94,810,318
Value-added-tax refundable	360,710,938	360,710,938	419,145,249	419,145,249
Inventories	555,591,275	551,007,178	439,882,298	426,352,865
Deferred expenditures	166,787,134	166,787,134	111,048,395	111,048,395
TOTAL CURRENT ASSETS	4,100,140,308	4,092,172,623	3,370,833,227	3,359,172,276
Long-term investments	1,760,419	6,922,261	1,760,419	4,470,322
FIXED ASSETS				
Fixed assets at cost	12,799,960,428	12,799,467,704	11,702,052,041	11,701,559,317
Less: Accumulated depreciation	5,303,926,855	5,303,731,969	4,492,985,894	4,492,836,855
FIXED ASSETS, NET	7,496,033,573	7,495,735,735	7,209,066,147	7,208,722,462
Construction materials	8,865,947	8,865,947	1,697,068	1,697,068
Construction in progress	415,561,200	415,561,200	268,991,536	268,991,536
TOTAL FIXED ASSETS	7,920,460,720	7,920,162,882	7,479,754,751	7,479,411,066
Intangible assets	742,337,981	742,337,981	497,874,780	497,874,780
TOTAL ASSETS	12,764,699,428	12,761,595,747	11,350,223,177	11,340,928,444
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Notes payable	113,351,674	113,351,674	275,860,000	275,860,000
Accounts payable	530,783,512	533,140,051	553,982,959	552,320,331
Advance from customers	196,511,014	195,595,032	122,908,153	122,794,582
Payroll payable	38,514,699	38,514,699	36,130,872	36,130,872
Dividend payable	-	-	287,000,000	287,000,000
Taxes payable	180,281,966	180,520,599	104,422,929	103,629,887
Other payables	387,563,142	387,473,035	381,314,134	377,052,325
Accrued expenses	51,348,626	51,348,626	-	-
Provision for land subsidence costs	130,407,220	130,407,220	120,196,012	120,196,012
Long-term payable within one year	86,633,816	86,633,816	636,633,816	636,633,816
TOTAL CURRENT LIABILITIES	1,715,395,669	1,716,984,752	2,518,448,875	2,511,617,825
LONG-TERM LIABILITIES				
Long-term loan	1,200,000,000	1,200,000,000	-	-
Long-term payable	105,983,040	105,983,040	105,983,040	105,983,040
TOTAL LONG-TERM LIABILITIES	1,305,983,040	1,305,983,040	105,983,040	105,983,040
TOTAL LIABILITIES	3,021,378,709	3,022,967,792	2,624,431,915	2,617,600,865
MINORITY INTEREST	4,692,764	-	2,463,683	-

Yanzhou Coal Mining Company Limited

SHAREHOLDERS' EQUITY:

Share capital	2,870,000,000	2,870,000,000	2,870,000,000	2,870,000,000
Capital reserves	4,396,611,523	4,396,611,523	4,223,911,394	4,223,911,394
Surplus reserve	431,712,152	431,712,152	431,712,152	431,712,152
Including: Welfare fund	169,547,980	169,547,980	143,904,051	143,904,051
Unappropriated profits	2,040,304,280	2,040,304,280	1,197,704,033	1,197,704,033

TOTAL SHAREHOLDERS' EQUITY 9,738,627,955 9,738,627,955 8,723,327,579 8,723,327,579

TOTAL LIABILITIES AND

SHAREHOLDERS' EQUITY 12,764,699,428 12,761,595,747 11,350,223,177 11,340,928,444

Chairman: Mo Liqi

Chief Financial Officer: Wu Yuxiang

Chief of the Plan and Financial Department: Zhang Baocai

Unaudited Statement of Income and Profit Appropriations of Yanzhou Coal Mining Company Limited

Prepared in accordance with PRC GAAP

	3 months		9 months		3 months	9 months
	ended September 30, 2002		ended September 30, 2002		ended September 30, 2001	ended September 30, 2001
	The Group	The Company	The Group	The Company	The Company	The Company
	RMB	RMB	RMB	RMB	RMB	RMB
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net revenue from principal operations	2,162,764,863	2,162,764,863	5,943,134,909	5,943,134,909	1,734,950,351	4,820,955,263
Less: Cost of principal operations	1,011,516,455	1,010,715,010	2,584,131,075	2,589,394,690	786,304,287	2,250,469,314
Sales taxes on principal operations	18,843,760	18,833,663	69,333,365	69,200,729	11,263,686	58,599,241
Income from principal operations	1,132,404,648	1,133,216,170	3,289,670,469	3,284,539,490	937,382,378	2,511,886,708
Add: Income from other operations	5,342,235	4,129,228	24,599,395	18,981,927	7,891,933	27,517,093
Less: Operating expenses	467,352,547	467,665,626	1,248,634,438	1,245,127,172	426,383,774	1,162,026,688
Administrative expenses	258,092,147	257,893,749	743,956,704	743,242,805	195,453,936	539,841,616
Financial expenses	13,497,133	13,503,449	44,492,896	44,509,498	(17,999,126)	(25,578,168)
Operating profit	398,805,056	398,282,574	1,277,185,826	1,270,641,942	341,435,727	863,113,665
Add: Investment income	-	271,605	-	3,103,087	-	-
Subsidies	2,035,035	2,035,035	2,035,035	2,035,035	-	-
Non-operating income	453,537	453,537	2,203,890	2,203,890	3,685,441	3,954,596
Less: Non-operating expenses	7,944,557	7,940,603	12,441,130	12,430,863	776,214	6,194,290
Profit before income taxes	393,349,071	393,102,148	1,268,983,621	1,265,553,091	344,344,954	860,873,971
Less: Income taxes	135,447,813	135,447,813	423,562,319	422,952,844	112,069,191	283,906,331
Minority Interest	246,923	-	2,821,055	-	-	-
Net profit	257,654,335	257,654,335	842,600,247	842,600,247	232,275,763	576,967,640
Add: Unappropriated profits at the beginning of the period	1,782,649,945	1,782,649,945	1,197,704,033	1,197,704,033	1,152,580,634	807,888,757
Profits available for appropriation	2,040,304,280	2,040,304,280	2,040,304,280	2,040,304,280	1,384,856,397	1,384,856,397
Less: Appropriation to statutory common fund	-	-	-	-	-	-
Appropriation to common welfare fund	-	-	-	-	-	-
Profits available for appropriation to shareholders	2,040,304,280	2,040,304,280	2,040,304,280	2,040,304,280	1,384,856,397	1,384,856,397
Less: Dividends	-	-	-	-	-	-
Unappropriated profits at the end of the period	2,040,304,280	2,040,304,280	2,040,304,280	2,040,304,280	1,384,856,397	1,384,856,397
SUPPLEMENTAL INFORMATION:						
Effect on corrections of accounting errors:						
Decrease of total profit	56,915,280	56,915,280	172,700,130	172,700,130	51,606,468	153,552,852
Increase of capital reserve	56,915,280	56,915,280	172,700,130	172,700,130	51,606,468	153,552,852

Yanzhou Coal Mining Company Limited

Chairman: Mo Liqi
Chief Financial Officer: Wu Yuxiang
Chief of the Plan and Financial Department: Zhang Baocai

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

Shandong Province, the People's Republic of China, 29th October, 2002

Please also refer to the published version of this announcement in South China Morning Post dated 30 October 2002.